



**Decision of Cabinet Member for  
Property, Planning and  
Regeneration**

**Report from the Strategic Director  
of Regeneration and Environment**

**Approval to accept a surrender of the existing lease, grant of a new lease and agree temporary relocation of the West Indian Association to The Designworks for the purposes of redeveloping of the Learie Constantine Centre, 43-47 Dudden Hill Lane, NW10 2ET**

<b>Wards Affected:</b>	Willesden Green (43-47 Dudden Hill Lane) Harlesden & Kensal Green (The Design Works)
<b>Key or Non-Key Decision</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part exempt - Appendices 1, 2, 5 and 8 are exempt as they contain the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>No. of Appendices:</b>	Appendix 1 – exempt Appendix 2 – exempt Appendix 3 – Lease Plan for new Community Centre Appendix 4 – Location plan for the new Centre Appendix 5 – exempt Appendix 6 – Lease Plan for The Designworks Appendix 7 – Location Plan for The Designworks Appendix 8 – exempt
<b>Background Papers</b>	none
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Stacey Hislop, Project Manager <a href="mailto:Stacey.Hislop@brent.gov.uk">Stacey.Hislop@brent.gov.uk</a>

## **1.0. Purpose of the Report**

- 1.1 In January 2021, Cabinet delegated authority for the purposes of entering revised lease arrangements with the Learie Constantine Centre West Indian Association for purposes of bringing forward the Learie Constantine Centre redevelopment.
- 1.2 This report requests individual Cabinet Member approval to agreeing a surrender of the existing (77 years unexpired) lease and the grant of new 125 year lease at a peppercorn rent to the Learie Constantine West Indian Association (Tenant) for a new community centre building at 43 – 47 Dudden Hill Lane, NW10 2ET. Please refer to Appendix 3 for a lease plan of the new community centre premises.
- 1.3 This report also requests approval for the temporary relocation of the Tenant to Council owned “The Designworks” in Harlesden in order to achieve vacant possession and bring forward the redevelopment of the Learie Constantine Centre site at 43 – 47 Dudden Hill Lane, NW10 2ET. The Tenant has agreed to move to The Designworks for temporary accommodation whilst construction is being undertaken at the Learie Constantine Centre site.

## **2.0. Recommendations**

That the Cabinet Member for Property, Planning and Regeneration, having consulted with the Leader:

- 2.1 Approves the surrender of the existing Tenant’s long lease at the Learie Constantine Centre in order to achieve vacant possession. See Appendix 1.
- 2.2 Approves the granting of a three year contracted out lease (with a mutual rolling break option after the first six months) to the Tenant. The Tenant will occupy the Units as temporary accommodation whilst the new Centre is being developed. See Appendix 5.
- 2.3 Approves the grant of a new 125-year lease of the 43-47 Dudden Hill Lane Community Centre site to the Tenant on similar terms once the redevelopment has completed. New lease details are set out in Appendix 2.

## **3.0. Detail**

- 3.1 The Tenant is a registered under company number: 09534111 and holds a long leasehold interest at a peppercorn rent for the Learie Constantine Centre, 43 – 47 Dudden Hill Lane, NW10 2ET. The Tenant purchased the lease from the Council on 9th October 1998 for the term of 99 years from 1st April 1997, of which approximately 77 years remain. The Council owns the freehold interest of the site.
- 3.2 The Tenant has for some time wanted to improve its community centre to better suit its service needs and replace the existing building that is coming to the end of its useful life.

- 3.3 It should be noted that in May 2013, Cabinet approved a redevelopment strategy for the Learie Constantine Centre site for a new community centre and residential scheme. In January 2014, Brent Council and the Tenant entered into a non-contractual Memorandum of Understanding (MOU) that set out 'in principle' the approach to the redevelopment and ownership whereby the Council will continue to own the freehold of the site.
- 3.4 In October 2019, the Council secured Planning Permission to redevelop the Learie Constantine Centre site and deliver 26 homes on top of a new community centre.
- 3.5 In order for the Council to progress the project beyond planning permission, it is essential for Brent to agree with the Tenant the following:
- Deed of Surrender: in order to secure vacant possession of the Learie Constantine Centre site to enable demolition and construction. The Council will provide temporary accommodation to the Tenant at Design Works to receive vacant position of the site for redevelopment of the Learie Constantine Centre.
  - Agreement for Lease: the terms and conditions within which the Tenant will occupy their new community centre premises. The Heads of Terms of this Agreement for Lease are highlighted below:
    - Tenant: Learie Constantine West Indian Association
    - Lease Term: 125 years
    - Rent: Annual peppercorn rent
    - Type of Lease: Landlord to maintain and repair common areas and external parts of the building and recover proportion from tenant by way of service charge
    - 1954 Act protection: Lease inside Part 2 Landlord and Tenant Act 1954.
    - Use: Community events and activities (Class D1)
    - Existing lease: Tenant to surrender existing lease
- 3.6 It should be noted that there are limited alternative options for the Council to consider given that the tenant has such a long leasehold on the current site. Without agreement to the recommendations above, the Council would either have to stop the redevelopment proposals or dispose the site with little prospect of achieving the same community and affordable housing benefits.
- 3.7 An external firm of valuers (Messrs Wilks Head & Eve) was instructed to provide a Valuation Report (Appendix 7). The Valuation Report confirms that the best consideration requirements of s123 of the Local Government Act 192 are satisfied.
- 3.8 The Designworks is a multi-let, three-storey commercial office building, which is located by the junction of Park Parade and Rucklidge Avenue, Harlesden London NW10. The property is served by good transport network and the Willesden

Junction Station is within a few minutes' walk. Units G04, FO31, FO32, are located on the ground and first floor. Please refer to Appendix 6 for a lease plan of the three units at The Designworks.

#### **4.0. Financial Comments/Implications**

- 4.1 The Development Team is to transfer estimated costs of £29,367 per year, which is made up of £14,850 for rent, £11,100 for service charges to the Property Team commercial budget and pay £3,417 for Business Rates in relation to the new temporary letting at the Design Works. This is considered as a cost associated to deliver the project and will be funded from the Learie Constantine capital project.
- 4.2 The terms of the new lease are different from the previous lease in the following respects:
- (i) The lease will be for 125 years compared to the 77 years remaining on the current lease at no additional cost to the Tenant, and this is what was agreed with the Tenant as part of the overall deal.
  - (ii) As part of the new lease, a one bedroom residential unit is offered (without security of tenure) at London Affordable Rate.
- 4.3 The terms of the new 43-47 Dudden Hill Lane Community Centre site lease include:
- (i) Service charges and insurance costs will be recovered from the Tenant.
  - (ii) Tenant responsible for rates and utilities.
  - (iii) Landlord to pay up to £4,000 for tenant legal costs.

#### **5.0. Legal Implications**

- 5.1 This report recommends that the council accepts a surrender of the Tenant's existing lease and grants a new 3 year temporary lease and, thereafter, a new 125 year lease to the Tenant. Both the temporary 3 year lease and the new 125 year lease are to be granted to the Tenant at a peppercorn rent.
- 5.2 **The Law:** Under section 123(1) of the Local Government Act 1972 (the Act), a local authority has the power to dispose of land. Section 123(2) of the Act requires any local authority making a disposal under this section to ensure that the best consideration is obtained. Other than a short tenancy (which is defined as term of 7 years or less) a local authority may not without the Secretary of State's consent, dispose of land for "*a consideration less than the best that can be reasonably obtained*". Section 123 essentially requires local authorities to obtain the best price achievable in the open market for a disposal.
- 5.3 The Valuation Report prepared by Messrs Wilks Head & Eve (dated 13.05.2021) concludes "*that the proposed transactions achieve best consideration as defined by section 123 LGA 1972 when taking into account the value of the surrender*" (see page 21 of the Valuation Report).
- 5.4 Constitution: Under paragraphs 11.1 to 11.3 of Part 3 of the Constitution the Strategic Director Regeneration and Environment (and by virtue of paragraph

9.7 on page 34 of the Constitution the Operational Director of Property and Assets) has authority to acquire or dispose of land and buildings and to agree new leases, licences, and easements providing best consideration is achieved.

5.5 The following provisions of the Constitution are of relevance to the transactions recommended in this report: -

(i) Paragraph 11.2 of Part 3: As regards agreeing new leases, under this paragraph, the Strategic Director Regeneration and Environment (the Director) has authority to agree new leases within the following thresholds:

- a) the annual rental value (excluding other outgoings) does not exceed £250k
- b) if acquired or disposed of at a premium the value would not exceed £1m in value; or
- c) the leasehold term does not exceed 125 years.

(ii) Paragraph 11.3 of Part 3: This requires the Director to consult with the Lead Member in respect of any disposals or acquisitions where the value or term of the lease (as determined by the Director):

- a) Has a value of more than £250k but below £1m; or
- b) Where any leasehold interest has an annual value over £100k or below £250k, or
- c) Where the lease length is between 50 and 125 years.

As the intention is to grant a new lease of 125 years the Director will need to consult with the Lead Member (as required by paragraph 11.3).

(iii) Paragraph 11.4 at Part 3: This stipulates that the Director of Finance must be advised of the transaction undertaken by this delegated authority within three months of the transaction; and

(iv) Paragraph 11.6 at Part 3: This stipulates that the Strategic Director Regeneration and Environment may not sell or grant any lease or easement, licence or otherwise dispose of any land or buildings unless the consideration received, as confirmed by them is the best that can reasonably be obtained, whether or not the grant, sale or disposal is covered by a general or specific consent from the relevant Secretary of State.

(v) Paragraph 13 of Part 3 of the Constitution (on page 40 of the Constitution). Under paragraph 13 Individual Cabinet Members may, in consultation with the Leader, exercise delegated authority to acquire or dispose or leases, licences and easements where:

- (a) the annual rental value (excluding other outgoings) exceeds £500k (or does not exceed this figure but is referred by the relevant officer); and
- (b) if acquired or disposed of at a premium the value would in the reasonable opinion of the Director of Strategic Regeneration and Environment exceed £2m in value (or would not exceed this figure but

the Director of Strategic Regeneration and Environment has decided to refer the decision to the Cabinet Member); and  
(c) the leasehold term does not exceed 125 years.  
(d) the lease, easement or licence is disposed of at less than the best price that can reasonably be obtained and is covered by a general consent, or is not covered by a general consent, in which case agreement will be subject to any specific consent required from the Secretary of State being obtained.

- 5.6 By, virtue of paragraph 13 of the Constitution, the cabinet member responsible for the property and regeneration portfolio has delegated authority to authorise these transactions in consultation with the Leader.
- 5.7 Providing the Director of Finance is notified of the transaction within 3 months (as required by paragraph 11.4) and also providing the transaction is referred to the Cabinet Member (in consultation with the Leader - as required by paragraph 13) it is permitted by the Constitution and may be authorised by way of delegated authority.
- 5.8 Reliance is placed on section 123 LGA 1972 and Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 together with the general delegated powers, and in particular paragraph 13, given under the Constitution to authorise the transactions recommended in this report.

## **6.0. Equality Implications**

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.
- 6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.

- 6.3 An Equality Impact Assessment (EIA) was previously completed in April 2015 as part of the Cabinet approval for redeveloping the Learie Constantine Centre site. Officers believe that whilst redevelopment measures could result in temporary barriers for accessing community activities by affected groups, the

impact of the closure could be mitigated by provision of interim space for the West Indian Association at an alternative location within the borough. The positive impact of the redevelopment measures proposed are expected to provide ongoing community activities in the local area and outcomes related to improving the quality of life for local people.

#### **7.0. Consultation with Ward Members and Stakeholders**

- 7.1 Ward Members have been updated and they communicate regularly with officers to address any issues as/when necessary.
- 7.2 A resident engagement session was undertaken on 24<sup>th</sup> October 2018 about the redevelopment proposals for the Learie Constantine Centre site prior to the planning application submission. Local residents and businesses were also then consulted as part of the statutory planning process.

#### **8.0. Human Resources/Property Implications (if appropriate)**

- 8.1 There are no direct Human Resources or staffing issues for Brent Council as a result of this report.
- 8.2 The Council acknowledges that the Learie Constantine Centre is coming to the end of its useful life and is therefore seeking to expedite the delivery of replacement community facilities that can better respond to local needs and aspirations.
- 8.3 It should be noted that the surrender of the existing lease and the granting of a new lease will allow the Council to benefit from the delivery of 26 new affordable homes and a new community centre, which would otherwise cannot be achieved.

**Any conflict of interest declarations by members consulted: N/A**

**Any dispensations to be granted by the Chief Executive: N/A**

#### **Related documents:**

- 1. January 2021 – Six Month Update on Supply of Affordable Homes

Signature: Alan Lunt

Date: 8<sup>th</sup> March 2022

Position: Strategic Director Regeneration and Environment