
London Road Industrial Estate Football Ground – Supporting Information

1. Introduction/Background

- 1.1 In October 2005 the Newbury Vision was first published and which contained ambitious proposals on how to shape Newbury in the decades ahead to ensure that Newbury remains a vibrant, sustainable and good place to live and work. That Vision foresaw the creation of defined areas of occupation and activity within Newbury, including an urban village based around Market Street, a cultural quarter around the museum and wharf, a retail quarter around Parkway and a business quarter on the London Road Industrial Estate (LRIE). Related to these targets were ‘sub-schemes’ such as the cinema complex and pedestrianisation of the Market Place and adjacent areas. Finally the amalgamation of key sports based at Newbury Rugby Club as a centre of sporting excellence emerged as a final sub-scheme.
- 1.2 The restoration and refurbishment of the museum, the development at Parkway and the delivery of the new cinema complex and pedestrianisation of the Market Place and adjacent areas demonstrates that key targets have been successfully delivered. The latest to fall into place is the original concept of the urban village based around Market Street, now being delivered by Grainger and due for completion end of 2021. The major outstanding ambition of the original Newbury Vision is the regeneration of the LRIE which stands as a very poor neighbour to all that has been achieved over the last 15 years in Newbury.
- 1.3 In 2010 it was agreed that external consultants should be appointed to evaluate the assets held by the Council as freehold landlord on the LRIE and advise how redevelopment might be taken forward in order to rejuvenate this run down part of Newbury. In May 2011 Strutt & Parker were appointed by competitive tender to carry out a strategic feasibility study to evaluate what might be done to bring forward regeneration on the LRIE.

2. Supporting Information

Strutt & Parker Strategic Feasibility Study

- 2.1 The Strutt & Parker ‘Strategic Feasibility Study’ (SFS) was produced in draft form in December 2011 and then formally published in 2012. The SFS confirmed the LRIE as an important and valuable asset and which had the ability to be successfully redeveloped but that the process would be long and challenging. The SFS recognised the need to include the old football club land within development proposals; *“If the LRIE is to be redeveloped for a more modern mix of employment and related uses, one of the key issues will be the strategy which the Council and other parties adopt for the relocation of some or all of the existing businesses, plus any major users such as the Football Club”*.
- 2.2 As part of the SFS, Strutt & Parker employed Broadway Malyan to provide the masterplan design options for redeveloping the LRIE. All layouts were presented

on the basis of utilising the football ground and where proposals showed the football ground being used for either a combination of business and residential development or exclusively residential development. The football ground was recognised as the prime location for housing, a reflection of its adjacency to green open space, the water front and relative quietness.

- 2.3 The outcome of the SFS was a high level 'route map' of how regeneration could be brought forward. The SFS worked on the basis the Council itself would not seek to underwrite the risk of development itself but enter into a partnership with a major developer with experience of public sector regeneration in order to protect and potentially enhance Council income and in the process improve this run down part of central Newbury. In 2012 the findings of the SFS was published to the Executive and where it was decided to follow the next steps as set out by Strutt & Parker in order to find a development partner for the Council.
- 2.4 Between 2012 and 2014 Strutt & Parker, on behalf of the Council, managed a process to acquire a development partner to deliver regeneration on the LRIE. The development partner would be secured via a land disposal on a long lease to the chosen development partner and where the Council's control would be limited to its powers as a freehold landlord and local planning authority. Based on a land disposal and where the Council would not at any stage impose a public benefit on the regeneration other than that driven by planning policy (i.e. affordable housing according to policy and no more) the process was deemed to fall outside the public procurement regulations. However, the aim was to devise a selection process that was auditable and could demonstrate that due thought was given to whom the Council would enter into contract with in order to develop the LRIE.
- 2.5 In 2013 Strutt & Parker drafted for publication in relevant national journals a developer 'Opportunity Document' in respect of regeneration proposals on the LRIE. The proposals were clearly based on mixed use development including the football ground. Before publication, this 'Opportunity Document' was passed to the Executive for approval and where, in order for the process to fall outside of public procurement regulations, it was confirmed regeneration proposals must not seek public benefit beyond that required of the planning process.
- 2.6 Publication of the 'Opportunity Document' generated good market interest and where those expressing an interest were required to provide Strutt & Parker with information confirming companies relevant experience of public sector development partnering. Those companies expressing an interest did so on the basis that the football club land would be available as part of development proposals. Working with the Council, a selection process was managed by Strutt & Parker which resulted in three final companies being invited in 2014 for interview and submit development and financial proposals. St.Modwen were selected as the Council's preferred partner subject to contract.
- 2.7 Heads of Terms (HoTs) were agreed between WBC and St.Modwen, again a process managed by Strutt & Parker. HoTs specifically set out the challenge of securing vacant possession on the football ground. This requirement was then fully set out within the eventual development contract; *"The Council shall use all reasonable endeavours to secure vacant possession of the Football Ground on or before 30 November 2017 and thereafter take such steps as are reasonably necessary to enable the Football Ground to be developed in accordance with the Project Plans including without prejudice to the generality of the foregoing obtaining*

such approvals or consents as are required of Sport England or such other competent authority as are required to enable the Development of the Football Ground” and where “The Parties agree that it may not be reasonably practicable to submit a Planning Application until such time as the Council has discharged its obligations under clause 12.2 and that if the Council has not secured vacant possession and obtained the approvals or consents to enable the development of the Football Ground on or before 30 November 2017, then the Long Stop date shall be extended by a period or periods which are equal to a moratorium period commencing on 1 December 2017 and ending on the date the Council has secured vacant possession”. Before signing contracts, the full WBC and St.Modwen contract was presented to the Executive for approval and where papers to the Executive included clear recommendations from Strutt & Parker and independent legal advice from Bond Dickinson (now Womble Bond Dickinson).

Newbury Football Club, LRIE

- 2.8 Running parallel to the processes set out in Sections 2.1 to 2.6 was work undertaken to find a new location for Newbury Football Club.
- 2.9 As soon as the Strutt & Parker SFS appeared in draft form in December 2011, confirming the importance of the football club land to regeneration proposals, the Council revisited options for moving the football club in order for the Council to achieve vacant possession on the asset.
- 2.10 Between 2007 and 2009 there had been initial discussions between Newbury Rugby Club and the Council about Newbury Football Club being given their own pitch at the Rugby Club and where facilities such as parking, clubhouse and showers for players and referees could be shared. Newbury Rugby Club had for sometime been looking at business models that could strengthen their income generation and thereby put the club on a more secure footing. The Rugby Club had actively sought a ground share with football and where football would have its own pitch on unused land. Though Newbury Football Club had a short lease on the LRIE, including a six month termination clause and where the club acknowledged they had been told in 2005 the football ground would be incorporated one day in redevelopment, the football club were reluctant to engage with the Rugby Club.
- 2.11 During 2012 WBC Property Services re-activated dialogue with the rugby club who confirmed they were still interested in a ground share with the football club. WBC Property Services had discussions with Berks & Bucks FA to confirm the extent to which facilities such as parking and washrooms could be shared and to confirm that generally there was land available to deliver a ground share generally and where a pitch for football could be made available.
- 2.12 By the end of 2012 negotiations with the Rugby Club had collapsed since land that might have been available for a dedicated football pitch was no longer on offer. As a result of this WBC Property Services had to start afresh and consider either new sites as a permanent new home for football or temporary options for relocation until a plan for permanent new home could be identified.
- 2.13 WBC considered an offer from Greenham Common Trust but on land in open countryside and where the planning challenges would have been too great. At the same time negotiations were opened with Thatcham Town Football Club. Thatcham Town Football Club (TTFC) made a formal offer to Newbury Football

Club to share their facilities. TTFC believed the share made commercial sense where hitherto both clubs had been competing for fans from the same limited pool of spectators who had a general interest in football and where pooled income would benefit both clubs. It should be noted TTFC own their ten acre site freehold. Despite the formal offer by TTFC, Newbury Football Club did not follow this up.

- 2.14 During the process to find relocation sites, both permanent and / or temporary, the Council opened dialogue directly with Sport England on the issue. WBC Property and Planning Officers met with Sport England at their Bisham Abbey headquarters in 2013 and 2014 specifically to discuss the LRIE and the need to progress LRIE planning matters. It was explained that doing nothing until a fully worked up permanent relocation site for Newbury football was confirmed would be unreasonable and jeopardize the Council's important regeneration plans. Sport England said they felt unable to fully comment until the Council had an up to date authority wide 'Playing Pitch Strategy' (PPS). Sport England said they would help fund the PPS report. The PPS was commissioned at the end of 2017.
- 2.15 After extensive consultation with Sport England, including specifically the LRIE football ground, the PPS is now complete and approved by Sport England. Sport England and WBC have agreed a position whereby WBC commits, as part of its emerging Leisure Strategy, to finding in Newbury a new permanent and sustainable home for football up to Step 6 or higher. Sustainability includes WBC's ability to grant a long lease on a new site which will attract external funding to deliver the facilities required. Potential sites within Newbury that meet the FA's and Sport England's distance criteria from the old LRIE ground are Northcroft and Goldwell Park, Henwick and Pigeons Farm.
- 2.16 Sport England have said that any outline application on the LRIE should be accompanied by the approved WBC Leisure Strategy that describes how the long term home for football in Newbury will be delivered. Sport England state that no development on the LRIE can commence until the new football ground site in Newbury is secured and active. Now that WBC has clear guidance from Sport England as a statutory consultee for a future outline planning application on the LRIE, the Council is in a position to appoint new development brief consultants and where consultants will consider again how LRIE development can be brought forward and including the football ground. Importantly consultants will have a road map as to how the old football ground will be replaced thereby freeing up this important land asset as part of the estate's regeneration.
- 2.17 As a point of principle the Council is fully aware of planning policy affecting the old football club and any outline planning application the Council submits and which presumes redevelopment of the whole estate including the football ground. Such policies do not in fact prevent the Council from attempting to make the case at planning for not replacing football facilities at all because proposals provide a public benefit far greater than the public benefit lost. However, as stated the Council is working with Sport England on the basis of re-provision and where a new site for football in Newbury has the capacity to develop from existing club levels up to Step 6 or higher.

Conversion of LRIE football pitch to an area of timber fenced grassland for informal sport and recreational use

- 2.18 In June 2018 the football ground became vacant, at which point the Council considered how the area could be kept open for public use but remain in Council control until such a time as when the ground was required for redevelopment. It should be noted the old football club was given notice in 2016 when the original short lease came to an end, but where, by agreement with the Council, the football club was given a lease extension of two years. At that point the club was told there could not be any lease extension after June 2018.
- 2.19 When the football ground was still in occupation, the income stream the Council derived from the site was £4,800 out of a total estate income of £360,000. In terms of finance, the football club was the largest site occupier with the least usage and the lowest income return. This modest loss of income is completely absorbed by new rental income for car storage on the former Faraday Road council offices site.
- 2.20 The cost of converting the old football pitch to a timber fenced area of grassland, including removal of existing degraded hoarding and chain link fencing, will cost £30,000. This cost should be compared to refurbishment costs identified in surveys carried out in respect of the old clubhouse and changing rooms after the premises was vacated in June 2018. Surveys showed the buildings to be in poor condition and where buildings could not be re-occupied without immediately carrying out urgent category A works at a cost of £208,000. Beyond this surveys noted that a further £300,000 of building refurbishment works would need to be carried over the next 5 years to bring the building up to an acceptable overall standard.
- 2.21 The clubhouse condition report stressed that £500,000 of total refurbishment works should be set in the context of building structures at the end of their life span. The condition report states that a total new build would be in the region of £800,000 to £1,100,000 and where £500K to refurbish the present buildings demonstrates that existing structures are beyond economic repair. On the basis that buildings cannot be reoccupied without immediate works being undertaken and that the Council has no remaining use for the buildings, structures have all been metal sheet boarded up to make them secure.
- 2.22 The old football ground is registered as an 'Asset of Community Value' (ACV). ACV status does not prevent the Council from including the football ground within LRIE redevelopment proposals. On the point the Council decides to dispose of the asset as part of a financial transaction, in this case land with a planning consent, the ACV status requires the Council to offer the asset to the registered ACV holder at commercial value and where the registered ACV holder has six weeks to declare an interest in purchasing the asset. Thereafter the ACV holder has six months in which to make a commercial offer. The Council is not obliged to accept the offer.
- 2.23 In terms of the old football ground stand, registration of the football ground as an ACV does not prevent the Council from immediately passing on assets registered as an ACV if the transfer does not financially benefit the Council. The stand has gone to a club that plays at Step 2 (two away from professional) and where the stand will be fully utilised to far greater public benefit at a level it has never been used at before.

3. Options for Consideration

- 3.1 The Council reopens the LRIE football ground for dedicated football. This would require a new formal occupancy and where, as a result, the Council would reduce its control over the asset and with that prejudice its ability to release the land for development.
- 3.2 The Council fully replaces lost and / or degraded facilities associated with the old football ground. Reopening of the old clubhouse and changing rooms would require immediate expenditure of over £200,000 for a building which is beyond economic repair and which the Council has no use for. **Or:**
- 3.3 The Council does reopen on a temporary basis the old football pitch as an area of timber fenced grassland for informal sport and recreational use. This use will provide wider community benefit and where conversion costs will be substantially less than re-opening historic facilities and leaves the Council in control of the asset until the land is required for development.
- 3.4 The Council does bring forward again proposals to redevelop the LRIE, including football club land, by approving the appointment of consultants to provide a new development brief & masterplan. Doing this will be implementing a long held publicly known Council aspiration to regenerate a rundown part of Newbury.
- 3.5 The Council in the New Year appoints consultants to review football relocation options and plan for the reprovision of long term sustainable football within Newbury.

4. Proposals

- 4.1 That the Council does not reopen the football ground and replace football facilities associated with its former use and continues with plans to convert on a temporary basis the old football pitch into an area of timber fenced grassland for informal sport and recreational use.
- 4.2 The Council appoints consultants to provide a new LRIE development brief & masterplan and where regeneration proposals include the football club land.
- 4.3 The Council appoints consultants to review options and plan for the reprovision of football elsewhere within Newbury

5. Conclusion

- 5.1 Previous advice states the LRIE cannot be successfully regenerated without the football club land. Regeneration of the LRIE is still an important outstanding ambition and where as a result the Council should retain control of the asset by managing the MUGA itself until such a time as when the land is required for development.
- 5.2 Working with Sport England, the Council has an approved reprovision strategy that will provide a long term sustainable home for football in Newbury and will allow the Council to eventually submit an outline application on the LRIE and where the application can be supported by Sport England. A long term sustainable site will attract external funding and where the Council as landlord will not be dis-benefited and can proceed again with bringing forward regeneration on the LRIE. To give

control of the old football ground to a 3rd party single use operator will potentially prejudice the Council's ability to pass the asset over for redevelopment and where, should the asset not be available for development, the Council will lose the ability to bring forward a holistic and integrated regeneration of the LRIE.

- 5.3 Conversion of the ground to an area of timber fenced grassland will provide wider community use and where the cost will be substantially less than the cost of urgent works to make the old clubhouse fit for re-occupation.
- 5.4 The appointment of consultants to provide a new development brief and masterplan should not be delayed.
- 5.5 Regeneration proposals on the LRIE, including football club land and re-provision plans for football, have the potential to greatly benefit the community, football and WBC whereas by contrast passing the old football club back to a tenant after carrying urgent repairs to the old clubhouse will be of no long term benefit and have the potential to destroy viable redevelopment plans.
- 5.6 LRIE regeneration plans will protect and enhance LRIE income generation, rejuvenate a rundown part of central Newbury and provide a long term sustainable home for football elsewhere within Newbury that will attract external funding. External funding on the old football ground would only be available should the Council grant a long lease on the old football ground which would effectively remove the ability to bring forward LRIE regeneration proposals. This would be to the dis-benefit of Newbury as a whole.
- 5.7 Bringing forward again regeneration proposals on the LRIE, including the old football club land, represents the best course of action for football, for WBC and the wider Newbury community.

6. Consultation and Engagement

- 6.1 Over the years the occupants on the LRIE, both owner / occupiers and tenants, have been letter dropped and met with at the old football clubhouse. A new letter drop updating occupants of the latest position should be considered and that next year another meeting is arranged at a suitable location.
- 6.2 Sport England and key sports as part of the Playing Pitch Strategy.

Subject to Call-In:

Yes: ☒ No: ☐

The item is due to be referred to Council for final approval	<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>
Delays in implementation could compromise the Council's position	<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>
Item is Urgent Key Decision	<input type="checkbox"/>
Report is to note only	<input type="checkbox"/>

Wards affected: Victoria

Strategic Priorities Supported:

The proposals contained in this report will help to achieve the following Council Strategy priorities:

- ☒ **OFB1: Support businesses to start, develop and thrive in West Berkshire**
- ☒ **GP1: Develop local infrastructure to support and grow the local economy**

The proposals contained in this report will help to achieve the above Council Strategy priorities by making viable redevelopment of the LRIE possible. Redevelopment will reconfigure the area making the best use of developable land thus maximising the Council's ability to provide employment opportunities, improved working premises and much needed town centre residential accommodation.

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