

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 8 December 2021
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Report title	Lower Bradley Community Centre – Health and Social Care Spoke Development Proposal	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Bilston East	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	City Assets	
Accountable employee	Luke Dove Tel Email	Strategic Asset Manager, Assets 01902 557121 Luke.Dove@wolverhampton.gov.uk
Report to be/has been considered by	City Assets and WV Living Leadership Team Regeneration Leadership Team Asset Management Board	6 October 2021 3 November 2021 10 November 2021

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Declare Lower Bradley Community Centre surplus to the Council's requirements
2. Approve disposal of the asset listed to the current occupying GP surgery upon terms and conditions to be agreed for redevelopment as a health and social care spoke facility with provision for the Council to enter into a leaseback arrangement for the continued operation of the community centre

3. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Chief Executive to approve the terms of the disposal and leaseback through an Individual Executive Decision Notice.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That while there is a financial benefit to the Council as a result of the capital receipt, the ongoing revenue costs associated with the support provided to the Community Association will increase, these costs can however be contained within existing budgets in the event that the further work to explore opportunities to reduce those costs are exhausted without success.
2. Any modest increase in ongoing revenue costs is considered acceptable due to the community benefits that will arise from the revised facility developed on the site.

1.0 Purpose

- 1.1 To seek approval to declare surplus to Council requirements the asset detailed in this report and agree the redevelopment strategy for the asset as a health and social care spoke facility. This will include the leaseback of the asset in part to allow for the continued operation of the community centre alongside generating a capital receipt.

2.0 Background

- 2.1 Lower Bradley Community Centre is currently owned by the Council and is located within the Bilston East Ward.
- 2.2 Corporate Landlord is currently undertaking an “Asset Challenge” process to identify potential assets for disposal to generate further capital receipts and revenue efficiencies.
- 2.3 As part of the City-wide health and social care led hub and spoke model, Lower Bradley Community Centre was presented as an option as a spoke location to support the main Bilston hub.
- 2.4 Current running costs of the property per annum are between £10,000 – £20,000 dependent on the level of repairs and maintenance undertaken.
- 2.5 The property is currently occupied by a Community Association (occupying approximately 2/3 of the property) and a GP surgery (occupying approximately 1/3 of the property). The financial arrangements of the occupancy are detailed within the exempt version of this report.
- 2.6 The financial arrangements of the occupancy are detailed within the exempt version of this report.
- 2.7 The Council were approached by the GP surgery currently in occupation with a proposal to purchase the site in conjunction with the CCG as financial lenders, redevelop as a health and social care spoke facility and lease it back in part to retain the community element of the facility along with offering additional health services on site.
- 2.8 Multiple meetings and consultation have been undertaken with all parties and a suitable retained community area identified based on spatial requirements, being 250sqm alongside shared facilities. A subsequent business case was presented by the GP Surgery’s design team on this basis, outlining the cost break down for each party and terms of lease arrangements moving forward.
- 2.9 Redevelopment costs are detailed within the exempt version of this report.
- 2.10 The proposed lease terms are detailed within the exempt version of this report.
- 2.11 The proposed lease terms are detailed within the exempt version of this report.

- 2.12 The additional contribution, by the Council to the CA running costs, will take the total contribution above the usual 50% for CA's. However, it would be unreasonable to expect the CA to pay more than they are now, due to the Council's decision to develop the site in this way, albeit for the benefit of the community. Absorbing the additional costs in this way in effect represents a level of protection to the CA, due to their existing premises being lost through no fault of their own.
- 2.13 The lease would be subject to a rolling break clause with 6 months' notice from lease commencement in favour of the Council. This will allow maximum flexibility should the property not be required from a community perspective in future, but similarly should the Council wish to utilise in a different capacity, this can also be considered.
- 2.14 It is estimated that the demolition of the existing premises and redevelopment of the new facility will take approximately 12 months. During this period the Council will look to identify a suitable and temporary property for the Community Association to relocate to and continue to operate.
- 2.15 The asset listed above is estimated to generate a capital receipt totalling in the region of £250,000 which could be used to support the General Revenue Account capital programme.

3.0 Disposal Strategy – Lower Bradley Community Centre – Estimated Value £250,000

- 3.1. Lower Bradley Community Centre is a detached property and car park currently used as a community centre and GP practice.
- 3.2. The property is currently occupied and managed by Facilities Management.
- 3.3. The site will be offered directly to the GP surgery for acquisition as a special purchaser.
- 3.4 The estimated property value of £250,000 was derived from a valuation report undertaken by the District Valuer in February 2021.

4.0 Evaluation of alternative options

- 4.1 The building could be retained as per its current basis. However, the GP surgery has indicated that they need to source a new premises should this redevelopment not be feasible. This option would result in the potential loss of key medical facilities within the locality.
- 4.2 Current lease terms are detailed within the exempt version of this report.

- 4.3 The asset could be retained for operational use, however, following consultation, no internal operational use has been identified. Retention of the asset would not support the Council's asset challenge / rationalisation process.
- 4.4 Should the options to redevelop not be progressed, this would result in the loss of a spoke facility to support the Council's Health and Social Care Hub model as proposed.
- 4.5 The property will require significant capital investment in future due to its current age and condition to ensure continued compliance above and beyond that required in comparison to other community centres located in the City. This investment could be in the region of £100,000 based on early indications.

5.0 Reasons for decision

- 5.1 Should authority be given to dispose of the asset detailed, a capital receipt totalling in the region of £250,000 could be realised to support the Council's General Revenue Account capital programme.
- 5.2 The development will provide a bespoke health and social care spoke facility that will support the Council's proposed health and social care hub solution promoting cohesive partnership working and efficient asset utilisation.
- 5.3 The development will result in retaining much needed medical facilities within the Bradley locality.
- 5.4 The development will ensure the ongoing ability for the Community Association to continue to operate, whilst providing maximum flexibility for the Council to review the lease arrangements in future should this be required.
- 5.5 The Council will continue to work with the GP and CA as part of the lease negotiation to see if further efficiencies can be generated prior to lease completion.

6.0 Supporting Delivery of the Strategic Asset Plan

- 6.1 Corporate Landlord have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan
- 6.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following

rationalisation and disposal of land and buildings, that will enable a financial return to stimulate development and growth, support and encourage local businesses and promote joint working.

- 6.3 The disposal and redevelopment of Lower Bradley Community Centre as a health and social care spoke supports the policy as outlined and in particular delivery of items A1, A2, A3 and A8 of the Action Plan.

7.0 Financial implications

- 7.1 The disposal of Lower Bradley Community Centre will generate a capital receipt for the Council which will be used to support the General Revenue Account capital programme. Until terms are agreed the current estimated value of the disposal, £250,000, is indicative only and is not currently assumed in the approved capital programme.
- 7.2 Terms agreed will be subject to a future Individual Executive Decision Notice to seek approval for the same.
- 7.3 The property would be requiring significant capital investment in future due to its current age and condition to ensure continued compliance. As a result of this disposal, early indications estimate capital investment costs in the region of £100,000 will be avoided.
- 7.4 The proposed lease terms are detailed within the exempt version of this report.
- 7.5 The details of suitable temporary accommodation for the Community Association to relocate to during the redevelopment period are still being finalised. It is anticipated that this can be managed within the existing estate and therefore not incur additional costs.
- 7.6 Revenue budget adjustments required to reflect uplifts in lease costs as a result of scheduled rent reviews will be monitored and reported for approval as part of the Councils annual budget setting processes.
[TT/22102021/U]

8.0 Legal implications

- 8.1 It is necessary for the asset to be declared surplus before any proposed disposal. Thereafter it is recommended that the fact the land is designated surplus should promptly be put on public record within the Council's framework for complying with the Local Government Transparency Code 2015. It should be noted that it is mandatory that this information is provided within the annual update for land and property as it becomes due to comply with the Transparency Code 2015.
- 8.2 The Council must have regard to the requirement of Section 123 of the Local Government Act 1972 to obtain best consideration on the open market for land. If the

Council opts to treat directly with a proposed party it must be able to demonstrate that it has acted reasonably in agreeing to dispose of land directly in order to be in a position to respond to any potential challenge that a better bargain could have been struck elsewhere, or that other parties' ambitions have been thwarted.

- 8.3 The Council may demonstrate best consideration through obtaining an independent valuation in the event a market sale is not proposed; and the value may be assessed as being economic or monetary.
- 8.4 Alternatively, in the event a disposal is for less than best consideration the Secretary of State has issued a General Consent pursuant to S.123 of the Local Government Act 1972 authorising the disposal of land for less than best consideration if it considers that the disposal will contribute to the promotion or improvement of the economic, social or environmental well-being of its area; and providing the extent of the undervalue is no more than £2,000,000. Again, an independent valuation should be obtained to assess the amount of the undervalue does not exceed this limit. If the undervalue exceeds £2,000,000 then Secretary of State approval must be sought before the disposal is made.
- 8.5 Given the current use of this asset for a community centre it is an asset of community value pursuant to the Localism Act 2011 if the community centre use is not an ancillary use within the building as a whole. It should therefore appear on the Council's List of Assets of Community Value. A proposed disposal of this asset should be published in advance to enable any community interest groups to be aware of the proposed disposal.
[HAF/21.10.21/WC]

9.0 Equalities implications

- 9.1 There are no equalities implications associated with the disposal of the asset listed in this report.

10.0 All other implications

- 10.1 The disposal of the asset listed in this report will prevent the building falling into further disrepair and avoid any future capital costs.
- 10.2 In addition to the detail included in this report, the Estates Team will complete all pre-sale due diligence and dispose of the site in accordance with the disposal strategy.

11.0 Schedule of background papers

- 11.1 None.

12.0 Appendices

- 12.1 Appendix 1 – Lower Bradley Community Centre Location Plan