



SUMMARY

Report for:	Cabinet
Date of meeting:	24 th April 2018
Part:	I
If Part II, reason:	

Title of report:	Changes to the terms governing the transfer of Tring Sports Centre to Tring School (known as RLP)
Contact:	<p>Clr Neil Harden, Portfolio Holder for Resident and Corporate Services</p> <p>Author/Responsible Officers;</p> <ul style="list-style-type: none"> Robert Smyth, Assistant Director (Performance, People & Innovation)
Purpose of report:	For Cabinet to review and approve proposed changes to the conditions and requirements for the transfer of responsibility for Tring Sports Centre to Tring School.
	<p>That Cabinet approve that:</p> <ol style="list-style-type: none"> Approval be given for DBC to mutually agree to terminate the existing Dual Use Agreement and enter into a new Agreement, reflecting the updated conditions and requirements as set out in this report. Final sign off of the Agreement is delegated to the Chief Executive and the Portfolio Holder for Residents and Corporate Services in consultation with the Section 151 Officer and the Monitoring Officer.
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:	<p><u>Financial</u></p> <p>The financial implications of the decision to transfer the facility are outlined in the February paper. The changes to the terms</p>

Value For Money Implications'	<p>upon which the funding is provided are highlighted in the report.</p> <p><u>Operational</u></p> <p>The facility is currently being managed by SLM. There are no other operational implications, unless the facilities are returned to the Council.</p> <p><u>Value for Money</u></p> <p>The changes to the proposals still provide a mechanism to ensure community access and also provide funding to improve the existing facilities.</p>
Risk Implications	<p>There is a risk that despite the Council's investment, the facilities become financially unviable to run. If this does happen, there will be an opportunity for the Council to manage the facility directly in the event that RLP seek to terminate in the future.</p>
Community Impact	<p>Community Impact Assessment carried out and it identifies that there is no adverse impact from these changes.</p>
Health And Safety Implications	<p>None</p>
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>The amended terms provide for investment in the facility which will facilitate continued community use. There is a risk as highlighted in the report that the facilities will become financial unviable at some point in the future and this will enable RLP to propose closing the facilities; however, this risk is mitigated by the Council's ability to step-in and manage the facilities if it wishes to do so, subject to agreeing the precise terms of that step-in at the appropriate time.</p> <p>S.151 Officer</p> <p>The termination of the Dual Use Agreement is not projected to impact on the approved capital budget, for the development of the Tring swimming pool.</p>
Consultees:	<p>The following stakeholders have been consulted:</p> <ul style="list-style-type: none"> • Chief Executive • Council Leader • Portfolio Holder – Residents and Corporate Services • Corporate Director – Finance and Resources • Monitoring Officer to the Council
Background papers:	<p>Cabinet Paper – February 2018</p>

Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none">• DBC – Dacorum Borough Council• RLP – Ridgeway Learning Partnership is the name of the multi-academy trust that runs Tring School• DfES – Department for Education and Skills
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1. Introduction

- 1.1 In February 2018, Cabinet approved the “proposal to transfer responsibility for Tring Sports Centre to Ridgeway Learning Partnership (RLP) *in line with the conditions and requirements outlined in this report* to enable significant investment in Tring leisure facilities”.
- 1.2 Based upon the principles outlined in the Cabinet paper, the Council and RLP have been undertaking technical discussions to finalise the terms of a new Dual Use Agreement (DUA).
- 1.3 Whilst significant progress has been made, the Council and RLP have outstanding matters relating to the legal parameters of the protection of the Council’s capital investment. This was a condition outlined and approved in the previous report.
- 1.4 To progress these outstanding matters a meeting took place on 20th March. The Leader of the Council and RLP discussed the outstanding issues and a series of changes to the original conditions and requirements were considered to enable the proposed investment to progress.
- 1.5 These changes are set out in this report for Cabinet consideration and approval.

2. The Original Position

Existing Terms

- 2.1 Under the existing proposals (contained in the February report), the agreement would include a clause that enabled the Council to reclaim some, or all, of its capital investment, if RLP voluntarily closes the swimming pool during the first 15 years of operation.
- 2.2 The amount that the Council could reclaim would depend upon the period at which RLP choose to close the swimming pool.
- 2.3 The purpose of this clause was to act as a disincentive for RLP to close the swimming pool and to provide a direct link between the investment and maintenance of community access.

RLP's and Council Concerns

- 2.4 RLP accepted the Council's need to ensure that community access to the swimming pool is maintained. However, they expressed concern that a universal commitment to allow the Council to reclaim its investment if RLP closed the pool prematurely was considered too great a concession and could be prejudicial to the educational facilities at the school.
- 2.5 In light of this position the Council has sought to protect its investment by the opportunity to manage the facility directly (or by its retained leisure provider) in the event that RLP seek to terminate in the future. It is proposed that this protection will be included in the new Agreement.

3. The New Proposals

The Council's Investment

- 3.1 The funding of the swimming pool refurbishment will be provided and RLP will commit to continue to provide and allow for community access to facilities.

Protecting Community Access

- 3.2 RLP would commit to maintaining community access across all the facilities on the site. This covers the swimming pool, the existing and refurbished sports hall and the Astroturf pitch
- 3.3 RLP would only be permitted to close the facilities to community use if they can provide evidence (using an open book methodology) that the cost of operating all the facilities exceeds the income and value generated. It is proposed that the loss would need to be demonstrated over the period of a financial year.
- 3.4 In these circumstances, RLP would engage with the Council to consider options to reduce costs and increase income.
- 3.5 If agreement cannot be reached, the Council has the option to take over the management and operation of all the facilities with 6 months-notice. The terms on which the Council can take over management would be agreed between the two parties.
- 3.6 At the end of 10 years, the Council and RLP would meet to discuss future options for the site.

Interim Arrangements

- 3.7 While negotiations regarding the proposed transfer are ongoing, SLM are responsible for managing Tring Sports Centre. This is broadly in line with the terms of the Council's leisure procurement process (taking into account the costs of demobilisation).

4. The Implications of the Proposed Changes

- 4.1 The proposed changes would address the concerns raised by RLP and ensure continued community access. The Council will have the opportunity to take over the facilities, which also limits the risks.
- 4.2 The changes would vary the protection for the Council's investment as outlined in the February Cabinet report. If the Council exercised its option to run the facility directly to maintain community access, the Council would need to consider the business case for doing so in more detail at the time.

5. Next Steps

- 5.1 Following consideration by Cabinet, Officers from the Council and Tring School will finalise an updated Agreement.
- 5.2 Due diligence would also need to be undertaken by both parties, including agreement on the refurbishment work and sign-off of the Agreement in consultation with Section 151 Officer and the Council's Monitoring Officer.

6. Recommendations

- 6.1 Cabinet are recommended to:
 - Recommendation 1: That approval be given for DBC to mutually agree to terminate the existing Dual Use Agreement and enter into a new Agreement, reflecting the updated conditions and requirements as set out in this report. This will be undertaken in consultation with the Section 151 Officer and the Monitoring Officer.
 - Recommendation 2: That final sign off of the Agreement be delegated to the Chief Executive and the Portfolio Holder for Residents and Corporate Services in consultation with the Section 151 Officer and the Monitoring Officer.