



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Finance and Economic Overview and Scrutiny Committee

Monday, 13 July 2026

Report of Councillor Paul Stokes
Deputy Leader of the Council, Cabinet
Member for Leisure and Culture

Call in - Lease to Grantham Town Football Club

Report Author

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Purpose of Report

For the Committee to scrutinise the Officer Delegated Decision (ODD) for the Council to enter a 25-year lease with Grantham Town Football Club.

Recommendations

The Finance and Economic Overview and Scrutiny Committee is asked to:

- 1. Consider the terms of the proposed lease between the Council and Grantham Town Football Club.**
- 2. Determine the appropriate course of action in relation to the proposed lease.**

Decision Information

Does the report contain any exempt or confidential information not for publication?

Yes – appendices 1, 3 and 4 are exempt under Paragraph 3 of Schedule 12A of the Local Government Act 1972 because they contain sensitive information relating to the financial or business affairs of a particular person (including the Council).

What are the relevant corporate priorities? Connecting Communities

Which wards are impacted? Grantham Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The financial implications for this proposal are set out in the supporting documentation.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 A request was made by five members of the Council, to the Proper Officer to call this ODD in.
- 1.3 The Finance and Economic Overview and Scrutiny Committee have the option to refer the decision back to the Deputy Chief Executive for reconsideration setting out in writing their concerns. Alternatively, they could choose to refer the matter to Full Council or choose to do nothing.

Completed by: James Welbourn, Democratic Services Manager

2. Background to the Report

- 2.1 The Council's previous lease with Grantham Town Football Club ("the Club") expired on 25 March 2022. Since that time the Club has continued to occupy areas within the Stadium under hold over arrangements, the Council receiving the lease payment which was due under the previous lease arrangement. The annual payment being made is detailed in **Exempt Appendix One**.
- 2.2 The Northern Premier League require a football club to have security of tenure to enable league matches to be scheduled. In the absence of the revised lease being signed the Council has provided a letter of security to the Northern Premier League for the 2026/27 football season.

- 2.3 On 4 June 2026 the Deputy Chief Executive and s151 Officer enacted an Officer Delegated Decision for the Council to enter a 25-year lease with Grantham Town Football Club, the lease to provide access to identified areas within the South Kesteven Sports Stadium ("the Stadium"). A copy of the Officer Delegated Decision is attached to this report at **Appendix Two**.
- 2.4 **Exempt Appendix Three** contains details of the Heads of Terms which have been agreed between the Council and the Club and are to form the basis of the proposed lease.
- 2.5 The Officer Delegated Decision for the Council to enter a 25-year lease with the Club has been called in. The reasons for the call in and responses are detailed below:
- 2.6 **Openness and transparency:**

The financial terms of the undervalue have not been shared. Councillors cannot assess whether this decision is in the public interest without that information being available. This is a 25-year commitment of a public asset, a decision of significant long-term consequence that, under principles of good governance and open decision-making, should be subject to democratic scrutiny before it is made.

Response:

Details of the current lease payment are included in **Exempt Appendix One**. In considering a lease payment for the new lease, a valuation exercise has been undertaken. Two leasehold valuation amounts were calculated in May 2024 by Lambert Smith Hampton based on the Club's previous demise, in accordance with the requirements of the Local Government Act 1972. One valuation forms an unrestricted open market valuation, and the second on a restricted basis considering market conditions based on an extended lease term for the Club at the previously passing rent. Negotiations have been entered into with the Club having consideration of the previously agreed lease arrangement, the social benefit of the Club to the town and the Club's current financial position, to reach a mutually agreeable proposed annual rental figure.

In light of the protracted period of negotiation and to provide further transparency about the proposed lease, a refreshed valuation of both the restricted and unrestricted value of the leasehold interest has been procured from Mather Jamie Chartered Surveyors which is attached to this report at **Exempt Appendix Four**. The revised valuation supports an improved leasehold valuation figure based on the proposed terms in comparison to that of the previous lease.

The Heads of Terms also confirm the additional financial contributions the Council will receive in terms of a recharge for utilities, and payments for pitch rental and floodlight use.

In addition to the above, the Club are currently responsible for the grounds maintenance of the pitch and associated areas at their own cost. This will continue under the proposed lease arrangement.

The term of the proposed lease has been agreed at 25 years. This is to ensure that the Club can apply to the Football Foundation for funding to improve the Stadium and the grounds. The Football Foundation require a lease of at least 21 years to be in place before any funding can be granted.

2.7 All relevant considerations:

A 25-year lease of a public sports stadium has potential operational impacts on co-located Council services and facilities. There is no evidence in the public-facing decision notice that those impacts have been assessed or that affected service providers have been consulted.

Response:

The majority of the areas identified within the Heads of Terms are currently occupied by the Club, and therefore a renewal of the lease arrangement does not impact any other users of the Stadium.

The only addition within the proposed lease is the inclusion of the back pitch area. The proposal to grant the lease, including the back pitch area, has been advertised in the local paper in accordance with Section 123 of the Local Government Act 1972, allowing members of the public and interested parties to comment on the proposal. No negative responses were received.

Grantham Athletics Club are the only regular hirer of the Stadium. Representatives have been fully consulted on the proposed lease arrangement which will not impact their usage.

In addition, one-off or annual hires will not be impacted and there is provision within the proposed lease that these will continue.

2.8 Due diligence and consultation

There is no evidence in the public-facing decision notice that all relevant parties with an operational interest in the site have been consulted prior to the decision being taken.

Response:

In addition to the information contained within paragraph 2.7, as the Council's leisure operator, LeisureSK Ltd has been fully consulted on the plans to enter the lease and the details contained within the Heads of Terms.

3. Key Considerations

- 3.1 There is currently no formal lease in place between the Council and Grantham Town Football Club with the previous lease having expired in March 2022. Negotiations between the Council and the Club have been ongoing since that time to form the basis of the Heads of Terms which have been mutually agreed.
- 3.2 Until such time as the Club can provide a signed copy of a lease which guarantees them the use of the stadium for at least 21 years, it is not possible for them to apply for any funding to improve the Stadium or the grounds.

4. Other Options Considered

- 4.1 The negotiations between the Council and the Club have been long and protracted. The Club still require the use of the stadium and are keen to enter a lease, therefore the 'do nothing' option has been discounted.

5. Reasons for the Recommendations

- 5.1 As detailed within the body of this report the Officer Delegated Decision for the Council to enter a 25-year lease with Grantham Town Football Club has been called in. Responses have been provided to the reasons that the call in was enacted.
- 5.2 Members are asked to consider the information provided raising any further clarifications and to determine the appropriate course of action.

6. Background Papers

- 6.1 [Report to Culture and Leisure Overview and Scrutiny Committee 4 February 2025](#)

7. Appendices

- 7.1 **Exempt Appendix One** – Details of existing lease payment
- 7.2 **Appendix Two** – ODD Lease of the Stadium
- 7.3 **Exempt Appendix Three** – Heads of Terms
- 7.4 **Exempt Appendix Four** – Additional Independent Valuation

7.5 **Appendix Five** – External Areas Plan

7.6 **Appendix Six** – Ground Floor Plan

7.7 **Appendix Seven** – First Floor Bar Area Plan