

Asset Management - Ramsgate Football Club

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| Cabinet | 22nd September |
| Report Author | Mark Peace, Director of Property |
| Portfolio Holder | Cllr- Reece Pugh and Cllr David Saunders |
| Status | For Decision |
| Classification: | Unrestricted |
| Key Decision | No |
| Ward: | All Ramsgate wards |

Executive Summary:

The Council's Corporate Statement for 2019-2023 sets out the direction of travel for hold/sale of Council Property assets. The asset identified below represents an ageing property asset that for community reasons TDC should not seek vacant possession, expend capital or seek a change of use to increase value.

CMT is asked to consider the asset and make a decision on the recommended way forward to cabinet on the 22nd September.

Recommendations

The preferred and recommended options is to dispose of the property via freehold transfer to the the owners of Ramsgate FC at £265,000 with an overage provision of 50% on any uplift in value following a change of use, and a restriction on the use of the land, limiting it to uses as a football club and associated purposes only.

Corporate Implications

Financial and Value for Money

Review of assets forms part of the adopted policy and corporate aims. The Council should not retain under performing assets unless they provide value for money or support the corporate policies of TDC.

Legal

A disposal will involve carrying out all the due diligence and title research to ensure a disposal is permitted for the property in line with appropriate regulations and to terminate the current lease arrangements with tenant, upon completion of sale. Otherwise the proposal has no legal implications.

Corporate

The Council's Corporate Statement sets out its commitment to 'Maximise the return on our assets and services'. This recommendation will be supporting the Councils Corporate Statement for 2018 -2023.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To foster good relations between people who share a protected characteristic and people who do not share it.*

The freehold sales will have no impact under the Equality Act 2010 and Public Sector Equality Duty. Transfers to benefit the community will support our commitment under these acts to continue to provide inclusive community facilities.

Corporate Priorities

This report relates to the following corporate priorities: -

- *Growth*

1.0 Introduction and Background

1.3 The property and land below have been fully appraised and are considered suitable for disposal via freehold transfer or long lease.

2.0 The Current Situation

2.1 Ramsgate Football Club

The property comprises premises occupied by Ramsgate Football club, including:

- Clubhouse and bar
- Portacabin (not inspected internally)
- Changing rooms
- Pitch side bar
- Artificial football pitch with concourse and stands
- Toilet block
- Car parking area
- Amenity area used for small allotment space

Part of the property is in good order whereas others are in very poor condition. The newer additions to the premises which constitute tenants improvements (stands, pitch,

pitch side bar) are in good order, whereas the original structures (clubhouse and changing rooms) are in poor order.

The property is occupied under the terms of a Lease by Ramsgate Football Club (85) Limited for a term 21 years from 1st May 1992 (the tenant is therefore holding over)
The current rent The Council is receiving is of £1,500 per annum.

The Council has commissioned an independent valuation of the premises to assess what the current market value would be. The valuer provided a market value of £250,000.

We are aware that parcels of land like the subject property rarely come to the market, and especially on an unconditional basis. The property is located in a residential area of Ramsgate and therefore we believe any prudent vendor would not sell the land “as is” at the above prices of say £250,000 without protecting their position for any possible uplift in value. It is our belief that a prudent vendor would include one or both of either:

- An overage provision on any uplift in value following a change of use, or
- A restriction on the use of the land limiting it to uses as a football club and associated purposes only

It would be recommended that both restrictions apply.

Overage provisions are detailed and require formal drafting to make sure all the correct triggers and conditions are met. We are aware that overage percentages can vary therefore, we would recommend between 30% to 50% for 30 years.

It may also be possible to include a payment for any ransom value whereby neighbouring land is “unlocked” by using the subject property, and this can be included in the overage provision at the same high rate, or as a separate ransom Deed.

The football club has been on the site for 70 plus years and provides a service to the community, encouraging children to play sport. In considering a sale all the factors must be considered when deciding on what offers to request, as an unrestricted value for the site would be considerably higher than the £250,000 Plus overage and restrictions.

As the tenants would be considered special purchasers, it would be recommended that the property is offered for sale to them at a ‘special purchaser’ rate of say £265,000.

3.0 Options:

Option 1. Disposal via freehold transfer with overage and use restriction

To dispose of the property via freehold transfer at £265,000 with an overage provision on any uplift in value following a change of use, and a restriction on the use of the land, limiting it to uses as a football club and associated purposes only..

Option 2. Retain the property

Cabinet could choose to retain some or all of the property on market value lease terms. This would be a difficult and politically sensitive negotiation, raising the rent on a community based asset, and the artificial pitch, pitch side bar, bar in the clubhouse and parking area have all been installed by the tenant.

However, due to the lack of security, the tenant will not be able to access grants and funding as the lease does not offer the required term length usually requested by lenders. This will limit the investment potential for the tenant and limit inward economic growth in the district.

4. Recommendation

The preferred and recommended options is to dispose of the property via freehold transfer to the the owners of Ramsgate FC at £265,000 with an overage provision of 50% on any uplift in value following a change of use, and a restriction on the use of the land, limiting it to uses as a football club and associated purposes only.

Contact Officer: *Andreea Plant, Interim Principal Surveyor, Estates Department*
Reporting to: Marc Peace, Director of Property

Background Papers

Title: Strategic Asset Management Plan - Thanet District Council Website or contact propertyandassetmanagement@thanet.gov.uk.

https://docs.google.com/document/d/1FS5d3wU8_1FRsopKQGUX6pJMWG4MSqV44MWHwmQC2X8/edit?usp=sharing

Corporate Consultation

Finance: Director of Finance

Legal: **Interim** Head of Legal & Monitoring Officer