

Runnymede Borough Council

LEISURE AND ENVIRONMENT COMMITTEE

19 March 2009 at 7.30 pm

Members of the
Committee present: Councillors C J Norman (Chairman) M J Brown and Miss M N Heath (Vice-Chairmen), C J Chapman, A J Davis, J R Furey, Mrs M T Harnden, A M Moore, L C Pouyanne and N Stewert.

Members of the
Committee absent: None.

Councillor C Knight also attended.

564. FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

565. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of its wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be reappointed.

Group Requiring Change	Remove from Membership	Appoint Instead
Conservative	Councillor M T Kusneraitis	Councillor J R Furey
Conservative	Councillor J W C Perschke	Councillor N Stewert

The Chief Executive Officer had given effect to those wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

566. MINUTES

The Minutes of the meeting of the Committee held on 22 January 2009 were confirmed and signed as a correct record.

567. DECLARATIONS OF INTEREST

Councillor A M Moore declared a personal interest in the item London 2012 Olympics Task Group, as he was employed by Royal Holloway University of London, which was mentioned in the report.

568. FINANCIAL MONITORING STATEMENT

(Ref: Minutes of the Leisure and Environment Committee, November 2008, page 448, para 310)

Members received for information the latest financial projections for the 2008/09 financial year for Leisure and Environmental Services.

In addition to the projected budget and forecast, savings still to be delivered and the current year key budget indicators Members were given up to date membership information for both the leisure centres showing membership figures against their targets over the year. At the end of February ELC had 1,492 members against its target of 1,450 and ALC had 546 against its target of 550. The Committee thought this was useful information and asked for it to be provided in future reports.

Members were pleased to note an increase in income on the Halls budget and congratulated the Leisure Centres Manager and her staff for the quality of the service they provided at each centre, despite the inherent difficulties occasioned by the dual use arrangements at Addlestone Leisure Centre.

569. CARELINE – VOICE RECORDER REPLACEMENT

The Committee's approval was sought for a capital estimate which was required for the replacement of the voice recorder which formed part of the Careline Call Answering system operated by Safer Runnymede in partnership with Community Services.

Members noted that the existing voice recorder, supplied and maintained by Jontek Limited, was over ten years old and provision for its replacement had originally been envisaged as part of the move to the new Civic Centre with the introduction of a recording facility for all Council calls. This, however, had been ruled out because it was too costly.

Members were advised that purchasing a new voice recorder had to be done in order for the system to be accredited, which in turn expanded the opportunity for Safer Runnymede to generate additional income of approximately £17,000 per annum by taking on new business.

Members were assured however that an increase in business would not result in a request for additional staffing resources.

An up to date recorder capable of immediate replay would allow Safer Runnymede operators to ensure that the correct, and often emergency, action was taken; this also protected the operators and improved the service to clients.

It was agreed that Standing Order C2 relating to the seeking of estimates be waived as the recorder had to be purchased from the supplier of the other components of the Careline system (Jontek Limited), which included all the linking cabling. The current recorder was covered under the annual maintenance budget and the new machine would simply be a replacement.

The new system was likely to cost £11,500 to purchase and install. There was currently no provision in the capital programme for this expenditure and the Corporate Management Committee would need to approve a capital estimate accordingly.

The capital programme included a sum of £55,100 in 2008/09 to provide for upgrades to systems and new initiatives which it was confirmed could be used to purchase the new voice recorder.

The Committee was a little surprised that the on-going annual maintenance costs were approximately £2,000; £900 more than the current charges which had been held since the original installation in 1997. However, Officers confirmed that this included a 4 hour call out service and an agreement whereby if a part of the system could not be fixed the whole system had to be replaced. This additional expenditure would be met from the additional income expected to be attained as a result of the upgrade to the system. However, should this not be forthcoming, Members were assured that the costs would be met from elsewhere in the Safer Runnymede budget.

RESOLVED that -

- i) Corporate Management Committee be asked to approve a capital estimate for the purchase of a voice recording machine at a sum not exceeding £11,500;**
- ii) this expenditure be met from the upgrades and new initiatives budget held in the capital programme;**
- iii) the revenue consequences be noted; and**
- iv) as the recorder must be purchased from the supplier of the other components of the Careline system, Standing Order C2 relating to**

the seeking of estimates be waived, and Jontek Ltd supply the equipment, to be covered by their existing maintenance agreement within the existing contract.

570. HEATHERVALE RECREATION GROUND – YOUTH SHELTER
(Ref: Minutes of Leisure and Environment Committee, June 2007, page 66, para.95)

Members reviewed feedback concerning the youth shelter at Heathervale Recreation Ground which had been installed for a trial period of 6 months from June 2008. Concurrent with the trial, the pedestrian gates to the park had been left unlocked overnight to allow access to the youth shelter.

The Committee was pleased that despite initial concern about vandalism and litter, feedback had been positive from residents, park users, staff and the young people involved. There had been no discernable change in the frequency or severity of litter, graffiti or other vandalism since the shelter had been installed.

Safer Runnymede and Surrey Police reported an overall decrease in the number of reported incidents, and a slight increase in 'rowdy or inconsiderate behaviour' and a slight increase in incidents involving youths within the park. However, because the reporting and recording of such information was not wholly reliable, the figures as a whole showed a rise of only one incident in the 2008 period.

On balance, Members considered the trial had been a success; the shelter was well used and popular and local ward Members were very supportive. Therefore, it was agreed the youth shelter should become a permanent fixture in the park. It was also agreed to install lighting, again on a trial basis, so that the youth shelter could be lit at night. This with the coverage of CCTV would give greater protection to young people using the shelter who were most likely to be victims of crime rather than perpetrators.

Members noted that the lighting would cost approximately £2,000 to install, and that if external funding could not be secured that it would be met from within the parks revenue budget.

Officers confirmed that residents would be kept informed of developments and feedback would continue to be monitored.

RESOLVED that –

- i) the youth shelter at Heathervale Recreation Ground be retained on a permanent basis; and**
- ii) the youth shelter be lit for a trial period of six months and a further report be brought back to this Committee at the end of the trial period**

571. LONDON 2012 OLYMPICS – TASK GROUP

The Committee's approval was sought to set up a 2012 task group to implement an action plan developed to use the 2012 Olympics and Paralympics as a focus for local initiatives to encourage more participants in sport and cultural activities, to maximise the Olympic benefits to Runnymede, the promotion of cultural opportunities and to develop opportunities for volunteering and skills development. The setting up of a task group had also been discussed at the Local Strategic Partnership.

Members noted borough participation in the Olympic handover event in August 2008 at the Egham Royal Show and looked forward to ways in which further local involvement could be derived from the many planned events and programmes linked to the 2012 Olympics such as:-

- Cultural Olympiad - a nationwide programme of activities and events.
- "Children's Promise" - where every child born on 20 December 2004 will be able to participate in an event or ceremony linked to 2012.

- Volunteers to help at the games.
- "Inspire Mark" - projects and events which are non-commercial can use the inspire mark as a promotional tool.
- 2012 Education Programme – this includes "Get Set" and "playground to podium" which offers opportunities for 3-19 year olds to participate in a range of activities and initiatives.
- Business Network – identifying potential contacts and other business opportunities.

The Committee was pleased that St George's College and Royal Holloway University of London were likely to be directly involved in the Olympics as a training camp and athletes' village respectively, noting Royal Holloway's keenness for a local task group to be set up.

Where external funding could be obtained it would be and Members were encouraged to pro-actively seek involvement with Surrey fund making bodies who were aware that Runnymede was the only borough in the county to be having an Olympic village.

Members approved the setting up of a 2012 Olympic task group and were keen to be involved in it.

RESOLVED that –

- i) subject to support from sufficient other partners a 2012 task group be created for the purposes set out in the report; and**
- ii) Councillors Miss M N Heath, A M Moore and M T Kusneraitis (subject to his consent), be nominated to serve on the Group.**

572. CHERTSEY MEADS MANAGEMENT LIAISON GROUP – CONSTITUTION

The Committee considered a request to make minor amendments to the Constitution of the Chertsey Meads Management Liaison Group.

The first was to increase the representation of Sustrans from one to two persons and the second was to increase the number of meetings of the group from one to two.

Members noted that Sustrans was the country's leading sustainable transport charity and was active locally performing useful work to increase cycling and promotion of the national cycle network and 'Safe Routes to Schools'.

The Committee agreed that increasing their representation was in line with other groups such as the Chertsey Society, Chertsey Agricultural Association and residents' representative groups and were happy to approve the amendment.

Regarding meetings, Members agreed that only one scheduled meeting a year was inadequate and two was more reasonable and retaining the flexibility to convene additional meetings if necessary was the most sensible option. Holding the second scheduled meeting half way through the Chertsey Meads year in September provided a good opportunity for feedback on summer events and projects and any other issues arising.

RESOLVED that –

the Constitution of the Chertsey Meads Management Liaison Group be updated to include two representatives from Sustrans, with immediate effect and to increase the number of scheduled meetings from one to two, to be held in March and September.

573. ENVIRONMENTAL STEWARDSHIP – AFTERMATH GRAZING ON CHERTSEY MEADS
(Ref: Minutes of Leisure and Environment Committee, November 2008, page 449, para 311)

The Committee considered a request to extend aftermath cattle grazing on Chertsey Meads under the recently approved agreement of the Environmental Stewardship Scheme.

Members recalled that an Environmental Stewardship Scheme, attracting funding of approximately £10,000 per annum for 10 years, had been approved in the latter half of 2008.

Under the agreement between the Council and Natural England various projects and initiatives had been drawn up to deliver effective environmental management of Chertsey Meads. The primary objectives were aimed at:

- conserving wildlife (biodiversity)
- maintaining and enhancing landscape quality and character
- protecting the historic environment and natural resources
- promoting public access and understanding of the countryside
- protecting natural resources

The secondary objectives were genetic conservation and flood management, both of which were relevant for Chertsey Meads.

The Committee noted that the Council had entered into the 'Higher Level Stewardship' agreement which bound the Council to certain management prescriptions on the parts of the Meads covered by the agreement for a period of 10 years until 31 October 2018.

Members generally were pleased with the arrangement, and the proposal to extend the aftermath grazing of cattle across the whole of the Meads. It was noted that a local farmer had expressed an interest in being involved, and if chosen, would be likely to graze Sussex cows; one of the oldest and purest breeds of English cattle.

The actual grazing would take place after the grass cut in late June until the ground became too soft in late Autumn. Initially, between 10 and 20 cattle would be introduced, rising to approximately 50 over a number of years.

The concerns regarding the safety of the cattle and preventing them from accessing residential properties and Mead Lane raised at the Chertsey Meads Management Liaison Group were echoed by the Committee. However, Officers gave the assurance that suitable and sufficient cattle grids and fencing would be installed in consultation with residents and Ward Members, where appropriate, for which funding was available.

Officers were advised to check the insurance arrangements should anything untoward happen in connection with the cattle i.e. if they caused any damage to property or persons, the latter of which was acknowledged to be unlikely if people were sensible about not approaching the cows quickly or erratically or allowing their dogs to worry them.

In addition to aftermath grazing, the following projects to receive funding during the first three years of the agreement were noted:

- conversion of one of the derelict brick structures to a hibernacula for bats
- construction of an artificial otter holt
- scrub management; and
- professional help with conducting a survey and preparing an implementation plan for extending the grazing

Members also welcomed the scheme, which could facilitate the gradual improvement of the Meads to regain its SSSI status, lost through poor farming methods in the 1970s and 1980s. The Council would also be working closely with Surrey Wildlife Trust who would monitor the Meads

on an annual basis.

RESOLVED that –

the proposal to extend aftermath grazing across the whole of Chertsey Meads be approved.

574. CABRERA TRUST MANAGEMENT COMMITTEE – MINUTES

The Minutes of the meeting of the Committee held on 15 January 2009 as attached at Appendix 'A' were received and noted.

575. ADDLESTONE LEISURE CENTRE JOINT MANAGEMENT COMMITTEE – MINUTES

The Minutes of the meeting of the Committee held on 24 February 2009 as attached at Appendix 'B' were received and noted.

576. EGHAM LEISURE CENTRE ALL WEATHER FOOTBALL PITCHES – PROPOSED LEASING AND MANAGEMENT ARRANGEMENTS

(Ref: Minutes of Leisure and Environment Committee, November 2008, page 454, para 320 and January 2009, page 710, para 452)

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100(A)(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraphs 1, 3 and 4 of Schedule 12A to Part 1 of the Act.

Members were given an update on the proposal to outsource the all weather 5-a-side football pitches at Egham Leisure Centre (ELC) since the previous discussion in November 2008.

At the November meeting Members had received a report detailing experience to date with the all weather five-a-side football pitches at Egham Leisure Centre, and the possibility of safeguarding/improving the revenue performance by devolving the management to a specialist operator. Details were given of the advertisement and interview process that had occurred, and the potential shape of a deal with a football league and event operator based in Woking. Officers had been instructed to conduct further investigations into the financial safeguards and the robustness of the preferred company's business case. It was resolved that if the Director of Administration and Leisure was satisfied on those matters he was authorised to agree terms on the basis of the proposal outlined.

Members recalled that a further report was prepared for the January meeting of this Committee, but was withdrawn in order to provide better information on the legal and financial position.

Officers gave a brief outline of the history of the investment at ELC from December 2005 when the Council approved a capital scheme in the sum of £606,000 for the installation of six artificial football pitches and the refurbishment and extension of the outdoor changing rooms.

Members noted that the original business plan had anticipated gross income of £360,000 in the first full year of operation, based on 80% usage at peak times and 25% at off peak times. Although these targets were viewed as conservative, the usage figures had not so far been achieved, particularly at off peak times. In the first full financial year (2007/08) the pitches generated a gross income of £129,000. Income for the first 10 months of 2008/09 was £113,000.

It was acknowledged that the additional income had resulted in a net financial betterment to the Council, even taking into account the cost of providing the capital for the new pitches and the additional revenue implications of operating them. In other words, the Council was better off as a result of having constructed them than it would be if it had not done so.

Members were informed that the financial forecast had been adjusted from the original business plan in the light of actual experience. However, the net betterment on current figures fell short of the amounts assumed in the financial forecast by some £66,000 in 2008/09. The forecast indicated that the Council would exhaust its financial reserves within the next five years unless

income and expenditure were brought into balance. The savings targets already agreed would achieve this if there were no major shortfalls in financial performance elsewhere. Accordingly, if this level of shortfall in the football pitch financial performance continued, compensating savings would have to be found from elsewhere in the leisure centre budget, or another service.

Members viewed the performance of the all weather football pitches in the context of the leisure centre's operations as a whole. It was noted that ELC was a large and diverse operation offering a number of facilities, returning a gross income in excess of £1 million per annum. The key income producer was the fitness gym, with forecast income of over £500,000 in the current financial year, but there were other important income producers. Managing a customer-facing set of services on this scale was a significant undertaking and the Leisure Centre Manager and her staff were congratulated on the quality of their work and commitment to improving the situation on a daily basis.

There was a need to maintain focus on the fitness suite as the major income producer. This was particularly important in a time of changing demand patterns and pressure on disposable income. Officers commented that corporate memberships were important to the overall performance of the centre, and additional effort was required to cultivate and maintain these.

Significant management and marketing attention was also needed for the all weather pitches if they were to come close to achieving their income targets. In particular, it was considered that boosting the off peak usage to the extent required was only likely to be possible through substantial work on identifying/creating suitable leagues and niche categories of user.

The task was not made simpler by the existence of competition from similar facilities elsewhere in the borough.

Members reviewed the options for boosting and safeguarding the Leisure Centre's financial performance. These were to continue running the entire operation in-house, which although attractive, and favoured by the Leisure Centre's staff and UNISON presented some doubt that there was enough managerial time to devote to it and there was a perceived lack of an established specialised operation and customer base.

The second option was to externalise the whole of the Leisure Centre operation. However, the Council had long valued the retention of direct control of its facilities and full externalisation would limit the Council's ability to benefit from upturns in business. In addition, when the operation was market-tested some twelve years ago, the in-house team won by a considerable margin. At present Officers did not consider that the very substantial investment of time, and the diversion from the task of running the operation, that would be occasioned in a market testing exercise was appropriate.

The third and preferred option was to explore ways of turning the all weather pitches over to a specialist external provider, in return for a guaranteed income. Officers considered that a five-a-side league operator, for example, was more likely to have the service focus and range of contacts to offer a real chance of improving the use of and return from the facility. Subject to adequate financial safeguards, the Council's exposure to risk was also reduced.

Officers had placed advertisements in the appropriate media seeking expressions of interest in running the Egham all weather pitches. Three expressions of interest had been received, and after discussion one company had submitted a tender to manage the pitches.

The Company had sought a longer contract period than the three years originally offered, in order to justify its up front investment. The company initially asked for eight or ten years, although in discussion it became apparent they would be still interested in five years, ideally with an option to renew for two to three years. It was reported that if the proposal was approved Officers would be willing to negotiate an arrangement of this type if the company was prepared to agree a formula for uplift of the guaranteed sum after three years.

In further discussions, the company had revised its business projections downwards in the light of the current economic situation.

Given the longer proposed contract period, the Committee considered that a lease of the pitches rather than a management agreement should be entered into.

If the lease option proceeded, the total financial return to the Council would not be less than the return from letting a management contract. The Committee discussed whether to make the company responsible for rates and service charges, noting this would make little difference to the total financial payment to the landlord out of the company's return from use of the pitches and that they could reduce projected income by the figure being charged for rates and services which would be counterproductive.

Members were also concerned that the interests of existing users should be protected under any lease arrangement and that the currently high standard of service to the public should be maintained in the future.

The Committee noted that granting of a lease was a matter for Economic Development Committee, who would need to be satisfied that the transaction made sense in land management terms and that the Council had legal power to enter into it. However, no fundamental difficulty on these issues was foreseen at Officer level.

Details of the financial forecast were reported with a number of comparative tables in which Members were given the following figures to consider:

- The company's proposal and projections
- Current performance of ELC pitches against the guaranteed rent from the Company adjusted to reflect the other savings available from the lease option and which represented the likely outturn for 2008/09, inflated in future years on the standard financial forecast assumption of 3% per annum
- Current performance against the company's full projection if the projected supplementary rent was added and adjusted to reflect the other savings available from the lease option
- the Financial Forecast against guaranteed rent from the company
- the Financial Forecast against the company's full projection with the assumed supplemental income added.

Leisure Centre staff would expect to better the assumption made in the current performance of the ELC pitches although experience to date showed the advisability of being conservative in such projections.

If the proposed lease was approved it was estimated that the Council would also save costs which were taken into account in the comparative data. Members were advised that of the savings reported, an amount might need to be put back into the budget from 2010/11 onwards to compensate for the loss of the Marketing Manager's post; a further report would be brought to the Committee if such a review were necessary.

Members assessed the risks in the proposed arrangement. It was agreed that the Council did not want to be left in the position of having the operator fail during the contract, leaving the Council with the problem and expense of handling the customers and restarting the operation.

In the financial comparisons, a number of general points were noted. These were:

- i) the guaranteed level of income from the tenderer was always better than the current performance;
- ii) there was a shortfall of current performance against forecast in excess of (the sum reported) every year. This was the figure which would need to be found in savings elsewhere if current performance did not improve;

- iii) there was also a shortfall between the tenderer's proposals and the forecast, whether on the guaranteed or projected supplementary figures. However, the deficit was substantially less than the current performance.

Members were mindful that the Corporate Management Service Plan required the achievement of significant revenue reductions to balance net expenditure with income from Government Grant and taxpayers. This required fulfilment of the agreed savings targets.

The Committee was advised of other issues relating to the potential lease. Firstly, the company would need a portacabin at the Leisure Centre for its staff presence. Without this facility in place it would not be possible for them to manage the pitches.

Secondly, the grass pitches and special events in the grounds of Egham Leisure Centre (ELC) had hitherto been overseen by the Football Development Officer, and any outsourced transfer would lead to these bookings being picked up by other members of staff at ELC, as was the case before the opening of the all weather pitches. The level of grass pitch use had improved in recent years, which was attributed to cross selling opportunities that had been taken with the artificial pitches and improved outdoor changing facilities.

Lastly, in terms of equality, leasing the pitches had no obvious implications in terms of advantage or disadvantage to any particular group. The tenant would be required to have regard to such issues in the service they provided.

Members discussed other possible arrangements that could be made with the company and concluded that overall, a lease on the basis described offered the best way forward.

The Committee considered the company's track record. Officers considered that its experience of running leagues should give some assurance that the Company's assessment of achievable usage and income levels were sound, but the small size and relative newness of the company pointed to the need to ensure that there were adequate guarantees in the event of failure. Proposals for this were noted.

The Committee was keen to assert that the main driver for an externalised lease was financial, and as such, it was necessary to assess the balance of financial risk and advantage. Members were conscious that in the present situation, the whole risk of failing to achieve the business objectives for the all weather pitches rested with the Council and at present there was a serious likelihood of being forced to make savings elsewhere to compensate for the shortfall in income against the financial forecast. It was considered, on balance that leasing the pitches to the Company would first of all limit the shortfall, and offer some prospect that it could be restricted to a level that did not create major problems for other services. With the proposed guarantee, the Council would have a realistic period to make other income generating arrangements if the company failed.

Members were aware that approving a lease arrangement was no guarantee of long term success. It offered a short term guaranteed income whose future was dependent on additional income being generated by attracting new users.

Although Members were aware that retaining the service in house would be welcomed by the Leisure Centre staff who they knew would make every effort to achieve an income level close to the forecast, they concluded that in achieving it they might be forced to divert attention from other critical aspects of the Leisure Centre operation.

Concern was expressed that externalisation could be detrimental for the staff and service. The latest figures showed that pitch usage was increasing and membership of ELC had exceeded its targets. However, despite their regard for the staff at ELC, and commitment to the centre and its long term future, Members considered they could not ignore the benefits of a guaranteed level of rent in the current financial situation and that a lease arrangement meant that the Council retained ownership of the pitches.

Members noted that Economic Development Committee was not due to meet again until June 2009, and that authority could be achieved by Officer action in agreement with the Chairman of that Committee under Standing Order 42.

On balance, therefore, and notwithstanding due regard to the UNISON comments on the social and economic benefits of retaining the Council's services in-house, it was agreed to enter into the proposed lease arrangement. The lease to include the following assurances:-

- an adequate financial guarantee
- the provision of a suitable service to the public which protected existing users and special events that took place at ELC
- compatibility with the current operations of ELC i.e. an outcome which did not adversely affect usage of the fitness suite if parking became restricted for example (to be monitored); and
- planning permission for the portacabin being obtained

RESOLVED that –

subject to confirmation that a suitable secured financial guarantee is available, Economic Development Committee be recommended to authorise the grant of a lease of the all weather five-a-side football pitches at Egham Leisure Centre, together with a location for a portacabin and appropriate rights, to the company named in the report for the primary purpose of operation as a five-a-side football venue, subject to suitable conditions to ensure compatibility with the operation of Egham Leisure Centre, the provision of a suitable service to the public, and the obtaining of any necessary planning permission.

Chairman

(The meeting ended at 8.58 pm)