

Gloucester City Council

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| Meeting: | Overview and Scrutiny Committee Cabinet | Date: | 3rd July 2023 12th July 2023 |
| Subject: | Blackbridge Sports Hub | | |
| Report Of: | Cabinet Member for Policy and Resources and Cabinet Member for Culture and Leisure | | |
| Wards Affected: | Podsmead | | |
| Key Decision: | Yes | Budget/Policy Framework: | No |
| Contact: | Melloney Smith, Asset Management Officer | | |
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| Appendices: | 1. Plan of land to be transferred from Gloucestershire County Council | | |
| | 2. Plan of land to be leased to Blackbridge Charitable Community Benefit Society | | |
| | 3. Details of Environmental Implications | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

Following the satisfaction of a number of pre-conditions, to approve the acquisition of the freehold interest in land from Gloucestershire County Council for the purpose of leasing the land plus additional land owned by the City Council to Blackbridge Charitable Community Benefit Society (BCCBS) to build a community sports hub.

2.0 Recommendations

2.1 Overview and Scrutiny Committee is asked to consider the information in the report and make any recommendations to Cabinet.

2.2 On written confirmation from County Council that outline permission has been granted for the erection of up to 30 dwellings at New Dawn View.

2.2.1 Cabinet resolves to agree to the acquisition of land from the County Council for £1 subject to a restriction that the land acquired is used only as a community sports hub (see plan of land in appendix 1)

2.2.2 Following the completion of the acquisition of the land from the County Council, Cabinet resolves to grant a 125-year lease at a minimal rent to BCCBS (see plan of land in appendix 2)

2.3 Cabinet agrees to delegate authority to the Head of Finance and Resources in consultation with the Asset Management Team to agree the terms for the acquisition of the land from the County Council and for the disposal by way of a 125-year lease to BCCBS.

2.3.1 Authority is delegated to the Director of One Legal to prepare and conclude the necessary legal documentation to

a) reflect the acquisition terms negotiated and agreed between the County Council and the Council and to execute such documents

b) reflect the lease terms negotiated and agreed between the Council and BCCBS and to execute such documents.

3.0 Background and Key Issues

3.1 The land currently owned by the County Council is used as public open space and part used as sports pitches by local football teams.

3.2 The County Council are retaining part of their land to be disposed of as a residential development site. This land is currently subject to an outline planning application.

3.3 Subject to planning permission being granted, County Council have agreed to transfer the land (shown on plan 1) to the Council for sum of £1 on the condition that the land is leased to BCCBS for a Community Sports Hub.

3.4 BCCBS have undertaken extensive work together with Sport England, Football Association, England Hockey, the Rugby Football Union, the English Cricket Board and Gloucester Active Partnership on their project to construct a Community Sports Hub.

3.5 BCCBS has submitted a planning application for a community sports building comprising a gym, changing rooms, studio space, bar, and kitchen and an all weather flood lit pitch with associated parking. Permission was granted at Planning Committee on 6 June 2023.

3.6 BCCBS is a community benefit society established at the end of 2021. Board members have experience of delivering community building projects and of running them.

3.7 The Council has allocated £1.8 million of Section 106 money from the developer of the Civil Service Club site for sports provision mitigation. BCCBS have raised a further £3,367,000 from Youth Investment Fund, Football Foundation and UK Shared Prosperity. The scheme is estimated to cost £5 million but this will be confirmed once contracts for construction have been tendered and awarded.

3.8 BCCBS have undertaken public consultations on their plans. Richard Graham MP is supportive of the scheme. Local ward members have been consulted.

3.9 The Blackbridge Sports Hub is identified in the Gloucester City Plan 2011-2031.

3.10 An independent valuation has been commissioned to consider both the value of the land to be transferred by County Council to the Council and lease of the land from the Council to BCCBS.

3.11 Access to the land has been agreed with a third-party owner.

4.0 Social Value Considerations

4.1 This proposal supports the asset-based community development approach. The plans are the result of a passionate group who want to improve the local facilities for local people and involve other residents, community groups and sports clubs in the process. The Council has supported this approach from the beginning of the project. The project supports the Sports and Physical Activity Strategy 2023-2028.

5.0 Environmental Implications

5.1 BCCBS are committed to improving the local environment and constructing a sustainable building. See appendix 3 for more details.

6.0 Alternative Options Considered

6.1 Not to go ahead with this project - This would mean the loss of the opportunity to support the provision of a community sports hub

6.2 The Council undertakes the project itself. The Council does not have the resources to undertake this project. The Council would not be able to access such wide sources of grant funding meaning the project would not be financially viable.

6.3 The County Council deal directly with leasing the land to BCCBS – This would not meet with the County Council's Disposal Policy and the function of providing sports/leisure facilities is the Council's responsibility

7.0 Reasons for Recommendations

7.1 It is recommended that the Council support this project to provide a new sports facility in this location as it complies with both Gloucester City Council's City Plan and the Sports and Physical Activity Strategy 2023-2028.

7.2 The long lease that is proposed is offered to BCCBS by the Council will protect the land transferred for the future use as a sports facility and playing fields.

8.0 Future Work and Conclusions

8.1 The County Council need to obtain planning permission for their residential development. It is understood that the County Council may not agree the transfer of the land in the event that they are not granted planning permission on their retained land.

8.2 BCCBS have obtained planning permission for the Sports Hub and pitches. BCCBS need to go out to tender on building contract.

8.3 The County Council to transfer the land to Council.

- 8.4 After the land is transferred to the Council, the Council is required to advertise the disposal of open space relating to the long lease to BCCBS.
- 8.5 One Legal will be instructed to deal with the acquisition of the land from the County Council and to draw up the lease to BCCBS. Terms to ensure that the land and building are protected/kept for community purposes will be included in the lease.

9.0 Financial Implications

- 9.1 The cost of the project is still subject to confirmation once construction contracts have been tendered and awarded, the estimated cost is £5,000,000. Funding of £5,167,000 is available via grant funding (Youth Investment Fund, Football Foundation and UK Shared Prosperity) and s106 allocations.
- 9.2 If procurement exercise exceeds funding available, BCCBS could not go ahead with the project unless more funds were raised. There is not an obligation or expectation that the Council has to meet any shortfall in funding.

(Finance has been consulted in the preparation this report.)

10.0 Legal Implications

- 10.1 A sale or a lease of land of more than seven years is regarded as a disposal. Section 123 Local Government Act 1972 (LGA 1972) provides the Council with the power to dispose of land in any manner provided that such a disposal is for the best consideration reasonably obtainable.

The County Council is subject to a satisfactory outcome of the Disposal of Public Open Space process (Section 123). The County Council has advertised the land in accordance with s123 2(a) LGA 1972 which it has received no objections. The Council can only commence their s123 process once in ownership of the land

- 10.2 The disposal by way of a 125-year lease to BCCBS for a nominal sum is likely to be less than best consideration. The Council will therefore need to carry out a cost benefit assessment to consider its powers to dispose under the General Disposal Consent (England) 2003. This applies where the Council considers the disposal will help to promote or improve the 'social, economic or environmental well-being' of the Council's area or residents.
- 10.3 Heads of Terms relating to both the acquisition and the disposal will need to be agreed in advance by the Asset Management Team outlining the terms and appropriate restrictions on use and subject to appropriate approvals/consents being obtained.
- 10.4 Section 123 (2A) also provides that before disposal of public open space by way of lease, the Council must first advertise such proposed disposal in a local newspaper for two consecutive weeks and to consider any objections.
- 10.5 One Legal has provided advice on the timings of the acquisition and disposal of the land, the Council has indicated that it would like these to take place simultaneously,

this is unlikely to be attainable given the Council's duty to advertise under Section 123.

- 10.6 One Legal has made the suggestion that the Council discuss with the County if can grant the long lease to BCCBS prior to the County's disposal to the Council.
- 10.7 One Legal has provided advice on the potential issues of the Land Registry Registration Gap as the Council may not be the competent landlord at the time of the disposal to BCCBS.
- 10.8 In addition to the acquisition appropriate title checks and searches will be carried out before the Council is committed to acquire the land in order to ensure that the title is good and marketable,
- 10.9 Any concerns on the title will be reported to the Asset Management Team for further instruction. Ambiguities in, for example, the lease, may result in unanticipated expenditure by the Council in the future.
- 10.10 The advice of an independent valuer should be obtained and followed although it is anticipated that no money will pass upon the exchange of land, SDLT will be payable calculated by reference to the value of the land acquired.
- 10.11 There is the risk that the lease may not complete or the tenant may fail, leaving the Council with the financial responsibility for the maintenance and outgoings of the property.
- 10.12 Under the Subsidy Control Act 2022 land transactions at an undervalue are considered financial assistance. Officers will therefore need to work with One Legal to consider whether this transaction falls within the definition of a Subsidy and if it does to review whether the subsidy complies with the Principles laid down in the Act. If this transaction falls within the definition of a subsidy and the value of the transaction is over £100,000 the Council must publish details of the subsidy on the BEIS portal and interested parties are granted a right to challenge the award.

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

- 11.1 There is a risk that the County Council do not obtain planning permission on their retained land. They will need to consider whether they will transfer the land if this is the case.
- 11.2 There will be a period of time when the land is in the ownership of the Council before the lease to BCCBS is granted. It is to be noted that the Council has to be in ownership of the land before it can commence the Section 123 disposal and we cannot grant the lease until this process has been completed. There is a risk that this may delay matters if any objections are received.
- 11.3 There is a risk that BCCBS do not complete the lease on the land and the Council are left with the land to manage and maintain. The Council do have the expertise to manage playing fields together with their partners Ubico. There is demand for pitches

11.3 There is a risk that BCCBS do not complete the building or fail in the running of the facility. If the building is part built a decision will have to be made whether the Council wish to take over the project or whether another body can be found. If they fail in the management of the building, there would be the option of adding it to the leisure property contract or leasing it directly to another community group or sports club.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 The PIA Screening Stage was completed and it identified a positive impact. A full PIA was not required.

13.0 Community Safety Implications

13.1 None

14.0 Staffing & Trade Union Implications

14.1 None

Background Documents: None