

WIRRAL COUNCIL

DELEGATED DECISION

SUBJECT:	WALLASEY CRICKET CLUB, THE OVAL, ROSCLARE DRIVE, WALLASEY
WARD/S AFFECTED:	WALLASEY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE
RESPONSIBLE PORTFOLIO HOLDER:	CORPORATE SERVICES
KEY DECISION?:	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval to the granting of a retrospective rent free period to the Wallasey Cricket Club, together with approval for the variation of the lease terms to accommodate the subletting of part for the resident childcare day facility operator.
- 1.2 The rent free period will aid with improving the condition of one of the Council's assets, which is utilised by a "not for profit" community sports club.
- 1.3 The lease variation will correct an anomaly which predates the current lease start date of 4th November 2008.

2.0 RECOMMENDATION

- 2.1 That the Club be granted a retrospective rent-free period on the terms set out with this report and the lease be varied to accommodate the existing occupiers.

3.0 REASON FOR RECOMMENDATION

- 3.1 To assist the Club and enable it to continue to improve the site through essential repairs and maintenance.
- 3.2 The Club is run on tight margins and most of its income has been recycled into the improvement and maintenance of the Council's asset. All endeavours are undertaken to enhance and maintain the facility for the benefit of Wirral residents and the provision of sporting facilities.
- 3.3 The absence of assistance from the Council will bring into jeopardy ongoing maintenance and improvement plans by undermining the cashflow of the club.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Wallasey Cricket Club hold a lease of the cricket ground and pavilion at The Oval, Rosclare Drive, Wallasey, shown edged red on the attached plan.
- 4.2 The club was founded in 1864 and has leased the ground and pavilion for many years through a succession of leases, the current term being 99 years from 4 Nov 2008.
- 4.3 Prior to 2008, the Council had the maintenance responsibilities for the main pavilion, with those relating to the ground, pitch and fencing being with the tenant.
- 4.4 The pavilion at this site is a significant 2 storey building, whereas most of the other sporting pavilions leased from the Council, tend to be of a more modest single storey construction and are less costly to run and maintain.
- 4.5 Previously secured Grant Funding was awarded for sports specific facilities, such as sightscreens and mowing equipment. The Council assisted with the grant application process by the granting of the current 99-year lease.
- 4.6 To reflect the additional responsibility and the ongoing costs of repair and maintenance identified at the lease commencement, rent concessions were granted to assist with the financial cost of essential reparations. These monies were provided by way of rent-free periods covering the initial 6 years. These were not seen as rent concessions, but as a contribution towards the cost of works that would otherwise have been the Council's responsibility.
- 4.7 The Club completed the agreed works during the rent-free period.
- 4.8 The formally agreed rent-free period expired 2014 and rent should have been payable from that date. However, the rent was never demanded or offered, and it is not clear whether this was an oversight or an assumed continuation of the agreement on an informal basis but has led to a potential back rent of £14,000 developing.

Over the last 5-10 years the Club has continued to expend significant monies on delivering a modern safe environment for its members and the neighbouring residential properties. This has been undertaken by the use of its own monies, bank loans, grant funding and member contributions, which have impacted on their limited financial resource.

Having had the potential debt brought to its attention the club has requested that the Council provide a retrospective rent free period amounting to £14,000 (7 years at £2,000pa rent, equivalent to 12% of the cost of repairs and maintenance expenditure since 2014) to assist with the running, maintenance and improvement of the facility, which has proven to be a considerable responsibility.

4.9 More recently the Club has expended significant monies on matters such as repairing drains damaged by tree roots, installing land drains to remove surface water to prevent flooding to the site and adjacent highways, and repairs to a sink hole within the car-parking compound – collectively costing more than £10,000. A recent and significant investment has been the replacement of the dilapidated and dangerous Victorian perimeter fencing at a cost of £55,500 with a further £7,000 spend on general property maintenance. This has improved the site security, aesthetics, integrity and the general safety of the Club members and general public.

4.10 Whilst it is not suggested that all these works would/should have been the responsibility of the Council, much of the expenditure has been unforeseen and a significant strain on the Club. Audited accounts show expenditure on repairs by the Club at;

2014/15	£15,543
2015/16	£ 3,792
2016/17	£ 4,105
2017/18	£14,708
2018/19	£13,981
2019/20	<u>£ 5,620</u>
Total:	<u>£57,749</u> spent since the expiry of initial rent concessions

4.11 As part of these discussions it was apparent that the club have entered into a sub-letting arrangement with a childcare provider, which is not permitted in the current lease. The childcare provider generates important income which will be critical to the long-term sustainability of the club. It is therefore proposed that the matter of the sub-letting to the childcare day centre operator be formalised by way of a variation to the lease. The income from this activity is shown within the Club's accounts and merely assists with the overall cashflow (£6,435pa).

4.12 Under the current circumstances, the club cannot obtain further funding and there is a possibility that the long establish Cricket Club could fall back into a poor state of repair if the debt is pursued.

4.13 Since the rent invoicing anomaly has been identified, the club has commenced payments into the Council's accounts.

5.0 RELEVANT RISKS

5.1 Should the assistance not be provided there is a risk that the Club will experience financial difficulties which could affect its financial viability and the Council's asset fall back into a state of disrepair. The liability for the upkeep of the facility could revert to the Council.

6.0 OTHER OPTIONS CONSIDERED

6.1 To seek alternative sources of funding, of which none have been found.

6.2 To pursue the debt, although this could affect the viability of the Club as previously described.

7.0 CONSULTATION

7.1 No consultation has been undertaken other than with the members of the club

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 Maintain the viability of a community sports club.

9.0 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING & ASSETS

9.1 There are no IT or staffing implications arising directly from this report. The Finance and Asset implications are as described.

10.0 LEGAL IMPLICATIONS

10.1 The Council's legal department will be employed for the drafting of the variations to the lease agreement.

11.0 EQUALITY IMPLICATIONS

11.1 None arising directly from this report.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None arising directly from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no planning or community safety implications arising from this report.

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APPENDIX

Site plan

Club accounts and reports

REFERENCE MATERIAL

No reference material has been utilised in the preparation of this report.