

Meeting: Council

Date: 21st July 2016

Wards Affected: Cockington with Chelston / Tormohun

Report Title: Torre Valley North Sports Lease

Is the decision a key decision - No

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

Executive Lead Contact Details: Mayor (Mayor Gordon Oliver) Executive Lead for Finance and Regeneration, 01803 207001

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1. Proposal and Introduction

- 1.1 In 2012, following an approach to Torbay Council, lease terms were offered to the Torre Valley Sports Group CIC (Community Interest Company) for a 40 year lease of Torre Valley North Playing Fields, this was initially for a rent of £4,000 pa. However, during negotiations Torbay Council suggested that it wanted to see investment in the playing fields. As a consequence, to ensure that the lease to the Torre Valley Sports Group CIC was viable and sustainable, for the tenant, it was agreed that the rent payable would be reduced from £4,000 pa to £2,000 pa for the first 5 years of the term. Also, during negotiations the lease term was reduced to 30 years at the request of the National Playing Fields Association as they hold a Deed of Dedication over the site.
- 1.2 Following protracted discussions the lease was finally ready to be signed and completed in April 2016. However, in February 2016 the Council's Corporate Asset Management Plan 2015 ~ 2019 was updated and a new version adopted by the Council. This Plan forms an important part of the Council's Policy Framework.
- 1.3 The revision version of the Corporate Asset Management Plan inserted the following statement, "*Due to the financial challenges facing the Authority and the possible future reductions in Revenue Support Grants (RSG), unless there is specific approval at Full Council to the contrary, the Council will always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest*".

- 1.4 The rent previously agreed with Torre Valley Sports Group CIC is some 50% below the market rent that could be achieved for this playing field.
- 1.5 It is now appropriate to grant a lease to the Torre Valley Sports Group CIC that is in accordance with the 'overarching sports lease strategy' identified in the revised Corporate Asset Management Plan. The aim of the generic approach to sports leases is to provide a speedier, more consistent and transparent approach, for all concerned, which will hopefully help to reduce further delays and manage the expectations of the clubs. However, although the recommendation is that this lease is to be granted at the appropriate market rent it is also proposed that a 30 month rent free period should be offered so that the average rent over the first five years is equivalent to the originally agreed rent of £2,000 pa, which had been made in good faith. This proposal recognises the change in the Council's policy during the protracted period of lease negotiations, which has resulted in a higher rent position.

2. Reason for Proposal

- 2.1 The Corporate Asset Management Plan 2015 ~ 2019 is a Policy Framework document and as stated the Council will always seek to maximise full market rent. Any reductions below market rent would need to be agreed by Council prior to authority being given and the lease completed. A decision is therefore required by the Council to grant a sports lease which is below market rent for a period of 30 months.
- 2.2 It is appropriate to give the Torre Valley Sports Group CIC time to submit an application to the Council for a grant to offset the market rent (a grant in lieu of rent), in accordance with the procedure set out in the Corporate Asset Management Plan.

3. Recommendation(s) / Proposed Decision

- 3.1 That, the Council approves the granting of a 30 year full repairing lease to Torre Valley Sports Group CIC (Community Interest Company) at the appropriate market rent.
- 3.2 That authority is delegated to the Assistant Director of Corporate & Business Services, in consultation with the Executive Head of Business Services and the Torbay Development Agency, to approve the detailed terms of the lease.
- 3.3 That, in light of the protracted delays and the revised higher rental figure, the Assistant Director of Corporate & Business Services be authorised to offer a rent free period of 30 months, to allow the Torre Valley Sports Group CIC time to submit an application to the Council for a grant to offset the market rent.
- 3.4 That, the remaining balance of the £127,000 capital sum allocated as compensation for land taken to expand facilities at Cockington Primary School, be ring-fenced for use to improve sports facilities throughout Torbay, including, where required, any modifications to the playing fields at Torre Valley North.

Appendices

Appendix 1: Supporting Information and Impact Assessment

Background Documents

Report ~ Torre Valley North Playing Field – Background to the proposal (Head of Schools Commissioning – September 2013)

Torbay Playing Pitch Strategy and Torbay Sports Facilities Strategy October 2014 -2021