

## **ROCHFORD TOWN SPORTS AND SOCIAL CLUB – APPLICATION FOR NEW LEASE ON THE PAVILION AT ROCHFORD RECREATION GROUND, ROCHFORD**

### **1 SUMMARY**

- 1.1 This report seeks Members' views with regard to the rental to be charged following receipt of a surveyor's valuation.

### **2 BACKGROUND**

- 2.1 At the meeting of this Committee held on 30 September 2004 it was agreed that a new lease be granted to apply from 1 December 2001 for a period of eight years.
- 2.2 During the period that the lease has been held over the Club has been paying a rent of £800, which is the amount prevailing as at December 2001.
- 2.3 A new valuation has been received which now places a rental value of £3,550 per annum with effect from 1 December 2001 and £4,040 per annum with effect from 1 December 2004.
- 2.4 Following an inspection of the property files, no reason is given to explain the reason for the significant increase in rental value.
- 2.5 However, during the past six years the club has invested over £12,000 in refurbishing the premises. The Club still has a significant amount of work that they wish to carry out this year. This work has not yet been costed. If it is to be completed successfully there will need to be a substantial amount of voluntary effort.
- 2.6 After viewing the accounts of the club over the past three years, it is clear that they would not have the resources necessary to fund the back rent and it is extremely doubtful whether they could afford the proposed rent.
- 2.7 If normal Retail Price Index increases had been applied to the rent, the amount would be around £900 from 1 December 2001 and £1,000 from 1 December 2004.
- 2.8 As at 31 March 2004, the Club had balances of £5,538, much of which is earmarked for the works mentioned at paragraph 2.6 above.

### 3 OPTIONS

#### Charge Full Market Rent

- 3.1 In this event it is certain that the Club would be forced out of business. No research has been carried out to establish whether or not there are any other organisations that may wish to take on the building at the new level of rent.
- 3.2 In the event it is not lettable, the Social Club part of the building would need to be secured and left vacant. This could lead to deterioration in the building and possibly attract criminal damage.
- 3.3 The Pavilion element would continue to be managed by the Council with Serviceteam administering pitch lettings.
- 3.4 There would be minimum cost in maintaining the empty building. There would be a loss of rent income, currently £800 per annum.

#### Charge a lesser Rent

- 3.5 If a lower rental of, say £900 from December 2001 and £1,000 from December 2004, i.e. in line with Retail Price Index, then it should be well within the capacity of the Club to find the increase and any back rent.
- 3.6 There would be a small increase in the Council's income from this arrangement.
- 3.7 This level of increase should not impede the club from carrying out their schedule of improvements to the building.

### 4 DISCUSSIONS

- 4.1 The Club currently provides: -

- 3 Adult Sunday teams
- 1 Ladies team
- 3 Junior (13/14/16 year-old) teams

Other activities are run, particularly in the summer, such as: -

- Rounders Day
- Fun Cricket
- Charity Childrens Tournament

In addition, the club provides childrens parties at Halloween and Christmas.

- 4.2 From the above, it could be argued that the Club is fulfilling a community need. If this is accepted, Members could agree a rental below the level advised by the valuer.
- 4.3 Councils are required to obtain maximum value from lease of assets. Lesser rentals may, however, be agreed if the Council considers that this is merited in order to provide a community facility.

## **5 RISK IMPLICATIONS**

### **5.1 Resource Risk**

The Council may lose a small rent income. Possibility of additional costs if premises become vacant.

### **5.2 Operational Risk**

If the Sports Club relinquishes the lease for the building there is a risk that a new tenant will not come forward. In this event part of the existing building will become vacant with no alternative use identified. This could lead to criminal damage.

### **5.3 Reputation Risk**

This is dependent upon the views of the local community in respect of the Club. If it is held in high esteem, the Council would be perceived as not heeding the wishes of the community if, by its actions, the Club were to close.

Conversely, there have, on isolated occasions over a number of years, been complaints made against the Club in respect of behavioural problems.

The lease could contain provisions to enable action to be taken in the event of complaints being received.

## **6 CRIME AND DISORDER IMPLICATIONS**

- 6.1 The provision of sporting outlets for the youth of the area could help alleviate crime and disorder issues.

## **7 LEGAL IMPLICATIONS**

- 7.1 These are covered in paragraph 4.3. above.

## **8 PARISH IMPLICATIONS**

- 8.1 The Club premises are situated in Rochford Parish Council area.

**9 RESOURCE IMPLICATIONS**

9.1 These are covered within the report.

**10 RECOMMENDATION**

10.1 It is proposed that the Committee **RESOLVES**

- (1) That the Club does fulfil a social need and therefore provides a community service.
- (2) In view of the community service, the rent be set at £900 with effect from December 2001 and £1,000 from December 2004.

Roger Crofts

Corporate Director (Finance & External Services)

---

**Background Papers:-**

None

For further information please contact Roger Crofts on

Tel:- 01702 546366 extn. 3006  
E-Mail:- roger.crofts@rochford.gov.uk