

# EXECUTIVE MEMBER DECISION



<b>REPORT OF:</b>	Executive Member for Public Health and Wellbeing Executive Member for Environmental Services
<b>LEAD OFFICERS:</b>	Director of Public Health and Wellbeing Director of Environment and Operations
<b>DATE:</b>	3 <sup>rd</sup> January 2020

<b>PORTFOLIO/S AFFECTED:</b>	Public Health and Wellbeing	Environmental Services
<b>WARD/S AFFECTED:</b>	Darwen South	(Please Select...)

**SUBJECT: Asset transfer of Blacksnape Playing Fields, Changing Rooms and Car Park**

## 1. EXECUTIVE SUMMARY

In August 2019 the Council made the decision to asset transfer the football pitches, changing rooms and car parks at Blacksnape Playing Fields in Darwen to a suitable club, league or organisation capable of managing and maintaining the second largest outdoor sports provision in the borough (9 football pitches consisting of 3 x full size adult pitches, 4 x three quarter size pitches and 2 x 9v9 pitches). This followed the successful asset transfers completed for other outdoor sports sites and pitches in the Borough. On completion this alternative operating model will deliver savings to the council, expand the use of the site for football and, in the longer term secure external funding for pitch drainage and improvements.

The opportunity for expression of interest to manage the site was advertised via The Chest, the Council's procurement portal. This ensured a robust, equitable and transparent process.

A two-stage procurement process was undertaken. The first stage sought expressions of interest from football clubs, leagues and other organisations who were required to provide detailed responses to standardised questions. Expressions of interest were received from three organisations. One organisation subsequently requested not to proceed.

The submissions were evaluated by a panel, in line with the Council's processes and procedures, with each question being scored against a pre-determined weighting system. The scores were totalled as followed:

Organisation	Score (out of 100)
Group A	80
Group B	68

Stage two of the process was to undertake a due diligence exercise focussing on sustainability. Interested parties were required to provide a five-year business plan to demonstrate that their organisation had a financially viable and sustainable delivery model. This was an important stage in order to give the Council assurance that the new leaseholder would have the ability, under a 25-year

lease, to cover the costs associated with Blacksnape pitches, changing rooms and future investment should projected income not be achieved.

The business plans received for the site itself showed similar levels of surplus over five years. However, from the information provided it was very clear that, should the site income not be achieved as expected, only one group has the demonstrable ability to financially sustain the site. This information provides the Council with confidence that through an asset transfer there is the ability to cover not only the running costs, but have the ability to invest in and develop the site without the need for external investment.

All the information provided through the asset transfer assessment process clearly places Group A as the strongest and preferred organisation to manage Blacksnape Playing Fields.

The make-up of Group "A" shows that 30% of their players live in Darwen itself as do several of the committee including the club welfare officer, events officer and several coaches of the various boys and girls teams. This is a club that serves the whole Borough and Darwen is well represented in both the organisation of the club and playing numbers.

The pitches and site need to be invested in. The Football Foundation are keen to support this through their funding streams but require a 25-year lease to be in place to ensure that any investment lasts for many years to come.

The recommendation from the robust and transparent procurement process is to award a 25 year lease to Group A to operate and manage Blacksnape Playing Fields, changing rooms and car park.

## **2. RECOMMENDATIONS**

That the Executive Member:

1. Formally notes the updates regarding the Blacksnape Playing Fields, changing rooms and car park asset transfer.
2. Formally approves the decision to award the 25-year lease to Group A subject to the formal decision to approve the disposal of open space pursuant to the Local Government Act 1972.
3. Delegates authority to Director of Public Health and Well-being and the Director of Environment and Operations to agree final terms of the formal legal agreements, including the intended transfer of responsibilities under the 25-year lease and approve conditions in the lease that will delegate the responsibility for pitch and car park maintenance to the lease holder together with the utility costs for the changing rooms. The council will continue to repair and maintain the changing rooms.

## **3. BACKGROUND**

The Council's model for asset transferring facilities has successfully been utilised across the borough. It has allowed the Council to maintain community delivery through 3<sup>rd</sup> sector organisations and/or volunteer community groups. In a continuingly challenging financial climate, asset transfers have enabled the Council to reduce or withdraw resources and financial commitment from several outdoor sports facilities.

The agreed asset transfer process aimed to ensure that Blacksnape Playing Fields, changing rooms and car park can be rejuvenated with increased usage through the identification and appointment of an experienced group/club who can demonstrate that they are capable of effectively managing and developing the site for football and increasing the number of matches played.

The Executive Member decision to proceed with an asset transfer and advertise the opportunity to interested parties was on 25/06/2019. Through the democratic framework the decision was challenged. The Call-in Committee's outcome was to uphold the initial decision and progress with the asset transfer.

Stage 1: An Expression of Interest was advertised on the Council's procurement portal, The Chest on 9<sup>th</sup> September for 19 days. Submissions were received from three organisations.

All submissions were reviewed on Tuesday the 1<sup>st</sup> October 2019. The evaluation of the bids were assessed by the Senior CAPS Officer (Procurement), the Commissioning and Procurement Officer and the Leisure Facilities Manager and were evaluated with each question being scored against a pre-determined weighting system.

Stage two of the process was to undertake a due diligence exercise focussing on sustainability. Interested parties were required to provide a five-year business plan to demonstrate that their organisation had a financially viable and sustainable delivery model. This was an important stage in order to give the Council assurance that the new leaseholder would have the ability, under a 25-year lease, to cover the costs associated with Blacksnape pitches, changing rooms and future investment should projected income not be achieved.

The two business plans for the site itself showed similar levels of surplus over five years. However, from the information provided it was very clear that, should the site income not be achieved as expected, only one group has the demonstrable ability to financially sustain the site. This information provides the Council with confidence that through an asset transfer there is the ability to cover not only the running costs, but have the ability to invest in and develop the site without the need for external investment.

All the information provided through the asset transfer assessment process (stage one and stage two) clearly places Group A as the strongest and preferred organisation to manage Blacksnape Playing Fields.

The assessment panel were satisfied that the successful tenderer had demonstrated an excellent understanding of the site operation requirements and how it would develop the pitch site in the future.

The Council will work to ensure community interests are protected in the lease as far as possible to ensure the balance is achieved for the benefit of the footballing fraternity and the local community.

Work will commence to ensure that Group "A" are able to take on the new Blacksnape lease at the earliest opportunity to gain a part year, in-season benefit.

#### **4. KEY ISSUES & RISKS**

- Blacksnape Playing Fields is the second largest outdoor pitch provision of 9 football pitches: 3 x full size adult pitches, 4 x three quarter size pitches and 2 x 9v9 pitches.
- To manage risk it is important that a robust and transparent process is undertaken to provide assurance that the selected organisation has the strength, knowledge, commitment and financial sustainability to effectively and efficiently operate Blacksnape
- A full procurement process for the asset transfer has been completed with Group A selected as the successful tenderer.
- The successful tenderer has strong financial resources to support the facility already in place for both the short-term and long-term and has an achievable business plan with plans to generate income which will enable the site to become self-sustainable.
- Group A has a strong group of volunteers with a range of skills that will support the operations as

well as effectively manage the site.

- A Council contribution of £14,000 has been agreed to ensure that the two Darwen Academy schools pitches can be maintained to a good standard.
- There will be savings to the council of the changing room utility bills, business rates and the maintenance of the football pitches themselves.

## **5. POLICY IMPLICATIONS**

A robust and compliant tender exercise has been undertaken in line with the Council's Contract and Procedure Rules.

## **6. FINANCIAL IMPLICATIONS**

A Council contribution of £14,000 annually has been agreed to support the Academy pitch maintenance.

There will be savings to the Council from the changing room utility bills and business rates of c. £8,800 and from the maintenance of the football pitches themselves. These savings sit within the Environmental Services portfolio.

The Council costs will only be that of the maintenance of the changing rooms and associated checks of the facility. The pavilion is a valuable council facility and this arrangement will mean that it is looked after properly for years to come.

## **7. LEGAL IMPLICATIONS**

A 25-year lease is intended to be granted to the successful tenderer to transfer the external and internal facilities. The proposed terms will mean the tenant will be responsible for all running costs associated with the building and the external pitch maintenance.

As this is a proposed grant of lease for a length of term more than 7 years and is a disposal of open space within the Local Government Act 1972 ("the 1972 Act") this will require advertising in the Lancashire telegraph on two consecutive weeks (Section 123(2A) and any objections or comments formally considered.

The Council should also be seeking to achieve best consideration reasonably obtainable for the site, unless the Council can apply the exemptions permitted by Government Circular or it has obtained Secretary of State consent. Although the Council has a general power of competence pursuant to s1 of the Localism Act 2011 to do anything that individuals can legally do, the Local Government Act 1972 and General Disposal Consent (England) 2003 to seek "Best Consideration" still applies and so this must be minded when the Council makes any decision to grant long leases, even in circumstances in what is considered to be a community asset transfer. However the Council is not required to obtain consent from the Secretary of State for any disposal of land where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted ("the undervalue") is £2,000,000 (two million pounds) or less.

## 8. RESOURCE IMPLICATIONS

There are no staff implications relating to this lease arrangement with the current staff being moved to cover the increased opening hours at the new Witton 3G pitch site.

There will be ongoing year on year cost savings to the council.

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

## 10. CONSULTATIONS

Consultations with many different teams, leagues, and organisations have taken place. The opportunity was also advertised via the council's social media platforms to ensure that all interested parties were informed and able to apply for the lease.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Graham Harris</b>
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<b>DATE:</b>	26 <sup>th</sup> November 2019
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<b>BACKGROUND PAPER:</b>	
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