

WIRRAL COUNCIL

CABINET

17 DECEMBER 2014

SUBJECT:	TRANMERE ROVERS FOOTBALL CLUB POTENTIAL RELEASE OF COVENANTS AT INGLEBOROUGH ROAD, TRANMERE, AND PROPOSED LEASE OF LAND AND BUILDINGS AT THE SOLAR CAMPUS, LEASOWE ROAD, LEASOWE
WARDS AFFECTED:	ALL
REPORT OF:	DIRECTOR OF UNIVERSAL & INFRASTRUCTURE SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR ADRIAN JONES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks a decision to release restrictive covenants on land at Ingleborough Road, Tranmere, currently used by Tranmere Rovers Football Club (TRFC) as an Academy training facility.
- 1.2 It also seeks approval to enter into:
- 1.2.1 A Lease of land at Solar Campus, Leasowe, shown on Plan 1 for identification purposes annexed to this report, for the replacement of pitches.
- 1.2.2 An Agreement for Lease / Lease of land and buildings, also at Solar Campus, Leasowe, shown on Plan 2 for identification purposes annexed to this report, for the development of a First Team, Football Academy and Community Facility
- 1.3 In addition, approval is required for the land shown on Plan 1 and the land and buildings shown on plan 2 and referred to in paragraphs 1.2.1 and 1.2.2 above to be appropriated for planning purposes under section 237 Town and Country Planning Act 1990. Appropriation occurs where the Council holds land for one particular purpose and it makes a declaration that it is going to hold the land for a different purpose. The relevant land is currently designated as greenfield land but was originally purchased for educational purposes. It is used by the public as open space but is not formally designated as open space. In order to clarify the designation of the land it is considered that the Council should formally appropriate the land in question for planning purposes.

- 1.4 Section 122 of the Local Government Act 1972 requires the Council to advertise the intention to appropriate open space land as shown on Plan 1 for two successive weeks in a newspaper circulating in the area. Section 123 of the Local Government Act requires the Council to similarly advertise any proposed disposal of open space land. Any objections need to be notified to the Council for consideration prior to such appropriation or disposal.
- 1.5 Cabinet is therefore requested, subject to there being no objections as referred to in paragraph 1.4 above to approve the appropriation and disposal of the land as shown on Plan 1 and to approve the appropriation and grant of an Agreement for Lease in respect of the land and buildings shown on Plan 2. It is further requested that any objections be considered by the Director of Universal and Infrastructure Services in consultation with the relevant Portfolio holder who shall then have delegated authority to determine the appropriation and disposal.

2.0 BACKGROUND

- 2.1 At the Cabinet meeting held on 14 March 2013, the following resolutions were made.
- That Cabinet confirms its support in principle for the relocation of TRFC's training facilities from their current location at Ingleborough Road, on the basis that this will help secure the Club's long term future.
 - That the then proposal for investment at Woodchurch Leisure Centre linked to the development of existing playing fields at Ingleborough Road be endorsed in principle subject to the outcome of further investigations in relation to legal, procurement and valuation matters and to the agreement of final terms.
 - That officers be instructed to undertake further enquiries and negotiations with TRFC and to report back to the Portfolio Holder for Corporate Resources to enable a final decision to be taken on the release of restrictive covenants at Ingleborough Road and provisionally agreed terms for development at both sites.
 - That the Council obtains an independent valuation of the market value of the Ingleborough Road Playing Fields for residential development.
 - That the Council obtains an independent valuation in respect of the proposed lease at Woodchurch Sports Centre in accordance with the principles of valuation set out in the technical appendix to the Government's General Consent to the disposal of land for less than the best consideration that can reasonably be obtained.
 - That authority is delegated to the Portfolio Holder for Corporate Resources to approve the release of the restrictive covenant at Ingleborough Road and the grant of a lease at Woodchurch Leisure Centre subject to him being satisfied as to the finally negotiated terms.
 - That the Head of Legal/Member Services be authorised to prepare and complete the necessary legal documentation.

3.0 CURRENT POSITION

- 3.1 The Club and the Council have discussed an alternative proposal to provide the replacement training facility on Council owned land and buildings at the Solar Campus, Leasowe. Planning approval for this proposal was granted on 21 August 2014. TRFC wish to lease Council land shown on Plan 1 for the construction of replacement pitches and, in addition, to lease buildings and further land within the Campus shown on Plan 2 to provide First Team, Academy, and Community changing rooms, gymnasium, refreshment room, offices, classrooms and ancillary accommodation. The leased area will be accessed by way of a right of way to be granted over the existing access road shown shaded brown on Plan 2.
- 3.2 In light of the above, it will obviously no longer be appropriate to progress the recommendations of the last report which refer to Woodchurch.
- 3.3 TRFC intends to rent the land shown on Plan 1 from the Council on a 99 year lease for which a rental of £10,000 per annum (exclusive of business rates) has provisionally been agreed.
- 3.4 TRFC also intends to enter into an Agreement for Lease of the land and buildings shown on Plan 2. Once the Council has decanted staff, TRFC will be granted a lease co-terminous with the Lease of land shown on Plan 1 for which a rental of £25,000 per annum (exclusive of business rates) has provisionally been agreed. The proportional running costs for utilities in respect of the leased buildings will be reimbursed to the Council by TRFC. Further, the lease will include a condition that should the Council wish to close its buildings in the future and dispose of the retained site, then TRFC would have to 'isolate' their buildings and install separate services and utilities at its own expense within the leased area and the access road.
- 3.5 TRFC will fund the works to create the replacement facility to include building conversion, site clearance, provision of drainage, fencing and landscaping, and provision of five full size pitches, three of which will be capable of subdivision for Academy use. In addition, two further full size pitches and one youth pitch will be created on land immediately adjoining to be retained by the Council.
- 3.6 It is intended that a lease of the land shown on Plan 1 be completed immediately to allow work on the replacement pitches to commence. In respect of the buildings and adjoining land presently within the Solar Campus shown on Plan 2, an Agreement for Lease will be entered into and a lease only granted once the Council has decanted staff from the buildings. The rent for the former will be £10,000 per annum and £25,000 per annum for the latter, and are considered to represent market value. The release of the buildings conforms with the Council's office rationalisation strategy as staff numbers decrease.
- 3.7 It has now been agreed with TRFC that the compensation the Council receives for the release of the covenant at Ingleborough Road will be retained by the Council rather than be paid as a contribution to the new facilities.
- 3.8 In assessing the compensation, the market value of the Ingleborough Road site clear of covenants needs to be quantified and a 'Gross Enhancement Value' arrived at by calculating and deducting the Existing Use Value of the site as a training

ground. This figure then needs to be adjusted to a 'Net Enhancement Value' by calculating and deducting 'admissible costs' such as the costs of the works necessary to comply with the Section 106 Agreement and professional fees. On this basis, the compensation payable to the Council has been provisionally negotiated at £500,000.

- 3.9 The planning approval requires TRFC to enter into a s106 Agreement which will include an obligation that part of the receipt TRFC receives from the sale of the Ingleborough Road site will be paid into an 'escrow' account by TRFC to ensure that the improvement works to the facilities are completed should TRFC default.
- 3.10 Members will recall that the original transfer deed relating to the Ingleborough Road site (in addition to the restrictive covenants) reserves the right for the Council to enter onto the property and remove the plaque which commemorates the loss of former pupils of Birkenhead Institute in the First World War. Agreement has been reached in principle between Tranmere Rovers, the prospective developer of the site and council officers, to work with the Birkenhead Old Boys Association to jointly fund and develop an appropriate memorial at a site to be agreed. A joint fund is to be set aside for this work. Materials recovered from the former pavilion will be retained for re-use in the memorial.

4.0 RELEVANT RISKS

- 4.1 In order to carry out its duty of 'due diligence', the Council will have the market value of the Ingleborough Road site for residential development independently certified. This is required because TRFC do not intend to sell the site by way of competitive open tender, but by way of negotiation. The amount which the Council can negotiate for the release of the covenants is related to the price at which the land is sold.

5.0 OTHER OPTIONS CONSIDERED

- 5.1 Apart from the option to relocate to Woodchurch, which is now discounted, no other options have been considered.

6.0 CONSULTATION

- 6.1 The Council has undertaken no formal consultation on these proposals aside from that required by the planning process.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 TRFC is to make part of the new and enhanced facilities at the Solar Campus site available for community use, including changing rooms. The Club's Charitable Trust, 'Tranmere Rovers in the Community' (TRIC) runs an extensive programme which currently focuses on four key delivery areas, these being, sports participation, health, education and social inclusion. Aside from the community use to be provided at Solar Campus and on the improved playing pitches on the Council's land adjoining, the relocation of the Academy will free up space and time for community access to the facilities at Prenton Park.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Financial

8.1.1 The release of the covenants will result in a £500,000 capital receipt for the Council.

8.1.2 The Council will receive an initial rental of £35,000 for the Leasowe Road site once the works are completed, with index linked rent reviews every ten years.

8.2 IT

8.2.1 None

8.3 Staffing

8.3.1 None

8.4 Assets

8.4.1 Asset implications are dealt with in the body of the report. The Council will receive a capital receipt from the Ingleborough Road site and a rental income from the land and buildings at the Solar Campus.

9.0 LEGAL IMPLICATIONS

9.1 The s106 Agreement contains terms for the use of a proportion of TRFC receipt from the sale of the Ingleborough land towards the development of the improved facilities. These funds will be placed in an escrow account by TRFC to ensure that the improvement works are completed.

9.2 It is necessary that the land shown on Plans 1 and 2 be formally appropriated for planning purposes and that the required notices under s122 of the Local Government Act 1972 be served, and also that notice for the disposal of open space with regards to land shown on Plan 1 be served under s123 of the Local Government Act 1972.

10.0 EQUALITIES IMPLICATIONS

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
(a) Yes an impact review is attached – <https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-april-2014/eias-chief-executives-d>

11.0 CARBON REDUCTION IMPLICATIONS

11.1 None

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 Planning Consent for the proposals at Solar Campus, Leasowe, was granted on 21 August 2014.

13.0 RECOMMENDATIONS

That Cabinet

- 13.1 approves the release of the restrictive covenants in favour of the Council on the Ingleborough Road site on the terms set out in this report subject to the market value of the site for residential development being independently certified.
- 13.2 confirms its support for the relocation of TRFC's training facility to the Solar Campus, Leasowe, rather than Woodchurch.
- 13.3 agrees, subject to there being no objections to the disposal of the land referred to in paragraph 1.4, that a Lease of the land shown on Plan 1 and the Agreement for Lease of the land and buildings shown on Plan 2 be negotiated by the Director of Universal and Infrastructure Services and the Head of Legal Services on terms satisfactory to the Council.
- 13.4 agrees that, subject to there being no objections as referred to in paragraph 1.4 above the land shown edged red on Plan 1 be appropriated for planning purposes and the land and buildings shown edged in red on Plan 2 be appropriated for planning purposes.
- 13.5 Any objections received following public notice of the intended appropriation and disposals shall be considered by the Director of Universal and Infrastructure Services in consultation with the relevant Portfolio holder who shall then have delegated authority to determine the relevant appropriations and disposals.

14.0 REASONS FOR RECOMMENDATIONS

- 14.1 To release the development value from the Ingleborough Road site.
- 14.2 To confirm the Council's support to the relocation to Solar Campus, Leasowe.
- 14.3 To facilitate the improvement works to be undertaken at Solar Campus, Leasowe.
- 14.4 To facilitate the appropriation of land and the lease of land and buildings at Solar Campus, Leasowe.
- 14.5 To delegate authority to the Portfolio holder to determine the relevant appropriations and disposals.

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APPENDICES

Location plans (2)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Planning Committee	25 October 2012
Cabinet	14 March 2013