

NATIONAL RIFLE ASSOCIATION

Real Estate Policy (July 2016)

Introduction

This policy statement, which covers all uses of real estate and forms of tenure at Bisley, has been adopted by the Council of the National Rifle Association (“NRA”). It is designed to assist the National Shooting Centre Limited (“NSC”) in the execution of its real estate obligations set out in the Agreement made between NRA and NSC dated 28th April 2005 (as amended). It is also designed to help members, tenants and prospective tenants at Bisley understand better the aims of the NRA in relation to its real estate and to clarify their own rights and obligations.

This policy relates to the occupation and use of all buildings and land at Bisley by third parties and provides guidance for development.

In applying this policy the NRA and NSC will comply with existing contractual arrangements.

Constraints and Restrictions

Favourable inheritance has endowed the NRA with a significant land holding at Bisley. The land is subject to many constraints and restrictions such as: -

1. **Planning** - it is within the Green Belt and part is also a Conservation Area.
2. **Environmental** - Natural England are closely involved with the management of the land and certain areas are Sites of Special Scientific Interest. In addition members and visitors like, and wish to see maintained, the unique ambience of the site.
3. **Physical** - there are areas of restricted access because of danger areas and the possibility of unexploded munitions.
4. **Ownership** - the NRA is itself a long-term lessee/tenant of the MOD for significant areas, principally the ranges.
5. **Charity law** – the NRA Council has to observe the restrictions imposed by law in respect of charities which own land.

Principal Objectives

The NRA wishes: -

1. To ensure a regular opportunity to review the use of land and to provide the potential to maximise the use of land as operational requirements and economic conditions dictate.
2. To provide as much accommodation as possible to meet the various demands of shooters with the view to maximising the use of the ranges and for the encouragement of target shooting. The NRA will therefore seek to provide reasonable availability of leases, seasonal lets and daily accommodation (particularly for accommodating major shooting events) with a view to providing accommodation to suit all “pockets”.
3. To manage its real estate on a commercial basis in a fair and open manner between various competing interests to generate income for the advancement of the objectives of the NRA as a national Charity.
4. To develop Bisley in accordance with the Bisley Estate Master Plan.

Types of User

The NRA recognises the following types of real estate user at Bisley and the definitions apply throughout this document:

1. **Individual** - an individual member or members of the NRA (provided that the named tenants do not exceed 4 in number).
2. **Club** - a club which is an affiliated member of the NRA (constituting a trust, partnership or other form of unincorporated body or corporate entity) which exists for the principal purpose of providing facilities for its members who wish to shoot on the ranges at Bisley, a military or cadet unit, the police or any other organisation which is recognised as a club for this purpose by the NRA.
3. **Business** - a person or business which provides goods and/or services for the purpose of commercial gain.
4. **Visitor** – a person or business which uses any part of the estate on a temporary or occasional basis.

Policy Statement

A : Leases

1. All leases are to be negotiated at arms' length on an 'open market' basis – i.e. the best terms that can reasonably be obtained.
2. The NRA's appointed surveyors are to provide advice to the Trustees on such terms as are required to satisfy Charity Law.
3. No freeholds are to be sold.
4. Leases to Individuals are to be in the name of the Individual and to be for the personal use of the Individual in connection with target shooting at Bisley.
5. Leases to Clubs are to be in the legal name of the Club (or where the Club is not a legal entity then in the name of nominees on behalf of its members) and to be for the use of the members of the club in connection with target shooting at Bisley.
6. Leases to Businesses are to be for the sole use of the Business as specified in the lease.
7. Assignment, sub-letting or sharing of premises during the term will normally be permitted subject to the tenant first offering to surrender the lease to the NRA.
8. No lease is to be for more than 21 years less one day.
9. No enfranchisement rights (i.e. rights to buy the freehold or obtain a long term lease) are to be created.
10. No renewal rights are to be created in new leases except as mentioned in paragraph 12.
11. The NRA will make every effort to agree terms for Club tenants to take new leases at the expiry of their leases, so long as the Club has complied with the terms of its original lease and otherwise proved an acceptable tenant to the NRA.
12. Where Individuals hold existing leases of ground on which they have at their own expense within the previous 21 years prior to the expiration of the original lease term constructed the building, at the expiration of the original lease term the tenant will be offered, to the extent possible without triggering any enfranchisement rights, a further lease of the building (but not necessarily the whole of the original plot) for up to 21 years at the open market rent for the land and building on a full repairing and insuring basis and otherwise on terms that will ensure that no enfranchisement rights arise. No further renewal rights will exist after the end of the second lease.
13. Where new buildings are to be constructed in the future the NRA will undertake the building work itself (or through a contractor employed by it) so that it retains control of the project.

The NRA may fund this work itself, in which case the building will be let at the open market rent for the land and building and there will be no renewal rights. However the work may be funded by an Individual (by payment of a premium), in which case such Individual will be offered a 21 year lease at a ground rent on a full repairing and insuring basis. At the expiration of this lease the tenant will be offered, to the extent possible without triggering any enfranchisement rights, a further lease of the building (but not necessarily the whole of the original plot) for up to 21 years at the open market rent for the land and building on a full repairing and insuring basis and otherwise on terms that will ensure that no enfranchisement rights arise. This is to ensure that the tenant, whilst still actively participating in target shooting, will have some security of tenure on buildings he has paid a premium for. No further renewal rights will exist after the end of the second lease.

14. Except as mentioned below in "Process/Implementation issues" paragraph A 11 there is to be no right to compensation on lease expiry. Accordingly, prospective tenants must take into consideration any premium, building costs, improvements and rentals payable over the period of the lease. At the end of the lease the tenant shall surrender the buildings to the NRA without compensation.
15. All leases are to include a landlord's break clause for redevelopment, but subject to compensation payable to the tenant. Leases for 21 years should normally also have a two way break clause at the end of years 7 and 14 without compensation (except where the landlord breaks a ground lease in which case compensation will be payable to the tenant).
16. All proposed alterations and improvements are to require prior approval by NSC.
17. All rents are to be subject to regular (upward only) review provisions as set out in the standard lease.
18. All leases are to contain full repairing and insuring obligations on the tenant.
19. The NRA's reasonable legal and other costs are to be paid by the tenant (except where the Landlord and Tenant Act precludes this). This will be a specific requirement of the lease.
20. Tenants are to be responsible for direct outgoings including, as applicable, electricity, gas, water, drainage and shared general services (such as roads, refuse etc).
21. Tenants are to be responsible for Council Tax and Uniform Business Rate or similar as appropriate.
22. Arrangements made with Visitors should not cause undue inconvenience or nuisance to tenants generally.
23. All Individual and Club tenants must be and remain individual or affiliated members of the NRA (as appropriate).

B : Seasonal Lets – Huts and Caravan sites

1. All lets of less than 12 months (and on terms which would not allow them to extend to more than 12 months) are for the NSC to manage for the NRA, without reference to the Council.
2. Seasonal lets (formerly referred to as annual lets) are available for the periods 1st March to 30th November] in accordance with the Local Council Licence and planning permission for caravans and Council Tax as regards huts.
3. Seasonal lets do not carry renewal rights, but, so far as possible, renewal will be considered so long as the tenant is active in shooting and the site is not required for another purpose.
4. Without commitment, endeavours will be made for any seasonal tenant (and qualifying former leaseholder), for whom renewal is not available, to be offered an alternative seasonal let.
5. Tenants of seasonal let huts may apply to make improvements, but must remember that the tenancies are not renewable by right. At the request of a tenant and at the recommendation of NSC the Council may authorise improvements at the expense of the NRA, subject to an increase in annual rental and subject to the prevailing Bisley Estate Master Plan.

6. Seasonal lets of huts and caravan sites are only available to Individuals or Clubs.

Process/implementation issues

A: Leases

1. NSC is to manage the Bisley Estate on behalf of the NRA applying normal commercial principles and conforming with:
 - (a) existing contractual arrangements
 - (b) charity law
 - (c) property law.
2. All real estate matters are to be under the day-to-day control of NSC.
3. Except where rights of renewal apply, all new leases are to be widely advertised by appropriate media unless under Section 119 of the Charity Act 2011 Trustees are advised it is in the best interests of the NRA not to do so. Where it is proposed to let to an Individual or Club, advertising will be to the shooting community through the Journal and/or the NRA/NSC web sites. Where it is proposed to let to a Business, advertising will be through all appropriate media. Marketing will be by informal tender. New leases of existing buildings will be advertised at a guide rent. The highest bid in excess of this figure will normally be accepted but without obligation on the NRA to accept the best or indeed any tender.
4. Wording excluding the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 shall be included in all relevant leases.
5. NSC will have sole responsibility to negotiate terms for leases with the prospective tenant and present agreed Heads of Terms to the Council for approval together with appropriate advice from the NRA's surveyor. In the interests of consistency and fairness the lease will be in standard form (which will be provided to the potential tenant at the outset) and variations will be for special cause only
6. The NRA will in good faith look to conclude the documentation of all transactions within 8 weeks and will expect prospective tenants to do likewise.
7. All transactions remain subject to contract until formal legal documents have been entered into.
8. The expression "best commercial terms" will take into account where there is a planning condition or restriction imposed by the NRA which affects values.
9. Where property is let to Individuals, occasional sharing by family and guests is permitted, but if in doubt as to whether regular guests would infringe the terms of the lease the opinion of the managing director of NSC should be sought. He will seek to ensure that the facility for guests does not abuse the permitted use of the property
10. NSC can negotiate leases for periods of less than 21 years provided it maximizes the economic benefit in the long-term interests of the NRA. Normally, leases will be for a minimum of 7 years, but tenancies for shorter periods may be applied in special circumstances (e.g. the age of a tenant or other short-term requirement) provided that an open-market rent is receivable.
11. Alterations and improvements require prior written consent. Subject to this, alterations and improvements to a property can be left out of account for rent review purposes (not relevant to ground lease rents). Additionally appropriate compensation will be paid at the end of a lease if there has been enhancement of value to the NRA and agreement to pay compensation is reached before the alterations and/or improvements are carried out.
12. Normally rent reviews are three-yearly upward only, alternating between an RPI increase and whichever is the greater of an RPI increase and an open market review as set out in the Standard Lease. The NRA can elect not to have an open market review if it so wishes.

13. Rent reviews are to be conducted in a timely manner. In the event of unwarranted delay NSC is expected to refer the review to an independent surveyor for settlement in accordance with the terms of the lease.
14. NSC is to ensure that obligations contained in leases are observed and performed in a proper and timely manner and is to take enforcement action in the event of default. It is also to serve all relevant notices in a timely manner.
15. The Council wishes to try to ensure that all those who already have accommodation at Bisley have the opportunity to continue to do so whilst they are actively involved in shooting.
16. Where a lease is coming to its end, the tenant will ordinarily be consulted no later than six months before expiry. This should include service of all formal notices under the Landlord and Tenant Act including Section 25 in appropriate cases.
17. In the case of an Individual where a lease is not being renewed (for reasons other than the default of the tenant), the NRA will endeavour to make arrangements for suitable alternative accommodation for the tenant.

B : Seasonal and Caravan Lets

1. Seasonal Caravan Sites and Huts are subject to annual rent reviews.
2. It is the current policy to renew Seasonal Lets each year unless the site is needed for other purposes. Normally, this should be apparent from the Bisley Estate Master Plan.