

Coventry City Council
Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate
Change held at 2.30 pm on Wednesday, 29 September 2021

Present: Councillor J O'Boyle (Cabinet Member)

Members:

Other Members: Councillor P Male (Shadow Cabinet Member)

Employees (by
Directorate):

S Bennett, and E Kirby, Law and Governance
P Beesley and A Hunt, Property Services

Public Business

12. Declarations of Interest

There were no declarations of interest.

13. Minutes

The Minutes of the meeting held on 30 July, 2021, were agreed and signed as a true record.

There were no matters arising.

14. Surrender and Regrant of a New 250 Year Lease for Butts Park Arena, Butts Road, Coventry

The Cabinet Member for Jobs, Regeneration and Climate Change considered a report of the Director of Property Services and Development which indicated that Coventry Rugby Club, a historic club forming part of the fabric of the City since its inception in 1874, moved to its new home of the Butts Park Arena in 2004 following the sale of its home of 88 years at Coundon Road. Currently the Club plays its first team rugby in the Championship league of English Rugby.

Butts Park Arena is located close to the city centre and sits within an area identified for wider regeneration. Over the last 10 years significant development of the adjoining former City College site has seen the creation of a new business and leisure area including a hotel, affordable and extra care residential homes and Albany Theatre. In addition, there has been new student housing built in the Butts area as well as current plans being developed to improve the existing social housing estate opposite in Spon End.

Coventry Rugby Club has recognised that their rugby income alone is insufficient to sustain the Club. Therefore, in order to ensure that this historic Club continues to contribute to the City, a greater focus on commercial activity in its current location is essential to make the Club financially self-sustaining in the long term. This financial stability will support the aspiration of a sustained top 3 league

position as well as providing leadership in the local community through the promotion of health and well being through sport.

Since 2018, the Club has invested circa £2.5m enhancing the site and operations which included laying down an artificial playing surface enabling all year playing of multiple sports. As a result, the Butts Park Arena is not only the home of Coventry Rugby Club but also Coventry Bears Rugby League Club, Coventry United F.C and Coventry United Ladies F.C. The Arena has also hosted American Football as well as Gaelic Football and its facilities have been made available to local schools, universities and junior rugby clubs. In addition, the 'engineered' layer below the artificial pitch facilitates the hosting of concerts and outdoor events.

The lease of the Butts Park Arena is currently held by Butts Park Arena Limited on a 125 years long leasehold from the Council dated 21 Jan 2003, with an annual peppercorn ground rent. Butts Park Arena Limited is a company which is majority owned and controlled by Coventry Rugby Club Ltd. The Club now proposes to develop the facilities further, but this requires support from the Council to extend their lease term and widen their user clause to enable this new development to happen.

The key components of the development proposal are:-

- 150 bed hotel development
- New 1200 spectator covered standing terrace including with ground floor club shop, food and beverage outlets and fan zone
- 140 apartments of private rented residential accommodation.
- Drive through café.
- Hospitality suite and seating area will be developed in the wider site development plan

Butts Park Arena are seeking a new 250 year lease over the whole property with a wider user clause to facilitate the redevelopment. The extension of the term is to assist with the development of the residential element of the scheme and long term security. The longer term also assists with securing funding from investors. A "user clause" in a lease sets out what types of development, activities can take place on a property. It is only intended to widen the user clause on the areas of the site where development is proposed and not across the whole site. The provision of the multi sports playing surface for the primary use as a Rugby Football pitch will be protected for the duration of the lease by the user clause.

The new hotel, conferencing and food and beverage facilities allowed will enable the maximisation of income from these parts of the site. It will attract customers to the arena throughout the week and not just at weekends. This will support the Club's aspirations both on and off the pitch by helping to secure its financial position. In return for the lease extension the club have agreed to continue to make the Butts Park Arena facilities available for other sports including Coventry United Men's and Women's football teams, Coventry Bears Rugby League Football Club, Disability sport including Wheelchair Rugby, American football, local Gaelic football, Coventry School's, University and junior rugby clubs.

Coventry Rugby Club are committing to provide community outreach programmes promoting health and wellbeing to young people across the City. The Club will provide community services to a value of £180,000 per annum over the next 10

years to achieve this. This investment will be secured by way of a legally binding Community Sport Agreement which obligates the Club to provide the community focused programmes to the required value. This will be monitored by officers from the Sports area of the Council to ensure it is being delivered. Failure to deliver would result in the Club paying the Premium in cash. The community sports programmes delivered will be used to offset the Premium created in the extension and widening of the lease terms, which equates to £1.8m (as assessed by external property consultants Lambert Smith Hampton). This proposal will support Coventry Rugby Club to become more financially sustainable but also the provision of the community outreach programmes will support the Council's ambition to ensure high quality sporting facilities are available for use by the residents within the city.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change:-

- 1. Agrees to accept the surrender of the existing leasehold interest and authorises the simultaneous grant of a new 250 year lease to Butts Park Arena Limited of the premises on Butts Road for a premium of £1.8 million and peppercorn ground rent.**
- 2. Approves that the premium be payable by way of a ten year Community Sports Agreement setting out a minimum provision of community activity which equates to a financial contribution of £180,000 per annum.**
- 3. Approves the entry into the Agreement for Lease, Lease and Community Sport Agreement with Butts Park Arena Limited**
- 4. Delegates authority to the Director of Property Services & Development following consultation with the Director of Finance and the Director of Law and Governance to undertake the necessary due diligence and complete all necessary legal documentation to facilitate the completion of the transaction.**
- 5. Delegates authority to the Director of Property Services & Development following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources for any subsequent variation in terms.**

15. Outstanding Issues

There were no outstanding issues.

16. Any Other Items of Urgent Public Business

There were no other items of urgent public business.

(Meeting closed at 3.00 pm)