

## LONDON BOROUGH OF CROYDON

To: Croydon Council website  
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### **STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR FINANCE AND TREASURY ON 21 JUNE 2017**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

**Reasons for these decisions:** are contained in the **attached** Part A report

**Other options considered and rejected:** are contained in the **attached** Part A report

**Details of conflicts of Interest declared by the Cabinet Member:** none

**Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member:** none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

#### **CABINET MEMBER'S DECISION REFERENCE NO. 2217FT**

**Decision title: Lease of the former Ashburton Library**

Having carefully read and considered the Part A and Part B reports and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance and Treasury in consultation with the Leader of the Council

#### **RESOLVED that**

- 1.1 The Council enter into a lease agreement with the proposed Tenant of the former Ashburton Library building, for a period of 25 years, in order to run and provide community activities as set out in the report.
- 1.2 The Leader of the Council is asked to delegate authority to the Executive Director Resources and s151 Officer, in consultation with the Cabinet Member for Finance and Treasury, to make any amendments to the terms of the lease disposal considered necessary after the Cabinet Member decision in 1.1 has been made.

Note that where any minor amendments are made under this delegation, the amended terms for the disposal will be published on the Council's website within 1 month of completion of the agreement.

Notice date: 23 June 2017

**Part A For General Release**

<b>REPORT TO:</b>	<b>Cabinet Member for Finance and Treasury</b> <b>19 June 2017</b>
<b>AGENDA ITEM:</b>	<b>n/a – background paper to Investing in our Borough item – Cabinet meeting 19/06/17</b>
<b>SUBJECT:</b>	<b>Lease of the former Ashburton Library</b>
<b>LEAD OFFICER:</b>	<b>Richard Simpson Executive Director and s151 Officer</b>
<b>CABINET MEMBER:</b>	<b>Cllr Simon Hall Cabinet member for Finance and Treasury</b> <b>Cllr Alison Butler Deputy Leader (Statutory) and Cabinet Member for Homes, Regeneration and Planning</b>
<b>WARDS:</b>	<b>Ashburton</b>

**CORPORATE PRIORITY/POLICY CONTEXT:**

As set out in the Community Strategy, the proposal will provide

- A place to learn, work
- A place of opportunity for everyone
- A place with a vibrant and connected community and voluntary sector

It will also help to contribute towards growth in our economy by providing affordable space for organisations and apprenticeship and training opportunities.

**FINANCIAL IMPACT**

**The lease disposal will generate c£703k rental income over 25 years.**

**FORWARD PLAN KEY DECISION REFERENCE NO.: N/A**

The Leader of the Council has delegated to the Cabinet Member the power to make the decisions set out in the recommendations below

**1. RECOMMENDATIONS**

- 1.1 That the Cabinet Member for Finance & Treasury in consultation with the Leader of the Council agree that the Council enter into a lease agreement with the proposed Tenant of the former Ashburton Library building, for a period of 25 years, in order run and provide community activities as set out in this report.
- 1.2 That the Leader of the Council is asked to delegate authority to th e

Executive Director Resources and s151 Officer, in consultation with the Cabinet Member for Finance and Treasury, to make any amendments to the terms of the lease disposal considered necessary after the Cabinet Member decision in 1.1 has been made.

Note that where any minor amendments are made under this delegation, the amended terms for the disposal will be published on the Council's website within 1 month of completion of the agreement.

## **2. EXECUTIVE SUMMARY**

- 2.1 This report recommends the award of a 25 year lease of the former Ashburton Library building ('the Site'), located in Ashburton Park, to the Nisai Education Trust Ltd ('Nisai'). Following a competitive selection process, Nisai have been selected as the preferred leaseholder for the building which comprises the refurbished former library and extension.

## **3. DETAIL**

- 3.1 The Site had been empty for more than 10 years following the relocation of the library to its current site on Shirley Road.
- 3.2 In order to bring this important building and valued community asset back into public use, the council's Regeneration and Partnerships team has carried out extensive engagement with the local community which has given the Council an insight into both what local people want and what levels of interest there are in the building.
- 3.3 The Council has also secured planning permission for the refurbishment and extension of the Site. Renovation works are currently being carried out at the Site to enable it to be brought back into use as a combined community space and an education base to support young people. The works will be completed later this summer.
- 3.4 An extensive marketing process was undertaken through local agents Stiles Harold Williams and, marketing details were also included within the Council's website as well as being advertised on banners at Ashburton Park and on Croydon Radio. This was run between 19 September 2016 and closed on the 25 November 2016.
- 3.5 The marketing process resulted in 43 initial expressions of interest which produced 22 formal applications from a wide range of both commercial, faith and community organisations. A formal tender process was undertaken to initially produce a shortlist of five applicants. These groups were then interviewed and invited to submit further details before the successful applicant was selected following a further scored process. The selection panel included members of the Friends of Ashburton Park as well as officers to ensure that the successful bidder was likely to meet the needs of local people.

- 3.6 Nisai have been selected as the preferred leaseholder who are a company that will offer a dual community and educational use. During school hours, Nisai propose to utilise part of the building to run an online school from the building that provides live interactive classes for students who are not able to attend mainstream schools. The company has been established since 1996 and currently operates from Harrow, Nottingham and Stockton-On-Tees.
- 3.7 As tenants, Nisai will manage the building and, as part of the lease agreement, will have to ensure that spaces will be available for the local community to hire during the daytime and evening, seven days a week. This will include the main large hall which will be available to rent for parties or other events. As set out in the initial particulars, the Lease will also require the Tenant to provide a full-time café to be run from the Site and open to the general public. As part of their offer, Nisai intend to utilise the café for apprenticeships and training for young people. The tenancy agreement will permit the subletting of this element of the demise and therefore Nisai will have the option to either run the facility themselves or sublet the unit.
- 3.8 The Lease will achieve best value in line with s123 Local Government Act 1972. Lease terms have provisionally been agreed for the Leasehold transfer of the Site to Nisai. The details of the Lease are set out in Part B of the report and include an obligation under the terms of the Lease to meet a number of minimum requirements around the use and availability of the premises to community groups including 15 hours free use by community organisations each year.

#### **4. CONSULTATION**

- 4.1 Consultation with internal council officers, local ward councillors and key local stakeholders informed the specification for the competition. As highlighted above, the selection panel included representatives from Friends of Ashburton Park.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

The Lease will generate an annual rental income to the Council of a minimum of c£703k over a period of 25 years. In addition, the Site will provide a multi-functional centre for cultural activity that helps unlock opportunities for new community uses and economic growth.

##### **1. Risks**

The Tenant plans to operate a small school for up to 40 pupils and will require Department for Education (DfE) approval. There is a risk that DfE compliance is delayed which could in turn delay the opening of the school element of the building which is anticipated to take place post September 2017. Such a delay may have a financial impact on the rent offer being made to the Council, however, this should not preclude the other elements of the community offer

being implemented which will include the café and hiring of the main hall and other spaces to the community.

## **2. Options**

The Site is designated Planning Use Class D1 meaning that it is predominantly for community use and any plans to deviate from this will require the Tenant to submit an application to the Local Planning Authority.

The Council tested the level of commercial interest in the Site which resulted in very little interest from the commercial sector largely due to its location and level of use restrictions.

## **3. Future savings/efficiencies**

This previously neglected building is being brought back into use for the local community and this will result in a saving in terms of the cost of security and remedial works required to keep the premises safe and from degenerating further.

The Lease will also be a fully insuring and repairing lease which will ensure that the Tenant will maintain the Site into the future. The lease will also generate a rental income to the Council.

Approved by Luke Chiverton: Director of Finance, Place and Resources

## **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The recommendations in this report seek to support the Council's duty to achieve best value pursuant to s123 Local Government Act 1972.

Approved for and on behalf of Jacqueline Harris-Baker, Director of Law & Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no human resources impacts in respect of this transaction.

Approved by Jason Singh, Head of HR Employee Relations on behalf of the Director of HR

## **8. EQUALITIES IMPACT**

- 8.1 An initial equality impact assessment has been undertaken and determined that:

8.1.1 The proposed change is likely to help the Council in advancing equality of opportunity between people who belong to any protected groups and those who do not as the offer of the Lease to Nisai will enable the Council to work in partnership and address some of the inequalities in

the Addiscombe/South Norwood area as the venue will be a resource to set up targeted services that meet local need.

8.1.2 A full equality analysis should be undertaken due to the fact that the proposed change could have a significant impact on groups that share a protected characteristic (compared to non-protected groups).

8.2 It is imperative that the project meets the needs of local people and a full EA will help us determine how this will be achieved.

## **9. ENVIRONMENTAL IMPACT**

9.1 The refurbishment of the library will provide a positive environmental improvement to this destination park through bringing the empty property back into use as a community hub.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 An operational building will improve the area by removing an empty property that has attracted antisocial behaviour. The Site was in generally poor order.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The lease of the Site will not only secure a rental income but will also provide an active community and educational hub within this destination park.

## **12. ALTERNATIVE OPTIONS CONSIDERED**

As set out in 5.2 above, soft market testing for commercial uses were unproductive. The only viable option was to bring the locally listed building back into use.

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**CONTACT OFFICER:** Catherine Radziwonik, Senior Regeneration Manager x47028

**BACKGROUND PAPERS:** None