

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 29 NOVEMBER 2016

Title:

PROPERTY MATTER: HOLLOWAY HILL SPORTS PAVILION, GODALMING

[Portfolio Holders: Cllrs Tom Martin and Kevin Deanus]

[Wards Affected: Godalming Holloway]

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

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, viz:-

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

Summary and purpose:

Holloway Hill Sports Association has approached the Council for consent to hire out the Pavilion to a community cafe called Rosie & Bean where the lease does not currently permit such an arrangement.

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

The proposal contained within this report supports the Corporate priority of Value for Money.

Financial Implications:

The net revenue that would be generated through this hire arrangement, as set out in the (Exempt) Annexe, would be reinvested back into the pavilion and its facilities thereby reducing reliance on WBC for funding support in the future. If the change of use is approved there may be VAT implications which would need to be investigated, and that may incur consultant fees.

Legal Implications:

The lease does not permit the Holloway Hill Sports Association (HHSA) to assign, sublet or part with possession of the premises, Council approval is therefore required to vary this.

It is proposed that the HHSA grant Rosie & Bean Ltd a licence to occupy the pavilion during specified hours to run their business. This will be on a short term arrangement for 6 months with the option to continue for a maximum term of one year.

A licence arrangement will not give any Landlord and Tenant Act rights to Rosie & Bean Ltd as it will not have exclusive occupation of the Pavilion during the hours of use. It is merely a licence to occupy for part of a day and would not exclude the HHSA as Tenant from the premises during this time.

Introduction

1. The HHSA are a community based organisation who maintain and manage the sports pavilion at Holloway Hill Recreation Ground, hiring out the use of the pavilion to local sports clubs using the pitches and other local groups who may wish to use the facility on an ad-hoc basis.
2. The HHSA have a full repair and maintenance obligation on the pavilion. The Council have no responsibilities towards the building but take a small rent as detailed in the (Exempt) Annexe. The income received from the clubs and local groups using the pavilion is used by the HHSA to invest in maintaining and running the facility.
3. The HHSA were approached by the Rosie & Bean Café who propose to use the facility during the daytime. Rosie & Bean currently run a cafe with a small under 5's soft play area at the cricket club near Fleet, Hampshire and they are keen to set up a similar venture in Godalming. The clubhouse at Holloway Hill is currently underused during the daytime and the café would be able to make use of the space for this pop-up venture and in return pay the club a daily hire rate. This activity will provide an additional and useful local service for residents of the area.
4. Consideration has been given as to whether to seek a profit share of the net income that the HHSA would receive, or rather allow the HHSA to retain the net income for the benefit of the club and its members and facilities. It is felt that this potential further income source to the HHSA will help support the financial outlook and ensure improved resilience to financial pressures that they may suffer in the future. Otherwise potentially the Council would have to assist financially with the maintenance of the facility should the HHSA run into difficulties.
5. The HHSA has a lease of the Pavilion from WBC for 99 years from 1 May 1998. The authorised use of the property is as a sports pavilion and any ancillary community activities. Other than a provision allowing the HHSA to sublet the pavilion for no more than 3 consecutive days in any 6 month period or 7 consecutive days in any 6 month period to a registered charity, the lease does not permit the HHSA to assign, sublet or part with possession of the premises, hence their request for Council's approval to vary this arrangement.
6. Rosie & Bean are a limited company and the proposal is a commercial venture rather than a charitable undertaking. It is proposed that the HHSA grant Rosie & Bean Ltd a licence to occupy the pavilion during specified hours to run their business. This will be on a short term arrangement for 6 months with the option to continue for a maximum term of one year.

Conclusion

7. The HHSA would like to offer the Rosie and Bean café an initial 6 month trial for their proposed venture. By securing additional income the HHSA will become more financially resilient.
8. In order to provide the necessary authority to the HHSA to grant this licence, the lease will need to be varied. It is proposed that this arrangement is authorised by a

side letter initially, with the requirement that it is reviewed after 6 months and a more formal lease variation discussed at this stage.

Recommendation

It is recommended to the Executive that the HHSA be authorised to trial this venture for an initial period of 6 months and to retain the net proceeds from the hire arrangement to help support their financial position.

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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