

Cheltenham Borough Council

Cabinet – 16th May 2017

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 Rowena Hay
Accountable officer	Head of Property & Asset Management, David Roberts
Ward(s) affected	St. Mark's
Key/Significant 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 the Club occupy by way of a lease.</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 RESOLVES</p> <p>1. to dispose by way of lease for a term of 25 years the parcel of open space land outlined in red on the attached plan, Appendix 3, to Cheltenham Saracens Rugby Football Club upon terms and conditions negotiated by the Head of Property & Asset Management and at an annual rent he considers to represent the best that can reasonably be obtained.</p> <p>2. to enter into such documents as the Borough Solicitor deems necessary or desirable to reflect the terms negotiated by the Head of Property and Asset Management</p>
Financial implications	<p>As there are no current plans to increase the lease value, the only financial implication is that the lease will in effect restart so therefore the lease will continue for 25 years compared to the 7 years remaining on the current lease. Therefore, this ensures that this council will continue to receive monies for this open space for a longer period of time. As it is a full maintenance and repair lease, there will be no cost implications on the council.</p> <p>Contact officer: Andrew Knott , Andrew.knott@cheltenham.gov.uk, 01242 264121</p>

Legal implications	<p>The Council is under a statutory obligation under section 123 of the Local Government Act 1972 to secure the best consideration reasonably obtainable when granting a lease for more than 7 years.</p> <p>In addition, where the property is public open space the Council must advertise the proposed disposal for 2 consecutive weeks in a local newspaper and consider relevant objections.</p> <p>Contact officer: Rose Gemmell, rose.gemmell@teWKesbury.gov.uk, 01684 272014</p>
HR implications (including learning and organisational development)	<p>Not applicable.</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	<p>That the Club may fail to complete the works, or that the works are not completely satisfactorily.</p> <p>At lease end the premises may not be returned to the Borough in an appropriate condition.</p>
Corporate and community plan Implications	<p>The application by Cheltenham Saracens Rugby Football Club contributes to the Council's corporate objectives of:</p> <p>Being able to lead a healthy lifestyle</p> <p>The enjoyment of a strong sense of community</p>
Environmental and climate change implications	<p>None.</p>
Property/Asset Implications	<p>As outlined in this report.</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 1.1** Cheltenham Saracens Rugby Football Club “the Club” under a lease granted in 2009 for a term of 15 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, refer to Appendix 2.
- 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 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.
- 1.4** The advertisement was placed in the Gloucestershire Echo 18th and 25th January 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 2009 and it has undertaken a number of improvements and repairs to the leased area. Granting a lease for a new 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 no objections have been received.

5. Performance management –monitoring and review

- 5.1** Property & Asset Management in consultation with the Borough Solicitor will execute the lease.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Existing Lease Plan 3. Proposed New Lease Plan (incorporating extension)
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.	Simon Hodges	16/03/2017	5	1	5	Accept	Appropriate warranties to be put in place to ensure the Council is not exposed to cost-risk	16/03/2017	Simon Hodges	
	At lease end the premises may not be returned to the Borough in the appropriate condition.	Simon Hodges	6/03/2017	2	2	4	Accept & monitor	Appropriate warranties to be put in place to ensure the Council is not exposed to cost-risk.	16/03/2017	Simon Hodges	
Explanatory notes 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) 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) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											