



CABINET REPORT

Report Title	Surrender of Lease on land at Sixfields Stadium, Upton Way, Northampton
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	13 th June 2018
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Regeneration, Enterprise and Planning
Accountable Cabinet Member:	Cllr. J.Nunn
Ward(s)	St. James

1. Purpose

- 1.1 This report re-affirms the decision to accept the surrender by County Developments Northampton Ltd (CDNL) of their leasehold interest in a parcel of land at Sixfields Stadium, Upton Way, Northampton.

2. Recommendations

- 2.1 That Cabinet re-affirm the course of action previously determined, which was that the Borough Secretary enter into an agreement with County Developments Northampton Limited (CDNL) by which CDNL will surrender their leasehold interest in the land to the east of Sixfields Stadium edged in red on the plan attached to this report ("The Red Land") to the Council.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In 2004 Northampton Borough Council leased Sixfields Stadium and the adjacent running track to Northampton Town Football Club Limited for 150 years (the 2004 Lease). This lease restricted the use of the site to a community stadium and, accordingly, was granted at a nominal rent.
- 3.1.2 In 2013, the Football Club agreed to surrender that part of the 2004 Lease which related to the running track back to the Council as part of an overall deal whereby CDNL took a leasehold interest in the running track for a term of 150 years from 2013.
- 3.1.3 Due to an oversight at the time of the 2013 transaction, the extent of the running track which was identified to be surrendered was greater than necessary, it having been intended that the land edged in red on the attached plan be retained by NTFC (and not leased to CDNL) to allow for the completion of the stadium expansion. Whilst steps were taken to resolve this (and the extent of the surrender by NTFC was varied) it was not possible at the time to fully rectify the situation, and matters were overtaken by the subsequent insolvency of CDNL. As a result CDNL were left holding a lease on the “Red Land”.
- 3.1.4 In relation to the “Blue Land”, as a matter of law normally when a tenant vests their lease back to the landlord, the lease “merges” with the freehold and is extinguished. In this instance, the Land Registry were not requested to merge the lease and, accordingly, the Council is in the position of holding both the freehold of the land in question and the leasehold title to the NTFC 2004 lease. In effect the 2004 lease has been split with ownership of the majority remaining with NTFC but the part relating to the Blue Land being vested in the Council. CDNL hold a superior lease (which, in legal terms sits between the Councils part of the 2004 lease and the Council’s freehold title).

3.2 Issues

- 3.2.1 The first issue to consider is whether the proposed recommendation will financially disadvantage the Council. This is not the case. Neither the 2004 Lease or the lease granted to CDNL in 2013 enable either party to carry out a commercial development of the relevant land due to restrictions in the terms of the leases. If this is to happen there will need to be a separate negotiation between the respective tenants and the Council, who will need to ensure that in agreeing any changes, that the requirements of S.123 of the Local Government Act (1972) to achieve best value are met.
- 3.2.2 The second issue to consider is whether the proposed action will adversely impact on the use of the Stadium for sporting purposes. This is not the case. The 2004 Lease restricts the use to “a Community Stadium and ancillary Athletics Track and Facility for the Provision and Facilitation of Sport and

Recreation”, and any change in this would require the consent of the Council. The effect of the surrender of the “Red Land” will be to return that land to the status it held prior to 2013 as part of the overall stadium site leased by NBC to NTFC.

3.3 Choices (Options)

3.3.1 There is an option to do nothing. This is **not** recommended as it may be argued that despite the common ownership of CDNL and NTFC this could adversely impact future development of the Stadium facilities.

3.3.3 The recommended option will regularise an anomaly which happened when the 2013 changes took place and enable the development of the stadium stand works to be completed.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications arising from this report.

4.2 Resources and Risk

4.2.1 There are no financial implications arising from this report.

4.3 Legal

4.3.1 The form of the final agreement will be settled on the basis of legal advice. Its effect is best summarised as a tidying up of an anomaly arising from the previous agreements with CDNL and NTFC when both companies were in different ownership.

4.4 Equality and Health

4.4.1 There are no Equality implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 Leader of Council, Lead member for Regeneration, Enterprise and Planning, Legal Services and Financial Services.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The report supports the Priority to “Love Northampton –Support the town’s sports clubs with partners”.

4.7 Other Implications

4.7.1 There are no other direct implications arising from this report.

5. Background Papers

5.1 None

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