

GREENS ROAD FOOTBALL FACILITY, NORTH WALSHAM

Summary and Conclusion:

There are some capital maintenance works required at the football ground site on Greens Road, North Walsham. Whilst the site is leased to North Walsham Town Football Club on a full repairing lease, it cannot afford these works (c£60k). It is possible for the Council to undertake these works on behalf of the club, and write into an extended lease a commercial rent that enables the club to pay back the finance over a set period. An extension to the lease, to 21 years, will enable the club to further grow and develop and support the proposed 3G pitch installation project at the site.

Options considered:

Option 1: Do not extend the lease, do not fund the works.

Option 2: Extend the lease, fund the cost of the capital works. This is the preferred option.

Recommendations:

1) That the Council extends the lease with North Walsham Town Football Club for a period of 21 years.

2) That, subject to the inclusion in the lease a requirement for an increased rent which covers the cost of the work over an agreed period of time, the Council procures and funds the necessary works to bring the site up to a fit for purpose standard.

Reasons for Recommendations:

The above provides certainty for the club which continues to grow. It also assists the Council in its funding application to the Football Foundation for the potential installation of the 3G pitch

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s)
Cllr Virginia Gay

Ward(s) affected
North Walsham West

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1. Introduction

1.1 This report sets out the position in respect of the Greens Road Football site in North Walsham; the issues associated with some maintenance works

required on the site to bring it up to a fit for purpose standard and the potential to extend the lease of the current tenant which would recoup the cost over the extended lease period.

2. Background

- 2.1 The Council owns land at Greens Road North Walsham which is used as a football facility. The site is currently leased to North Walsham Town Football Club on a full repairing lease. There are seven years remaining on the lease. The club has expressed a desire to extend the current terms to 21 years which would provide the club with longer term certainty and enable them to access external funding more effectively.
- 2.2 The club operates 24 teams including girls and women has recently amalgamated with North Walsham Youth Football Club enabling a seamless pathway from youth to senior football. The club provides football training, coaching throughout the week and access to competitive matches to participants from both North Walsham and surrounding areas.
- 2.3 The club is also an FA 'Charter Standard Club' and has shown a forward thinking approach to recent issues such as the merger of the youth teams.
- 2.4 There is potential to improve the site further with the proposed installation of a 3G pitch at this site, supported by Norfolk FA and The Football Foundation, who have confirmed their desire to part fund this facility.

3. Current Position

- 3.1 The club have met their responsibilities under the all repairing lease to date, maintaining the facility very well.
- 3.2 It has been identified that a number of larger items of work are required at the site. This includes the
 - replacement of sewage pumps
 - installation of new boilers
 - some electrical rewiring.
- 3.3 The estimated cost of these works is £60k and the club is not in a position to afford such significant capital outlay. The relatively short period remaining on the lease does not make this viable investment.
- 3.4 The Club has approached the Council with a proposition to extend the lease from the remaining seven years on the term to 21 years. In conjunction with the extension of the lease, they have requested the Council fund the required capital work items, with the club repaying the cost of the works through an increased rent over a set period, e.g. 10 years, which is subject to agreement with the club.
- 3.5 In order for the Council to access Football Foundation funding, there would need to be sufficient security of tender (21 years) to satisfy the funding criteria. An extension of the lease would satisfy the requirement of the funding application.

4. Corporate Plan Objectives

4.1 The project is in line with the Quality of Life corporate objective. It will provide further certainty for the football club, and help to increase participation in sport. This will improve the health and wellbeing of thousands of local residents over the term of the lease.

4.2 The current boilers in the facility are over 20 years old, and not fuel efficient. The installation of new energy efficient boilers will vastly improve their performance and save running costs for the club as well as help the Council meet its net zero carbon commitment.

5. Medium Term Financial Strategy

5.1 This proposal represents a capital cost to the Council but would increase revenue income with costs fully recovered, albeit over a longer time period.

5.2 The outlined proposal will assist in the application to the Football Foundation funding as part of the proposed 3G pitch project by both putting the facilities at the club in a fit state to support further pitch provision and by meeting the length of tenure funding requirement.

6. Financial and Resource Implications

6.1 The estimated cost is £60k in year one. The cost would be recovered through increased rental income from the club over an agreed period of the lease term.

7. Legal Implications

7.1 There are no legal issues identified with the proposed approach. Work would be required to draw up the necessary Heads of Terms and lease documents

8. Risks

8.1 Should the works not be undertaken there is a risk that the club is unable to maintain the site, and management of it will return to the Council. This would inevitably require additional funding to resource the operation of the site

8.2 Failure to extend the lease could also disrupt the football club's existence. It would also prevent the Council in accessing the funding for the 3G pitch.

9. Sustainability

9.1 Replacement of the old and inefficient boilers at the club provided an opportunity to install more fuel efficient boiler systems that will reduce energy consumption and contribute to the Council's net zero carbon objectives.

10. Climate / Carbon impact

10.1 Installation of new boilers will provide for a cleaner and energy efficient solution to heating of the facility.

11. Equality and Diversity

11.1 There are no equality and diversity issues linked to this project. The club operates via its Sports Equity Policy and maintains an inclusive approach.

12. Section 17 Crime and Disorder considerations

12.1 No issues, but further development and growth of football provision provides opportunities for positive diversion activities for young people and so supports the reduction of crime and disorder in the locality.

13. Options Considered:

Option 1: Do not extend the lease, do not fund the works.

The club are responsible under the all repairing lease for the works and the council is within its rights to rely on this contractual position. The Council is under no obligation to extend the lease.

This option is not considered feasible as:

- it puts the football club's future at significant risk
- it would not contribute to the delivery the Corporate Plan objectives, the Sports Development Strategy, Playing Pitch Strategy or the FA's Local Football Facilities Plan
- it is possible that the site would return to the Council either at the end of the seven-year lease period or before with these works still outstanding.
- there would not be sufficient security of tenure (21 years) to satisfy the funding criteria to allow the Council to access Football Foundation funding
- There would be a reputational risk to the Council.

Options involving variations of funding the works but not extending the lease or extending the lease but not funding the works were not considered as they present the same issues that are identified above

Option 2: Extend the lease, fund the cost of the capital works

This option is preferred as it addresses the issues of the capital work but allows the club to afford these through an increased rental payment for a defined period of the lease term. It secures long term certainty for the club and enables the club to meet the security of tenure criteria which provides access to the Football Foundation funding around the 3G pitch project.

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14. Recommendations

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