

# OVERVIEW AND SCRUTINY COMMISSION

## AGENDA ITEM 51 Appendix 2

Brighton & Hove City Council

<b>Subject:</b>	<b>Blatchington Mill School Hockey Pitches</b>		
<b>Date of Meeting:</b>	<b>Cabinet 10 November 2011 OSC 21 November 2011</b>		
<b>Report of:</b>	<b>Strategic Director, Resources</b>		
<b>Lead Cabinet Member:</b>	<b>Cabinet Member Finance &amp; Central Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jessica Hamilton</b>	<b>Tel: 29-1461</b>
	<b>Email:</b>	<b>jessica.hamilton@brighton-hove.gov.uk</b>	
<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>Hove Park</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 In May 2010 a Conditional Agreement was put in place between the Council, the Governors of Blatchington Mill School (the School) and Brighton & Hove Hockey Club Limited (the Club) setting out conditions for the funding, construction and future use of 2 hockey pitches within the school grounds. The school and the location of the hockey pitches are shown on the plan in appendix 1
- 1.2 Planning permission has now been granted and construction is due to start shortly, funded by the School, the Club and the England Hockey Board (EHB). Both the School and the Club will share use of the pitches. This property report seeks permission for the land transaction to enable the funding and construction of the project through the granting of a lease to the Club documenting their use of the pitches. The council is the freeholder of the land.

#### 2. RECOMMENDATIONS:

- 2.1 That Cabinet authorises the council to grant a lease to the Hockey Club for 20 years at a peppercorn rent, when the Conditional Funding Agreement conditions detailed at paragraphs 3.3 and 3.4 are met.
- 2.2 That Cabinet agrees that the Council loans Blatchington Mill School £350,000, funded through unsupported borrowing on the repayment terms set out in paragraph 5.1.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Brighton & Hove Hockey Club is a long established club and one of the largest in the South of England with a total of 16 teams catering for all abilities and ages. They currently use pitches at Stanley Deason Leisure Centre and the Sussex University Sports Complex but have been attempting to, for many years, obtain funding and identify a location for their own dedicated all weather pitches.

- 3.2 In February 2010 following negotiations between the Club and the School a joint submission was made to the EHB for funding towards two all weather pitches at the School resulting in the provision of £150,000 funding.
- 3.3 In May 2010 a Conditional Agreement was put in place between the Council, the School and the Club setting out the way forward for the pitches to be funded, constructed and managed. The conditions of this agreement are already in hand. One of the conditions was for the School and the Club to obtain planning permission for the development of the pitches and this has now been granted (BH2011/01264).
- 3.4 Another condition of the Conditional Agreement is for each of the parties to make a funding contribution as follows:-

England Hockey Board	£150,000
Governors of Blatchington Mill School	£350,000
Brighton & Hove Hockey Club	£400,000

It has subsequently been agreed that the Club and the School will contribute additional funding should the build costs exceed £900,000.

- 3.5 The School is to procure the construction of the pitches and a Community Use Agreement will be put in place setting out in detail how the pitches will be managed, maintained and used.
- 3.6 It is intended that the School will manage and maintain the pitches and have use of them on school days. The Club will have use of the pitches on weekends and evenings and there are periods where the pitches are available for community use or commercial hire.
- 3.7 In return for their contribution toward the costs of construction the Club will receive a 20 year lease on the pitches, with security of tenure, to provide them with the security they require to ensure their interest and investment is protected. Should the council terminate the lease on expiry the Club will be given the balance of a sinking fund, managed by the school, to allow them to set up and construct new pitches elsewhere.
- 3.8 A letter to the Argus from a parent of children of the school incorrectly reported that the school governors were not prepared to proceed with the development of the playing fields if a lease was required. This letter followed the author's attendance at a Friends of Blatchington Mill meeting and the minutes of that meeting do not reflect this parent's understanding. The head teacher of the school is communicating to the school community, students, parents and neighbours the decision taken by the governors.
- 3.9 The lease will be preceded by an Agreement for Lease and the lease will be granted when the conditions of the conditional funding agreement (dated 17 May 2010) detailed above have been met.

**4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 Community consultation has been completed as part of the planning process.
- 4.2 In agreeing the heads of terms for the lease internal consultation has been held with Legal, Finance, Schools Capital Strategy, the Chair of Governors for Blatchington Mill School, the Business Manager for Blatchington Mill School and the Club.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 The school wishes to borrow its funding contribution of £350,000 from the Council. This will be funded through unsupported borrowing and the school's Business Plan shows that the repayments of interest and principal are affordable to the school. The loan principal will be repaid by the school in equal instalments over a fifteen year term and the interest payments will be based on the Council's average borrowing rate for each year.
- 5.2 A Business Plan has been prepared to consider the potential income and expenditure in relation to the development and to assess the financial risk. The Plan is self financing with the School utilising rental charges from the commercial hire to pay towards the costs of maintaining the pitches, provide a sinking fund for their replacement and pay interest and capital on their loan.
- 5.3 The School has undertaken extensive research around usage numbers and the impact of varying conditions. Even on a worse case scenario the Business Plan results in a break-even position in terms of potential cash flows.

*Finance Officer Consulted: Peter Sargent*

*Date: 26/10/11*

### Legal Implications:

- 5.4 The terms of this disposal come within the general consent under s77 of the School Standards and Framework Act 1998.
- 5.5 Best consideration is achieved by virtue of the money that the hockey club are putting into the construction of the pitches.
- 5.6 It is not considered that any individuals Human Rights Act rights are adversely affected by the recommendations in this report although some local inhabitants are seeking to challenge the proposals on a variety of grounds.

*Lawyer Consulted:*

*Anna MacKenzie*

*Date: 08/08/11*

### Equalities Implications:

- 5.7 Brighton & Hove Hockey Club nurture and promote the playing of hockey for a wide range of ages and all abilities. The proposed development will provide improved sports facilities available for community use at discounted rates.

### Sustainability Implications:

5.8 Sustainability implications have been considered as part of the planning process.

Crime & Disorder Implications:

5.9 There are none.

Risk and Opportunity Management Implications

5.10 The risks and opportunities have been assessed as part of the Business Plan

Public Health Implications:

5.11 The proposal for improved sports facilities will promote physical activity within the school and the wider community.

Corporate / Citywide Implications:

5.12 The proposal meets the council corporate plan objective to increase and diversify participation in cultural and sporting activities.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

6.1 The School could not afford to fund the development without the investment from the Club. The partnership approach makes the development affordable to both parties who will benefit in equal measure.

6.2 The School could potentially partner with another sporting club who had access to the financial resources needed to fund this development. The council is not aware of any other sporting clubs with such finances available.

**7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 By working in partnership the School and the Club, with funding from the EHB, have submitted a planning application and business plan for the development of 2 all weather pitches to be used by the School, the Club and the community. Income generated from the hire of the pitches to third parties is to be used to cover the costs of management, maintenance and finance.

7.2 In order to secure their interest and in return for a contribution of £400,000 towards the construction of the pitches the Club have been offered a 20 year lease with security of tenure. Should the council terminate the lease on expiry the school are to pay to the Club the balance of the sinking fund to allow them to set up and construct new pitches elsewhere.

## **SUPPORTING DOCUMENTATION**

### **Appendices**

1. Plan

### **Documents In Members' Rooms**

None

### **Background Documents**

None

