

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE – 07/07/2015**

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**Title:**

**PROPERTY MATTERS**

**[Portfolio Holders: Cllrs Tom Martin, Carole King and Stewart Stennett]  
[Wards Affected: Farnham Castle and Haslemere East and Grayswood]**

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**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 item to which the report relates, as specified in Paragraph 3 of 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).

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**Summary and purpose:**

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

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**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:-

Surrender and Renewal of Lease, Farnham Cricket Club - A new lease will ensure that the club has adequate collateral to seek grant funding from outside bodies for the improvement of the ground and pavilion.

The new lease will contain a service level agreement to ensure that the ground is maintained to an agreed standard for the duration of the lease.

Lease of 3 and 4 Hillcroft, Shepherds Hill, Haslemere - The proposed lease represents value for money following an open market letting exercise. It will ensure that these units are occupied and provide Waverley with a regular income stream. By letting the property now, Waverley will enjoy an enhanced income stream from the premises rather than potentially incurring a void.

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**Financial Implications:**

- Surrender and Renewal of Lease, Farnham Cricket Club - The detailed financial implications are set out in the (Exempt) Annexe. There will be some income to the Council, based on market rent reduced by an allowance to reflect maintenance responsibilities transferred to the Club.

- Lease of 3 and 4 Hillcroft, Shepherds Hill, Haslemere – The detailed financial implications are set out in the (Exempt) Annexe. The Council will receive income based on market rent.

### **Legal Implications:**

- Surrender and Renewal of Lease, Farnham Cricket Club - Officer time will be spent drafting the lease documents. Each party will bear its own legal costs.
- Lease of 3 and 4 Hillcroft, Shepherds Hill, Haslemere - Officer time will be spent in preparing the lease. Each party will bear its own legal costs.

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### **1. Introduction**

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

### **2. Surrender and Renewal of Lease, Farnham Cricket Club, Farnham Park**

- 2.1 Authority is sought for the surrender and renewal of the lease of the above as shown outlined in red on the plan at Annexe 1.

- 2.2 Farnham Cricket Club is a well-established organisation, having been founded in 1782. Its ground at Farnham Park has been its home since before World War II. It has an active youth section and two adult teams. The club's present pavilion was originally built in 1930, though modifications and extensions have occurred over the years. There are proposals to improve or replace it, but the existing lease, which only has a further 7 years to run, is insufficient security to obtain grant funding for this. It is therefore proposed to offer the club a new lease of 50 years on a "sports" lease basis.

- 2.3 The proposed lease structure has been developed to meet long-term needs while providing the flexibility necessary for changes to management over the period of the lease. It provides a framework for those responsibilities that will be fixed throughout the length of the term and incorporates a Management Agreement that is reconsidered annually. The main terms and conditions for the lease and management agreement are set out in the (Exempt) Annexe. The basic lease is used with little modification for other clubs in the borough while the Management Agreement can be modified according to site specific requirements.

- 2.4 In order to ensure that all clubs within the borough are treated equally, Waverley will charge a full market rent for the lease. However, it is proposed to set this against a virement that will take into consideration the work undertaken by the club that would otherwise be the Council's responsibility to do and fund.

### **3. Lease of 3 and 4 Hillcroft, Shepherds Hill, Haslemere**

- 3.1 Authority is sought to enter into a 10 year lease of the above premises as shown outlined on the plan at Annexe 2.

- 3.2 Waverley has 4 shops on the ground floor of Hillcroft. Their position is highly visible for traffic coming from Midhurst, but the shops have limited parking to the front.

3.3 3 Hillcroft became vacant in mid-May when the tenant served a break notice. It was marketed by a local commercial agent on Waverley's behalf. The best offer was received by the tenant of the adjoining shop, who wishes to enlarge her business. As she will need to make structural alterations to combine the two properties, she will require a lease of 10 years. Terms and conditions for the lease are set out in the (Exempt) Annexe.

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### **Recommendation**

It is recommended that:

1. with regard to the surrender and renewal of the lease to Farnham Cricket Club, Farnham Park:
  - Waverley grants a lease of the land shown outlined on the plan at Annexe 1 to Farnham Cricket Club for 50 years, on terms and conditions set out in the (Exempt) Annexe, and with other terms and conditions to be agreed by the Estates and Valuation Manager; and
  - the virement proposed in the (Exempt) Annexe be agreed; and
2. Waverley accepts the early surrender of the lease of 4 Hillcroft, Shepherds Hill, Haslemere, enters into a 10 year lease of 3 and 4 Hillcroft, Shepherds Hill, Haslemere, with terms and conditions to be negotiated by the Estates and Valuation Manager.

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### **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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