



Leicester
City Council

Lease of St Margaret's Pastures Sports Centre

Decision to be taken by: Lead Member

Decision to be taken on: 27 February 2019

Lead director: Matthew Wallace

Ivan Browne

Useful information

- Ward(s) affected: Abbey
- Report author: Andrew Beddow
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- Report version number: 1

1. Purpose of report

- 1.1 To seek approval to lease St Margaret's Pastures Sports Centre (SMP) to Leicester Hockey Club (LHC) that will enable their return to the city.
- 1.2 The relocation will enable the club to develop a facility suitable for their status and to enable enhanced community use of the site.

2. Summary

- 2.1 LHC are one of the city's successful sports clubs but due to lack of suitable provision in the city have been playing outside of the city for the last 10 years. They have an intended desire to return to the city. The Council currently runs SMP which is a sports facility in need of significant investment, particularly in replacement of artificial pitches. Following a review of sites SMP has been identified as the preferred location for the club to return to the city and after completing a business case to confirm their ability to manage and improve the site terms have been agreed for a lease to them.

3. Recommendations

- 3.1 It is recommended that LHC are granted a 25 year of St Margaret's Pastures on the terms as outlined within the report

4. Report:

- 4.1 SMP is a small dry side sports facility that is currently operated by Sport Services. The site consists of:
 - 1 x full size sand filled Astroturf pitch marked out for hockey and football
 - 4 x 5 / 7 aside 3G rubber crumb filled pitches and 1 multisport area
 - Bar facility / lounge
 - 4 x Male changing rooms
 - 2 x Female changing rooms
 - Officials room
 - First Aid room
- 4.2 Leicester Ladies Hockey Club (LLHC, formed in 1894) is one of the oldest and most successful women's hockey clubs in England. They were

awarded Freedom of the City of Leicester in April 2014 in recognition and appreciation of the honour and distinction brought to the city by their sporting achievements. Which was further underlined when they became the European Club Champions in June 2014. For the past 10 years they have been tenants at Leicester Grammar School which is about 7 miles out of the City. The Club have a desire to return to the city and following a review of potential bases, SMP has been identified as the preferred option due to it being the only Council facility that has hockey provision and was the most suitable fit, when considered against their relocation criteria.

- 4.3 The club has regularly been the number one team in England and wants to create a permanent home at SMP to regain and cement its position nationally. They also aim to increase club members by growing the competitive programmes at the facility.
- 4.4 Similarly, the club have ambitions to develop top class hockey coaching programmes to and for the community. They intend to create expert coaching programmes for grassroots hockey and to reach out to the community with a range of community development initiatives including: schools, college and university coaching and sessions for people new or returning to the game.
- 4.5 In January 2018 LHC were asked prepared a business case based on criteria set by officers in accordance with the principles laid down in the Councils Community Asset Transfer policy. Some examples of what was tested included: the club's financial viability, facility management experience, health and safety policies, intended ICT systems etc. Of particular importance was the retention of existing users in the building, particular football users and the expansion of hockey participation.
- 4.6 Officers from finance, property, procurement, ICT, sports and legal assessed the business plan concluding that the club had met the necessary requirements to be granted a lease.
- 4.7 The site is to be offered on a 25-year lease to the organisation at an initial rent of a peppercorn for three years, rising to £10,000 in year 4 and £20,000 in year 5. The rent will be reviewed 5 yearly thereafter. The tenant will take on full repairing liability for the building and be responsible for all outgoing.
- 4.8 The hockey pitch at SMP is at the end of its useable life and requires imminent replacement. LHC are able to access external funding that will allow the Council s106 investment to be matched. The extra investment will allow the club to replace the current pitch with a high end water based pitch.
- 4.9 The Council's position in ensuring the availability of this facility for local groups will be ensured. For football this will be through preventing any increase in hire charges in the first 12 months and ensuring existing users have use of the facilities protected for 24 months. For hockey existing use and hire charges will be protected until the new water-based hockey pitch has been built. During construction of the new surface, LHC and the Council

will support any users effected by these works to find an alternative place to play. With the aim that past users will be welcomed back to St Margaret's Pastures once construction is complete.

- 4.10 In addition the user clause will ensure that these buildings remain accessible to the whole community, their business case will be attached to the lease, with any failure to comply with the ethos of transfer resulting in the activation of a landlord break clause to end the lease if the organisations fail to deliver the services offered in the bid, or alternatively the rent may revert to a market level to reflect any reduced compliance.
- 4.11 The proposed letting is at less than best consideration, as the property has not been fully available in the market place with only LHC being invited to bid.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 The ongoing financial implications of leasing St Margaret's Pastures Sports Centre (SMP) building to Leicester Hockey Club (LHC) will be minimal as LHC will be responsible in running the facility.

5.1.2 There will be a potential small financial loss due to the recent surpluses (surplus of £29k in 2017/18) achieved by the service, however this will be partly offset by rental income of £10k in year 4 and going up to £20k from year 5 onwards.

Rohit Rughani, Finance Officer – ext.37 4003

5.2 Legal implications

5.2.1. In respect of the proposed grant of a lease as set out in this report, the Council will need to comply with its legal obligation to obtain the best consideration reasonably obtainable in the sale of land and property, under s.123 of the Local Government Act 1972 (as amended). The Council will also need to have regard to its general fiduciary duty to obtain best value for its taxpayers in respect of a disposal.

5.2.2 The Council is permitted to dispose of land and property for less than best consideration in accordance with the General Disposal Consent 2003. This permits the Council to dispose of land at less than best consideration where the Council thinks the disposal will contribute to the social, economic and environmental well-being of the area. The undervalue must not exceed £2m of the unrestricted value of the site. Consideration of whether the proposal

will achieve these objectives will be based on an assessment of the business case submitted and be in accordance with our stated approach as contained in the Framework for Property Disposals and policy on disposal of Assets of Community Value, and the lease documents should include appropriate provisions both for achieving these objectives. On the basis of the information contained in this Briefing, it appears that the proposal is likely to be compliant with the Consent.

5.2.3. St Margaret's Pastures is subject to a restrictive covenant imposed by the St Margaret's Select Vestry and contained in the conveyance originally transferring the land to the Leicester Corporation. The covenant requires the land to be used for recreation but 'for the free and uninterrupted use and enjoyment of the public'. If the Council wish to sell or grant a long lease of the land then this covenant will be breached as the land will no longer be freely available for public use. The Council has recently been notified that St Margaret Charities, which incorporates the St Margaret's Select Vestry have no objections to the proposed lease provided that any public rights of way across the land are preserved.

5.2.4. Consideration should also be given to the Council's obligation to advertise any proposed disposal of public open space in accordance with s.123 (2) (A) of the Local Government Act 1972 (as amended).

5.2.5 Consideration should also be given in respect of funding. Funding of £350k is being made available by the Council (s106), which may constitute State Aid. There are restrictions on the amount of funding which can be given. This is usually 200,000 Euros over 3 years. Further aid can only be given if this comes within a General Block Exemption.

John McIvor, Principal Lawyer, ext. 37-1409

5.3 Climate Change and Carbon Reduction implications

5.2.1 The removal of St Margaret's Sports centre from the council's portfolio of facilities will remove around 60 tonnes of carbon emissions from its carbon footprint. This is equivalent to 0.48% of the total emissions from its corporate buildings in 2017/18. The asset transfer will have little or no impact on Leicester's city-wide carbon footprint, as the community organisation will continue to make similar use of the building.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.4 Equalities Implications

5.4.1 The Council's Public Sector Equality Duty (PSED) as set out in the Equality Act 2010 requires decision makers to be aware of and take account of the impact of its proposals on those likely to be affected.

5.4.2 The Council's Community Asset Transfer policy seeks to deliver benefits to the local community, benefits to the Council and other public sector service providers, and benefits for the organisation taking ownership. From an equalities perspective, the most relevant consideration is that of benefits to the local community.

5.4.3 The requirement for the organisation to preserve and possibly expand the existing community offer will help to minimise the risk that the decision to lease to a community organisation will impact negatively, from an equalities perspective. Monitoring of performance will ensure that the offer provided is accessible to and meets the needs of people from across all protected characteristics – protected characteristics under the Equality Act 2010 are age, sex, sexual orientation, gender reassignment, religion and belief, race, pregnancy and maternity, marriage and civil partnership and disability. Should the group fail to comply with the requirements and the rent is increased or the lease is withdrawn, consideration must be paid to how the service will be able to continue in such a way that will not disproportionately impact on those with a particular protected characteristic.

5.4.4 The criteria which the community organisation must meet in their business case submission; to submit their equal opportunities policy and to demonstrate a commitment to equal opportunities and diversity, helps to ensure that the organisation have an inclusive and accessible approach which meets the needs of the community. This should extend to people from across all protected characteristics, in order to ensure that no one is unlawfully discriminated against on the basis of a protected characteristic.

Hannah Watkins, Equalities Manager - ext. 37 5811

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

None

7. Summary of appendices:

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"?

No

