

**PAPER NO. 5**

**REPORT TO THE EXECUTIVE MEETING OF 20 MARCH 2017**

---

**Meeting:** Executive  
**Date:** 20 March 2017  
**Subject:** Leasehold Disposal of Sports Pitches and Pavilion at Dunley Way, Lutterworth to Lutterworth Town Football Club  
**Report of:** Mark Perris  
**Portfolio Holder:** Cllr Phillip King  
**Status:** For Decision, exempt by virtue of paragraph 3 of schedule 12a of the Local Government Act 1972  
**Relevant Ward(s):** Lutterworth – Swift

---

1 Purpose of the Report

- 1.1.1 To consider a request from Lutterworth Town Football Club (LTFC) to terminate their current licence and agree a new 27 year lease of land and buildings at Dunley Way Sports Ground, Lutterworth.

2 Recommendations:

- 2.1 To agree a new 27 year lease of the land at Dunley Way in Lutterworth to Lutterworth Town Football Club as outlined in Appendix (D)
- 2.2 To delegate authority to the Corporate Director (BJ) in consultation with the Head of Democratic & Legal Services to negotiate and enter in to a new lease and take whatever steps are necessary to implement the decision outlined in 2.1 above.

3 Summary of Reasons for the Recommendations

- 3.1 To facilitate a grant funding application by LTFC to the Football Foundation to improve the facilities at Dunley Way.
- 3.2 To reduce the Council's ongoing running costs.

- 3.3 To satisfy the draft Corporate Delivery Plan 2017/18 Objective CO8 “The Council makes effective use of its assets and resources” and to further good asset/property management of the Councils assets.

#### 4 Key Facts

- 4.1 LTFC currently occupies the pitch and changing facilities at Dunley Way Sports Ground on a 5 year licence agreement for a fee of £1.00 per annum plus £5.00 per game. This agreement expires on 31<sup>st</sup> July 2017.
- 4.2 In October 2016, following an approach by LTFC, Harborough District Council (HDC) officers met with the Chairman of LTFC and were asked to consider the termination of the current licence agreement and in its place grant a new lease of the pitches and pavilion at Dunley Way Sports Ground, Lutterworth.
- 4.3 The football club are looking to secure grant funding from the Football Foundation to improve the facilities, which will support the long term future of the club. One of the requirements for eligibility of the Football Foundation is a lease of the land occupied for a minimum of 25 years from completion of the works funded by the grant. In order to ensure that there is a sufficient unexpired lease length on completion of the proposed improvements, a term of 27 years is suggested, which will allow 2 years to undertake the works and still meet the FA requirements.

The grant funding would be for stadia improvements as LTFC has aspirations of playing at step 6 in the national football league. The proposed improvements are refurbishment of the whole clubhouse, showers and changing rooms.

The club, also, has aspirations to develop youth and female football.

However, LTFC intend to retain current access arrangements to the site.

- 4.4 The land is approximately 1.2 ha at Dunley Way Sports Ground and includes a pavilion and a car park that was resurfaced by the Council in 2004 (Plan attached Appendix A).
- 4.5 By granting a 27 lease to LTFC, HDC would be supporting the club in their applications for grant funding, allowing the club to be sustainable going forward and improve facilities for the community.
- 4.6 Corporate Delivery Plan 2017/18, Open Spaces Strategy and Corporate Property Strategy

**Formatted:** Justified, Indent: Left: 0 cm, Hanging: 1.27 cm, Line spacing: Multiple 1.15 li



4.6.1 The Corporate Delivery Plan 2017/18 includes the following;

<b>PRIORITY: Enable public services which are effective and deliver value for money</b>	
<b>CO 8</b>	<b>The Council makes effective use of its assets and resources</b>
	KA.08.05 Implement the Council's Property Strategy.

4.6.2 The proposal would meet the following aims of the Open Spaces Strategy;

Aim	What this means
Aim 4 - Voluntary groups are supported to use and manage open spaces	We will support groups that want to use open spaces for activities. These might be support groups for vulnerable people or sports clubs. We will also try and encourage groups to look after open spaces that are important to them.
Aim 5 - Deliver value for money services when managing open space	We will ensure that the things that we do on open space, and improvements that we make are good value for money, and money is not wasted.
Aim 6 - Open Space supports business and income is maximised	We will try and find ways to help business by providing good quality open spaces, and try and find new ways to get an income from open spaces where it is appropriate.

4.6.3 The proposal would meet the aims outlined above, by;

- Enabling the Football Club to improve the facilities;
- Enabling the Football Club to manage and maintain the ground to the most appropriate standard; and
- increasing income and delivering savings for the Council.

4.6.4 Paragraph 9.2 of the Open Spaces Strategy states that *“The Council has also sought to work with partner organisations to deliver provision of open spaces of all typologies for the benefit of the community. The Council will continue to seek opportunities to work in partnership with Parish Councils and others to ensure that open space, both new and existing, is managed by the most appropriate locally accountable organisation”*.

4.6.5 HDC published its Corporate Property Strategy and Asset Register in July 2013. The strategy included the vision:

“To enhance Harborough’s public service through effective property management”

This long-term vision for the property estate is to provide land and property to enable the Council to deliver its priorities. Within the strategy the following objectives are defined, which are relevant to the subject property:

- The Council will make effective and efficient use of property holdings in line with the Council's key objectives and targets.
- The business case for the retention of non-operational assets will be kept under review.

4.6.6 The Corporate Property Strategy is currently being reviewed and updated, but these objectives are likely to remain as key aspects of any future strategy.

4.6.7 Improved use of the recreation ground for sporting events will raise the profile of Dunley Way Sports Ground and could help reduce the opportunity for anti social behaviour on the site.

4.6.8 One of the aims of the improved facilities created by the grant funding will be to increase local participation in sporting activities, encouraging a healthier community.

4.7 The proposals will meet the objectives of the Voluntary & Community Sector Accommodation Policy "To demonstrate consistency and transparency in the relationship between the Council and a Voluntary and Community Sector (VCS) organisation where the Council is providing accommodation/premises to a VCS organisation" and one of the main principles for lettings "that a tenancy/lease of premises will be on commercial terms based on current market value".

4.8 A valuation of the land and buildings at Dunley Way, by Andrew Granger & Co., for leasehold purposes is attached as Appendix C.

4.9 The financial impact of the proposals are outlined in 6.2 below.

## 5 Legal Issues

5.1 The proposed Heads of Terms for the lease are attached as Appendix D.

5.2 The Proposed Rent is £5,000 per annum.

5.3 The lease will be on a full repairing and insuring basis and will be within s.24 – s.28 of the Landlord and Tenant Act 1954, which will enable the Tenant to have a right to renew the lease at the end of the term.

- 5.4 The proposed permitted use will be restricted to a football ground, associated sporting facilities and other leisure activities.
- 5.5 The proposed lease would be for 27 years with 5 yearly rent reviews on the terms outlined in Appendix D.
- 5.6 There is currently a public thoroughfare through the ground from Gale Close to Dunley Way. It would be an obligation of the lease for the existing access to be maintained so that the public have access to the ground at all times. The path is marked on Appendix B.
- 5.7 Restrictions on hours and days of use of the pitch and clubhouse will be agreed due to the grounds proximity to a residential area.
- 5.8 The club will be responsible for maintenance of all aspects of the property, including the pitch, buildings, fences, other boundary structures, footpaths.

## 6 Resource Issues

- 6.1 The costs associated with Dunley Way, Lutterworth are currently in Special Expenses for Lutterworth. The proposed lease does not remove the area from Special Expenses as the whole of the net expense (inclusive of any income) is included in the definition of the special expense.
- 6.2 The Authority's Public Liability Insurance will still cover the area, however, the risk's associated will be reduced under the terms of the lease, and a small charge to Special Expenses will continue for the cover.
- 6.3 Currently, the costs associated with maintaining Dunley Way, Lutterworth include recharges, the costs of the majority of these recharges (£3K) will have to be found from Council's general budget. There will be costs ensuring that the terms of the lease are met, especially relating to insurance and maintenance.

6.4 If approved, the financial impact in respect of the proposals are as follows;

<b>Impact</b>	<b>Saving (£)</b>
Rental Increase (Rent £5,000 pa)	£4,850
Grounds Maintenance Saving	£5,000
M&E Maintenance Saving	£1,460
Building Repairs Saving	£200
Rates Saving	£1,700
<b>Total Saving</b>	<b>£13,210</b>

Dunley way is a special expensed area. Therefore the savings will accrue to the special expense and not the Council's General Fund

## 7 Equality Analysis Implications/Outcomes

7.1 There are no equality implications regarding this report.

## 8. Risk Management Implications

8.1 If the lease is not agreed, there is a risk that the Club is unable to progress, which affects their sustainability. This could, in a worst case scenario, result in the Club vacating the recreation ground, and ongoing responsibility remaining with HDC and the area being under utilised.

8.2 The Authority's Public Liability Insurance will still cover the site under the lease, however, the lease requires Lutterworth Town Football Club to have in place their own Public Liability Insurance and to maintain the site, this reduces the Authority's risk, but does not remove it.

## 9 Consultation

9.1 The disposal of the public open space by way of a lease was advertised in the Lutterworth Mail on 24<sup>th</sup> November and 2<sup>nd</sup> December 2016. The closing date for comment was 6<sup>th</sup> January 2017.

9.2 One consultation response was received from a resident of Macaulay Road who raised concerns surrounding the clubs planning application for floodlights due to the close proximity of the pitch boundaries to local gardens, player behaviour and maintenance of the boundary fences.





## Observations

- Floodlights – this is a planning matter and subject of separate consideration, with associated consultation. As such, this is not considered sufficient reason not to pursue the disposal.
- Player Behaviour – the club are committed to excellent standards of player behaviour and one of the aspirations of the LTFC is to work with the community for the good of all. As such, this is not considered sufficient reason not to pursue the disposal.
- Maintenance of the boundary fences – the lease will include an obligation to maintain the boundary, and HDC will be able to enforce the covenants contained in the lease. Again, as such, this is not considered sufficient reason not to pursue the disposal.

Formatted: Left, Indent: Left: 0 cm,  
First line: 1.27 cm, Line spacing:  
single

9.3 All Lutterworth Ward Members have been informed of the proposals and were invited to make comment.

9.4 Councillor Ackerley expressed concerns in relation to the proposed hours of use of the pitch and clubhouse due to the potential for disturbance to the local residents. Councillor Ackerley, also, queried if there would be restrictions on dogs being walked on the pitch and if the footpath from Gale Close to Dunley Way would be maintained.

## Observations

- The lease will include a restriction on hours, which, will restrict use to no later than 9.30pm each day.
- Dogs – there are no restrictions proposed by HDC regarding use by dogs.
- The footpath from Gale Close to Dunley Way will be maintained.

## 10. Options

10.1 To renew the current licence agreement on expiry in 2017 on similar terms but at market rent as per the VCS policy.

10.2 This may not be in the interests of the Council as it would not support the Councils policy with regards to promoting physical activity in the District through improved facilities and encouraging communities to take ownership of Council owned assets to deliver sustainable facilities within their neighbourhoods.

## 11 Background Papers

11.1 None

---

**Previous report(s): None**

**Information Issued Under Sensitive Issue Procedure: Yes**

**Ward Members Notified: Yes**

**Appendices:**

**Appendix A – Plan of area to be leased to LTFC**

**Appendix B – Plan showing footpath through the area to be leased to LTFC**

**Appendix C – Valuation Report**

**Appendix D – Proposed Heads of Terms**