



Report for:	Cabinet
Date of meeting:	24th November 2020
Part:	1
If Part II, reason:	

Title of report:	Leasehold Disposal of Chaulden Lane Playing Field to Hemel Hempstead (Camelot) Rugby Union Football Club
Contact:	Graeme Elliot, Portfolio Holder for Finance Resources Author/Responsible Officer: Nigel Howcutt, Assistant Director Finance and Resources Richard Rice, Group Manager, Commercial Assets & Property Development
Purpose of report:	To obtain approval to the principle of a Leasehold Disposal of Chaulden Lane Playing Field to Hemel Hempstead (Camelot) Rugby Union Football Club and seek delegations to finalise the agreement subject to legal notices and consideration of response received.
Recommendations	That Cabinet: <ol style="list-style-type: none"> 1. Subject to consideration of comments received pursuant to recommendation 2 below approve the principle of granting of a 75 year lease of Chaulden Lane Playing Field to Hemel Hempstead (Camelot) Rugby Union Football Club in accordance with the heads of terms at Appendix 1. 2. Delegate authority to the Portfolio Holder for Finance and Resources and the Leader of the Council to consider any representations received from the public notice published, pursuant to Section 123 Local Government Act 1972 and decide whether to proceed with the leasehold disposal and finalise the terms of disposal.

<p>Period for post policy/project review</p>	<p>The proposed leasehold policy should be reviewed annually until the point at which the club has obtained sufficient funding and permissions to draw down the licence.</p> <p>If planning permission is granted and the scheme developed the outcomes of the project will be monitored to see if it has met the stated aims of the club to increase sporting use and the sustainability of the club.</p>
<p>Corporate objectives:</p>	<p>The proposal supports the following Corporate Plan Objectives:</p> <ul style="list-style-type: none"> • A clean, safe and enjoyable environment • Building strong and vibrant communities
<p>Implications:</p> <p>‘Value for money’ implications</p>	<p><u>Financial</u></p> <p><u>Revenue</u> Loss of existing pitch hire revenue at c £3,600 per annum in return for annual community rent of £250 per annum.</p> <p><u>Assets.</u> The existing Rugby club and car park has little development potential as is, but if and when this alternative lease agreement is implemented the Council has the ability to investigate opportunities of the existing rugby club site.</p> <p>After the proposed lease is drawn down Dacorum Borough Council can investigate the development or disposal of the site (HD336625 and HD486976), and as part of this agreement will share 50% of any future disposal value less any reasonable costs.</p> <p>The existing site has no existing commercial value to the council and hence we are working in partnership with the club to help them achieve their long term ambitions in the community whilst also potentially releasing a council asset for future use.</p> <p><u>Value for money</u></p> <ol style="list-style-type: none"> 1. The loss of pitch hire revenue is considered minimal when weighed against the community benefit a new Rugby Club facility would provide. 2. Once the new clubhouse is constructed the club will surrender the land on which the existing clubhouse and car park sit, back to the council. The council will then be able to benefit from any future opportunities to develop or dispose of that site. If the council then sells this land it will share 50% of the sale value with the club, but without this agreement in place the club would have been able to retain its leasehold interest via a lease renewal and the Council would not have been able to

	realise any value from the land.
Risk implications	<p>A leasehold disposal for a term of 75 years can be viewed as a freehold disposal, although the disposal is tempered by strict community rugby club use. Once disposed, DBC will not be able to develop this land without paying considerable compensation to Camelot Rugby football Club.</p> <p>The agreement for lease is conditional upon Camelot Rugby club securing planning permission for a new clubhouse and therefore the impact of the clubhouse and proposed facilities on local residents will be fully examined through the planning process. If planning permission is not achieved then the lease will not be granted.</p>
Community Impact Assessment	The proposal is intended to have sporting benefits for the community and help to secure the long term viability and sustainability for the club. It is therefore believed that the agreement will have positive benefits for all groups who use the facility. A formal Community Impact Assessment will be carried out once the consultation responses are received following the public notices and will form part of the sign-off by the relevant Portfolio Holders
Health and safety Implications	There are no H&S implications
Monitoring Officer	Section 123 of the Local Government Act 1972 applies as the land is subject to an 'open land' designation and requires a local authority to advertise its intention to dispose of the land in question in a locally-circulating newspaper for a period of at least two consecutive weeks. The local authority has an obligation to give consideration to any objections that may be received and to demonstrate that it has considered these. A positive Cabinet decision would mean that this exercise would have to be undertaken and delegations are proposed to ensure that the appropriate Portfolio Holders give consideration to the responses received before proceeding.
Deputy S.151 Officer Comments	The comments of the Deputy S.151 Officer are included in the body of the report.
Consultees:	<p>Leader of the Council – Councillor Andrew Williams</p> <p>Portfolio Holder for Finance and Resources – Councillor Graeme Elliot.</p>

Background papers:	Heads of Terms
Glossary of acronyms and any other abbreviations used in this report:	<p>HHCRUFC: Hemel Hempstead (Camelot) Rugby Union Football Club</p> <p>DBC: Dacorum Borough Council</p> <p>LA: Local Authority</p> <p>SOS: Secretary of State</p>

Background:

1. Hemel Hempstead (Camelot) Rugby Union Football Club is a local Hemel club playing on ground owned by DBC and Boxmoor Trust. The plan below gives an outline of the landholding for the site where they currently play.
2. Land hatched pink on the left of the plan which is known as Chaulden Lane Playing Fields is owned by DBC and hired out to Camelot on an annual basis in line with our normal charges. These represent approx. £3,600pa.
3. The white land in the centre of the plan, known as Chaulden Meadow used by the club is the property of Boxmoor Trust. It is understood that Boxmoor Trust will also grant a co-terminus lease of their land to the Rugby Club.
4. The land hatched pink on the far right of the plan is owned by DBC. The remainder of the land representing the clubhouse and the car park that is hatched green is owned by DBC and subject to two leases to Camelot that expire in April 2022. The combined annual lease payment to DBC for this land is £40pa. One of the leases is from the Development Corporation from 1959 and the other from DBC from 1981.
5. The leases from DBC expire in 2022 and the tenancies would either be renewed or could be terminated should DBC wish. If the tenancy was terminated compensation will be due to Camelot that is likely to be circa £25,000.



6. The land area comprising the car park and club house is approximately 4,400m² (1.1 acres). Based on current land values in Hemel Hempstead, this would give the land an estimated development value in the region of £1,000,000.
7. The land at Chaulden Meadow owned by DBC and where Camelot Rugby Club play, could possibly be considered for development, however that prospect is viewed as unlikely given its Green Belt Open Land designation. The area of DBC land here is in excess of 50,000m² (12.9 acres).
8. Hemel Hempstead (Camelot) Rugby Union Club had been offered a lease renewal of 25 years for the club house and car park however this has been rejected as they wish to develop new facilities on Chaulden Lane Playing Field.

Key Issues:

9. There has been an ongoing dialogue with representatives of Hemel Hempstead (Camelot) RUFC and Dacorum Borough Council for a significant period of time to explore the possibility supporting the rugby club to expand and improve the facilities and community access to rugby that is presently provided. The rugby club have a desire to obtain a long lease (75 years) on land and buildings, known as Chaulden Lane Playing Field, Chaulden Lane, Hemel Hempstead HP1 2BL comprising Playing Field, Pavilion and Car Park but excluding Play Area.
10. The intention being that having secured an agreement for a suitably long lease on the above playing field, HHCRUFC would be able to secure the external funding necessary to develop and build new clubhouse facilities on the Chaulden Lane Playing Field part of the site, which would establish a beneficial community rugby and sports facility for present and future generations of Dacorum Borough residents.
11. The land where the existing clubhouse and car park sits would then be surrendered back to DBC to consider options for future development subject to the proposed 50% share in any disposal value.

12. The Council is required to obtain the best consideration reasonably obtainable for the land. A formal opinion of value has been sought by Brasier Freeth. Given its use restriction, the Land has been valued at £35,000. Therefore whilst there is no premium required for the lease, secretary of state consent is not required if the local authority considers that the disposal will help to secure the promotion or improvement of the economic, social or environmental well-being of its area. The lease is proposed in order to try and assist the club to become a more sustainable organisation and protect the sporting use of the site for residents of the borough and therefore it is believed that this test is met by the proposed agreement and will improve the social and economic wellbeing of the area.

Conclusions:

13. The proposal meets Corporate Objectives in terms of protecting a valuable leisure facility and club and approval is therefore sought to progress in accordance with the recommendations set out in the report.

Appendix 1

Proposal

To this end, Head of Terms for the leasehold disposal have been agreed as follows:

PROPERTY: Land and Buildings known as Chaulden Lane Playing Field, Chaulden Lane, Hemel Hempstead HP1 2BL comprising Playing Field, Pavilion and Car Park but excluding Play Area.
(Land Registry Title No HD30839 – see indicative plan below).

DEFINED TERMS: Existing Leases

- a) Lease dated 18 March 1959 made between Hemel Hempstead Development Corporation and The Trustees of Camelot Rugby Union Football Club expiring 24th March 2022 comprising 0.28 acres, Clubhouse and Car Park. (LRFR HD336625).
- b) Lease dated 29th April 1986 made between Dacorum Borough Council and The Trustees of Camelot Rugby Union Football Club expiring 24th March 2022 comprising 0.54 acres. (LRFR HD486976).

PROPOSAL:

1. Agreement for Lease with Long Stop Date conditional upon planning & funding to facilitate HHC RUFC to fund and develop new Clubhouse and playing facilities based on terms below.
2. Once funding has been secured and planning obtained, DBC will grant a building licence subject to HHC RUFC confirming that they wish to draw down the licence within a period of 12 months from latest of securing planning or funding. Once the building is 50% completed, the Lease will be drawn down.
3. Within 3 months of practical completion of the new facility, there will be a simultaneous surrender of two existing lease defined above.

LONG STOP DATE:	7 years to draw down Building Licence from agreement of Heads of Terms and instruction of legals.
TERM:	A lease for a term of 75 years.
RENT:	£250 per annum to be paid annually in advance.
REVIEW:	5 yearly upward only reviews linked to RPI subject to a 1% cap
USE:	Primary use as a Community Rugby and Sports Club with playing fields and ancillary uses such as physiotherapy treatment rooms. It will include a gym facility, the size of which to be approved by DBC so as to ensure it does not compete with existing Council leisure facilities in the Borough.
ALIENATION:	The Leaseholder will have the right to assign the whole subject to Freeholders consent not to be unreasonably withheld.
RIGHTS:	<p>The Leaseholder will have the right to sublet whole or party subject to Freeholders consent not to be unreasonably withheld.</p> <p>The Leaseholder will have the right to grant licences to occupy subject to Freeholders consent not to be unreasonably withheld.</p> <p>The Leaseholder will have the right to hire the premises for events up to a maximum of 10 events per calendar year.</p> <p>The Leaseholder to be granted the right to demolish and or refurbish or rebuild the Pavilion.</p>
COSTS:	Each party to bear their own transaction costs.

FUTURE DEVELOPMENT SITE:

From the date of lease draw down and in the event that Dacorum Borough Council obtain a planning permission on whole or part of Green Belt Land HD336625 and HD486976 and dispose of whole or part of the site, Dacorum Borough Council will share 50% of the disposal value less any reasonable costs of achieving planning permission and sales costs with the Leaseholder.

TIMELINES:

As soon as possible.



