

 <b>Executive - 12<sup>th</sup> February 2020</b>		<b>Agenda Item No.</b>  <h1 style="text-align: center;">16</h1>
<b>Title</b>	Racing Club Warwick- Lease Extension	
<b>For further information about this report please contact</b>	Del Hopgood 01926 456078 <a href="mailto:Derek.hopgood@warwickdc.gov.uk">Derek.hopgood@warwickdc.gov.uk</a>  Stuart Winslow <a href="mailto:Stuart.Winslow@warwickdc.gov.uk">Stuart.Winslow@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	Warwick Aylesford	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	N/A	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No
This is an extension to an existing lease and therefore an equality impact assessment has not been carried out.	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		Andrew Jones, Bill Hunt
Head of Cultural Services		Rose Winship
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Mike Snow
Portfolio Holder(s)		Cllr Moira Ann Grainger
<b>Consultation &amp; Community Engagement</b>		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 Members will be aware that the Council are currently working in partnership with Racing Club Warwick (RCW) to secure funding from the Football Foundation to improve the facilities at the club at Townsend Meadow. Racing Club Warwick have a lease with the Council for the site which expires in 2034.
- 1.2 One of the criteria for organisations to apply to the Football Foundation for funding is that an applicant must either own the land or have a lease for a minimum of 21 years. Whilst Warwick District Council (WDC) are the lead applicant in the construction phase, once the construction has been completed, the lead applicant will change from WDC to RCW for the delivery of the Development Plan. Currently RCW has only 14 years remaining on their lease and not the 21 years required. Therefore, this report seeks to approve an extension to the lease.

## 2. **Recommendation**

- 2.1 Members are asked to approve an extension of the Club's Lease of Land and Premises at Townsends Meadow, Hampton Road (Racing Club Warwick) so that they will be entitled to remain until 2041.

## 3. **Reasons for the Recommendation**

- 3.1 WDC will be the lead applicant for the construction phase of the project. This allows the cost of the project to be reduced due to the Council being able to recover the VAT. Without this advantage the project would not have been financially viable. Once the construction phase has been completed the lead applicant role will change to RCW as they are better placed and have the expertise to deliver the Football Development Plan for the next 10 years as required by the Football Foundation. At this point RCW will need to have a lease for a minimum of 21 years to meet the Football Foundation criteria. Note that the extension year will need to coincide with the completion of the artificial pitch, which is expected to be 2020, but could be subject to delay, therefore maybe the following year.
- 3.2 The Football Development Plan is a detailed agreement between the Football Foundation and the football club, which details how the club will use the 3G pitch over the next 20 years to support the club's progression and also improve the football experience available for the wider community by providing access to the new artificial pitch for community use, including women's football, disabled football and youth football. RCW are best placed to deliver this element of the agreement and therefore will assume the lead role once the new facilities are completed and ready to be used.
- 3.3 This report describes the proposed arrangement as a lease 'extension' which is a term used for reasons of simplicity. However, strictly speaking, extending the term of an existing lease such as this would create a number of legal difficulties which are best avoided. Therefore, it is proposed that the same end result be achieved by granting the club what is known by lawyers as a 'reversionary' lease for seven years so they have the required 21 years in total. A reversionary lease is one which is completed now, but will not come into force until a specified date in the future (in this case, the date on which the club's current lease expires). References in this Report to a lease extension should be interpreted as referring to the grant of the reversionary lease. Granting a 7-

year lease is compliant with the requirements of the Warwick District Council Act 1984 which imposes restrictions on the term of leases which can be granted in this case. The proposal is also in accordance with the Master Plan developed for the future use of St. Marys Lands.

#### 4.0 Fit for the Future (FFF)

“The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things, the FFF Strategy contains several Key projects.”

“The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal, if any in relation to the Council’s FFF Strategy.”

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all. Housing needs for all Met. Impressive cultural and sports activities.  Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces. All communities have access to decent open space. Improved air quality. Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy. Vibrant town centres. Improved performance/ productivity of local economy. Increased employment and income levels.
<b>Impacts of Proposal</b>		
The Project will significantly improve the facilities at RCW and the opportunities for the community.	Environmentally sensitive design to be used where viable.	Modernisation of the assets managed by Racing Club Warwick and owned by the Council, extending the life of the assets and reducing the ongoing maintenance liabilities.
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained. All staff have the appropriate tools. All staff are engaged, empowered and supported. The right people are in the right job with the	<u>Intended outcomes:</u> Focusing on our customers’ needs. Continuously improve our processes. Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets. Creates long term sustainability for the club and financial surety for the Council.

right skills and right behaviours.		
<b>Impacts of Proposal</b>		
Staff are clear about objectives and priorities for outdoor sports provision.	Services are designed and managed in a way that meets the needs of the community.	Opportunity to maximize income through improved outdoor sports facilities.

#### 4.1 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

##### Local Plan

- 4.1.1 The Vision for the District (as supported by the Local Plan) is to make Warwick District a Great Place to Live, Work and Visit. Specifically, the Plan requires a masterplan for St Mary's Lands, of which RCW forms part. The improvement of the club's facilities is part of the masterplan that was agreed in 2017.

##### The Playing Pitch Strategy

- 4.1.2 The Playing Pitch Strategy states in respect of the facilities at RCW the following:

"...that many of the key football clubs in the district are at capacity and the facilities that they use are starting to restrict club growth. Spare capacity is not necessarily available in the right places for the clubs that need it. Racing Club Warwick cannot meet their aspirations to grow with the current facilities they have at their disposal. The PPS acknowledges that RCW has heavy usage and the grass pitches show signs of over play. A 3G artificial pitch would potentially address this issue and permit more teams to practice and play at peak times. The current changing provision will be unable to cope with the increase in usage if a 3G was introduced at the club, therefore new changing rooms have been recommended to be built in tandem with the 3G. The PPS takes a broader perspective of the districts requirements for sport and with reference to football it states that in order to meet current training needs, 5 additional AGPs are required. We can therefore be confident that a built 3G at RCW will be well utilised by the community knowing from the PPs that there is significant latent demand for football now and in the future".

#### 5. Budgetary Framework

- 5.1 Legal Services would need to be used to draw up an amendment to the lease or a letter of agreement that would be used in conjunction with the lease. It is anticipated that the legal costs for this would be in the region of £500. The funding for this has already been allocated from Central Legal code 471-5751.
- 5.2 The provision for determining the yearly rent within the lease will remain unchanged, in that the figure charged will be subject to a rolling 5-year review. The timing of the first review will be 2023 which will coincide with the completion of the artificial pitch, should the project go ahead. The rent in this current 5-year period is £5750 per annum.

- 5.3 It is anticipated that the total cost of the project will be around £750,000. RCW are actively engaged in fund raising to find £150,000 to contribute to the total sum. The council has pledged £150,000 towards the project and it is anticipated that the Football Foundation will fund the remaining amount.
- 5.4 The Council is committed to continuing its investment in its outdoor sports and leisure stock. In order to do so, section 106 developer contributions are an essential source of funding in order to finance the projects featured in the LFFP and PPS. In the case of the proposed grant from the Council to Racing Club Warwick, Section 106 monies will make up £55,500 of the requested £150,000. The remaining balance of £94,500 will be funded from the Community Project Reserve. It has not yet been fully established when the money will be required, however RCW are keen to commence the project as soon as possible with a view to the new facilities being in use for the 2020/21 football season.

## **6. Alternative Option(s) considered**

- 6.1 If RCW are not granted the lease extension then the alternative would be for WDC to remain the lead applicant for the project meaning that they are responsible for delivering the Development Plan. This arrangement is not recommended as it would require the Council to work in parallel with RCW on such operational matters as pitch bookings, marketing, and with local football teams wishing to use the new pitch. RCW are far better placed to take on this role, and have the appropriate people to undertake this role. The Sports Team in Cultural Services do not currently have the staff resources to undertake this role in the future.

## **7. Background**

- 7.1 The Local Football Facilities Plan for Warwick District identifies opportunities to accurately target investment in football across the local area. This plan proposes projects for potential investment that will transform local football facilities, including 3G pitches. Racing Club Warwick was identified as one of the priority projects in this district. The 3G pitch will provide a high quality surface that can be used all year round with no decline in quality. High capacity levels offer a great opportunity to embrace all formats and engage participants from all sections of the community with a particular focus on underrepresented groups such as women and girls, people with disability, BAME communities and people from lower socioeconomic groups.
- 7.2 Racing Club Warwick were formed in 1919 as Saltisford Rovers, changing their name to the current name in 1969. After many years in the Midland League Division 1 they gained promotion to the Midland League Premier Division in the 2018/19 season. A new Board in 2015 and a new chairman in 2016 has led to several years of continuous improvements to their facilities which has in turn established the club's status within the current league.