



## CABINET - 2ND JULY 2013

**SUBJECT: FORMER PENGAM BOYS AND GIRLS CLUB**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER**

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### 1. PURPOSE OF REPORT

- 1.1 To seek approval, in principle, to lease the site of the former Pengam Boys and Girls Club to Fleur-de-Lys Boxing Club on the basis of a 25 year Lease on terms to be agreed. Furthermore, in the interim period, to grant a licence to occupy in order to formalise the current occupation.

### 2. LINKS TO STRATEGY

- 2.1 The recommendations link to elements in the Community Strategy  
Education for Life [22]: *"Increase opportunities for and participation in leisure, sport, cultural and arts activities"*  
Health, social care and well-being [24]: *"Improve public health by promoting factors that contribute to healthy lifestyle and well-being"*

### 3. THE REPORT

- 3.1 The site was originally leased to the Trustees of the Pengam and District Boy's Club in January 1990. In accordance with the lease, the Trustees erected the building at their own cost.
- 3.2 During the term of the lease, Fleur-de-Lys Boxing Club was given permission to use the premises by the Trustees. The Trustees no longer have a requirement for the building and, as such, the boxing club has requested the lease be renewed in their name. This arrangement will formalise their use and will assist them when applying for suitable funding opportunities.
- 3.3 The club operates three evenings per week and is extremely well attended, with an average of 40 young people attending per evening. The club has been very successful over the last 25 years and has produced British, European and World champions. They would like to continue to offer these training facilities to the local and wider community on an on going basis.
- 3.4 As the site has been leased on fully repairing terms, the Authority has not had a maintenance responsibility. On receipt of the boxing club's application, the building was inspected and found to be showing signs of wear and tear. As there was insufficient information relating to the maintenance regime, officers were reluctant to grant a lease without further inspection.
- 3.5 Subsequently a health and safety survey and building survey were undertaken which identified substantial defects. The building surveyor advised that although the building fulfilled

an important function, in their opinion, the building is in urgent need of general maintenance and modernisation and has suffered from lack of investment. Estimated remedial costs to bring the building to a good standard of repair would be in the region of £85,000, excluding fees and contingency. This figure does not include any additional work that might be identified whilst remedial work is being undertaken.

- 3.6 Heath and Safety statutory maintenance testing identified initial remedial works in the region of £6,000. Based on this evidence, as the building is in use, Health and Safety has funded the necessary remedial works.
- 3.7 Although the boxing club management team is enthusiastic it has little experience with building management. They do not generate sufficient funds to undertake the necessary maintenance and refurbishment works and to take on the responsibilities within a fully repairing and insuring lease. Any funds generated are used to pay running costs such as water, electricity and gas. Therefore, officers are of the opinion that it would not be responsible to lease the building in its current condition as the liability would be too onerous.
- 3.8 There are other community facilities in the area and, therefore, it is important that efforts are made to develop uses within the building that complement other services being offered locally that can be sustained in the long term.
- 3.9 Community Regeneration and GAVO are currently working with the boxing club in order to assist them in moving forward with their proposals. Efforts will be made to fully investigate the feasibility of the long-term status of the club and possible funding routes. At present, no funding has been confirmed.
- 3.10 Options being considered by the club include developing the facilities to enable wider use such as extending or reconfiguring the footprint. Additional facilities may assist with engaging other community groups and increasing utilisation.
- 3.11 Although the terms of the Lease are to be determined, it is proposed that the management arrangements for the boxing club will be on fully repairing and insuring terms. Therefore, it is essential that the club develop a sound business case to help secure necessary funding and to demonstrate they are able to manage the building effectively in the future.
- 3.12 As the club are already in occupation and the building is in use, an interim licence should be granted to formalise this use in the short term. This agreement will set out the management responsibilities.
- 3.13 To ensure the building remains compliant, the Council will undertake the statutory maintenance inspections during the interim period whilst the future occupation is decided.
- 3.14 Community Regeneration has pledged to support the project in the short term and have proposed to fund some essential items to include an asbestos survey.
- 3.15 Planning and Highways advice is that there are no objections to the proposal to lease the building to Pengam Boxing Club.
- 3.16 Legal advice is that there is nothing that would prevent the grant of a 25-year Lease.
- 3.17 Therefore, to facilitate any funding application, an in principle approval is being sought to grant a long Lease of approximately 25 years, on terms to be agreed, to satisfy the funding criteria. Should Cabinet agree to the principle, the club will have the necessary assurances in place to progress their funding application.
- 3.18 Should the funding application be successful and subject to the necessary approvals and Planning Consent, a Lease will then be granted.

3.19 In the interim period, approval is sought to grant a temporary licence to formalise the occupation. This will assist in implementing a building management regime to ensure the tenant is aware of their full responsibilities during this period. It is proposed that there will be no rental fee in connection with the interim licence agreement.

3.20 The general powers of the Council to dispose of land are contained in the Local Government Act 1972, Sections 123 – 127. The Local Government Act 1972; General Disposal Consent (Wales) 2003, allows a local authority to lease land at less than best consideration without specific consent of the National Assembly, provided:-

- It contributes to the promotion or improvement of the economic, social or environmental well-being of its area, or all or any persons resident or present in its area, and;
- The undervalue does not exceed £2m.

In this case, there are clear social benefits in assisting a local boxing club that provides opportunities for young people in Fleur-de-lys/Pengam and the surrounding areas.

3.21 This criteria is linked to the “well-being” powers contained in the Local Government Act 2000, which states that every local authority has the power to do anything that it considers likely to achieve the promotion or improvement of well being in its area.

#### **4. EQUALITIES IMPLICATIONS**

4.1 An **EqlA screening** has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqlA has not been carried out.

4.2 Consultation with the users will be carried out to involve them with the refurbishment scheme during the design stage to ensure there is no potential for unlawful discrimination and/or low level or minor negative impact.

4.3 Works will also incorporate access requirements in order to provide satisfactory disabled access. As part of the ongoing consultation process, the plans will be presented to the Caerphilly Access Group for comment at the appropriate time.

4.4 Should the funding be successful, the facility will benefit both the young people and the wider community.

#### **5. FINANCIAL IMPLICATIONS**

5.1 The costs reported to date are indicative budget costs and work is ongoing to determine the full cost and will be dependant upon the scope of the scheme to be progressed.

5.2 As detailed above, Asset Management will fund the ongoing statutory testing requirements in the interim period to ensure the building remains compliant. Community Regeneration will fund some essential items as detailed above.

#### **6. PERSONNEL IMPLICATIONS**

6.1 There are no personnel issues associated with this proposal.

## **7. CONSULTATIONS**

7.1 There have been no views expressed that have not been incorporated into this report.

## **8. RECOMMENDATIONS**

8.1 That:-

1. In principle, the Former Pengam Boys and Girls Club be leased to Fleur-de-Lys Boxing Club on terms to be agreed by the Head of Performance and Property Services, including the power to lease the property for less than best price reasonably obtainable in the interests of the social and economic well being of the local community and the whole of the County Borough.
2. In the interim period, a licence to be granted to formalise the occupation to set out building management responsibilities. There will be no rental fee in connection with the interim licence agreement.
3. Should Fleur-de-Lys Boxing Club fail to develop a suitable business case and secure the necessary funding within 24 months of the agreement in principle, a further Cabinet report shall be prepared to consider the future options for the site.

## **9. REASONS FOR THE RECOMMENDATIONS**

- 9.1 An in principle approval to lease the site of the former Pengam Boys and Girls Club will assist Fleur-de-Lys Boxing Club to move forward with funding applications and prepare further information in support of their proposals.
- 9.2 An interim licence is necessary to formalise the current occupation and set out the basis for the occupation and use of the site.

## **10. STATUTORY POWER**

- 10.1 Local Government Act 1972 and General Disposal Consent (Wales) 2003, and Local Government Act 2000. This is a Cabinet function.

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Appendices:  
Appendix 1 Site Plan