

Agenda

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Delegated Decisions of the Board Member, Finance and Efficiency

Date: **Monday 20 February 2012**

Time: **4.30 pm**

Place: **Town Hall, Oxford**

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Delegated Decisions of the Board Member, Finance and Efficiency

Board Member

Portfolio

Councillor Ed Turner

Finance and Efficiency

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AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 DECLARATIONS OF INTEREST

Guidance on personal and personal prejudicial interests is attached to these agenda pages.

2 PUBLIC ADDRESSES

Members of the public may, if the Board Member agrees, ask a question of the Board Member on any item for decision on this agenda (other than on the minutes). The full text of any question must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by the public will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted.

The total time permitted for this item will be 15 minutes.

3 COUNCILLOR ADDRESSES

City Councillors may, at the Board Member's discretion, ask a question or address the Board Member on an item for decision on the agenda (other than on the minutes). The full text of any question and the nature of any address must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by councillors will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted. If an address is made, the Board member will either respond or have regard to the points raised in reaching her or his decision. If the address is by the Chair of a Scrutiny Committee or her or his nominee then the Board member will be required to say as part of their decision whether they accept the Scrutiny recommendations made.

4 BARTON PAVILION - MANAGEMENT ARRANGEMENTS AND LEASE

1 - 10

Report of the Head of Leisure and Parks and the Head of Corporate Assets attached.

The report recommends the award of a lease for the Barton Pavilion to the Phoenix Sports Association. There is a not for publication Appendix to the report.

5 MATTERS EXEMPT FROM PUBLICATION

If the Board member wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board member to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

The Board member may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

DECLARING INTERESTS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

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To: Councillor Ed Turner
Date: 20th February 2012
Report of: The Head of City Leisure and the Head of Corporate Assets
Title of Report: BARTON PAVILION - GRANT OF LEASE

Summary and Recommendations

Purpose of report: To seek approval to the direct allocation of the Barton Pavilion to the Phoenix Sports Association and the grant of a lease, as set out in this report.

Key decision? No

Executive lead members: Councillors Ed Turner and Mark Lygo

Report approved by: David Edwards

Finance: Val Craddock

Legal: Lindsay Cane

Policy Framework:

- Strong and active communities
- Effective, efficient council

Recommendation:

That approval is given to the allocation of the Barton pavilion, and grant of a lease, to the Phoenix Sports Association on the terms as outlined in this report and otherwise on terms and conditions to be approved by the Head of Corporate Assets.

Appendices

- 1) Site Plan
- 2) Risk Register
- 3) Confidential Not for Publication Appendix

1. Introduction and background

- 1.1 Well run local football clubs offer numerous health and community benefits. For these clubs to remain sustainable requires two key ingredients; fit for purpose facilities, coupled with the commitment and capabilities of the volunteers involved in running the club. A City wide challenge is that a high number of our sports pavilions are in a very poor condition, which places a strain on the sustainability of the sports clubs.
- 1.2 Barton Pavilion is situated within the recreation ground on Barton Village Road, which is shown edged black on the attached plan at (Appendix 1). The pavilion is the home to Headington Amateurs and Barton United Football Club who have historically operated as the Phoenix Association.
- 1.3 In a 2009 Sport England survey, the former Barton Pavilion was found to be “very poor quality.” In March 2010 the City’s Executive Board agreed that Barton Pavilion should be replaced if the required funding could be found to add to the developer contributions that were already in place.
- 1.4 Barton Recreation Ground adjoins the proposed Barton Housing development site. A modular design concept was therefore chosen as it offered a good quality facility, whilst providing the flexibility of moving the pavilion if a more suitable site is identified as part of the development proposals.
- 1.5 In August 2011 the new pavilion opened in time for the 2011/12 football season providing a fit for purpose facility for the ten teams that make up the Phoenix Association and also offering community use.
- 1.6 Although the terms proposed are within the Head of Corporate Assets delegated authority, and constitute best consideration, this report is presented on the basis of seeking authority to offer the premises, for good reason, to a single organisation, the [Phoenix Association] and not to offer their availability more widely.
- 1.7 Heads of Terms for the lease are currently in discussion. A Management Agreement has also been drafted to sit alongside the lease to inform the operations of the facility.

2. The Phoenix Association and Phoenix Sports Association

- 2.1 The Phoenix Association, as the former tenant, had held a lease of the previous pavilion, but in recent years had struggled to pay the £4,600 per annum rent. They cited the poor condition as a major reason why they were unable to generate sufficient income from using the pavilion as a social space. Nonetheless, they had a contractual responsibility to pay rent and in 2011 the previous lease was terminated, with the former Association owing £4,600 in arrears. Those arrears have been formally written off by the Council. The previous lease terms provided for the Council to pay for cleaning and the like, utilities and maintenance.

- 2.2 Council officers have worked closely with the County Football Association to support and build capacity within the newly constituted Phoenix Sports Association. The new Association have adopted a revised constitution and new committee members. Working with the Sport Development Team, the committee have developed a conservative business plan for the operation of the facility.
- 2.3 The organisation also now has an up to date football development plan in place which in essence gives them a plan for continuous improvement of the clubs.
- 2.4 A new management sub-committee to oversee the pavilion has also been established that includes the club, members of the community and councillors.

3. Management options for Barton Pavilion

- 3.1 The majority of the City’s sports pavilions are operated and managed directly (in-house) by the Council with the clubs booking usage when required. The pro’s and con’s of in-house and lease options are detailed below.

	Pro’s	Con’s
In-house management	The Council retain control of the facility and can make changes whenever necessary. The Council control bookings so we are able to ensure equitable usage	This is resource intensive with the Council cleaning, maintaining, taking bookings and opening and locking the pavilion. The Council pays for the operational costs. There tends to be less ownership of the pavilion from the local community. The Council is not resourced to promote and manage the use of pavilions to other community groups.
Lease option	In the new lease the club will take on increased responsibilities e.g. cleaning, minor maintenance works, opening and locking the pavilion, insurances (not of the property), licenses and utilities. There is increased ownership of the facility. Well set up clubs are able to promote usage and booking from other community groups. Reduced Council resources required to manage the pavilion, resulting in financial savings for the Council.	There is a risk that if the club is not being well run they will be unable to pay the rent and meet the other outgoings of operation. The Council loses some control of the facility.

- 3.2 While in-house management provides a straightforward solution there are clear benefits if clubs take on more responsibility for the pavilions.
- 3.3 The sports development work that has been undertaken with the Phoenix Sports Association, the new management committee and having a good quality facility now means that the Association are potentially far better able to manage the facility. Alongside the clubs sports development plan, a management agreement that details what they need to do to look after the pavilion and a community use agreement that details the commitment to other community

booking will be put in place. These will dovetail with the provisions of any lease agreement.

- 3.4 It is Council policy that best consideration is achieved in any disposal of its land or property assets. In this context 'best consideration' means not only cash payments to the Council in the nature of rent and the like, but also benefits that can be quantified in cash terms. The level of market rent assessed reflects the location and nature of the property, and likely limited demand from third parties.
- 3.5 The grant of a short term five year lease outside of the protection of the Landlord and Tenant Act is proposed, which will include appropriate 'lift and shift' provisions to cover off the eventuality that the pavilion needs to be relocated as part of the Barton development proposals.

4. Level of Risk

A risk assessment has been undertaken and the main risks identified are set out in the attached Risk Register at Appendix 2.

5. Equalities Impact

The community use agreement ensures that there will be equitable use of the pavilion once the lease is put into place with the Phoenix Sports Association. The facilities will be available to all sectors of the Community.

6. Financial Implications

- 6.1 The business plan, produced by the Phoenix Sports Association supported by the sports development team, shows that after the club has taken on the additional costs including the new rent of £5,000 that they are projected to make a small profit in the first three years.
- 6.2 In the event of any future difficulties being encountered, the Head of City Leisure has confirmed that the Council would have the ability to assume direct responsibility for managing and running the facility as a last resort if this was required. Any lease granted will include appropriate step in rights in this respect.
- 6.3 The Phoenix Sports Association is in the process of applying to become a CASC (Community Amateur Sports Club) which allows the following benefits;
- (a) 80% mandatory business rate relief.
 - (b) Gift Aid. The Association will be able to reclaim 25% tax from every charitable donation.
 - (c) Exemption from Corporation Tax. For profits on trading income under £30,000pa. Under this threshold the association would no longer be required to complete and annual Corporation Tax return.

- 6.4 The Head of City Leisure advises that staff savings in the order of £5k per annum will accrue as a result of the grant of the lease, and the Association taking on the responsibilities set out in paragraph 3.3 above.
- 6.5 Details of the proposed rent, and best consideration calculations are as set out in the Not for Publication Confidential Appendix.
- 6.6 Given that the Phoenix Sports Association will be a new Company, it will only be possible to undertake limited financial checks..

7. Legal Implications

The statutory ability for the Council to dispose of land is contained within Section 123 of the Local Government Act 1972 for best consideration.

8. Environmental Implications

Officers are exploring an option to install a moveable cycle rack adjoined to the pavilion.

9. Conclusion

There is an inherent element of risk in all such ventures that needs to be balanced out against the community benefits. This report accords with the city's sports development plan of creating capacity in sports clubs alongside building a high quality infrastructure that helps the sustainability of clubs. This approach has proved a key ingredient in the city having one of the highest increases in adult sports participation in England over recent years.

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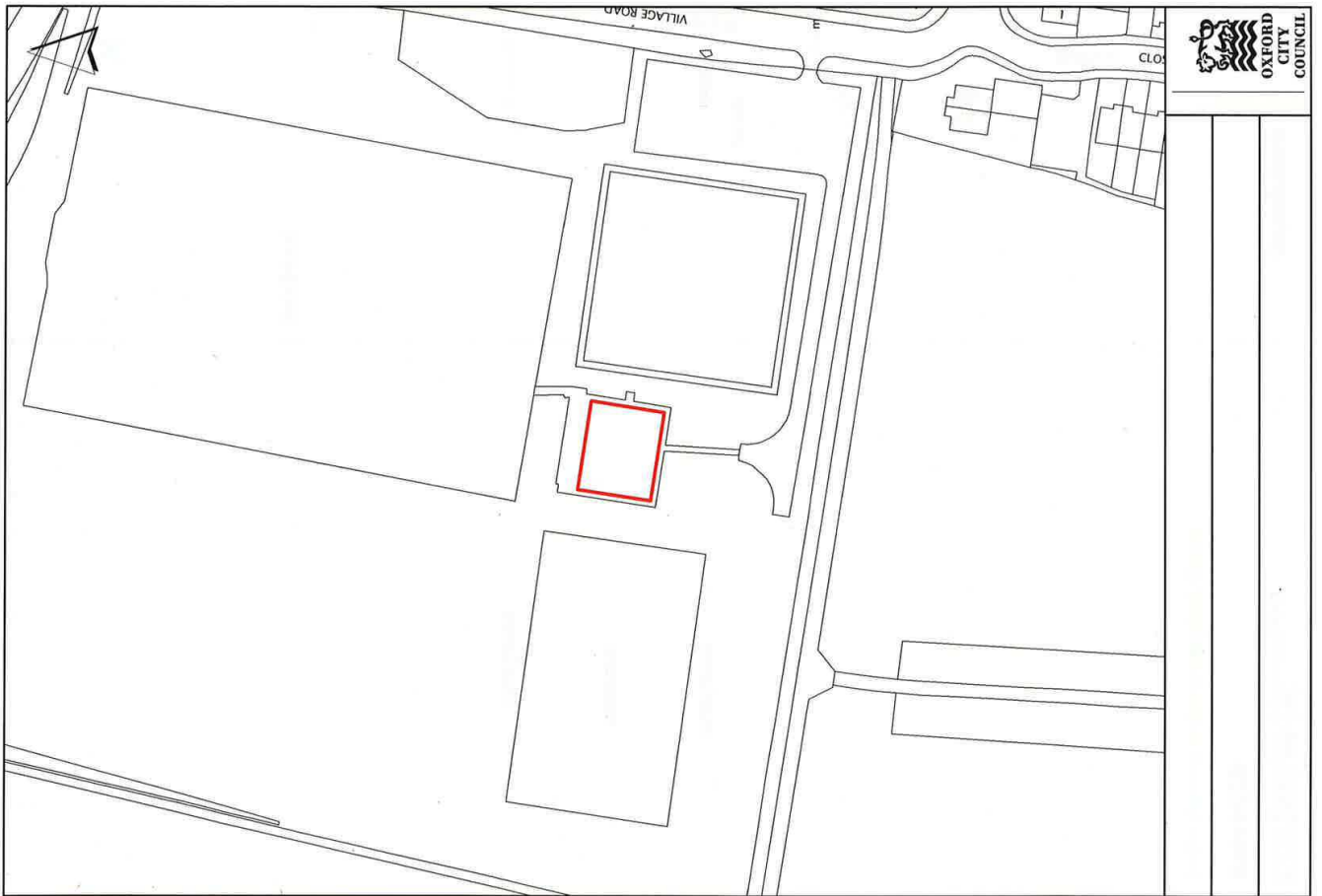
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List of background papers:

Version number: 1.9

Appendix 1



Appendix 2 - Risk Register

Risk ID	Risk						Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed
Category-000-Service Area Code	Risk Title	Opportunity/Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 5	I	P	I	P	I	P		
CEB-001-BP	Rental payments	T	The tenant is unable to pay the rent	Lack of promotion resulting in a lack of bookings	Loss of income to the council, possible default	1.6.11	6	3	3	3	2	3	2	HL	
CEB-002-BP	Management agreement	T	The conditions of the agreement e.g. facility cleanliness are not met	Lack of ownership by the tenant. Lack of facility checks by the council	The pavilion condition will deteriorate	1.6.11	6	3	3	3	2	3	2	PJ	
CEB-003-BP	Community use agreement	T/O	Other community groups unable to book the facility	Poor management, Or / oversubscribed	Unable to pay the rent and possible default Lack of equitable community use	1.6.11	3	3	3	2	2	2	2	PJ	

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