

Report to: **Executive**

Date: **19 July 2018**

Title: **Request for a Long Lease to Totnes Rugby Club.**

Portfolio Area: **Assets**

Wards Affected: **Totnes**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or implementation of substantive decision) **Full Council 26th July**

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RECOMMENDATION: That Executive be Recommended to:

Delegate authority to progress and conclude a new lease for Totnes Rugby Club at Borough Park in excess of 15 years, to the CoP lead for Assets, in consultation with the S151 Officer, Monitoring Officer, Head of Paid Service and Leader of the Council.

1. Executive summary

- 1.1 The Council has delegated power to the Corporate Property Officer (CoP Lead for Assets) to grant licences, periodic tenancies and leases up to a term not exceeding 15 years.
- 1.2 Accordingly, the CoP lead for Assets seeks delegated authority to proceed and finalise negotiations with Totnes Rugby Club to grant a new lease for a term in excess of 15 years. Confirmation of the proposal to be agreed in consultation with the S151 Officer, Monitoring Officer, Head of Paid Service and Leader of the Council.

2. Background

- 2.1 The Council has granted leases to sports clubs and associations for many years to recognise and support local community sport and wellbeing across various facilities, such as outdoor sports provision for bowling greens, tennis courts and sports pitches.

- 2.2 This provides security of tenure and opportunities for clubs to seek external funding and support, encouraging clubs to develop strategies to improve local sporting facilities. In addition, it allows local clubs and communities to take greater responsibility and management for its facility.
- 2.3 In the current financial challenge of public funding for discretionary services such as leisure and parks provision, working with the voluntary sector, local clubs and parish/town councils has been of increasing significance.
- 2.4 At Borough Park in Totnes, officers have been discussing and progressing leases for various leisure facilities within the park for bowls, tennis and more recently with the Rugby Club. Such projects have been undertaken with support from Totnes Town Council through the local Borough Park User Group and its Open Space Sport and Recreation Plan.
- 2.5 Totnes Rugby Club was formed over 125 years and is possibly the oldest sporting club in the area. Its home ground has been at Borough Park for many years and provides rugby for all sections of the community, including a very large junior section. The club has its own clubhouse and currently is the only club using the two pitches in the park under a rental agreement from this Council. The club has to rent changing rooms at Totnes Pavilion.
- 2.6 The club has an existing lease agreement for its clubhouse.
- 2.7 Heads of Terms for a long lease have been discussed and have been agreed in principle, key points being;
- Existing leases to be surrendered on the completion of the new lease to cover all the club's area and clubhouse
 - Club takes on all grass-cutting responsibilities for all the grass pitch areas in the park.
 - Public access to the park is maintained, except during matches and training as currently exists. Also for the club to organise small, community based events, larger events in consultation with the Council.
 - Main vehicular access will be through the existing access adjacent to the play area. This is subject to a proposed small improvement over surface and signage.
 - Future improvement proposals by the Club, such as new changing facilities, drainage works, new floodlights and advertising boards, will be subject to funding, plus any necessary planning and landlord consents.
- 2.8 In order for the Club to secure grant funding and loans from its governing body to facilitate improvements, the club has requested that the Council grants a new lease with a term of 40 years.

- 2.9 Discussions with the Club, shared with the Park User Group, Town Council and local Ward Members have been positive with overall support. Public feedback was recently sought following the required notice in the local press for the proposed long lease to the club. No comments were received.

3. Outcomes/outputs

- 3.1 To agree a new long-term lease with the Club so they can attract external funding to improve their facilities and to provide management of the park as highlighted.
- 3.2 The grounds maintenance burden of the park will reduce, as the main pitch area will become the responsibility of the Rugby Club. The Council will retain responsibility for the perimeter trees, path ways and benches.

4. Options available and consideration of risk

- 4.1 The Council grants the Club its long lease for 40 years on acceptable and agreed terms. However, in doing so it will lose direct control over the main Park area but conditions stated in the lease will reduce concerns.
- 4.2 No long lease is granted which will significantly reduce the Club's ability to attract external grants to improve its facilities.

5. Proposed Way Forward

- 5.1 The Council has delegated power to the Corporate Property Officer to grant licences, periodic tenancies and leases up to a term not exceeding 15 years.
- 5.2 Accordingly, the CoP lead for Assets seeks delegated authority to finalise negotiations with Totnes Rugby Club to agree a new lease for a term in excess of 15 years. Confirmation of the proposal to be agreed as per recommendation.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Executive has authority to approve the disposal of the Council's assets (including leases). If approved, it will be necessary to negotiate and provisionally agree Heads of Terms for the new lease. These terms will then form the basis of the lease agreement, which will be prepared by the Council's legal team.
Financial	Y	The grant of a long lease can potentially offer staffing

		<p>time/cost savings in the preparation of lease renewals (in this case every 6 years). The long lease will have provision for regular rent reviews throughout the term (usually every 5 years), but these are less onerous to action than lease renewals.</p> <p>There is potential to reduce the Council's grounds maintenance obligations for this asset, thus possibly making savings.</p>
Risk	Y	<p>The main risk in not approving this report will be that, as officers, delegated powers will limit any potential new lease term to a maximum of 15 years.</p> <p>From discussions with the Club, this would limit the availability of external grant funding and ways to improve current facilities and provision.</p>

Comprehensive Impact Assessment Implications		
Equality and Diversity	N	Not applicable
Safeguarding	N	Not applicable.
Community Safety, Crime and Disorder	N	Not applicable.
Health, Safety and Wellbeing	N	Not applicable
Other implications	N	Not applicable.

Supporting Information

Appendices:

None.

Background Papers:

None.