

Cheltenham Borough Council

Cabinet – 30th November 2021

St Peter's Playing Field – Grant of New Lease to Cheltenham Saracens Association Football Club (AFC)

Accountable member	Cabinet Member for Finance & Assets – Councillor Peter Jeffries
Accountable officer	Gemma Bell, Head of Property, Finance & Assets
Ward(s) affected	St Peters
Key/Significant Decision	No
Executive summary	<p>The Council is being asked to consider disposal of the land known as St Peter's Playing Field, St Peter's Close, Cheltenham by way of a simultaneous surrender and re-grant of a new lease to Cheltenham Saracens AFC (current tenant) in order to provide eligibility for future funding applications and club-led regeneration of the property.</p> <p>This report updates members of the intentions of Cheltenham Saracens AFC to make improvements to the property, developing the current offering of sports and neighbourhood facilities at the property. The report seeks approval from members to continue working with CSAFC to help secure their future at the ground and enhance outdoor recreational provisions for the local community.</p>
Recommendations	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none">1. Approvals the Saracens' proposals for the improvement of the sports and community facilities at St Peters Recreation Ground;2. Authorises officers to advertise the proposed disposal of public open space at St Peters Recreation Ground and instructs the officers to report back to the Cabinet with any objections that may be received;3. Approves the surrender and grant of a new lease to the Saracens for 25 years at £4,000 per annum as set out in Appendix 2, provided that no objections are received to the proposal to dispose of public open space.

Financial implications	Should the tenant fail to secure a new lease, their access to funding for improvements to the asset will be severely limited. Consequently, the condition of the asset may deteriorate which will have a detrimental impact on value. Financial interventions may be required either for management or repair by the Council. This would have capital and revenue implications for the Council.
Legal implications	<p>Under Section 123 of the Local Government Act 1972, the Authority has an obligation to secure best consideration reasonably obtainable when disposing of a 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 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>Under Section 123, leases granted for more than seven years must also be for 'best consideration'. In March 2016, the Council's updated Policy for Property Lettings and disposals to the third sector adopted the principle that all lettings by the Council will start from the basis of a commercial or market rent in order to have full regard to its general fiduciary duty. A grant may subsequently be provided against the rent where appropriate, through a defined process. This makes any subsidy overt and the support the Council gives to charitable users around the town in more obvious.</p> <p>Contact officer: Andrew Perry, Senior Lawyer Andrew.perry@tewkesbury.gov.uk, 01242 272 698</p>
HR implications (including learning and organisational development)	None.
Key risks	<p>There is a risk that following grant of a new lease, the Club may subsequently fail to secure sufficient funding.</p> <p>There is a risk that the club may fail to complete any works, or that works undertaken are not completed satisfactorily</p> <p>At the end of the lease, the property may not be returned to the Council in an appropriate condition</p>
Corporate and community plan Implications	As set out in the report.
Environmental and climate change implications	Improvement works to the facilities, where applied for, should take into consideration any environmental impact and sufficiently address issues of sustainability and climate change.

Property/Asset Implications	Contact officer: Gemma.Bell@cheltenham.gov.uk
------------------------------------	--

1. Background

- 1.1 Cheltenham Saracens AFC, under a lease granted in 2003 for a term of 20 years from the Borough, has had beneficial occupation of land and premises at St Peter's Playing Field.
- 1.2 During occupation, the club has undertaken some improvement works to provide a better environment for its membership but there are further works to be carried out which would require substantial funding (from sources other than the Council).
- 1.3 To be eligible to receive this funding, and subsequently be in a financial position secure enough to regenerate and improve the facilities, the Club need to be able to demonstrate the longevity of their proposals and occupation.
- 1.4 An accepted demonstration would be to hold a long leasehold in the Club's name.
- 1.5 The Club's membership and profile has increased significantly since the 2003 lease was granted which has in turn increased the usage of the facilities and placed an even greater emphasis on the need for further improvement works.
- 1.6 The pavilion and playing surface form part of the Council's Open Space, and any decision to grant a lease of that Open Space must first be advertised for 2 consecutive weeks pursuant to Section 123 (2A) of the Local Government Act 1972 in the Public Notice Section of a local newspaper.
- 1.7 Any comments or representations received in response to the Notice are to be considered and addressed before the Lease is granted.
- 1.8 There is always a perceived concern over the potential loss of public open space and it is therefore important that proposal to grant a new lease is recognised as being demonstrative of the Council's commitment to working with the Club who themselves are of great benefit and importance to the wider community through their provision of outdoor recreational facilities and community offerings.
- 1.9 There are wider plans currently being considered for development of the area through a collaborative project with Big Local and St Peters & the Moors. Cheltenham Saracens AFC are integral to those plans and therefore securing their future at the site has greater emphasis.

2. Reasons for recommendations

- 2.1 For a number of years, the Saracens have been attempting to improve the quality of facilities at St Peter's Recreation Ground. In doing so, they have demonstrated a commitment to both the asset and the community.

- 2.2 The Saracens have security of tenure under the Landlord and Tenant Act 1954. The Council would be lawfully bound to offer them a new lease on determination of their current term.
- 2.3 Applications for external funding are conditional upon the Saracens securing a longer term lease.
- 2.4 Without funding, the club will not be in a financial position to undertake any improvements to the asset.
- 2.5 Granting a lease on full repairing terms reduces the amount of officer time spent managing the asset.
- 2.6 The area is prone to petty crime, anti-social behaviour and vandalism. By granting a lease, the Council is reducing their exposure to the risks posed while the building remains vacant.
- 2.7 The Club are well known and well established within the community. They offer sports and community facilities that potentially could otherwise not be provided.
- 2.8 The Covid-19 pandemic has led to an increase in value (social) for amenity space. Regeneration, refurbishment and improvements of these facilities, led by a key figure within the community will afford some protection to that amenity value and give the club certainty about its future.
- 2.9 The Saracens have outlined that in addition to the main sporting use, the property will be used for wider neighbourhood events, strengthening the assets' relationship with the community it serves.

3. Alternative options considered

- 3.1 The Council could decline the request for the surrender and re-grant of a new lease but this would lead to further delays in the Saracens securing the funds needed to regenerate and improve the asset and would not be in line with the Council's corporate vision or community aims.

4. How this initiative contributes to the corporate plan

- 4.1 Enhancing and Protecting Our Environment – using a Council asset effectively for the benefit of the community;
- 4.2 Strengthening Our Economy – the Council would be contributing to the work of regional and local partnerships;
- 4.3 Strengthening our Communities – the Council would be working in consultation with the community, neighbourhood groups and the voluntary sector.
- 4.4 In granting the lease, the Council would be recognising, promoting and assisting an established community group.

4.5 By granting a lease, the Council demonstrates recognition that sport makes a major contribution in society in policy areas such as health, education, quality of life, tackling crime and addressing social inclusion.

5. Consultation and feedback

5.1 A number of departments and parties have been consulted for their input in respect of the proposal:

Graham Roberts – Cheltenham Saracens AFC

Adam Reynolds – Green Space Manager

Simon Hodges – Principle Surveyor

Malcolm Walls – Green Space and Development Officer

Darren Knight – Executive Director of People & Change

Richard Gibson – Strategy & Engagement Manager

Emma Morgan – Project Manager / Business Analyst

Kelly Patterson – Big Local Project Co-ordinator

Ward Councillors: David Willingham & Victoria Atherstone

Asset Management Working Group met 25th October 2021 and were supportive of the proposal to grant early surrender and new lease.

6. Performance management –monitoring and review

6.1 To ensure the process for publication of the Section 123 Notice is followed correctly and to address any representations accordingly prior to grant of lease.

Report author	Contact officer: Claire Pockett claire.pockett@cheltenham.gov.uk 01242 264380
Appendices	1. Risk Assessment 2. Heads of Terms and supplied plan
Background information	1. Asset Management Working Group, 25 th October 2021 – Briefing Note (available on request)

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 be unable to secure appropriate levels of funding to undertake improvement works.	GB		5	1	6	Reduce	To work with the Club to identify avenues of funding and provide appropriate support for applications where necessary.		CP	
	The Club may undertake improvements but be unable to complete the works, leaving the Council with a part-finished project	GB		5	1	6	Accept & monitor	Appropriate warranties to be put in place to ensure the Council are not exposed to Cost-Risk		CP	
	At the determination of the lease, the premises may not be returned to the Council in an appropriate condition	GB		2	2	4	Accept & monitor	Appropriate warranties to be put in place to ensure the Council are not exposed to Cost-Risk		CP	
Explanatory notes											
<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>											