

Leases for the Fakenham Leisure and Sports Hub Project	
Executive Summary	<p>To deliver the Fakenham Leisure and Sports Hub project legal agreements are required to secure the land and transfer the Leisure Centre Operators rights and obligations to the new facilities.</p> <p>This report outlines the legal agreements required to deliver the project and seeks approval to enter into those legal agreements.</p>
Options considered.	No alternative options were considered as the legal agreements are required to deliver the Fakenham Leisure and Sports Hub project.
Consultation(s)	<p>Steve Hems - Director for Communities (Project Lead)</p> <p>Octavia Holman - Solicitor, Eastlaw</p> <p>Erika Temple - Corporate Programme and Project Manager</p>
Recommendations	<p>It is recommended to Cabinet to provide approval to:</p> <ul style="list-style-type: none"> • Surrender of the lease for the existing leisure centre site to enable the new lease to be entered into. • Enter into a new 99-year Lease with Fakenham Town Council for the site, which is required to develop the proposed extended leisure centre and 3G all-weather pitch. • Surrender the current sub-lease to Leisure Centre Operator for the existing Leisure centre. • Enter into a new Lease with Leisure Centre Operator for the redeveloped leisure centre for the duration of their leisure contact. • Enter into short term legal agreements with the Leisure Centre Operator to allow them to continue occupation of existing leisure centre during the redevelopment works. • Delegate approval to the Asset Strategy Manger to agree the exact terms of the above legal agreements.
Reasons for recommendations	To facilitate the delivery of the Fakenham Leisure and Sports Hub project, approved at Full Council on the 20 th of December 2023
Background papers	<p>Report to Full Council – 27th July 2022</p> <p>Report to Full Council –20th December 2023</p>

Wards affected	Fakenham wards (Lancaster North and South); and wards in the west of the district including Briston, Priory, Stibbard, Stody, The Raynhams, Walsingham; Wells with Holkham.
Cabinet member(s)	Cllr, L Shires
Contact Officer	Milo Creasey – Trainee Estates Surveyor - milo.creasey@north-norfolk.gov.uk Renata Garfoot - Asset Strategy Manger - Renata.Garfoot@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	The 2023-2027 Corporate Plan themes - Developing our Communities and A Strong, Responsible and Accountable Council
Medium Term Financial Strategy (MTFS)	The contents of this report do not directly impact upon the MTFS. Wider financial implications of the Fakenham Leisure and Sports Hub have been considered in earlier reports to Full Council.
Council Policies & Strategies	Asset Management Plan 2018 - 2022

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Yes. There is no private or confidential information to be considered by this report.
Details of any previous decision(s) on this matter	Report to Full Council –20th December 2023.

1. Purpose of the report

- 1.1 The purpose of this report is to seek agreement to the legal documentation required to facilitate the Fakenham Leisure and Sports Hub Project.

2. Introduction & Background

- 2.1 The existing Fakenham Leisure Centre is located on Trap Lane on the North Western edge of Fakenham.
- 2.2 Fakenham Town Council owns the freehold of the site of the existing Leisure Centre and the land directly to the north of the site.

- 2.3 The Council has a 120-year lease for the existing Fakenham Leisure Centre site which commenced in 2003 and has a term 99 year remaining, which is due to expire in 2123. The rent for this lease is £1 per annum.
- 2.4 The Council have granted a 10-year sub-lease of the site to the Leisure Centre Operator which commenced in 2019 in line with their wider leisure services contract.
- 2.5 The Council was successful in bidding for Levelling Up monies to build an extended facility and refurbish the existing Fakenham Sports Centre, allowing the Council to further enhance its quality leisure facilities offer to communities in the west of the District.
- 2.6 In order to accommodate a larger leisure centre and 3G pitches, a larger site area is required, this therefore requires that a new lease be entered into with Fakenham Town Council. Following initial discussion Fakenham Town Council have indicated that they are agreeable to this.

3. Proposals and Options

To deliver the Fakenham Leisure and Sports Hub project, a lease between Fakenham Town Council (the landowner) and the Council, incorporating the extended site area, is required. In addition, the Leisure Centre Operators current lease needs to be updated to incorporate the new facilities.

3.1 Lease from Fakenham Town Council to The Council

- 3.1.1 It is proposed that an agreement to lease (Legal Contract) is entered into with Fakenham Town Council. This will secure the Lease for the extended demise while planning consent and other project actions are progressed.
- 3.1.2 Once permissions are approved the exiting lease can be surrendered and the new lease can be completed. The new lease will include the land required to deliver the project which is owned by Fakenham Town Council.

3.2 Lease From the Council to the Leisure Centre Operator

- 3.2.1 An agreement to lease with the Leisure Operator will be entered into to transfer their existing rights and obligations to the new facilities. Their lease will commence on completion of the works and be for the remaining term of the Leisure contact approx. 5 years.
- 3.2.2 The proposal is for the Leisure Operator's lease to be surrendered prior to the commencement of works on site as their demise will be affected by the redevelopment. An interim legal agreement will be entered into to allow the Leisure Operator to remain in occupation during the works.

3.2.3 When the works are completed the Leisure operators new lease will commence.

3.3 **Alternative options.**

3.3.1 No alternative options were considered as the legal agreements are required to deliver the Fakenham Leisure and Sports Hub project.

4. **Corporate Priorities**

4.1 Delivery of the Fakenham Leisure and Sports Hub project supports the Council's Corporate Plan themes – Developing our Communities and A Strong, Responsible and Accountable Council.

5. **Financial and Resource Implications**

5.1 Officer time is required to process the proposed legal agreements recommended in this report.

5.2 NNDC to pay Fakenham Town Council's reasonable legal fees in connection the processing of the legal agreements in this report.

5.3 Wider financial and resource implications regarding the development of the facility have been considered in earlier project reports.

5.4 Rent payable to the Town Council for the new lease is as per the current lease at £1 per annum.

Comments from the S151 Officer:

The new lease arrangement with Fakenham Town Council will be similar to the previous arrangement with a peppercorn rent being paid over the term of the lease. This lease is needed is progress with the FLASH project.

There will be an interim legal arrangement with the Leisure operator to enable them to continue occupation of the current building while the work is completed.

Neither lease represents a high risk to the Council.

6. Legal Implications

- 6.1 The leases and other legal agreements proposed in this report will oblige that all parties, to adhere to the terms agreed.

Comments from the Monitoring Officer

The proposed new lease with Fakenham Town Council appears necessary to further the FLASH project. The other proposed arrangements regarding the Leisure Centre operator will allow them to operate during the redevelopment works.

7. Risks

- 7.1 The legal agreements outlined in this report and formal registration of land are required to deliver the Fakenham Leisure and Sports Hub project.
- 7.2 If leases cannot be implemented or are delayed, due to issues with formal land registration, 3rd party negotiations, funding conditions or gaining planning and other consents the wider project could be delayed.
- 7.3 Wider project risks have been included a Project risk register and appropriate entries have been entered into the Corporate Risk Register

8. Net Zero Target

- 8.1 Covered in approved report to Full Council on the 20th of December 2023.

9. Equality, Diversity & Inclusion

- 9.1 Covered in approved report to Full Council on the 20th of December 2023.

10. Community Safety issues

- 10.1 Covered in approved report to Full Council on the 20th of December 2023.

11. Conclusion and Recommendations

11.1 The legal agreements proposed in this report are required to deliver the Fakenham Leisure and Sports Hub project.

11.2 It is recommended that Cabinet provide approval to:

1. Surrender of the lease for the existing leisure centre site to enable the new lease to be entered into.
2. Enter into a new 99-year Lease with Fakenham Town Council for the site, which is required to develop the proposed extended leisure centre and 3G all-weather pitch.
3. Surrender the current sub-lease to Leisure Centre Operator for the existing Leisure centre.
4. Enter into a new Lease with Leisure Centre Operator for the redeveloped leisure centre for the duration of their leisure contact.
5. Enter into short term legal agreements with the Leisure Centre Operator to allow them to continue occupation of existing leisure centre during the redevelopment works.
6. Delegate approval to the Asset Strategy Manger to agree the exact terms of the above legal agreements.