

**VICTORIA GROUND CAPITAL WORKS**

Relevant Portfolio Holder	Cllr Mike Webb
Portfolio Holder Consulted	Yes
Relevant Head of Service	John Godwin
Wards Affected	St Johns
Ward Councillor Consulted	No
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

- 1.1 The report provides members with an updated position in relation to the Victoria Ground in Bromsgrove. It outlines the results of recent dilapidation survey of the site and the opportunity to fund the associated works with a virement from an existing 2011/12 Capital Programme project.

**2. RECOMMENDATIONS**

- 2.1 The Cabinet is asked to approve the required works and to approve a virement of £42k from the 2011/12 bridge maintenance capital budget to fund the project.

**3. KEY ISSUES**

**Financial Implications**

- 3.1 Members will recall that in 2010 the Council granted a lease of the Victoria Ground to Bromsgrove Sporting and that as part of that arrangement Bromsgrove Sporting agreed to work in partnership with the Council to deliver enhanced sporting activities to the community of Bromsgrove District.
- 3.2 Members are advised that since the granting of the lease officer have meet regularly with club official and closely monitored progress, to date the club has proved to be successful.
- 3.3 As members will recall when the initial lease period was granted the Council had been unable to gain entry to the site in order to inspect the buildings with in the ground. As a result it was not possible to ascertain the condition of the site or under take essential dilapidation surveys.
- 3.4 Following the receipt of the dilapidation survey in late 2010, the club and the Council have undertaken and number of actions/improvement to the site to address the on site issues and improve the quality and experience of visiting the ground. However one area of the ground is

in such poor condition that it requires a capital investment to address the issue faced, these in the main relates to the condition of the building fabric Inc the roof, electrics and internal fittings.

- 3.5 Officers have undertaken a procurement exercise in accordance with the Councils Contract procedure Rules to ascertain the cost of returning the facility to a more usable condition and to ensure that the buildings are fully operational and comply with relevant Health and Safety requirements.
- 3.6 Members are advised that the Capital cost of returning the building to a usable condition moving forward would be approximately £42k, this includes relevant contingency budgets. All project management fees would be provided by L&CS officers and the fee agreed is on a fixed price basis.
- 3.7 Members should also be aware that the above costs were produced on the basis of providing a water tight shell with associated electrical service enhancements to make the building operable, fit for purpose and to comply with H&S legislation. All other works on site to develop the building as a community facility will be met by Bromsgrove Sporting in line with the original business case and lease arrangements.
- 3.8 If members approve the building works it is proposed that the funding be made available from an existing scheme within the 2011/12 Capital Programme to limit the financial resource required. The bridge maintenance budget has recently been reviewed by officers and as a result of procurement opportunities and options appraisals the current budget of £72k can be reduced to £30k whilst still ensuring the Councils responsibility for repairs is met. It is therefore proposed that a virement of £42k be made to support the financial requirements of the Victoria Ground works.
- 3.9 Officers are satisfied that the arrangements that currently exist between the Council and Bromsgrove Sporting are robust enough to ensure that this capital investment will enable the Bromsgrove Sporting to deliver the objectives of the business case and club development plan, whilst working with the Councils on our wider sporting objectives fro Bromsgrove District.
- 3.10 Members will need to consider the operational implications on the club as outlined below as well as consequence of not investing in the capital works and the fact that in order for any lease/service level arrangements to exist with any third party footballing provider that the ground will need to be maintained to a high standard and accessible to a cross section of the community.

**Legal Implications**

- 3.11 The lease of the Victoria Ground to Bromsgrove Sporting dated 09.09.2011 gave Bromsgrove Sporting a rent free period from 09.09.2010 to 31.12.2010 subject to carrying out specified improvement works at the ground. These works included the replacement of the roof of the Administration Building (Social Club side) and the Refreshment Outlet. By agreement this period was extended until the 31.3.2011.

A full inspection of the condition of the Victoria Ground was not possible prior to the lease being entered into by Bromsgrove Sporting due to the previous tenant holding over and failing to vacate the premises. It is understood that the inspection which has now been carried out has revealed more extensive works are required than were originally anticipated by the Council and Bromsgrove Sporting. Normally the outgoing tenant would be required to carry out the remedial works or pay damages but in this instance the tenant was insolvent under an administration process.

Under the lease terms it is possible the Council could require Bromsgrove Sporting to carry out some of the works revealed by the full inspection. However, if the cost of these works were to place Bromsgrove Sporting in financial difficulties, it is possible the Council could again be left with an insolvent tenant. Given the extent of the work required to put the ground into a safe and useable condition it is highly likely that any new tenant would require the works to be carried out before entering into a lease of the ground.

**Service / Operational Implications**

- 3.12 Although there are no direct service or operational implications for the Council, the decisions that we make will have a major impact upon those of our tenant, Bromsgrove Sporting. At present there is approximately two thirds of the main function and administration block unusable following the re issuing of the lease. The impact upon the club is that they are unable to implement their business plan fully as they can't utilise these areas to generate usage and income away from match days. Further more the club can not offer a full catering service at present as the wiring in this area is sub standard and the community outreach programme that was proposed and being developed can not commence as these areas were due to provide the classroom and tuition spaces required. Examples of usage in this area include junior sports leaders awards, coaching and referring qualifications, modern apprenticeships and community functions/events.

- 3.13 As highlighted earlier in this report the extent of the maintenance requirements were unknown until the club occupied the site, this has meant that although parties entered into the agreement in good faith the extent of the repairs required could not be fully understood or appreciated. As such the club feel that the business case produced can not be fully implemented until the Council as landlord provides all of the facilities it advertised during the procurement process.

**Customer / Equalities and Diversity Implications**

- 3.14 The proposed enhancement to the building following the Council's work by Bromsgrove Sporting will increase the availability of services to local residents and support the Council's Vision for Bromsgrove. The investment also supports the Council's Sports and Active Recreation Strategy by increasing the quality and availability of sports facilities for community use.

- 3.15 The proposals will also assist the club in improving disability access arrangements and promote increase opportunity for minority groups to participate in sporting activities.

**4. RISK MANAGEMENT**

- 4.1 The risk associated with in this report have been highlighted in the above sections and relate to the inability of the club to full fill its business case ambitions. There is also the reputational risk to be considered in the circumstances highlighted above should the virement not be approved.

**5. APPENDICES**

None

**6. BACKGROUND PAPERS**

None

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