



## **Report of the Strategic Director, Corporate Resources to the meeting of the Regulatory and Appeals Committee to be held on 18 July 2019.**

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**Subject:** **H**

**(Former) Allerton Library, 2-4 Greenbank Road, Allerton, Bradford BD15  
7RH**

### **Summary statement:**

**The former Allerton Library is held in Trust by the Council.**

**The Trustees' decision is sought in relation to a proposed disposal of the Library.**

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## **1. SUMMARY**

- 1.1 This is a follow up from the previous report submitted to the Council's Regulatory and Appeals Committee sitting as Trustees (the Trustees) on 4 October 2018.
- 1.2 This report seeks the decision by the Trustees in relation to the former Allerton Library located at 2-4 Greenbank Road, Allerton, Bradford BD15 7RH (the Library).
- 1.3 The Library is owned by a Trust, of which the Council is the sole Trustee. The terms of the Trust are set out in a conveyance between Angus Hardy Rhodes and the Bradford Corporation dated 20 June 1916.
- 1.4 The Library closed in August 2005 and has been empty and fallen in a poor state of repair since.
- 1.5 The Trustees are asked to consider a disposal of the Library through a Community Asset Transfer lease or a freehold sale.

## **2. BACKGROUND**

- 2.1 The Library and adjoining land amounts to approx. 97 square meters (see Appendix 4 for a plan showing the extent of the property).
- 2.2 First opened in July 1916, the Library was well used but closed down because of its condition and its unsuitability for library purposes. A library service is currently being delivered from Café West.
- 2.3 A number of complaints have been received about the deteriorating condition of the Library made worse by the long period of inoccupation and several road traffic accidents.
- 2.4 A Community Asset Transfer (CAT) (i.e. long lease) application was received from a local charity Kidz Klub Allerton now called Rooted In in November 2017.
- 2.5 The report which was presented to the Trustees in October 2018 looking at two options: 1) to sell the Library with the proceeds re-invested back into the community and 2) not to sell. The Trustees resolved to allow Rooted In time to prepare a business plan to restore the Library and bring it back to community use.

## **3. ROOTED IN BUSINESS PLAN**

- 3.1 Rooted In have provided a business plan (see attached as a Appendix 2, Not for Publication Document). The potential benefits are:
  - Bring back to life an important landmark building.
  - Provide training and employment through a social enterprise in the form of a bakery/café.
  - Office space for community development work and project support delivered by Rooted In.

- Co-working and incubator space for local start up businesses and voluntary led groups.

3.2 The operational part of the business plan (particularly the cashflow) raises some concern as most of the potential funding identified by Rooted In is external and subject to successful grant application.

3.3 An important pre-requisite of applying to an external funder (e.g. HLF) is having a long-term lease, usually in excess of 25 years, secured.

3.4 Below is a summary of the main concerns:

- Fundraising is required for preparatory costs.
- There is no current capital for any of the works, 100% of the costs are to come from third parties, so the whole project is at risk. Proof of funding would be required before a long lease is granted, possibly using an agreement for lease before issuing an actual lease. The business case does not have any provision to repay loans.
- Given the condition of the building, the refurbishment costs appear to be on the low side.
- The cost detail is currently insufficient and subject to further surveys and cost estimates.
- Planning permission would be required for conversion to a bakery/café with offices above, which may not be forthcoming on the busy junction with no car parking and restrictions on on-road parking. Guidelines on hot food takeaways near schools may be material.
- The rents achievable seem to be optimistic.

3.5 Rooted In's statement of purpose is to act as a resource for individuals and families living in Allerton and Neighbouring area by providing advice and assistance and organising programmes of physical educational and other activities as a mean of a) advancing in life and helping individuals and families by developing their skills, capacities and capabilities to enable to participate in society as independent, mature and responsible individuals, and b) providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.

#### **4. The Trust**

4.1 As provided in the Conveyance dated 29 June 2016, the charitable purpose of the gifted property is to "be preserved for and dedicated to the recreation, instruction and the benefit of the public <...> and for other good causes and considerations".

The Conveyance goes on to say that the trust should be "preserved... as a Public Library and Reading Room for the recreation, instruction and benefit of the public in such manner and subject to such regulations in all respects as the Corporation may from time to time think proper provided always that the Corporation may if they deem it desirable demolish the existing building and create another building in substitution...", and that the Corporation will "...forever hereafter support and maintain the hereditaments hereby granted or any other buildings erected thereon in substitution... as and for the purpose of a public Library and Reading Room...".

4.2 None of the proposals outlined below support the Trust objectives in full, each nevertheless upholding the Trust objectives in part.

4.3 The Trustees are asked to make the judgement regarding which of the options below serves the charitable objectives in the best way.

## 5. OPTIONS

There are three options for the Trustees to consider: these are set out below with a brief summary of the advantages and disadvantages to the Trustees of each.

Due to the condition of the building, granting a short term standalone Service Level Agreement is not feasible option.

Options	Description	Advantages	Disadvantages
Option 1	No change to the existing arrangements, i.e. Library remains vacant	In the short term, requires the least resource as the property is not been invested in (currently only insurance is being paid).	Does not meet the purpose of the Charity.  The deteriorating building is a hazard that blights the neighbourhood, which goes against the benefactor's wishes.  The Library brings no benefit to the local community in its current state of disrepair.
Option 2	Sell the Library	A straightforward solution for a building in poor state of repair.  Reinvestment of the proceeds in accordance with the Trust's objectives.	May not be supported by local residents who may be fond of the Library as a local landmark and may like to see it restored.  The anticipated sale price would be insufficient to construct an alternative property to support the Charity's objectives.
Option 3	Grant a CAT Lease and Service Level Agreement	Reflects the aspirations of a local community group who would like to see the Library restored and serving the local people.	The business plan presented raises doubts about its viability and deliverability within a reasonable timeframe for the reasons described in section 3.

## 6. FINANCIAL & RESOURCE APPRAISAL

6.1 An independent valuation of the land has been undertaken on behalf of the Trustees in line with the Charity Commission requirements. A copy of the report is attached as a Background Document (Appendix 5). The property does not have a rental value a further

report to confirm this has not been commissioned as the cost of the report is disproportionate to the value of the disposal.

6.2 Under the terms of Section 119 (1) (c) of the Charities Act 2011 the Trustees have to determine if they are satisfied, having considered the terms of the valuation report, that the terms on which the disposition is proposed to be made are the best terms that can reasonably be obtained for the charity.

6.3 If Option 3 a CAT lease at a peppercorn rental is to be considered, the Trustees need to decide whether the likely community benefits from a long lease with a co-terminus Service Level Agreement to ensure Rooted In manage the property in the interest of the Trust is the best outcome achievable, i.e. whether the community benefit outweighs a potential capital receipt achievable upon a sale or a long lease at full rental value.

6.4 A Service Level Agreement should include provision that Rooted In must report back to Estates and Property every two years, who will then provide an update to the Trustees.

## **7. RISK MANAGEMENT AND GOVERNANCE ISSUES**

7.1 The Trustees must consider the proposals in terms of what is in the best interests of the charity. The Charity Commission guidance advises that:

“Acting in the Charity’s best interests means always doing what the Trustees decide will best enable the Charity to carry out its purposes, both now and for the future”.

7.2 With regards to the option to sell, the Trustees will need to be satisfied that the price likely to be achieved is the best that can reasonably be obtained as suggested by the view of the independent surveyor. The Trustees are also asked to take into account the significance of the asset to the local community, as described in Rooted In business plan.

7.3 If considering the proposed Rooted In business plan, the Trustees will need to be satisfied that their proposed plan is viable and need to consider how compatible the aims of the Rooted In are with those of the Trust.

7.4 Rooted In provide advice, assistance and education to help develop capabilities and provide recreation and leisure. The Trustees need to decide if in the current age that this is ‘close enough’ to the charitable gift for the building to be preserved for recreation instruction and leisure.

7.5 A CAT lease to Rooted In does not preserve the premises as a Public Library and Reading Room but the premises are no longer fit for this purpose and the service provided elsewhere.

7.6 If a CAT Lease is to be recommended, the Trustees are asked to consider if this should be preceded by an interim lease to pass the responsibility of running the building to Rooted In as soon as possible.

7.7 An Agreement for lease should also be considered to precede a lease, whereby the granting of the CAT Lease and Service Level Agreement is conditional on Rooted In attaining sufficient funding to complete the redevelopment, attain all necessary consents and permissions etc.

7.8 Although the Trustees hold the land, Bradford Council has a process that is set out in its CAT Policy which is open and transparent, and approved by Executive for dealing with Community Asset Transfers. It is recommended that the Trustees follow this process but with the Trustees making the decisions not the Director of Corporate Services.

## **8. LEGAL APPRAISAL (THE CITY SOLICITOR ACTING FOR THE COUNCIL AS TRUSTEES)**

8.1 Under Section 6 of the Trustees of Land and Appointment of Trustees Act 1996, the Trustees have the powers of an absolute owner in relation to any land. This therefore includes the power to sell or otherwise dispose of an interest in land. Section 8 provides that where, as in this case, land is subject to Charitable Trust, the power of disposal cannot be constrained by a provision in the original disposition.

8.2 As required by the Charities Act 2011, a written report has been obtained from a qualified surveyor acting exclusively for the Trust. Subject to the Trustees being satisfied that the valuation represents the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity, consent for the Charity Commission will not be required if it chooses to approve the sale on those terms.

8.3 A long lease to a charitable community group is a disposal but a disposal charity to charity is permitted provided the Trustees are satisfied that this is beneficial and is therefore exempt from Section 117 of the Charities Act 2011 and does not require the Charity Commission to create a Scheme.

8.4 As required by the Charities Act 2011 and the Local Government Act 1972, notice of the proposed sale will have to be advertised in the local press.

8.5 The Trustees must consider any representations made and take them into account in reaching their decision.

## **9. OTHER IMPLICATIONS**

### **9.1 EQUALITY & DIVERSITY**

None.

### **9.2 SUSTAINABILITY IMPLICATIONS**

None.

### **9.3 GREENHOUSE GAS EMISSIONS IMPACTS**

None.

### **9.4 COMMUNITY SAFETY IMPLICATIONS**

Bringing the facility back into use either through the disposal of the property and reinvesting into a suitable facility or by restoring the present building would resolve the ongoing issues and dangers associated with a building in disrepair.

## **9.5 HUMAN RIGHTS ACT**

None.

## **9.6 TRADE UNION**

None.

## **9.7 WARD IMPLICATIONS**

Ward members have been consulted.

## **10. NOT FOR PUBLICATION DOCUMENTS**

Appendix 1 – An independent valuation report dated 3 July 2018.

Appendix 2 – Rooted in Business Plan

## **11. RECOMMENDATION**

11.1 The premises are in disrepair, if the Trustees support Rooted In's proposals, it is not unreasonable to wait until Rooted In develop their scheme further and make applications for funding if they take over day-to-day responsibility for the premises on temporary basis thus avoiding expense of opening the building for surveys etc.

11.2 Option 3 is recommended provided that:

- i. Heads of Terms are agreed.
- ii. Rooted In take over temporary responsibility for the building on an Interim Lease of up to four years.
- iii. The Trustees and Rooted In enter into an agreement for a long lease.
- iv. A long lease is prepared and will be completed provided the terms of the agreement for lease are met.
- v. A co-terminus Service Level Agreement is entered into to ensure Rooted In manage the premises in a way that continues to support the Trust.
- vi. Updates are brought back to the Trustees every 2 years on how the scheme works and how charitable objectives are being met.

## **12. APPENDICES**

Appendix 3 – HMLR Title and HMLR Title Plan

Appendix 4 – Site Plan including allotments edged in red

## **13. BACKGROUND DOCUMENTS**

Appendix 5 – Report to the Regulatory and Appeals Committee (sitting as Trustees) on 4 October 2018.