

## **Report to Leader of the Council**

**Subject:** Support for Gedling Indoor Bowls Club

**Date:** 10 March 2023

**Author:** Head of Communities and Leisure

### **Wards Affected**

Borough Wide

### **Purpose**

To seek approval to enter into a 12 month lease with Gedling Indoors Bowls Club for 1 April 2023 to 31 March 2024 for the use of Richard Herrod Centre with annual rent set at £27,000.

### **Key Decision**

This is not a key decision.

### **Recommendation**

#### **THAT:**

- 1) A 12 month lease is entered into with Gedling Indoor Bowls Club for 1 April 2023 to 31 March 2024 with annual rent set at £27,000

## **1 Background**

- 1.1 Gedling Indoor Bowls Club Ltd (GIBC) are a longstanding tenant using the indoor bowls rink at Richard Herrod Centre managed by an historical lease agreement.
- 1.2 Alongside many local community organisations GIBC has been adversely affected by the Covid-19 pandemic. Lockdown meant enforced closure of the indoor bowls rink at Richard Herrod Centre that GIBC leases from the Council. This affected the Club's income significantly during that period. The pandemic has also had an adverse effect on the confidence and health of participants who previously attended the Club, resulting in a

reduced membership since 2019 of nearly 200 people. Nonetheless the Club still has over 200 members as of January 2023 and other members of the public attending the venue via pay and play.

- 1.3 The majority of its members are over 75 years old and Club's Committee believe that 95% of its members would stop bowling if the Club folded rather than participate elsewhere. In addition Richard Herrod Centre remains the home of Disability Bowls England. [About Disability Bowls England - Disability Bowls England](#)
- 1.4 Since 2021 Council officers have been has been engaging with GIBC to understand the Club's ongoing financial situation and other needs as a Club. Support that has been offered to the Club by the Council during this period has included:
  - Covid-19 recovery support for GIBC, including business grants
  - Discretionary business rate relief
  - Rent reduction for October 2021 to September 2022.

This financial support by the Council has enabled GIBC to continue operating during a very challenging period financially for the Club and provided the opportunity for over 200 people to return to physical and social activity after requirements to isolate and shield as a result of Covid-19 came to an end. The Club has reported both the physical and mental health and wellbeing benefits of this return, including helping to address loneliness and isolation amongst the older Members.

- 1.5 During 2022, with continued dialogue into early 2023, the GIBC Committee raised with Council officers concerns regarding their on-going financial viability in that without further financial support they may need to consider a decision to close the Bowls Club in 2023. This has included the fact that at the present time the Club are not able to reclaim VAT from HMRC which contributes to the financial pressures.

## **2 Proposal**

- 2.1 It is proposed that a lease is entered into with the Bowls Club for a period of 12 months from 1<sup>st</sup> April 2023, with rent set at £27,000.

## **3 Alternative Options**

- 3.1 Not to offer this financial support to GIBC. The Bowls Club Committee has confirmed that this will result in a decision to close the Club due to its operations no longer being financially viable affecting 139 Members who live in the Borough and 83 who are non-Borough residents.
- 3.2 Should the Club decide to close, the Council would need to seek alternative use for the bowls rink and develop a business case for any such alternative use.

#### **4 Financial Implications**

- 4.1 GIBC has already received the following financial support:
  - £22,600 in Covid business support grant
  - £12,000 Covid Business restart grant
  - 100% business rate relief
  - A rent reduction for the period Oct 2021 - Sept 2022 of £20,250.
- 4.2 The annual budget income for the Bowls Club lease rent is currently £54,000. The only scenario where this income can be maintained is for GIBC to pay the full rent amount currently agreed through its tenancy. In the event of the Club serving notice, or any further rent reduction being applied, a loss of income will be the short-term effect.
- 4.3 If GIBC serve notice the Council will suffer a loss of rental income for the Richard Herrod site of £54,000 per annum (based on 2022/23 rent).
- 4.4 The liability of business rates will also need to be considered, should the lease cease the Council will be liable for business rates which GIBC currently receives 100% relief on. The NNDR rating amount for 2023/24 is £18,339. For the current NNDR liability the Bowls Club has, the 80% mandatory discount they received as a Community Amateur Sports Club (CASC), the Council currently gets back. The 20% discretionary amount is currently a charge to the Council through Revenues. Should the GIBC lease cease this 80% amount will be an additional cost for the Council. This equates to £14,671.
- 4.5 Therefore should the GIBC decide to cease its operations for 2023/24, the potential cost for the Council is approximately £68,671 per annum.

#### **5 Legal Implications**

- 5.1 This arrangement has historically been managed through a lease agreement, however there has been no formal arrangement in place since 29/07/19.

- 5.2 GIBC remains liable for rent as per the terms of an implied lease or “tenancy at will”. A “tenancy at will” is generally indicated where there are ongoing negotiations for a new lease taking place. This report proposes a new 12 month lease is entered into for the period 1 April 2023 to 31 March 2024.
- 5.3 Consideration has been given as to whether this reduction in rent would amount to a subsidy under the Subsidy Control Act 2022. As the bowls club would not meet the test of being considered an ‘enterprise’ under the Act, this is not considered to be a subsidy.
- 5.4 The council has the power to set rents and should do so to achieve market value wherever possible.

## **6 Equalities Implications**

- 6.1 GIBC has 139 members who are residents of the Borough and the Club reports the majority are over 75 years old. Consultation with the Club Committee has identified that 95% of its members may stop bowling if the Club folded rather than participate elsewhere. If the Club decides to close this will have a detrimental effect on some older and more vulnerable residents. Without the presence of GIBC the viability of Disability Bowls continuing to identify Richard Herrod at its base for participation may also be in doubt.
- 6.2 The ongoing financial support offered by this decision will enable the Bowls Club to continue operations for a further 12 months offering health and wellbeing benefits for both older people and those with a disability.

## **7 Carbon Reduction/Sustainability Implications**

- 7.1 There are no carbon reduction implications related to this decision.

## **8 Appendices**

- 8.1 None.

## **9 Background Papers**

None identified.

## **10 Reasons for Recommendations**

- 10.1 To continue to support GIBC in their recovery from Covid-19 over the next 12 months, as the Council undertakes its wider strategic review of facilities.

- 10.2 To ensure ongoing community bowls provision is available for 139 older residents and people with disabilities who participate in Disability Bowls activities.
- 10.3 GIBC has a further 12 months to develop a sustainable Covid-19 recovery plan.

**Statutory Officer approval**

**Approved by:**

**Date:**

**On behalf of the Chief Financial Officer**

**Approved by:**

**Date:**

**On behalf of the Monitoring Officer**