



Cabinet
13 November 2017

**Report from the Strategic Director of
Resources**

For Action

Wards affected:
Sudbury

Community Asset Transfer of the Former Butlers Green Public Convenience, Harrow Road, Sudbury HA0 2SL. The outcome of marketing and recommendation to proceed with a preferred applicant.

1. Purpose of the Report

- 1.1 On the 24th April 2017 Brent's Cabinet approved the marketing of the Former Butlers Green Public Convenience (FBGPC), Harrow Road, Sudbury HA0 2SL as a Community Asset Transfer opportunity.
- 1.2 This report details the outcome of marketing making a recommendation to grant a lease of the FBGPC to a preferred applicant.

2. Recommendations

- 2.1 That Members approve the proposal for a Community Asset Transfer for the Former Butlers Green Public Convenience (FBGPC) the entering into a lease for 7 years with Sudbury Town Residents Association (STRA). A satisfactory response to equalities monitoring and assessment of the social value test has been provided.
- 2.2 That Members delegate authority to the Strategic Director of Resources to finalise and agree the terms of the leasehold disposal to the STRA.

3. Detail

- 3.1 The Butlers Green toilets has been unused for at least twenty years.
- 3.2 The property is of a single storey brick construction under a pitched tiled roof. The main entrance is through a set of double doors together with a separate side entrance. Internally the unit comprises of a large room and additional smaller areas. It totals about 46 square meter gross internal area.
- 3.3 The property will require complete refurbishment, reinstatement of the utilities, a heating system and new wiring. Externally new windows & doors will need to be added.

- 3.4 The building forms part of a matching pair of properties located in the Butlers Green Open Space, located close to the fork of the Harrow Road and Watford Road. Its counter-part is used primarily as an electrical sub-station. Parking is available on Harrow Road with pay and display meters.
- 3.5 On 1 June 2015 the Cabinet agreed the new Strategic Property Plan 2015-19, including proposals in respect of a new Community Asset Transfer (CAT) process. Subsequently in July 2015 a detailed CAT policy, procedure and guidance was published.
- 3.6 Through the CAT policy, the FBGPC was the subject of an Expression of Interest (EOI) by the Sudbury Town Residents Association (STRA). This EOI was evaluated and passed the relevant tests as outlined in the CAT policy.
- 3.7 Cabinet approved the marketing of the FBGPC on 24th April 2017 following a report titled 'Authority to market Butler's Green toilets under the Council's Community Asset Transfer (CAT) Policy'.

Marketing

- 3.8 In May 2017 the FBGPC was marketed as a CAT inviting applications from eligible third sector organisations, with the marketing particulars detailing the CAT policy's standard terms:
 1. A lease term up to a maximum of 7 years.
 2. The lease will be on Full Repairing terms with the property being insured by the Council through Brent Council's block insurance policy and recovering the premium from the ingoing tenant.
 3. The ingoing tenant will be permitted to assign the property subject to Landlords' consent, not to be unreasonably withheld. Sub-letting will be prohibited.
 4. The lease will contain such terms as the Council considers appropriate. The ingoing tenant will be required to covenant to undertake any proposed work outlined in their business plan at their own expense and obtaining any requisite consents, including planning consents.
 5. The lease will be Contracted Out of the security of tenure provisions of the Landlord and Tenant Act 1954.
 6. Rent review to be on the 5th anniversary of the lease and to be uplifted by the Consumer Price Index.
 7. The lease to be entered into will be on Brent Council's standard terms but may include further terms as the Council's solicitor considers appropriate.
- 3.9 Interested applicants were asked to use the CAT property application form to submit their offer, the template form comprises standard questions and tests to enable application evaluation as detailed in the application section below.

Outcome of marketing

- 3.10 Two bids were received by 26th July 2016, the application submission deadline date.
- 3.11 Sudbury Town Residents Association (STRA) offered a rent of £2,200 per annum exclusive for a proposed 7 year lease on terms set out in the marketing particulars.
- 3.12 CTC Community Centre offered a rent of £2,000 per annum exclusive for a proposed 7 year lease set out in the marketing particulars and was at the same level as the £2,000 per annum guide rental value.

Application evaluation

- 3.13 In accordance with Brent's CAT policy applications were evaluated against the following criteria:
1. Is the applicant a qualifying organisation? (Non-qualifying organisations will be removed at this stage).
 2. Is the applicant properly constituted and governed?
 3. Does the applicant have skill and capacity to manage the asset and provide the service?
 4. Do the applicant's accounts demonstrate the ability to take on the asset and delivery the service?
 5. Does the applicant have experience of delivering similar projects?
 6. Is the applicant a consortium?
 7. Are the heads of terms submitted acceptable?
 8. What service does the applicant propose to deliver?
 9. What are the social value outcomes (the Brent template measures outcomes that align with the Borough Plan)?
 10. What are the applicant's equalities outcomes?
 11. If the proposed service will be inclusive for all?
 12. The form asked applicants to note any connection of interest that may create a conflict of interest issue.

- 3.14 The application evaluation is at Appendix 2.

Shortlisting

- 3.15 Both the STRA & the CTC Community Centre proposals were satisfactory and in order to review the proposals both parties were invited to attend an interview on 4th October 2017.

Interview

- 3.16 The STRA presented a very strong community focused bid and have researched the local demand in the area for community facilities. The STRA

aims to serve and encourage wider participation in the community (including the shops) in the restoration of a clean and safe environment within Sudbury as a residents association and forum it will work closely with Brent Council and other authorities to improve the conditions and safety in the area.

- 3.17 CTC Community Centre prepared a strong proposal that captured a wide range of activities however the limited size of the building would in reality make this unrealistic. The orientation of the bid was towards a catering facility that could be seen to serve as a kitchen to supply other off site clients.
- 3.18 Both parties were requested to re-provide additional information relating to social value test and equalities monitoring. STRA have submitted an Equalities Monitoring Form that confirms Brent's equalities policies are being met. STRA have provided a letter of confirmation that provisional CIL funding is approved for the refurbishment of the FBGPC.

4. Financial Implications

- 4.1 A rental income of £2,200 per annum exclusive will arise from a lease to the STRA. At the end of the lease term the Council will have the benefit of a refurbished and improved building.

5. Legal Implications.

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease or a licence
- 5.2 The Council must obtain the best consideration that is reasonably obtainable unless it is a lease or licence for 7 years or less.
- 5.3 Disposals on the open market, either by way of auction or by way of appointing a marketing agent, will satisfy the best consideration requirement.
- 5.4 Since the land to be leased is held as public open space the disposal of the same is to be advertised under Section 123 of the Local Government Act 1972 in a local newspaper for two weeks, with a 21 day period for objections with any objections being considered by the Strategic Director of Resources.
- 5.5 The form of lease to be granted will be based upon a template lease for the disposal or letting of community assets which includes provision for appending the service offer, a once a year annual review comprising the review of the service offer, details of service delivery outcomes and anticipated outcomes for the following years.

6. Equality And Diversity Implications

- 6.1 Progressing the proposed CAT will support a number of Brent's equalities objectives. The proposals provide for community engagement and involvement,

safeguarding and enhancing the environment by providing opportunities for adults and children to use the FBGPC as part of a community based approach.

6.2 The marketing process aimed to ensure that all eligible organisations had equality of opportunity and could put forward an application, with marketing resulting in two applications being received.

7. Staffing/Accommodation Implications

7.1 There are no staffing implications that arise directly from this report.

7.2 There are no accommodation implications that arise other than the fundamental property matters that are described in detail throughout this report.

8. Additional Information

Appendix 1. Site Plan

Appendix 2. Application Evaluation

Appendix 3. Equalities

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