

To: Cabinet
Date: 29 May 2019
Report of: Head of Community Services
Title of Report: Community Lease Agreements

Summary and recommendations	
Purpose of report:	To agree three community leases and delegate the authority to agree further community leases with a market value below £50,000 per annum to the Regeneration and Major Projects Service Manager.
Key decision:	Yes
Cabinet Member:	Supporting Local Communities
Corporate Priority:	Strong, Active Communities
Policy Framework:	Corporate Plan
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Approve terms for new leases for the Trustees of the Oxfordshire Chinese Community and Advice Centre at Princes Street, the Leys Community Development Initiative at Blackbird Leys Community Centre and The Trustees of The Parasol Project at Plowmans Tower; and 2. Delegate authority to the Regeneration and Major Projects Service Manager in consultation with the Head of Community Services to make such amendments as are required in order to complete the above three leases. 	
Appendix 1	Risk register
Appendix 2	Community lease criteria

Introduction and background

1. A community lease is provided at less than the market rent in exchange for the social value that the community groups occupying the Council owned building are able to deliver.
2. In 2017 the City Executive Board agreed new criteria for community leases; the key points are that the leases are for 25 years, at a reduced rent, outside of the security of tenure provisions in the Landlord and Tenant Act 1954 and that they have regular break clauses.
3. The Cabinet must give its authority for leases to be granted at less than best consideration. This report requests that the Cabinet agrees three community leases and to delegate authority to agree future community leases to the Regeneration and Major Projects Service Manager.

Leases to be agreed

4. The Cabinet is requested to give authority for the Council to enter into leases with the following community groups:

i) The Trustees of the Oxfordshire Chinese Community and Advice Centre

5. The Chinese Community and Advice Centre is based in the building at Princes Street adjoining East Oxford Community Centre. The building the Trustees occupy is part of the proposed redevelopment of the community centre, it is in poor condition and part of the ground floor is condemned.
6. Due to a combination of the poor building condition, the need for flexibility with the planned development of the community centre and the financial challenges the Advice Centre have had the Council have given the Advice Centre a peppercorn rent on a short-term basis. It is proposed that this is extended until the Council has an agreed plan in place to improve the space they occupy.

7. The key terms proposed for the lease are as follows:

- Peppercorn rent
- Rolling break for either tenant or landlord to be terminated on 2 months' notice at any time
- Contractual term expiring 31 July 2021
- The Council will continue to meet the cost of external and structural repairs and the cost of building insurance.

ii) Leys Community Development Initiative (CDI)

8. The Leys CDI is based at Blackbird Leys Community Centre where they lease the main hall. The Leys CDI deliver a range of activities for children and young

people. The Community Centre is part of the proposed district centre development which is why this is a short-term lease.

9. The key terms proposed for the lease are:

- Peppercorn rent
- Rolling break for either tenant or landlord to be terminated on 3 months' notice (by the tenant) or 6 months' notice (by the landlord) at any time
- Contractual term expiring 10 September 2020
- The Council will continue to meet the cost of external and structural repairs and the cost of building insurance.

iii) The Parasol Project

10. The Parasol Project is a charity based at Plowmans Tower that deliver services to less advantaged young people.

11. The key terms proposed for the lease are:

- Peppercorn rent
- Rolling break for either tenant or landlord to be terminated on 6 months' notice any time
- 25 year term
- The Council will continue to meet the cost of external and structural repairs and the cost of building insurance

Delegation of authority

12. It is recommended that the Cabinet delegates authority to the Regeneration and Major Projects Service Manager in consultation with the Head of Community Services to agree the final changes to complete the above leases.

Financial implications

13. Where the Council awards a subsidised community lease, it is making a decision to forego a potential higher rental income in exchange for increased social value. It is important that the level of subsidy should be transparent and that the social benefits are demonstrable so the Council can assess how well this investment meets its corporate objectives.

14. The report is not requesting any adjustments to the current budget.

Legal issues

15. All new community leases will be outside of the security of tenure provisions in the Landlord and Tenant Act 1954. The Council has the power to enter the leases under Section 123 of the Local Government Act 1972.

Level of risk

16. The risks are included in the risk assessment (Appendix 1)

Equalities impact

17. The terms of all leases reflect the Council's policy commitment to ensuring that all its community facilities are open to all and operate on a fully inclusive basis

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