

**TITLE OF REPORT:** Cleveland Hall Community Association  
Lease Arrangements

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services and  
Governance

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### **Purpose of the Report**

1. To seek approval to (i) the surrender of the existing Lease and grant of a new Lease of Land and Buildings at Cleveland Hall Community Club and (ii) termination of the Partnership Agreement.

### **Background**

2. The property known as Land and Buildings at Cleveland Hall Community Club, shown edged black on the attached plan, is currently leased to The Trustees of Cleveland Hall Community Association (CHCA). The Lease was originally granted for a term of 25 years from 13 May 2008: this Lease was surrendered and a new 25 year Lease was granted from 6 March 2013. Under the terms of the Lease CHCA has full responsibility for repairs.
3. Alongside the original Lease, the Council and CHCA entered into a Partnership Agreement (the Agreement). The Agreement is still in place and sets out the running costs that the Council is responsible for throughout the duration of the Agreement. The costs incurred by the Council were £51,983 in 2016/17 and £25,005 in 2017/18.
4. The Agreement was subject to review on the 5<sup>th</sup> anniversary of the commencement of the agreement i.e. 13 May 2013, and annually thereafter with a view to reducing and eventually eliminating, if practicable, the revenue burden borne by the Council in relation to the property.
5. Following lengthy discussions with CHCA they have agreed to the Agreement being terminated on 31 March 2019, thus ending the Council's on-going financial support on that date. In return the Council has undertaken a range of repairs and improvements to the land and buildings at a cost of £101,996.
6. Terms have also been agreed for the surrender of the existing Lease and the grant of a new 35 year Lease. The new Lease is to commence on 1 April 2019 and will be at a peppercorn rent. Following the disposal of the adjacent site for housing the new lease also includes a small additional area of land shown hatched black on the attached plan.

## **Proposal**

7. It is proposed that the existing Lease is surrendered and a new Lease for a term of 35 years is agreed.
8. It is also proposed that the Partnership Agreement is terminated with effect from 31 March 2019.

## **Recommendations**

9. It is recommended that Cabinet:-
  - (i) Approves the surrender of the existing Lease and the grant of a new Lease for a term of 35 years as set out in this report.
  - (ii) Approves the Partnership Agreement being terminated with effect from 31 March 2019.

For the following reason:

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan;

## **APPENDIX: Cleveland Hall Community Association: Lease Arrangements**

### **Policy Context**

1. The proposal is consistent with the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives. In particular, using provision of community facilities to support and encourage people to improve their health and wellbeing.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan 2015-2020. In particular, using assets for the benefit of residents and ensuring they are effectively managed.

### **Consultation**

3. In preparing this report, consultations have taken place with the Leader, Deputy Leader and Cabinet Members for Communities and Volunteering. Ward Councillors for High Fell have also been consulted. There are no objections.

### **Alternative Options**

4. The alternative option was to continue with the existing arrangements but to do so would mean that the opportunity would have been lost to make revenue savings and improve the facilities at the property.

### **Implications of Recommended Option**

#### **5. Resources:**

- i. **Financial Implications** – The Strategic Director, Corporate Resources confirms that the renewal of the lease on the terms agreed will result in revenue savings of £20,127 per annum as all running costs will become the responsibility of Cleveland Hall Community Club from 1 April 2019.
- ii. **Human Resources Implications** – There are no implications arising from this recommendation.
- iii. **Property Implications** – The proposal will ensure the long term future of the building and mitigate the Council's financial liability for the property.

6. **Risk Management Implications** – There are no implications arising from this recommendation.

7. **Equality and Diversity Implications** – There are no implications arising from this recommendation.

8. **Crime and Disorder Implications** – There are no implications arising from this recommendation.

9. **Health Implications** – There are no health implications arising from this recommendation.

10. **Sustainability Implications** – There are no sustainability implications arising from this recommendation.
11. **Human Rights Implications** – There are no implications arising from this recommendation.
12. **Area and Ward Implications** – High Fell in the South area.
13. **Background Information** – None.