

Strictly Private and Confidential

Mapledurham Playing Fields

Reading

Berkshire

Section 119 Report

Charities Act 2011

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Prepared for: Reading Borough Council acting
in its capacity as the sole trustee
of The Recreation Ground
Charity (registered charity
number 304328)
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Date of Valuation 12th December 2016

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1 Introduction

- 1.1 The Mapledurham Recreation Ground ("The Ground") at Woodcote Road Caversham Reading RG4 7EZ is held by the Recreation Ground Charity (registered charity number 304328) ("the Charity"). The Ground is identified on Plan 2 at Appendix One.
- 1.2 Reading Borough Council, acting in its capacity as sole managing trustee ("the Trustee"), of the Charity, acts by a sub-committee in considering and taking decisions in respect of the Charity. The Trustee is required to act in the best interests of the Charity and its beneficiaries are the inhabitants of Mapledurham and the Borough of Reading. The Ground is an asset of the Charity and we understand that it is held "in specie" i.e. specifically in order to advance the Charity's object. Legal title to the Ground is vested in The Official Custodian for Charities.
- 1.3 Bruton Knowles has been instructed by Reading Borough Council, as Trustee of the Charity, to prepare a Section 119 Charities Act Report and Certificate in respect of the proposed long leasehold disposal of part of the Ground (the "Relevant Land") to the Secretary of State for Communities and Local Government (acting by the Education Funding Agency (the "EFA")) for a new primary school, multi use games areas, reception play area, soft informal play area and 20 new hard surfaced car park spaces.
- 1.4 The Report also objectively assesses the proposed disposal in the context of the impact on the amenity value of the part of the Ground that will be retained by the Charity (the "Retained Land") if the long leasehold were to be granted, in order to enable the sub-committee to assess the scope for advancing the Charity's recreational object (and in particular the enhancement of the amenity value of the Retained Land) if the Trustees were to accept the proposal made by the EFA.
- 1.5 The Relevant Land is identified within the red line boundary on the Plan 3 at Appendix One and extends to some 0.498 ha (1.23 acres), excluding the access.
- 1.6 Following extensive negotiations, and subject to contract and formal approval, Heads of Terms for the disposal of the Relevant Land to the EFA have been agreed for a Long Leasehold of 125 years ("EFA Development Proposal"). A copy of the agreed Heads of Terms is attached at Appendix Four.
- 1.7 We confirm that, to the best of our knowledge and belief, we have had no material involvement with the Ground or the Charity or with the EFA. We therefore consider that we do not have any conflict of interest in providing this report.

- 1.8 Our Standard Terms and Conditions of Engagement, attached at Appendix Three, form an integral part of this report. They should be read in full as they contain important caveats and conditions relevant to this report including limits of liability, non-publication restrictions, condition and contamination. Full definitions of the basis of valuation are also included.

Mapledurham Playing Fields Property Report

2.1 Location

- 2.1.1 The Ground (which includes a Pavilion) is located in Caversham Heights, a residential area in Berkshire and a suburb of Reading.
- 2.1.2 The Ground abuts residential property on all sides, albeit with Hewett Avenue to the west. Access to the Playing Fields is directly off the Woodcote Road A4074.
- 2.1.3 The location of the Ground is identified on Plan One at Appendix One. Our understanding of the extent of the Ground is shown within the red boundary on Plan Two albeit for identification purposes only.

2.2 Description

- 2.2.1 The Ground extends in total to some 11.07 hectares (27.35 acres) of recreational space and comprises the following facilities:-

- Predominately unmade Car Parking – tarmac surfaced spaces by tennis courts.
- Pavilion, albeit requiring extensive work and currently closed.
- Four tennis courts.
- Three 11 a side football pitches, two 9 aside all to Sports England recommended size for outdoor use.
- Informal warm up space or small pitches.
- Play area with swings and other children’s equipment with bark safety surface
- Hard surfaced ball court
- Orchards
- Improved area of deciduous tree planting
- Existing trees and other vegetation
- Basket ball court

- 2.2.2 The Ground is used by a wide variety of groups including:-

- Football teams.
- Friends of MPF specifically for wildlife conservation work.
- Lawn tennis club.
- Bridge Club
- Escape Toddlers Club

- 2.2.3 The Ground is also used by many local residents for dog walking, picnics and general recreation.
- 2.2.4 The Community Orchard is an especially significant part of the Ground, with fruit grown for the benefit of local residents and wildflower meadows allowed to fully mature and seed.

2.3 Local Authority & Statutory Enquiries

- 2.3.1 Your attention is directed to our Standard Terms and Conditions of Engagements contained at Appendix Three.
- 2.3.2 We have assumed that the Ground is unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries or statutory notice and that neither the Ground, nor its condition, nor its use, nor its intended use is or will be unlawful.

Planning

- 2.3.3 Other than preparatory planning in association with the development proposal reviewed at Section 3 below we are not aware of any outstanding or ongoing planning applications.
- 2.3.4 With regards to the Pavilion, we are aware of a fund raising campaign by The Warren and District Residents Association (WADRA) to restore it, given its current unusable condition.

Planning Designations

- 2.3.5 In preparing this report we have also had regard to the following designations within the Local Plan and comment as follows:-
- 2.3.6 The Ground is designated as Public and Strategic Open Space policy SA16 as shown on the adopted Proposals Map Policy SA16. Areas of land designated as Public and Strategic Open Space will be protected from development. Proposals that would result in the loss of any of these areas of open space, or jeopardise their use or enjoyment by the public, will not be permitted.
- 2.3.7 Policy CS28, Loss of Open Space, also states that development proposals that will result in the loss of open space or jeopardise its use or enjoyment by the public will not be permitted, however in exceptional circumstances, development may be permitted where it is clearly demonstrated that replacement open space, to a similar standard, can be provided at an accessible location close by, or that improvements to recreational facilities on remaining open space can be provided to a level sufficient to outweigh the loss of the open space. The quality of existing open space should not be eroded by insensitive development on adjoining land.

2.3.8 Whilst CS28 also states that the loss of this open space is contrary to policy, under the Planning Acts, other material circumstances may indicate otherwise. Consequently, other material considerations may persuade a decision maker not to make a decision in accordance with policy.

2.3.9 Other designations that either directly or indirectly effect the Ground and which we have taken account of in preparing this report include:-

- Adjoins the Air Quality Management Area Policy DM 19
- Major Landscape Feature Policy CS37 and SA 17
- Local Wildlife Sites, Local Nature Reserves and Area of Biodiversity Action Plan Habitat Policies CS36 and DM 17
- Existing and Potential Green Links DM17

2.3.10 In summary, given the above designations, any planning application within or on the Ground will need to demonstrate very special circumstances to be consented, which we comment upon further.

2.4 Tenure

2.4.1 We have not been provided with any Title documentation. The Official Custodian for Charities holds legal title to the Ground. We have assumed that the Title is unencumbered and free from any unusual or especially onerous or restrictive covenants, easements, restrictions, encumbrances, outgoings or rights of way which could affect value. This should be verified by your solicitors.

2.5 Occupation

2.5.1 We are reporting on the basis of vacant possession.

3. The Proposed Development

3.1 The Relevant Land

3.1.1 The Relevant Land upon which the new school and associated facilities is proposed to be constructed is identified within the red line boundary on the Plan Three at Appendix One. The Relevant Land area extends to some 0.498 ha (1.23 acres) of the total Ground demise of approximately 11.07 hectares (27.35 acres).

3.1.2 The Relevant Land is situated within the northern section of the Ground. It is currently informal play area/open space with mature trees to the north and west boundaries. Also contains formal football training area/five aside pitches. To the east and north respectively is the currently unused Pavilion, unmade car park space and access to Woodcote Road. To the south are playing fields.

3.2 **The EFA Development Proposal**

3.2.1 At Appendix Two is attached the EFA Development Proposal Plan which in summary identifies the following development:-

Development	Area
Relevant Land	0.498 ha (1.23 acres)
Primary School Footprint	1,201sq m
Hard Outdoor PE and Play MUGA	726 sq m
Soft Informal and Social Area (i)	1,163 sq m
Soft Informal and Social Area (ii)	311 sq m
Reception KS1 Play Area	329 sq m

3.2.2 The development will also provide the following key features:-

- 20 new hard surfaced car park spaces.
- The existing access will be widened to 4.8m and constructed to Highway Standard with a footway on one side. The improved access will thereafter allow for two-way traffic.
- Parking, Pick up and Drop off within the Red Line/Relevant Land boundary.
- A designated route for access by emergency vehicles
- Secure boundary fencing.
- The new school boundary will be set back 7m from football pitch 1 - this may be increased to 10m during the maintenance cycle.

3.2.3 We are informed that the EFA has engaged and discussed the proposed development with appropriate Development Control Officers within Reading Borough Council, albeit that the Terms of the Sale will be Conditional upon Planning amongst other matters.

3.3 **The Terms of the Sale**

3.3.1 The following is a summary of the 'headline terms' which have been agreed with the EFA, for the disposal of the Long Leasehold interest of the Relevant Land, with the full Heads of Terms attached at Appendix Four:-

Relevant Land (The Property)	0.498 ha (1.23 acres)
Landlord	Reading Borough Council, acting in its capacity as Trustee of the Charity
Tenant	The Secretary of State for Communities and Local

	Government
Premium	£1,360,000 (One Million, Three Hundred and Sixty Thousand Pounds) payable upon completion of the lease.
Tenure	Long Leasehold Interest
Term	125 Years
Rent	One Peppercorn per annum
Form of Lease	EFA Model Free School Lease
Tenant Break Clause	Tenant has right to break lease at the end of the 5 th year of the Term and every 5 years thereafter, subject to 6 months prior written notice.
Assignment	The Tenant may assign to an Academy or proposed proprietor of an Academy without consent. The Tenant can underlet the whole or part of the Property for a term of less than 10 years without Landlord's prior written notice.
Tenant's Rights	<ul style="list-style-type: none"> • Appropriate pedestrian and vehicular rights to site. • The right to connect into service media on the Retained Land. • The right to use the car park within the Retained Land for drop off/pick up purposes between 7.30am and 9.00am and 3.00pm and 6.00pm during term time – school staff parking will be within Tenant's demise albeit that traffic will be minimised as far as possible through a travel plan. • The right to use an enhanced sports pitch on the Retained Land during school hours/term time.
Landord's Reserved Rights	The beneficiaries of the Charity will be able to access the Tenant's school hall, MUGA and car park outside of school hours/term time.
Other Matters	<ul style="list-style-type: none"> • Tenant will contribute financially to its shared use of the access, Landlord car park and enhanced sports pitch. The financial contribution will be calculated as a fair proportion of the total maintenance expenditure based on usage. • The premium of £1.36 Million, referred to above is offered on the basis that the Charity invest a proportion to enhance one of the three football pitches up to a grass pitch quality performance standard as adopted by Sports England. • The Tenant will provide and maintain a secure

	<p>boundary around its demise.</p> <ul style="list-style-type: none"> • The Tenant will improve the condition of the shared access to the school in addition to making a contribution towards the improvement of the Landlord's retained car park.
Exchange and Completion	<p>Exchange of contracts is conditional upon:-</p> <ul style="list-style-type: none"> • Satisfactory completion of title investigation by Tenant. • Satisfactory survey results. • Landlord and Tenant approval. • Consultation by Landlord with the beneficiaries of the Charity and the Management Committee of the Charity. • The consent of the Charity Commission. • Agreeing a Community Use Agreement (CUA) <p>Completion is conditional upon:-</p> <ul style="list-style-type: none"> • Tenant obtaining planning permission with the Landlord approving the planning application to the extent it relates to the amenity value of the Retained Land.
Longstop Date	24 months from date of planning application.
Landlord Costs	The Landlord's reasonable and proper legal and property costs (up to £27,500 plus VAT) will be met by the Tenant. An additional undertaking in relation to the Landlord's costs will be subject to further discussion with the EFA (on behalf of the Tenant). In addition, should any access licence be required, the Landlord's reasonable and property legal costs in relation to these licences will be met by the Tenant (up to a cap of £2,000 plus VAT per licence).
Community Use Agreement	<p>The Tenant has agreed to enter into a Community Use Agreement (CUA) with the Landlord. The CUA will clarify the following points amongst other matters:</p> <ul style="list-style-type: none"> • Financial contributions from the Tenant for maintenance work referenced above; • Terms for the school hall, MUGA and car park being made available for the community; • Terms for the Tenant to use the enhanced sports pitch; and. • Terms for the Tenant to use the Landlord's car park on the Retained Land.

3.3.2 **Commentary on Heads of Terms**

Long Leasehold Agreement

At the end of the 125 year agreed long leasehold period, when the lease ceases, the Relevant Land will be returned with vacant possession to the Charity. This is an industry standard and well recognised form of property disposal.

Form of Lease

The EFA have proposed that the lease will be in line with the agreed EFA Model Free School Lease, which we understand is a well used document and thereby considered to be entirely appropriate.

Maintenance

The Tenant has agreed to undertake the following additional work for the beneficiaries of the Charity:

- Improve the existing access to a Highway Standard with future maintenance costs apportioned on a user pays basis. In the short/medium term, as an improved highway, maintenance costs will be negligible for the Charity as Landlord.
- The Tenant has agreed to enhance the Landlord's existing car parking with the benefit similar to those identified in the previous bullet point.
- The Tenant will have the right to connect into service media on the Landlord's Retained Land, equally reciprocal rights will be granted to the Landlord to connect into the improved services to be installed by the Tenant, which may assist with the regeneration of the Pavilion and save cost.

Community Use Agreement

The CUA will enable Landlord and Tenant to define how they can each make use of facilities for the benefit of the beneficiaries of the Charity, which should be an opportunity to improve accessibility and availability.

Landlord's Costs

The Landlord's reasonable and proper legal and property costs (up to £27,500 plus VAT) will be met by the Tenant. An additional undertaking in relation to the Landlord's costs will be subject to further discussion with the EFA (on behalf of the Tenant). In addition, should any access licence be required, the Landlord's reasonable and proper legal costs in relation to these licences will be met by the Tenant (up to a cap of £2,000 plus VAT per licence).

3.4 **Method of Disposal**

It is not in the best interest of the Charity to advertise the proposed disposition, given that the EFA Proposal is considered to be the only realistic use(s) identified to demonstrate the special circumstances required to obtain a planning consent within an area of land protected by Open

Space policies, in addition to the amenity benefits identified in Section 4 below and a premium of £1,36Million.

3.5 Marketing

It is not in the best interest of the Charity to advertise the proposed disposition, given that the EFA Proposal is considered to be the only realistic use(s) identified, likely to demonstrate the special circumstances required to obtain a planning consent within an area of land protected by Open Space policies, in addition to the amenity benefits identified in Section 4 below and a premium of £1.36 Million.

3.6 Current Market Value of the Relevant Land

In undertaking our current valuation of the Relevant Land the following factors have been taken into account:-

- The various designations covering the Ground, in particular Public and Open Space Policy SA16 and Loss of Open Space Policy CS28 within the adopted Local Plan, such policies restricting the future use of the land, planning consent for any alternative use(s) being required to demonstrate very special circumstances.
- The charitable objects of the Charity and the status of the Ground as a "specie" asset of the Charity will restrict the future use(s) of the Ground.
- The Relevant Land area of 0.498 ha (1.23 acres).
- The existing use of the Relevant Land as playing fields as a part of the Ground.

4. Justification

4.1.1 Our approach and justification of the EFA proposals and the impact upon the amenity value of the Ground and Retained Land have been informed with the benefit of the report prepared by the Council's Leisure and Recreation Manager (the Amenity Report) on the impact of the EFA's proposal on the amenity value of the Ground. The Amenity Report identifies how the proposed development will initially impact upon the Ground and Retained Land as follows:-

- 1 *The highest quality pitch (1) will be constrained in how it is used and maintained reducing its standard.*
- 2 *5 aside pitches/training areas 8 and 9 will be lost.*
- 3 *Overflow car parking area will be lost.*
- 4 *Proposals to upgrade changing rooms to meet current Sport England Standards by moving to the west of the Pavilion may no longer be possible.*
- 5 *The area of trees to the north of the proposed site of the school will have a significantly lower recreational or amenity value than present.*

- 6 *The effective space for recreation will be reduced.*
- 7 *The number of people aware of and using Mapledurham may increase due to greater awareness.*
- 8 *Visual amenity of the Ground.*
- 9 *Greater pressure on the access road to the Ground.*

The Amenity Report, suggests some solutions for mitigating the above, with a recommendation that a landscape plan should be produced to allow for a full assessment of the likely impact on the use of the Ground for recreation having regard to the EFA proposal. As per the above numbered points we summarise below the possible means of mitigation referred to in the Amenity Report.

- 1) The EFA Development Proposal allows for a minimum of 7m as run off from pitch 1 to the new school boundary which may be increased to 10m during the maintenance cycle. The Leisure and Recreation Manager has suggested in his report to the Sub-Committee that a reconfiguration of all playing pitches within the Ground will enable this to be achieved. However, this may result in the loss of mature trees in the middle of the Ground - we believe 4 poplar trees.
- 2) The EFA proposal will result in the loss of pitches 8 and 9 – a reconfiguration of the playing pitches and the provision of an artificial playing area could provide a realistic alternative as well offsetting any increased use of the remaining pitches.
- 3) An area of overflow car parking will be lost, however not entirely as space will be retained to the north of the proposed new school boundary and the addition of 20 new surfaced spaces are to be provided by the new development. Furthermore, the retention of the emergency access between the west of the Pavilion and east of the new school boundary will provide additional overflow space on playing fields south of the Pavilion.
- 4) It will no longer be possible to implement the proposed extension to upgrade changing facilities to the west of the Pavilion – it will be necessary therefore to consider an alternative solution which could include either extending the Pavilion elsewhere or alternatively an internal reconfiguration as part of the building's regeneration.
- 5) It is recognised that the stand of trees to be retained to the north of the proposed new school boundary, will have lower amenity value, post development. However the solution will be to offset this reduction in amenity value, through additional tree planting elsewhere within the Ground.
- 6/7) The EFA Development Proposal will reduce the effective total recreational space within the Ground. However, this may be offset by re-planning the use of the Ground and maximising the efficient use of available playing space.
- 8) Any impact on visual amenity can be offset through a tree planting programme, which will also enhance the amenity value of the Ground generally.
- 9) The increased use of the primary access will be addressed through a widened road built

to a Highway Standard and sufficiently widened to enable two-way traffic.

4.1 Impact on Amenity Value of the Ground and Retained Land

As instructed we set out below for the benefit of the Sub-Committee, our opinion on the scope for advancing the Charity's recreational object (and in particular the enhancement of the amenity value of the Retained Land) if the Sub-Committee were to accept the EFA proposal.

4.2 Facilities

- The EFA will pay to upgrade and enhance the existing access to a Highway Standard, this being widened to 4.8m, thereafter allowing for two way traffic. Such an improvement will reduce traffic congestion and improve the use of the Ground, as well minimising the Charity's cost maintaining the existing access in the short/medium term. Future maintenance costs will be shared with the EFA on a user pays basis. Greater pressure on access was identified within The Amenity Report - the EFA Proposal appears, subject to planning, to be a deliverable solution and benefit for the Retained Land, enhancing the amenity value of the Ground.
- The EFA will upgrade/surface the existing unmade car parking spaces, enhancing the use of the Ground and reducing short and medium term maintenance costs. Future maintenance will also be on a user pays basis with the EFA.
- The EFA have confirmed that they will improve services into their development, which the Charity will be given rights to connect to (at the Charity's cost). This may assist with the regeneration of the Pavilion and reduce associated costs.
- The EFA will provide improved lighting and security to the access and car parking, thereby enabling the Ground to be used more safely and extensively, particularly during winter months.
- Albeit that its specific terms would need to be agreed (but this agreement is a condition for exchange of contracts), the CUA will provide the opportunity to agree terms which should result in the improved use of Ground and school facilities for the benefit of the Charity's beneficiaries. Increased use of facilities may help to increase the sustainability of the Pavilion when it is regenerated and maintenance costs for the Ground will be supported through EFA funding.
- Use of the school hall by the beneficiaries may provide an additional facility for alternative sporting facilities.
- The EFA development will be built in such a way that the facilities widen the reach and attraction to groups of people currently excluded through impairments of one sought or another.
- The EFA has confirmed that boundary treatments will be agreed to be undertaken in a sensitive way with appropriate landscaping and planting to protect the natural setting and the Ground.

- The EFA Proposal does reduce overflow car park space to the north of the proposed new school boundary, but not entirely and furthermore new school parking spaces will be available for beneficiaries. The new access to the school over the Retained Land will require careful planning and traffic management. The EFA has accepted this and confirmed that a Travel Plan will be agreed through the planning process, which will seek to limit unnecessary traffic - the CUA will be used to further clarify how different community groups can make best and most efficiently use of available car parking and the access.
- The loss of pitches 8 and 9 and possible short term impact on pitch 1 may be regarded as a negative impact on the amenity value of the Ground. However the completion of a landscape plan will define how a reconfiguration of the existing playing fields can offset this negative impact.
- The loss of land and impact upon trees to the north of the Ground, as well as the likely removal of 4 poplar trees to enable a reconfiguration of playing pitches, can be offset through a planned tree planting scheme(s) which can enhance the appearance of the Ground whilst concurrently encouraging biodiversity, flora and fauna for the benefit and enjoyment of beneficiaries.

Premium and Funding

- The agreed premium of £1,360,000 (One Million Three Hundred and Sixty Thousand Pounds) for a disposal of a Long Leasehold interest is significantly in excess of the current Market Value of £30,000 (Thirty Thousand Pounds) as reported at Section 7 and closer to a consented residential value as opposed to an area of open space with strict planning designations
- In addition to the £1,360,000 (One Million Three Hundred and Sixty Thousand Pounds) we understand that Reading Borough Council has committed a further sum of £85,000 of S106 money towards the refurbishment / replacement of the Pavilion. The local community itself raising £75,000 with another £25,000 committed albeit WADRA who hold the monies have stated it will only be released if the entirety of the Ground remains i.e. there is no disposal of land to the EFA - a total potential fund therefore of £1,540,000 (One Million Five Hundred and Forty Thousand Pounds), which is the gross figure given the EFA's undertaking in relation to the Charity's legal and property costs (with an additional undertaking to be discussed). Within the Amenity Report, the author identifies a list of facilities/actions to be considered during the development of the landscape plan. With regards to this list, we consider that a surplus of circa £400,000 could be retained for the longer term benefit of the Charity.

5. Valuation Methodology

- 5.1.1 In undertaking our current Market Valuation of the Relevant Land we have adopted the Comparable Method, albeit there is very limited evidence of open market sales based upon the existing use.

6. Valuation Definitions

6.1.1 Market Value

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"

7. Valuation

- 7.1.1 In our opinion the Market Value of the Relevant Land as at 12th December 2016, subject to the assumptions and comments in this report and appendices was £30,000 (Thirty Thousand Pounds)
- 7.1.2 Values change over time particularly when markets are unusual active or inactive. This should be borne in mind in relation to the date of valuation

8. Section 119 Certificate

- 8.1.1 Bruton Knowles has been instructed and is acting exclusively for Reading Borough Council, acting in its capacity as the Trustee of the Charity and we have considered the proposed disposal of the Long Leasehold interest for a 125 year period in light of Section 119 (i) of the Charity's Act 2011. We consider it to be in the best interest of the Charity to proceed with the proposed transaction with the Secretary of State for Communities and Local Government. We have considered the Terms of the Sale as detailed above and recommend them as the best that can readily be achieved.

We trust that this report is satisfactory for your immediate purposes but, should any matter require further clarification, we shall be pleased to hear from you. We would reiterate that neither the whole nor any part of this Valuation Report may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

Ian Mercer MRICS FAAV
RICS Registered Valuer
For and on behalf of
Bruton Knowles

Ian S Pitt BSc (Hons) FRICS IRRV (Hons)
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Appendix One

Location and Site Plans

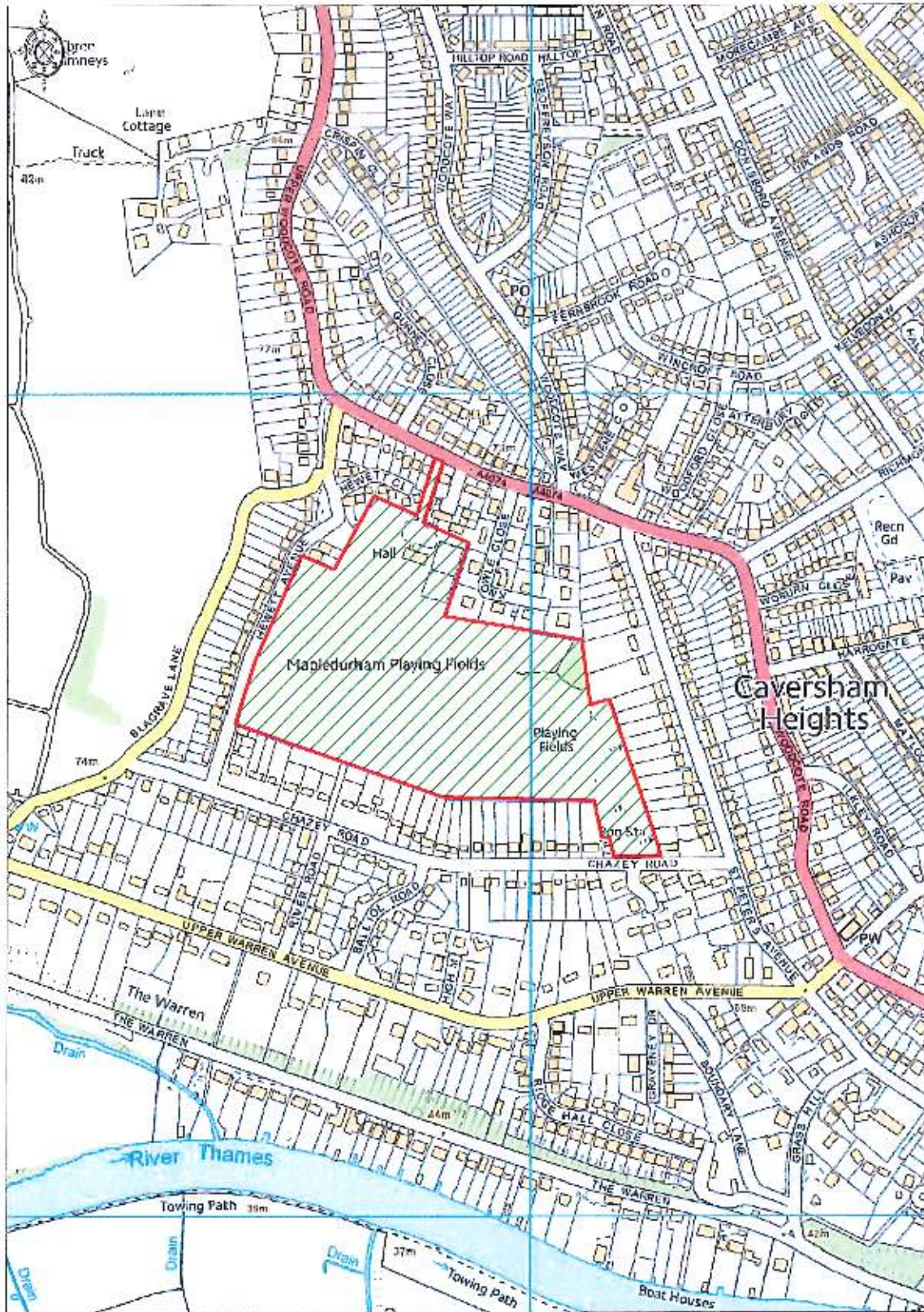
SITE PLAN 1: Mapledurham Playing Fields, Woodcote Road, Reading, RG4 7EZ



Urbanbase Map by © Crown Copyright 2016. All rights reserved.
Mapcode number 100002422. Mapcode Scale = 1:1000

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**SITE PLAN 2: Mapledurham Playing Fields,
Woodcote Road, Reading,
RG4 7EZ**



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The Ordnance Survey National Grid Reference is RG4 7EZ.

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SITE PLAN 3: The Relevant Land



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for Identification Purposes Only

Appendix Two

EFA Development Proposal Plan

Proposed Site Plan

- KEY
- EXISTING SITE BOUNDARY: DASHED
 - EXISTING OR PROPOSED DRIVE
 - NEW DRIVE OFFERING TO THE CONSTRUCTION VEHICLES
 - PROPOSED SCHOOL BLOCK
 - WATER PAVING
 - SOFT LANDSCAPING
 - EXISTING TREES
 - VEGETATION TO BE REMOVED
 - NEW BUILDINGS
 - SPREADSHEET DATA PROVIDED



Appendix Three

Standard Terms of Condition of Engagement

Standard Terms & Conditions of Engagement

1 R.I.C.S. Valuation Standards

Our valuation has been made in accordance with the RICS Valuation – Professional Standards January 2014 Global & UK Edition (as amended April 2015), this firm being independent Valuers as defined in the manual.

2 Basis/Bases of Valuation

In accordance with your instructions, our valuation has been prepared under one or more of the following bases of valuation.

Market Value (MV) is :-

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The interpretative commentary contained within Valuation Practice Statement 4 (VPS4) of the RICS Valuation – Professional Standards January 2014 Global & UK Edition forms an integral part of this definition.

Existing Use Value (EUV) is :-

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost."

The interpretative commentary contained within UKVS 1.3 of the RICS Valuation – Professional Standards January 2014 Global & UK Edition forms an integral part of this definition.

Fair Value (FV) is :-

"The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction."

The interpretative commentary contained within VPS4 of the RICS Valuation – Professional Standards January 2014 Global & UK Edition forms an integral part of this definition.

Market Value having regard to Trading Potential is :-

"The estimated amount for which a property with trading potential, which may include assets other than land or buildings, should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

VPGA4 within RICS Valuation – Professional Standards January 2014 Global & UK Edition forms an integral part of this definition.

Market Rent (MR) is :-

"The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion."

The interpretative commentary contained within VPS4 of the RICS Valuation – Professional Standards January 2014 Global & UK Edition forms an integral part of this definition.

Appendix Four

Heads of Terms

DRAFT HEADS OF TERMS: LEASEHOLD ACQUISITION

125 YEAR LEASE AT PEPPERCORN WITH PREMIUM

SUBJECT TO CONTRACT

Note: Although these heads of terms are not intended to be legally binding, once agreed, they will be distributed within the Department for Education and will inform the production of a number of documents between the school and the Secretary of State. It will therefore not be possible to agree variations to the commercial terms set out below once the heads of terms are agreed between the parties. In addition, a number of the provisions relate to policy requirements of the Department. Any derogations from the heads of terms would be considered on a case by case basis and the terms of other transactions would not necessarily be relevant.

1. **Landlord** Reading Borough Council acting in its capacity as sole managing trustee of the Recreation Ground Charity (registered charity number 304328) (the "**Charity**") at Mapledurham, Berkshire (and, to the extent necessary or relevant, the Official Custodian for Charities, which holds legal title to the Recreation Ground at Mapledurham, Berkshire)
2. **Landlord's Agent** Ian Mercer, Bruton Knowles
3. **Landlord's Solicitor** Jessica Booz, Veale Wasbrough Vizards LLP
4. **Tenant** THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT, 4th Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF
5. **Tenant's Agent** David Roberts, JLL
6. **Tenant's Solicitor** Trowers & Hamfins LLP of 3 Bunhill Row London EC1Y 8YZ marked for the attention of Sangita Unadkat SUnadkat@trowers.com
7. **Property** 1.23 acres at Mapledurham Playing Fields, Woodcote Road, Caversham, Reading RG4 7EZ

A plan is attached showing the Property outlined in red

Note that the lease includes part only of the Landlord's ownership
8. **Form of Lease** EFA Model Free School Lease (in the form attached to these Heads of Terms)

Amended only in accordance with the agreed Heads of Terms

- 9.1 The Tenant may assign the lease to an Academy or proposed proprietor of an Academy without consent
9. Assignments, Underleases and Sharing Possession
- 9.2 Underletting
The Tenant can underlet the whole or part of the Property for terms of less than 10 years without Landlord's prior written consent and for longer terms with Landlord's prior written consent not to be unreasonably withheld or delayed
- 9.3 Sharing
The Tenant can share occupation of the Property with another Academy or proposed proprietor of an Academy or with any body or organisation providing services or facilities which are within the permitted use provided that no relationship of landlord and tenant is created
10. Tenant's Rights
- 10.1 The Tenant will have an appropriate pedestrian and vehicular right of access to its site, including for construction traffic (subject to formal licence being granted)
- 10.2 The Tenant will have the right to connect into service media on the Landlord's retained land, provided that if any improved services are required (or capacity increased) the Landlord can benefit from these improved services.
- 10.3 The Tenant will have the right to use the Landlord's retained car park for drop off/pick up purposes only between 7.30am and 9am and 3pm and 6pm during term time, subject to a Community Use Agreement
- Please note that all school staff parking will be within the Tenant's demise. Also use of the car park for drop off/pick up will be minimised as far as possible through the schools Travel Plan
- 10.4 The Tenant will have the right to use an enhanced sports pitch on the Landlord's retained land during school hours/term time, subject to a Community Use Agreement
- 10.5 Any specific rights required in relation to the Property which may need to be provided for in the lease as identified and agreed between the parties as necessary following completion of due diligence and as required by the Community Use Agreement

- 11. Landlord's Rights Reserved** The community will be able to access the Tenant's school hall, new MUGA and car park outside of school hours/term time, subject to a Community Use Agreement (please refer to the note at the end of these heads of terms)
- Reciprocal rights to connect into services at the Property, at the Landlord's cost.
- 12. Term** The lease will be for a term of 125 years beginning on the date on which the lease is completed
- 13. Rent** The rent under the lease will be one peppercorn per annum
- 14. Premium** Premium payable = £1,360,000 (one million, three hundred and sixty thousand pounds) upon completion of the lease.
- 15. Tenant's Break Clause** The Tenant will have the right to break the lease at the end of the 5th year of the term and every 5 years thereafter. To exercise the right to break the Tenant must give the Landlord 6 months' prior written notice. The break right is conditional on the Tenant returning the Property free of occupational interests and charges and in accordance with the repairing obligations under the lease.
- 16. Maintenance**
- 16.1 The Tenant will contribute towards its shared use of the access, Landlord car park and enhanced sports pitch. The amount will be calculated as a fair proportion of the total maintenance expenditure based on usage
- 16.2 An appropriate annual maintenance cap to be agreed, to include if appropriate a sinking fund
- 17. Charging** The Property can be charged to the DfE without Landlord's consent or otherwise, with the Landlord's prior written consent not to be unreasonably withheld or delayed
- 18. Early Access**
- 18.1 The Landlord will permit the Tenant to access the site prior to exchange of contracts and/or following exchange of contracts for the purposes of undertaking survey work
- 18.2 The terms of the access will be as follows:-
 (a) The Tenant to provide reasonable prior notice to the Landlord to which the Landlord will need to consent (such consent not to be unreasonably withheld or delayed)

(b) the Tenant to make good any damage it causes to the reasonable satisfaction of the Landlord
 (c) subject to a formal licence being entered into.
 (d) subject to a reasonable licence fee being paid. If the value of the licence and its impact on the amenity value of the Property is nominal, then the licence fee would be nominal.

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| 19. Exchange & Completion | 19.1 | The parties will endeavour to exchange contracts by the end of March 2017 |
| | 19.2 | Completion will take place following satisfaction of all the conditions precedent for completion though the Tenant will be permitted to elect to complete earlier at its discretion. |
| | 19.3 | The Agreement for Lease will permit the Tenant to assign the Agreement for Lease to another school trust prior to completion without Landlord's consent being required |
| 20. Conditions Precedent for Exchange of Contracts | | Exchange of Contracts will be conditional upon:- |
| | 20.1 | Satisfactory completion of title investigation by the Tenant |
| | 20.2 | Receipt of satisfactory survey results by the Tenant |
| | 20.3 | Consultation by the Landlord with the beneficiaries of the Charity and the Management Committee of the Charity in relation to the proposed grant of the lease |
| | 20.4 | The consent of the Charity Commission for England and Wales to the grant of the Lease (without an appeal being made during the relevant appeal period) |
| | 20.5 | Landlord and Tenant approval |
| | 20.6 | The Landlord and Tenant agreeing a Community Use Agreement in relation to use of the Landlord and Tenant facilities |
| 21. Conditions Precedent for Completion | | Completion will be conditional upon:- |
| | 21.1 | Tenant obtaining planning permission (without a challenge being made during the JR period) for a new build 2FE primary school with appropriate pedestrian and vehicular access upon terms acceptable to the Tenant provided that the Landlord will approve the planning application before it is submitted in respect of the build area, access route and construction traffic plan and such other issues as shall in the Landlord's opinion acting reasonably have any effect upon the amenity value of the land retained by the Landlord as trustee of the Charity, such approval not to be unreasonably delayed (and in relation only to issues of amenity value specifically referred to in these Heads of Terms, such |

approval not to be unreasonably withheld) . The Tenant will apply for that planning permission and pursue that application with due diligence.

21.2 In the event that the planning application is refused and/or is subject to onerous conditions so as not to amount to an acceptable planning permission, the Tenant may appeal

21.3 The long-stop date for the satisfaction of the condition will be 24 months from the date of the Tenant's planning application

22. Costs

The Landlord's reasonable and proper legal and property costs (up to £27,500 excluding VAT) in relation to this transaction will be met by the Tenant. An additional undertaking in relation to the Landlord's costs will be subject to further discussion with the EFA (on behalf of the Tenant). In addition, should any access license be required, the Landlord's reasonable and proper legal costs in relation to these licenses will be met by the Tenant (up to a cap of £2000 excluding VAT per licence).

23. Use

The use permitted by the EFA Model Free School Lease

24. Landlord's Works

The Landlord will bring one of the pitches on its retained land up to Grass Pitch Quality Performance Standard, as adopted by Sports England. The School will be permitted to use that pitch at pre-agreed times during school hours / term time for a fee which equates to a reasonable proportion according to user of the costs of maintaining the pitch (see Clause 16 above) . The Tenant will be granted step-in rights by way of remedy for non-performance of this obligation.

25. Boundary treatment

The Tenant will provide and maintain a fence around its demise subject to the Landlord's approval of the size, style, design and placement of such a fence; such approval will only be required where in the Landlord's opinion (acting reasonably) it has an impact upon the amenity value of the land retained by the Landlord as trustee of the Charity (such approval not to be unreasonably withheld or delayed).

26. Shared access and Landlord car park

The Tenant will widen the shared access as required through the planning process and also improve the condition of the shared access to at least "highways grade" as required for delivery of the school and provide a tarmacadam finish to the Landlord's retained car park.

Note: Community Use Agreement

The Community Use Agreement will include provisions dealing with the following:

Making available the School hall for hire at reasonable times outside of school hours/term time at affordable rates;

Making available the School's car parking facilities for use by users of the Recreation Ground outside school hours/term time.

The School's MUGA will also be available for hire at affordable rates and at reasonable times outside of school hours/term time. The MUGA will include appropriate lighting (subject to planning);

The typical hours of operation for the school and its associated breakfast and after school clubs, which will help stagger the impact of arrival and departure times, will be 8am-6.30pm, Monday to Friday, for approx. 42 weeks of the year. Outside of these times, the school trust is willing to commit to the MUGA and the school hall being available for use by the community provided certain conditions are met. The full arrangements will need to be set out in a Community Use Agreement, but indicatively these could include:

To commit to appropriate terms and conditions of usage (typical community use agreements include things such as abide by appropriate health and safety legislation, insurance for the activities, agreed charges are paid etc.);

The type of usage and hours of operation do not contravene any planning conditions that may be imposed on the site/facilities e.g. late night usage, noise etc;

The full costs of the usage are met and contribute to the overall viability of the facilities e.g. if someone is needed to open and close the site late at night/weekends etc. these costs are met in full and it is possible to secure staff to undertake this work;

Facilities are returned in the appropriate state for school usage/the next user e.g. cleaning is paid for etc.

Community use agreements by schools are now common place. Sports England produce guidance on them at:

<http://www.sportengland.org/facilities-planning/planning-for-sport/planning-tools-and-guidance/community-use-agreements/>

In relation to charges, it is common place for schools to make distinctions in their charging regimes depending on the nature of the group, its ability to pay, the activity, the resourcing implications (e.g. cleaning, finding someone to open/close at the weekends) and an assessment of value to the community. It is also the case that costs will vary depending on days and hours of hire and resources to be used. This is because, for example, it is likely to cost more to employ someone to attend late evening at a weekend to open and close a venue etc. than say early evening during the week. We commit to engaging with the community about activities to be put on and the associated charging regime. The EFA and the school remain committed to contributing effectively to the community and fully plan for fees to be reasonable and relate to the ability of the group to pay any costs.