



TO GRANT A 12 YEAR LEASE TO THE GREEN BACKYARD FOR THE LONDON ROAD FORMER ALLOTMENT SITE
Councillor Holdich, Leader of the Council and Cabinet Member for Education, Skills, University and Communication
January 2017
Deadline date: 26th January 2017

Cabinet portfolio holder: Responsible Director:	Councillor Holdich, Leader of the Council and Cabinet Member for Education, Skills, University and Communication Simon Machen: Corporate Director Growth and Regeneration
Is this a Key Decision?	NO
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

RECOMMENDATIONS
The Cabinet Member is recommended to:
1. Grant a 12 year lease for the former allotment site on London Road to the Green Backyard.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks the Cabinet Member’s approval to grant a 12 year lease for the former allotment site on London Road to the Green Backyard

2. PURPOSE OF THIS REPORT

- 2.1 This report is for Councillor Holdich to consider exercising delegated authority under paragraph 3.4.8 of Part 3 of the constitution in accordance with the terms of the Cabinet Member for Resources’ portfolio at paragraph (f) and (i).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

- 4.1 The former allotment site on London Road is included in the Council's Medium Term Financial Strategy 2016/17 as an asset to be sold for development in order to achieve a capital receipt. The site is occupied by the Green Backyard although the licence to occupy has expired. A decision is needed on the future of the site to help inform the Council's future budget setting process. The Council has worked closely with the Green Backyard and has listened carefully to the views of stakeholders when considering options.
- 4.2 The recommendation is that the London Road site is leased to the Green Backyard for 12 years. The land to the front of the site located on Oundle Road will be retained by the council for future use.
- 4.3 By granting a lease the Council will not achieve the receipt of £750,000 included in the Medium Term Financial Strategy, meaning a loss of revenue in 2016/17. Essentially this can be viewed as an investment by the Council in the Green Backyard, for which the Council will set out a number of requirements listed below.
- 4.4 The lease will include an occupier's agreement which would outline the Council's terms and standards including:
1. Rent of £5,000 a year to be paid in advance each year.
 2. The agreement will include a break clause every three years, which either side can activate.
 3. The Council will require two places on the Green Backyard board to reflect its support and investment in the site.
 4. The Council will set clear standards for the appearance and accessibility of the site as a gateway to the city, including significant improvement to the physical appearance of the site within six months of any lease being granted.
 5. Planning permission must be obtained for any future buildings on the site and for any existing structures that will remain, together with the consent of the Council as landlord.
 6. Appropriate insurance must be in place.
 7. Appropriate health and safety and electrical certificates must be in place.
 8. The land to the front of the site located on Oundle Road will be retained by the council for future use. The Council will erect a fence to designate the space allocated on Oundle Road.
 9. A measurable social return on the Council's investment in the site must be visible through agreed performance indicators, and performance against those indicators.
 10. A yearly report to the Council's relevant scrutiny committee regarding the progress and performance of the Green Backyard.

5. CONSULTATION

- 5.1 Consultation has taken place with Ward Councillors, Group leaders, Members, partners listed within the Green Backyard business plan and volunteers and groups using the site.

6. ANTICIPATED OUTCOMES

- The London Road former allotment site will be leased to the Green Backyard for 12 years.
- Improvements will be made to the appearance of the site within six months of signing the lease
- The Green Backyard will deliver benefits for the community of Peterborough through a clear business plan and performance indicators.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

7.1 The Green Backyard describe themselves as an award-winning community growing project and charitable incorporated organisation (CIO) first established in 2009. Through the dedication of volunteers over the last 7 year period has transformed and regenerated the former allotment site into a thriving community hub, garden and growing project, delivering education projects, a vibrant events programme and opportunities for young and old to come together in a safe and inspiring environment.

The London Road allotment site was vacated in 1992 by allotment tenants and was identified as being required for the South Bank redevelopment project. The Green Backyard were relocated to the site from Dogsthorpe as an interim measure on the basis of a short three year licence to occupy the site in May 2010. As part of that arrangement the Council agreed to help find an alternative site by the time Green Backyard were required to vacate the site. Agreement could not be reached on an alternative location and the Green Backyard sought to remain in occupation, considering that a city centre location was the only viable option for their operating model.

7.2 The Council agreed to allow the Green Backyard time to raise funds to purchase the site but they were unable to do so. Subsequently, the Council agreed to give the Green Backyard an opportunity to bring forward a viable business plan to remain in occupation on the site and supported them in doing so. The Council required that this business plan showed a clear social return on the Council's investment in the site to offset the loss of its value for development.

7.3 A great deal of time and effort has been taken in producing the business plan and the Green Backyard now have a very clear sense of direction and ambition. The document makes links to the Council's strategic priorities and to wider national agendas with a clear governance structure and objectives to take the charity forward.

7.4 The Council recognises and commends the effective use of volunteers and the amount of time devoted to the site to enhance the project. The business plan demonstrates how the site can develop and increase the number of volunteers and participants using the site. Given the significant development taking place in the vicinity including Fletton Quays the site has the potential to offer a significant environmental and community resource for both existing and new residents.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 To progress with the sale of the London Road site for development with a minimum sale price to meet the Medium Term Financial Strategy requirement of £750,000. This option has been rejected due to the significant social return of £490,000 that the Green Backyard have been able to demonstrate from their activities with the local community during 2015/2016, with future social returns outlined in the Green backyard business plan.

9. IMPLICATIONS

Financial Implications

- 9.1 There will no direct cost to the council arising from the proposal; however there will be a revenue impact of £750,000 in 2016/17 from not achieving the sale receipt factored into the 2016/17 MTFS. This adjustment has been built into the Council's latest financial projections.
- 9.2 An ongoing rental income of £5,000 will be received.

Item	Current Year	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000
One off costs (loss of revenue)	-750					
Income (revenue)		5	5	5	5	5
Net revenue implication	-750	5	5	5	5	5

Legal Implications

- 9.2 The current arrangements are unsatisfactory as the original arrangements have expired and there is uncertainty around the rights and obligations of both the Council and the Tenant. The Lease will set out clear obligations on the Tenant and provide certainty for the Council.

The Council has the power under s123 Local Government Act 1972 to enter into the lease arrangements. Provided that the Council obtains best value. In addition, the General Disposal Consent (England) 2003 confirms that the consideration of best value can include consideration of the economic social or environmental well-being of the area. It is considered that the general consent applies in this case as set out in the report.

There are no state aid implications because the tenant is not engaged in economic activity.

Equalities Implications

- 9.3 There are no equalities implications arising from this decision.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 10.1 The decision to grant a lease would, under typical circumstances, fall into the remit of the Cabinet Member for Resources. However, Councillor Seaton has a conflict of interest, in that he has an interest in the work and activities that take place at the London Road site through the Green Backyard. As such, the decision falls to Councillor Holdich in his capacity as Leader of the Council, as per the Executive Procedure Rules, 1.5.2.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

