

APPENDIX F

Delapre Golf Course, Northampton

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5. Report Background

- 5.1 Delapre Golf Club holds a lease from the 1st May 2020 for 40 years at a rental of £150,000 pa. The original rent was £175,000 but this was reduced in 2013 by agreement. The main golf course sits on the Northampton Battlefield Site and has been closed for the majority of the last year due to Covid-19 restrictions. However, the tenant has continued to retain staff to maintain the golf course throughout the Covid-19 pandemic and has continued to invest in the site carrying out repairs to the drainage system.
- 5.2 While most of the site is well used, there is currently an unused nine hole course which is known as the Hardingstone Nine course. This site has been identified by Northampton Borough Council (NBC) as a potential location for a mountain bike course with ancillary development. A proposal is currently progressing for this. However for it to be delivered, or any alternative development potential to realised, WNC would need to negotiate a surrender of the Hardingstone Nine site from the current tenant.
- 5.3 The tenant has provisionally agreed to surrender the Hardingstone Nine course and agree a new lease on the remaining element to facilitate the development. An independent valuation has been carried out to analyse the market rental of the property. WNC is currently negotiating with the tenant on the surrender of the lease and the proposed terms of the new lease on the site, excluding the Hardingstone Nine.
- 5.4 This report seeks authority to agree to surrender the current lease and the re-grant of a new 40-year lease of the remaining site (excluding the Hardingstone Nine Golf Course).

6. Issues and Choices

- 6.1 Following discussions with the tenant and because of the Covid-19 pandemic, the current passing rent is unsustainable, in part because of the rental that had been applied to the underutilised Hardingstone Nine course. While the current proposal would allow the surrender of the Hardingstone Nine to progress the bike course initiative, it also realigns the rental position on the

site with the existing tenant's business model, making it more sustainable in the long term, thus minimising the risk of tenant default.

- 6.2 The site of the Hardingstone Nine course has been identified as a possible mountain bike course with ancillary development potential. As this land is currently leased to the tenant, WNC is not in a position where it could move forward with the proposal until such a time that it has agreed a surrender of the land.
- 6.3 WNC could make the decision to refuse consent to the proposed surrender and re-grant of the lease to the tenant. This is not recommended as it would remove any potential to deliver the mountain bike course and any additional benefit that WNC may be able to obtain from wider development. It would also place additional financial pressures on the tenant which would increase the risk of tenant default on the remaining elements of the golf course.
- 6.4 WNC could also consider whether to seek vacant possession of the whole of the site for possible redevelopment. This is not recommended because most of the property sits on the Northampton Battlefield site. Development of this land is unlikely to be supported and therefore the current use is likely to be optimal.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 WNC is currently in discussions with the tenant regarding the surrender and the proposal of a new 40-year lease on the remaining elements. While these negotiations are ongoing, WNC has obtained advice from an independent valuer which is being used to negotiate the new terms in accordance with best value/best consideration objectives.
- 7.1.2 If the surrender and re-grant of the lease is not progressed, this will place additional risk on the delivery of the bike park. As the Hardingstone Nine is currently underutilised by the tenant, it is a cost burden to them. By making this decision, the new lease will align with the business model of the tenant and be more financially sustainable for them
- 7.1.3 It has been agreed that each party will bear their own legal costs.

7.2 Legal

- 7.2.1 For WNC to gain possession of the unused Hardingstone Nine course it would be necessary to either complete the surrender of the current lease and grant a new lease of site excluding the Hardingstone Nine or the surrender of part and a consequential revision to the rent. In this context, both approaches would deliver the same result.

7.3 Risk

- 7.3.1 Given the current rental commitments and the impact of the Covid-19 pandemic, the tenant has indicated that the current rental level is unsustainable. If the recommendations were not progressed, the continued burden of the existing lease terms would place additional financial

strain on the tenant and place it at higher risk of default. Given the specialist nature of the use and the sensitivities around the site, WNC may incur significant rental voids if it were to become vacant.

7.3.2 WNC is also currently at an advanced stage with the proposals for the bike park which would be placed at significant risk if this proposal did not proceed. Unless a surrender of the Hardingstone Nine can be agreed with the tenant, the bike park initiative could not progress.

7.4 **Consultation**

7.4.1 There has been no additional consultation undertaken in relation to this proposal.

7.5 **Consideration by Overview and Scrutiny**

7.5.1 None.

7.6 **Climate Impact**

7.6.1 No material impact on climate is anticipated as a result of this decision.

7.7 **Community Impact**

7.7.1 Failure to secure the surrender of the Hardingstone Nine course would prevent the development of the mountain bike course which would provide a facility for the benefit of the community.

8. **Background Papers**

8.1.1 None.