

Board/Committee:	Policy and Organisation Board
Date of meeting:	Wed 3 rd July 2024
Title:	Elson Community Library & Hub (Elson Hub), 136 Chantry Road, Elson - Surrender of Existing Lease and Grant of New 26 Year Lease.
Author:	Head of Commercial Property, Gosport
Status:	For Approval.

Purpose

This report sets out the background leading to the approach by the Trustees of Elson Hub to Gosport Borough Council (the Council) to surrender the current 10 yr lease and request to grant a new 26 yr lease on near identical terms, to permit the Hub to obtain greater levels of external funding.

Recommendation

That the Board approves:

- i) The surrender of the current Lease (with 7 years remaining)**
- ii) The simultaneous grant of a new 26 year Lease by the Council to the Hub on similar terms to the current lease.**
- iii) Grants delegated authority to the Borough Solicitor & Monitoring Officer and in conjunction with the Head of Commercial Property to conclude negotiations and complete the new Lease between the Council and the Hub and associated necessary documentation with Hampshire County Council.**

1.0 Background

1.1 In December 2021 the Council acquired the freehold interest of the Elson public library premises with flat over, for a peppercorn from Hampshire County Council (HCC).

The first floor flat had already been sold by HCC some years previously on a long leasehold basis and has recently been purchased by the Council to provide housing in the Borough. The flat is not the subject of this report.

1.2 At the time, HCC were intending to close the library but agreed to dispose of the site to the Council to permit the grant of a lease to the newly formed Elson Hub to operate the library premises as a new community library & Hub

1.3 As part of the freehold acquisition from HCC, a restriction on the title was agreed limiting the use of the property to that of a community library/Hub for Leases not exceeding 10 yrs without HCC's consent.

1.4 Having acquired the freehold, the Council simultaneously granted a 10yr lease of the ground floor library space to the Hub to operate as a

community library & hub.

- 1.5** The Hub have operated very successfully since commencement but have more recently found that external funding potentially available to them is sometimes unavailable because of the limited term remaining under their lease.

2.0 Report

- 2.1** To further enhance the success of the Hub, the Trustees of the Hub approached the Head of Commercial Property, Gosport enquiring whether a longer lease would be possible for say 26 yrs. At this time the Hub had been in discussion with a number of third parties where significant external funding would likely be available however this required that the Hub have a lease of circa 20 yrs.

- 2.2** The Council wishing to support the success of the Hub going forward, discussions concluded that subject to Board approval, a new 26 year lease would be granted to the Hub on near identical terms to the current lease, at a peppercorn rent.

- 2.3** Discussions with HCC have identified that they are happy to agree the longer term of 26 yrs for the current use by the Hub.

- 2.4** The recommended way to achieve the desired outcome is that rather than extending the existing lease, the Council will accept the surrender of the current Lease and simultaneously grant the new Lease for 26 yrs to the Hub.

- 2.5** The Hub has agreed to pay the Council's legal costs in this matter.

3.0 Risk Assessment

- 3.1** Being able to secure greater external third party funding will provide greater financial security to the Hub, resulting in more comprehensive facilities being available for an extended period, for the betterment of the community as a whole.
Without such funding there is greater financial strain on the Hub and increased risk to the operation.

4.0 Conclusion

That the Board approve the recommendations set out in i), ii) and iii) at the beginning of this report in order to provide greater financial security for the Hub and enable it to enhance its offer to the community.

Financial Services comments:	There are no financial impacts resulting from this proposal.
Legal Services comments:	
Equality and Diversity:	This proposal supports the Council's policies relating to Equality & Diversity including by further enhancing community facilities and continuing to make these available to all.
Climate Change implications:	This action will further minimise emissions due to increased travel by provision of further enhanced local community facilities.
Crime and Disorder:	N/A
Service Improvement Plan implications:	Provides greater security and improved services offered to the community by this important community facility.
Corporate Plan:	N/A
Risk Assessment:	See 3.0
Background Papers:	None.
Appendices:	None.
Report Author/Lead Officer:	Head of Commercial Property, Gosport