

Agenda Item No.14

Report To: Cabinet

Date: 14th July 2016

Report Title: Management of Julie Rose and Conningbrook Lakes and Country Park

Report Author: Christina Fuller Head of Culture

Portfolio Holder: Cllr Jessamy Blanford Portfolio Holder for Culture, Leisure, Environment and Heritage.



Summary: This report updates Members on the change in arrangements recommended to and agreed by the Cabinet at its meeting on 16th March 2016 concerning the lease of the Julie Rose Stadium and management of Conningbrook Lakes Country Park.

In order to protect the pension rights of a number of staff it has not been possible to transfer the service from ALT to the Southern Neighbourhood Community Trust. However, ALT has agreed to enter into negotiations, looking at the same legal arrangement previously offered to Southern Neighbourhood Community Trust. The length of the proposed legal arrangements (i.e. 18 months with an option for an extension of 6 months) allows the Council and ALT to work together to engage the market and put in place more sustainable management models for these facilities and the Stour Centre.

Key Decision: NO

Affected Wards: All.

Recommendations: **The Cabinet be asked to:-**

- i. Agree that the Council negotiate a concession contract with ALT for the operation of Conningbrook Lakes Country Park and Julie Rose Stadium;**
- ii. Agree that officers engage the leisure market with a view to conduct a procurement exercise for these facilities, working with ALT and/or other leisure operators as appropriate, assisted by a dedicated budget of up to £20k in consultation with the Stour Centre Redevelopment and Leisure Management Steering Group;**
- iii. To authorise the Heads of Culture and Legal & Democratic Services, in consultation with the**

Portfolio Holder for Culture, Leisure, Environment and Heritage to take all appropriate steps required to give effect to these recommendations and agree the necessary contracts.

Policy Overview:	The 5 year corporate plan 2015-2020 specifically commits to improving the management and development of the Council's key leisure facilities.
Financial Implications:	We are currently working with ALT to fully understand the financial implications for ALT's operation of the facilities. An 'open book' approach has been agreed. The Council, in conducting an agreed future procurement exercise (explained further in the document) will need expert external advice and up to £20K could be needed to support officers in the process.
Risk Assessment	Officers have prepared a risk assessment for the proposed transfer.
Community Impact Assessment (CIA)	A CIA screening tool has been completed which indicates services are open to all and the proposals in this report bring positive benefits to equality of access.
Other Material Implications:	The proposals in this report seek to support and deliver the corporate plan and medium term financial plan.
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Report Title: Management of Conningbrook Lakes Country Park and Julie Rose Stadium

Purpose of the Report

1. This report updates Members of the need to change the arrangements recommended to and agreed by the Cabinet at its March meeting concerning the lease of the Julie Rose Stadium and management of Conningbrook Lakes Country Park and recommends that the Council negotiate with ALT a concession contract.

Transfer changes

2. Cabinet gave approval for officers to allow a concession contract to be negotiated with the Southern Neighbourhood Community Trust and its agent Serco to operate the Julie Rose Stadium, Conningbrook Lakes Country Park, Courtside/Pitchside and Spearpoint Pavilion. Whilst operating agreements for Courtside/Pitchside and Spearpoint Pavilion are in place, it has not been possible to transfer the service from ALT for the Julie Rose Stadium and Conningbrook Lakes Country Park to Southern Neighbourhood Community Trust.
3. The transfer was unable to take place due to the pension arrangements required for a number of ALT staff that are in or are permitted to be part of the Kent Pension Scheme. The Southern Neighbourhood Community Trust and its operating partner do not have Admitted Body status or a broadly comparable pension. A retrospective application, in other areas, does not disadvantage staff i.e. continuous service is preserved. However the Kent Pension Scheme does not include this protection and thus staff would be required to break their service whilst Admitted Body Status was put in place (which can take 9 months). This is not a broadly comparable scheme and could legally be contested. Thus we have had to withdraw the notice to ALT to allow both staff and customers to be aware of the change and for them to continue under the current legal arrangements.
4. The security of the current arrangements with ALT for Julie Rose Stadium (i.e. a tenancy at will) is not conducive to requiring ALT to sign up to a Service Specification - a monitoring contract that ensures a continued safe and effective service. A lease and management agreement, is the preferred arrangement similar to that offered to the Southern Neighbourhood Community Trust (refer to in the previous Cabinet report).
5. Fundamentally, the length of the Lease and associated Conningbrook management agreement is intended to align with an agreed procurement exercise (i.e. 18 – 24 months).

Procurement Exercise

6. ALT has discussed with the Chief Executive and Head of Culture initial suggestions of how, together, we could engage with the market and seek proposals to secure a stronger well resourced leisure operator with greater capacity. This approach also aims to deliver an improved financial offer that enables the Council to reduce its subsidy as well as support future investment at the Stour Centre.
7. Clearly, if we cannot reach agreement on the process or as the exercise progresses then the Council will need to agree for officers to start a new procurement process for our community facilities which will exclude the Stour Centre but will complete in 18 – 24 months i.e. aligning with the concession contract for the Julie Rose Stadium and the Conningbrook agreement as well as others now in place.
8. The Council's involvement in procurement exercises will require external expertise and Cabinet is asked to support up to £20K for this work, if required.

Risk Assessment

9. ALT's agreement to a comprehensive Service Specification provides a robust monitoring framework to manage operating risks as part of the Julie Rose Stadium Lease and Conningbrook Lakes Country Park management agreement.
10. The concession contract and management agreements' length of 18 months with an option of 6 months extension provides both parties to put in place appropriate procurement exercises, and allow the preferred model of operation to mobilise.

Community Impact Assessment

11. Services are open to all and the proposals in this report bring positive benefits to equality of access.

Other Options Considered

12. The operation of both facilities could be taken in house. This would require significant resourcing with at least 20 staff joining the establishment and potentially joining the pension scheme. The operating budget would need to take into account £82K for rates and VAT implications (lessened by Trust status).
13. Such commitments, whilst not impossible to deliver, are considered unnecessary at this time given the current discussions with ALT. If negotiations are not successful then the in house option or a further procurement exercise will need to be considered for these facilities.

Handling

14. The Stour Centre's future regeneration and our relationship with ALT particularly as part of a procurement exercise is the focus of the Stour Centre Redevelopment and Leisure Management Steering Group. The chair Cllr

White, is keen to monitor the arrangements and a market testing exercise that will support the Stour Centre.

15. ALT is working on providing an effective business plan with bespoke business proposals one of which is to bring forward an investment plan for the facilities it operates. Officers will continue to encourage ALT to work in partnership to deliver this and the Stour Centre Redevelopment and Leisure Management Steering Group aim to consider and scrutinise proposals and report to Cabinet as required.

Portfolio Holder's Views

16. Cultural Services are working hard to agree a short term contract with ALT over the method of working together during the next few months. This will also include the start of a procurement exercise for a professional sports and leisure management partner. Further discussion will be undertaken with the Stour Centre Redevelopment & Leisure Management Task Group which is meeting on 13th July. I recommend the Cabinet to agree that delegated powers to cover the arrangements for this contract are given to the Head of Culture and Legal and Democratic Services, in consultation with myself.

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