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Contact Officer:

John Armstrong, Democratic Services Manager  
Tel: 01483 444102

18 November 2019

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **TUESDAY, 26 NOVEMBER 2019** at 6.00 pm.

Yours faithfully

James Whiteman  
Managing Director

**MEMBERS OF THE EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE**

Chairman:  
Councillor Caroline Reeves

Vice-Chairman:  
Councillor Fiona White

Councillor Joss Bigmore  
Councillor Jan Harwood  
Councillor Pauline Searle

**Authorised Substitute Members:**

Councillor Angela Goodwin  
Councillor David Goodwin  
Councillor Julia McShane

Councillor John Rigg  
Councillor James Steel

**WEBCASTING NOTICE**

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

**QUORUM 3**



## THE COUNCIL'S STRATEGIC FRAMEWORK

### Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

### Three fundamental themes and nine strategic priorities that support our vision:

- |                     |  |
|---------------------|--|
| <b>Place-making</b> | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
|                     | Making travel in Guildford and across the borough easier   |
|                     | Regenerating and improving Guildford town centre and other urban areas   |
| <b>Community</b>    | Supporting older, more vulnerable and less advantaged people in our community  |
|                     | Protecting our environment   |
|                     | Enhancing sporting, cultural, community, and recreational facilities   |
| <b>Innovation</b>   | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need       |
|                     | Creating smart places infrastructure across Guildford  |
|                     | Using innovation, technology and new ways of working to improve value for money and efficiency in Council services             |

### Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

## AGENDA

### ITEM NO.

#### 1      **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES**

#### 2      **DISCLOSURE OF INTERESTS**

In accordance with the Councillors' Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

#### 3      \* **ALLEN HOUSE PAVILION** (Pages 1 - 10)

##### Key Decisions:

Any item on this agenda that is marked with an asterisk is a key decision. The Council's Constitution defines a key decision as an executive decision which is likely to result in expenditure or savings of at least £200,000 or which is likely to have a significant impact on two or more wards within the Borough.

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive intends to take a key decision, a document setting out prescribed information about the key decision including:

- the date on which it is to be made,
- details of the decision makers,
- a list of the documents to be submitted to the Executive in relation to the matter,
- how copies of such documents may be obtained

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 29 October 2019.

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Executive Shareholder and Trustee Committee Report

Ward(s) affected: Holy Trinity

Report of Director of Community Services

Author: Simon Goldsworthy

Tel: 01483 444593

Email: [simon.goldsworthy@guildford.gov.uk](mailto:simon.goldsworthy@guildford.gov.uk)

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: [joss.bigmore@guildford.gov.uk](mailto:joss.bigmore@guildford.gov.uk)

Date: 26 November 2019

## **Allen House Pavilion – Lease Renewal to the Matrix Trust**

### **Executive Summary**

Allen House Pavilion (“the Pavilion”) is located in Allen House Grounds (“the Grounds”) and is currently subject to a 5-year lease to the Matrix Trust (“Matrix”) expiring on 22 December 2019. Matrix is a locally based registered Christian charity, providing services through schools and community-based projects, such as youth hubs, sports activities and social action opportunities for the last 18 years. Matrix currently uses the Pavilion for basic youth work and as an office.

The Grounds were gifted to the Council on 1 September 1914. The Council holds the Grounds as a charitable trust (“the Trust”) subject to a covenant restricting the use of the Grounds to “public walks and pleasure grounds”.

On 14 April 2014, the Deed of Gift was varied to allow the Pavilion to be leased to “any local charity for any charitable projects and activities which benefit the inhabitants of the Borough of Guildford”. This allows the Trust to grant a lease of the Pavilion without having to obtain an order from the Charity Commission, provided the lease complies with the provisions of the Deed of Variation.

Matrix would like to renew the lease for a 20-year term and undertake a major refurbishment of the Pavilion using their own funding to create a social enterprise community and youth café and hub for providing enhanced youth services. This would involve improvements to the building and allow Matrix to generate an income, making Matrix more financially sustainable. The proposals will also allow Matrix to expand its youth work. Matrix has obtained planning consent for the proposed works and part change of use.

The roof of the pavilion also needs to be replaced. The Trust is responsible for this work and it is proposed that this will be carried out in Spring 2020.

A valuation has been obtained from an external surveyor recommending that the annual

rent is increased from £7,197 to £8,550. The next stage is to finalise negotiations with Matrix and undertake a public consultation. The Executive Shareholder and Trustee Committee (“the ESTC”) has authority to approve the negotiations with Matrix (including consent to undertake the proposed alterations to the building) and the public consultation. The ESTC can also authorise the necessary expenditure on the replacement of the roof.

### **Recommendation to Executive Shareholder and Trustee Committee**

- (1) That negotiations be concluded with Matrix for a new 20-year lease, to include rights for Matrix to undertake proposed works to the Pavilion and open a community café, without the need to advertise the lease on the open market.
- (2) That a four-week public consultation be undertaken in respect of the proposed new lease and proposed use.
- (3) That a Tenancy at Will be granted to Matrix allowing continued occupation of the building from 22 December 2019 until a new lease is completed.
- (4) That the Trust authorises the procurement of a contractor to replace the roof of the Pavilion at a cost of up to £50,000 in spring 2020.

#### Reasons for Recommendation:

The lease to Matrix is due to expire on 22 December 2019. The new lease will generate more rental income for the Trust, allow Matrix to improve the building and open a community café. This will make Matrix more financially sustainable and allow it to expand its youth work.

**Is the report (or part of it) exempt from publication? No**

## **1. Purpose of Report**

- 1.1 To request the agreement of the Executive Shareholder and Trustee Committee (“the ESTC”) to carry out actions relating to the renewal of the lease of Allen House Pavilion to the Matrix Trust.

## **2. Strategic Priorities**

- 2.1 The grant of a new lease will allow the Matrix Trust to obtain funding to improve Allen House Pavilion and create a community and youth café. This will generate income and allow the Matrix Trust to become more financially sustainable. This will also facilitate an increase in the impact of its youth services, which supports the Council’s priority to support “older, more vulnerable and less advantaged people in our community” (Corporate Plan 2018-2023).

## **3. Background**

- 3.1 Allen House Pavilion “the Pavilion” is a former bowls clubhouse located within Allen House Grounds (“the Grounds”) and is currently let to the Matrix Trust (“Matrix”). The Pavilion is shown edged in red and the Grounds edged in blue on the plan attached at **Appendix 1**.

- 3.2 The Grounds were gifted to the Council on 1 September 1914 by Jane Allen Broad and are held by the Council as sole charitable trustee under the provisions of a charitable trust (“the Trust”). The Deed of Gift contains covenants restricting the use of the Grounds to “public walks and pleasure grounds”.
- 3.3 On 14 April 2014 the Deed of Gift was varied to allow the Pavilion to be leased to “any local charity for any charitable projects and activities which benefit the inhabitants of the Borough of Guildford”. This allows the Trust to grant a lease of the Pavilion without having to obtain an order from the Charity Commission, provided the lease complies with the provisions of the Deed of Variation.
- 3.4 Matrix is a locally based registered Christian charity, providing services through schools and community-based projects, such as youth hubs, sports activities and social action opportunities for the last 18 years. Matrix currently uses the Pavilion for basic youth work and as an office. The current 5-year lease to Matrix is due to expire on 22 December 2019 and Matrix wishes to enter into a new 20-year lease. This will allow Matrix to obtain funding to undertake a major refurbishment of the Pavilion.
- 3.5 The proposed refurbishment will involve the conversion of part of the Pavilion to a café and other improvements, including the provision of a terrace for customer seating. The cafe will operate as a social enterprise community and youth cafe and a hub for providing enhanced youth services. Planning consent has been obtained by Matrix for the works and part change of use of the Pavilion. Drawings of the current and proposed layout of the Pavilion are attached at Appendix 2.
- 3.6 The community cafe will operate Monday to Saturday between 08:00 and 15:30 hours and will create an income stream for Matrix, helping it to become more financially sustainable and expand its work with young people. The community cafe will also provide an opportunity to teach business skills to young people through accredited schemes.
- 3.7 From 15:30 to 18:00 hours the Pavilion will close to the general public and be used as a youth cafe, which Matrix believes will double the impact of its youth services. On Sundays, the Pavilion will be made available for hire to local groups and for events such as children’s parties.
- 3.8 In addition to the works proposed by Matrix, the roof of the Pavilion also needs to be replaced. This is the responsibility of the Trust under the terms of the current lease. The cost of this work is estimated at £50,000 and it is proposed that this work will take place in Spring 2020. This will be funded from the general fund.
- 3.9 A valuation has been obtained from an external surveyor and an increase of the annual rent payable by Matrix from £7,197 to £8,550 has been recommended. This is deemed to be the market rent for the Pavilion with the benefit of the proposed cafe use proposed by Matrix but subject to the restrictions contained in the Deed of Variation regarding charitable use. The surveyor also recommended that there would be no advantage to the Trust in formally advertising the

proposed 20-year lease term on the open market under the provisions of the Charities Act 2011.

- 3.10 Prior to granting a lease to Matrix, it is a requirement of Section 121(2) of the Charities Act 2011 to undertake a four-week public consultation. During the consultation period, a public notice will be placed in the local press and notices will be erected within the Grounds inviting the public to comment on the proposed new lease.

#### **4. Consultations**

- 4.1 The Parks and Landscape Manager has been consulted regarding the proposals set out in this report and is supportive of the Trust granting a new lease to Matrix.

#### **5. Equality and Diversity Implications**

- 5.1 Current access into the Pavilion is very limited for wheelchair users. Access will be greatly improved by the proposed works with the inclusion of a ramp as part of the terrace area to be constructed by Matrix. This will enable wheelchair access to the front of the Pavilion. Matrix will also widen the main double doors on the front of the Pavilion to accommodate wheelchair use and increase circulation space both inside and outside the Pavilion to ensure that wheelchair users are able to make full use of the Pavilion. The raised terrace area will enable all users of the Pavilion to better interact with the grounds to the front of the Pavilion. Internal circulation within the Pavilion will be improved by the open plan layout with provision for a wheelchair accessible toilet.

#### **6. Financial Implications**

- 6.1 The grant of the new lease to Matrix will result in an increase in rental income from £7,197 per annum to £8,550 per annum. The additional income can be used by the Trust towards the cost of managing and maintaining the Grounds.

#### **7. Legal Implications**

- 7.1 Under the Council's Constitution, authority to proceed with the public consultation lies with the ESTC.
- 7.2 The ESTC's authority must also be obtained to negotiate the Heads of Terms with Matrix (including the proposed alterations to the Pavilion) and to replace the roof of the Pavilion.
- 7.3 Once Heads of Terms have been finalised with Matrix and the public consultation has been completed, authority to proceed with granting the lease to Matrix must be obtained from the ESTC.

#### **8. Human Resource Implications**

- 8.1 There will be staff resource implications arising from progressing the renewal of the lease to Matrix and undertaking the public consultation. This will be managed within existing staff resources.



## **9. Summary of Options**

- 9.1 The Trust could renew the lease to Matrix for a further five years. It would still be necessary to undertake a public consultation and seek the ESTC's approval before undertaking the consultation and finalising terms with Matrix. This would not provide Matrix with a long enough term to obtain funding for the proposed works to the building. Consequently, the building would not be improved, and the change of use would not be implemented, meaning that Matrix would not be able to create an income stream to invest into the charity.
- 9.2 The Trust could advertise the opportunity to lease the building on the open market and seek best offers. Given that the 2014 Deed of Variation restricts leases granted in respect of the Pavilion to charitable uses and projects, the demand for the building is likely to be extremely limited. A report has also been obtained from an external surveyor on the market rent and the surveyor commented that there would be no advantage to the Trust in formally advertising the proposed 20-year lease term on the open market.
- 9.3 The Trust could renew the lease to Matrix for a 20-year term. This would generate more rental income for the Trust and enable Matrix to obtain grant funding and make improvements to the Pavilion. Income generated from the café use will make Matrix more financially sustainable and allow the expansion of their youth work.

## **10. Conclusion**

- 10.1 The grant of a new 20-year lease to Matrix will generate more rental income for the Trust, which will be used to help fund the management and maintenance of the Grounds. The improvements to the building proposed by Matrix will make it more accessible to wheelchair users and allow Matrix to open a community café. This will support improved and expanded youth services and generate an income for Matrix, making it more financially sustainable.
- 10.2 In order to finalise lease negotiations with Matrix and undertake a public consultation, it is necessary to obtain authority from the ESTC. Once the consultation is completed and terms have been finalised with Matrix a further report will be put before the ESTC.

## **11. Background Papers**

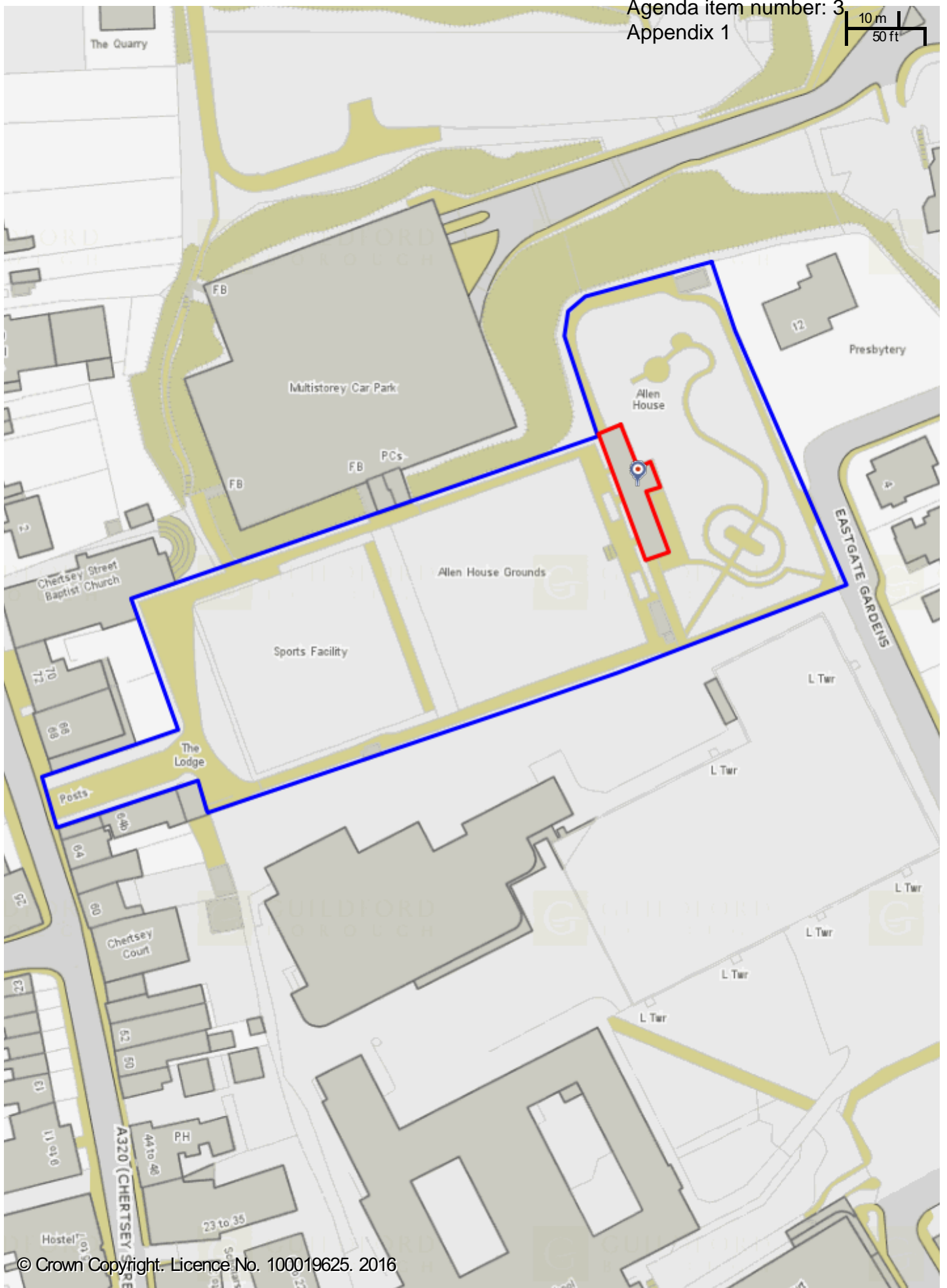
None

## **12. Appendices**

Appendix 1: Location Plan

Appendix 2: Current and Proposed Layout Drawings

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**Appendix A - Allen House Grounds & Pavilion**

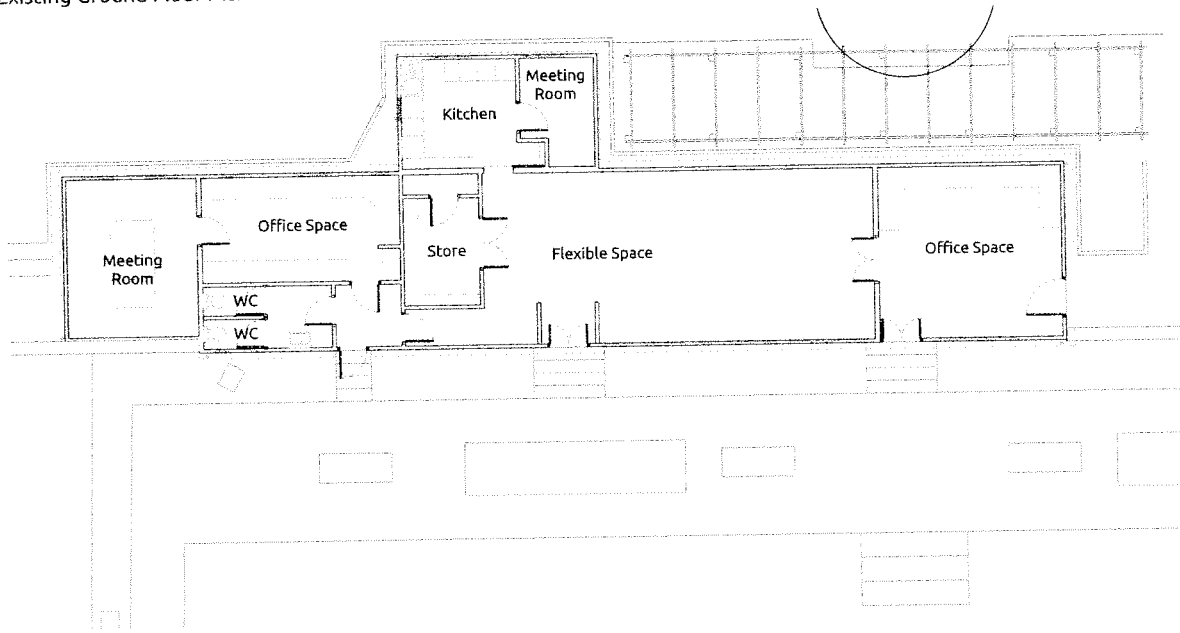
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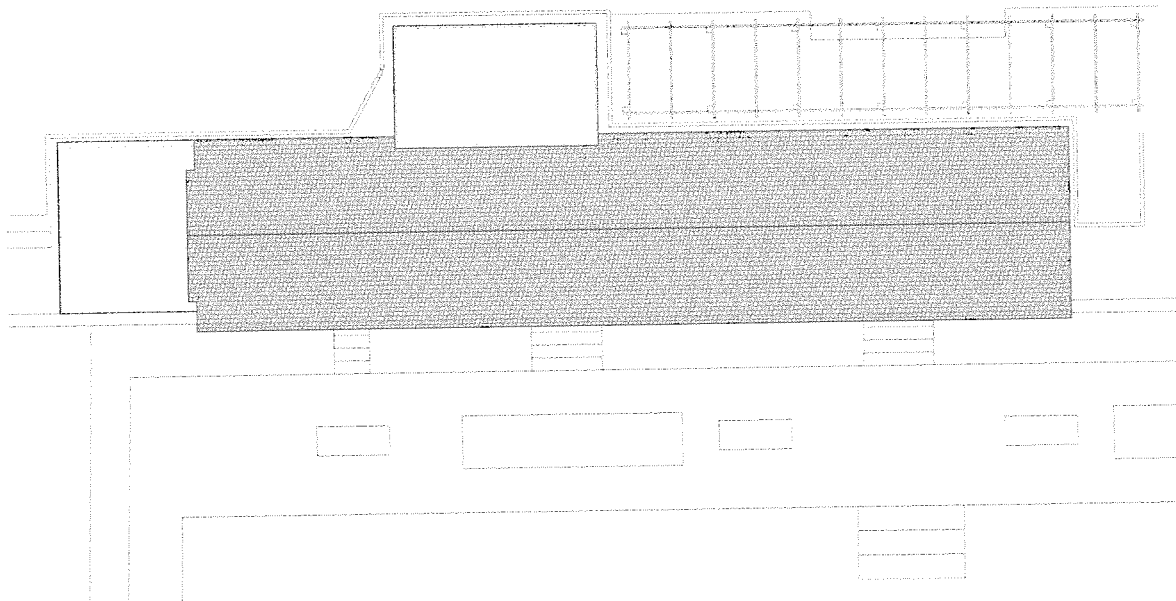


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Existing Ground Floor Plan



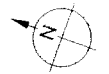
Existing Roof Plan



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Drawing Title  
Existing Ground Floor and Roof Plans  
Status  
Planning

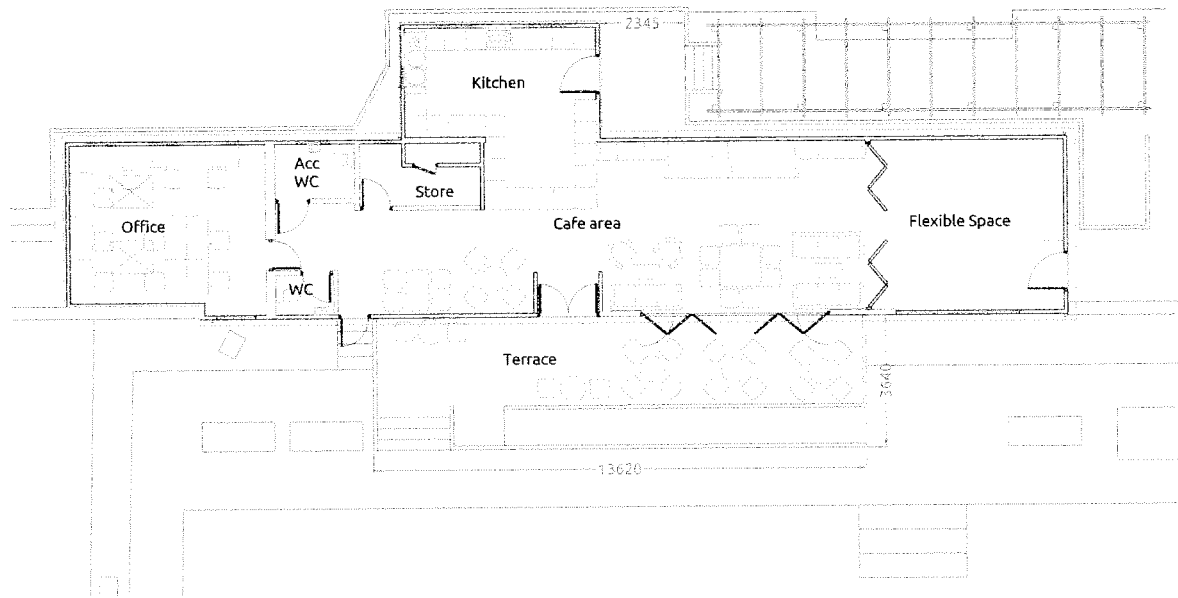
Client Name  
The Matrix Trust  
Project Title  
Redesign & change of use of  
Allen House Pavilion, Eastgate  
Gardens, Guildford GU1 4AZ

**Jeremy Taylor  
Architecture**  
53 Fines Road, Epsom, Surrey KT15 9EA  
e: info@jt-architecture.co.uk t: 01970 647276

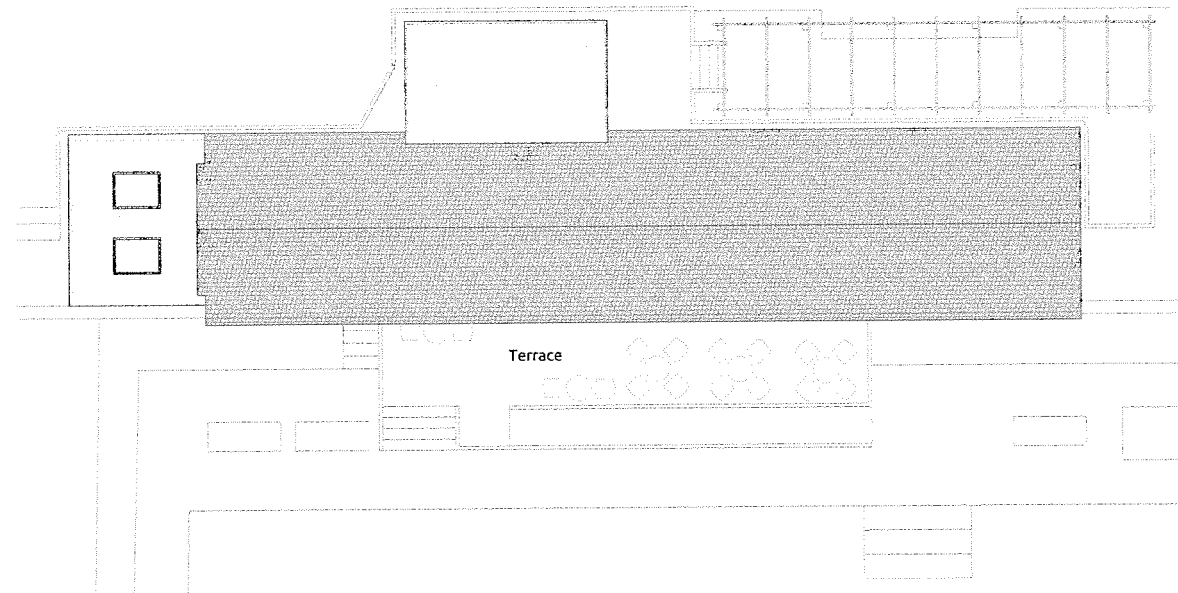
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Proposed Ground Floor Plan



Proposed Roof Plan



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Agenda item number: 3  
Appendix 2



Drawing Title  
Proposed Ground Floor and Roof Plans

Status  
Planning

Client Name  
The Matrix Trust  
Project Title  
Redesign & change of use of Allen House Pavilion, Eastgate Gardens, Guildford GU1 4AZ

**Jeremy Taylor Architecture**

53 Holes Road, Epsom, Surrey KT19 9AA  
e: info@jta-architecture.co.uk t: 07970 041276

Drawn by:  
JIT  
Drawing Number  
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