

## Central Bedfordshire Council

EXECUTIVE - 10 February 2015

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### Roker Park, Stotfold

Report of Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources ([maurice.jones@centralbedfordshire.gov.uk](mailto:maurice.jones@centralbedfordshire.gov.uk))

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**This report relates to a Key Decision**

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### Purpose of the Report

1. The purpose of this report is to seek Executive approval to release the restrictive covenant on Roker Park, Stotfold in exchange for a payment by Stotfold Town Council. This will enable Stotfold Town Council to realise the value of the asset in order to facilitate the development of a community facility which is Stotfold Football Club. It will also enable Stotfold Town Council to repay an outstanding loan to Central Bedfordshire Council.

### RECOMMENDATIONS

**The Executive is asked to:**

1. **release the restrictive covenant on Roker Park, Stotfold in order to facilitate the creation of new football and other community facilities in Stotfold in exchange for a payment of the sum shown in Appendix B as a consideration towards the value of the restrictive covenant; and**
2. **agree that the land shown at Appendix A on Arlesey Road, Stotfold be leased to Stotfold Town Council for 99 years at a peppercorn rent for use as a football ground with new stadium and playing fields for community use, subject to a provision allowing Stotfold Town Council to sublet part to the football club and a break clause after 10 years in favour of Central Bedfordshire Council subject to notice and relocation of the football club, stadium and playing fields.**

## **Overview and Scrutiny Comments/Recommendations**

2. This matter has not been considered by Overview and Scrutiny.

## **History and other considerations**

3. Roker Park is an area of land owned by Stotfold Town Council. Central Bedfordshire Council has the benefit of a restrictive covenant which prevents Stotfold Town Council from building residential properties on the land. The restrictive covenant states the land can only be used for playing fields / leisure purposes.
4. Stotfold Football Club, which currently occupies Roker Park under a lease, has an urgent need to expand and build a new football ground which meets Football Association requirements and will provide demonstrable community benefit.
5. Stotfold Football Club is sponsored by Stotfold Motor Centre, incorporated within 'Saunders Garage Limited'. Central Bedfordshire Council's local Member, Councillor John Saunders has family connections with the owner of Saunders Garage Limited but there will be no direct legal relationship between Central Bedfordshire Council and Stotfold Football Club.
6. To achieve the aims set out in paragraph 4 above, Stotfold Town Council has made a number of attempts over the years to secure sufficient funds to enable it build a new stadium but without success.
7. Stotfold Town Council was granted a loan by Mid Beds District Council and this liability was inherited by Central Bedfordshire Council.
8. This matter was first considered by Central Bedfordshire Council's Executive on 27 November 2013. The Executive agreed to release the restrictive covenant on Roker Park in exchange for a share of the net proceeds of the sale of Roker Park for residential development, with Central Bedfordshire Council giving a further £500k towards the building of a new football ground. The agreement was also predicated on the repayment of the outstanding loan.
9. At that time, it was anticipated that the 'net' sum received by Central Bedfordshire Council, including the loan repayment, would be around £1.2m. However, the Executive decisions from November 2013 were never enacted, because Stotfold Town Council stated that it was not possible to build a new football ground for the amount of money they would have left over from this arrangement.

### **The current proposal**

10. More recently, a local developer has offered Stotfold Town Council a Partnership Financial Offer where they will acquire Roker Park and in return, subject to planning permission being granted, will build a new football stadium for Stotfold Town Council on CBC owned land at Arlesey Road.
11. Stotfold Town Council has confirmed to CBC that if the recommendations made in this report are agreed by the Executive, they will be able to facilitate the building of a new football stadium on the land at Arlesey Road, in addition to repaying an outstanding loan.
12. Stotfold Town Council has further confirmed its commitment to facilitate and promote general community benefit from the development
13. Stotfold Town Council has therefore requested Central Bedfordshire Council to release the restrictive covenant on Roker Park and at the same time grant a lease to them on 24 acres of land at Arlesey Road for 99 years at a peppercorn rent to allow development of the new facilities.
14. It is further understood that this offer means that Stotfold Town Council will repay the outstanding loan to Central Bedfordshire Council..

### **Best value from the sale of the asset**

15. Central Bedfordshire Council has a legal duty to achieve best value from the sale of an asset (in this case a restrictive covenant), or else obtain the Secretary of State's approval in the event that the undervalue exceeds £2m.
16. A valuation of Roker Park was obtained in June 2014 from the District Valuer . An independent assessment of the value of a restrictive covenant has also been obtained. This values the covenant at between 33% to 50% of the land value.
17. Consideration of the restrictive covenant's value is shown at Appendix B and this shows that under this proposal, the payment from Stotfold Council will be marginally outside the lower end of this scale.
18. However, The Local Government Act 1972 General Disposal Consent (England) allows a Council to accept a payment which falls outside an acceptable valuation provided the following apply:
  - a. the local authority considers that the purpose for which the land is to be disposed of is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

- i. the promotion or improvement of economic well-being;
    - ii. the promotion or improvement of social well-being;
    - iii. the promotion or improvement of environmental well-being; and
  - b. the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2m.
19. Taking into consideration the time Stotfold Town Council have been trying to provide new football stadium and community facilities, the pressure from the FA to improve the stadium used by Stotfold Football Club and the general economic situation, the option proposed by the developer and the payment for releasing the restrictive covenant is seen as the most viable way forward.

### **Reason/s for decision**

20. To support the long standing aspiration of Stotfold Town Council to provide improved football and community facilities in Stotfold.
21. To secure repayment of the outstanding loan and consideration in respect of the release of the restricted covenant.
22. This report proposes that Central Bedfordshire Council disposes of the asset that is the subject of the restrictive covenant for less than the best consideration and relies on the powers set out in clause 16.

### **Corporate Implications**

#### **Council Priorities**

23. The proposal supports the following Council priorities:-
- enhancing your local community – creating jobs, managing growth,
  - promotes health and well being
  - taking the action outlined in this report would facilitate the delivery of elements of the Council's Leisure Strategy.

#### **Legal Implications**

24. Legal implications have been addressed within the body of the report.
25. Additionally due to the complexities of the arrangements to release the restrictive covenant on Roker Park, a mechanism is required to secure payment from Stotfold Town Council. CBC's lawyers will need to agree an appropriate legal mechanism to ensure the consideration for the restrictive covenant is paid to this Council simultaneously with a commitment from STC to procure the construction of the new stadium on the Arlesey Road site.

## **Financial Implications**

26. Financial implications have been addressed within the body of the report.

## **Equalities Implications**

27. CBC has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
28. The proposal is not likely to have an adverse impact on equality of opportunity, due to the provision of a new football ground and playing fields for the benefit of all sections of the local community.

## **Public Health**

29. The new football ground and associated grass playing fields / pitches will promote sport and leisure activities within the community which will contribute to public health and wellbeing in the area.

## **Community Safety**

30. Under section 17 of the Crime and Disorder Act we have a duty to do all that is reasonable to reduce crime and disorder in our area. The provision of grass playing fields/pitches at Arlesey Road and the sale of Roker Park for residential development will make a positive contribution.

## **Risk Management**

31. Although there is uncertainty, both of the amount of the capital receipt from the sale of Roker Park and the total construction costs for development of the new football facility in Arlesey Road, there is no financial risk to the Council arising from the scheme.

## **Conclusion and next steps**

32. In terms of conclusions the recommendations are put forward as a means of assisting Stotfold Town Council achieve their long-held ambition to improve football and leisure facilities in the town.
33. In the event that Stotfold Town Council cannot secure agreement from a developer that the developer will construct the new football stadium to an agreed standard or for any reason the current proposals between STC and the developer fail to become legally binding within a reasonable period of time (to be determined by CBC) the present recommendations and subsequent decision will be withdrawn.

**Appendices**

Appendix A – Plan of the land

Appendix B – Best Value from the Sale of the Asset - Exempt

**Background Papers**

None