

Cheltenham Borough Council
CABINET – 16th DECEMBER 2008

KING GEORGE V PLAYING FIELD:
LEASE OF THE
PAVILION AND ONE RUGBY PITCH

Report of Cabinet Member – Built Environment

1. Executive Summary and recommendation

- 1.1.1** The Cheltenham Saracens Rugby Club have expressed an interest in leasing part of the pavilion and one rugby pitch at King George V (KGV) Playing Field for a period of twenty five years. The rugby club have played at KGV and used the pavilion for over 25 years by hiring the pitch and pavilion from the council on a block booking basis.
- 1.1.2** By entering into such a lease the rugby club will be eligible for grant funding from the Rugby Football Union that will enable them to refurbish the building. Their plan is to grow the club within the local community, open to all age groups, and utilise the upstairs of the pavilion for social activities, including a bar with limited opening times.
- 1.1.3** The Council will retain that part of the pavilion containing eight changing rooms, referee changing room, toilets and showers for general letting in association with the remainder of the play field. There is also another rugby pitch at KGV retained by the Council. Community groups will still be able to hire the areas to be leased, by arrangement with the rugby club, at Council rates. However, apart from the Saracens Rugby Club, there has been no other interest in hiring these areas for many years.

1.2 I recommend that:

- 1.2.1** Cabinet notes the content of this report.
- 1.2.1.** Considers the objections received to the proposed disposal of the rugby pitch and part of the pavilion building as set out in section 5 of this report, notes the author's response to these objections and decides whether or not to uphold the objections.
- 1.2.2.** If the Cabinet decides not to uphold the objections, approve the council granting a lease of the rugby pitch and pavilion to the Saracens Rugby Club.

1.3 Summary of implications

1.3.1 Financial

The detailed financial implications are as stated in 6.4. If the lease is granted, the council will charge a market rent of £2,000 per annum for the building and pitch with 5 yearly rent reviews. The council will also levy a service charge of £2,000 per annum to cover building/pitch maintenance and services.

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1.3.2 Legal

The Council intends to dispose of a building and a part of a playing field which form part of public open space. It has a duty under Section 123(2A) of the Local Government Act 1972 to advertise this intention and consider any objections received from the public concerning the disposal of open space. If it is resolved to proceed with the leasehold disposal, Cabinet will need to justify its reasons in light of the objections.

Not all of the objections received are relevant for the purposes of S123(2A) of the Local Government Act 1972. Further information about the duty of the Council in this regard, the process followed to advertise the proposed disposal is contained in section 5 of this report.

The council has a duty under Section 123(2) of the Local Government Act 1972 not to dispose of land, other than by way of a lease not exceeding less than 7 years, for less than the best that can reasonably be obtained.

The proposed tenant is not a legal entity in its own right, therefore the tenants of the building will be individuals who will, as trustees of the club, enter into the lease on behalf of the Club

1.3.3 Other

The proposal to use the upstairs of the pavilion for social activities and a bar will require a separate application to the council's Licensing Division.

1.4 Implications on corporate and community plan priorities.

1.5 The principle of community engagement and participation

1.5.1 This project will support the principle of engaging with all our communities. The Saracens rugby club want to encourage the involvement of local people of all age levels within the local community both in terms of participation in sport and in the long term stewardship of the club and its facilities.

1.6 The principle of investing in children and young people

1.6.1 The project will provide an opportunity for the Saracens Rugby Club to develop rugby activities in the local area by providing better facilities for children and their families.

1.7 Partnership Working to Promote Community Safety

1.7.1 Secure occupation of the building, increased position activity and footfall and improved security measures will promote community safety and reduce the perception and fear of crime. It will also help to develop stronger communities by continuing to give people a voice, strengthening the voluntary and community network.

1.8 Partnership Working to Promote Healthy Communities

1.8.1 Positive occupation of the pavilion by the Saracens Rugby Club company will help to promote partnership working for healthy communities by encouraging opportunities for increased physical activity.

2. Statement on Risk

2.1 A risk assessment is attached as an Appendix to the report.

3. Introduction

3.1 This paper informs Cabinet of the reasons behind the choice of 'potential' tenant for the pavilion at KGV Playing Fields. It brings to the attention of Cabinet all of the issues that have been addressed in reaching agreement on provisional terms for a Lease with potential tenant and it seeks to support the grant of the lease to the Saracens Rugby Football Club, despite objections being received. If agreement cannot be reached with the Saracens Rugby Football Club the pavilion will remain in the management of the Council.

4. Background

- 4.1** Cheltenham Saracens Rugby Football Club have utilised the playing fields and pavilion at KGV for approximately 25 years. The Saracens Rugby Club first team currently play in Gloucestershire Division 2, and the second team is a participant in the Gloucestershire Merit Table scheme. The teams train on a Tuesday and Thursday evening, and play competitive rugby at the weekends. They regularly utilise two rugby pitches at KGV which are currently hired from the council on a block booking arrangement. The pavilion is also hired on a similar arrangement whereby two changing rooms, a kitchen and an upstairs communal space are used in connection with rugby and social activities. The remainder of the building which consists of a further eight changing rooms are hired by the council to other football teams. These changing rooms and the remaining football and rugby pitches will not form part of the lease and the council will continue to manage them in the same way that it does currently.
- 4.2** The Rugby Club will continue use the facilities in the same way they are now. By entering into a lease with the council they will be eligible for grant funding from the Rugby Football Union. This funding will be spent on a full modernisation of the building to include:
- Refurbished changing facilities and showers
 - Refurbished kitchen
 - Refurbished communal upstairs space to include a bar
 - Refurbished lobby area and stairs
 - Security cameras and lighting.
 - New windows and security shutters.
- 4.3** The rugby club have stated they already have sufficient funds in place to undertake all of the security related work in the event the council agrees to a lease.
- 4.4** The current building is in need of major refurbishment. It is dated with no significant modernisation having been carried out within the last 20 years. The council will refurbish the remaining changing facility as part of its twenty year capital property improvement programme which will include internal modifications to separate the club facilities from the council changing rooms (subject to confirmation from property services – revised Year 5 programme).
- 4.5** Detailed negotiations on the terms of a lease of began in 2007. A number of meetings took place during which time the expectations and requirements of the Saracens Rugby Club were made clear. In drawing up the lease council officers have adopted a commercial approach in order to protect and secure the council's position. This will include checking the Club's financial viability and ability to manage the facility.

5. Consultation

- 5.1** The pavilion building and rugby pitch forms part of public open space and the grant of a lease to the Saracens Rugby Football Club constitutes a disposal which falls under S123 (2A) of the Local Government Act 1972. This section requires councils to advertise its intention to dispose of public open space for 2 consecutive weeks in a local newspaper. The council must then consider any objections before effecting the disposal. The requirement to consider objections falls on the Cabinet as it is not a function delegated to officers. Legal Services arranged for a Notice advertising the proposed disposal to be placed in the Public Notices Section of the Gloucestershire Echo on the 22nd and 29 July 2008 which gave the public until 9.00am on 12 August 2008 to submit any objections. The public notice identified the intention to dispose of part of the KGV pavilion and one rugby pitch by way of Lease to the Saracens Rugby Club for 25 years. A plan identifying the areas concerned was available for inspection at the Municipal offices during the consultation period.
- 5.2** Six objections were received including a petition containing 38 signatures. The objection letters and the petition are attached as Schedule 1 of this report.
- 5.3** The objections that carry the most weight for the purposes of S123(2A) Local Government Act 1972 are those that relate to the principle of the Council disposing of open space that is available for use by the general public. Comments regarding the proposed use of the area are also a consideration.
- 5.4** Whilst only 2 objections relate directly to the principle of the disposal of open space, it is clear that residents have wider concerns to which the authors need to bring to Cabinet's attention. A number of the objections concern the sale of alcohol and the Tenants will need to apply to the Licensing Authority for a premises license to provide regulated activities. Cabinet are reminded that its role as far as the use of the premises is concerned is that of landowner. i.e. does Cabinet agree that the Council's land can be disposed of to the proposed tenants on the proposed terms?
- 5.5** The authors, in consultation with Legal Services, have produced their response to the objections below in order to assist the Cabinet in considering the objections. If the objections are upheld the consequences of this decision will depend on the reasons given for upholding the objections. The council may need to run a service from the building itself or find alternative uses or tenants.
- 5.6** The objections are broadly categorised under the following headings along with a statement outlining any mitigation factors:
- The loss of public open space
There are no proposals to fence the pitch, and public access will be maintained as it is currently. The lease will include a covenant that the tenant is not permitted to enclose the pitch area nor obstruct the public from using it.
 - The serving of alcohol from a bar / function room in the pavilion and associated anti –social activity. The sale of alcohol from these premises will require an application to be made to the Council's Licensing Section.

The terms of the lease will restrict the sale of alcohol to Thursdays and Saturdays and only until 11.00pm. If the club wishes to hold any other one off events It must first receive Council's permission. The lease will state that no alcohol is to be consumed outside of the premises, nor music played so as to be heard from outside the premises. It also states that no nuisance must be caused to adjoining land owners and occupiers.

- **Vandalism to the Pavilion and Burglary**
The rugby club has sought advice from the Gloucestershire Constabulary Crime Prevention Design Advisor who broadly supports the proposal (see appendix 2). The rugby club intends to implement the measures recommended by the Design Advisor if they are successful in obtaining a lease from the Council.
- **Flood lighting**
This does not form part of the current proposal, but in the event the rugby club desires this to take place then it would be the subject of a separate planning application.
- **Encroachment of Vehicles onto the Grass**
The lease will not allow the club to park vehicles on the grass. The council has separate plans to install vehicle barriers around the car park, with lockable gates, to prevent general unauthorized vehicle access to the playing field.
- **Noise caused by extra traffic.** The club are already using the facilities and any increase in traffic will be minimal.

6. Lease

6.1 The intention is to grant a 25 year lease to the Cheltenham Saracens Rugby Club. The proposed rent of £2,000 per annum is market value, reflecting the current condition of the premises and therefore represents best consideration.

6.2 The lease is to be contracted out of the security provisions of the 1954 Landlord and Tenant Act (i.e. the club will not have automatic rights of renewal at the end of the lease term).

6.3 Under the terms of the lease, the tenant is obliged to carry out an agreed schedule of works within an agreed timescale. Prior to any works being carried out, detailed plans and specification must be submitted for Landlord's approval. Should the proposed works not be carried out as agreed, the Council will have the option to terminate the lease.

6.4 The proposed heads of terms for the lease are as follows;

- **Term:** 25 years from a date to be agreed.
- **Use:** Rugby clubhouse and pitch
- **Rent:** £2,000 per annum with 5 yearly rent reviews, payable quarterly in advance.
- **Break Option:** The tenant will have an annual option to terminate on giving to the Council three months notice in writing.
- **Repairing liability:** The tenant will be responsible for internal repairs, windows and doors.
- **Service Charge:** The Council will be responsible for external and boiler repairs/maintenance, all services and pitch maintenance – to be recharged to the tenant under the service charge on a pro rata floor basis (i.e. 53%). Estimated annual service charge of £2,000 to be paid quarterly in advance.
- **Insurance** – the Council to insure and recover the premium from the Tenant.

Tenant to insure contents and arrange adequate public liability and Employers' liability insurance

- Outgoings – Tenant to pay for telephone, business rates and any other outgoings not covered under the service charge.
- Licensed Bar: Opening time restricted to Thursday and Saturdays only, apart from occasional extra nights with permission, until 11 pm with no outside drinking or music allowed. Subject to an application to the Council's Licensing Section.

Background Papers	None
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Accountability	Councillor John Morris, Cabinet Member Built Environment
Scrutiny Function	Environment Overview and Scrutiny