

Record of Decision

Mayor's Response to Objection to Amendments to the Corporate Asset Management Plan

Decision Taker

Mayor on 11 August 2016

Decision

- (i) that the Mayor disagrees with the objection to the Amendments to the Corporate Asset Management Plan as this would pose a significant financial risk to the Council if the objection was implemented; and
- (ii) that the following wording be added to the Corporate Asset Management Plan to clarify the approach to be taken respect of sports leases:

“The estimated market rent assesses the lease value against other similar leases (i.e. sports leases) across the South Devon area. An estimated market rent will take into account whether the landlord or tenant has the liability for the cost of maintenance and what income generating facilities are at the disposal of the tenant i.e. a club house & bar, private car parking, etc. The estimated market rent would also reflect the restrictive nature (sports use only user clause) of the lease and the level of the security of tenure.

A combination of the above factors can either increase or lower the valuation and so it must not be assumed that a ‘market rent’ is necessarily a high rent. In the case of sports clubs the ‘market rent’ should not be compared with the commercial rent a business might pay in the high street.”

Reason for the Decision

To respond to the Council’s objections to the Amendments to the Corporate Asset Management Plan.

Implementation

The original report, together with this record of decision, will be considered at the Council meeting on 22 September 2016.

Information

At the Council meeting held on 21 July 2016, the Council formally objected to the Amendments to the Corporate Asset Management Plan on the basis that:

- i) all current and future sports leases granted to ‘not for profit organisations’ should have a peppercorn rent up to a maximum of £500 a year.

In accordance with the Constitution at F4.9, the Council required the Mayor to consider this objection by 12 August 2016 to either:

- a) submit a revision of the Corporate Asset Management Plan with the reasons for any amendments to the Council for its consideration; or

- b) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

The Mayor has considered the recommendations of the Council and his decision is set out above.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I024890

Does the call-in procedure apply?

No

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

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11 August 2016

Signed: _____
Mayor of Torbay

Date: 11 August 2016