

Title: **Land at Awdry Avenue Melksham**

Portfolio holder: **Graham Payne – Property and Estates**

Reporting officer: **John Follows**  
**Property and Commercial Services Manager**

Key decision: **Yes**

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### **Purpose**

To brief Cabinet on the proposed lease of this site to the Forest Community Association and to obtain approval for the way forward.

### **Background**

Cabinet resolved in April 2004 that a 99 year lease should be granted to the group so that they could obtain funds from the football development trust to build and operate a Football Activity Centre on the site (see plan in Appendix 1). The majority of the conditions have been met and approval is now sought to conclude the deal.

Cabinet had previously agreed to the following support being given to the development of Forest Community Centre:-

- (a) That this Council (WWDC) agrees in principle to grant Forest Community Association (Charity No 1064323) a 99 year lease subject to:
  - The Council approving the Business Plan for the project.
  - The construction works for the Centre commencing before 1 January 2009.
  - The land being used solely for the purposes of the charity.
- (b) The land will either be disposed of at full value or authority to dispose of at an undervalue will be sought when the proper value is known. The lease will only be completed once the build contract for the construction of the centre has been let. A contract for lease may be issued in the meantime if required to assist in obtaining the New Opportunities Fund or other grant funding.
- (c) That on production of invoices for construction costs for the centre, that the £40,000 contribution received by this authority be added to the Capital Programme for that year to enable £40,000 to be paid to Forest Community Association (Charity No 1064323)
- (d) That if the build contract has not been let by 1 January 2009 the availability of the land and the use of the contribution for other purposes appropriate to the area be considered.

## **Key issues**

Subsequent to that Cabinet resolution the plans of the group have been modified to focus more on the football development aspects of the proposal and less on the use as a community centre, which is reflected in the change of name to Forest Football Activity Centre and the plan to create a junior pitch and an all weather training pitch on the site as well as the existing full size senior pitch.

The Leisure & Recreation Needs Assessment identified a significant shortfall in the levels of formal pitch provision in Melksham, therefore the development of good quality football pitches and changing facilities will reduce that shortfall. The project is also supported by the Melksham 1<sup>st</sup> Sports Facilities Group, which consists of representatives from each of the clubs in the area, the Town Council, Melksham 1st and leisure officers from WWDC.

Heads of terms for the lease have been agreed and the current draft can be found in Appendix 2.

The District Valuer's (DV) opinion has now been sought which indicates that the site would realise a commercial income of £1,800 per annum with the tenant undertaking maintenance of the site. The suggested rent to charge Forest Football Activity Centre is £25 per annum, which represents disposal of the site at an undervalue when compared with the District Valuer's opinion.

Access is required by other tenants and allotment holders in the area. This will be maintained once the land is leased.

## **Effect on strategies and codes**

The development of good quality formal pitch provision and changing facilities in Melksham will ensure better access to facilities, therefore contributing towards the Council's objective of improving access to recreation opportunities.

## **Risk management implications**

The main risk in the project is that the group fails to complete the construction of the activity centre. In these circumstances the Council could inherit a partly constructed building. However the group's financial plans have been reviewed by the Council's Finance Dept and there are no issues the decision by the group to focus their activities in one area probably makes the achievement of their plans more likely. A longer term risk is that the group does not carry on for 99 years and a redundant building is taken back by the Council.

## **Finance and performance implications**

The rent the group propose to pay is £25 which is a £1,775 undervalue compared to the DV's valuation. Over the period of the lease this provides a subsidy of £175,725. An alternative would be to rent the site at its full value and provide a grant to make up the shortfall of £1,775 p.a. with a grant. This course of action is in accordance with

the Asset Strategy contained in the Council's Asset Management Plan 2006-2009. The maintenance of the site by English Landscape costs £4,524 p.a. Leasing the site means that this money is available for reallocation to other grounds maintenance works in the area.

### Options and way forward

- 1 Do nothing – maintains the status quo and the Council will rent out the pitch on a seasonal basis.
- 2 Lease the site – facilitates the development of footballing activities on the site, increasing usage of the land and participation in the sport.
  - 2.1 Lease at £25 which represents an undervalue compared to the DV's report which is requested by the group.
  - 2.2 Lease at full value and support the venture with a grant to reflect the community benefits of the project which is in accordance with the council's Asset Management Strategy.

### Legal and human rights implications

Any lease will be drawn by Council's Legal Dept based on normal terms and conditions and the appended heads of terms.

If the site is leased at below market value then the general disposal consent (England) 2003 will apply.

### Next steps

To draw up the lease and complete the transaction.

### Recommendations

The Cabinet is recommended to:

- Lease the site to Forest Community Association at £1,800 p.a
- Provide a grant subject to a service level agreement linked to the on-going community benefits of the project.

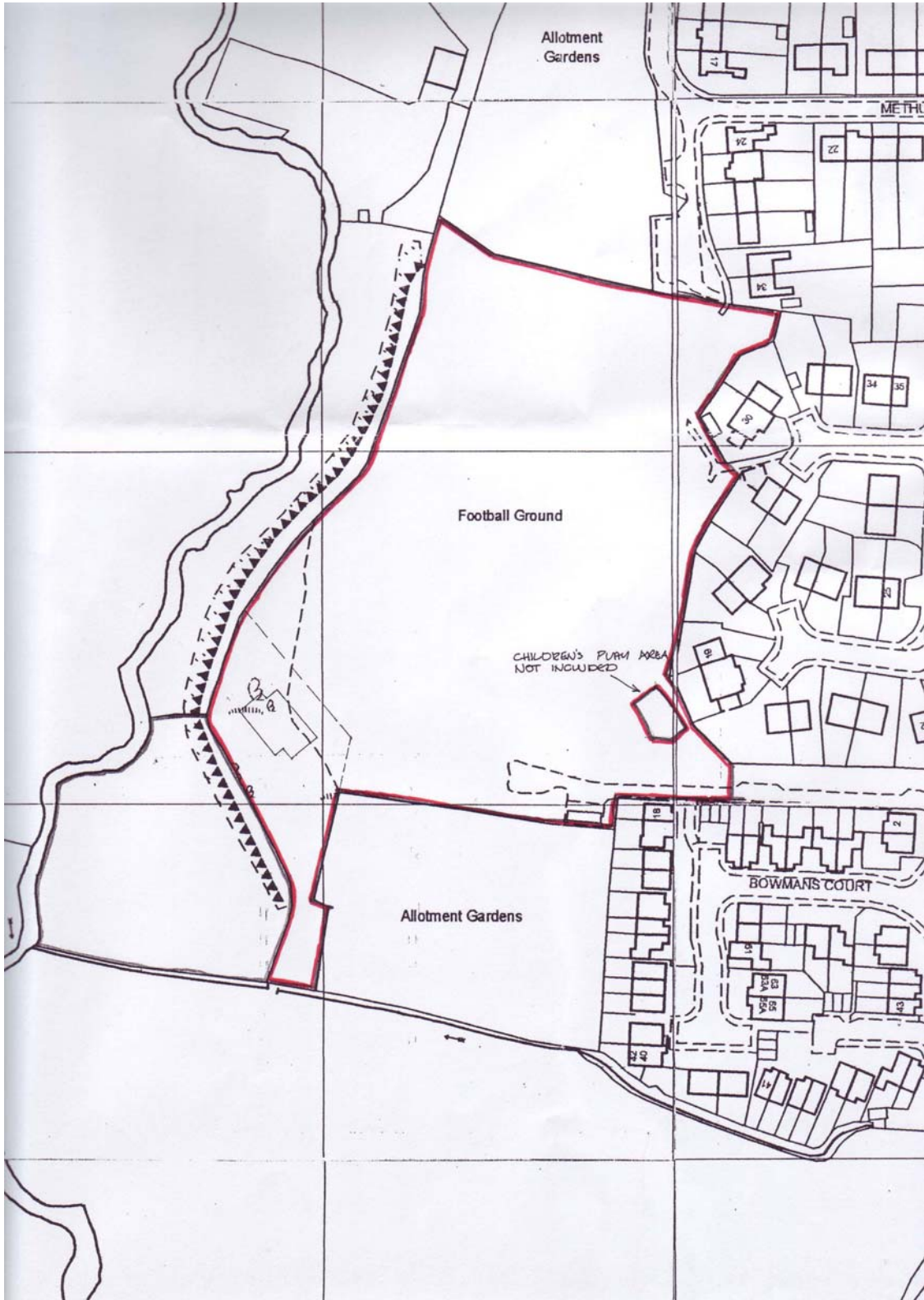
### Key decision box

Statement of reason for key decision	Potential loss of revenue in excess of £100,000 per annum
Options considered and rejected	See options section above.
Date of implementation	17 March 2008

### Background papers

Background papers are available in Property and Commercial Services Office G38.

Awdry Avenue Melksham, Site Plan



**DRAFT HEADS OF TERMS**

**- FOREST COMMUNITY CENTRE AWDRY AVENUE MELKSHAM**

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The West Wiltshire District Council (hereinafter called the WWDC) will grant a lease of the land indicated by red verge on the plan to the Forest Community Association - Charity No. 1064323 (hereinafter called the FCA) on the following principle terms:-

1. Prior to the grant of the lease the parties will enter into an Agreement to Lease which will require the FCA to construct new community facilities in accordance with a plan approved by the WWDC. The construction work must commence before the 1 January 2009 and be completed within two years of work starting on site or such other dates as may be agreed with the WWDC.
2. The FCA will be responsible for obtaining all planning and other approvals necessary prior to the commencement of work and the costs in connection therewith
3. The Lease will be for a term of 99 years and will commence within one month of the architect, acting on behalf of the FCA issuing a Certificate of Practical Completion in respect of the approved works.
4. A rent of £25 (Twenty Five pounds) per annum will be payable from the commencement of the lease. The rent will be subject to review every 5 years.
5. The land and facilities constructed thereon are to be used solely for the purposes of the approved activities of the FCA. Subletting or assignment of the whole or part will not be permitted.
6. If at any time the FCA shall cease to exist whether voluntarily or compulsorily the lease will terminate forthwith. If the FCA ceases to be a Registered Charity the WWDC will have the right to terminate the lease on giving 12 months notice or increase the rent payable to a full market rate.
7. All buildings erected on site are to be kept in good and substantial repair and fully insured throughout the lease term.
8. The entire site is to be kept in a clean and tidy condition at all times.
9. Rights of way will be reserved over the land for the benefit of the WWDC and authorised users of its adjoining land in particular the area hatched blue on the plan will form a vehicular access to the land used for grazing purposes. At no time, unless otherwise agreed by the WWDC, is the main gate to the site to be locked so as to prevent access to the site by other authorised users.
10. If at any time during the lease term the children's play area ceases to be required in its present location the land will be incorporated into the FCA lease area.

11. If the FCA want to erect any other buildings on site other than those permitted as part of the approved plan will require the approval of the WWDC in its capacity as lessor
12. The WWDC will have the following rights to terminate the lease:-
  - a) At any time on giving 12 months notice if the land is required to enable the WWDC to perform its statutory duties.
  - b) On the 25<sup>th</sup> year of the term for the purposes of an approved redevelopment (and every 5<sup>th</sup> year thereafter) having given a minimum of 12 months notice in writing of its intentions
  - c) In the event of termination for either of the above reasons the WWDC will use its reasonable endeavours to provide suitable alternative facilities or compensate the FCA for its loss.
13. The FCA will be required to provide the WWDC with a regularly updated list of keyholders for their use in case of an emergency.
14. The lease and the agreement to lease shall contain such other terms and conditions as the lawyers acting for the WWDC consider appropriate.
15. The FCA will be responsible for the payment of the WWDC legal costs.

All references to the WWDC will be deemed to include their successors in title.