



**LATE REPORTS, URGENT BUSINESS and SUPPLEMENTARY INFORMATION**

Cabinet

Tuesday, 22 April 2008

*The following report was received too late to be included on the main agenda for this meeting and was marked 'to follow'. It is now enclosed, as follows:*

Agenda Item Number	Page	Title	Reason for Late Report	Officer Responsible For Late Report
9	1 - 10	MORECAMBE FOOTBALL CLUB	Information not available until after publication of Agenda.	Head of Property Services

**CABINET**

**Morecambe Football Club  
22<sup>nd</sup> April 2008**

**Report of Corporate Director (Finance & Performance)**

PURPOSE OF REPORT				
To consider the details for the land transactions associated with proposals by Morecambe Football Club to redevelop land at Westgate, Morecambe for a new stadium and ancillary facilities.				
Key Decision	<b>X</b>	Non-Key Decision		Referral from Cabinet Member
Date Included in Forward Plan	22 <sup>nd</sup> April 2008.			
This report is public with the exception of Appendix A (the Heads of Terms) which is exempt from publication by virtue of paragraph 3, of Schedule 12a of the Local Government Act 1972 (as amended).				

**OFFICER RECOMMENDATIONS**

- (1) That approval is given to the Heads of Terms for the land transactions involved in a Development Agreement for the disposal of land at Westgate, Morecambe, to Morecambe Football Club.
- (2) That approval is given to the proposed relocation of Westgate Wanderers to King Georges Playing Field, Heysham, subject to confirmation of the proposals by the National Playing Fields Association.
- (3) That Officers be authorised to continue discussions with Lancashire County Council/Heysham High School to bring land at Lordsome Road into playing field use to provide further football pitches for use in the community, subject to there being no additional costs to the City Council over and above those identified in the report.

**1.0 Introduction**

1.1 At the meeting on 22<sup>nd</sup> January 2008, 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

“That the resolution passed at Cabinet on 24th July 2007 be confirmed, which facilitates negotiation between the parties to draw up a detailed proposal and Cabinet further resolves:

(1) That any disposal of City Council land negotiated as part of the proposal be at full value.

(2) That the Trustees of Christie Park be included in the discussions.

(3) That the County Council and Ward Councillors be included in the discussions with regard to any relocation of Westgate Wanderers.”

### **2.0 Proposal Details**

2.1 Since the cabinet meeting in January, Officers have met with officials of Morecambe Football Club (MFC), Westgate Wanderers FC (WWFC), Heysham High School and Lancashire County Council to take forward the proposals in order to prepare Heads of Terms for a Development Agreement that would encompass the various transactions included in the proposals.

2.2 In addition, a meeting has been held with County Council and Ward Councillors to explain the scheme in so far as it relates to WWFC. Public meetings have also been held at Heysham High School to allow discussion of the details of the scheme. The scheme as proposed reflects the views put forward in the meetings and practical issues that have arisen since those meetings were held.

2.3 The Heads of Terms, which are attached as Appendix A and are exempt from publication, make a specific reference to the Christie Park Trust, discussions having included the solicitors for the Trust.

2.4 For clarity, the Trust relates to a Deed of Gift made in 1928 by JB Christie under which the sole purpose of the Trust is that MFC are granted a lease of the land by the Trustees for the purpose of playing association football. The Council are in no way associated with the Trust other than being a beneficiary of land should association football no longer be played. In that case the land would transfer to the City Council to be used as a “public recreation ground for the recreation of the children of persons resident from time to time in the Borough of Morecambe”. For the avoidance of doubt there are only covenants in the lease and the Trust but no covenants that run with the land which would, for example, limit the uses to which land can be put.

2.5 It is possible for the trust to be recreated on other land in order to continue the basic requirements of the Trust – in this case the provision of facilities for playing association football – and if on the other hand football was no longer to be played, then that land would transfer to the Council as a recreation ground. In this case, this would allow the Trust to be recreated on the land at Westgate as indicated in the Heads of Terms.

2.6 To be certain that the principles outlined in paragraphs 2.3 to 2.5 are acceptable, it is the intention of the Trustees to apply to the High Court to approve the transaction.

2.7 Discussions between MFC and officials of WWFC have resulted in agreement between the two parties relating to the relocation of WWFC which will also require the City Council to enter into a lease agreement with WWFC for them to use King

Georges Playing Field. This would provide sufficient playing pitches for WWFC to meet their current needs but lacks the opportunity to expand as is the case with their current site at Westgate. As indicated in the January Cabinet report, land has been identified that is under the management of Heysham High School but in the ownership of Lancashire County Council, which could provide the preferred expansion opportunity subject to the necessary permissions, including planning permission, being obtained. Discussions regarding this are continuing but are not a limiting factor in agreeing the Development Agreement.

- 2.8 The proposals include for the provision of changing facilities on the King George's playing field, replacing a facility that was demolished some years ago, together with parking facilities. The National Playing Fields Association, who have an interest in King George's Playing Fields nationally, have been consulted and asked for confirmation of their approval to the project.
- 2.9 The Heads of Terms appended to this report outline the various land transactions that are required at the different stages of development from relocating WWFC to having a completed stadium for MFC and the disposal of Christie Park.
- 2.10 It is intended that these Heads of Terms will form the basis of a Development Agreement that will form the "umbrella" under which the different transactions will occur. This Development Agreement will be signed by the various parties to the transactions and then individual transactions will follow between the parties to each agreement.
- 2.11 As reported to Cabinet in January 2008, the proposed disposal of the land at Westgate is at market value.
- 2.12 The value of the Council's land at Westgate will be achieved only by the relocation of Westgate Wanderers and therefore to achieve this, the net income to the Council has to reflect the cost of improvements to King George's Playing Field.

### **3.0 Details of Consultation**

- 3.1 The consultation process so far is as set out in paragraphs 2.1 to 2.3 above. MFC have also been involved in various public consultation processes since the announcement of their plans to relocate. In addition the National Playing Fields Association have been consulted on the proposal as it relates to King George's Playing Field.

### **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 Option 1 – To approve the completion of a Development Agreement. This will enable the disposal of land to take place at Westgate to facilitate the construction of a new stadium for MFC, whilst also providing updated facilities for WWFC. The proposals would still be subject to various planning permissions being obtained and whilst this is a risk, it is reflected in the Development Agreement so that if permission is not obtained the Westgate land would remain with the City Council. In addition there remains the need to receive written confirmation of the proposals from the National Playing Field Association. 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.
- 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**

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 January report, it is unlikely that the land would be developed for residential use within the next five years. The potential receipt would represent a significant contribution to the funding of the Council's Capital Programme. Following the decision made at January Cabinet, the disposal of the land has been assumed within the Council's financial plans.

It is currently anticipated that the £1.3 million will be received in approximately September 2008 and that the majority of the grant of £300,000 to Morecambe FC is also expected to be paid at that time.

Should Cabinet approve the proposal to develop the land, an annual income amounting to £2,171 per annum will be lost.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments to add.

**LEGAL IMPLICATIONS**

If option 1 is approved Legal Services will be required to draft the development agreement to reflect the conditional nature of these arrangements that rely upon the granting of planning permission. Also to facilitate the use of King George's playing field as a private ground the correct statutory procedures will be required to be followed to cease the use as an open space and Legal Services will prepare all necessary documentation relative to such arrangements.

With regard to the proposal to substitute the original trust relating to Christie Park in favour of a new trust in respect of the Westgate land, the City Council are to be served with all papers relevant to the High Court application and will be able to ensure that these arrangements replicate the objects of the original trust.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and her comments have been incorporated in the report.

**BACKGROUND PAPERS**

Cabinet Report and minutes dated 24<sup>th</sup> July 2007. The Heads of Terms are exempt information.

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

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