

Meeting: Cabinet

Date: 27th September 2022

Wards affected: St Peters with St Mary

Report Title: Lease Extension renewal – Brixham Rugby Club, Astley Park.

When does the decision need to be implemented? As soon as possible

Cabinet Member Contact Details: Councillor Swithin Long, Cabinet Member for Economic Regeneration, Tourism & Housing, 07419 111618, Swithin.Long@torbay.gov.uk

Director Contact Details: Kevin Mowat, Director of Place, 01803 208433, Kevin.Mowat@torbay.gov.uk

Supporting Officer Contact Details: Paul Palmer, TDA Head of Assets & Facilities Management, 01803 926391, paul.palmer@tda.uk.net

1. Purpose of Report

- 1.1 To propose that Torbay Council enter into a new long lease agreement with the existing tenant which will permit further investment and access to funding. The new lease will provide additional security of tenure over that already in existence under the current agreement.

2. Reason for Proposal and its benefits

- 2.1 We want Torbay and its residents to thrive and have a good quality of life with access to excellent schools, affordable housing and great local amenities. We will promote good mental and physical health by providing early help.
- 2.2 Torbay can offer an unrivalled quality of life for individuals and families – its natural environment, clean air, climate, location, excellent schools, growing arts and cultural sector and wide range of outdoor activities and facilities means that Torbay can provide everyone with the opportunity to live a healthy and fulfilled life.
- 2.3 The proposal in this report will help the Council to deliver this ambition by allowing the current tenant to invest in the facility and enable the tenant to realise it's ambition of rising through the Rugby National League structure and have facilities that equal that ambition.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Chief Executive, in consultation with the Director of Finance and the Cabinet Member for Economic Regeneration, Tourism and Housing, be authorised to agree terms and enter into a new lease of 150 years, that will replace the existing agreement and provide the tenant, Brixham Rugby Football Club with security of tenure to permit access to funding to undertake further improvement to the facilities.

Appendices

Appendix 1: Brixham Rugby Club Site Plan – B0198AB

Background Documents

Part 2 Exclusion – Heads of Terms

Supporting Information

1. Introduction

- 1.1 The Tenant occupies the grounds and facilities under a tenancy agreement that was granted in 1976. This tenancy is in essence a perpetuity agreement that permits the club to use the grounds and facilities indefinitely, until such time as Brixham Rugby Football Club disbands and no longer requires the asset. There is no rent payable under this agreement. This agreement would only end in the event the club disbanded and ceased to play rugby on the grounds. If this occurred, the ground and facilities would then revert to Torbay Council.
- 1.2 The club have been playing rugby on the site since the 1890's and are approaching their 150th anniversary. The grounds were originally in private ownership until the early 1930's when the then owner, got into financial difficulties. As a consequence, the site was sold to Brixham Urban District Council, with covenants protecting the use of the ground. The site subsequently transferred to Torbay Council following the re-organisation and merging of the local councils in 1968.
- 1.3 In recent years the club has invested heavily in the facilities, including the extension of the changing rooms, improvement of reception, additional hospitality space and the improvement of the grounds more widely. Because of the nature of the current agreement, access to grants from sports bodies is limited. Funds for development of the facility have therefore been obtained through profits made through the club and the provision of personal guarantees by specific Board Members.
- 1.4 The club is well resourced, with good membership levels of c.450 people and employs a range of full and part time staff through its management committee. The club has a full set of playing teams including 1st, 2nd and 3rd men's teams, colts and ladies' team. They also have a junior teams across the age ranges from 7 – 16 years and a rugby 4's club.
- 1.5 The current Chairman of the club recently approached the Council about the possibility of obtaining the freehold interest of the site. Whilst this was not considered acceptable as it would set a precedent for other sports clubs making similar requests, given the unique nature and the rights of occupation found in the existing agreement, a new 150-year lease agreement was proposed.
- 1.6 Terms of the new lease have been proposed that would protect the tenant under the Landlord & Tenant Act. The new lease does restrict the use of the site for the purpose of playing rugby, training and social activities associated with rugby.

2. Options under consideration

- 2.1 The club approached the Council, unsolicited to ascertain the likelihood of a freehold disposal. The offer of a leasehold arrangement is a compromise which the club is prepared to accept, subject to final agreement of the terms. The Council is under no obligation to consider a change in the lease arrangement. The alternative would be for the Council to reject the proposal with the existing arrangements continuing as they have done since 1976. The club clearly have further ambitions to invest in the facility and wish to secure the finances that isn't wholly reliant upon commercial loans and personal guarantees. The current Chairman and Board wish to secure the future of the club, but if the status quo were to remain as currently, then there would be a reluctance to invest as heavily as previously.

3. Financial Opportunities and Implications

- 3.1 Given the existing terms, including a peppercorn rent there are no proposals to set a market rent in the new agreement. As a consequence, there are no financial opportunities or implications in the new proposal.

4. Legal Implications

- 4.1 The proposed lease will be formalised and documented by Torbay Council Legal Services. The existing 1976 agreement will be extinguished on completion of the new lease by way of a Deed of Surrender.

5. Engagement and Consultation

- 5.1 No engagement or consultation is planned.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 Not applicable.

7. Tackling Climate Change

- 7.1 Whilst there are no immediate plans by the Tenant to undertake improvement works, any that do follow, will be required to seek planning approval with associated conditions attached to the planning consent. The Council will manage its land and buildings and guide future decision making towards creating a carbon neutral estate by 2030.

8. Associated Risks

- 8.1 Whilst there are no significant risks if the proposal is not implemented there would however likely be a lost opportunity afforded to the tenant, that may result in the reduction of investment in the facility.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			There is no differential impact.
People with caring Responsibilities			There is no differential impact.
People with a disability			There is no differential impact.
Women or men			There is no differential impact.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			There is no differential impact.
Religion or belief (including lack of belief)			There is no differential impact.
People who are lesbian, gay or bisexual			There is no differential impact.
People who are transgendered			There is no differential impact.
People who are in a marriage or civil partnership			There is no differential impact.
Women who are pregnant / on maternity leave			There is no differential impact.
Socio-economic impacts (Including impact on child poverty issues and deprivation)	The granting of a long leasehold and any subsequent investment in the site is likely to		

	have a positive impact on locality.		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact.

10. Cumulative Council Impact

10.1 None.

11. Cumulative Community Impacts

11.1 None.