

WARDS AFFECTED Beaumont Leys

Overview & Scrutiny Management Board Cabinet

6 August 2008 1 September 2008

Beaumont Sports Consortium – Proposal to Develop Sporting Facilities

Report of the Corporate Director of Regeneration & Culture

1. PURPOSE OF REPORT

- 1.1 This report informs Cabinet of a proposal by a consortium to develop a football, speedway and cycling centre at Beaumont Park.
- 1.2 The report asks Cabinet to agree a two-year 'lock out' agreement between the City Council and the development consortium to provide them with an opportunity to undertake the necessary investigations to satisfy the City Council's concerns and to ensure the viability of the project.

2. SUMMARY

- 2.1 A development consortium consisting of:Goals Soccer Centres (formerly Pro-5 Soccer Centres), Leicester Lions Speedway Club
 through Norfolk Arena, and British Cycling have been working to develop an opportunity
 to promote a range of sports provisions on land at Beaumont Park and ancillary areas at
 the rear of Leicester Leys Leisure Centre.
- 2.2 A meeting with the consortium and representatives of the City Council was held in which issues relating to property, noise, traffic and other concerns were raised with the consortium.
- 2.3 The consortium have asked that the City Council provide the consortium with a "lockout" agreement for a period of two years to carry out a range of assessments, details of which are provided in a letter from the consortium dated 2nd June 2008. (See Appendix 1.)

3. RECOMMENDATIONS

- 3.1 The Overview and Scrutiny Management Board are asked to note the report and make comments on the proposed lock out agreement.
- 3.2 Cabinet authorise the Corporate Directors of Resources and Regeneration & Culture, in consultation with the Cabinet Lead Members for Property and Culture & Leisure to agree terms for a lock out agreement, and also to consider any objection received in respect of any proposed disposal or appropriation of public open space.

- 3.3 Cabinet authorise the Service Director, Legal Services to enter into any resulting documentation with Beaumont Sports Complex Ltd.
- 3.3 Cabinet request a further report during and at the conclusion of the lock-out period setting out the details of the proposed way forward.

4. REPORT

- 4.1 The proposal by the Beaumont Sports Consortium has been supported by the development of a feasibility study compiled by S&P Architects Limited on behalf of the consortium, a copy of which has been lodged in the Members Area for information.
- 4.2 The consortium of partners Goals Soccer Centres formerly Pro-5 Soccer Series, Norfolk Arena and Leicester Lions Speedway Club are proposing to develop twelve five-a-side soccer pitches, a 300-metre speedway track, a BMX cycle track, a closed cycle circuit, and a community support building.
- 4.3 The location for the proposed development is land on Beaumont Park situated at the rear of Leicester Leys Leisure Centre and incorporating the leisure centre's existing crèche and football changing rooms. (See Appendix 2 for map.)
- In addition, the proposal details an intention to maintain and support existing activity on the site. This would include access to the park for recreational walking and other activities. Throughout the development of the site, it is the consortium's intention to retain all of the existing users on the site. This includes both the formal and the casual users. The existing users include the annual children's community football tournament and the local model aircraft flying club. Opportunities to relocate the model aircraft flying club will be investigated should the development progress. The consortium is also extremely keen to encourage and develop the casual use of the park by local residents as a place to meet and socialise. The added security that the development offers will encourage the use of the park by children and families for more recreational activities. These will be complemented by the proposed pavilion that will be open to all people.
- 4.5 The proposal could impact positively in a number of ways.
 - The community facility will offer a range of interventions for young people in the area.
 - There will be employment opportunities for up to fifty people. The consortium is keen that many of these opportunities go to local young people.
 - There is a shortage of short-sided soccer pitches in the city and this development will help to satisfy that shortage.
 - The provision of cycling facilities will provide much needed activity areas for young people in the area.
 - The development will provide a suitable venue for speedway to return to the City.
 - Beaumont Park currently is the third worst site in the City for reported crime and anti-social behaviour. This development will encourage natural surveillance and as a result reduce instances of crime and anti-social behaviour.
- 4.6 A number of issues relating to the development have been raised by officers and the community. These are:

- Synergy with the proposed Football Development Initiative adjacent to the site; (See paragraph 5)
- Property issues; (See paragraph 6)
- Environmental issues including noise;
- Traffic impact and parking requirements:
 - The developer will be expected to submit a full transport assessment for the development to meet Department for Transport standards. The Council has a list of consultants who can undertake such a study. There is also a select list. A scoping study for the traffic assessment needs to be agreed with Travel Planning & Development Control prior to submission.
 - A travel plan will be needed for the development. It will set out how sustainable travel to the facility will be achieved including a travel survey, targets and monitoring of the targets and implementation of measures to achieve the targets.
 - The developer should use Council parking standards to determine parking provision, including cycling, disabled and powered two wheelers. Some provision for coach parking should be made.
 - The transport assessment will identify whether any highway improvements including cycling and pedestrian facilities are required.
- 4.7 The consortium has requested that the Council agree to a two-year 'lock-out' agreement which involves the council agreeing to give the consortium a period of two years to work up the project; should the project prove feasible and meet all the requirements of planning etc, the Council agrees to lease the land to the consortium at a pre-agreed rent; and the council agrees not to promote conflicting schemes, or elements of it within a 2.5 mile radius of the site. (See Appendix 1.) However, in negotiations the consortium has agreed to drop its requirement for the 2.5 mile radius restriction. Therefore, if agreed, any lock out agreement would be in respect of the subject land only. We have been advised that any agreement would be in the name Beaumont Sports Complex Ltd.

5. FOOTBALL INVESTMENT STRATEGY - LEICESTER CITY COUNCIL AND FOOTBALL FOUNDATION

- 5.1 As Cabinet are aware Leicester City Council has been working on a Football Investment Strategy for the City. This has involved extensive consultation by the Leicestershire and Rutland County Football Association in partnership with the national Football Association and the Football Foundation.
- 5.2 The Football Foundation has contributed 50% towards the total costs of the detailed design stage. One of the twelve sites proposed is Beaumont Park, adjacent to the site proposed by the Beaumont Park consortium. At this stage, there is no evidence of any conflict between the two projects which together will enhance considerably the community and leisure facilities in this part of the city. The Football Association has been fully informed of the development.

6. PROPERTY SERVICES

6.1 The land (approx 8.62 ha or 21.3 acres) is part of Beaumont Park but if any planning consent for alternative use was forthcoming, the land would have a value over and

above its existing use value. There is a separate area of land at Beaumont Park which is identified under the Local Plan for possible development, and any implications for this would also need to be assessed.

- 6.2 The Framework for the Disposal of Property is part of the Council's Constitution, and this sets out the general rule that land is openly marketed. There can be some limited exceptions to this, for example where service delivery is involved. The Council is also obliged to obtain best consideration on the disposal of its assets unless the consent of the Secretary of State is obtained or there are suitable grounds for utilising a 'general' consent. Disposals at less than best consideration require a Cabinet decision. At this stage, it is a lock out agreement that is being considered whereby the Council would enter in a formal agreement that it would not lease, sell or market land concerned for a period of time whilst the consortium worked up the project, their appraisals, and sought planning consent. Nevertheless, the natural consequence of the lock out would be a disposal to the consortium, and they have asked that should the appraisals prove positive, then the Council should dispose of the land to them possibly by way of lease.
- 6.3 There are two key issues here: whether the Council can deal with this 'consortium' on a one to one basis (i.e. without marketing), and if so, on what terms. In respect of the first of these issues the Framework does set out some limited exceptions to open marketing, for example if service delivery is involved and there is no market. It is suggested that there is a commercial market for the provision of five-a-side soccer pitches, but this is unlikely for the whole of the consortium's proposals i.e. including a speedway arena and cycling facilities.
- 6.4 In considering appropriate terms the Council may wish to consider whether it is all three of the elements it wishes to secure (i.e. speedway, cycling and soccer centre). It may be necessary to negotiate detailed terms in the leasehold disposal to include how the elements are to be delivered and managed. This may take the form of a formal Agreement for Lease, with a lease being granted either following granting of planning consent (if consent is to be forthcoming), or following construction of the various elements. It is suggested that the consortium would firstly need to address considerable detail here.
- In terms of value and consideration to be paid on leasehold disposal, initial discussions have taken place, but would clearly require further negotiations. I contend that any planning consent for a commercial use gives it a value considerably over its current one. The consortium has asked me to report that they recognise the best consideration frameworks within which the Local Authorities operate but would like the Council to consider the level of community benefit these proposals may provide to the residents of Leicester in arriving at a value. Members should be aware that a substantial rent is passing from the letting of land for a five-a-side facility at Crown Hills Community College.
- 6.6 As the land is an open space, prior to any disposal or appropriation, there is a legal requirement to advertise and consider any objections received. An appropriation of land from open space may be required if the land is to be leased.

7. PARKS AND PLANNING

7.1 The park contains pockets of contaminated soil, which date back to the storage and

disposal of topsoil during the construction of the Beaumont Leys estate. The methane release vents that can be seen around the park mark these areas. Developer costs would be increased by the work required to mitigate the effects of the contaminated soil. The Council would need to ensure that it avoids liability for any contamination.

7.2 The park has an active badger population. Badgers and their setts are protected under the Protection of Badgers Act 1992, which makes it illegal to kill, injure or take badgers or to interfere with a badger sett. Although the known sett is located away from the proposed area, an indirect effect could be the severance of foraging routes or the loss of foraging habitat. A badger survey would be needed along with any planning application for the proposals, to ascertain the extent of the badger population and whether they would be affected. A licence is required if work to, or around, the sett is necessary. Developers will need to provide detailed information for any mitigating works as part of the planning process. The surveys would, of course, have to be factored into any project timescales.

8. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

8.1. Financial implications

8.1.1 The proposed land at Beaumont park produces no rental income, thus a 2 year "lock – out" agreement will not result in a financial loss. In future if the proposal succeeds there will be a potential rental income and will also create a marketable asset. There may be an impact on the rent received in the future by Crown Hills Community College for letting land to "Goals", Soccer centre.

Author: Paresh Radia, Finance Officer, Regeneration & Culture (Ext. 296507)

8.2 Legal implications

8.2.1 Lock out agreements are rare in local government as they prevent authorities dealing freely with its land. Two years is also a particularly long period for a lock out. However in view of the scale of the scheme and the further investigations required, 2 years is not an unreasonable period.

8.2.2 General disposal implications

As has been previously advised, the Council must obtain best consideration on any disposal. This is required by section 123 of the Local Government Act 1972. To utilize the GDC, the disposal must be one which will secure the economic, social or environmental well-being of the area in question in order for the disposal of the property to benefit from the GDC. The difference between the price actually paid compared with the open market valuation must not be any more than £2m, otherwise the GDC will not apply. Consideration will also need to be given whether the proposal complies with the achievement of these objectives. The Council will need to be satisfied on the basis of the advice contained in this report (and on the information supplied), that any the disposal subsequent to the lock out period will result in the achievement of the benefits referred to.

The Council, will also need to ensure that the Council's general fiduciary duty to its ratepayers is complied with in disposing of assets in accordance with the GDC or the Disposals Framework. Any sale documentation will need to contain provisions which will secure the achievement of the benefits set out in this report or the terms subsequently agreed.

In the particular case, plans have recently been supplied to Legal Services and therefore an investigation into the Council's ownership and title of the Park site is currently being undertaken. This investigation will establish whether there are restrictions or covenants that may prevent the proposal.

8.2.3 Appropriation of a public open space

The requirement to advertise an appropriation or disposal (see paragraph 6.6) is contained within section 123A of the Local Government Act 1972 and can not be avoided. Disposals of open spaces are sometimes the subject of public interest and objections to disposals are often received.

Zoe Ayris, Legal Services (Ext. 296342)

9. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	Yes	4.6, 7.1, 7.2
Crime and Disorder	Yes	4.4, 4.5
Human Rights Act	No	
Elderly/People on Low Income	No	

10. RISK ASSESSMENT ANALYSIS

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1 That the Council would want to deal with another developer during the 2 year lock-out	L	L	None
	L – Low M – Medium H - High	L – Low M – Medium H - High	

11. CONSULTATIONS

Consultations within the Council have taken place with:

Consultee	Date Consulted
Mark Laywood, Football Projects Manager	18/03/08
Dave Stock, County Sports Partnership	18/03/08
Neil Evans, Property Services	18/03/08
Stewart Doughty, Parks and Green Spaces	20/03/08
Sue Timms, Nature Conservation Officer	20/03/08

Zoe Ayris, Legal Services 14/04/08
Paresh Radia, Finance 18/04/08
Michael Jeeves, Travel Planning & Development Control 28/05/08

12. REPORT AUTHOR

Paul Edwards

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

Appendix 1

Reference c/projects/pro5/Leicester - reva

2nd June 2008

Mr Paul Edwards Head of Sports Services Leicester City Council New Walk Centre Welford Place Leicester LE1 6ZG

Dear Paul



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LONDON NOTTINGHAM MANCHESTER

Beaumont Sports Complex, Beaumont Park, Beaumont Leys, Leicester

Further to our recent submission of the feasibility report for the above project and the subsequent meeting held between the key council officers, elected members and consortium members representing the Beaumont Sports Complex development team. I am writing on behalf of the consortium to formally request Leicester City Council's consideration of this project and to secure a lock-out agreement. To date the consortium has spent a large sum of money to deliver the initial feasibility of the project. This money has been spent at the consortiums risk. To move the project forward further work is now required i.e. TIA, ecology and engineering consultancy etc.

The consortium is willing to invest further money to provide this information but require an element of certainty from Leicester City Council going forward.

The details of the lock-out are as follows;

- The council agrees to give the consortium a period of 2 years to work up the project.
- Should the project prove feasible and meets all the requirements of planning etc the Council agree to hand over the land to the consortium at a pre agreed rent.
- 3. The consortium agrees to provide a sports village containing the following facilities, speedway, cycling and five-a-side football.

While writing we wish to confirm that Pro5 Soccer Centres has recently been acquired by Goals Soccer Centres plc. This takeover in no way affects the project in terms of the desires of the consortium, the offer of services to the local community and Leicester City Council and assures that the same outcomes from the project are delivered.

The consortium acknowledges and agrees that the City Council has a duty to negotiate a market value during the agreement of any eventual lease. However, the

ARCHITECTUREDESIGNINTERIORS

consortium wishes the Council to consider the level of community benefit these proposals provide to the residents of Leicester while considering such a value.

As agreed the details of Beaumont Sports Complex Ltd are as follows, Beaumont Leys Sports Complex Ltd, The Beeches, Broomhill Road, Brislington, Bristol BS4 5RG Registered in England No. 6418136.

We also attach herewith a copy of the details regarding the consultation work which has already taken place during the preparation of the feasibility report and the awareness campaign by Leicester Speedway Supporters Club.

We trust this meets with your approval and we look forward to hearing from you in due course.

Yours Sincerely

David M Hemsley Associate

For S&P Ltd

Cc: Neil Evans, Investment & Development Manager, Leicester City Council

Cc by email – Simon Arnold – BSC Ltd, Keith Mitchell – Goals, Jonathan Chapman – Norfolk Arena, Gary Coltman – British Cycling, Robert Ball – Leicester Speedway Supporters Club

Consultation

The proposals have received considerable support from residents in Beaumont Leys and the within the city in general, much of this support has become evident during the wide consultation process that has taken place to date, and consultation will continue to develop should the consortium be given support by cabinet. An outline of the details of the consultations to date is given below:

- JAG Community Leaders Presentation with Leicestershire Constabulary at Beaumont Leys Police Station – 21st August 2007
- 2. Public Exhibition and debate Radio Leicester 6th to 11th August 2007
- Exhibition of Proposals at Speedy Hire offices Blackbird Road Leicester for residents – 28th August 2007
- 4. Continued reporting of proposal as they developed and request for comments by the Leicester Mercury 10th August 2007 to date
- 5. Public Consultation meeting held at the Church of Christ Beaumont Leys hosted by Patricia Hewitt $MP-2^{nd}$ November 2007
- Public Exhibition Beaumont Leys shopping centre for the residents to comment on the proposed sports complex, 500 signatures from local residents were secured on a petition to support the development – 27 October 2007
- Opinion poll hosted on Patricia Hewitt MP's website, over 200 written comments on the pole of which 99.5% appear positive – 29th September to 10th November 2007
- 8. Details of development on Leicester Speedway Supporters Club website 3rd September 2007 to date
- Details of proposals have been hosted on British Cycling's website 24th October 2007.

Appendix 2

