

CABINET

Morecambe Football Club 22nd January 2008

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
To consider the details for Morecambe Football Club to redevelop land at Westgate, Morecambe for a new stadium and ancillary facilities, including the need for land disposals.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	11 th December 2007.		
This report is public.			

OFFICER RECOMMENDATIONS

- (1) That cabinet approve the principle of entering into a Development Agreement for the disposal of land at Westgate, Morecambe, to Morecambe Football Club, subject to consideration of the additional exempt report on this agenda and a further report on the detailed heads of terms.
- (2) That the proposed relocation of Westgate Wanderers referred to in the report is supported subject to a further report on the detailed heads of terms.

1.0 Introduction

1.1 At the meeting on 24th July 2007, cabinet considered a report on proposals by Morecambe Football Club to relocate from their existing ground at Christie Park to a site at Westgate, Morecambe.

1.2 Cabinet resolved

“(1) That Cabinet recognises the ambition of Morecambe Football Club in wanting to develop new facilities for the Club and community and resolves to work with the Club to produce a detailed proposal for further consideration at a future meeting of Cabinet.

(2) That an area of public open space be incorporated into the scheme.”

2.0 Proposal Details

- 2.1 Since the cabinet meeting in July, Officers have met with officials of Morecambe Football Club (MFC) to take forward the proposals, which now fall into two categories – planning issues which will be the subject of consideration by the Planning Committee following the normal consultation process, and property issues that arise because the Council is involved as a land owner of the alternative site on Westgate. This report considers an outline of the proposals relating to the property issues that are involved, with full details in the exempt section of this agenda.
- 2.2 As identified in the previous report, MFC have identified their preferred site for relocation which is currently occupied by Westgate Wanderers under a lease from the City Council.
- 2.3 The meetings with MFC have also involved officials of Westgate Wanderers who have indicated that they would be happy to relocate their club provided that there is no cost to them. Land has been identified that is under the management of Heysham High School and also the King George's Playing Field which is owned by the City Council. Together, these areas of land could create a suitable alternative for the Wanderers subject to the necessary permissions, including planning permission, being obtained.
- 2.4 The land adjacent to King George's Playing Field is poorly drained and in need of improvement, whilst the King George's playing field has no changing facilities or parking. It is currently envisaged that by working with both the Wanderers and the High School a new facility can be provided on the site but there is clearly a cost of doing so. However, a completed scheme would see a major improvement for local football on the site.
- 2.5 As part of the overall proposals, the City Council would need to sell to MFC the site currently let to Westgate Wanderers. In terms of alternative uses, only part of the land has any specific alternative development, with approximately 3.88 acres being zoned for housing. However, current development policies in this area would not result in an immediate start to development and it is estimated that it is unlikely that any housing development to take place within the next 5 years. This may change in due course should the government's proposals on the Housing Green Paper become reality, but from a property perspective, a valuation can only reflect existing policies.
- 2.6 The value of the Council's land at Westgate is achieved only by the relocation of Westgate Wanderers and therefore to achieve this, the value has to reflect the cost of improvements to the land at and adjacent to King George's Playing Field.
- 2.7 The financial elements of the proposals are included in the exempt section of the agenda, but in summary would result in a capital receipt for the City Council that reflects the cost of works done to the alternative site. The works to the alternative site would be undertaken by MFC and any risk associated to cost over-run would be borne by MFC.
- 2.8 The general legal position with regard to the Council's disposal of land is that s123(1) of the Local Government Act 1972 provides that subject to the further provisions of the section, the Council may dispose of land held by them in any manner that they wish. S123(2) of that Act stipulates that except with the consent of the Secretary of State, a Council shall not dispose of land under s123, otherwise than by way of a short tenancy, for a consideration less than the best value that can reasonably be obtained.

- 2.9 The potential method of disposal as set out above is considered to meet the requirements set out in paragraph 2.8.
- 2.10 The Corporate Property Strategy indicates that a Development Agreement would be the appropriate method for the agreement between the parties as opposed to a straight forward transfer because it allows the Council to have a greater control over the development should it take place.
- 2.11 To achieve this complicated series of transactions a full set of “Heads of Terms” would need to be agreed between the parties and reported to cabinet for approval, but as there is a need for the parties to consider the way forward, Cabinet are asked to consider whether a disposal based on the detail of this report is acceptable in principle.

3.0 Details of Consultation

- 3.1 MFC have been involved in various public consultation processes since the announcement of their plans to relocate.
- 3.2 However, with regard to the land transactions, there have been no consultations other than discussions between the parties directly involved in the proposals as indicated in this report.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 – To proceed with the negotiations with Morecambe Football Club to sell the land at Westgate subject to the provision of alternative facilities for Westgate Wanderers. This would be subject to a full set of Heads of Terms being provided to cabinet to provide the basis of a development agreement. It is clear that there is still much work to be done to ensure the agreement of all parties and there is a risk that the transactions may not proceed. This option does however potentially secure the futures of both Morecambe FC and Westgate Wanderers, and would result in a capital receipt to the Council. If this is the preferred option chosen by Cabinet Members are asked to refer to the exempt report attached to this Agenda.
- 4.2 Option 2 – do nothing. This would result in MFC remaining in their current facilities at Christie Park and the reduction of benefits to the local community. As in option 1, this would leave the Council with the potential for a future capital receipt, but in the meantime, Westgate Wanderers would be unaffected and the Council’s rental income would remain.

5.0 Officer Preferred Option (and comments)

- 5.1 Option 1 – is preferred as this would give the opportunity to improve the futures of both Morecambe FC and Westgate Wanderers whilst also providing the Council with a capital receipt.

RELATIONSHIP TO POLICY FRAMEWORK

Whilst there is no direct link to the existing Corporate Plan as the proposals have only been put forward during the current year, the proposals do fit with the Council’s regeneration proposals for Morecambe as whole.

However, the Corporate Property Strategy requires that the council review its asset base and only retain those assets required to meet its agreed objectives and priorities, and where assets are not required for this purpose they should be disposed of at best value.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

There are no specific impact assessments at this stage, although any future development would need to reflect issues such as diversity and Sustainability.

FINANCIAL IMPLICATIONS

In financial terms, and without proposals coming forward such as those from Morecambe Football Club, the Council would not be likely to receive a capital receipt for this land for some years. As indicated in the report, it is unlikely that the land would be developed for residential within the next 5 years. In addition, such development would only take place if Westgate Wanderers were to vacate the site or be relocated. A capital receipt is not therefore anticipated in the Council's capital receipts programme for the next 5 year period, and any receipt would be a windfall to the Council. However, should Cabinet approve the proposal to develop the land, an annual income amounting to £2,171 per annum will be lost.

More detailed financial implications can be prepared when a further report is considered.

SECTION 151 OFFICER'S COMMENTS

The proposal gives an opportunity to generate a substantial capital receipt for the Council above its current receipts programme. The opportunity should be considered in the context of the Council funding position, as well as regeneration, community and other asset management consideration.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments at this stage when Cabinet is being asked to make an "in principle" decision. However, the Monitoring Officer would advise that in pursuing any detailed Head of Terms, it will be necessary to consider in more detail the legal position with regard to termination of the existing lease.

BACKGROUND PAPERS

Cabinet Report and minutes dated 24th July 2007.

Contact Officer: Graham Cox
Telephone: 01524 582504
E-mail: gcox@lancaster.gov.uk
Ref: N/A