



CABINET REPORT

Report Title

Delapre Abbey Stable Block

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:

3 March 2010

Key Decision:

NO

Listed on Forward Plan:

YES

Within Policy:

YES

Policy Document:

NO

Directorate:

Finance & Support

Accountable Cabinet Member:

Councillor David Perkins

Ward(s)

Delapre

1. Purpose

1.1 The purpose of this report is to advise members that included in the heads of terms to grant the Friends of Delapre Abbey (FoDA) a new five-year lease of the above is reference to a side letter. This proposes a concessionary rent below that outlined in the lease, if certain specified conditions are and continue to be met.

1.2 As any lettings below market value require Cabinet approval, Members are being asked to approve this subject to a completion of the lease and compliance with the required conditions.

2. Recommendations

2.1 That Cabinet agree in principle the proposed grant of a lease of the Stable Block at Delapre Abbey, at a concessionary rent, to FoDA provided that certain conditions are met and continue to be complied with by FoDA.

2.2 That Cabinet delegates to the Borough Solicitor in consultation with the Chief Executive and the Director of Finance & Support judgement of whether the conditions set out by the Council have been satisfied.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Friends of Delapre Abbey are a registered charity. Their formal objects set out in their present Constitution are “the restoration and preservation of Delapre Abbey, comprising the buildings, gardens and grounds, for the use of the local and wider community”. A copy of FoDA’s most recently published accounts (relating to the year ended 31 March 2009) are attached to this report at Appendix 2.
- 3.1.2 In 2004 FoDA were granted a Tenancy At Will to occupy three ground floor rooms at the above, for the purposes of establishing an administrative office and charitable base. This was subject to an initial payment of £1,700 per annum. Over the years FoDA have extended their occupation in the building to additional first floor areas, which were neither consented to nor included in any agreement.
- 3.1.3 In an attempt to address the situation negotiations were opened with FoDA to agree terms for a new lease. Unfortunately, due to concerns about FoDA’s governance and activities, an expression of no confidence was sent to FoDA’s committee by some of its members. This Council then advised FoDA that it would not be possible for the Council to continue negotiations or enter into a lease, until the various issues raised by members of that organisation had been satisfactorily resolved.
- 3.1.4 As there appeared to remain unresolved matters concerning the governance of the organisation, FoDA were further advised in a letter from the Council dated 16th December 2009 of the Council’s continuing concerns. This letter confirmed that the Council would continue to work with FoDA, but that in order to take the matter forward and enable continued support it would be necessary for them to: -
- (a) Comply with the various requirements and conditions specified by the Council in the letter to FoDA before any lease would be granted.
 - (b) That FoDA should vacate immediately those areas of the first floor for which no consent has been granted or agreement made.
 - (c) Enter into negotiations and agree the heads of terms which have been proposed for the grant of a new lease.
- 3.1.5 To acknowledge the positive work carried out by FoDA and the benefits that the Council and FoDA believe will accrue from their activities in the future, the heads of terms have included reference to a side letter. This side letter proposes a concessionary rent below that specified in the lease itself, provided certain important conditions are and continue to be met.
- 3.1.6 A copy of the draft side letter is attached in Appendix 1. This sets out the requirements of the Council in order for FoDA to enjoy a concessionary rental basis.

3.2 Issues

- 3.2.1 FoDA need to demonstrate that they have met the pre conditions required for the Borough Council to grant them a lease, agree specific terms for that lease and complete the same within a timescale acceptable to the Council.
- 3.2.2 Officers can deal with the grant of a lease of less than 21 years. However, the Borough Council's policy, agreed in March 2007, requires that Cabinet must approve any letting at less than full market value. There is an established criterion for exceptional disposal of Council property for non-commercial use at less than full market value. One important element of the criteria is that the discount from full market value should usually lever in external investment or financial benefit in kind for the Council, in excess of the value of the rental discount. If the requirements set out in numbered paragraphs 2 and 4 of the draft side letter at Appendix 1 are met, then this criteria would be likely to be satisfied. Ultimately, discretion is reserved to Cabinet on whether or not it is willing to agree to the grant of concessionary terms.

3.3 Choices (Options)

- 3.3.1 That Cabinet resolves that any grant of a lease to FoDA should only be at full market value and that no rent concession, as proposed, is appropriate.
- 3.3.2 That Cabinet supports the grant of a lease to FoDA at a concessionary rental as proposed, but that it should not be subject to any specific conditions. This would not provide the Council with any mechanism to ensure that required ongoing outcomes from agreeing the concession were realised.
- 3.3.3 That Cabinet supports the grant of a lease to FoDA at a concessionary rental, subject to them complying with the terms and conditions set out in a side letter. This would ensure that the Council had an ongoing means of ensuring that the benefits promised would continue to be realised in practice.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

- 4.2.1 The granting of a lease on a concessionary rental basis would result in the loss of potential revenue to the Borough Council of £6,850 per annum.

4.3 Legal

- 4.3.1 None

4.4 Equality

4.4.1 None

4.5 Consultees (Internal and External)

The Friends of Delapre Abbey
Legal Services
The Director of Environment and Culture.
Portfolio Holder for Finance & Assets

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Although this proposal links to several of the council's priority outcomes it primarily supports priority 4 by demonstrating the Authorities willingness to develop partnership and community engagement.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Asset Management files

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