

# Gloucester City Council

<b>Meeting:</b>	<b>Overview and Scrutiny Committee Cabinet</b>	<b>Date:</b>	<b>5 February 2024 7 February 2024</b>
<b>Subject:</b>	<b>Lease of land at Hempsted Meadow</b>		
<b>Report Of:</b>	<b>Cabinet Member for Culture and Leisure and Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>Westgate Ward</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Site Plans</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To consider the options for the disposal of land at Hempstead Meadows by way of a lease for the provision of a dedicated event space to include a car boot, markets and associated amenities such as parking. The report also incorporates information about site constraints and how these can be managed for the future.

### 2.0 Recommendations

- 2.1 Overview and Scrutiny Committee is asked to consider the information contained in the report and make any recommendations to Cabinet.
- 2.2 Cabinet is asked to **RESOLVE** that:
- 1) Authority be given to the Investment Manager in consultation with the Cabinet Members for Policy & Resources and Culture & Leisure to undertake a competitive process to enter into a lease for a term of up to 15 years with 5 year breaks for the area identified at Appendix 1.
  - 2) The site conditions to be evaluated and recommendations made so that the site can operate all year round.
  - 3) The existing operator be given a 9-month extension to their existing licence to enable the car boot sale to stay operational while the competitive process offering a lease of the area identified is undertaken

### 3.0 Background and Key Issues

- 3.1 The Council is aware of the importance of a car boot sale for the City of Gloucester. Car boot sales promote recycling and reuse of items and can improve wellbeing by providing important social contact.
- 3.2 The site at Hempsted Meadow has previously been used successfully as a site for car boot sales and other events and markets have successfully operated from this site.
- 3.3 In terms of location, size (capacity), access, and topography, the site at Hempsted Meadow is well suited to the holding of car boots, markets and events. Previously the car boot sales have been run under arrangements whereby the Council remained liable for the ongoing maintenance of the site and the security of the area. Management of the current site constraints are difficult and have been financially draining on the Council. With the right investment on the site to bring the area up to standard, a lease of the site could generate a service charge to cover the ongoing maintenance and management costs of the site.
- 3.4 The attached Appendix provides a site plan showing the area currently under review for the holding of future car boot sales, markets and events. It is intended to include a suitable footprint from within this area and for it to be demised in the lease. It is proposed that the ground conditions are improved by way of capital investment by the Council, with the ongoing maintenance of the site being financially covered by way of a service charge from the various tenants of the site. The service charge provision will be secured by clauses in the leases. This will ensure that the Council can plan ground works, budget sufficiently and any instances of trespass can be dealt with by the lease holders rather than the Council.
- 3.5 Site neighbours are broadly satisfied with the current pilot arrangements. Taking on board the learnings from the current pilot arrangements for the car boot sale, a future lease will ensure that good working practices are established to ensure collaborative working with other site users, that complaints are suitably considered, managed and action taken to mitigate future occurrences. The future lease will also ensure that the site is managed in line with established recycling policies and ensure that site set up and marshalling provisions work well.
- 3.6 Cabinet had previously decided to enter into a licence arrangement to pilot the operation of the site as a car boot sale. The licence in this pilot provides for the council to receive income at a fixed rate throughout the term with no drops should the car boot sale not be open for any reason. During this pilot, income has been consistent even with the car boot having to close on a number of occasions due to flooding. In the future, granting a lease on commercial terms will give the Council consistent income in the same way, but under more robust terms.
- 3.7 Entering into a long-term lease is considered to be the most appropriate way to continue to manage this site. However time will be required to undertake marketing of the site and award of the proposed lease on suitable terms and therefore officers are seeking approval to extend the existing arrangement by a further 9 months. This will mean that the current car boot sale arrangements can continue and there will be no detrimental impact on those that rely on this facility.

#### **4.0 Social Value Considerations**

- 4.1 Car boot sales can be a social destination, a family day out and can promote an inclusive environment. They promote social gathering, exciting, unique, inclusive environments therefore the marketing of this parcel of land will incorporate these uses in the lease terms whilst ensuring any limitations of the site are reflected in the user clauses and lease plans

#### **5.0 Environmental Implications**

- 5.1 Environmental requirements will be taken into account and Green Lease terms will be incorporated into the Agreement.
- 5.2 The ongoing management of the site will include provisions that ensure the correct environmental concerns are factored into the maintenance of the site such as avoiding nesting birds when programming grounds maintenance, and use of correct materials near the watercourse for things such as gritting the road way in winter. Officers will consult with the Environment Agency on any necessary restrictions over the land.

#### **6.0 Alternative Options Considered**

- 6.1 The Council's land holding portfolio has been considered to seek alternative locations for a car boot sale. There is no other site that offers sufficient scale, transport connections or access provisions. Car parks provide the closest potential but were unlikely to be big enough for vendors and patrons to be located on the same site. Also a car park being unavailable to shoppers and business users, due to a car boot, would have a detrimental impact on the local economy.
- 6.2 Consideration has also been given to whether Hempsted Meadow should be used for different purposes. Other opportunities have been considered and whilst other aspects of the site are suitable for other uses, the area where the car boot currently trades has a number of restrictions making permanent development challenging. However, the Council will continue to keep this under review, including the potential for disposal of the freehold of the site.

#### **7.0 Reasons for Recommendations**

- 7.1 The physical nature of the site limits possible uses. However, there has been much local support for bringing the car boot back to Hempsted Meadow.
- 7.2 The advantages of a lease over a licence are that it will give any tenant a proprietary interest in the land. This in turn will encourage investment from the tenant which will promote longevity of the site, enhance the area and the Council will be in a position of receiving a fixed rental income to aid recovering its costs for the ongoing operational management of the site.

#### **8.0 Future Work and Conclusions**

- 8.1 Officers will continue to monitor the site throughout the winter months to gauge the effects the operation has on the ground conditions. At the same time work will begin on how to improve the site for all tenants.

8.2 The Council will market the opportunity through an agent in much the same way as we do with any other commercial lease. Heads of terms will then be agreed with the preferred party and the lease will be documented with appropriate legal input.

## **9.0 Financial Implications**

9.1 The Hempstead Meadow site is subject to a myriad of natural constraints. The operation of activities on the site create the need for significant investment to be made on an annual basis to ensure that the site is appropriately maintained.

9.2 Any lease agreements will need to demonstrate that the items noted in this report above are appropriately considered and that the financial contribution from the Operator maximises the recovery of the costs to maintain the site appropriately. With the introduction of a fixed rental income to the Council plus a service charge for ongoing maintenance, it is hoped that this will ensure these costs are covered on an annual basis.

9.3 A full condition survey will be required to ensure effective budgeting has taken place and that the risk of unforeseen maintenance costs is mitigated as much as possible from the outset.

## **10.0 Legal Implications**

10.1 The authority will work in collaboration with our chosen external advisors and One Legal to enter into lease negotiations and agree suitable terms for the final lease documentation.

10.2 Section 123 of the Local Government Act 1972 allows a local authority to dispose of land held by it in any matter it sees fit. However, Secretary of State consent is required if the land is to be disposed of other than by way of a lease of 7 years or less at less than the best consideration that can reasonably be obtained. Therefore, if it is intended to grant a lease for a term of longer than 7 years, the Council will have market the site in order to show that best consideration has been obtained.

10.3 Consideration will also need to be given to whether the site might be considered to be public open space. If the site could be deemed to be public open space then under section 123(2A) of the Local Government Act 1972, the proposed lease will need to be advertised in a newspaper in circulation in the local area for 2 consecutive weeks prior to the grant of the lease and the Council will need to consider any objections to the lease which may be received in response to the advertisement. It should be noted that this provision will apply even in the case of a lease for a term of 7 years or less.

10.4 If the site has been used by members of the public for recreational purposes then it will be deemed to be public open space for the purposes of the Local Government Act 1972.

10.5 Covenants can be included in the lease to restrict the use of the site and to ensure proper management of the site.

## **11.0 Risk & Opportunity Management Implications**

11.1 A provision can be put in the lease to enable to service charge to be reviewed annually as opposed to it being a fixed amount.

**12.0 People Impact Assessment (PIA) and Safeguarding:**

12.1 The PIA Screening Stage was completed against the protected characteristics and there were found to be no impacts, therefore a full PIA is not required.

**13.0 Community Safety Implications**

13.1 The main issues at this site are Trespassing and Fly tipping: an increased presence on the site and other security terms in the lease should help mitigate against these risks.

**14.0 Staffing & Trade Union Implications**

14.1 None