

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 March 2024

Portfolio:	Leisure and Community
Subject:	Padel Tennis Proposal
Report of:	Assistant Director (Democracy)
Corporate Priorities:	Leisure opportunities for wellbeing and fun

Purpose:

To consider a proposal to develop a covered 4-court padel tennis centre on part of the open space at Park Lane Recreation Ground.

Executive summary:

The Council has received a proposal from Padel4All to fund and develop a covered padel tennis centre on the part of the open space at Park Lane Recreation Ground.

Padel is one of the world's fastest growing sports. Often referred to as a mix of tennis and squash, it is easy to learn and can be played by all ages and abilities.

This location has been identified by Padel4All because it considers the catchment area able to support a 4-court padel tennis centre. It can also make use of existing services such as parking, changing facilities and the café within Fareham Leisure Centre, which helps to keep the cost of playing low.

The cost of installing a 4-court padel tennis centre would be fully funded by Padel4All. In addition to the investment into a new leisure facility, it would generate a fixed annual rental income to the Council as the landowner and a share of the revenue generated.

Recommendation/Recommended Option:

It is recommended that the Executive considers the proposal and agrees:

- (a) subject to any representations received following statutory advertisement and subject to planning approval and any necessary assessments, to agree in principle to the disposal of 1500 sqm of public open space for a 4-court padel tennis centre at Park Lane Recreation Ground as shown on the map marked Appendix A and to agree to the financial terms as set out in confidential Appendix B;

- (b) to authorise the Head of Asset Management to advertise the proposed disposal of above public open space for two consecutive weeks in a local newspaper circulating in the locality in accordance with the requirements of s123 Local Government Act 1972 (as amended) and to approve the disposal, subject to no representations being received. If representations are received, to note that a further report will be presented to the Executive for determination and for final decision to be made as to the disposal; and
- (c) subject to the above, to delegate authority to the Assistant Director (Democracy), following consultation with the Executive Member for Leisure and Community, to agree the terms of the disposal as set out in the report including the Heads of Terms and to enter in to contractual and all necessary arrangements to give effect to the proposals in this report if there are no representations from the disposal of the open space.
- (d) in the event of there being representations, to note that a further report will be presented to the Executive.

Reason:

To provide an accessible padel tennis court within the Borough that residents of all ages and abilities can benefit from and to generate a rental income to contribute to the Councils corporate savings target.

Cost of proposals:

The cost of installing a 4-court padel tennis centre would be fully funded by Padel4All.

Appendices:

- A: Site Map
- B: Financial Proposal (confidential)
- C: Design concept images

Appendix B: Financial Proposal Confidential – By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules.

It is not in the public interest to publish this information as it would harm the commercial interests of a third-party to disclose financial information which in turn could affect their negotiations with other parties and subsequent market competition.

Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	04 March 2024
Subject:	Padel Tennis Proposal
Briefing by:	Assistant Director (Democracy)
Portfolio:	Leisure and Community

INTRODUCTION

1. Padel4All have approached the Council with a proposal to fund and develop a 4-court covered padel tennis centre on part of the open space at Park Lane Recreation Ground. They selected this location after carrying out a needs analysis and viability assessments to ensure the location and catchment area would provide a viable and sustainable facility.
2. Their aim is to build padel tennis centres in accessible locations where a leisure or sports facility is already operating enabling them to make use of existing services such as parking, changing facilities and food & beverage. This allows them to keep the cost of playing affordable. In return, the Council as the landowner receives a fixed rent and a share of the revenue income and the Leisure Centre operator would benefit from a share of the revenue income and the benefits of additional secondary spend.
3. This report sets out the background and business case to provide a padel tennis facility on the open space at Park Lane Recreation Ground adjacent to the Fareham Leisure Centre. The exact location for the facility is identified in the plan contained in Appendix A.

BACKGROUND

4. Padel is one of the world's fastest growing sports. Often referred to as a hybrid of tennis and squash, it is easy to learn and play which makes it enjoyable for beginners trying the sport for the first time. Played in doubles it also creates an important social element.
5. A padel tennis court is much like a traditional tennis court, except around 25% smaller (10 meters x 20 meters per court) and has glass walls/partitions surrounding it. Images showing what the centre would look like are set out in Appendix C.
6. One big difference between tennis and padel tennis is that players play with a paddle instead of a stringed racket. The paddle is more comparable with a table tennis paddle than a tennis racquet.

7. Most points are won through tactics and clever play (not through power) which requires less intense physical effort. Rallies last longer so players still enjoy a good cardio workout.
8. Padel4all is one of the leading operators of covered padel centres in the UK. Established in 2019, their aim is to build and operate high quality padel tennis centres that are priced affordably. Their commercial aim is to build centres in accessible locations where a leisure or sports facility is already operating.
9. In return for using these existing facilities, the landowner receives a fixed rent and a percentage share of the revenue generated. Furthermore, the Leisure Centre operator also benefits from a share of the revenue in return for padel customers having access to their toilets and changing facilities, as well as additional income through secondary spend in the café.
10. The supervised courts are all pay-and-play which makes the game accessible to everyone, but some time is allocated to coaching and competitions, which in turn helps to generate additional income.
11. Padel4All currently have three padel centres now fully operational. Basset Down (Swindon) and Garon Park (Southend) both opened in 2021 and Lockleaze (Bristol) which opened in August 2022.

OPPORTUNITIES PLAN

12. The opportunity to develop a padel tennis centre on Council land was included as part of the opportunities plan that was considered by the Leisure and Community Scrutiny Panel and the Executive.
13. This included potential to generate a rental income to contribute to the Council's corporate savings target.
14. Further work has been undertaken and Padel4All have submitted a financial model for the Council to consider. The details surrounding the financial proposal are set out in confidential Appendix B.

CONSTRUCTION AND PLANNING PERMISSION

15. Padel4All would take complete ownership over the project management of the build and installation using their preferred principal contractor 'Padel Tech' under a JCT Design & Build Contract.
16. Padel4All have considered the design and layout of the new padel facility and consider it important that there is a clear entrance to the courts.
17. The courts would be lit using LED lighting. Each court would have 4 LED lamps located on 5m high stanchions which produce focussed lighting onto the playing surface of the court with little light diffusion. As the courts are under the canopy there is little light pollution created outside of the canopy.
18. Padel4all would fund the whole of this capital expenditure including all ground works and redirecting the existing footpaths, in addition to accepting the liability for any cost overruns. Capital expenditure would be funded out of Padel4all's existing cash resources.

19. The development requires planning permission, and the application process would be undertaken by a local planning agent, on behalf of Padel4All, who would prepare and submit the planning application.
20. Padel4All have a team of consultants who provide the necessary expertise and supporting documentation where required. This includes transport, drainage, ecology, environmental and arboriculture.

LEASE ARRANGEMENTS

21. Padel4all require a long-term lease arrangement with the Council over the site of the padel courts. There are some restrictive covenants on the site and considering the substantial up-front capital cost, Padel4All are seeking to have security of tenure over a period of 15 years. This is commensurate with the Leases they hold on other Padel Facilities.
22. They are seeking the lease to have the protection of the Landlord and Tenant Act 1954, but would like the Lease to include a Tenant break at the end of the fifth, tenth and fifteenth years on serving not less than 6 months' notice to the Council.
23. The fixed annual rent will be reviewable every 5 years, reflecting changes in RPI, but subject to a 5-year cap of 3% per annum. The share of the revenue generated would remain at the percentage agreed.
24. Padel4all would agree a contribution towards any increase in property rates relating to the padel courts.

BEST CONSIDERATION ASSESSMENT

25. The Council may dispose of the land having regard to the provisions in s123 of the Local Government Act 1972 and the General Disposal Consent 2003. Legislation (the Local Government Act 1972) requires that a council shall not dispose of land for a consideration less than the best that can reasonably be obtained, except in the case of short tenancies, unless the Secretary of State consents to the disposal. In order to do this the Council must test whether an offer is the best that can reasonably be obtained, and it remains the responsibility of the Council to seek its own legal or other professional advice as it feels appropriate.
26. The Council's Asset Management department will be responsible for carrying out this task, in conjunction with Leisure Officers. The Council may dispose an interest in property at less than best consideration where it is considered that the purpose of disposal will achieve the promotion or improvement of the economic, social or environmental wellbeing of the area and or its local residents. The undervalue must be £2m or less and the land must not be held for planning purposes, otherwise the consent of the Secretary of State is required.

SECTION 123 NOTICE

27. Any council looking to dispose of open space is required by Section 123 (2A) of the Local Government Act 1972 to follow certain statutory requirements to advertise the disposal of land that consists of or forms part of an open space. It is required to advertise its intention by way of placing a Section 123 Notice in a local newspaper for two consecutive weeks and to consider any representations received.
28. Under this legislation a 'disposal' is deemed to be a Lease for over 10 years or a sale.

29. As the suggested lease term for this proposal is over 10 years, the Council would be legally obliged to carry out this process.
30. The Council's Asset Management Officers would assist with this process.

FACILITY MANAGEMENT

31. Padel4All would have full responsibility for operating the facility including all revenue costs under the terms of a full repairing lease inc. utilities. The facility will be in operation 7 days a week and will require 7 employees to manage the facility.
32. Padel4all would also be responsible for the cost of electricity consumed by the padel centre and for public liability insurance at the padel facility. The minimum level of cover for the insurance would be £5 million.
33. The courts are all pay-and-play which makes the game accessible to everyone. Padel4All offer concessionary pricing which makes playing more affordable for juniors and families and a membership scheme from just £12 per month (£6 for a child) which offers wider benefits and reduces the cost of playing further. A Padel4all membership allows access at their other 3 padel centres.
34. All Padel4all centres are registered Lawn Tennis Association (LTA) venues. As a registered centre they must meet the necessary standards with regards to policy and procedures relating to, safeguarding, diversity and inclusion, risk assessment, coaching standards and welfare.
35. The coaching team are all LTA accredited coaches who are trained through the national coaching programme.
36. They have a scheme of work resource for padel delivery within primary schools and have successfully trialled wheelchair padel and are working on a roadmap which ensures they are able to deliver it in all their centres.

FINANCIAL PROPOSAL

37. Details of the financial terms are set out in confidential Appendix B.

PROCUREMENT ASSESSMENT

38. The value of this proposal falls significantly below the Concession Contracts Regulations 2016 threshold of £5,372,609 (inc. VAT).
39. The proposal is classified as a 'Significant Purchase' as per the Procurement and Contract Procedure Rules. The due diligence and route to market procedures have been followed.

ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT

40. Installation of the 4-court padel tennis centre would see a reduction in public open space. Padel4all would be responsible for preparing and submitting the planning application which would be subject to meeting the Council's Biodiversity Net Gain requirements prior to planning permission being granted.

41. Residents will be encouraged to access these outdoor facilities. Where it is required Padel4all will produce a Community Use Agreement which promotes their social responsibility and outreach work.
42. An equalities impact assessment to ensure that the proposal is fair and does not present any barriers to participation has been carried out.

Enquiries:

For further information on this report please contact Emma Bowler, Leisure and Community Manager, 01329 824440.