

**NORTH LINCOLNSHIRE COUNCIL**

**ASSET MANAGEMENT, CULTURE AND HOUSING  
AND  
CUSTOMER SERVICES, SPORT & LEISURE  
CABINET MEMBERS**

**BOTTESFORD SPORTS HALL**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To report progress made towards leasing Bottesford Sports Hall (The Hall) to Bottesford Town Football Club.
- 1.2 To present a number of options for consideration. To approve the option most likely to secure the optimal use of the Hall by the community.

**2. BACKGROUND INFORMATION**

- 2.1 The council owns the freehold of Bottesford Sports Hall. Built in 1980, it provides approximately 1100m<sup>2</sup> of multi use sports space, predominantly in the form of a 670m<sup>2</sup> main hall.
- 2.2 The Hall shares an entrance with Bottesford Town Football Club (BTFC).
- 2.3 BTFC currently lease from the council their playing fields, all weather pitch area and site for their sports club. All of these leases were recently harmonised to offer a 50 year term to BTFC. This will enable them to apply for additional grant funding.
- 2.4 The Hall is currently used by various groups for the following activities:
  - Badminton
  - Football
  - Martial Arts
  - Hockey
- 2.5 The Hall is not used to its full capacity.
- 2.6 We have been working since November 2011 to identify options for securing the future of Sport, Leisure and Culture. We consulted with

the public and undertook soft market testing with potential partners. We then did a series of option appraisals taking into account the new council priorities.

- 2.7 The Action plan in the Securing the Future of Sport, Leisure and Culture paper identified items to progress. This was presented to the Customer Services, Sport and Leisure Cabinet Member in July 2013.
- 2.8 Leasing the Hall to a private or community partner such as BTFC could save around £25,500 per annum.
- 2.9 A long lease of up to 50 years will be required. This will enable grant funding applications for improvements to the premises.
- 2.10 In agreeing the details of any lease we will seek at the outset to protect the existing levels of community use of the facility, including all current users. Further that any changes in the future can only apply at the discretion of the council. BTFC will apply pricing structures in line with council charges at other centres. The council will have a right to veto any pricing deemed too high or low.
- 2.11 BTFC must submit a fully costed business case prior to any agreement.
- 2.12 Assuming we agree a lease, BTFC will produce annual accounts, in relation to the operation of the Hall. These will be submitted with a short report highlighting any key business and community successes or events.

### 3. OPTIONS FOR CONSIDERATION

- 3.1 **Option 1:** The council retain the Hall.
- 3.2 **Option 2:** The council grant BTFC a long full repairing and insuring lease of the Hall at a peppercorn rental.
- 3.3 **Option 3:** The council grant BTFC a long full repairing and insuring lease at a full open market rental with a rent-free period of two years. This will assist BTFC in establishing the business in addition to implementing any improvements to the Hall.
- 3.4 **Option 4:** The council grant BTFC a long full repairing and insuring lease at a base rental set at a proportion of open market value plus a share of the 'profits'. The 'profits' will be a share of any residual income remaining after all outgoings on the Hall only. The council will reserve the right to revert to full open market values in the future. This option will also apply a two year rent-free period.
- 3.5 **Option 5:** Either of option three or four above with no rent free period.

#### 4. **ANALYSIS OF OPTIONS**

- 4.1 **Option 1:** Does not yield any immediate budget savings and the opportunity of securing a community asset transfer is lost.
- 4.2 **Option 2:** Produces financial savings but does not provide a return to the council to further assist revenue budgets.
- 4.3 **Option 3:** BTFC will not agree to a lease at full market rent.
- 4.4 **Option 4:** The favoured option. This offers a 'win win' scenario and an incentive for BTFC to increase the use of the Hall for other activities and produce a further return to the council.
- 4.5 **Option 5:** May not provide BTFC with sufficient assistance to establish the business.

#### 5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

- 5.1 Option four will achieve financial savings consistent with approved targets make the necessary budget savings. It will also produce a rental income. It safeguards the future of the Hall for the community. It enables BTFC to apply for grant funding for further improvements to the Hall and supports their business growth. The council will undertake minor repairs to the premises in advance of any lease.
- 5.2 The current deficit budget for Bottesford Sports Hall is £33,480. The staffing costs will need to be absorbed within the council possibly through the filling of vacant posts. The cost of granting rate relief to BTFC will be £7,912 in 2013/2014.

#### 6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

- 6.1 Not applicable.

#### 7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

- 7.1 The Securing the Future of Sport, Leisure and Culture report outlined the exploratory talks we have held with a number of community groups and operators. BTFC are the only group identified as appropriate and willing to deliver sports services as required from The Hall.
- 7.2 There are no declared conflicts of interest.

## 8. RECOMMENDATIONS

- 8.1 That the Cabinet Member agrees in principle to the council entering into a long full repairing and insuring lease for Bottesford Sports Hall with Bottesford Town Football Club to include protecting the existing levels of community use of the facility, including all current users.
  
- 8.2 That a further report be presented in the future for approval by the Cabinet Members for Asset Management, Culture and Housing and Customer Services, Sport and Leisure setting out the detailed lease terms agreed between the council and Bottesford Town Football Club .

### DIRECTOR OF PLACES

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#### **Background Papers used in the preparation of this report**

- Securing the Future of Sport, Leisure and Culture
- Community Asset Transfer Policy