

# Agenda Item 17

## BROMSGROVE DISTRICT COUNCIL

### Executive Cabinet

4<sup>th</sup> April 2007

#### BROMSGROVE ROVERS

Responsible Portfolio Holder	Councillor Hollingworth
Responsible Head of Service	Acting Chief Executive

#### 1. SUMMARY

- 1.1 To clarify the position with regard to the Victoria Ground which is currently leased to Bromsgrove Rovers Football Club.

#### 2. RECOMMENDATION

- 2.1 It is recommended that Cabinet note and endorse the current position with regard to the Victoria Ground.

#### 3. BACKGROUND

- 3.1 On 6<sup>th</sup> August 2003 the Council granted a lease to Bromsgrove Rovers Football Club Limited for the premises at the Victoria Ground, Bromsgrove. The lease was for 6 years and 364 days at a peppercorn rent and is due to expire in 2009. This is the lease that is currently in place.
- 3.2 In July 2005 the Executive Cabinet considered a request from the Club to grant a new lease, for a period of 10 years (the existing lease would then be surrendered). The reason for the request was that the Club would be able to seek grant aid from the Football League if the lease was for at least 10 years. The Cabinet agreed to the granting of a new lease for a term of 14 years at a rent of £13,700 per annum. Section 123 of the Local Government Act 1972 provides that a council cannot dispose of land otherwise than by way of a short tenancy (under 7 years) for less than market value unless either the consent of the Secretary of State is obtained or the grant of this lease would fall within the terms of the General Disposal Consent (England) 2003. The Cabinet agreed at that point to the payment of a grant to cover the rent.
- 3.3 No specific consideration has been given to making an application to the Secretary of State, and it is considered unlikely that the grant of this lease would fall within the terms of the General Disposal Consent (England) 2003.
- 3.4 The Council is currently in negotiations with the Club over the new lease (as agreed by Cabinet in July 2005). It should be pointed out that the terms of the lease and any potential grant aid are completely separate matters – as noted earlier the Council cannot normally provide a lease for a peppercorn rent where the terms of the lease are for more than 7 years. If the Football Club wants to

submit an application to the Council for a grant to cover the rent it can do so but this would need to be considered by the appropriate Committee of the Council in accordance with the Constitution – this Committee would be the Executive Cabinet.

3.5 The reason for the matter coming to light is because under the review of all budgets under the medium term financial plan it was identified that no income budget had been included. This has now been quite rightly rectified, in light of the Executive Cabinet's decision in July 2005. As stated earlier this does not preclude the club from applying for grant aid to cover the rent but in the spirit of open and transparent governance this needs to be considered separately and if the grant was agreed funds would have to be identified from within the revenue budget.

#### 4. CURRENT POSITION

4.1 There have been 2 meetings between the Council and Mr Herbert, the Chairman of the Football Club, to discuss the issue. The position with regard to the lease has been clarified with Mr Herbert i.e., that the current lease is the one that expires in 2009 and that if the Club still requires a longer lease this will require the annual rent to be paid. It has been further clarified that the Club can submit a grant application however this would have to be considered by Executive Cabinet.

4.2 At one of the meetings Mr. Herbert explained that a community youth football programme is being developed by a committee operating under the umbrella of BRFC in conjunction with Bromsgrove Town FC (which comprises 22 youth teams), the County Council and other community representatives and the possibility of BDC joining that programme was explored on the basis that BDC might provide funding for one year. Mr. Herbert was invited to present a business plan which met one or more of the Council's objectives and priorities and which should be prepared in conjunction with the Community Safety Team and the Sports Development Team which could then be considered by the Council with a view to the Council joining this partnership.

4.3 Mr Herbert is currently considering how he wants to proceed.

#### 5. FINANCIAL IMPLICATIONS

5.1 If the Council considered and accepted a grant application from Bromsgrove Rovers it would have to identify savings from within the revenue budget to fund it.

#### 6. LEGAL IMPLICATIONS

6.1 Included above.

#### 7. CORPORATE OBJECTIVES

7.1 Any grant application would have to demonstrate how it helped the Council achieve its objectives.

8. RISK MANAGEMENT

8.1 None with this report as it simply seeks to clarify the position. Any risks would have to be identified with regard to any grant application if and when it is considered.

9. CUSTOMER IMPLICATIONS

9.1 None with this report as it simply seeks to clarify the position. Any risks would have to be identified with regard to any grant application if and when it is considered.

10. OTHER IMPLICATIONS

Procurement Issues	None
Personnel Implications	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Environmental	None
Equalities and Diversity	None

11. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes

<i>(i.e. your own HoS)</i>	
Head of Financial Services <i>(must approve Financial Implications before report submitted to Leader's Group)</i>	Yes
Head of Legal & Democratic Services <i>(for approval of any significant Legal Implications)</i>	Yes
Head of Organisational Development & HR <i>(for approval of any significant HR Implications)</i>	Yes
Corporate Procurement Team <i>(for approval of any procurement implications)</i>	No

**12. APPENDICES**

None

**13. BACKGROUND PAPERS**

None

**CONTACT OFFICER**

Name: Kevin Dicks (Acting Chief Executive)  
E Mail: k.dicks@bromsgrove.gov.uk  
Tel: (01527) 881487