

<b>Committee</b>	<b>EXECUTIVE COMMITTEE</b>	Item	Page 1 of
<b>Report Originator</b>	Sophie Snart – Asset Manager	<i>Fwd Plan Ref No:</i>	
<b>Wards Affected</b>	All		
<b>Title</b>	<b>The Green Patch, Valley Walk, Kettering, NN16 0LU</b>		

**Portfolio Holder:****1. PURPOSE OF REPORT**

- 1.1 To consider granting Groundworks Northamptonshire a lease of The Green Patch, Kettering at an undervalue rent.

**2. BACKGROUND CONTEXT**

- 2.1 The Council owns the freehold of the Green Patch, Valley Walk, Kettering. Groundworks Northamptonshire (GN) had a lease of the Land at £1 per annum for a term from 1<sup>st</sup> April 2009 until 31<sup>st</sup> March 2019. They have continued to occupy the land whilst discussions over their occupation have taken place.
- 2.2 GN are committed to the site and have indicated they would commit to a new 99 year lease at a peppercorn rent. Due to the length of term and the nominal rent committee approval is sought.
- 2.3 This report recommends granting a new Lease to enable GN to continue using the Land as a community market garden and smallholding for a further 99 years.

**3. REPORT**

- 3.1 The Land is currently leased to Groundworks Northamptonshire (GN) as tenant for use 'as a community market garden and small holding organised using the principles of organic cultivation' and that the tenant is responsible for keeping the land in repair.
- 3.2 The current lease was for a term of 10 years from 1<sup>st</sup> April 2009 and included various opportunities for both parties to terminate the lease. GN have indicated that they would be willing to take on a new Lease of the Land and commit to the facility for a longer term as follows:
- 99 years term
  - £1 rent per annum
  - Tenant Responsible for repairs, business rates, utilities and any other operating costs
  - User restricted to a community market garden and small holding organised using the principles of organic cultivation.

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- Operational Covenant must be observed and performed - To deliver projects which improve poor physical and mental health and increase self-esteem through environmental and outdoor socially based activities.
- 3.3 The proposed lease renewal enables a community facility to continue to be provided in the town.
- 3.4 It is not anticipated that this community facility would achieve a significant rental income if it were to be let on the open market for the current use, however it is likely to hold a small value. Part of this site had previously been included within plans to facilitate the road widening for the Kettering east development, however, at this stage these are not active discussions.
- 3.5 If the Council were to take back possession and run the facility in-house the upkeep and maintenance of the entire site would revert to the Council. It is likely this would result in a budget pressure.

#### **4. POLICY IMPLICATIONS**

- 4.1 The proposed use of the Land fits with the Council's ambition for promoting Improved health and wellbeing in the borough.

#### **5. FINANCE IMPLICATIONS**

- 5.1 Financial implications as detailed in the report.
- 5.2 Whilst it is not directly linked to the Land the Council pays Groundworks as an organisation a grant payment of £10,000pa, with the Core Service Objective being:
- To deliver projects which improve poor physical and mental health and increase self-esteem through environmental and outdoor socially based activities.

#### **6. LEGAL IMPLICATIONS**

- 6.1 Following negotiations with the tenant, solicitors will be instructed to formalise their occupation under a new lease. The lease will be a protected lease under the Landlord and Tenant Act 1954 Pt II therefore the tenant will have a right to renew at the end of the term.
- 6.2 Ordinarily best consideration should be obtained for short tenancy lettings, unless there are justifiable social, economic or environmental benefits derived from the letting. The circumstances of the proposed letting will give rise to positive social benefits.

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### 7. CLIMATE CHANGE

7.1 None directly arising from this report.

### 8. RECOMMENDATION

The Executive is recommended to;

- i. Grant Groundworks Northamptonshire a 99 year lease of The Green Patch, Kettering, at a peppercorn rent on terms outlined in the report.

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Background Papers:

**Appendices:**

Plan of the Land

Previous Reports/Minutes:

- None