

Cheltenham Borough Council

Cabinet

7 November 2017

Function Room at Naunton Park Pavilion

Accountable member	Cabinet Member Finance, Councillor Rowena Hay
Accountable officer	David Roberts, Head of Property and Asset Management
Ward(s) affected	Leckhampton
Key Decision	No
Executive summary	<p>Naunton Park Pavilion is located within public open space in a park in Leckhampton.</p> <p>The pavilion consists of changing rooms, toilets, an allotment office and a tea room.</p> <p>The tea room is currently under license to the Friends of Naunton Park for nil rent. The friends of Naunton Park have been using it for birthday parties, arts clubs and youth clubs.</p> <p>Planning consent was given in September 2017 for the tea room to be used to serve the local community. (The Friends of Naunton Park have given their support to the planning application)</p> <p>The Friends of Naunton Park have advised that they would like to terminate their license when the council have found a suitable tenant for the café.</p> <p>The proposal will see better utilisation of the building, hopefully bring about greater local community use, reduce the council's repairing liabilities and provide the opportunity to generate an income. The land is identified as Open Space and has been advertised in accordance with S123(2A) Local Government Act 1972 and it is confirmed that no objections to the disposal have been received</p>
Recommendations	<p>That Cabinet :-</p> <ol style="list-style-type: none">1. Agrees to declare surplus the function room at Naunton Park Pavilion for a term of 5 years.2. Delegates authority to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the lease of the function room at a rent which may be below the market rent but that the Head of Property and Asset Management in consultation with the Ward Members and Borough Solicitors considers represents best value3. Authorises the Borough Solicitor to execute a lease upon the terms agreed by the Head of Property and Asset Management and such other terms as is considered necessary or advisable

Financial implications	<p>Leasing out the space will provide an annual rental income as well as an additional saving on the cost of internal repairs, which would be covered by the tenant. There is no rent currently being charged, therefore no loss of income would arise.</p> <p>Contact officer: Myn Cotterill, Accountant myn.cotterill@cheltenham.gov.uk, 01242 264121</p>
Legal implications	<p>.Although this property forms part of a building, it is nonetheless within the definition of open space for the purposes of advertising its proposed disposal, and giving due consideration to objections.</p> <p>Under the Public Health Acts Amendment Act 1907, Section 76(1) (g), where a lease of land is proposed, the building must be used in such a way that benefits the general public and is also ancillary to the park use. Members must consider whether the proposed use meets these limitations.</p> <p>The Council has no obligation to obtain best consideration where a lease is for a term of less than 7 years, although it must still act prudently</p> <p>Contact officer: Rose Gemmell, rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>
Key risks	None as there have not been any objections to the advert.
Corporate and community plan Implications	<p>Supports the local community</p> <p>Will bring about greater utilisation of the building and generate a commercial income.</p>
Environmental and climate change implications	

1.0 Background

- 1.1 Naunton Park Pavilion is located in Naunton Park, Leckhampton. The park is popular with the local community and is used by families visiting the playground, school children from the school backing on to the park and dog walkers. The allotments also back on to it.
- 1.2 The function room at Naunton Park Pavilion has been occupied under a license by the Friends of Naunton Park since 2013. They have used it on an ad-hoc basis for hiring out for birthdays, arts club and youth club. They do not pay a license fee and it is predominantly shut during day time hours. The council are responsible for all repairs.
- 1.3 The function rooms have its own separate entrance with a separate toilet as shown on the plan attached.
- 1.4 The Property and Asset Management team have been considering ways of

maximising our estate, especially those assets that we intend retaining but are under-utilised. This proposal offers an opportunity to generate additional income. In September 2017, planning permission was granted for the change of use of the function room at Naunton Pavilion to a tea room (A1) to serve the local community. Support was given unanimously by Friends of Naunton Park.

- 1.5 It is proposed that we market the unit on a 5 year lease at a rent of £3,900 per annum. The new tenant would take on all internal repairs and pay a percentage towards the external repairs.
- 1.6 The Friends of Naunton Park have agreed to continue with their agreement until a suitable tenant to run a coffee shop for the local community from the pavilion can be found. The land upon which the Pavilion is sited is Open Space and the appropriate Notice detailing the proposed leasehold disposals pursuant to S123 (2A) of the Local Government Act 1972 was placed in the Gloucestershire Echo on the 5th & 12th October 2017. The Notices gave details of the proposed disposals and asked that if there were any objections to send them in writing to the Borough Solicitor by 9am on 25th October 2017. No objections were received.
- 1.7 Two parties have already expressed interest in the café and it is hoped that through marketing to attract additional interest.

2. Reasons for recommendations

- 2.1 To allow the disposal of public open space to be used as a tearoom for the local community and generate a commercial income.
- 2.2 To reduce the council's repairing liabilities.

3. Alternative options considered

- 3.1 Cabinet could decide not to allow the disposal of the function room at the Pavilion, but this would result in the room remaining shut for the majority of the day with no rental income with the council still carrying the liability for all the repairs.

4. Consultation and feedback

- 4.1 Ward members and senior council officers have been consulted about this proposal and no adverse comments received.
- 4.2 The Friends of Naunton Park have written saying that they welcome the tea shop and will terminate their licence.

Performance management –monitoring and review

- 4.3 During the lease term the tenancy will be monitored to ensure compliance of the lease terms and appropriate action taken to remedy any breach or terminate the lease accordingly.
- 4.4 At the term end, on the basis that the tenant has complied with the lease terms and wishes to renew the lease, then negotiations will commence to grant a new lease.
- 4.5 Should the tenant decide that they do not want to renew the lease then a new tenant will be sought.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Location Plan
Background information	<ol style="list-style-type: none"> 1. None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the disposal of the public open space is not granted then it would mean that the council would continue with the existing licence arrangement with the Friends of Naunton but would still not receiving any rent and would still be liable for all the repairs to the property.	DR	4 th October 2017	3	1	3	Accept & Monitor	Proceed to sub let the property and generate a commercial income		RC	