

TITLE	Twyford Library Lease
FOR CONSIDERATION BY	The Executive on Thursday, 30 September 2021
WARD	Twyford;
LEAD OFFICER	Director, Place and Growth - Steve Moore
LEAD MEMBER	Executive Member for Neighbourhood and Communities - Bill Soane

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To further the Council's commitment to supporting the development of a new library within Twyford on the site of the Old Polehampton Boys School. This report presents the detail of the proposed lease for consideration. The length of the proposed lease is such that it requires Executive approval

RECOMMENDATION

That the Executive:

- 1) continues to support the relocation of the Twyford Library to the Old Polehampton Boys School site;
- 2) agrees that the Council enter into the proposed lease for the Old Polehampton Boys School building to allow the required works for the relocation to commence

EXECUTIVE SUMMARY

At its meeting in July 2019 the Executive agreed in principle to support the relocation of the Twyford Library to the Old Polehampton Boys School in Polehampton Close. The Old Polehampton Boys School is a Grade 2 listed building owned by the Polehampton Trust, a local charity with the core aim of supporting local residents in need and children's educational development in the Twyford area.

The Executive also authorised the Director of Locality and Customer Services to develop accurate costs and timings for the delivery of the new library, to obtain renewed planning approval for the project, and to enter into negotiations with the Polehampton Trust to achieve a 99-year lease at a peppercorn rent.

At its meeting in September 2019 Executive agreed the costs of delivery, and the appropriate budget was added to the capital programme for 2020/21 and 2021/22 accordingly.

BACKGROUND

The Polehampton Trust is a Twyford based charity who actively provide funding for local activities (approx. £60K each year) and are the owners of the Old Polehampton Boys School building, a Grade 2 listed building located in Polehampton Close, Twyford.

In recent years the Old Boys School has operated as a base for a local theatre group. Whilst the Old Boys School building is structurally sound, its internal condition is particularly dated and would require a significant amount of work to bring it up to an acceptable standard for the delivery of local authority services.

Part of the building has already been converted to residential use. The Trust has had a longstanding aspiration to develop the rest of the building into a community facility, and in October 2016 the Trust received planning approval for their plans to do this. The Trust have been unable to make any further progress on this due to lack of available funding.

Despite the inability to raise the funds required for the redevelopment of the Old Boys School, the aspiration to bring it back into use is well supported by the local community.

Wokingham Borough Council has operated the library in Twyford since taking over the responsibility for library services in 1998. The current library is located in a porta-cabin building in Polehampton Close on the opposite side of the road to the Polehampton building.

The agreed relocation of the library will provide an opportunity to find an alternative use for the current library site. Whilst the existing library building covers an area approximately 114m², the total size of the site is much larger at 800m².

BUSINESS CASE

The Old Polehampton Boys School is an historic Grade 2 listed building that requires a substantial amount of renovation to be able to be used as a public library. There is no internal heating system, and the roof and walls require insulation to be able to maintain the correct amount of thermal comfort for library users and staff. The entrances to the building need to be altered to ensure disabled access and other mobility requirements consistent with current building access regulations.

All of these renovations need to be completed in a manner consistent with the building's heritage, meaning that appropriate methods and materials used need to be approved prior to the renovation works commencing. As with the development of all new or renovated Council facilities, making the building as environmentally sustainable as possible will also be a priority.

As part of the renovations, a new entrance lobby will be created at the side of the building to provide suitable access to the library and to usefully provide a small increase to its size.

In addition to the costs of delivering these renovations, there is also a cost to the relocation of the library services and stock. This includes the relocation of a range of I.T. equipment available in the library and the well-used self-service kiosk.

Finally, the planning approval for the redevelopment of the Old Boys School has been resubmitted due to the existing approval expiring in October 2019. The resubmitted planning application has received approval. The new planning approval has several pre-commencement conditions to be discharged before any renovation work could begin, it is expected that resolution of these conditions will be agreed shortly.

The Council is currently tendering for a contractor to complete the required renovation and improvement works. For a contract to be awarded and the works to commence an Agreement to Lease, a draft Lease, and a License to Alter need to be in place.

Costs

The budgeted costs for the renovation of the Old Boys School and the relocation of the library are summarised as follows:

A bid to the Council's Capital programme for 2020/21 and 2021/22 was approved and the necessary funding for the delivery of this project has been secured.

	Committed	Spent	Anticipated Spend
Surveys & Feasibilities	£32,305	£11,507	£43,817
Construction (including Toilet Alterations/Refurbishment)	£0	£0	£564,000
Professional Fees, WBC fees, internal costs	£31,886	£14,966	£58,248
Project Risks	£0	£0	£30,000
FFE	£0	£0	£20,000
Total			£716,065.00
Financial Summary			
Budget Allocated	£720,000		
Estimated Final Cost	£716,065		
Budget Balance	£3,935.00		

Lease Arrangements with the Polehampton Trust

As agreed by the Executive in July 2019, officers have undertaken negotiations with the Polehampton Trust to secure a lease for the Council of 99 years at a peppercorn rent.

These negotiations include the confirmation that the Council will renovate and maintain the Old Boys School building for the length of the lease, and that its primary use will be as the local library so that it remains consistent with the aims of the Polehampton Trust. These aims are:

“For the relief of persons in need, hardship or distress and the promotion of education of persons resident in the former ecclesiastical parishes of St Mary the Virgin, Twyford and St James the Great, Ruscombe”.

To ensure the Council's interests and financial investment are protected the lease makes allowance for Tenant only break clauses in the Council's favour at a number

of points within the 99-year term of the lease, those points being the 40th, 60th and 80 anniversaries of the grant of the lease.

The lease also allows for a change of usage from library usage so long as this is to meet the Council's overall aims and objectives and does not conflict with the Polehampton Trust's charitable aims.

A copy of the Heads of Terms document can be found in Appendix A to the report.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0		
Next Financial Year (Year 2)	£0		
Following Financial Year (Year 3)	£0		

Other Financial Information
The cost of the lease arrangements is contained within the budget already approved in the capital programme; there is no further additional cost attached to the recommendations in this paper.

Stakeholder Considerations and Consultation
The renovation of the Old Boys School and the relocation of the library to a permanent location are both longstanding ambitions of residents in Twyford.

Public Sector Equality Duty
An EqIA was completed for the overall project and submitted with the paper approved at September 2019 Executive

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
Within the constraints of working on a grade ii listed building, making the building as environmentally sustainable as possible will be a priority

List of Background Papers
None

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Heads of Terms

Subject to Contract and All Necessary Council Approvals

1 LANDLORD

Richard James Fort, David Alan Turner, Andrew Cardy and Karen Marie Clarke as trustees of The Polehampton Charity (registered charity number 1072631) all of 65 The Hawthorns, Charvil, Reading RG10 9TS.

2 TENANT

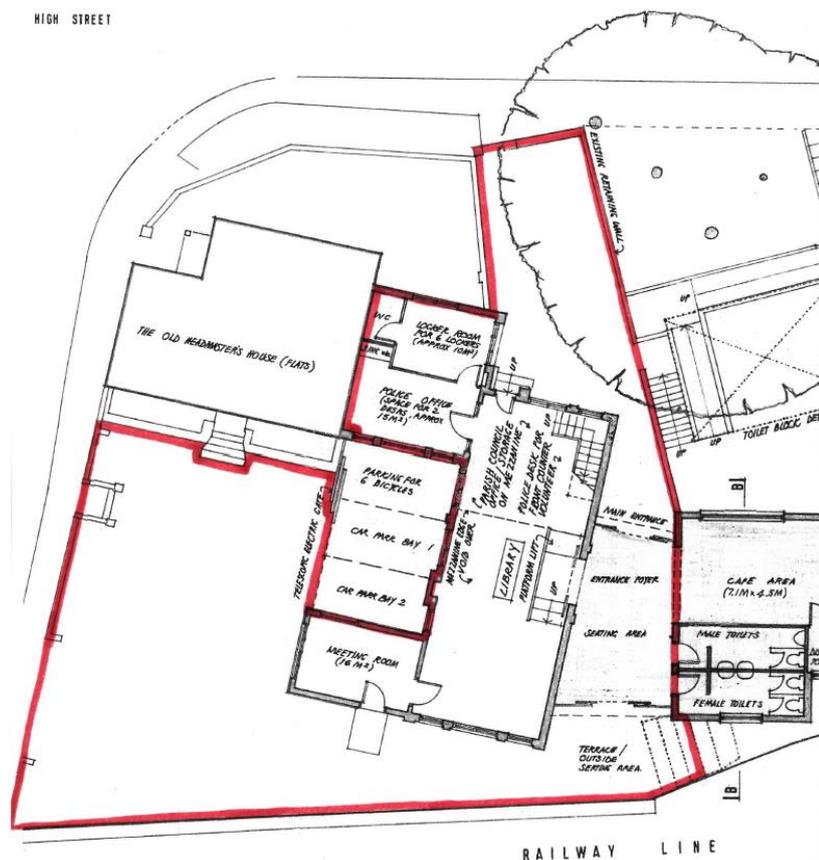
Wokingham Borough Council of Shute End, Wokingham, Berkshire RG40 1BN.

3 GUARANTOR

None.

4 PROPERTY

4.1 The building on the attached plan known as The Polehampton Old Boys School, Polehampton Close, Twyford, Reading. A plan is annexed below showing the property edged in red – the two flats comprising the Old Headmaster’s House and their two car spaces and a proposed bicycle parking area adjoining the Old Boys School are excluded.



- 4.2 The Landlord will reserve rights to access the flats and the 2 car park spaces accessed from the High Street entrance, which includes a turning circle. Rights for opening windows and eavesdrop will be granted. The adjoining wall and supports with the Old Headmaster's House shall be party structures.
- 4.3 The landlord will reserve rights to build a new building on the land on the south western boundary of the property in the approximate location indicated on the plan including rights of access and for services, eavesdrop, door and window opening and to construct walls on or in place of the retaining wall on that part of the boundary.

5 TERM

- 5.1 The lease will be for a term of ninety-nine years beginning on the date of the Lease.
- 5.2 The lease be inside the security of tenure provisions of the Landlord and Tenant Act 1954.

BREAK NOTICE

- 5.3 The tenant will be permitted to serve on the landlord with no less than one year's notice in advance in writing on the 40th, 60th & 80th anniversary of the lease of the tenant's intention to break the lease, subject to compliance with the terms of the lease and on expiry said notice, the tenant will remove all fixtures and fittings and making good, surrender the lease to the landlord with vacant possession.

RENT AND RENT REVIEW

- 5.4 The rent will be a peppercorn per annum (if demanded), exclusive of VAT, rates, insurance premiums and all other outgoings.
- 5.5 In addition to rent, the Tenant must also pay VAT if applicable (including any VAT on the rent), rates, insurance premiums and all other outgoings.
- 5.6 There will be no rent-free period
- 5.7 The rent will not be reviewed during the term of this Lease.

6 INSURANCE

- 6.1 The Landlord will insure all the buildings on the whole property (including the 2 number flats), including the property and on demand the Tenant will refund a fair proportion of the total premium. The Tenant will be a named body on the Insurance Policy.
- 6.2 The Landlord will extend its insurance to terrorist risk (as long as that insurance is available on reasonable terms.
- 6.3 The Landlord will be able to terminate the lease if the property is damaged or destroyed by an uninsurable risk so that the Tenant cannot occupy the property.

7 USE

- 7.1 The properties primary use to be a Public Library in accordance with Use Class F1(d) of the Town and Country Planning (Use Classes) Order 1987 as at 01.09.2020 or other use as agreed between the parties acting reasonably without fine or premium.
- 7.2 Wokingham Borough Council may request consent to change the use of the property to uses consistent with B1(a) and D1 of the Town and Country Planning (Use Classes) Order or other use as agreed between the parties acting reasonably without fine or premium. Such consent not to be unreasonably withheld or delayed.

8 ASSIGNMENTS AND UNDERLEASES

- 8.1 The Tenant cannot assign or underlet the whole of the lease unless it is to another body which will run a Wokingham Borough Council public service in the building with the same restrictions as above with the Landlord's prior written consent, which cannot be unreasonably withheld. The Tenant may be required to give an authorised guarantee agreement in respect of any assignee of the lease, where reasonable, to guarantee the performance by the assignee of the tenant covenants in the lease.
- 8.2 The Tenant shall not assign or underlet part of the Property only.
- 8.3 The Tenant may grant licences to clubs and community-based users to share occupation of the property subject to the additional body having as its main purpose to further the education or wellbeing of the Borough's residents consistent with the aims of the Wokingham Borough Council.

9 REPAIR

- 9.1 The lease will be a full repairing lease with the Tenant directly responsible for all external, structural and internal repairs including but not limited to maintaining the building as a Grade 2 Listed Building (unless de-listed) and maintaining the shared car park, turning circle and landscaping area adjoining High Street with the cost of maintaining said car park and turning circle to be shared between the parties pro rata as to use.
- 9.2 The Tenant will not be obliged to repair damage caused by an uninsurable risk unless the Tenant is responsible for causing or allowing to be caused the damage.

10 ALTERATIONS

- 10.1 The Tenant can make structural or external alterations to the property subject to Planning Approval, Building Regulations Approval and Listed Building Approval with the Landlord's prior written consent, which cannot be unreasonably withheld. All approvals must be submitted to the Landlord in writing before any Works are commenced.
- 10.2 The Tenant can make internal alterations to the property subject to Planning Approval and Listed Building Consent with the Landlord's prior written consent, which cannot be unreasonably withheld. All approvals must be submitted to the Landlord in writing before any Works are commenced.

- 10.3 The Tenant can put up signs on the outside of the property or that would be visible from the outside of the property with the Landlord's prior written consent, which cannot be unreasonably withheld.
- 10.4 The Tenant shall apply for Planning Permission and Listed Building Consent on the same or a similar basis as Planning Permission Number 153122 dated 11th October 2016 and Planning (Listed Buildings and Conservation Areas) Act 1990 Number 112123. The Tenant shall obtain the Landlord's prior consent to any planning or listed building consent application prior to submission (such consent not to be unreasonably withheld or delayed).

11 CAPITAL EXPENDITURE AND VALUE

- 11.1 The Tenant to commence the renovation works during the first 18 months of the term of the lease. Commencement includes obtaining planning permission for the renovations and formal confirmation by the Tenant of funds allocated to complete these renovations. The lease shall contain a positive obligation on the Tenant to carry out the works, because the capital expenditure is made in lieu of any premium or rent being charged.
- 11.2 The works will include (but not be limited to) the Tenant installing a toilet for use by members of the public visiting the library.
- 11.3 For the avoidance of doubt, the parties confirm that the value of the property, as at the date of these heads of terms, is £300,000.

12 CONDITIONS

The grant of the lease will be subject to compliance with the Charities Act 2011.

13 COSTS

The Tenant will be responsible for the Landlord's legal costs in connection with this transaction on a full indemnity basis plus VAT if applicable. This reflects the fact that the Tenant is taking a 99 year lease at a nil premium with no rent and the Landlord as a charity is effectively donating the use of the property to the Council.

14 CONVEYANCERS

- 14.1 The Landlord's conveyancer is Field Seymour Parkes LLP of 1 London Street, Reading RG1 4PN for the attention of Richard Higgs.
- 14.2 The Tenant's conveyancer is Gareth Rees, Shared Business Services, Wokingham Borough Council, Civic Offices, Shute End, Wokingham RG40 1WN.