



Author/Lead Officer of Report:
Steve Smith, Interim Surveyor Commercial
Estate Team, Property Services

Tel: 0114 2736842

Report of: Laraine Manley: Executive Director PLACE
Report to: Cabinet (acting as the Trustees of Oxley Park)
Date of Decision: March 2017
Subject: Lease of Inman Pavilion, Stocksbridge

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance & Resources and Culture, Parks and Leisure		
Which Scrutiny and Policy Development Committee does this relate to? Economic & Environmental Well-being		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i></p>		

Purpose of Report:

To seek approval of Cabinet, acting as the Trustees of the Oxley Park Trust, to the renewal of the existing lease of Inman Pavilion to the Garden Village Community Association (Registered Charity No. 1162028).

Recommendations:

That Cabinet acting as the Trustees of Oxley Park approve the grant of a lease of the Inman Pavilion to the Garden Village Community Association for a period of 25 years from a date to be agreed, subject to a peppercorn rent, with GVCA retaining responsibility for all repairs, maintenance, insurances and all costs relating to the use and occupation of the Pavilion.

Background Papers:

Surveyor's report to the Trustees as required by The Charity (Qualified Surveyor's Reports) Regulations 1992.

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Schofield
	Legal: David Sellars
	Equalities: None
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: Mick Crofts
3	Cabinet Member consulted: Cllr Ben Curran, Cllr Mary Lea
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Steve Smith
	Job Title: Interim Surveyor Commercial Estate Team
Date: 2 nd March 2017	

1. PROPOSAL

- 1.1 In 1956 Stocksbridge Urban District Council granted a lease for 5 years at a rent of one shilling to the Garden Village Community Association (GVCA) for a parcel of land at Moorland Drive, Stocksbridge, forming part of Oxley Park. The Association subsequently constructed a pavilion in accordance with the lease which it has since occupied, holding over on the original lease.

The Pavilion is in need of extensive repair, refurbishment and improvement to enable continued use. Under the terms of the existing lease GVCA are responsible for all repairs.

The Association are seeking grant funding for the Pavilion from a number of sources but need to regularise their occupation via a new lease for a longer term in order to be able to make successful bids.

Discussions have been held with representatives of the Association and heads of terms agreed for a lease for 25 years at a peppercorn rent, with the Association continuing to be responsible for repair and maintenance.

Sheffield City Council act as the Trustees of Oxley Park and GVCA are also now a Registered Charity (No. 1162028). The proposed lease is subject to the provisions of the Charities Act 2011.

It is proposed that the Trustees grant a new lease for a term of 25 years at a peppercorn rent for use in line with the charitable objects of GVCA. GVCA will continue to be responsible for all repair, maintenance and insurance and all other costs associated with the use and operation of the property.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The charitable objects of the GVCA are to:

“Promote the benefit of the residents of Sheffield, in particular those living in Stocksbridge, without distinction of age, health status, religious or political affiliation, race, sex, or sexual orientation, by providing a building for education, health and for recreation or other leisure-time occupation in the interests of social welfare with the object of improving the conditions of life of the said residents.”

- 2.2 GVCA has identified a programme of improvement for the Pavilion via “The Inman Initiative” which was supported by students from the University of Sheffield School of Architecture. The programme aims to transform the existing building into a modern, flexible, energy-efficient property supporting long-term sustainable use by the local community. The initial phases of the programme are initially estimated to cost

£260,000 and GVCA will seek grant funding to support this expenditure following the grant of a new lease.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 Cabinet, acting as Trustees do not require a specific consent from the Charity Commission to grant the lease, subject to complying with the other provisions relating to the disposal of charity land, including:

- a. Obtaining a surveyor's report on the terms of the disposal
- b. Advertising the disposal for a period of one month from the date of the notice to allow any representations to be made before approval is considered by Cabinet acting as the Trustees. Where the surveyor's report, however, advises that this may not be in the best interests of the Trust, the above requirement does not apply.

The surveyor's report advises that the advertising of the proposal to grant a leasehold interest in the Pavilion for continued use by the GVCA as a charity would not be in the best interests of the Trustees. This would incur expenditure and there is no realistic prospect of an alternative offer being received. GVCA also have existing rights to a new lease under the provisions of the Landlord & Tenant Act 1954.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 The GVCA charitable objects are to:

"Promote the benefit of the residents of Sheffield, in particular those living in Stocksbridge, without distinction of age, health status, religious or political affiliation, race, sex, or sexual orientation.."

4.2 Financial and Commercial Implications

4.2.1 Unless GVCA continue to use and improve the Pavilion it is likely to fall into disrepair and may eventually need to be demolished. This would result in the loss of a valuable asset used by the local community and involve a cost to the Trustees of Oxley Park, or ultimately, the City Council. The cost of demolition, site clearance etc is estimated at £75,000. The proposed lease will assist GVCA in drawing in external funding and this will mitigate this risk.

4.2.2 If the proposed lease is not granted the Association will not be able to make bids for grant funding as most grant regimes require the applicant to have a significant interest in the building.

4.2.3 Given that: the Pavilion was originally constructed by GVCA; that the continued operation of the Pavilion is entirely supported by GVCA; and

that any grant funding or other income received by the Association will be applied to improvements, it is fair and reasonable that the proposed rental of one peppercorn is considered to be the market rent.

4.2.4 The programme of improvement envisaged by GVCA is ambitious and there will be a need for effective management of works and finances by the Association. GVCA already receives professional surveying advice from Mark Jenkinson & Co and would appoint appropriate other professionals (e.g. architects) as part of any project delivery arrangements. The lease makes provision for the Trustees of Oxley Park to approve any programme of works and this will enable oversight of the programme. Similarly, the Trustees must give their consent for any charge over the property that may be required as part of any funding grant.

4.3 Legal Implications

4.3.1 Legal Services advise that:

- The approval of Cabinet (acting as the Trustees of Oxley Park), is required to the renewal of the lease.
- Approval from the Charity Commission is not required as the property only represents a small proportion of Oxley Park, has been let out for many years and would not affect the ability of the Trust to carry out its charitable objects. The Trustees would be able to rely on the de minimis exception applied by the Charity Commission. The effect of this is that the Trustees do not require a specific consent from the Charity Commission to grant the lease.
- Approval from the Charity Commission is also not required as the transaction involves the grant of a lease from a charity (Oxley Park Trust) to another charity (GVCA) and both have similar charitable objects.

4.4 Other Implications

4.4.1 Continued use of the Pavilion supports a number of activities beneficial to the health and well-being of the local community.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Alternative options are limited as GVCA have protection of occupation under the provisions of the Landlord & Tenant Act 1954 the Trustees would be bound to grant a new lease based on statutory terms.

6. REASONS FOR RECOMMENDATIONS

6.1 The proposal to grant a new lease at a peppercorn rent:

- regularises the existing occupation of the building
- enables grant funding bids to be made by GVCA to repair, maintain and improve the Pavilion
- ensures that a valuable asset is retained for use by the local community
- supports the charitable objects of the Oxley Park Trust and GVCA