

## LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Councillor Sharon Holder, Cabinet Member for Public Realm

**Date:** 28/06/2024

**Subject:** Fulham Stadium Ltd lease extension for a constructor's compound in Bishop's Park, and a temporary licence for pedestrian access through the compound allowing opening of the riverside walk SW6, (Palace & Hurlingham Ward).

**Report of:** Mark Raisbeck, Director of Public Realm

**Report author/s:** Simon Ingyon, Assistant Director Parks & Leisure

**Responsible Director:** Mark Raisbeck, Director of Public Realm, Place Department

Key Decision: Yes

---

### Summary

This report seeks approval to grant a lease extension to Fulham Stadium Ltd (on behalf of Fulham Football Club (FFC)), following the expiry of its original lease on 6 June 2022, for retention of its constructor's compound in Bishop's Park. The lease extension will be until 31 December 2025 (with an option to determine earlier) to allow for any unforeseen delays, but with the expectation the compound will be removed by summer 2025. The rent received to be spent within Bishops Park in accordance with the Deed of Covenant

The original lease was granted to FFC on 7 June 2019 to facilitate its Riverside Stand development scheme, in accordance with the Commercial Revenue Committee Decision of 31 May 2019.

FFC has requested a time extension because completion of the development at Craven Cottage Stadium was delayed because of the covid pandemic and subsequently its principal contractor, the Buckingham Group, went into administration last year.

Officers have been attempting to agree terms for a lease extension with FFC since the expiry of the original lease, but this has been a difficult and protracted process. The parties are keen for a new lease to be completed, and with retrospective effect for reasons this report will explain.

Approval is also requested to enter a corresponding Deed of Mutual Covenant and Grant (the Covenant Deed) with FFC and the Church Commissioners for England (CC) for extending the latter's temporary release of covenants that apply to the compound land being occupied by FFC. This deed is required for granting a new lease to FFC.

---

Approval is also requested to enter into a temporary licence agreement with FFC for the duration of the compound lease to allow access and egress for spectators/pedestrians through the western side of the compound along the riverwalk (shown on the licence plan) as detailed in the Section 106 legal agreement. The Licence fee received to be spent within Bishops Park in accordance with the Deed of Covenant.

---

## RECOMMENDATIONS

1. To note that Appendices 1, 2, 3 and 4 comprising a financial impact, draft lease, temporary licence and draft Deed of Covenant are not for publication on the basis they are not finalised yet and because the equivalent agreements were exempt from the previous report, comprising proposed contractual terms currently being finalised, as per Paragraph 9 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).
  2. To approve the completion of the following documents with FFC and CC:
    - Compound Lease
    - Temporary Licence to access and egress
    - Deed of Mutual Covenant and Grant
  2. To note that a consent in principle was given by the Church Commissioners to the grant of the compound lease extension.
  3. That authority be delegated to the Director of Public Realm, Place Department in consultation with the Director of Legal Services and the Executive Director of Place to give effect to the decision in 1 above.
- 

**Wards Affected:** (Palace & Hurlingham Ward)

---

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The lease would benefit FFC because of the logistical advantages of retaining the existing compound which adjoins the stadium and conversely, sparing the club the cost, inconvenience, and probable delay if an alternative constructor's compound was required elsewhere.
Creating a compassionate council	Agreeing the new lease is not obligatory, but it would considerably help FFC for the above reasons and help expedite the completion of the development.
Doing things with local residents, not to them	A new lease for FFC has also been shared with the Church Commissioners for England and the Friends of Bishop's Park and they did not raise any

	objections. It will also allow earlier opening of the riverside walk through the stadium development for the benefit of residents.
Being ruthlessly financially efficient	The proposed rents for the constructor's compound are the best consideration reasonably obtainable. The subject circumstances are unique, but the rents negotiated with FFC did take account of comparable rental evidence, including evidence kindly provided by external organisations. This income would help pay for the improvement and maintenance of Bishop's Park including income under the licence.
Taking pride in H&F	The deed of covenant with the Church Commissioners would be subject to the rental income being used for the repair and improvement of Bishop's Park.
Rising to the challenge of the climate and ecological emergency	If the existing compound is not retained and FFC must resort to an alternative, offsite compound instead, this could result in a significant increase in traffic movements for the delivery of materials and plant to the stadium, which would increase pollution and the development project's carbon footprint.

## Financial Impact

### Compound Lease

In exchange for the benefits of the lease to FFC, it would pay the Council rent as detailed in the lease. An initial principal rent of £282,800 per annum excluding VAT (p.a.x.) from 8 June 2022, £303,308 p.a.x. from 1 November 2023 to 31 July 2024, £309,000 p.a.x. from 1 August 2024 to 30 June 2025, and from 1 July 2025 to 31 December 2025 a rent to be reviewed but not less than £309,000 p.a.x. The prospective overall value of the principal rent is more than £1,062,000 for the full lease term (but it could be less should FFC trigger an option for early lease termination, conceivably by June 2025).

### Temporary Licence

An amount equivalent to the section 106 Agreement for the 'Bishops Park Additional Instalment' will be payable for the licence that amounts to £59,544 pa payable quarterly in advance. When the section 106 Bishops Park additional instalment payment is triggered by the stadium development the licence fee payment will end.

The effect will be a continuing additional annual payment of £59,544 to contribute towards maintenance of the Park.

In addition, the licence proposes an Additional Fee of £9,500 to compensate council cleansing activities, which is 'in respect of 19 match days', i.e., the number of Premier League home games per football season, which is equivalent to £500 per home league game. This Additional fee will be replaced by the s106 Schedule 2 provisions when they are triggered.

*Kellie Gooch, Head of Finance, 24 June 2024*  
*Verified by James Newman, 25 June 2024*

## **Legal Implications**

1. Bishops Park was conveyed to the Vestry of Fulham (the Council's predecessor in title) by the Church Commissioners for England by a conveyance dated 14/06/1900, pursuant to the Open Spaces Act 1877-1890. This established a statutory trust to maintain the open space for public exercise and recreation in perpetuity. At the same time certain restrictive covenants were taken, which requires the Church Commissioners' release on any disposal of the park land. The Church Commissioners consent to temporarily release covenants relating to this lease extension is required and was given in principle.
2. Section 1(1) the Localism Act 2011 (The General Power of Competence) empowers the Council to do anything which individuals generally do even if:
  - (i) It is unlike anything else the authority may do
  - (ii) It is unlike anything that other public bodies may do
  - (iii) It is carried out in any whatever, including:
    - anywhere in the UK or elsewhere.
    - for a commercial purpose or otherwise for a charge, or without charge; and
    - for, or otherwise that for, the benefit of the Authority, its area or persons resident or present in its area
3. The Council's Constitution requires key decision to be made in accordance with the requirements of the Rules in Part 4 of the Constitution. The Council's Scheme of Delegation authorises the Executive Director for Place to exercise all the Council's powers and functions in relation to Parks, recreation grounds and open spaces.

*Prepared by Mrinalini Rajaratnam, Chief Solicitor for Property & Planning and Rachel Silverstone, Senior Property Solicitor dated 17 May 2024*

---

## **Background Papers Used in Preparing This Report**

This report has been prepared with the help of the two authorised decision reports previously submitted for this constructor's compound site, the planning permission ref. no. 2017/04662/FUL for FFC's redevelopment of the Riverside Stand and the ancillary s106 Agreement. All these documents are already in the public domain.

---

## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options and reasons for the decision**

1. FFC contacted the Council in early February 2022 to request a lease extension to retain its constructor's compound, located in Bishop's Park next to its stadium, while fitting out works for its stadium development were completed. Completion of the stadium development was delayed because of the impediments of the covid pandemic.
2. In consequence, the parties negotiated and developed a proposal for the Council to grant a new lease to FFC. A new lease was drafted, based on the previous lease, particularly the parts regulating the use and occupancy of the site and its eventual restoration to parkland, but subject to some updating, including the rent. The new lease term was to commence on 8 June 2022 and expire on 31 October 2023, in anticipation of the site being vacated and satisfactorily reinstated by then.
3. Unfortunately, the lease did not get completed because the approved scheme to restore the site to parkland did not get resolved quickly enough and as time moved on FFC had reason to make some new requests that it wanted to be reflected in a lease, including new requests for an extension of time. This was partly prompted by the principal contractor going into administration last year, and partly because of the delayed completion of the new Riverside Stand.
4. To allow a new lease, the Council will also need to enter a new deed of covenant (Appendix 3) with FFC and the Church Commissioners for a further, temporary release of covenants on the park that protect its use for public recreation. The new deed is based on the existing deed.
5. The land that would be leased comprises the existing constructors' compound of 5,637 sq. m. (60,676 sq. ft) and it is shown outlined in red on the plan attached as Appendix 4.
6. The reasons for the Council's original support of a compound lease for FFC were described in the Decision Report for the Commercial Revenue Committee of 31 May 2019 as mainly to facilitate the delivery of the stadium development because of the considerable convenience and logistical benefits of locating the compound next to the development site. Those reasons still apply when considering FFC's request for a lease extension.
7. The option for the Council of not agreeing a new lease is a qualified option because FFC would still need extra time to remove the compound and its structures and reinstate the site to parkland. Also, for FFC to establish an offsite compound elsewhere would still be subject to requiring a vehicular accessway across parkland, at either end of the stadium, for getting access from Stevenage Road highway into the stadium. Undoubtedly, constructor's staff would still require welfare facilities to be located close to, or within, the stadium development site. This would also delay the opening of the riverside walk connecting Bishops Park in the south to Stevenage Park in the north.

8. FFC did investigate the feasibility and advantages/ disadvantages of relocating the compound, either elsewhere (in south London) or, on a pontoon platform on the Thames near the stadium. FFC received consultant's advice, shared with council officers, that the benefits of the retention of the existing compound would far outweigh those alternative possibilities.
9. To accommodate the clubs request that on match days the western side of the compound site could be used by spectators to gain access into and egress from the stadium's Riverside Stand directly through Bishops Park, a temporary license is proposed to provide landowners permission for this additional use during the new lease period. This licence will also provide access for the public to access the new section of riverwalk through the development on non-matchdays. (see the plan in Appendix 5).
10. FFC are keen for their Riverside Walkway to become operative because that is a planning condition for the new Riverside Stand being fully used plus its accessibility on non- match days from Bishops Park will benefit the leisure and retail businesses located within the new stand. It would also allow spectators to access/egress via Bishops Park on match days and provide an excellent public facility on non-matchdays by providing a continuous route along the Riverside Walk between Bishops Park and Stevenage Park.
11. A license fee to compensate the council for this temporary use by spectators of access/egress via Bishops Park will be payable so long as the Bishops Park Additional Contribution is not triggered under the s106 agreement; the licence fee and the s106 payment being the same amount.
12. A permanent licence to agree the terms for access/egress of spectators into the stadium via Bishops Park after the compound is removed is currently being considered by FFC and this temporary arrangement does not set a precedent for any future license arrangement.

## **Equality Implications**

13. It is not anticipated that granting the lease and licence for a short new term temporary period would have a direct negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010.

## **Risk Management Implications**

14. There is a financial risk that agreed terms and payments may not be made. It is noted that whilst Fulham Stadium Ltd (03375418) are profitable, the parent organisation Fulham Football Club Ltd (02114486) made a loss 2022-2023. It is advised that LBH&F take steps to guard against any disputes especially considering the nature of the initial negotiations.
15. There is a reputational risk that should negotiations, or the subsequent engagement encounter problems, that LBH&F may result in negative press

coverage. To mitigate against this, it is advised that a recovery plan and strategy devised in advance of any issues.

Jules Binney, Risk and Assurance Manager, 22<sup>nd</sup> May 2024

## **Climate and Ecological Emergency Implications**

16. If the existing compound is not retained and FFC must resort to an alternative, offsite compound instead, this could result in a significant increase in traffic movements for the delivery of materials and plant to the stadium. The reinstatement programme for returning the compound to parkland was informed by the requirements of planning and parks officers and more shrubbery/ trees will be planted than were removed by FFC for setting up the compound, the replacement ratio for trees being 3:1. Bishop Park's biodiversity should also be improved by the requirement for the council to use the rental income payable under the lease for carrying out improvements to or maintenance of the park.

Verified by Hinesh Mehta, Assistant Director Climate Change, 21/05/2024

## **Consultation**

17. The Church Commissioners for England and the Friends of Bishop's Park have been notified about the reports principal recommendation to authorise granting a new lease to FFC, to fulfil its request for a time extension for its constructors' compound.

## **LIST OF APPENDICES**

Exempt Appendix 1 – Financial Impact

Exempt Appendix 2 – Draft lease

Exempt Appendix 3 – Draft deed of covenant

Exempt Appendix 4 – Draft Temporary Licence

Appendix 5 – Fulham FC Compound Lease Site Plan

Appendix 6 – Pedestrian Access/Egress through the Compound Site