

APPENDIX I

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 JUNE 2014

Title:

PROPERTY MATTERS

**[Portfolio Holders: Cllrs Julia Potts and Simon Thornton]
[Wards Affected: Farnham Wrecclesham and Rowledge, Godalming
Farncombe, & Catteshall, Farnham Moor Park and Frensham,
Dockenfield and Tilford]**

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 outlined below.

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 –
 - New Lease of Land, Former Rugby Ground, Westfield Lane, Farnham – the tenant will undertake a major refurbishment of the site to bring it up to the requirements for football use. It will then be responsible for the full repairing, maintenance and management of the site, including for the clubhouse and extensions.
 - Surrender and Renewal of Lease, Godalming Town Football Club – the tenant will be responsible for the full repairing and maintenance of the site, including for any building that might be erected on the site. The 5-yearly break clauses over part of the land will also allow Waverley to make the best use of its land.
 - Granting of Access Rights, Patrick Stonemason site, Farnham – the proposed development planned by Whitbread has been appraised and once the total increased development value was established negotiations were held with their representative to agree the premium to be paid. As a result of these it is

considered that the premium to be paid by Whitbread represents value for money for the Council.

- Leisure and Lives –
 - New Lease of Land, Former Rugby Ground, Westfield Lane, Farnham – the grant of this lease is in line with the Council’s will to continue to support opportunities for all to take part in sport, recreation and other leisure activities to promote health and well-being for all.
 - Surrender and Renewal of Lease, Godalming Town Football Club – the surrender and renewal of the lease is in line with the Council’s will to continue to support opportunities for all to take part in sport, recreation and other leisure activities to promote health and well-being for all.
 - Granting of Access Rights, Patrick Stonemason site, Farnham – the construction of the new hotel and restaurant will provide new employment opportunities for Farnham and at the same time add to leisure facilities in the locality. The pedestrian access and improvement works will benefit the community in the Guildford Road area of Farnham. In particular, for people who live in the residential area to the north of the Guildford Road, the improvements would provide a dedicated and safe informal crossing point and dedicated footway to access the bus stop located to the east of the Guildford Road/Industrial Estate junction. The improvements would also make it easier for people who work at the Bourne Mill Industrial Estate to access the site on foot with safety and convenience.
- Environment –
 - New Lease of Observation Boreholes, The Flashes, Frensham – the Environment Agency requires the boreholes in connection with monitoring the ground water of the surrounding land. This work is useful to Waverley in its role as the manager of the Flashes in maintaining the ecology of the common.
 - Granting of Access Rights, Patrick Stonemason site, Farnham – the proposed development will improve the local environment with a new restaurant and hotel development.

Financial Implications:

Resource implications are set out in the (Exempt) Annexes to this report but specific details are noted below.

- New Lease of Land, Former Rugby Ground, Westfield Lane, Farnham – the proposals should result in the provision of high quality leisure facilities in a cost-effective way. Overall, the scheme secures significant partnership funding, with Waverley’s capital contribution already agreed and included in the Capital Programme. The lease as set out in this report is a vital requirement to securing this funding. In the longer-term the proposal will result in some rental income to the Council as set out in the (Exempt) Annexe.
- Surrender and Renewal of Lease, Godalming Town Football Club – the proposal will provide an annual rental income to Waverley in accordance with the market level, as set out in the (Exempt) Annexe. This represents an

increase on the current level. The club will continue to provide facilities for the people of Godalming and surrounding areas in a cost-effective way.

- New Lease of Observation Boreholes, The Flashes, Frensham – there is no rent for the property at present and none is proposed for the new lease. However, the Environment Agency will be providing a sum to cover legal costs.
- Granting of Access Rights, Patrick Stonemason site, Farnham – on completion of the highway improvement works Waverley Borough Council will dedicate the land for highway purposes. The highway will be maintained by Surrey County Council. The Developers will pay the Council's reasonable fees to dedicate the land.

Legal Implications:

- New Lease of Land, Former Rugby Ground, Westfield Lane, Farnham – The agreement would involve legal officer time in drafting the necessary documents.
- Surrender and Renewal of Lease, Godalming Town Football Club – The agreement would involve legal officer time in drafting the necessary documents.
- New Lease of Observation Boreholes, The Flashes, Frensham – Waverley's Legal Representative will not draft the lease but will review it to ensure it is not detrimental to the Council.
- Granting of Access Rights, Patrick Stonemason site, Farnham – the agreement would involve legal officer time in drafting the necessary documents.

1. Introduction

- 1.1 Authorisation is sought for the property-related issues detailed individually below.

2. New Lease of Land, Former Rugby Ground, Westfield Lane, Farnham

- 2.1 Authority is sought for the grant of a lease to Badshot Lea Football Club (BLFC) of the above ground as shown outlined on the plan at Annexe 1, on terms and conditions as set out in (Exempt) Annexe 1A.
- 2.2 The land shown outlined on the plan annexed is the former grounds of Farnham Rugby Football Club. At present, it is divided into two fields, the southern one sloping down towards the northern one. The clubhouse in the north-east corner is in need of major refurbishment and the condition of the access track to the car park adjacent to the clubhouse is so poor that many visitors to the ground would park elsewhere, either in the main car park for the recreation ground or on the Riverdale housing estate.
- 2.3 It has been established that there is a major requirement for more football facilities in Farnham. This site has been identified as one that could provide much-needed pitches, but there will be a significant cost in bringing the site up to football standards. Engineering works to flatten parts of the site for pitches will be costly and the relocation and improvement of the car park is necessary

to reduce the nuisance caused by cars parking outside of the ground. It is therefore essential that whatever club takes on a lease of the grounds can demonstrate firm financial stability and long term viability. A long lease of the grounds will be required by the club as part of any grant funding it may receive from outside sources.

- 2.4 BLFC has been working with the Council for a number of years, in the hope that it can secure a suitable home ground for their first team. During this period it has had to undertake ground sharing with several clubs, in order that it can play football using facilities that meet the Football Association's strict ground grading criteria, this has resulted in them playing football miles from their home town. This has been a costly arrangement for the club and it has lost out on significant revenue income as a result of this.
- 2.5 BLFC has looked at Weybourne Recreation Ground and Sandy Hill as potential sites for a home ground, however these have been deemed unsuitable in planning terms. Since being aware of the potential future vacancy of Westfield Lane, the club has been in discussion with the Council about the potential of the site. In order to progress matters BLFC has employed a sports consultant to develop a detailed proposal and seek funding grants from various sources.
- 2.6 If BLFC is unable to secure a home ground after a search of over 10 years and with its history of ground sharing, it is likely the club may not be able to continue to be successful as it has been. It is anticipated players would start to leave the club, if it cannot secure promotion due to ground grading criteria set by the FA not being met. This may result in a negative turning point for the club after all the years of hard work.
- 2.7 As the Westfield Lane site is Council-owned land, Waverley has an obligation both to demonstrate that it is obtaining best value for the rent of the ground as well as supporting smaller football clubs in the area. The proposed terms and conditions for the lease set out in the (Exempt) Annexe are designed to support the establishment of Badshot Lea on this ground as well as meeting the above requirement.

3. Surrender and Renewal of Lease, Godalming Town Football Club

- 3.1 Authorisation is sought for the surrender and renewal of the lease of the above property for a period of 30 years. The other terms and conditions are shown in the (Exempt) Annexe 2A. The property is shown outlined on the plan at Annexe 2.
- 3.2 Godalming Town Football Club is located in Broadwater Park and is accessible via Weycourt. The leased areas are shown outlined and hatched black on the plan at Annexe 2.
- 3.3 The club currently has a lease of 10 years which expires on 24 March 2018. The terms of the existing lease could be modernised in order to ensure that the tenant meets Waverley's Corporate Priorities by providing adequate facilities for the people of Godalming. It is proposed that the new lease should

be in the standard form for sports facilities leases by setting out those areas that the tenant should maintain throughout the term of the lease but also allowing for a Service Level Agreement that can be modified over the term to meet changing needs. These terms and conditions are set out in the (Exempt) Annexe.

- 3.4 The 30 year term proposed for the lease will be sufficient to allow the tenant to seek grant aid for improvements to the property during the next few years. These improvements are necessary in order to create a modern facility that will attract a wider number of participants in the sport and to meet Football Federation requirements for the league in which the club plays.
- 3.5 It is also proposed to include 5-yearly break clauses for the part of the site shown hatched on the plan annexed in order to ensure that Waverley is able to take advantage of any potential alternative scheme that may arise. The club will be fully compensated in such case

4. New Lease of Observation Boreholes, The Flashes, Frensham

- 4.1 Authorisation is sought to join with Waverley's landlord, the National Trust, to renew the lease of an area of land at The Flashes to the Environment Agency for a period of 40 years. The land is used for observation boreholes and is shown outlined on the plan at Annexe 3.
- 4.2 The Environment Agency (EA) has maintained boreholes at The Flashes since 1995 to monitor ground water in the area. The existing lease expired in 2010 and the Environment Agency would like to renew it for the much longer period of time of 40 years with a three month break clause.
- 4.3 While neither Waverley nor the National Trust will receive a rent for the land, the boreholes do not impinge upon the management of The Flashes or on its recreational use by the general public.
- 4.4 The terms and conditions of the proposed lease are in line with the existing lease. The main ones of interest to Waverley are:
- The EA is responsible for maintaining the boreholes;
 - The EA is responsible for removing the equipment at the end of the lease and reinstating the land;
 - The EA will indemnify Waverley against any third party claim for damages in respect of the boreholes.
- 4.5 The EA will also cover Waverley's costs in respect of the lease up to a maximum of £500.
- 4.6 The existing lease has not proven to be a burden to Waverley and the proposed lease will not be significantly different. As the work of the EA in monitoring the ground water is useful to Waverley and to the area as a whole, it would appear prudent to joint with the National Trust in granting a further, longer lease to the EA.

5. Granting of Access Rights, Patrick Stonemason site, Farnham

- 5.1 Whitbread are planning to build a Premier Inn and Beefeater restaurant at the Patrick Stonemason site in Farnham. Terms have been agreed with Whitbread to grant rights for them to carry out highway improvements over land owned by Waverley. In return Whitbread are to pay Waverley a premium sum as detailed in (Exempt) Annexe 4A upon commencement of the new development. Authorisation is sought to grant the right of access and accept the premium sum detailed in the (Exempt) Annexe.
- 5.2 Whitbread plc is to take a 125 year lease of the Patrick Stonemason site from the freeholder. The site to be redeveloped is to comprise a Premier Inn hotel of 3 storeys, 61 bedrooms and 121 car parking spaces. To the front of the site there will be a new Beefeater Restaurant of 190 covers.
- 5.3 In order to obtain planning permission for the development, Whitbread must complete the highway improvement works. The work will be carried out over two areas of land owned by Waverley Borough Council and Surrey County Council. These areas are shown on the plan at Annexe 4.
- 5.4 Whitbread requires the consent of the Council to enter its land to carry out the works.

Recommendation

It is recommended that:

1. Badshot Lea Football Club be granted a lease of 30 years of the land at the former rugby ground at Westfield Lane in Farnham, as shown on the plan at Annexe 1, on terms and conditions set out in (Exempt) Annexe 1A and with other terms and conditions to be negotiated by the Estates and Valuation Manager;
2. a lease be granted to Godalming Town Football Club for a period of 30 years on the terms and conditions described in (Exempt) Annexe 2A, with other terms and conditions to be agreed by the Estates and Valuation Manager;
3. Waverley should join with its landlord, the National Trust, in renewing the lease of land for observation boreholes at the Flashes, Frensham, to the Environment Agency for a period of 40 years, on terms and conditions as in the existing lease and with other terms and conditions to be agreed by the Estates and Valuation Manager; and
4. terms be agreed with Whitbread to grant the access rights to the Patrick Stonemason site in Farnham, in return for them agreeing to pay a premium sum as detailed in (Exempt) Annexe 4A upon commencement of the new development, with Whitbread also meeting Waverley's legal costs and contributing a sum towards the surveyor's fee as also detailed in the (Exempt) Annexe.

Background Papers

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

CONTACT OFFICERS:

Name: Gary Streets

Telephone: 01483 523315

E-mail: gary.streets@waverley.gov.uk

Name: Ailsa Woodruff

Telephone: 01483 523459

E-mail: ailsa.woodruff@waverley.gov.uk