

REDDITCH BOROUGH COUNCIL

**EXECUTIVE
COMMITTEE**

29th Sept 2010

**ARROW VALLEY COUNTRYSIDE CENTRE –
CONTRACTUAL ARRANGEMENTS**

Relevant Portfolio Holder	Cllr Gay Hopkins
Relevant Head of Service	John Godwin
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To consider the specification format for the alternative management arrangements for the Arrow Valley Countryside Centre.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

the specification format for the tendering process for the alternative management arrangements be approved.

3. BACKGROUND

3.1 On the 17/2/2010 the Executive Committee recommended Option Four of the independent report undertaken by the Rural development Services UK Limited, on the possibilities for the future development and operation of the Arrow Valley Countryside Centre. This decision was later approved at Full Council on the 29/03/2010:

Option 4 Private Sector Centre Management: medium term lease for commercial facility management with Council service level agreement.

3.2 The four key outcomes of option 4 were developed through discussions with Councillors, Officers and Users and these can be summarised as follows;

- (a) Reduce the cost of the Centre to the Council
- (b) Secure existing public access and improve access for Redditch Residents
- (c) Retain main activity programme
- (d) Maintain the wider public benefits the Centre brings

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4. KEY ISSUES

- 4.1 Members requested Officers not to go down a Service Level Agreement route but contractually compel any new Operator to a specific contract agreement with Key Performance Indicators.
- 4.2 Officers propose the following contractual arrangements for any potential operator:
- 4.3 The prospective operator will be responsible for the Centre and its immediate surrounds on a long term **Full Repairing Lease** to an organisation to develop commercial activities compatible with the park environment in tandem with some specific Council service requirements, delivered through a contractual **Management Agreement (MA)** attached to the base.
- 4.4 The Contractor managing the Centre would be free to run a range of commercial activities suitable to the space in return for private investment in the facility. To allow an adequate return on investment a minimum 10 year lease period with annual reviews and three year break points is proposed, where either party can terminate the arrangement.
- 4.5 The mix of activities in and around the Centre, over and above those required by the Authority, would be the responsibility of the Contractor. There will be some synergy in developing activities that relate to the play areas and the family market and developing new services (e.g. bike and boat hire, private function hire) that add to the overall offer.
- 4.6 The lease would include responsibility for the full maintenance of the building and area within it's cartilage including the small play garden by the Contractor. This should complement the "Green Flag" status of the Park.
- 4.7 The **MA** will require the retention of a catering service as an important part of the public offer (although this could be sub-let if necessary) and public access to the toilet facilities. The café area could be extended into the current interpretation and retail space and / or to the top floor for private dining and functions, to improve operational efficiency and to increase capacity. The opening times should match the timing of the Park events programme and public demand.
- 4.8 The **MA** will require the provision of year-round water-sports activities for children and youths (although this could be sub-let if necessary).

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- 4.9 Provision will be made at the entrance for an information point for the Park to retain the Centre's role as an orientation point for Park users.
- 4.10 The Authority will maintain the adjacent play area, the surrounding park environment, the lake and the car parks. The Authority will continue to run and promote regular large scale events in the Park. However, the Contractor will be encouraged to be a close partner within event development and run additional events.
- 4.11 The issue of staff transfer from the Authority to the Contractor requires further discussion between the parties involved.
- 4.12 In conclusion, the aim is to bring the whole of the Centre under one management operation on a long term lease which will allow for much greater cohesion between the catering, waterfront, environmental and community activities and events programme.
- 4.13 A copy of the draft specification is detailed in appendix 1
- 4.14 As part of the decision notice from the 29/03/2010 full council meeting Officers were charged with changing the name of the site from the Arrow Valley Countryside Centre to the Arrow Valley Visitor Centre. Officers request to members that the timing of the name change to co-inside with the start of the Alternative Management Arrangements as will have the following benefits;
- (e) Re-launch the site in the press to stimulate greater public use
 - (f) Help establish the new operator in the eyes of general public
 - (g) Offers a possible cost shared opportunity

5. FINANCIAL IMPLICATIONS

- 5.1 The Council spends £204K in funding the centre. Officers will aim to save an estimated £75k following the revised management arrangements. This will be dependant on the value of submissions received and any savings generated will be built into the budget review process for 2011/12-2013/14.

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6. LEGAL IMPLICATIONS

There are no specific legal implications other than normal property and employment related legislation.

7. POLICY IMPLICATIONS

It is viewed that whatever option is recommended it will be viewed as a “key decision” and will require consideration by full council

8. COUNCIL OBJECTIVES

Well Managed Organisation

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

Any risk and health and safety considerations will be address at the procurement stage and through a robust Management Agreement with key performance indicators for the potential operator.

10. CUSTOMER IMPLICATIONS

There are no adverse customer implications arising from this report

11. EQUALITIES AND DIVERSITY IMPLICATIONS

There are no equalities or diversity implications arising from this report.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

12.1 Value for Money implications – the objectives of the Alternative Management Arrangements of the site include; reducing the cost to the Council and maintain the public benefit. These issues are key in delivering value for money to our residents in providing quality services at a reasonable costs.

12.2 Procurement – The Alternative Management Arrangements is being pro-actively procured with the aid of the Procurement Team.

12.3 Asset Management – The Estates Department will draw up the building lease in accordance with their normal operating and control procedures

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13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

There are no specific climate change, carbon implications or biodiversity implications arising from this report

14. HUMAN RESOURCES IMPLICATIONS

All Redditch Borough Council staff have been consulted on the proposals together with the potential impact. The Human Resources team are involved in all issues in relation to staff.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

All governance and performance management implications will be address at the procurement stage and through a robust Management Agreement with key performance indicators for the potential operator

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

There are no community safety implications arising from this report

17. HEALTH INEQUALITIES IMPLICATIONS

There are no health inequality issues arising from this report

18. LESSONS LEARNT

18.1 The public were originally involved in the consultation process around the development of the independent report and the development of the various options. However the public were later excluded from the whole content, due to the restricted, and not for publication status of the report.

18.2 Officers will (with approval of members) offer formal feedback in future to consultative bodies, but redact any sensitive information to avoid any possible negative implications at a later stage

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

The Arrow Valley Park Forum Group has been consulted on the initial proposal and have received regular updates at the forum meetings. The

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group have also met with the leader of the council to discuss the Alternative Management Arrangements

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	
Chief Executive	
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	
Executive Director – Planning & Regeneration, Regulatory and Housing Services	
Director of Policy, Performance and Partnerships	
Head of Service	
Head of Resources	
Head of Legal, Equalities & Democratic Services	
Corporate Procurement Team	

21. WARDS AFFECTED

All wards

22. APPENDICES

Appendix 1 - Arrow Valley Countryside Centre, Alternative Management Specification.

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23. BACKGROUND PAPERS

Executive Committee Report, 17/02/2010 and Full Council Report,
29/03/2010 – ARROW VALLEY COUNTRYSIDE CENTRE – REVIEW OF
ALTERNATIVE MANAGEMENT ARRANGEMENTS

AUTHOR OF REPORT

Name: Ray Cooke
E Mail: ray.cooke@redditchbc.gov.uk
Tel: 01527 64252 ext 3248