

Subject:	Awarding of Lease Rottingdean Pitch & Putt		
Date of Meeting:	1 July 2014		
Report of:	Executive Director Environment, Transport & Housing <u>& Executive Director, Finance & Resources</u>		
Contact Officer:	Name:	Jan Jonker	Tel: 29-4722
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Ward(s) affected:	Rottingdean Coastal		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The lease for Rottingdean Pitch & Putt expired in March 2012. Several attempts have been made to remarket the site with an appropriate use on a commercial basis. Despite these efforts no viable commercial proposal has been forthcoming. A plan of the site is attached as Appendix 1.
- 1.2 Friends of Beacon Hill Nature Reserve have submitted proposals (The Beacon Hub Project) to establish a learning centre at the site. A copy of their proposals is attached as Appendix 2.

2. RECOMMENDATIONS:

~~2.1~~ That the Committee agree to grant a lease to the Beacon Hub Project on a ~~7-15~~ year term at a peppercorn rent. ~~The lease would be subject to a break clause at year 4 which would only be enforced by the landlord if the lessee has not been successful in securing planning permission and funding to redevelop the kiosk in to an education centre.~~

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~~2.2~~ That the Committee authorises the Head of Law, following consultation with the Executive Director Finance and Resources, to ~~Subject to agreement by Committee officers will finalise the negotiate the detailed Heads of Terms and other necessary documentation with the group under delegated powers.~~

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3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Rottingdean Pitch & Putt is located between the A259 to the south and Beacon Hill Nature Reserve to the north, to the West of Rottingdean. It consists of a small kiosk building and an 18 hole golf course. The site had been let on a long term lease which expired in March 2012. The site used to attract an income of £29,580 per annum as well as a grounds maintenance fee of £18,550 per annum. The site has been vacant since March 2012 and has recently been occupied by squatters who have since been evicted. The cost of providing security for the building is £168 per week.

- 3.2 The site has been marketed on two occasions and on both occasions negotiations with the preferred bidder failed. After the second marketing attempt parties who had previously expressed an interest in the site were contacted again and invited to resubmit their proposals. Following this work it was evident there is no viable commercial interest in the site.
- 3.3 The lack of interest in the site as a pitch & putt course is likely to be due to the decline in the popularity of golf and the proximity of Roedean Pitch & Putt approximately 1 mile to the west. The layout of the building itself also limits any alternative use. Toilets are located in the middle of the building dividing the limited usable space in two with no internal access between the two sides.
- 3.4 Friends of Beacon Hill have put forward a proposal to extend the nature reserve and use the kiosk as a hub. The main aims of the project are to establish a learning resource providing classes for school children, community events and a kiosk offering refreshments to visitors to the site as well as helping improve the nature reserve. The group seek to open the site up as a gateway to the National Park.
- 3.5 The Committee have secured £25,000 of private funding to help establish the project subject to a minimum lease term of ~~fifteen years~~seven years. A business plan has been submitted to support the proposals. The project has been divided in to two phases, the first phase focussing on establishing the project and preparing for investment in the building to convert it in to a more usable classroom space subject to planning permission.

2.1 The business plan has been reviewed by officers. There are risks associated with the delivery of the business plan including the viability of income and recruiting sufficient volunteers to staff the kiosk. In order to redevelop the building in to a more usable educational space planning permission is required and funds of approximately £120,000 would need to be secured through grant funding. These risks can be managed by ensuring the ~~Heads of T~~Terms of the lease include minimum performance against the objectives of the Project. The lease would also be non-assignable.

2.1 Under the proposals a 15 year lease would be granted issued with a break clause at five years-which could only be actioned by the council in the event that the group had not been successful and or had not secured planning permission and or funding to redevelop the site. In addition the lease will include terms to allow the council to take the site back in the event the group are insufficiently resourced to enable them to continue or fulfil their own objectives. The recommendation for a 7 year lease has been amended to 15 years as the group require a longer lease to secure the level of funding required to redevelop the building.

3.6 Management of the land as an extension of the Beacon Hill Nature Reserve would be overseen by City Parks (who manage the main section of the Nature Reserve). Management of the site would cost a maximum of £5,200 per annum which would need to be funded from existing resources. Opportunities to include the site in to the Higher Level Steward Scheme are being explored. If this was successful management of the land would be cost neutral.

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4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Alternative uses of the site have been explored in depth and the facility has been marketed extensively. The marketing has resulted in an initial commercial interest but this has not materialised in viable or suitable proposals for the site.
- 4.2 Proposals for an initial five and then seven year lease with a two or three year break clause have been discussed with the Beacon Hub Project. The Beacon Hub Project Committee have stated they could not take a lease on these terms as they would lose their £25,000 funding provided by a local benefactor. They have stated that their minimum lease term, to retain this funding, is fifteen years~~is seven years~~.
- 4.3 Other options for the site are not to award the lease and for the building to remain vacant. However this would incur ongoing security and maintenance costs and the site would be prone to vandalism and squatters. The building could also be demolished but this would remove any potential for community benefit.
- 4.4 Given the extensive marketing that has taken place it is unlikely that marketing the site again will result in an alternative viable proposal being brought forward.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council does not normally consult on the awarding of leases on its properties and has not consulted on the proposals for this site. The awarding of this leases is a commercial decision that can be made under property delegations~~delegated to officers~~. The marketing of this site has attracted a lot of attention in the media and the local community which is why the decision has been deferred to this Committee.
- 5.2 Based on the information submitted by the Beacon Hub Project Committee there is support for their proposals from the local community. However there is also support for other uses including golf, other formal recreation and a destination to attract more visitors to Rottingdean. Through the marketing no such alternative uses have been forthcoming.

6. CONCLUSION

- 6.1 Under the previous lease, the council received £29,580 in rent per year and £18,550 for grounds maintenance for the Rottingdean Pitch & Putt site. The property has been marketed extensively, but no viable commercial proposals have been forthcoming.
- 6.2 The only current proposal has been submitted by the Beacon Hub Project Committee to take over the building to develop it in to an educational hub. The lease would be for a minimum seven year period, being rent free. There are risks associated with the viability of the proposals including ambitious fund raising plans to be able to turn the building in to a more usable space. However

the alternatives are limited to maintaining the vacant building (which is likely to attract vandalism and squatters) or demolishing it.

- 6.3 If the group is successful in its aspirations, the building will be put to community use. If a decision is made to award the lease to the Beacon Hub Project the terms would be such that if the project ceased to operate or did not meet minimum requirements the lease would be terminated.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 An annual income budget of £23,000 is included with the City Infrastructure revenue budget for a lease at the Rottingdean pitch and putt site. The lack of interest in the site on a leased basis and the proposed peppercorn rent will result in an on-going revenue budget variance which will be reported as part of the Targeted Budget Monitoring process during 2014-15 and highlighted as a budget pressure for the 2015-16 financial year. Managing the land as an extension of Beacon Hill Nature Reserve would cost a maximum of £5,200 in revenue costs per year. If the site could be incorporated in to the Higher Level Stewardship scheme the majority of costs would be funded externally and additional costs to the council in terms of staff time would be negligible.

Finance Officer Consulted: Steven Bedford

Date: 08/04/14

Legal Implications:

- 7.2 The Local Government Act 1972, section 123 provides that the Council may dispose of land in any manner it sees fit subject to the condition that, the disposal must be for the best consideration reasonably obtainable.

The grant of a 15 year lease at a peppercorn rent and subject to phased rent reviews to the Beacon Hub Project would be permitted under the Act, provided the Council's valuer certifies that this is the best price reasonably obtainable.

In the alternative, if a higher rental income could be achieved at the outset, and therefore the proposed terms would not be considered best consideration, then the Council could rely on the General Disposal Consent (England) 2003, which permits a disposal of Council land at an undervalue provided the amount foregone is less than £2 million and economic, social or environmental benefits are to be gained as a result of the disposal.

It is not considered that any individual Human Rights Act rights would be adversely affected by the recommendation in this report.

Lawyer Consulted: Joanne Dougnaglo

Date: 25/6/14

- ~~7.2 The Local Government Act 1972, section 123 provides that the Council may dispose of land in any manner it sees fit subject to the condition that, except in the case of leases for less than 7 years, disposal must be for the best consideration reasonably obtainable. The grant of a 7 year lease at a peppercorn rent to the~~

~~Beacon Hub Project would be permitted under the Act. It is not considered that any individual Human Rights Act rights would be adversely affected by the recommendation in this report.~~

~~Lawyer Consulted: Joanne Dougnagio~~ ~~Date: 8/4/2014~~

Equalities Implications:

7.1 None

Sustainability Implications:

7.2 Extension of the Beacon Hill Nature Reserve will increase the biodiversity of the area and supports the principles of the Biosphere Management Plan. The education proposals put forward as part of the project provide extensive opportunities for education and engagement.

Any Other Significant Implications:

7.3

SUPPORTING DOCUMENTATION

Appendices:

1. Beacon Hub Proposal