



## SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	
<b>Part:</b>	<b>I</b>
<b>If Part II, reason:</b>	<p>Financial and legal information is Part II as the report contains information relating to the financial or business affairs of the companies bidding for a Council contract, (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 3).</p> <p>The report also contains information, which could be subject to a claim for legal professional privilege.</p> <p><b>Local Government Act 1972, Schedule 12A, Part1, Paragraphs 3 and 5</b></p>

<b>Title of report:</b>	Tring Sports Centre and Council investment in Tring Swimming Pool
<b>Contact:</b>	<p>Cllr Neil Harden, Portfolio Holder for Resident and Corporate Services</p> <p>Author/Responsible Officers;</p> <ul style="list-style-type: none"> <li>• Robert Smyth, Assistant Director (Performance, People &amp; Innovation)</li> </ul>
<b>Purpose of report:</b>	For Cabinet to review and approve the proposal to transfer responsibility for Tring Sports Centre to Tring School in line with the conditions and requirements outlined in this report.
<b>Recommendations</b>	<p>That Cabinet approve the following recommendations:</p> <ol style="list-style-type: none"> <li>1. Approve the proposal to transfer responsibility for Tring Sports Centre to Tring School in line with the conditions and requirements outlined in this report to enable significant investment in Tring leisure facilities.</li> <li>2. Recommendation 1 is conditional on the successful completion of due diligence and following formal approval</li> </ol>

	<p>from Tring School.</p> <p>3. That approval be given for DBC to mutually agree to terminate the existing Dual Use Agreement and enter into a new Funding Agreement to reflect the terms as set out in this report. This will be undertaken in consultation with the Section 151 Officer and the Monitoring Officer.</p>
Corporate Objectives:	Clean, Safe and Enjoyable Environment and Modern and Efficient Council – Leisure provision is central to delivering a borough that people can enjoy. This proposal will ensure that we invest and support high quality facilities for use in the community will ensuring we deliver value for money.
Implications:  Value For Money Implications'	<p><u>Financial</u></p> <p>While the proposal is likely to have a financial impact on the Council's new leisure contract, this is largely offset by the reduction in the cost of capital works to refurbish the facility because in discussion with Tring School, the Council is no longer required to renovate the entrance and reception.</p> <p>More details are provided in Part II.</p> <p><u>Operational</u></p> <p>The proposal would enable DBC to invest in improving the facility and supporting community access. Management of the facilities would be transferred back to Tring School.</p> <p><u>Value for Money</u></p> <p>This proposal will ensure that we continue to provide protected community access to the facilities for taxpayers, while also securing DBC's investment through the introduction of a conditional Funding Agreement.</p>
Risk Implications	<p>The transfer of the facilities to the school will reduce the DBC's leisure provision and the control that it has on that asset.</p> <p>However, this will be mitigated by the detailed conditions and terms of the Funding Agreement as well as through the ongoing relationship between Tring School and DBC.</p> <p>Any additional risks would be further managed through careful planning and project management and by ensuring that sufficient resources are allocated to this process.</p>
Community Impact	Community Impact Assessment carried out and it identifies that the investment from DBC will ensure continued access to key leisure facilities.
Health And Safety Implications	None
Monitoring	<b>Monitoring Officer:</b>

<p>Officer/S.151 Officer Comments</p>	<p>No comments to add to the report.</p> <p><b>S.151 Officer</b> This investment is within the budget previously approved by Council for the improvements at Tring Pool.</p> <p>In order to ensure the required returns from the investment, the new Funding Agreement with Tring School must adequately capture the appropriate guarantees over continued public use of the facility. The Service will need to work closely with Finance throughout the drafting of the Agreement.</p>
<p>Consultees:</p>	<p>The following stakeholders have been consulted:</p> <ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• Council Leader</li> <li>• Portfolio Holder – Residents and Corporate Services</li> <li>• Corporate Director – Finance and Resources</li> <li>• Assistant Director - Finance</li> <li>• Monitoring Officer to the Council</li> <li>• Group Manager – Procurement, Commissioning and Compliance</li> </ul>
<p>Background papers:</p>	
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<ul style="list-style-type: none"> <li>• DBC – Dacorum Borough Council</li> <li>• RLP – Ridgeway Learning Partnership is the name of the multi-academy trust that runs Tring School</li> <li>• ESFA – Education and Skills Funding Agency</li> <li>• ATP – Artificial Turf Pitch is a type of synthetic sports pitch</li> <li>• PBSP – Priority Building Schools Programme is the government funded programme to redevelop school sites</li> <li>• DUA – Dual Use Agreement is the legal agreement that sets out the terms under which the sports facilities on school sites are managed</li> </ul>

## **1. Introduction**

- 1.1 Dacorum Borough Council (DBC) is committed to creating a high quality-sporting environment across Dacorum.
- 1.2 On 13 December 2016, Cabinet approved a refurbishment plan that would deliver significant investment to the swimming pool. This would develop the experience for swimmers as well as enabling long-term access to the facility for the community of Tring.
- 1.3 However, it has not been possible to begin work due to the potential impact on the swimming pool, of changes in the Education and Skills Funding Agency (ESFA) plans for the redevelopment of the whole school site.
- 1.4 In August 2017, the ESFA and Tring School presented their final proposal, which included demolishing and replacing the existing sports hall and dry side changing rooms with a new sports hall and activity studio (including changing room).
- 1.5 The following report therefore sets out a proposal to enable delivery of the Council's investment to support these key leisure facilities. In addition, it also sets out the terms of a new relationship with Tring School.

## **2. Background**

### The Existing Legal Position

Details of the existing legal position are provided in Part II.

### The Priority Building Schools Programme

- 2.1 As part of the Priority Schools Building Programme (PBSP), the EFSA are funding a redevelopment of the whole school site.
- 2.2 Their final plans now include the demolition of the existing sports hall and the dry side changing rooms and the building of a new sports hall and activity studio (including changing room).
- 2.3 Work is expected to begin in late 2018 subject to agreement with DBC.

### The Dual Use Agreement

- 2.4 DBC has committed to investing in the swimming pool to improve the experience for the community.
- 2.5 However, the demolition of the existing sports hall and the dry side changing rooms and the building of a new sports hall and activity studio (including changing room) impacts on the existing dual use agreement (DUA) and it requires a new relationship between DBC and Tring School.
- 2.6 DBC has therefore been in discussion with Tring School regarding the future of the site and in particular, ensuring continued community access, investment in the swimming pool and value for money for DBC and Tring School.
- 2.7 Detailed discussions of the various options have been undertaken including exploring the possibility of DBC taking on responsibility for the new sports hall. Tring School are clear that this was not something they would consider.

### **3. The Proposal**

- 3.1 Following a series of discussions between Tring School and DBC, a proposal has been put forward which is designed to achieve a number of key objectives:
- Ensure continued community access to the sports facilities
  - Improve the experience for swimmers by enabling investment in the pool
  - Mitigate the risk of early termination in the existing DUA
  - Ensure value for money for DBC and Tring School
  - Support the EFSA investment which will deliver a new and improved sports hall

#### The Proposal - Management

- 3.2 DBC and Tring School would jointly agree to terminate the existing DUA without any penalties, to enable significant investment in the facilities.
- 3.3 DBC would agree to the demolition of the existing sports hall and the dry side changing rooms and the building of a new sports hall and activity studio (including changing room). This would create a new community facility with an estimated value of £4 million.
- 3.4 Responsibility for the remaining swimming pool and the ATP would revert to Tring School. This would mean that Tring School is required to operate and manage those facilities and they would take on responsibility for the relevant staff in line with TUPE rules.
- 3.5 Tring School would also be responsible for any future capital improvements works as well as day-to-day asset management. There are no contractual limits to this, with the exception of the conditions applied to the Funding Agreement. At present, the Operator undertakes day-to-day maintenance, while the Council is responsible for capital repair and replacement.
- 3.6 Tring School will protect existing prices and programme times for local clubs for a period of 12 months from 1st April 2018.
- 3.7 Tring School agrees that all existing facilities on the Tring Sports Centre site are made available for “community use” as a minimum, until 2042 (subject to the caveat in respect of the swimming pool and the Funding Agreement).
- 3.8 The new arrangements would be in place from 1 April 2018.

## The Proposal – Funding Agreement

- 3.9 DBC would make the one-off investment to refurbish the facility. This is estimated to be £1.1 million in value.
- 3.10 This would cover:
- Renovating the wet-side changing area and light redecoration of the swimming pool
  - Essential mechanical and engineering works
- 3.11 The £1.1 million would be provided through a conditional Funding Agreement, with no further requirements for investment.
- 3.12 If after year 10 of operation, Tring School considers that operating the swimming pool is no longer “financially viable”; they will be entitled to close the pool after giving notice of closure for a minimum period of 2 years.
- 3.13 Tring School would need to provide DBC with evidence of why the facility is not “financially viable” and they would need to work with DBC to consider potential options for keeping the facility open.
- 3.14 If for any reason during the first 15 years of operation, the swimming pool is permanently closed or no longer available for community use, Tring School will repay the Council’s investment (with a sliding scale of payment to reflect time elapsed).
- 3.15 This protects the Council and removes the three-year termination period.

#### **4. Benefits of the Proposal**

- 4.1 It enables DBC to invest in the swimming pool and improve the experience for users and clubs.
- 4.2 It ensures continued community access in the long-term in a way that is sustainable.
- 4.3 It enables the development of the new sports hall, which will create a new community facility with an estimated value of £4 million.
- 4.4 It enables the whole sports site to be the responsibility of one party, as opposed to responsibility for the new facility being that of Tring School, while the existing facilities remain with DBC. This will reduce duplication and ensure a smoother experience for users.
- 4.5 The change also allows Tring School more scope for future improvements, which they have indicated is something they are considering.

#### **5. Financial Implications**

- 5.1 The removal of Tring School will have an impact on the overall management fee that the Council is due to receive from SLM over the next 10 years.
- 5.2 However, this is largely offset by the reduction in the cost of capital works to refurbish the facility.
- 5.3 This is because Tring School will be looking at the best way to provide an entrance to the whole site and therefore, the Council and Tring School have agreed that work is no longer required to renovate the entrance and reception.
- 5.4 It is also worth noting that Tring School could terminate the existing DUA, which makes the likelihood that the Council would have received the full management fee uncertain.
- 5.5 More details are provided in Part II.

#### **6. The Legal Position**

- 6.1 Information on the legal position is provided in Part II.

## **7. Next Steps**

- 7.1 If Cabinet approval is given to this proposal, Officers from the Council and Tring School will work on a draft Funding Agreement.
- 7.2 Due diligence would also need to be undertaken by both parties, including agreement on the scope and terms of the refurbishment work and sign-off of the Funding Agreement in consultation with Section 151 Officer and DBC's Monitoring Officer.

### Transfer

- 7.3 A Leisure Transfer Planning Group will be set up and an integration and mobilisation plan will be created in consultation with Tring School.

## **8. Leisure Operating Contract**

- 8.1 If the recommendation is approved, the Leisure Operating Contract will need to be amended to reflect the change in the portfolio.
- 8.2 This can be undertaken via a change management process as outlined in the Leisure Operating Contract.

## **9. Recommendations**

9.1 Cabinet are recommended to:

- Recommendation 1: Approve the proposal to transfer responsibility for Tring Sports Centre to Tring School in line with the conditions and requirements outlined in this report to enable significant investment in Tring leisure facilities.
- Recommendation 2: Recommendation 1 is conditional on the successful completion of due diligence and following formal approval from Tring School.
- Recommendation 3: That approval be given to DBC to mutually agree to terminate the existing Dual Use Agreement and enter into a new Funding Agreement to reflect the terms as set out in this report. This will be undertaken in consultation with the Section 151. Officer and the Monitoring Officer.