

Bath & North East Somerset Council

DECISION MAKER:	Councillor Richard Samuel, Deputy Council Leader and Cabinet Member for Resources	
MEETING/ DECISION DATE:	On or after 25 th July 2020	EXECUTIVE FORWARD PLAN REFERENCE:
		E3217
TITLE:	Saltford Lawn Tennis Club – Community Asset Transfer	
WARD:	Saltford	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Saltford Tennis Club Business Plan		
Appendix 2: Income and Expenditure		
Appendix 3: Summary of Social Benefit		
Appendix 4: CAT Stage 3 Assessment		
Appendix 5: Heads of Terms		
Appendix 6: Site Plan		

1 THE ISSUE

- 1.1 This report relates to Saltford Lawn Tennis Club (SLTC) who have applied for a Community Asset Transfer (CAT). SLTC wish to improve their existing wooden club house to create a larger facility, however this requires additional land which does not form part of their existing lease. A number of tenancy options have been explored.
- 1.2 In addition, SLTC were previously an unincorporated organisation and individual members of the club held the lease. The Club has now registered as a Charitable Incorporated Organisation and any new lease will be held by the new CIO thereby reducing the liability for individual members of the club.
- 1.2 SLTC have completed Stage 3 of the CAT process which requires submission of a full business plan and supporting documentation. This has been assessed by officers and meets the objectives of the Council's Community Asset Transfer Policy.

2 RECOMMENDATION

The Cabinet Member is asked to delegate to the Head of Estates authority for;

- 2.1 completing the disposal of Saltford Lawn Tennis Club into a final lease in line with the Heads of Terms attached.
- 2.2 abating the rent to a peppercorn subject to Saltford Lawn Tennis Club satisfying the Council that they will use the site for the purposes set out in their Business Plan.

3 THE REPORT

- 3.1 SLTC have submitted a five year business plan (see Appendix 1) including supporting documents as required as part of the CAT application process. An assessment by officers has been undertaken (see Appendix 4).
- 3.2 SLTC provides three all-weather courts with overhead lights and includes a small wooden club house. The Club's income is primarily generated by club membership, as well as grants and fundraising providing other sources of income. The club have managed the facility for over 50 years. They provide a range of community based activities including court hire, free tennis sessions as well as coaching programmes working with Team Bath, from the University of Bath.
- 3.4 SLTC have been granted planning permission for the new club house. They will raise funds to pay for the new club house through grants and fundraising.
- 3.5 The Heads of Terms can be found in Appendix 5. It is proposed that the lease term will be 99 years and liabilities for maintenance costs will be transferred to SLTC. The rent will be abated to a peppercorn. This will be subject to SLTC continuing to deliver against their business plan. A partnership agreement will form part of the lease which will set out the commitments that SLTC will be required to meet.
- 3.6 The assessment measured against the RICS Guidance criteria has identified the following:
 - the rental amount foregone is £1,600 pa, based on the most recent professional valuation.
 - the current maintenance costs include annual grass cutting costs which are £250 also including resurfacing and repaint courts as recommended by the Lawn Tennis Association at £3,600 per annum. See 5.2 & 5.3 below.
 - The main benefits achieved from this proposal come from leveraging-in local knowledge, expertise, volunteering time and capacity within the local community and through the partnership working that the club has created. The costs to run the club's facilities and community programmes have been summarised in Appendix 3 and has been estimated as £22,201.04 per annum.
- 3.7 Given that there is a net benefit to the Council of £24,451.04 from this proposal it is considered that this delivers sufficient social, economic and environmental

benefits to meet the test set out in paragraph 4.3 below in relation to the General Consent Order.

- 3.8 The transfer of the building will be in accordance with the Heads of Terms and approved by Head of Estates in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations and in accordance with normal practice.
- 3.9 This proposal is in line with the Council's policy regarding Community Asset Transfers the aim of which is to help secure community benefits in line with the Council priorities and objectives.
- 3.10 The Council recognises that the COVID-19 pandemic may have an impact on SLTCs future plans which may require changes to their operational practices and proposals as set out in their business plan. The Council will work with them to ensure they are supported through this period.

4 STATUTORY CONSIDERATIONS

- 4.1 Public health and inequalities: the Council has a statutory duty to promote the health and wellbeing of the inhabitants of its area and reduce inequalities amongst its population.
- 4.2 The Royal Institution of Chartered Surveyors (RICS) is the governing body for Chartered Surveyors and they have set out guidance specifically to deal with the disposal at less than market value which should be followed unless there are particular circumstances that mean that it is not appropriate. It puts in place an audit trail so that the decision is demonstrably robust. It is, therefore, considered that this is an appropriate model for sign off of the individual transactions which should be undertaken in liaison with the Section 151 Officer. The assessment requires:
- a full valuation exercise is undertaken which identifies the maximum theoretical Market Value for the asset to be transferred.
 - calculation of the reduced values that apply because of any restrictions that the Council applies relating to things such as use, alienation, clawback, etc.
 - the value added to the Council through the outcomes of the transfer has been assessed and found to be not less than the difference between market value and the actual price to be paid.
- 4.3 Property considerations: under s123 of the Local Government Act 1972, any disposal by the Council of an asset in excess of 7 years (including leasehold interests) must obtain "best consideration", unless Circular 06/03 The Local Government: General Disposal Consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained apply or a specific consent is obtained. The general consent allows specified circumstances where the consent can be applied:
- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the

following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

- i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being;
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

4.4 The Council's Community Asset Transfer Policy sets out the criteria for which community assets are considered including the need to protect the asset, investment required and community services offered. The proposal is in line with these objectives.

4.5 There are no current delegations or resolutions to allow these transfers to take place at less than best consideration; best consideration being based on market values. This report, therefore, seeks to give such authorisation to the Head of Estates, who otherwise has the delegated powers to enter into property transactions on behalf of the Council.

4.6 This disposal is not considered to constitute state aid.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The proposal is to lease the tennis courts to SLTC on a 99 year lease. SLTC currently pays £1,600 per year to the Council for rent. This will be reduced to a peppercorn subject to SLTC delivering against their business plan.

5.2 The courts were resurfaced, and additional ground works completed by the Council in 2017 at a cost of £56,000. The Lawn Tennis Association has provided advice to the club to ensure they create a sinking fund and recommend that the courts are resurfaced every 10 years and repainting the courts every 5 years at a cost of £36,000.

5.3 The annual cost for grass cutting on the additional land required by SLTC is a cost of £250 per annum.

5.4 The transfer will take place on the basis of the current condition of the courts, subject to repairs that may be required as part of the landlord's responsibilities. The Council will transfer the costs to SLTC for the on-going maintenance, resurfacing of the courts, grassing cutting and hedge with the exception of the hedge which borders the car park shown on the plan in Appendix 6. The Council will retain liability for this part.

5.5 SLTC also need to make provision for maintenance costs of the flood lights estimated at £1,800. These are currently in the ownership of SLTC and not the Council's responsibility.

- 5.6 The Council has allocated £5,000 from the CiL funding which has been allocated to support leisure activities across the district to the club to support their proposals.
- 5.7 Offering a long-term lease provides the club with security of tenure to raise funds to cover all maintenance costs. The Lawn Tennis Association have provided advice to SLTC on the income and membership levels to ensure their maintenance liabilities can be met. These terms are in line with other tennis clubs across the country.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

7 CLIMATE CHANGE

- 7.1 The proposal enables a local facility to be retained for its community, thereby reducing the need for resident to travel outside for tennis activities. SLTC have committed in their business plan to encourage its members and users to walk and cycle where possible.

8 OTHER OPTIONS CONSIDERED

- 8.1 A number of tenancy options have been explored with SLTC, however the Community Asset Transfer has been considered the most appropriate option to support the long term objectives of the club and the Council's Corporate objectives.
- 8.2 This option enables the community to retain a valuable resource and enable the club to develop their facilities and provide long term security.

9 CONSULTATION

- 9.1 The Council is obliged in accordance with Section 123(2A) of the Local Government Act 1972 to notify residents of its intention to dispose of any public open spaces. The Council published an Open Spaces notice on the 27th February and again on the 5th March in the Bath Chronicle. There were no objections received.
- 9.2 SLTC have undertaken their own consultation with their members, Saltford Community Association and local residents about their proposals to create a new club house on the site.

Contact person	Richard Long, Head of Estates David Trethewey, Director for Partnership & Corporate Services
-----------------------	---

Background papers	<p>Community Asset Transfer Policy - February 2019</p> <p>https://www.bathnes.gov.uk/services/neighbourhoods-and-community-safety/connecting-communities/community-asset-transfers</p> <p>RICS Guidance Disposal of Land at less than best Consideration</p> <p>https://democracy.bathnes.gov.uk/documents/s34180/Appx%20%20RICS%20Local%20Authority%20Asset%20Management%20Best%20Practice%2007%20Disposal%20of%20Land%20at%20less%20than%20Bes.pdf</p>
<p>Please contact the report author if you need to access this report in an alternative format</p>	