

QUALIFIED SURVEYOR REPORT

**SHEFFIELD CITY COUNCIL AS CHARITABLE TRUSTEES
OF OXLEY PARK**

INMAN PAVILION, MOORLAND DRIVE, SHEFFIELD.

11th January 2017

THE CHARITY (QUALIFIED SURVEYOR'S REPORTS) REGULATIONS 1992

INMAN PAVILION, MOORLAND DRIVE, SHEFFIELD RENEWAL OF LEASE TO GARDEN VILLAGE COMMUNITY ASSOCIATION (GVCA)

1. PURPOSE OF REPORT

- 1.1 This report has been prepared by Mr S. Smith a Member of the Royal Institution of Chartered Surveyors with experience in property management for over 35 years and in the Sheffield area for 7 years.
- 1.2 The purpose of this report is to advise the Charity on the proposed renewal of a lease of the Inman Pavilion to the Garden Village Community Association (Registered Charity Number 1162028) for a term of 25 years.
- 1.3 The report is prepared under the Charities (Qualified Surveyor's Report) Regulations 1992.

2. LIMITATIONS

- 2.1 My inspection has been restricted to one considered sufficient for the purpose of our instruction. Invasive investigations have not been carried out nor have detailed enquiries been made of any Statutory Authority.
- 2.2 A full site survey has not been undertaken and for the purposes of this report it is assumed that there are no deleterious materials within the site or other constraints that would affect the proposed lease renewal.

3. LOCATION

- 3.1 Inman Pavilion is situated in the township of Stocksbridge, approximately 10 miles North West of the City Centre.

4. DESCRIPTION

- 4.1 The Pavilion is a single storey building of concrete panel construction erected in 1965 by the GVCA to replace an existing building of wooden construction. It provides space for meetings, workshops, classes and functions for the Association and the local community.

The Pavilion sits within Oxley Park which comprises approximately 34.5 acres. The site area of the Pavilion is approximately 436 square metres (522 square yards).

5. HISTORY

- 5.1 Stocksbridge UDC granted a lease to GVCA in 1956 for a term of 5 years from the 1st January 1956 at a rent of 1 shilling p.a. and GVCA have since been occupying continuously although no further lease was put in place. The

Association have undertaken all repair, maintenance and insurance liabilities for the building since it was built.

- 5.2 GVCA does not receive funding from the City Council and no funding is available via the Oxley Park Trust or the City Council for maintaining or improving the building. GVCA have funded all premises costs from their charitable activities and from occasional hire of the Pavilion by the local community.
- 5.3 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. Costs for the initial phases of work are a minimum of approximately £260,000.
- 5.4 The Association is poised to make a number of bids for grant funding to support the proposals but requires a lease for a term of at least 25 years in order to enable funding bids to be made.

6. **TOWN & COUNTRY PLANNING**

- 6.1 The area is designated as Housing/Playing Field/Park on the emerging Sheffield Plan.

7. **LEGAL INTEREST & CHARITY ISSUES**

- 7.1 Oxley Park was conveyed to Stocksbridge Urban District Council by Thomas Oxley and Samuel Fox & Company as part of an agreement dated 10th June 1921. The agreement states that the land is held in Trust “*forever for perpetual use by the inhabitants of Stocksbridge as a Park or Recreation Ground*”.
- 7.2 This scope relates solely to “outdoor” recreation. The City Council, as Trustees of Oxley Park, secured approval from the Charity Commission in 2015 to widen the scope of the Trust to include “indoor recreation” in relation to the lease of Stocksbridge Leisure Centre to 4SLC, following a process of advertising and consultation as required under the Charities Act 2011. This subsequently has been promoted by the Charity Commission as a case study.
- 7.3 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.”

7.4 The advice of the Council's Legal Service has been sought is 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.

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 (see 11.1 below).

8. **PROPOSED LEASE**

- 8.1 The proposal is to grant a new 25 year lease from a date to be agreed. The Association will continue to be responsible for all repairs, maintenance and improvements and for all costs relating to the use and occupation of the building.
- 8.2 The rent will be a peppercorn for the full period of the lease to reflect that: the use is restricted to the charitable objectives of GVCA; that the building was originally constructed by GVCA; that it continues to be the sole responsibility of GVCA; and that the Association will apply any funding received by way of grant or other income to implementing improvements to the building.
- 8.3 The Lease will include appropriate restrictions on any assignment, underletting or transfer of the Pavilion.

9. **V.A.T.**

- 9.1 The Charity is not separately registered for V.A.T. and as such there are no benefits in opting to tax this transaction.

10. **CONCLUSIONS**

- 10.1 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.
- 10.2 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.
- 10.3 Given that the 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.

11. **ADVICE & RECOMMENDATIONS**

- 11.1 I advise 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.
- 11.2 I recommend that the proposed lease to GVCA is in the best interests of the Trustees.

12 **DECLARATION**

I have relied upon the information provided to me which I have assumed to be complete and correct as regards tenure, planning and all other relevant matters as summarised in this report.

I confirm that there are no conflicts of interest that affect my ability or impartiality in the preparation of this report.

Signed: Steve Smith MRICS

Date: 11th January 2017

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