

REPORT TO: CHARITIES COMMITTEE **DATE:** 11 JULY 2016
HEADING: TEVERSAL COMMUNITY CENTRE AND RECREATION GROUND
(CHARITY NUMBER 522310) - UPDATE
**PORTFOLIO
HOLDER:** N/A
KEY DECISION: NO **SUBJECT TO CALL-IN:** NO

1. PURPOSE OF REPORT

To provide members with an up to date position in respect of the Teversal Community Centre and Recreation Ground (Charity Number 522310).

For the Committee to make recommendations to the Council.

2. RECOMMENDATION(S)

The Committee is asked to recommend to the Council as follows:

- a) Approval to enter into a further Licence with the Cricket Club for the current season pending lease negotiations, on the same terms as the previous Licence, to terminate on 1 December 2016;
- b) To note the current financial position as set out in the report;
- c) To note the acceptance of the heads of terms by the Visitors Centre;
- d) To amend the heads of terms with the Cricket Club to enable the temporary facility to remain on site on a rolling one year extension negotiated on an annual basis such extension to be subject to the Cricket Club progressing with its plans to build a new changing facility in a timely manner to the Council's satisfaction;
- e) To serve notice to quit on any Club, giving 6 months' notice, which has not confirmed its acceptance of the proposed heads of terms by **5 August 2016**;
- f) To seek interest from other similar sporting/recreational clubs/organisations with a view to offering leases (as previously approved at Council on 10 December 2015, Min. Ref. C.62 refers);
- g) In the event that the Football Club confirms its acceptance of the proposed lease terms by 5 August 2016, to authorise the Chairman of the Charities Committee, supported by relevant officers, to enter into a dialogue with the users of the site and in particular the Football Club to explore the Football Club's proposal to take over the operation of the Trust.

3. REASONS FOR RECOMMENDATION(S)

To comply with the Scheme (Constitution) of the Teversal Community Centre and Recreation Ground, the Council's Constitution and charities legislation overall.

The Trustee must act in the best interests of the long term future of the Trust and seek to generate income to sustain the charity.

4. ALTERNATIVE OPTIONS CONSIDERED (with reasons why not adopted)

The Constitution of the Teversal Community Centre and Recreation Ground, the Council's Constitution and charities legislation must be complied with.

5. BACKGROUND

Previous Decisions of Committee and Council

Members will recall that the Council at its meeting on 14 April 2016 considered the recommendations of the Charities Committee held on 16 March 2016. The Council (Min. C.96 refers) made the following decisions (in summary):

- a) to note that the rental levels are reasonable following the external surveyor's validation;
- b) the Clubs and the Visitors' Centre to be offered an incremental rental discount over 3 years;
- c) the Council agreed to upgrade the Football Club's kitchen facilities subject to a maximum cost of £1,500 (to be provided with three suitable quotes);
- d) the Bowls Club and Visitors' Centre to be offered a lease with a 30 year term with a 12 months break clause;
- e) the Cricket Club to be offered a 30 year term with no break clause due to the financial risk to the Authority should the Cricket Club not be successful in accessing funding for a permanent changing facility thus preventing the Council from relocating the temporary changing facility currently located at the Cricket Club site, to its earmarked location of Titchfield Park during 2016/2017;
- f) the guarantor clauses in all the leases to be removed;
- g) all the Clubs to be responsible for legionella testing;
- h) the preferred option is for the Council to be responsible for sourcing the Buildings Insurance and recharging the costs to the Clubs and the Visitors' Centre but should the Clubs and Visitors' Centre insist on providing their own insurance, it be mandatory that documentary evidence is provided by the Clubs and Visitors' Centre to ensure that the buildings are adequately insured, with the Clubs and Visitors' Centre being liable for any shortfall in a subsequent claim;
- i) the works to remove the car park lighting from the supply to the Visitors' Centre be approved (the cost being met by the Council) with the Visitors' Centre being reimbursed for the electricity previously used by the Council to provide lighting on the car parking site once a satisfactory comparison of past and present electricity supply bills has been undertaken;
- j) confirmation that the Clubs and the Visitors' Centre are responsible for all the maintenance of the area and buildings leased to them;
- k) approval was given for two events to take place on the site in April and August 2016;
- l) the Clubs and Visitors' Centre be required to confirm their acceptance of the agreed heads of terms by 13th May, 2016.

Updated Position

Temporary Facilities for the Cricket Club

Temporary changing facilities continue to be provided to the Cricket Club for the current cricket season. It is recommended that a new Licence is entered into for the new season, on the same terms as the previous Licence, to terminate on 1 December 2016.

Financial Position

The Trust's Accounts for the financial year 2014/15 report a retained deficit of £104k. This is a debt owed to the Council, which has had no option but to fund various works to the site in the absence of any funding from the Trust.

The cumulative deficit for Teversal Trust to the end of March 2016 was just over £120k. To date, for 2016/17, the Council has made a further £181.26 payment on behalf of the Trust.

Progress with Leases

The Clubs were required to provide written confirmation to the Council by **13 May 2016** that they accepted the Council's heads of terms to enter into a lease.

A summary of the current position for each Club and the Visitors Centre is set out below.

1. Football Club

The Football Club has informed the Council that it would like to enter into a dialogue about the possibility of it taking over the Trust in its entirety from the Council.

The Football Club has informed the Council that it has obtained legal advice in relation to the proposed lease. It is understood that the Football Club has been advised to refrain from commenting about the lease until after the Council has replied about the Club taking over the trust; they have been advised to concentrate on which is more important to the Football Club first and the Club feels taking over the trust is its priority.

No quotes have been received in relation to the works to the kitchen.

2. Bowls Club

The Bowls Club has said it is unable to enter into a lease as it cannot afford to pay the rent and cover other costs associated with taking on a lease (such as the insurance).

3. Cricket Club

The Cricket Club informed the Council that it was not able to accept the terms of a lease if the temporary facility was to be removed during 2017 as this would not provide sufficient time to obtain funding for, and build, a new permanent facility. Further dialogue was entered into and an offer was made by the Council to extend the retention of the temporary facilities for a further year until 2018. The Cricket Club has confirmed that it wishes to continue working with the Council. To this end, the Cricket Club has said that it may consider signing a lease if the temporary facility remains on site on a rolling one year extension negotiated on an annual basis.

4. **Visitors Centre**

The Visitors Centre has signed and agreed to the heads of terms and the process of drafting the lease has commenced. Once drafted, the Council will seek confirmation of acceptance of the terms from CISWO and advertise the lease as set out in earlier reports to Committee, before seeking permission from the Charities Committee.

In relation to the leases it is therefore suggested that the Committee considers making the following recommendations to the Council:

- a) To note the acceptance of the heads of terms by the Visitors Centre;
- b) To amend the heads of terms with the Cricket Club to enable the temporary facility to remain on site on a rolling one year extension negotiated on an annual basis such extension to be subject to the Cricket Club progressing with its plans to build a new changing facility in a timely manner to the Council's satisfaction; and
- c) To serve notice to quit on any Club, giving 6 months' notice, which has not confirmed its acceptance of the proposed heads of terms by **5 August 2016**; and
- d) To seek interest from other similar sporting/recreational clubs/organisations with a view to offering leases (as previously approved at Council on 10 December 2015, Min. Ref. C.62 refers).

Football Club's Proposal for the Trust

The Football Club has informed the Council that it would like to enter into a dialogue about the possibility of it taking over the Trust in its entirety from the Council.

The future operation of the Trust site as a whole has been seen by the Council as a separate matter to the ongoing lease negotiations. The Council believes that the future running of the Trust should be a matter for all the users of the site to be involved in and would be happy to hold discussions regarding the Football Club's proposals if all groups confirm that they are in favour of such a proposal. The transfer of a Trust to another entity would also require the involvement of CISWO and approval from the Charities Commission in due course and would therefore take some considerable time to bring to a conclusion. The Charities Commission may impose certain restrictions or requirements on any new Trust and the drafting of a new Trust Constitution.

It is therefore recommended to Council that it authorises the Chairman of the Charities Committee, supported by relevant officers, to enter into a dialogue with the users of the site and in particular the Football Club to explore this proposal further, in the event that the Football Club confirms its acceptance of the proposed lease terms by **5 August 2016**.

6. IMPLICATIONS

Corporate Plan:

Enable thriving, prosperous and self-sufficient communities where people shape their own futures.

Ensure the best use of our assets.

Legal:

The legal and constitutional issues are detailed in the report.

Financial:

See “Financial Position” above.

Health and Well-Being / Environmental Management and Sustainability:

The overall purpose of the trust potentially benefits the health and well-being of residents of the District.

Human Resources:

There are no human resource issues identified in the report.

Diversity/Equality:

There are no diversity or equality issues identified in the report.

Community Safety:

There are no community safety issues identified in the report.

Other Implications:

None.

BACKGROUND PAPERS

None

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