

<b>Bath &amp; North East Somerset Council</b>				
MEETING/ DECISION MAKER:	<b>Alice Park Trust Sub-Committee</b>			
MEETING/ DECISION DATE:	<b>4 September 2019</b>			
TITLE:	<b>25 year lease of 6 tennis courts to the Council to carry out a refurbishment project and take on operation and management of the courts</b>			
WARD:	Cambridge			
<b>AN OPEN PUBLIC ITEM</b>				
<p><b>List of attachments to this report:</b></p> <p>Appendix A – Lawn Tennis Association outline business plan</p> <p>Appendix B – Heads of Terms Documents</p>				

## 1 THE ISSUE

- 1.1 The 6 tennis courts within Alice Park are in a very poor state of repair and are becoming dangerous to use. The courts are over 20 years old, of poor construction and have a degraded surface and are in need of significant works. New fencing is required and the potential for floodlighting some or all of the courts could be explored.

## 2 RECOMMENDATION

The Sub-Committee is asked to;

- 2.1 Approve the grant of a 25 year lease of the 6 tennis courts to the Council to carry out a refurbishment project and take on the operation and all liabilities associated with the courts throughout the 25 year period.

## 3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The courts currently bring in an income of c.£1500 per year. The Lawn Tennis Association (LTA) recommendation for annual maintenance and lifecycle replacement costs for 6 courts is £9000. Therefore if full costs are taken into account the courts are operating at a loss of £7,500 per year at present.
- 3.2 The improvement work has been costed at c. £225,000 and would be funded by the Council from a combination of CiL and grant funding from the LTA and Sport England.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 The Council is sole corporate trustee of the Alice Park Trust. The Alice Park Trust's Sub-Committee's terms of reference are to undertake the operational management functions in respect of the Alice Park site and its resources, in accordance with Trust's objects and the duties it owes pursuant to the Charities legislation.
- 4.2 Members in their capacity as Trustee must administer the Trust in good faith, abiding strictly to the objects of the Trust and administering the Trust for the benefit of the public which may at times conflict with the interests of the Council
- 4.3 The Trust would need to agree for the Council to lease the land, continue its use as tennis courts and carry out the refurbishment works.
- 4.4 The Trust will agree the final design of the tennis courts prior to installation.
- 4.5 Public Health – both the Trust and Council seek to improve public health by increasing physical activity levels through the proposed project's delivery.

## **5 THE REPORT**

### The Refurbishment Project

- 5.1 A condition survey was carried out on the tennis courts by the LTA's Technical Services Team, the report is attached.
- 5.2 It is estimated that the courts were constructed over 20 years ago.
- 5.3 Core samples were taken and these showed that the courts and are without a suitable sub base.
- 5.4 They require an aggregate layer of 300mm to be laid in addition to a binder course of 65mm before a new surface can be laid to ensure that there is no risk of movement in the courts following resurfacing. This increases the cost of the works required to £100,000-£140,000 depending on specification.
- 5.5 The courts also require new fencing which would cost c.£50,000
- 5.6 Floodlighting would cost c.£15,000 per court plus any works required to provide a suitable electrical supply. It is not anticipated that floodlighting all 6 courts would be necessary, but that 2 or 4 would be sufficient. This could be a future phase of the project subject to further local consultation and planning permission being granted.
- 5.7 There is a building next to the tennis courts which could provide toilet facilities to tennis users. Further investigation is needed to understand the feasibility of including this within any works.
- 5.8 The total cost for the outlined works is estimated to be c. £225,000

### Delivering the Works and Future Operation

- 5.9 The Council has been working with the LTA over recent years to develop a plan to increase usage of the public tennis courts in Bath and North East Somerset. The courts in Alice Park form part of that plan.
- 5.10 The objective is to refurbish a number of facilities across the area and then to put in place an operational model to drive participation in tennis and ensure that enough income can be derived to ensure a sustainable future for the new facilities. This would be based on the indoor courts and associated facilities at Royal Victoria Park forming a hub for the tennis provision and facilities like Alice Park being satellites to the hub.
- 5.11 This hub and spoke model is proposed across a number of sites which will allow for co-ordination between facilities and shared resources such as marketing, maintenance contracts, tennis coaches etc.
- 5.12 It will also allow for all of the works to be tendered together creating economies of scale and achieving a better price for the works.
- 5.13 The Council has secured CiL funding towards the project and intends to use this as match funding for applications to the LTA and Sport England to complete the funding package for the projects.
- 5.14 For this to happen the Council needs to have security of tenure for the courts. This is a requirement of any funding bid and will be necessary for the courts to become part of the operational model.
- 5.15 Heads of Terms have been drawn up for a 25 year lease which would meet the terms required from funding organisations. The Council would take on all liabilities for maintenance and future lifecycle costs associated with the operation of the tennis courts removing all risks from the Trust for the period of the lease.
- 5.16 Under the new operating model each site will have its own income and costs broken out so individual site accounts can be examined. The model will work on an open book basis with the operator and all costs will be open for the Trust to inspect.
- 5.17 The courts currently bring in an income of c.£1500 per year to the Trust. However the Lawn Tennis Association (LTA) recommendation for annual maintenance and lifecycle replacement costs for 6 courts is £9000 per year. Therefore if full costs are taken into account the courts are operating at a loss of £7,500 per year at present.
- 5.18 After the refurbishment works to improve the courts, installing a new web based booking system and introducing new coaching programmes and marketing based on the LTA's good practice models it is expected that enough income will be generated to cover the running costs the Council will incur. This will include making an allowance for annual maintenance and lifecycle replacement costs. However it is unlikely to make any significant profit over this level. An outline business plan based on LTA data from across the country is attached.
- 5.19 In the event that the courts do make a profit above this level it is proposed to share this profit on a 50/50 basis with the Trust. Due to the very weather dependant nature of tennis bookings and therefore income it is proposed to do this over an aggregated 5 year period rather than on an annual basis. So each 5 years the profit and loss for the period would be calculated and then any profit shared on the 50/50 basis with the Trust and any loss absorbed by the operational model.

## 6 RATIONALE

- 6.1 It is felt that the hub and spoke model proposed by the Council and the economies of scale this presents offers the best route to driving participation and income levels to ensure the courts get the most usage and have the most sustainable future. It allows for

the maintenance, lifecycle and income risks to sit with a provider who has the knowledge and expertise to manage these in an appropriate way over a number of sites.

## **7 OTHER OPTIONS CONSIDERED**

7.1 The other option considered was for the Trust to be a named partner on the funding bids and to deliver the refurbishment works and operate the facilities themselves as a stand-alone site. This would mean the Trust retaining the liability for maintenance and lifecycle costs and holding the risk that enough income will be made from the courts to cover these.

## **8 CONSULTATION**

8.1 Local Ward Councillors, Democratic Services, Legal Services, Property Services, the Leisure Team, the Parks Team Sport England and the LTA.

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	