

DECISION TAKER: Leader and Cabinet Member for Asset Management - Councillor Martin Tod

REPORT TITLE: WINCHESTER FOOTBALL CLUB – STATUTORY COMPLIANCE AND IMPROVEMENT WORKS

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WARD(S): ALL

PURPOSE

Following the recently completed improvement works at Winchester Football Club including 4G football pitch, flood lighting, parking improvement, and spectator stands, along with the requirement to renew the lease with Winchester Football Club. It has been identified works are required to bring the club house up to a standard to meet statutory compliance and essential repair works.

A schedule of works and specification has been prepared including, fire stopping, replacement fire doors, decorations, replacement lighting, replacement pipework, new cubicles, and replacement kitchen along with minor layout alterations. The total cost of these works is estimated to be in the region of £245,000 +VAT. Under the terms of the current lease the Football Club are responsible to pay a proportion of the costs and Winchester City Council has a liability to pay the remainder. It is estimated the proportion of costs borne by Winchester Football Club is £100,000 +VAT the Football Club is currently unable to fund this, it is intended that repayment will be via a lease payment over a number of years with Winchester Football Club. The Football Club envisages the planned improved facilities will generate an increased revenue for the Club to enable repayment. The remaining £145,000 +VAT revenue costs is to be funded by Winchester City Council.

RECOMMENDATIONS:

1. Allocate £145,000 from the property reserve to a one-off revenue budget to fund the Statutory compliance works.

2. Approve capital expenditure of £100,000 using the existing Asset Management budget to fund the improvement costs.
3. Approval to enter into the lease with Winchester City Football Club with terms to be agreed by the Corporate Head of Asset Management including the payment of base rent plus an additional sum to cover repayment of the tenant's works.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 Greener Faster

- 1.2 The specification of works includes improving the insulation within the loft space, installation of new LED lighting throughout the property and installation of new energy efficient heaters that can be climate and time controlled.

1.3 Thriving Places

- 1.4 The Winchester City Football Club is a community asset, with the proposed improvements to the club room, kitchen and bar area will allow the community to hire the venue for events and parties, as there are limited facilities within the local area.

1.5 Healthy Communities

- 1.6 The improvements being proposed to the Football club, will provide an improved facility to support the recent addition of the 3G pitch and a better to increase the usage of the facility for health and wellbeing.

1.7 Good Homes for All

1.8 N/A

2 FINANCIAL IMPLICATIONS

- 2.1 £145,000 will be utilised from the property reserve as the works are for statutory compliance such as new fire doors and emergency lighting, this will not be recovered.

- 2.2 £100,000 new capital expenditure will be required for improvements to the current condition and use of the property. These funds will be recovered from the football club via an increased rent subject to VAT and interest at 5% to reflect the opportunity cost to the council.

- 2.3 Based on a total cost of £100,000, the recovery via increased rent would amount to £12,950 per annum plus VAT. It should be noted that there is a risk that the council will not recover the expenditure should the club default on its payments.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 To ensure best value a competitive selected tender process for a JCT intermediate contract in accordance with the Council's procedure rules will be undertaken. The procurement team will provide advice support to ensure the process is undertaken in accordance with the City Council's Contract Procedure Rules and the Procurement Act 2023.

4 CONSULTATION AND COMMUNICATION

- 4.1 WCC has been in close communication with the Football club and sought out their input on desired improvement works to the club to benefit both the asset and the football club.
- 4.2 The Football has consulted with the Football Foundation regarding the works.

5 ENVIRONMENTAL CONSIDERATIONS

- 5.1 Considerations to more efficient heating and better insulation have been considered and be implemented.
- 5.2 The implementation of installing solar panels on the roof was considered, but was discounted as the lease is full repairing and insuring, the expenditure for installing panels will not provide any financial benefit to the Council.

6 PUBLIC SECTOR EQUALITY DUTY

- 6.1 The existing club house does not meet the required standard for accessibility in accordance with Part M of the Building Regulations or the Equality Act 2010 the works proposed will address these issues.

7 RISK MANAGEMENT

Risk	Mitigation	Opportunities
Financial Exposure Construction costs escalate	A contingency of 10% (£24,500) project value has been included within the proposed budget.	The improved facility may attract new users which may increase revenue for the club and improving the local economy.
The football club is unable to pay the increased rent and the council fails to recover its costs	Proactive contract management with a collaborative approach to mitigate risk limits the financial exposure.	
	The football club has provided a business plan detailing how the improvements will increase income to be in a position to repay the council.	
Exposure to challenge	All tendering will be compliant with the	

	councils contract procedure rules and contract management procedures, supported by the councils procurement team.	
Innovation		
Reputation – Negative response to the Councils investment	A new 3G pitch has recently been installed at the site for communal hiring.	
Achievement of outcome	Collaborative approach to working with users and the club to promote the facility and its community uses.	
Property	Non-compliance with The Regulatory Reform (Fire Safety) Order 2005 is a risk to life that will be complied with upon completion of the works.	
Community Support		An improved facility with more accessible and social spaces will enable greater community use and interaction.
Timescales	A collaborative and well managed pre-construction phase will ensure correct programming and execution of the works.	
Project capacity	The Corporate Property team is experienced and has the necessary systems in place to effectively manage a contract of this value and low-level complexity.	

8 OTHER KEY ISSUES

- 8.1 The property is a WCC owned asset that is in a poor state of condition without the necessary Health & Safety statutory regulations being met. As the

landlord WCC is obligated not to lease out a property that is non-compliant with statutory regulations.

8.2 These improvement works will enhance the financial stability of Winchester City Football club and allow the Club to operate with their own Financial sustainability to improve the facility themselves in the future.

8.3 Winchester Football club have confirmed agreement to pay £12,950 plus VAT annual lease. The works are a condition of the football league and as such essential for the club to be able to operate and make best use of the recent pitch installation.

9 OTHER OPTIONS CONSIDERED AND REJECTED

9.1 Do nothing – not undertaking the works. This was rejected as the club house is in need of essential statutory compliance works and does not provide adequate facilities for disabled visitors.

9.2 Replace – this has been considered but rejected, the cost of replacement far exceeds the cost of the works. With the improvement works the building will have a useful life in excess of 25 years.

BACKGROUND DOCUMENTS:

None

Other Background Documents:

None

APPENDICES:

None