

**TITLE OF REPORT:**           **Property Transaction – Surplus Declaration and Lease of Worcester Green Day Centre (Community Asset Transfer)**

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

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### **Purpose of the Report**

1. To seek approval to (i) Worcester Green Day Centre being declared surplus and (ii) the grant of a 35 year lease to Gateshead Clubhouse.

### **Background**

2. Terms have been provisionally agreed in relation to the property transaction as set out in the attached appendix.

### **Proposal**

3. It is proposed to proceed with the property transaction outlined in the attached appendix.

### **Recommendations**

4. It is recommended that Cabinet:
  - (i) declares the property surplus to the Council's requirements;
  - (ii) approves the property transaction outlined in Appendix 1: and
  - (iii) authorises the Strategic Director, Corporate Services and Governance to agree the detailed terms.

For the following reasons:

- (i) To manage resources in accordance with the provisions of the Corporate Asset Strategy and Management Plan.

## APPENDIX 1

### Policy Context

1. The proposed new lease is consistent with the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular making best use of Council assets.
2. The proposed letting accords with the provisions of the Corporate Asset Strategy and Management Plan 2015-20. In particular, the rationalisation of the estate and support of the voluntary sector through Community Asset Transfer.

### Background

3. The property known as Worcester Green Day Centre, which is shown edged red on the attached plan, was previously used a learning disability day service.
4. In 2010 the Council closed Carlisle House, a day centre for adults with mental health issues and the building was declared surplus. The service users formed a user group and worked with the Council to identify a property for the service to continue without the need for council employees. The former Worcester Green Day Centre was identified as a suitable property.
5. In 2011, Mental Health Concern agreed to act as a host to the user group in the early stages of their development, with the intention that the user group would eventually be able to take responsibility for the building.
6. In 2014, the user group known as Gateshead Clubhouse began managing the service without the need for direct support and a Tenancy at Will was granted to enable them to develop their business plan to ensure continuation of their occupation of the property.
7. The building is used as a place to hold activities and is a mental health focal point where people can give and receive peer support in a safe, friendly environment. All users are encouraged to become involved and take ownership for service delivery and the management and running of the building is a core part of what the organisation does.

### Current Position

8. Gateshead Clubhouse registered as a Community Interest Organisation in 2015 and they are now in a position to proceed with a community asset transfer of the property.
9. Terms have been provisionally agreed with the organisation to accord with the Council's Community Asset Transfer Policy, namely a new lease for a term of 35 years at a peppercorn rent on a full repairing and insuring basis.
10. The property is currently held by the Council for housing purposes. Ordinarily the consent of the Secretary of State would be required to dispose of land held for

housing purposes; however, as it has never been used for the provision of dwelling houses it is deemed to be vacant and as such the Council can rely on the General Consent A.3.2. of the General Consent for the Disposal of Land held for the purpose of Part II of the Housing Act 1983 – 2013, which gives consent to a local authority to dispose of vacant land.

### **Proposal**

11. It is proposed that the property be declared surplus and a 35 year lease be granted pursuant to the Council's Community Asset Transfer policy.

### **Consultation**

12. In preparing this report, consultations have taken place with the Leader, Deputy Leader and Cabinet Members for Communities and Volunteering. Ward Councillors have also been consulted and have raised no objections.

### **Alternative Options**

13. The alternative options to granting a new lease is to dispose of the freehold of the property on the open market but this has been discounted because of the community benefits derived from the proposed use: the present occupiers may need to vacate should they not have funds to acquire the building.

### **Implications of Recommended Option**

#### **14. Resources:**

- a. **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no financial implications arising from this report.
- b. **Human Resources Implications** - There are no human resource implications arising from this report.
- c. **Property Implications** – The proposed letting accords with the Council's Community Asset Transfer Policy, ensures the continued occupation of a property thereby mitigating the Council's property outgoings and supports community involvement which is a policy priority of the Council.

15. **Risk Management Implication** – There are no additional risk management implications arising from this report.

16. **Equality and Diversity Implications** – There are no equality & diversity implications arising from this report.

17. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.

18. **Health Implications** – There are no health implications arising from this report.

19. **Sustainability Implications** – The disposal of this property by the grant of a lease will reduce the Council's operational costs.
20. **Human Rights Implications** – There are no human rights implications arising from this report.
21. **Area and Ward Implications** – Bridges in the Central Area.