

# Cabinet

20 July 2016



<b>Title</b>	Staines Sea Cadets Accommodation		
<b>Purpose of the report</b>	To make a decision		
<b>Report Author</b>	Heather Morgan Group Head Regeneration and Growth		
<b>Cabinet Member</b>	Councillor Ian Harvey	<b>Confidential</b>	No
<b>Corporate Priority</b>	Creating opportunity and prosperity for our borough		
<b>Cabinet Values</b>	Community		
<b>Recommendations</b>	<b>Cabinet to formally agree:</b>  <b>To authorise the grant of a licence for the non-exclusive use of the accommodation that they use for 15 years without having to hand over possessory title to the arches at Bridge Street</b>		

## 1. Key issues

### 1.1 Cabinet resolved on 12 June to 2012 the following:

To authorise the grant of a licence to the Sea Cadets for the non-exclusive use of the accommodation which they currently use, for a further period of fifteen years, subject to their handing over the possessory title to the arches at Bridge Street and

To give delegated authority to the Head of Asset Management to negotiate the purchase of the portacabins up to a maximum sum of £40,000 and to approve a supplementary capital estimate of this value to facilitate this

### 1.2 Negotiations have been on-going with the Sea Cadets (and another party who use the Lammas facility) and Licence terms have been agreed as below:

15 years non-exclusive licence with 5 year break clauses

Council responsible for internal and external repairs

Cadets pay a rent of £1,000 pa

Cadets will be responsible for a fair proportion of the outgoings

### 1.3 As part of that process, the Council requested that the Sea Cadets sign the licence by 1 July 2016, which they duly did. At no time has any indication been given that the Licence would not be signed by the Council.

- 1.4 In addition, the Cadets have surrendered their lease on the Bridge Street site and given up their long standing rights of way to the arches under Staines Bridge (which were both requirements set out in the 2012 Cabinet report). The rented portacabins have been purchased by the Council as per the 2012 report, and are in situ.
- 1.5 This report is solely seeking the agreement of Cabinet not to require the Sea Cadets to hand over their possessory title of the arches at Bridge Street.

## **2. Options analysis and proposal**

- 2.1 There has been a change in circumstances since 2012. At that time, the Council had not gone out to market to dispose of the car park. It was therefore prudent to transfer the arches back to the Council to ensure that any redevelopment scheme was not potentially compromised (e.g. we could not know whether the arches would be integral to any redevelopment scheme).
- 2.2 In the intervening period, the Council has chosen a preferred partner (Bellway) who the Council will sell the site to. The Sale and Development Agreement is in place, and crucially Bellway were granted planning permission in March 2016 for their development. This consent does not require the arches as part of that scheme. Bellway's land team have confirmed this separately to the Council in writing.
- 2.3 On this basis, the requirement for the Sea Cadets to hand over possessory title is no longer required for that purpose.

### Option 1

- 2.4 Cabinet to formally agree that due to a change in circumstances, the Sea Cadets do not need to hand over possessory title. **This is the recommended course of action.**

### Option 2

- 2.5 The requirements as set out in the 2012 Cabinet report remain unchanged. This is not recommended. It is likely that the matter will become very protracted not least because there are issues around trustees which have so far proved very difficult to move forward on in the past 18 – 24 months. This will not enable the licence to be concluded.

## **3. Financial implications**

- 3.1 The valuation advice received in 2012 on the value of the Cadets' interest in Bridge Street, indicated that if the Council needed to purchase the Cadets interest in the arches, the open market value could be in the region of £40,000. Notwithstanding the fact that they do not require the arches, Bellway have looked at this matter independently but have concluded there is nil open market value.
- 3.2 As part of the 2012 decision, the Council agreed to spend a sum of £40,000 to buy the portacabins which were only being rented at the time (at £28,000 pa). This has been done.

## **4. Other considerations**

- 4.1 Cabinet need to be aware that the Licence can be terminated in the event that any of the Sea Cadets' obligations are breached. There are also break provisions on the 5<sup>th</sup> and 10<sup>th</sup> anniversaries of the Licence period. This gives ample opportunity to review the situation on an on-going basis.
  - 4.2 Whilst the arches have been used for storage of equipment, it is understood they have not been actively used for a number of years. Bellway have agreed to pay for blocking up the entrance to the arches from the car park side and provide new doors on the downstream entrance. They are in separate negotiations with the Sea Cadets on this matter.
  - 4.3 Legal have confirmed there is no clause within the Sale and Development Agreement with Bellway which requires us to resolve the matter of the arches in order for the completion of the sale to go ahead. There is therefore no risk around this.
  - 4.4 The Council can still enter into discussions at some point in the future with the Sea Cadets on the arches if it chooses to do so.
- 5. Timetable for implementation**
- 5.1 If agreed, this will take immediate effect and allow the Council to sign the licence with the Sea Cadets.

**Background papers:** None

**Appendices:** None