

Cheltenham Borough Council

Cabinet – 26 November 2024

Grant of Lease St. Mark's and Hester's Way

Community Centre

Accountable member:

Councillor Alisha Lewis, Cabinet Member for Finance & Assets

Accountable officer:

Gemma Bell, Director of Finance & Assets

Ward(s) affected:

St. Marks

Key Decision: No

Executive summary:

The incumbent tenant of St Mark's & Hester's Way Community Centre surrendered the lease for the site on 30 September 2024. The Council requested that any parties interested in taking on the lease submit a proposal for their vision for the centre, including how any planned maintenance and refurbishment of the site would be funded.

Two local community groups submitted proposals and officers are currently undertaking due diligence to determine the best option for the property and local community needs. Following the completion of this work, it is proposed that a lease will be granted to Alliance for Equality who are wanting to reopen the community centre and make it the vibrant hub for the residents once again.

Recommendations: That Cabinet:

- 1. agrees to the completion of due diligence on the submitted proposals for the site;**
 - 2. delegates authority to the Director of Finance and Assets to negotiate the terms of the lease to Alliance for Equality, in consultation with the Director of One Legal.**
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1. Implications

1.1 Financial, Property and Asset implications

A recent building survey of the community centre confirmed that the estimated costs of refurbishing the centre and bringing it up to compliant standards would be £1m. In order that the centre is retained for community use, proposals has been received which include the upgrade and refurbishment of the facilities. The lease will be subject to the Council's third sector rent grant process which will take into account the benefits and impact any tenant will bring to the local community.

Signed off by: Gemma Bell, Director of Finance & Assets,
gemma.bell@cheltenham.gov.uk

1.2 Legal implications

Under section 123 of the Local Government Act 1972, the Council may dispose of its land in any manner it wishes. However, any disposal for less than the best consideration that can reasonably be obtained requires the consent of the Secretary of State. It is not stated in this report whether or not it is intended to dispose of the property for less than best consideration but given that the land will be used for community purposes, it is assumed that this may be the case.

There is a General Consent which has been given by the Secretary of State which will allow the Council to dispose of the site for less than best consideration where the following criteria are met:

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being.
 - ii) the promotion or improvement of social well-being.

- iii) the promotion or improvement of environmental well-being; and
- b) the difference between the **unrestricted** value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

If it is intended to dispose of the land for less than best consideration and either of the above criteria are not met then a specific Secretary of Consent will be required. It is recommended that any such consent is applied for well in advance of the proposed date of disposal as such applications can take some time and there is no guarantee that consent will be given.

If it is intended to rely on the abovementioned General Consent, a covenant should be included in the lease to prevent the land from being used for anything other than community purposes.

Signed off by: One Legal – legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

The new tenant will be provided with the Climate Change Supplementary Planning Document which provides guidance and metrics on sustainable design. This will increase the climate adaptation of the building, making it fit for the future and energy efficient, whilst reducing the negative environmental impacts on energy and carbon, climate change adaptation, water efficiency, flood prevention, pollution, sustainable transport, biodiversity and waste reduction, with a checklist to help demonstrate how they are responding to climate change and related issues. By including this sustainability criteria in the refurbishment design, this will also assist in funding bids the tenant may wish to apply for. Support and advice from the relevant CBC team's will be made available. The CIAT is attached as an appendix which underpins this in more detail.

Signed off by: Maizy McCann, Climate Emergency Officer

Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Working with residents, communities, and businesses to help make Cheltenham #netzero by 2030.
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity.
- Strengthening our communities and working in consultation with the community, community groups and the voluntary sector.

2 Background

- 2.1 The Community Association was set up in 1947 within the remnants of a Nissen Hut left after the Second World War.
- 2.2 Over the years the building was extended with later additions providing a significant amount of space. In recent years the community centre had fallen out of popularity and nearly all subtenants had relocated to alternative locations.
- 2.3 Some subtenants such as the 41st Cheltenham Scout Troop, CC Motorcycle Training and Cheltenham is Growing will be placed on direct leases to the council so that their services can continue.
- 2.4 Having learnt that the community centre was in disrepair, the council commissioned an independent condition survey to assess what needs repairing or replacing and at what cost. Following the report, it was estimated nearly £1m needs spending on the property over the 5 years to meet Health & Safety compliance regulations.
- 2.1 The proposed tenant is prepared to undertake the required works phasing them in order of priority. The work will be funded by volunteers, sponsorships, the National Lottery.

3 Reasons for recommendations

- 3.1 Community centres offer a wide variety of activities catering for all sections of the community from the young to the old and are invaluable to local residents. The area deserves its own community centre given the closest, Hester's Way Community Centre is the other side of Princess Elizabeth Way.

4 Alternative options considered

- 4.1 Given the age and dilapidated state of the building, demolition had been considered. But given the required works can be phased over 5 years demolition was ruled out notwithstanding the cost the council would incur.

5 Consultation and feedback

- 5.1 The ward members and informal cabinet have been consulted. Two interested groups presented to informal cabinet expressing their interest to take a lease on the community centre.
- 5.2 Asset Management Working Group have been updated on the closing of the community centre and the expressions of interest.

6 Key risks

6.1 The provision of a community centre is essential for local residents and without one the residents of St. Marks will not be able to enjoy the services offered and socialise with others.

6.2 While empty and vacant, the building is vulnerable to anti-social behaviour.

Report author:

Simon Hodges, Principal Estates Surveyor simon.hodges@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. [Climate Change Impact Assessment](#)
- iii. Equality Impact Assessment

Background information:

N/A

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	If a lease is not granted to a tenant, there will be no provision of a community centre in the area.	Simon Hodges	4	3	12	Avoid the risk.	Grant a lease to a new tenant	Simon Hodges	31/12/2024
2	If no lease is granted, the building is likely to be subject to anti-social behavior.	Simon Hodges	4	4	16	Avoid the risk.	Grant a lease to a new tenant.	Simon Hodges	31/12/2024
3	There is a risk the tenant may default on the lease.	Simon Hodges	4	3	12	Reduce the risk.	Close tenant management with regular meetings to ensure lease continuance.	Simon Hodges	31/12/2025
4.	There is a risk the tenant could damage the property putting clients and visitors at risk of harm.	Simon Hodges	4	2	8	Reduce the risk.	Under the terms of the lease the tenant will have to undertake works as identified by a condition survey. This work will be monitored by the Principal Estates	Simon Hodges	31/12/2025

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
							Surveyor and Principal Building Surveyor.		