

<b>DECISION-MAKER:</b>	DIRECTOR OF PLACE		
<b>SUBJECT:</b>	LEASE FOR OAKLANDS SWIMMING POOL		
<b>DATE OF DECISION:</b>	25 JULY 2014		
<b>REPORT OF:</b>	HEAD OF LEISURE AND CULTURE		
<b><u>CONTACT DETAILS</u></b>			
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#### STATEMENT OF CONFIDENTIALITY

None

#### BRIEF SUMMARY

Following the Cabinet and Council decisions in October and November 2013, which delegated authority to the Director of Place to sign a lease with the Community Group, negotiations over the details have now been finalised, alongside further development of the groups business plan and organisational structure. . Completion of the lease will enable the group to take possession when appropriate and prepare the pool for opening

#### RECOMMENDATIONS:

- (i) To approve the signing of the lease on the terms as set out in this paper

#### REASONS FOR REPORT RECOMMENDATIONS

1. To enable the Oaklands Pool Group to take possession of the pool once the construction project is completed and make final preparations for opening to the public.

#### ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. Not to award the lease – rejected on the basis that a comprehensive pool refurbishment has been carried out to enable the swimming pool to reopen. The agreement provides a sustainable opportunity to secure public swimming in the locality.

#### DETAIL (Including consultation carried out)

3. The Cabinet and Council reports of October and November 2013 noted the need to further develop the group's governance structure. The Council have provided ongoing consultancy support to the group to refine the business plan and organisation. The Consultant reports that "The Board in anticipation of becoming a Charitable Not for Profit organisation has extended its membership to six. The six members of the Board are now called Trustees. The Trustees have been given roles and responsibilities.
4. The business plan has been refined and shows no substantial deviation from

that which provided assurance to the council in October / November 2013. The loan approved at the same time has been agreed and payments made available to the group to enable preparatory work for the pool opening.

5. The lease has been subject to a comprehensive negotiation process. The key terms of which are set out below:
  - 24 year term term, inside the Landlord and Tenant Act
  - Peppercorn rent, with full repairing and insuring responsibilities save that for the first 3 years the Council will be responsible for repairs to the roof.

Appendix one provides the heads of terms as agreed with the group.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

6. One issue during negotiations was the responsibility of the roof. Following the survey at the beginning of the refurbishment process, all works identified by the surveyor were carried out, in addition to rectification of some issues that were identified during the implementation of those works. The Pool Group remained concerned about the liability of the roof, and in particular their ability to carry out major repairs in the early years of their tenure, without reserves. Consequently, the Council have agreed to take responsibility for any repairs required to the roof for the first three years of the lease. Thus there remains a risk for the Council, albeit a low risk, given that all repairs proposed have been carried out. Should any repairs be required, this will present a pressure on the Council's budgets a no allowance is made within any current budgets. The lease will remain the responsibility of the Leisure Portfolio

### **Property/Other**

7. The unrestricted value (value if offered to the market with vacant possession) and restricted value (value subject to the proposed lease) of the premises are £100,000 and £39,000 respectively. The undervalue arising on the basis that the lease is granted is therefore £61,000.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

8. Section 1(1) of the Localism Act 2011 gives local authorities the 'power to do anything that individuals may generally do' as long as there exists no prohibition or restriction on the proposal contained in any other legislation. Section 123 of the Local Government Act 1972 states that a local authority may not dispose of land otherwise than for best consideration unless the consent of the Secretary of State is obtained. Disposals at an undervalue are permitted if it can be demonstrated that the disposal is for the 'well being' of the area and the consent of the Secretary of State is not needed where the undervalue is £2m or less.

### **Other Legal Implications:**

9. None

## **POLICY FRAMEWORK IMPLICATIONS**

10. The proposal is consistent with the policy framework

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	Coxford
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Agreed Heads of Terms
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**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	/No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None.	
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