

Public Report with Exempt Appendices
Delegated Officer Decision

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 14 June 2024

Report Title

Grange Park Golf Club – Grant of New Lease and Repayment of Arrears of Rent and Rates

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Assistant Director Approving Submission of the Report

Simon Moss, Assistant Director, Planning, Regeneration & Transport

Report Author(s)

Tim Hartley

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Ward(s) Affected

Keppel Ward

Report Summary

The purpose of this report is to seek approval for the grant of a new lease to a new tenant company, Top Play Limited. The proposed details of the new lease are outlined in the exempt Appendix 3.

Recommendations

1. That the Assistant Director Planning, Regeneration & Transport approves and negotiates the lease with Top Play Limited, in consultation with the Council's Section 151 Officer and the Cabinet Member for Social Inclusion & Neighbourhood Working

List of Appendices Included

Appendix 1 Equality Analysis

Appendix 2 Carbon Impact Assessment

Appendix 3 Exempt Summary of Negotiations

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

A partial exemption is sought for Appendix 3 of this report under Paragraph 3 (Information relating to the financial or business affairs of any person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this Appendix 3 contains sensitive commercial information relating to a transaction between a number of parties including the Council.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because releasing the commercial information of the parties financial affairs could jeopardise the transaction.

Grange Park Golf Club – Grant of New Lease and Repayment of Arrears of Rent and Rates

1. Background

- 1.1 Grange Park Golf Club is located on former coal workings and the freehold ownership has passed to the Council through its local authority predecessors, who acquired the land between 1929 and 1973.
- 1.2 The golf course was laid out in the 1970s and was run by the Council as a municipal facility. The clubhouse was let to The Grange Park Golf Club Limited in January 2005 and the course let to the same company in June 2005.
- 1.3 Grange Park Golf Club Limited has accrued have significant arrears of rent and business rates totalling more than £250,000 and it is unlikely these monies will be recoverable from the existing business / tenant. Jacob's collection agency is engaged to manage / recover the rent arrears.
- 1.4 The leases to Grange Park Golf Club Limited have both expired and the company is holding over in occupation pursuant to those leases. The company has a right to renewal leases and entered into negotiation with the Council as it was unwilling to grant a renewal lease or leases without the arrears being settled.

2. Key Issues

- 2.1 Grange Park Golf Club Limited has approached the Council and advised that it has secured an investor to invest in the business. This investment will see a significant refurbishment and upgrade to the current facilities. They have provided details of the proposed investment and a programme of when they propose to carry out the works.
- 2.2 Part of the investment proposal is that all historic / legacy rent and other arrears are cleared in return for the grant of a single new lease on the site to the investor's company, Top Play Limited.
- 2.3 Following detailed discussions between Green Spaces, Legal Services and Asset Management, the framework for a new lease structure has now been agreed. Details of the proposed new lease can be found at Appendix 3.

3. Options considered and recommended proposal

3.1 Option 1 – Grant a New Lease to Top Play Limited

Lease terms have been agreed with this company and their investors which will see legacy rent and rates arrears cleared and a substantial additional amount

invested in the site and its facilities over a planned period with a view to securing a sustainable future for the golf club.

This is the preferred option

3.2 **Option 2 – Terminate the Existing Leases and Pursue Recovery Action in Respect of the Rent Arrears**

Terminate the current leases on the grounds of non-payment of rent and recover the property. Once recovered the property will require works to bring it to a marketable standard and there is no guarantee of a new tenant being found.

Furthermore, it would be unlikely that the historic rent arrears could be recovered as the current tenant company does not have sufficient assets.

4. **Consultation on proposal**

4.1 The negotiations of the proposed new lease, the repayment of the arrears and the investment into the property have been conducted by a team within the Council comprising representatives of all interested services and teams. These include: Green Spaces which is responsible for the property, Finance and Debt Recovery, Legal Services and Asset Management.

5. **Timetable and Accountability for Implementing this Decision**

5.1 Once the report has been submitted and approved, the Assistant Director of Legal Services will be instructed to negotiate and complete the necessary legal documentation in respect of the new lease which will not be completed until repayment of the arrears has been made.

6. **Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

6.1 There are no direct procurement implications arising from the recommendations detailed in this report.

6.2 The rent and lease payments from the new lease are identified in the exempt Appendix 3 attached to this report. These payments will contribute to the service operating within budget and crucially will prevent the requirement for the write off the current tenants historic rent and business rate arrears which are in excess of £250k. The agreement for the new lease is on the basis that these historic debts are settled at the point the new lease terms are agreed, failure to do so and the lease will not be agreed.

7. **Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 The existing tenant, Grange Park Golf Club Limited, has the right to renewal leases in respect of their two existing leases but no formal notices have been served under the Landlord and Tenant Act 1954 so there are no applicable dates to be met. The existing tenant has confirmed that it is willing to give up this right in favour of a grant of the proposed new lease to Top Play Limited.
- 7.2 The new lease will not be formally completed until the Council has received the full amount of the arrears of rent and rates.

8. Human Resources Advice and Implications

- 8.1 There are no direct HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no direct implications for Young People and Vulnerable Adults arising from this report.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct implications for equalities or human rights arising from this report.

11. Implications for CO2 Emissions and Climate Change

- 11.1 A Carbon Impact Assessment Form is attached in Appendix 2.

12. Implications for Partners

- 12.1. None.

13. Risks and Mitigation

- 13.1 None.

14. Accountable Officers

Simon Moss, Assistant Director, Planning, Regeneration and Transport
Polly Hamilton, Assistant Director, Culture, Sport and Tourism
Tim Hartley, Strategic Asset Manager, Asset Management

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Robert Mahon	06/06/24
Head of Legal Services (Monitoring Officer)	Stuart Fletcher	Click here to enter a date.

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