

## **Horton Country Park - Change Of Use (“New Room” Former Stable Building)**

<b>Report of the:</b>	Head of Property and Regeneration
<b>Contact:</b>	Mark Shephard
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	<b>Annexe 1 – Site Plan</b> <b>Annexe 2 (considered exempt from publication: paragraph 3 Schedule 12A LGA 1972): – Business Plan</b>
<b>Other available papers (not attached):</b>	None

### **Report summary**

**This report considers a proposal from the Gauntlett Boxing Club (an existing Council tenant at the Harrier Centre, Poole Recreation Ground) to open an additional facility at Horton Country Park.**

**A planning application has been submitted by the Gauntlett Boxing Club for a change of use and is awaiting decision.**

**Any proposed change of use to a Council owned property must be exercised by the Strategy and Resources Committee (Appendix 5: Delegation of Property Functions – Asset Management Plan).**

### **Recommendation (s)**

- (1) The Committee approves the proposed change of use (of part of the New Room, Horton Country Park) to Use Class D (boxing club). *(For the avoidance of doubt, this is subject to the grant of satisfactory planning permission by the Council acting in its separate capacity as the Local Planning Authority).***
- (2) The Head of Property and Regeneration, in consultation with the Chief Legal Officer, be authorised to conclude negotiations with the Gauntlett Boxing Club for a new commercial lease as they think fit.**

# Strategy and Resources Committee

## 17 April 2018

### 1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 This proposal supports the Council's four year Corporate Plan and Medium Term Financial Strategy specifically focusing on the Key Priority of Managing our Resources through maximising returns from properties and other investments, and identifying new sources of revenue and maximising our income.
- 1.2 It will also contribute to the Council's Key Priority of Supporting our Community by promoting healthy and active lifestyles for all ages.

### 2 Background

- 2.1 The Gauntlett Boxing Club ("the Club") has leased premises from the Council at Poole Recreation Ground since September 2015. The Club has proven so successful that new enquiries join a lengthy waiting list, prompting the Club to look for additional facilities to compliment the current operation.
- 2.2 The Club is an Epsom family run boxing club solely owned by Chris Gauntlett (coach for all classes) and supported by a team of coaches including his daughter (women's coach) and son (juniors and teen coach).
- 2.3 The Club's web site describes its unique offer:-  
  
*"Having worked and trained in various gyms throughout his life, Chris wanted to build a club that would show a different approach to boxing. He wanted to create an exciting venue with a great buzz and most importantly a club which is intimidation free and welcoming to all."*
- 2.4 The membership is drawn from a broad spectrum of people looking to improve their fitness and wellbeing. The majority of members are EEBC residents and boxing classes include Juniors, Teens, Late Teens, Adult, Competitive and Womens. The Club also accepts referrals from schools to assist difficult children and help focus their energy on positive outcomes.
- 2.5 A facility at Horton Country Park would allow the Club to broaden its scope by offering opportunities in Olympic style, or as it is more generally known, amateur boxing. Olympic style accounts for 60% of national boxing fitness activities across England Boxing Ltd accredited gyms.
- 2.6 The Club has submitted a planning application (Ref: 17/01300/ Full) which was validated on 9 February 2018 to change the use of a former Horton Country Park stable building from sui generis use to boxing club (Use Class D). A decision is imminent.
- 2.7 A site plan is attached at **Annexe 1** showing the proposed facility edged red occupying one-half of the former stable building known as the "New Room".

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- 2.8 This report has been brought to Committee as any proposed change of use to a Council owned property must be exercised by the Strategy and Resources Committee. This is a requirement of the Council's approved Asset Management Plan under Appendix 5: Delegation of Property Functions.

### 3 Club Proposal

- 3.1 The Club believes the most deliverable vehicle to provide a first class amateur boxing club would be via a Charitable Incorporated Organisation (CIO), i.e. a not-for-profit enterprise. This would allow access to Sport England grant funding to build a new boxing gym space and develop the overall sporting opportunity on offer in the Borough.
- 3.2 Sport England recently announced that grant funding is now available (January 2017 onwards) to not-for-profit organisations. They view CIO's as particularly strong candidates for capital development projects of up to £150,000 – sufficient to fully finance a project of this scale.
- 3.3 Furthermore, due to the Club's excellent relationship with Sport England, they have been invited to apply for grant funding as soon as Planning Permission and draft lease negotiations have been concluded.
- 3.4 To ensure the ethos and management of the new club follows the existing model, the charity (CIO) would essentially be a franchise operation of the Gauntlett Boxing Club. In return for access to the franchise, the CIO would pay an initial "Setup Fee" to the Club, and then pay an on-going monthly subscription for continual benefits delivered by the franchise. The Setup Fee would cover the costs of equipping the new gym and crucially, the CIO would benefit from any membership overflow from the Club.
- 3.5 As a charity, the CIO would need to be a separate legal entity from the Club. This will require the appointment of three (minimum) independent trustees and delivery to new memberships, as well as affiliation to English Boxing.
- 3.6 It is proposed that Chris Gauntlett be appointed Head Coach by the CIO. The main purpose would be to oversee the franchise delivery in the first year to ensure it successfully "beds in", and the CIO becomes the same success story as the Club.
- 3.7 As a charity, excess revenues from the CIO will be reinvested in the club and boxing in the local community. This may include charity days, public events and boxing exhibitions, sponsoring competitions, boxing tours and promotions to effectively communicate the success story both in the UK and even internationally.
- 3.8 A full business case is attached at **Annexe 2 (considered exempt from publication)**.

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### **4 Council Benefit (from a property ownership perspective)**

- 4.1 It is proposed the Club (as distinct from the CIO) will take a commercial lease of one-half of the New Room at Horton Country Park. The other half of the New Room is used by Mole Valley Trust for timber work and renovation projects and this arrangement will remain unchanged.
- 4.2 The Club's lease is likely to be for a term of 10 years with the option for either party to terminate the lease after 5 years. The rent will comprise a 2.5 year rent-free period (to compensate the Club for undertaking landlord works), followed by a market rent (c£9,000 pa) thereafter.
- 4.3 The New Room requires extensive refurbishment by the Council to bring the building back to full use. Whilst it remains a long-term aspiration of the Council to redevelop the existing properties for community / mixed use, the investment required currently renders it financially unviable.
- 4.4 A minimum investment of £42,000 is required to convert the New Room into a useable gym space. This will be initially funded by the Club, and partially recovered through the initial rent-free period granted under the lease. The rent-free period will reimburse the Club for those items of expenditure that would otherwise be incurred by the Council if it was preparing the accommodation for market letting.
- 4.5 Therefore, for the medium term, with the existing properties requiring capital investment, the proposal by the Club will allow the Council to derive a future income from the New Room without the risk of upfront capital expenditure.
- 4.6 The new facility will benefit the wider community and bring further footfall to Horton Country Park, thus widening the general awareness of this community asset and its historical background. In turn, this would assist in building a future case for investment, and bring together more stakeholders with an interest in seeing the existing buildings enhanced or redeveloped for new facilities.
- 4.7 The New Room is currently hired by the Epsom Silver Band for two evenings a week for practice and intermittently, if they have an upcoming concert. They are fully aware of the proposal and the Council is working with the Band to identify an alternative venue for their use.

### **5 Financial and Manpower Implications**

- 5.1 The Gauntlett Boxing Club's proposal offers the Council the opportunity to safeguard the New Room's medium term income generation capability without placing pressure on the Council's budget.

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5.2 **Chief Finance Officer's comments:** *In 2017/18, the New Room achieved an income of £3,600, from ad hoc booking fees from Epsom Silver Band. The Gauntlett Boxing Club's proposal would secure external capital investment in the building and, following a 2.5 year rent-free period, should generate an increased annual income to the Council of circa £9,000. The Council's Corporate Plan includes a priority to maximise returns from its properties. The proposed use of the New Room supports this aim.*

### 6 Legal Implications (including implications for matters relating to equality)

6.1 Horton Country Park is freehold owned by the Council. Any lease granted by the Council (acting in its capacity as the landowner), will be conditional on the satisfactory receipt of planning permission for change of use.

6.2 **Monitoring Officer's comments:** *No further comments.*

### 7 Sustainability Policy and Community Safety Implications; Partnerships

7.1 No implications for the purpose of this report.

### 8 Risk Assessment

8.1 The Council incurs minimal financial risk:-

- No upfront refurbishment expenditure
- Successful existing tenant minimises the likelihood of future business failure
- Safeguards the New Room's medium-term income generation ability

### 9 Conclusion and Recommendations

9.1 It is recommended that Committee, acting in the Council's capacity as landowner and thereby subject to planning, approves the change of use of part of the New Room, Horton Country Park, to that of Use Class D (boxing Club).

9.2 In summary, the Gauntlett Boxing Club's proposal offers the following tangible benefits:-

- Enhancement of the Borough's public health / fitness / well-being offer
- Increased awareness / use of Horton Country Park
- Investment in a Council owned property asset without risk to the Council
- Circa £9,000 pa income generation after 2.5 years

**Ward(s) affected:** (All Wards);