



**GOSPORT**  
Borough Council

## **Community Buildings and Land Leasing Policy**

**DRAFT FOR CONSULTATION**

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Gosport Borough Council  
Town Hall, High Street  
Gosport  
Hampshire  
PO12 1EB

Tel: (023) 9258 4242

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## **1.0 Scope and Definition**

- 1.1 This policy will apply to all leases granted to Community Organisations leasing Community Buildings and Land owned by Gosport Borough Council (Herein referred to as GBC)
- 1.2 The definition of a Community Organisations covered within the terms of this policy is: "A non-profit organisation operating for the benefit of the community and residents of Gosport".
- 1.3 The definition of Community Buildings and Land covered within the terms of this policy is: "Buildings and Land listed by GBC as having community status and held for the benefit of the community". The current list is shown in Appendix One.
- 1.4 GBC holds the discretion to amend both the policy terms and Community Buildings and Land list as deemed necessary at any time.
- 1.5 Any request for a lease from a commercial company (for-profit), or a non-profit which does not benefit the Gosport community and residents, or an Investment Building or Land within the ownership of GBC will not fall within the remit of this policy and will be dealt with by the GBC Investment Buildings and Land Leasing Policy.

## **2.0 Policy Context**

- 2.1 The policy gives guidance on how to fairly manage interest from community organisations in a fair, open and transparent way leading to the successful leasing of a community building or land owned by GBC. The policy assists GBC in supporting community organisations to offer their activities and services to the Gosport community and residents.
- 2.2 All leases offered will be considered in the context of GBC policies, strategies, and plans. More information about GBC plans can be found on our website at <http://www.gosport.gov.uk>
- 2.3 The overall aim of the policy is to enhance existing community services for Gosport residents through an assessed process to ensure services offered promote and enhance services available to the community and residents in Gosport. Especially in the case that buildings are leased lower than market rent due to the community benefit made available as a result.

### **3.0 Aims and Objectives**

#### 3.1 This policy aims to:

- 3.1.1 ensure a fair, transparent, and consistent approach to granting leases, which is co-ordinated through the appropriate procedures for planning, marketing and management.
- 3.1.2 ensure that GBC adopts a proactive approach in enabling community activity and services which are highly beneficial and fit well with the needs of Gosport residents.
- 3.1.3 encourage and promote activities and services that fit in with approved local strategies.
- 3.1.4 encourage increased wellbeing activity across the Borough to provide a greater community benefit.
- 3.1.5 ensure transparency and consistency in how rent subsidies, for and including lease renewals and new leases, are agreed with community organisations.
- 3.1.6 To develop a more consistent approach to understanding and recognising the valuable contribution made by community organisations to the borough by awarding rent subsidies that reflect the level of community benefit they deliver.
- 3.1.7 To ensure GBC assets are used to deliver maximum benefit to Gosport's residents by developing an approach that assesses community benefit, financial viability, sustainability and governance.

### **4.0 Responsibilities**

- 4.1 Decisions regarding the granting of community leases vests with the P&O Board, but for leases of up to a total value of £100,000 over the term of the lease, decisions can be taken by the Housing Services Manager consultation with the relevant Board Chairman and the Borough Solicitor, and in the interests of good management, under the scheme of delegation set out in GBC constitution.
- 4.2 The Property Team will be responsible for negotiating and agreeing terms for new leases, lease renewals and any lease variations

### **5.0 Community Buildings and Land Lease Terms**

- 5.1 The standard Community Buildings and Land lease terms are as listed below. Please also refer to example Heads of Terms in Appendix Two.

- 5.1.1 Term: Maximum 5 years, at which point the lessee will be reassessed for community benefit to Gosport residents, with no guarantee of renewal.
- 5.1.2 Rent: In line with market rent, reduced by an agreed percentage to provide a rent subsidy on assessing the lessee business plan to provide service and community benefit to GBC in line the assessment criteria shown in Appendix 3. To be paid quarterly in advance.
- 5.1.3 Rent Subsidy: A rent subsidy is defined as a percentage reduction in rent below the market rental value of the building or land. This is determined by the scoring matrix shown in Appendix 4.
- 5.1.4 Rent Review: Typically half way during the term
- 5.1.5 Break Option: Landlord can determine the lease at any time on 3 months' notice if the community group is not operating in line with the desired use, or has ceased operation
- 5.1.6 Security of tenure: Contracted outside the Security of Tenure provisions contained in the Landlord and Tenant Act 1954 part II
- 5.1.7 Repairs: External and internal repairs (FRI terms) typically the responsibility of the lessee. Any demised outdoor space to be maintained by the lessee.
- 5.1.8 Condition: Property schedule of condition arranged in some cases by GBC at the lessee's request. Cost to be borne by the lessee.
- 5.1.9 Alienation: No subletting or assigning of the lease permitted.
- 5.1.10 Use: Specifically defined as the community benefit being offered for the benefit of residents of Gosport.
- 5.1.11 Outgoings: Lessee responsible for all utility costs, telecoms, insurance, business rates and property statutory compliance costs
- 5.1.12 Insurance: Building insurance arranged by GBC and recharged annually to the lessee
- 5.1.13 Statutory Property Compliance: Relevant checks arranged by GBC and recharged annually to the lessee
- 5.1.14 Alterations: written permission from GBC required

5.1.15 Planning: In the event that any other consents are required such as planning permission the lessee will need to obtain this prior to lease commencement

5.1.16 Legal Fees & Administration: £200 for GBC legal costs and £150 for GBC property administration to be paid by the lessee to GBC prior to completion of the new lease or renewed lease or lease variation.

## **6.0 Assessment of Community Benefit**

6.1 This sets out the process for agreeing rent subsidies and leases, including lease renewals and new leases, with community organisations leasing GBC community buildings and land for the benefit of the residents of Gosport.

6.2 The aims are to increase transparency and consistency in the way that rent subsidies are awarded to community organisations; to recognise the important contribution to GBC that community organisations make by awarding subsidies informed by the level of community benefit the organisation delivers; and to ensure that GBC buildings and land are used in a way that benefits Gosport residents by making sure organisations leasing the buildings are financially viable, sustainable and governed appropriately.

6.3 Under this process, community organisations will be requested to make Rent Subsidy Application to GBC property, in line with the template provided in Appendix 3, which includes demonstrating the following:

- 6.3.1 Applicants Details (including charity No., main contact etc)
- 6.3.2 Applicants proposed use of the building E.g., statement of activities and services and its community pledge, opening times and availability of activities and services, proposed fees and charges for activities and services
- 6.3.3 Governance arrangements
- 6.3.4 Supporting Evidence submitted (business plan, 3 years copies of audited accounts for established, or projected 3 year cash flow)
- 6.3.5 Directorate sponsor (relevant organisational Director i.e. Childrens services etc and any GBC or other grants or funding sources that have been awarded, any partnership working with GBC departments
- 6.3.6 Describing whether the organisation has sufficient core funding to cover the property market rent
- 6.3.7 Stating the % of total project capital costs already secured
- 6.3.8 Describing the sustainability of future revenue income stream for the business E.g., Capacity to deliver activities and services
- 6.3.9 Describing how the organisation supports the Council in meeting its corporate priorities and objectives E.g. List of direct benefits to residents of Gosport, List of indirect benefits to

residents of Gosport, demographics of residents' groups directly receiving the benefit

6.3.10 Describing how the organisation support Gosport Borough Council as a whole

6.3.11 Describing what the detrimental impact on the Council and Gosport would be if the organisation was unable to carry out services from the asset

6.4 The information provided on the Rent Subsidy Application will be used to score the community group using the scoring matrix in Appendix 4 and will support discussions related to the lease renewal or agreement of a new lease and the final level of rent subsidy awarded, as decided by a case put forward to senior officers, and in some cases, P&O Board.

6.5 If the business case supports agreement of the community organisation's lease, the GBC Property Team will negotiate the specific terms of that lease including lease length, in line with the terms outlined in clause 5.1 and the example Heads of Terms in Appendix Two.

6.6 Existing leases will not be re-negotiated. GBC will seek to apply this new approach where possible when community organisations have a lease renewal scheduled or when they approach GBC to take on a new lease or other type of lease variation or activity

6.7 Review of the existing leases will consider what automatic renewal rights, lease terms or rent level the organisation may already be entitled to as a prerequisite to approaching negotiation with the organisation.

6.8 The process is an effective way to ensure consistency and transparency in how rent subsidies and leases are negotiated with community organisations, which considers benefit to the community and Gosport residents.

## **7.0 New Lease, lease renewal or lease variation process**

6.1 GBC has identified a current list of community Buildings and Land in Appendix One to this policy. This is subject to change with either additions or subtractions to this list.

6.2 Upon a community building or land becoming available it will be advertised with interest invited for submission to the GBC property team.

6.3 Submission of business case and rent offer or rent subsidy application to GBC Property Team

6.4 Assessment of business case and all applications by GBC Property Team

6.5 Discussion of potential rent subsidy (defined as a percentage reduction in rent below the market rental value of the building or land) and heads of terms for lease



- 6.6 GBC Property Team make case for approval to senior offices, and in some cases, Economic and Development Board
- 6.7 Agree final terms of the lease as per officer delegations

## **8.0 Decision and Approval**

- 8.1 All interest will be assessed based on the business case and financial viability, giving maximum consideration to the level of community benefit for Gosport residents through the proposed services and activities.
- 8.2 A decision will be made by P&O Board or the appropriate senior officer with delegated authority giving due consideration to a report setting out the community benefits and recommendation on the rent and terms of the new lease.

## **9.0 Completion of Agreement**

- 9.1 The successful community organisation will be advised by the responsible officer from the Property Team who will confirm what documentation the applicant is required to provide in order for their lease to be completed.

## **10.0 Leasing Fees**

- 10.1 The Leasing Fee to cover legal fees and administration for all community leases will be fixed at £200 legal fees and £150 property administration fees per lease required in advance of the start date of the lease.

## **11.0 Property Compliance Recharges**

- 11.1 Annual Building Insurance will be arranged by GBC and recharged to the lessee annually.
- 11.2 Annual property compliance will be arranged by GBC and recharged to the lessee. This includes fire safety, electrical safety, gas safety, water safety, asbestos management, air conditioning, EPCs and other government safety requirements as required
- 11.3 Property compliance is to be carried out in line with statutory requirements for the lessee business and type of building or land occupied. Currently this includes the following: -
  - 11.3.1 Fire: Ensuring that the building conforms to all fire safety legislation. Ensuring all fire systems are inspected and checked regularly in order to comply with relevant British Standards, fire risk assessments are carried out, staff are trained, and fire emergency evacuation routes planned.
  - 11.3.2 Electrical: Every business must abide by the Electricity at Work Regulations 1989 which requires that all electrical

systems are maintained safely in a manner that will prevent danger. This includes regular inspections and tests to ensure systems are safe. This includes carrying out portable appliance testing on all portable equipment (any electrical item that can be moved, from computers to kettles).

11.3.3 Gas: The Gas Safety Regulations 1998 states that all gas systems must be checked regularly (at least annually) to ensure they are safe. This includes safe installation, servicing, inspection and certification for all types of gas equipment.

11.3.4 Water: All water systems must have a valid Legionella Risk Assessment (valid for 2 years), to ensure that the risk of legionella is reduced. Many businesses are also required to carry out monthly testing of water temperatures to check that water is kept at an optimum temperature to avoid any water borne diseases.

11.3.5 Asbestos: The Control of Asbestos Regulations 2012 requires all building owners to identify and safely remove any materials that may contain asbestos. Sometimes removal is required, although often it just needs to be managed effectively. Staff working in a building with asbestos also must be trained to deal with it and notified of its presence.

11.3.6 Air Conditioning: Under the Energy Performance of Buildings Regulations 2007, air conditioning systems must undertake energy inspections at intervals of no more than 5 years.

11.3.7 Fgas regulations: require inspection and certification. The regularity of these depends on the weight and number of units. The inspections must be carried out by an approved inspector.

## **12.0 Monitoring and Review**

12.1 The policy is a live document, and it will be regularly reviewed. Any significant amendments to the policy will be made subject to approval from P&O Board.

## Appendix 1

### Current List of Community Buildings and land under Gosport Borough Council Ownership

No	Name	Type
1	12th Gosport Scout Group	Building and land
2	1st Lee Scouts	Building and land
3	3rd Gosport Sea Scouts	Building and land
4	5th Gosport Scout Group	Building and land
5	6th Gosport Scout Group	Building and land
6	9th Gosport Scout Group	Building and land
7	Additional land 12th Gosport Scout Group	Land plot
8	Adventure Golf	Adventure Golf area, tennis courts, land and clubhouse
9	Alver Valley Fishing Lake	Rights to use and pitch seating areas
10	Alverstoke Bowls - Crossland Close	Pavilion, green, shrubs and external fencing
11	Brendoncare Building, PO12 1LZ	Land and Building
12	Bridgemary Bowls	Pavilion, green, shrubs and external fencing
13	Brockhurst Allotment Hut	Building
14	BRWCA	Land and building with associated parking rights
15	Elmore Angling Club	Clubhouse and boat compound
16	Elsion Allotment Hut	Building
17	Family Church, Bridgemary	Buildings, hardstanding and gardens
18	Football Club training suite	Building and land
19	Forton Bowling Club	Pavilion, green, shrubs and external fencing
20	GADSAD	Community Centre and land
21	GAFIRS	Lifeboat station and land
22	Gosport Angling Club	Clubhouse and boat compound
23	Gosport BMX Track, Grange Road, Gosport	Use of track and pump track and other licensed activities
24	Gosport Borough Football Club	Clubhouse, stands, floodlights and pitch enclosure
25	Gosport Bowls Club	Pavilion, green, shrubs and external fencing
26	Historical Diving Society	Part of No 2 Battery, Stokes Bay
27	Lee Bowls Club	Bowling green, shrubs, fencing and gates
28	Lee Bowls Club	Pavilion (part) and seasonal use of rooms
29	Lee Community Centre	Community Centre, car park and land
30	Lee Community Centre Car Park	Adjacent Car Park
31	Lee Horticultural Society	Building at Lee Recreation Ground
32	Lee Sailing Club	Starter hut, store and boat compounds
33	Middlecroft Allotment Hut - KINGSTON ROAD	Building
34	Model Yacht Club	Ground Floor retail unit, Compass Point
35	NCI	Former first aid centre building, Beach Road
36	No 1 Pavilion at Privett Park	Clubhouse building
37	Nobes Hall	Community Centre and land
38	North Rowner Girl Guides	Building and land
39	Peel Common Allotments	Private allotment site
40	Pitch No 1 Privett Park	Rights to use Pitch No 1, Privett Park for cricket

41	Rowner Allotment Store	Store building and land
42	Rowner Bowls Club	Pavilion, green, shrubs and external fencing
43	Rowner Cricket Club	Seasonal use of pavilion
44	Rowner Green cricket pitch	Cricket pitch
45	Rugby Club Compound	Store building and land
46	Rugby Club Pavilion	Pavilion building and land
47	SEEUS Building	Land and temporary building
48	Seventeenth Century Village	Visitor centre, specialist buildings and land
49	Stokes Bay Sailing Club	Building and boat compound
50	Talking telescopes	Sites of three talking telescopes (Stokes Bay, Lee Prom and Falkland Gardens)
51	Unit 1 Phoenix Way	Hall
52	Unit 2a Phoenix Way	Building and land
53	Y Services	Former toilet block, Forton Road

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## Appendix 2

### Example Heads of Terms

A	LANDLORD:	Gosport Borough Council
B	TENANT:	Name of business/person
C	TERM	A term of [up to] 5 years from [start date]
D	DEMISE	Building and/or land address and detail
E	RENT	Annual rent including details of market rent and community subsidy
F	RENT REVIEW:	Typically, half way during the term
G	RENT DEPOSIT	[tenant specific]
H	BREAK OPTION	Landlord can determine the lease at any time on 3 months' notice if the community group is not operating in line with the desired use or has ceased operation.
I	SECURITY OF TENURE:	Contracted outside the Security of Tenure provisions contained in the Landlord and Tenant Act 1954 part II
J	OUTGOINGS:	All utilities and business rates for the premises
K	REPAIRS:	External and internal repairs (FRI terms) typically the responsibility of the lessee. Any demised outdoor space to be maintained by the lessee.
L	USE:	Defined as per community benefit
M	ALIENATION	No subletting or assigning authorised
N	ALTERATIONS:	None authorised without written permission from Gosport Borough Council
O	INSURANCE:	Arranged by GBC and recharged annually
P	STATUTORY COMPLIANCE	Arranged by GBC and recharged per item
R	LEGAL FEES	£200 for GBC legal costs and £150 for GBC property administration to be paid by the lessee to GBC prior to completion of the new lease or renewed lease or lease variation
T	LANDLORD'S SOLICITOR	Borough Solicitor - Gosport Borough Council
U	TENANT'S AGENT	
V	TENANT'S SOLICITOR	
W	Offer Subject To	[ED board approval] [ senior officer approval]

**SUBJECT TO CONTRACT**

## Appendix 3

## Rent subsidy application

A rent subsidy is defined as a percentage reduction in rent below the market rental value of the building or land.

<b><u>Property Details</u></b>	
1. Property Name & Address	
2. Current advertising Market Rent	
<b><u>Community Group Details</u></b>	
3. Applicant Details (Including charity No., main contact etc)	
4. Describe proposed use of the building	
5. Describe governance arrangements	
6. Supporting Evidence submitted as attachments: <ul style="list-style-type: none"> <li>• Business plan</li> <li>• Copies of audited accounts (3 years for established / or projected 3-year cash flow)</li> </ul>	
9. Directorate sponsor within the council (Relevant organisational Director i.e. Childrens services etc)	
<b><u>Financial Resources</u></b>	
8. Does the organisation have sufficient core funding to cover the property market rent?	
9. Percentage (%) of total project capital costs already secured	
10. Describe sustainability of future revenue income stream for the business	
<b><u>GBC Community Contribution</u></b>	
11. How does the organisation support the Council in meeting its corporate priorities and objectives (please provide as much background and evidence as possible)	
12. How does the organisation support	

Gosport Borough Council as a whole (please provide as much background and evidence as possible)	
13. What would be the detrimental impact on the Council and Gosport if the organisation was unable to carry out services from the asset (please provide as much background and evidence as possible)	
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## Appendix 4

### Rent Subsidy Scoring Matrix

A rent subsidy is defined as a percentage reduction in rent below the market rental value of the building or land.

#### A. Financial Resources

	Weighting	Justification	Score
% of total project capital costs secured	<b>100% - 20</b>		
	<b>75% - 15</b>		
	<b>50% - 10</b>		
	<b>25% - 5</b>		
	<b>Less than 25% - 0</b>		
Sustainability of future revenue income stream for the business	<b>Strong evidence - 20</b> 3-year projections provided show income exceeding on-going costs		
	<b>Good evidence - 15</b> 3 year projections show good evidence of revenue meeting on-going costs		
	<b>Some evidence - 10</b> limited evidence of revenue meeting on-going costs		
	<b>Little evidence - 5</b> on-going costs exceed substantiated revenue levels		
	<b>No evidence - 0</b> no evidence presented		

#### B. Contribution towards Gosport Borough Council Priorities

	Weighting	Justification	Score
How does the organisation support the	<b>Strong Evidence - 20</b> Clear and demonstrable evidence on how the		



Council in meeting its corporate priorities and objectives	organisation helps the council to meet many of its priorities		
	<b>High Evidence - 15</b> Clear and demonstrable evidence on how the organisation helps the Council to meet at least one of its priorities		
	<b>Some Evidence - 10</b> evidence shows to some extent how this organisation helps the Council meet at least one of its priorities		
	<b>Little Evidence - 5</b> Limited information on how this organisation helps or could help the Council meet at least one of its priorities		
	<b>No Evidence - 0</b> No evidence provided on how the organisation helps the Council meet any of its priorities		

C. Benefit to Gosport Borough Council as a whole

	Weighting	Justification	Score
How does the organisation support Gosport Borough Council as a whole	<b>Strong Evidence - 20</b> Clear and demonstrable evidence on how the organisation benefits the community and Gosport		
	<b>High Evidence - 15</b> shows how the organisation benefits the community and Gosport, but could be better evidenced		

	<b>Some Evidence - 10</b> shows to some extent how this organisation benefits the community and Gosport, but could be better evidenced		
	<b>Little Evidence - 5</b> Limited information on how this organisation benefits the community or Gosport		
	<b>No Evidence - 0</b> No evidence provided on how the organisation benefits the community		

D. Detriment if unable to provide service from selected building

	Weighting	Justification	Score
What would be the detrimental impact on the Council and Gosport if the organisation was unable to carry out services from the asset	<b>Very significant impact - 20</b> Clear and demonstrable high negative impact on the Council and Gosport		
	<b>Notable impact - 15</b> shows clearly a notable to high impact on the Council and Gosport		
	<b>Some impact - 10</b> shows there would be some negative impact on the Council and Gosport		
	<b>Little Evidence - 5</b> Limited impact demonstrated through submission		
	<b>No Evidence - 0</b> No evidence of negative		

	impact on either Council or Gosport.		

Scoring Matrix

100%	No rent payable	
90 - 99%	10% rent payable	
80 - 89%	20% rent payable	
70 - 79%	30% rent payable	
60 - 69%	40% rent payable	
50 - 59%	50% rent payable	
40 - 45%	60% rent payable	
30 - 35%	70% rent payable	
20 - 25%	80% rent payable	
10 - 19%	90% rent payable	
0 - 9%	100% rent payable	

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