

APPENDIX I

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 6 SEPTEMBER 2011

Title:

PROPERTY MATTERS
[Portfolio Holders: Cllrs Mike Band and Roger Steel]
[Wards Affected: All]

Note pursuant to Section 100B(5) of the Local Government Act 1972

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the items to which the report relates, as specified in Paragraph 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

To consider a number of property-related issues in the borough.

How this report relates to the Council's Corporate Priorities:

The proposals contained within this report will contribute towards a number of the Council's corporate priorities:-

Value for Money: The sale of the outbuilding at Weyhill will provide value for money as it will give Waverley a capital sum and also remove a potential risk. With regard to the leases of the sports grounds, the proposals should bring financial savings to the Council whilst maintaining a high quality provision of grounds maintenance services and sports facilities in the borough.

Improving Lives: the provision of high quality and well maintained sports and recreational areas will improve the quality of life for children, young people, adults and the more vulnerable in society.

Leisure: through improving opportunities for all to take part in sport and recreation, and protecting the status of recreation grounds for formal and informal recreation.

Equality and Diversity Implications:

With regard to the sports facilities referred to in this report, the recommendations are intended to ensure equality of treatment of all users of the Council's outdoor sports facilities and will have beneficial implications for social inclusion, equality, participation and community cohesion. Compliance will be sought in all

arrangements with sports facilities in terms of the Disability Discrimination Act (DDA) and provide and promote equal opportunities for all.

Environment and Climate Change Implications:

Through better energy usage and improved energy conservation practices in pavilions, the carbon footprint of sports facilities across the borough can be improved.

Resource/Value for Money Implications:

Resource implications are set out in the (Exempt) Annexes to this report. The Council may receive a small capital sum for any sale of an asset or an improved rent for the lease of premises.

With regard to the Rowledge Cricket Club, the Council will need to invest capital funds into the Pavilion in order that it is brought up to a good standard to be handed over, however this should be viewed as an 'Invest to Save' process.

Legal Implications:

Applicants will be responsible for paying the Council's legal costs, which may be included as part of any capital sum received in the event of a sale of an asset.

Background

1. Authorisation is sought for a number of property-related issues across the Borough which are detailed individually below.

Lease of Land – Hazlewood, Elstead

2. Authorisation is sought for letting a plot of land at Hazlewood, Elstead, shown outlined on the attached plan at Annexe 1, for a period of 10 years, to the adjoining owners for garden land, on terms and conditions as set out in (Exempt) Annexe 1A.
3. The land in question was left over from the development of Hazlewood. A narrow access onto the site and issues of overlooking has meant that developing the site is not considered feasible at present. The land is now heavily overgrown with brambles and Waverley has received complaints about its condition.
4. The adjacent owners on Ham Lane have requested to take a joint lease of the land in order to bring it into garden use. This would appear to be the best medium-term use for the land as it should improve the appearance of the area and ensure that the land is properly cultivated for the benefit not only of the proposed lessees but also the neighbourhood.

Sale of Outbuilding – 16 Weyhill, Haslemere

5. 16 Weyhill is a former Council property, sold under the Right to Buy in 1999. In the garden of the property there is a brick and tile building comprising two outbuildings, one of which belongs to 16 Weyhill and the other to 18 Weyhill, which remains a Council property. The tenant of 18 Weyhill has the right to go over the garden of 16 in order to access the outbuilding, though this has not happened for a number of years. This type of arrangement is not one that Waverley would create now.
6. The outbuilding belonging to 18 Weyhill, as shown on the plan at Annexe 2, has not been maintained for many years and now has structural problems. The roof has broken tiles and the side wall of the outbuilding is bowing significantly. The owner of 16 Weyhill has proposed purchasing the property on terms set out in (Exempt) Annexe 2A. This would appear to be a good solution to an unusual arrangement that serves no present purpose and could involve Waverley in unnecessary expense.

Surrender and Renewal of Lease – Plot 14 Farnham Trading Estate

7. Authorisation is sought for the surrender of the existing lease of Plot 14 Farnham Trading Estate, as shown on the plan at Annexe 3 and the grant of a further lease of 125 years on modern terms. Legal fees will be covered up to a maximum of £1,800 plus VAT.
8. Plot 14, Farnham Trading Estate, is let on a lease expiring in 2048 at a rent set out in (Exempt) Annexe 3A. It is at present developed with a unit of an older construction style which is now obsolete. The lessees of this property, Plascoat UK Limited, have indicated that they wish to invest in the property. However, with only 37 years left on the lease, they will not be able to obtain funding for the development.
9. When investing significant sums into property either in renewal or renovation, institutions require significantly more than the 37 years available in this instance. The industry norm for new leases is 125 years. The proposed length of the new lease is therefore considered acceptable. The proposed rent is subject to regular review and is considered to maximise Waverley's revenue from the site.

Lease of Rowledge Cricket Ground, Farnham

10. Authorisation is sought for the grant of a 41 year lease of the land shown at Annexe 4 to Rowledge Cricket Club, Rowledge Recreation Ground, Farnham. Rowledge Recreation Ground is subject to the Farnham Recreation Grounds Management Agreement. This document would not appear to be legally binding and does not clearly assign responsibilities between the relevant Recreation Ground Committee and the Council. It has been acknowledged for many years that it requires updating.

11. While there is a Recreation Ground Committee for Rowledge, the Cricket Club has become the de-facto manager of much of the ground, as shown outlined on the plan at Annexe 4. It is a highly successful community club both in terms of its position within the cricket league and its involvement within the provision of sport in the local community. It has, however, risen as far as it can within the cricket league owing to the position of its cricket table to the boundaries, which is preventing further promotion for the club and the obtaining of the ECB ground criteria grading of gold for the table. The cricket table requires moving, which is an expensive process costing in the region of £30,000 - £35,000 to relocate the table. Further work is also required on the cricket outfield in order to improve its grading with the ECB.
12. In order to undertake the works to the ground, the club needs to obtain grant funding. Before it can apply for this funding, the club will require a lease in place giving it at least 41 years' tenure of the land. This, in turn, will assist Waverley in producing a new legal arrangement for the recreation ground that will, hopefully, set a precedent for leases of similar facilities throughout the borough.
13. The proposed lease structure for Rowledge, a draft copy of which is attached as (Exempt) Annexe 4A, provides a framework lease for those responsibilities that will be fixed throughout the length of the term and a Management Agreement that may be modified to meet changing requirements. The main terms and conditions for the lease and management agreement are set out in (Exempt) Annexes 4B and 4C. The basic lease will be able to be used with little modification for other clubs in the borough while the Management Agreement can be modified according to site specific requirements.

Lease of Wrecclesham Tennis Club, Farnham

14. Authorisation is sought to reduce the market rent of the new lease for Wrecclesham Tennis Club, Wrecclesham Recreation Ground, Farnham, as shown on the plan at Annexe 5, to a nominal sum at least until the first rent review.
15. The Executive of 7 July 2009 agreed a surrender and renewal of the lease on the tennis courts at Wrecclesham Recreation Ground on terms and conditions negotiated with officers of the club. A lease was duly drafted on those terms and is set out in (Exempt) Annexe 5A.
16. This lease was sent out in October 2009. Unfortunately, by this time the official dealing with the lease at the club changed and the matter was not picked up by them until the following September, at which time some of the previously agreed terms were challenged, especially that of rent. This led to a stalemate in the negotiations.
17. During the same period, Waverley has undertaken a survey of clubs' use of Waverley facilities within the borough. This has uncovered significant differences between the clubs in the amount of community activities in which they are involved and the level of subsidy provided by Waverley towards the provision of their facilities. A report will be presented to the Executive

detailing the findings and proposed actions. However, Wrecclesham Tennis Club is unable to wait for the matter to be determined before entering into a lease as the window for applying for grants towards the reconstruction of their pavilion and provision of new netting closes at the end of September. By then they will need a new lease in place.

18. The Executive is asked to consider whether the situation of Wrecclesham Tennis Club should be taken into account when determining whether or not a market rent should be charged. The club has had a nominal rent for the past 28 years and has used this time to develop a local tennis club providing tennis on a non-discriminatory basis to the local community. These can be demonstrated by the following:
 - i. It was awarded LTA Clubmark in June 2010 which confirms it has high levels of management in place and a developing tennis programme.
 - ii. It has an active junior section which is coached by a professional. Unfortunately, the layout of the courts, in line as they are, means that the site is not good for coaching, so the club will never be able to have the big junior programmes similar to Haslemere Tennis Club. This, in turn, limits the income it receives.
 - iii. It has a low subscription rate- eg adult £91 pa with 10% discount for prompt paying (52 weeks of the year tennis programme)- to enable access to all. It has recently started free holiday tennis sessions with its coach for the 6-16 year olds. Links are already established with local schools. Two local schools are proposing to use their facilities to supplement their own.
 - iv. Once the club has finished the clubhouse project, it proposes to arrange for one of the courts to be available for hire to the public. Part of the purpose behind the redevelopment of the pavilion is to ensure that disabled players are able to access both the pavilion and the courts.
19. Wrecclesham Tennis Club is not one of those clubs who are subsidised by Waverley. In fact, it invests significant sums in the facilities, money that otherwise Waverley would have to find. It also provides an active local tennis club, supporting Waverley's corporate priorities.
20. (Exempt) Annexe 5B sets out the costs to the club of maintaining and improving its leased area and the further (Exempt) Annexe 5C sets out the Council's financial support for the club. Given the level of the costs involved and the work undertaken by the club, it is suggested that the rental level of the new lease of Wrecclesham tennis courts should be nominal until the first rent review and reviewed thereafter depending on the club's continuing support of Waverley's corporate priorities.

Recommendation

It is recommended that

1. the owners of Benalla and Oakley Lodge be granted a lease of the land outlined on the plan at Annexe 1;
2. the outbuilding shown coloured black on the plan at Annexe 2 be sold to the owner of 16 Weyhill;
3. authorisation be granted for a surrender of the existing lease to Plascoat UK Limited and a grant of a lease of 125 years for Plot 14 Farnham Trading Estate;
4. a lease be granted for the land shown on the plan at Annexe 4 to Rowledge Cricket Club for 41 years;
5. the rent for the tennis courts and pavilion at the Wrecclesham Recreation Ground be agreed, as set out in (Exempt) Annexe 5B, with Waverley's financial contribution being as set out in (Exempt) Annexe 5C; and
6. all subject to the terms and conditions set out in the (Exempt) Annexes and with other terms and conditions being negotiated by the Estates and Valuation Manager.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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