

Cheltenham Borough Council

Cabinet – 17 March 2015

Surrender and Re-grant of Lease to Cheltenham Saracens Rugby Football Club

(Authority to Dispose of Open Space)

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	David Roberts, Head of Property & Asset Management
Ward(s) affected	St Mark's
Key Decision	No
Executive summary	<p>The Cheltenham Saracens Rugby Football Club seek permission of the Council to extend the pavilion building owned by the Borough which Club occupy by way of a lease. The Club also wishes to install flood lighting to one of the pitches to enable practice to take place at night.</p> <p>The Club provides sports and play opportunities to a wide spectrum of the Borough community and such activity should be encouraged.</p>
Recommendations	<p>That Cabinet authorises the disposal by way of lease for a term not exceeding twenty-five years the parcel of open space land outlined in red on the attached plan attached as Appendix 2 to Cheltenham Saracens Rugby Football Club upon terms and conditions negotiated by the Head of Property and Asset Management in consultation with the Borough Solicitor</p>
Financial implications	<p>The land is currently unused and not generating an income to the council. Following the granting of a lease, the maintenance responsibility for the full site will be that of the tenant.</p> <p>Contact officer:nina.philippidis@cheltenham.gov.uk, 01242 775121</p>
Legal implications	<p>Under section 123 of the Local Government Act 1972, the Authority has an obligation to secure the best consideration reasonably obtainable when disposing of property by way of a lease for more than 7 years. This obligation can be waived with the consent of the Secretary of State, who has given a General Consent to such disposals where, in the reasonable opinion of the Local Authority, the disposal is for the social, economic or environmental benefit of the inhabitants of the Authority's area or any of them.</p> <p>Section 123 (2A) also provides that before disposal of public open space by way of lease, the Authority must first advertise such proposed disposal in a local newspaper for 2 consecutive weeks, and consider any objections.</p> <p>Contact officer:rose.gemmell@teWKesbury.gov.uk, 01684 272014</p>

Key risks	That the club may fail to complete the works, or that the works are not completed satisfactorily At lease end the premises may not be returned to the Borough in an appropriate condition
Corporate and community plan Implications	The application by Cheltenham Saracens Rugby Football Club contributes to the Council's corporate objectives of: Being able to lead a healthy lifestyle The enjoyment of a strong sense of community
Environmental and climate change implications	None

1. Background

- 1.1 Cheltenham Saracens Rugby Football Club "the Club" under a lease granted in 2008 for a term of 25 years from the Borough, has had beneficial occupation of land and premises at King George V Pavilion. Prior to occupation the main pavilion required substantial refurbishment to bring the building up to an acceptable standard and the Club agreed to carry out these works as a condition of the lease. The Club has substantially increased its membership and has undertaken further improvements to the pavilion to provide a better environment for its membership.
- 1.2 The Club now wishes to extend the front area of the building to increase the social facilities, incorporate a disabled lift and create a secure store at ground level for playing and training equipment.
- 1.3 King George V Pavilion and the playing surface form part of the Council's Open Space, and any decision to grant a lease of Open Space must first be advertised for 2 consecutive weeks as a 'Disposal of Open Space' pursuant to Section 123 2A of the Local Government Act 1972 in the Public Notice section of a local newspaper and any comments raised are to be considered before any final decision can be made whether to dispose of the Open Space. (Attached as Appendix 3)
- 1.4 The advertisement was placed in the Gloucestershire Echo 17th and 24th December 2014 and it has been confirmed by One Legal that no representations were made.

2. Reasons for recommendations

- 2.1 The pavilion has been let to the Club since 2008 and it has undertaken a number of improvements and repairs to the leased area. Accepting surrender of the current lease and granting a new lease at market rent for a term of 25 years will give the club certainty, and the ability to access charitable funding from various sources.
- 2.2 Granting the lease on full repairing terms will reduce the amount of officer time spent managing contractors to carry out minor repairs and maintenance such as re-fixing gutters and graffiti caused by petty vandalism.
- 2.3 Subject to the appropriate consultation process and grant of any planning permissions the Club, as part of the new lease shall be permitted to extend the existing premises and to install floodlighting to the designated pitch area to enhance the appeal of the Club's facilities.

3. Alternative options considered

- 3.1** The Borough could consider agreeing to permit the Club to extend the premises, subject to appropriate consents, but retain the current lease terms. This could lead to a lack of clarity as to which party held responsibility for the maintenance and upkeep of the exterior and further complicate service charge administration, resulting in additional officer time cost.

4. Consultation and feedback

- 4.1** Ward Councillors have been advised to the proposal and are in support of a new lease to the Club.

5. Performance management, monitoring and review

Report author	Contact officer:chris.finch@cheltenham.gov.uk, 01242 264109
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Plan3. Copy of Public Notice Advertisements
Background information	<ol style="list-style-type: none">1. None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	The Club may undertake to carry out the extension but be unable to complete the works, leaving the Council with a part finished project	DR		5	1	5	Accept	Appropriate warranties to be put in place to ensure the Council is not exposed to cost-risk		CF	
	At lease end the premises may not be returned to the Borough in the appropriate condition	DR		2	2	4	Accept and monitor	An appropriate 'schedule of condition' would be prepared at lease commencement and inspections carried out well in advance of lease end to identify any wants of repair and maintenance		CF	
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											