



Title	Racing Club Warwick	
For further information about this report please contact	Andrew Jones Andrew.jones@warwickdc.gov.uk (01926) 456830	
Wards of the District directly affected	Warwick West	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	21st October 2009 1 st June 2009	
Background Papers	See above	
Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		No
Included within the Forward Plan?		No
Equality & Sustainability Impact Assessment Undertaken		No
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	19 th September 2011	Chris Elliott
Deputy Chief Executive & Monitoring Officer	18 th September 2011	Author
CMT	19 th September 2011	Chris Elliott Andrew Jones
Finance	19 th September 2011	Mike Snow
Portfolio Holder	19 th September 2011	Councillor Mrs Gallagher
Consultation & Community Engagement		
A number of meetings with Racing Club Warwick Trustees (legally represented) including a meeting involving West Midlands Reserve Force & Cadets Association (WMRFCA) (legally represented).		
Final Decision?		
		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The report asks Executive to note the current position in respect of Racing Club Warwick (RCW), particularly the failure to reach agreement with the Council in respect of proposed lease arrangements.
- 1.2 The report asks Executive to consider whether the £120,000 currently earmarked in the capital programme for ground improvements on the Racecourse land, should remain in that programme.

2. RECOMMENDATIONS

- 2.1 That Executive notes the current position of negotiations between RCW and this Council in respect of the Hampton Road Ground lease arrangements.
- 2.2 That having noted the position referred to at 2.1, Executive considers whether £120,000 currently earmarked in this Council's capital programme for ground improvements, should be returned to the Capital Investment Reserve.

3. REASON FOR THE RECOMMENDATIONS

- 3.1 Members will be aware that as part of a wide-ranging scheme to improve the St Mary's Lands area of Warwick, the Council had committed itself to significant investment in RCW's football ground facilities and pitch as well as other community facilities which were operating on the site.
- 3.2 As far back as June 2003, the Executive agreed to alter the Council's lease with RCW: RCW had agreed to allow the Army Cadets and Air Training Corp (hereafter referred to as WMRFCA) to come on site and through their own funding, build a permanent base from which to run their activities.
- 3.3 Plans developed over a number of years, including the submission of a planning application by RCW to facilitate WMRFCA's building works, until a position was reached whereby the Council felt able to grant a new lease to RCW and also a lease to WMRFCA reflecting the demise of their newly constructed building on the site.
- 3.4 The granting of a new lease to RCW required the surrender of their old lease. The lease was duly surrendered but it subsequently transpired that the surrender was ineffective as the former Chairman of RCW, who had held himself out as having authority to surrender and enter into a new lease, did not have that authority. Meanwhile a lease had been granted by this Council to WMRFCA. There is therefore a position whereby RCW still holds its original lease, whilst simultaneously the WMRFCA hold a lease for its building which also sits on Hampton Road Ground.
- 3.5 Ultimately only the Court can determine the respective rights of the parties in this situation but Officers considered that given the evidence of the relationships which had been established between the parties on the site, the position should be capable of being regularised by agreement.
- 3.6 The discussions between RCW and this Council to enhance the site's facilities and alter the lease arrangements took place with RCW officers who are no longer in office. The current RCW attitude to the scheme is very different with a strongly held belief that the building WMRFCA occupies has significantly

impacted on the ability of RCW to generate income through its social activities. Furthermore, RCW feels further injustice as it does not believe that WMRFCA has a valid lease with the Council. RCW requires significant 'compensation' (at least £300,000) from this Council for the building works.

3.7 Whilst it is recognised that the WMRFCA building has reduced RCW's operating space, the changes to the site were entered into in good faith by all three parties. From the Council's perspective, it is unreasonable to reject the arrangements merely because RCW's new Management Committee considers them to have been a bad idea. As described at 3.5, Officers have been endeavouring to negotiate a position with RCW whereby the occupation of both RCW and WMRFCA on the site can be regularised.

3.8 These negotiations have been supported by the Portfolio Holder for Culture and more recently the Leader of the Council. Recognising what a valuable community asset RCW could be and understanding the perilous financial position RCW found itself in, the lease discussions have run in tandem with ongoing financial and in-kind support for RCW. The following support has been given:

Changing room hire = £6,200

2009/10 affiliation fees = £870

Football equipment = £1,053

Pitch improvements = £6,100 (£2,100 payable by Warwick Town Council in April 2011; £1,000 payable by the Club upon completion of works)

c.£10,000 for security improvements;

Liaising with the Valuation Office Agency to enable the correct rating assessments on the site to be determined;

75% rate relief for financial years 2010/2011 & 2011/2012 and agreed to roll all outstanding arrears into one payment plan;

No action in respect of £4,900 rent arrears;

Expert advice provided in relation to the floodlighting and £1,300 contributed;

Developing a bid for FA funding which although not successful at this point, will be reconsidered by the FA at a future date;

£3,000 contribution to the purchase of the changing rooms;

Offer of sports development officer resource (not taken up).

It should also be noted that the Town Council has provided support of c£30,000 over this period.

3.9 Unfortunately despite this support and a proposal to increase the extent of RCW's demise in a new lease to include two football pitches in the centre of the Racecourse, a commitment to ask this Council for further investment in RCW (on top of the £120,000 in the capital programme) which would enable a re-alignment of the football pitch and a relocation of the grandstand, RCW's four Trustees have unanimously rejected the offer.

3.10 It is therefore clear that RCW's position is that unless significant 'compensation' of at least £300,000 is forthcoming there can be no discussion in respect of a new lease. Given that the envisaged scheme was entered into in good faith by all three parties, RCW's demand for 'compensation' is unreasonable and as a consequence leaves the Council without a key partner to help improve the lives

of those residents of Warwick West and more broadly the District in general. Members will therefore want to consider whether it is appropriate to leave £120,000 earmarked in the capital programme for ground improvements at the site.

4. ALTERNATIVE OPTION(S) CONSIDERED

- 4.1 This report asks Members to fully explore the approach it wishes to take with RCW. Officers have therefore not considered any particular approach but have sought to ensure there is a comprehensive understanding of the issues so that well-informed decisions on the way forward can be made.

5. BUDGETARY FRAMEWORK

- 5.1 RCW has an annual rent liability to the Council of £3,600. The rent has been paid each month since May 2010. However, there are arrears outstanding of £4,900 which relate to the period 1st April 2009 to 30th September 2010. The Portfolio Holder for Culture has made it clear that these arrears would be for negotiation should a new lease be agreed. Given this position, Officers had put a 'hold' on the arrears but following the breakdown in discussions these arrears have now been demanded.
- 5.2 As the Rating Authority, the Council is owed over £3,000 by RCW in outstanding rates. The last rates payment to the Council was in May 2011, thereby breaking a special arrangement that had been agreed with RCW. The Council has awarded 75% discretionary rate relief to RCW in respect of the financial year 2011/2012. Again, an extremely sympathetic approach to rates has been taken but in fairness to all other ratepayers, the Council will need to take appropriate steps to recover the over-due amounts. Members should note the Council is in effect a rates collection agent for Central Government with a legal obligation to collect as much outstanding rate debt as possible.
- 5.3 An invoice for £600 remains outstanding in respect of grass which was cut from Council owned land and dumped on environmentally-sensitive seeded areas without the Council's knowledge or implied permission. Steps will be taken to recover this amount from RCW through the Council's usual debt recovery arrangements.

6. POLICY FRAMEWORK

- 6.1 The Council's vision is to make Warwick a great place to live work and visit. The Council works with a variety of partners to try and fulfill this vision. Members will need to consider whether RCW's actions are an impediment to this aim.