

APPENDIX I

Mendip Road Tennis Courts, Northampton

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5. Report Background

- 5.1 The Trustees of Duston United Tennis Club currently occupy the premises on a lease which expires on 31st August 2027, paying £700 per annum. The lease commenced on 1st September 1996 and was originally for a term of 31 years.
- 5.2 WNC was approached by the Trustees as they are looking at the opportunity of securing grant funding to enhance the facilities. While they have indicated that grant funding may be available, they have had difficulty securing this on the basis that the unexpired term of their existing lease does not meet the funding criteria.
- 5.3 The trustees have therefore approached WNC with a view to surrendering their existing lease and receiving a new 25-year lease to allow them to access the grant funding.
- 5.4 Approval is therefore sought to agree to the surrender the existing lease and grant the tenant a new 25-year lease. Terms are currently being negotiated with the tenant. As this lease is to an organisation which benefits the community and does not take a profit it is proposed that the rent would be a value which is lower than the one which could be reasonably obtainable in the market

6. Issues and Choices

- 6.1 The tenant has been in occupation of the property since 1996 and has provided a recreational service to the local community. While they are keen to remain in occupation, they have identified improvements that they would like to make to the property for which grant funding would be required. As the tenant only has six years available on their existing lease, this is not sufficient to meet the grant funding criteria.
- 6.2 WNC could refuse the surrender and re-grant proposal and request that the existing lease remain in place. While this is clearly an option, by making such a decision the tenant would not be able to secure grant funding to improve the facilities for the benefit of the local community. In addition, any improvements that are made to the property with grant funding would enhance

the value of the WNC asset, which would be lost, or at the least delayed if the proposal was not agreed.

- 6.3 WNC could seek implement the decision by varying the terms of the existing lease. While this would appear possible, in practice it not. An agreement to extend the term of the lease operates, as a matter of law, as a surrender and re-grant.

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 By making this decision, the tenant would be able to apply for grant funding to improve the facilities. This would enhance the value of the WNC asset and also improve the quality of service provided to the local community.

7.1.2 By agreeing to the proposal, it is anticipated that WNC would be able to secure an increase from the £700 per annum which is currently paid by the tenant for the property.

7.1.3 It has been agreed with the tenant that they will cover all the council's costs in implementing this decision, and the completion of the surrender and re-grant

7.2 Legal

7.2.1 There would be no significant legal implication in making this decision. As stated above, it is recommended that this be dealt with by way of a simultaneous surrender of the current lease and grant of the new lease.

7.3 Risk

7.3.1 There are no significant risks to WNC associated with this decision.

7.3.2 If the proposal was not approved, it is likely that the tenant would not have the ability to enhance the facilities and the service that is provided to the community. Any potential benefit to the value of the asset through any proposed improvement works would also be lost.

7.4 Consultation

7.4.1 No consultation has been considered necessary.

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 If the tenant can secure the grant funding to be able to enhance the facility, it is likely that this would improve service and the amenity that is available to the community.

8. **Background Papers**

8.1.1 None.