



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

# Cabinet

13 October 2020

**Report of:** Councillor Barry Dobson

The Deputy Leader of the Council



## Lease of Linchfield Road

The existing leisure centre at Deeping St James is approaching the end of its life and the Council is currently undertaking feasibility work with a view to developing a new leisure centre in this location. Negotiations have taken place with a view to acquiring a leasehold interest in the Linchfield Road Playing Field site to secure this for the development of a new leisure centre.

### Report Author

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Corporate Priority:	Decision type:	Wards:
Growth	Key	Deeping St James

<b>Reviewed by:</b>	Chris Pike, Assets and Estates Manager	25 September 2020
<b>Approved by:</b>	Karen Bradford, Chief Executive	5 October 2020
<b>Signed off by:</b>	Councillor Barry Dobson, The Deputy Leader of the Council	5 October 2020

### Recommendation (s) to the decision maker (s)

1. Notes the contents of this report and approves the Council entering into a leasehold arrangement to secure the Linchfield Road Playing Field site for development and to agree to meet third parties legal costs.
2. Provides delegated authority to the Chief Executive, in consultation with the Leader of the Council, to agree the final terms of the lease.
3. Agrees to provide a Letter of Intent to the Football Foundation in order to commence an application for funding to develop an ATP on the site.

# 1 The Background to the Report

- 1.1 The Council is currently undertaking feasibility work in order to identify schemes of improvement to the Council leisure facilities across the district.
- 1.2 Due to the age and condition of the current leisure centre in Deeping St James, the feasibility work has focused on providing a new leisure facility in this area. In September 2019 the Council announced the playing field site on Linchfield Road, Deeping St James to be the preferred location for a new centre.
- 1.3 The work completed to date has included a proposed site masterplan. This has demonstrated that the Linchfield Road playing field site is large enough to accommodate the necessary footprint of a leisure centre and provide associated parking for the facility, with minimal impact on the existing playing fields.
- 1.4 There are complex land ownership arrangements in relation to the site, and Lincolnshire County Council (LCC), Deeping St James Parish Council and the Anthem Schools Trust (Deepings School) all currently have a legal interest in the two parcels of land that make up the site.
- 1.5 Appendix One to this report is a site plan, the area of land outlined in blue is the part of the site which is owned by Deeping St James Parish Council. This land is currently leased to the Anthem Schools Trust and, in order for Deeping St James Parish Council to grant a lease to South Kesteven District Council, the school will need to surrender their interest in the land. They have agreed to do this subject to obtaining the necessary consent from the Department of Education.
- 1.6 Appendix Two to this report is a site plan detailing the part of the site currently owned by Lincolnshire County Council, this again is outlined in blue. As negotiations have progressed it has become apparent that Lincolnshire County Council should have transferred their interest in the site to the Anthem Schools Trust when the school became an Academy. As a result of this Lincolnshire County Council are currently in the process of formalising these arrangements and therefore it will be for the school to agree the lease arrangements to the District Council.
- 1.7 Draft Heads of Terms have been agreed with both Deeping St James Parish Council and the Anthem Schools Trust. It is proposed that South Kesteven District Council be granted a lease of each of the parcels of land that make up the site at a peppercorn rent of £1.
- 1.8 The proposed term for the land owned by Deeping St James Parish Council is for 99 years. The Anthem Schools' Trust have requested a term of 125 years as this is a standard length of term that is accepted by the Department of Education. Appropriate break clauses have been considered to ensure the Council can break the terms of both leases concurrently should this be necessary at an appropriate time in the future.
- 1.9 There are conditions associated with the proposed arrangements. These include:
  - a) South Kesteven District Council will be responsible for the Anthem Schools Trust's legal costs in relation to surrendering their leasehold interest in the land owned by Deeping St James Parish Council and obtaining the necessary consent from the Department of Education. The District Council will also be responsible for the legal costs of Deeping St James Parish Council.
  - b) The Anthem Schools Trust will have sole use of the playing fields only for the duration of the school day during term time as these are required to support the school curriculum.

The Council will receive a contribution towards the upkeep and grounds maintenance arrangements in return for this and a service level agreement will be developed which sets out how the contribution will be calculated.

c) The District Council will be responsible for the costs associated with the demolition of the current leisure facility once the new centre is operational. These costs have been assessed to be circa £370,000 as part of the feasibility work undertaken and have been included as part of the capital cost of developing the new centre. In addition to this the District Council will need to make good an adjoining wall on one of the school buildings to ensure this is safe and watertight. The District Council are in the process of obtaining a cost for these works, and it may be possible to add this into the main works contract for the development of the leisure centre. The school have indicated that they will accept the most cost effective option for the Council.

d) Deeping St James Parish Council have requested that the District Council continue to explore the purchase of additional land should this be necessary, and also that the Parish Council receive regular updates with regard to the proposed leisure centre development.

- 1.10 Once the current Deepings Leisure Centre has been demolished it is the intention of Lincolnshire County Council and the Anthem Schools Trust to build a new sports hall on the school site for sole use by the school. The school and Lincolnshire County Council have agreed to enter into an agreement with the District Council that this facility will not be used for community leisure purposes and therefore will not compete with the new leisure facility.
- 1.11 There is currently an old sand based artificial pitch on the Linchfield Road site. Unfortunately, the District Council had to make the decision to close this facility in January 2020 due to health and safety concerns relating from the age and condition of the pitch.
- 1.12 This decision has had a significant impact on the users of Linchfield Road playing fields and resulted in a lack of available training facilities. These issues were particularly exacerbated by the condition of the grass pitches due to the adverse weather experienced at the start of this year.
- 1.13 As a result of the closure of the artificial pitch the District Council were contacted by the Football Foundation who have identified the Deepings as a priority area for the provision of a artificial turf pitch (ATP). As a result of early discussions, the Council have been invited to submit an application for funding and have set aside £200,000 as part of the capital budget to support this application, if it is successful.
- 1.14 In order to open the funding application, the District Council will need to demonstrate that the terms of a lease of the site are agreed and also provide a letter of intent, that they intend to formally enter into a lease for the site. This is necessary due to the considerable costs the Football Foundation will incur in the early stages of the application process in relation to site feasibility works.
- 1.15 If the application for funding is successful, the District Council will need to have entered into the respective leases in advance of any funding being drawn down. It is currently proposed that the funding application should be submitted by January 2021, this will allow consideration of the application in the April 2021 funding round. This could see the development of the ATP completed by October 2021.
- 1.16 Any funding provided by the Football Foundation is in the form of a grant, and a condition of the grant will be that the Football Foundation will place a restriction on the title information held at the Land Registry for a period of twenty-one years. This is to protect the Football

Foundation's investment and to ensure that the site cannot be sold at a later date without them being notified.

- 1.17 Although the application is to the Football Foundation there are opportunities to ensure additional sports can use the ATP for training. In addition, as a condition of the funding there will be a need to ensure that activities are provided for under-represented groups.

## **2 Consultation and Feedback Received, Including Overview and Scrutiny**

- 2.1 Since October last year there have been a number of meetings held with representatives of Deeping St James Parish Council, The Deepings School (Anthem Schools Trust) and Lincolnshire County Council.
- 2.2 The District Council have commissioned LK2 to advise on the application process to the Football Foundation. Before the formal application process can commence a suggested programme of use has been developed to demonstrate that the ATP will serve a wide range of the local community and that there will be provision for under-represented groups. LK2 have undertaken some initial consultation with local sports clubs to assist with the development of the programme of use.
- 2.3 The potential to develop an ATP on the Linchfield Road site has been met very positively with the majority of the local community and sports clubs in the area. The exception to this is a local hockey club who have expressed dissatisfaction that the District Council are not proposing to develop a dedicated hockey pitch. Conversations have taken place with the club to explain the rationale and the District Council have also engaged in conversation with England Hockey.
- 2.4 The feasibility work currently being undertaken by the District Council in relation to the leisure enhancement programme has also identified a latent demand for a 3G football pitch as part of the new leisure centre development.

## **3 Available Options Considered**

- 3.1 The current centre in Deeping St James is a well-used and valued community facility which was built in 1974. The option to refurbish the centre has been considered but, as the centre is approaching the end of its economic life, this is not an appropriate or cost effective solution. Therefore, the feasibility work undertaken has focused on a replacement build and identification of a suitable site.
- 3.2 Prior to the District Council announcing the Linchfield Road site as the preferred location for the new leisure centre developments discussions had taken place with various landowners in the Deepings area. At the time, all discussions were centred on residential land values which would add in significant costs to the capital envelope required.

## **4 Preferred Option**

- 4.1 The playing field site at Linchfield Road is already an established area for sport and leisure. The development of a leisure centre on this site will complement the existing provision and provide a focal point for sports provision.
- 4.2 The proposed leasehold arrangements provide the District Council with a cost-effective solution to secure a site for leisure development. This will ensure the funds available can be invested on developing the local facility instead of land costs.

## **5 Reasons for the Recommendation (s)**

- 5.1 There is a real commitment from all parties to bring forward a new leisure centre on the Linchfield Road Playing Field site. Acquiring a leasehold interest in the land will allow the District Council to begin the work to bring the new centre forward, subject to the business case being approved and a capital envelope secured for the development.
- 5.2 Whilst the draft Heads of Terms are agreed at this stage, there may be final details to be worked through. Providing delegated authority to the Chief Executive, in consultation with the Leader of Council to agree the final terms of the lease will allow for any minor changes to be incorporated.
- 5.3 The Football Foundation have identified Deepings as a priority area for the development of an ATP. If the District Council cannot secure the land and begin the application process, the Football Foundation may need to consider alternative sites.
- 5.4 The proposed “letter of intent” will allow the District Council to begin the necessary application process to the Football Foundation in order to bring forward a new ATP development at the earliest opportunity. As early consultation has shown this is a much-needed facility to bridge the gap in provision left by the closure of the artificial pitch on this site.

## **6 Next Steps – Communication and Implementation of the Decision**

- 6.1 Should the recommendations within this report be supported, instructions will be provided to the District Council’s legal advisers in order to begin the necessary work to enter into final negotiations with the relevant parties and to begin preparing the leases.
- 6.2 A “letter of intent” will be provided to the Football Foundation in order for the District Council to commence the formal application process. This will include full consultation with all interested stakeholders and potential users of the site.
- 6.3 The District Council is currently developing the business case for the proposed new leisure centre. A further report is scheduled for the Cabinet meeting on the 3 November 2020, this report will contain proposals for the new centre including the results of the feasibility work, and the revenue and capital implications of the development.
- 6.4 Prior to the November meeting of Cabinet there is a commitment to hold a joint meeting of Culture and Visitor Economy Overview and Scrutiny Committee and Finance, Economic Development and Corporate Services Overview and Scrutiny Committee. This will provide an opportunity to share the plans and rationale behind them and allow for appropriate input and scrutiny.
- 6.5 It is also proposed that an update is provided on the proposed new leisure centre as part of an All Member Briefing session scheduled to be held on the 20 October 2020.

## **7 Financial Implications**

- 7.1 The capital budget for the current financial year includes an allocation of £200k towards the replacement ATP. It will be necessary to re-allocate the budget into the 2021/22 capital programme to match the grant funding process of the Football Foundation. As set out in the report, there are no significant financial implications arising from the lease arrangement for Linchfield Road.

**Financial Implications reviewed by: Richard Wyles, Interim Director of Finance**

## **8 Legal and Governance Implications**

- 8.1 This lease arrangements puts the lease holdings of the site on a proper legal footing so that there is clarity for all parties.

**Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance**

## **9 Equality and Safeguarding Implications**

- 9.1 As part of the Football Foundation application process the District Council will need to evidence that there are appropriate Safeguarding and Equality and Diversity policies in place and that the facility will be managed in accordance with those.
- 9.2 As part of the proposed programme of use the District Council will need to ensure that under-represented groups are actively encouraged to use the 3G facility.

## **10 Risk and Mitigation**

- 10.1 There is a risk that the District Council will be unsuccessful in the application to the Football Foundation. Support has been commissioned from LK2 who have an excellent track record of securing Football Foundation funding for Councils and other organisations.

## **11 Community Safety Implications**

- 11.1 None.

## **12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?**

- 12.1 Any development funded by the Football Foundation will need to be constructed by one of their nominated contractors to strict development guidelines. These guidelines include energy efficiency measures including LED floodlighting.
- 12.2 The existing leisure centre building was built in 1974 and does not have the same level of thermal insulation as a modern building. The boilers and other mechanical equipment are now in excess of 40 years old and inefficient. The proposed new leisure centre will be designed and built in line with the current building standards, this will include a new efficient boiler and associated plant which will assist the Council in reducing its carbon footprint.

## **13 Appendices**

- 13.1 Appendix One – Site Plan, Deeping St James Parish Council land.
- 13.2 Appendix Two – Site Plan, LCC/Anthem Schools Trust land.

<b>Report Timeline:</b>	Date of Publication on Forward Plan (if required)	14 September 2020
	Previously Considered by:	Not applicable
	Final Decision date	13 October 2020