

Cabinet Meeting		Agenda Item: 9
Meeting Date	4 October 2017	
Report Title	Isle of Sheppey Sailing Club – proposed Community Asset Transfer	
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance	
SMT Lead	Nick Vickers, Chief Financial Officer	
Head of Service	Anne Adams, Head of Property Services	
Lead Officer	Anne Adams, Head of Property Services	
Key Decision	No	
Classification	Open	
Forward Plan	Reference number:	
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet agrees to enter into a new 125 year lease with the Isle of Sheppey Sailing Club, and 2. That agreement of the final terms of the lease is delegated to the Head of Property Services in consultation with the Cabinet Member for Finance and Performance. 	

1 Purpose of Report and Executive Summary

- 1.1 This reports sets out the Isle of Sheppey Sailing Club’s proposals to improve and expand its current operations and recommends that Cabinet approves the granting of a 125 year lease under the Community Asset Transfer Policy.

2 Background

- 2.1 The Isle of Sheppey Sailing Club has leased the building at Marine Parade, Sheerness from the Council since 1966. The current lease is due for renewal in 2026 and the Club has requested that, rather than wait for the expiry of the current lease, the Council considers granting a new lease for a longer term and incorporating greater flexibilities than those included in the current lease. They have submitted a costed development plan which supports this request.
- 2.2 The current annual rent is £2,600. As this is a purpose-built facility there is no comparable “market” rent so the rent level was assessed based on the Club’s ability to pay.
- 2.3 The current lease restricts the use to a Sailing Club or for related activities including fund raising functions held for the benefit of the club and its finances. Written consent

from the landlord is required for any other uses and it would be at the Council's discretion whether to permit any other uses

3 Proposals

3.1 The proposal is to grant the Club a new 125 year lease under the terms of the Community Asset Transfer Policy. This will be on fully repairing and insuring terms.

3.2 It is proposed that the initial rent will be set at £2,600 with a rent review after the first three years and thereafter at five yearly intervals in accordance with the CAT Policy. Any increase in rent will be based on the Club's financial position and their ability to pay an increased rent.

3.3 It is proposed to widen the permitted uses clause in the new lease to allow the Club to carry out certain other activities in addition to those permitted under the current lease without the need for landlords consent.

3.4 The club has submitted a Development Plan dated August 2017 to support its request for a new 125 year lease. The document sets out the Club's vision, its aims and objectives over the short, medium and longer term and its current financial position. The key objectives include:

- A longer lease to ensure the Club's long term future and security and to provide greater access to grant funding,
- Improved community use of the facilities to better utilise the building and increase income,
- Investment in the building to include essential repairs, refurbishment of the toilets and lounge area and the construction of an extension to create an upstairs bar/restaurant with views of the sea and sailing area,
- More training activities and greater participation in club racing.

3.4 Cabinet is recommended to agree to enter into a new 125 year lease with the Isle of Sheppey Sailing Club and to delegate agreement of the final terms of the lease to the Head of Property Services in consultation with the Cabinet Member for Finance and Performance.

4 Alternative Options

4.1 *Use of the building for an alternative purpose:* Not recommended as the building was designed as a sailing club and is already well used for this purpose.

4.2 *Grant a new short term lease:* Not recommended as this would restrict access to external grants and limit opportunities for investment in the building and the sailing activities.

5 Consultation Undertaken or Proposed

- 5.1 The Head of Economy and Community Services and the Cabinet Member for Finance and Performance support the recommendations.

6 Implications

Issue	Implications
Corporate Plan	This proposal meets <i>A Community to be Proud Of</i> as it supports the community activity of sailing on the island and also provides a venue for other community activities.
Financial, Resource and Property	<p>There are no direct financial implications associated with this proposal. However, it provides an opportunity for the Council owned asset to undergo maintenance and improvements using external grant funding.</p> <p>There is not considered to be any realistic alternative use and therefore in accordance with the CAT Policy, an internal valuation has been carried out of the asset in its current community use only. It is not considered that there is an “under-value”, this being the difference between the restricted market value (of the asset subject to the proposed terms of transfer) and the unrestricted market value (of the asset subject to the existing lease without any restrictions imposed by way of proposed transfer terms). This is therefore not a disposal at less than best consideration.</p>
Legal and Statutory	<p>When disposing of land at less than the best consideration that can reasonably be obtained the disposal must be dealt with in accordance with the Local Government Act 1972.</p> <p>Because the undervalue of this disposal does not exceed £2 million there is a general consent provided to local authorities (General Disposal Consent 2003 / Circular 6/03), where the disposal will help to secure the promotion or improvement of the economic, social or environmental wellbeing of its area.</p> <p>The General Disposal Consent and the Council’s CAT policy states that local authorities should seek professional advice on the likely amount of undervalue resulting from the transaction.</p> <p>This undervalue should be considered against the potential benefits of any economic, social or environmental wellbeing. This will demonstrate that the council has acted reasonably and with due regard to its fiduciary duty in reaching any decision.</p>
Crime and Disorder	None identified at this stage.

Environmental Sustainability	None identified at this stage.
Health and Wellbeing	The promotion of sailing and other water based activities provides greater opportunities for the local community to engage in outdoor sporting activities.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	The Clubhouse is fully accessible to people with disabilities and the Club has worked in partnership with other groups to support and facilitate sailing for disabled people.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 Appendix I: Lease Plan

8 Background Papers

8.1 None