

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	FUTURE OPERATION OF KEY MILLBROOK SITE FACILITIES
<b>DATE OF DECISION:</b>	16 JANUARY 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR CHILDREN'S SERVICES
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

### **BRIEF SUMMARY**

The former Millbrook School site is scheduled to be returned to the Authority in September 2012. This report sets out proposals for the long-term operation and management of those onsite facilities which are not required for utilisation within the Children's Services portfolio. Specifically, the report seeks approval to undertake a procurement exercise to secure an operator for the Sport England funded sports hall (and ancillary facilities), together with approval to lease the onsite farm and motor vehicle workshop.

### **RECOMMENDATIONS:**

Having had regard to the provisions of the Community Strategy:

- (i) To approve the principle of procuring the management and delivery of community leisure facilities in relation to the former Millbrook School Sports Hall, together with such ancillary sports and recreation services as may be appropriate for the site, subject to compliance with Sport England (and their successors) funding conditions and agreements.
- (ii) To delegate authority to the Executive Director of Children's Services and Learning, following consultation with the Heads of Legal, HR and Democratic Services; Property and Procurement, Finance and the Cabinet Member for Children's Services and Learning, to do anything necessary to procure the services set out above, in accordance with UK procurement rules and the Council's Contract Procedure Rules, including but not limited to, determining the method of procurement, selection of a preferred bidder, award of contract and contract completion.
- (iii) To delegate authority to the Executive Director of Children's Services and Learning, following consultation with the Heads of Legal, HR and Democratic Services; Property and Procurement, Finance and the Cabinet Member for Children's Services and Learning, to approve the details and completion of the letting of the Down to Earth Farm and Motor Vehicle Workshop to Oasis Community Learning at the appropriate time, following the vacation of the former Millbrook Community School site by Oasis Community Learning.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. Under the terms of the existing Short Term Lease, the Oasis Academy: Lord's Hill will vacate the Millbrook site upon completion of its new buildings (currently scheduled for September 2012). This will serve as a trigger for the Short Term Lease being terminated and, as such, for the Millbrook site being handed back over to the Authority. On this basis, it is now necessary to make arrangements for the long-term operation and management of the facilities on the Millbrook site. It is anticipated that the vast majority of the buildings will be required for utilisation as Children's Services facilities. However, there are three key facilities that sit outside of this anticipated usage and which, therefore, require independent planning. Specifically, these facilities are:
  - The Sports Hall and Ancillary Facilities;
  - The Down to Earth Farm; and
  - The Motor Vehicle Workshop.
2. This report, therefore, seeks to secure agreement for an approach to delivering a management solution for the facilities in question, with a view to having this in place in time for the handover of the site in September 2012.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The proposals contained within this paper represent the result of several months' worth of detailed discussions within the Authority. These discussions have clarified the fact that the Council itself does not have the resources and/or the in-house capability to deliver services from the aforementioned facilities. As such, the option of not undertaking the proposed actions detailed within this report would result in the Authority being left without a clear means of operating/managing these facilities from September 2012 onwards. This, in turn, would lead to the following deleterious outcomes:
  - Sports Hall and Ancillary Facilities – as these were built under a 21-year agreement with Sport England (dated 1 July 2009), the Authority has an ongoing responsibility to ensure that these facilities remain open and continue to deliver the requisite levels of provision to the local community. Failure to provide this would, in effect, place the Authority in breach of the agreement and as such, would likely serve as a trigger for Sport England seeking to reclaim a substantial part of the original grant (the total value of which was just over £1.5 million). This, naturally, is a situation that the Council should seek to avoid.
  - Down to Earth Farm – as this facility has historically run at a loss, its continued operation by the Council after September 2012 would likely incur a revenue charge that it would currently be hard-pressed to find. As such, a nil-cost option that keeps the facility open is to be preferred.
  - Motor Vehicle Workshop – since the Council presently has no independent use for this facility, failure to put an alternative plan for its use in place would necessitate its either being demolished, or else be retained and maintained. Both of these options would result in a cost being incurred by the Council with, at the same time, no value being derived from the facility itself.

As a consequence of the above reasoning, the "do nothing" option has been rejected.

## **DETAIL (Including consultation carried out)**

4. As mentioned above, extensive discussions have taken place within the Authority to determine how to resolve the issue of the long-term operation and management of the three facilities in question. These discussions have informed the proposed approach to each facility, as detailed below:

### Sports Hall and Ancillary Facilities

5. As the aforementioned agreement with Sport England is scheduled to run for a further 8 years (after September 2012), provision needs to be made for the management and operation of these facilities for this period at least. With this in mind (and being cognisant of the fact that the operation of these facilities has historically incurred a cost to the Council), it is proposed that a procurement is undertaken to secure a strategic partner to deliver these facilities. In order to deliver best value, this procurement will be run as an open tender exercise. The contract itself will provide for all of the facilities that were built under the Sport England agreement (including the fitness suite, gym and external courts) to be managed for a pre-determined period.

### Down to Earth Farm

6. Although it is appreciated that this facility is a valued community asset, it has historically run at a loss to the Council, the issue of which is further exacerbated by the fact of the economic pressures currently being experienced across the organisation. Bearing this in mind, Oasis Community Learning (OCL) have offered to operate this facility at nil cost to the Council, on the condition that they are provided with a 5-year lease for the farm site, at nil rent (and on the condition that they can hand operations back to the Council within this period, on the provision of sufficient notice). As this offer effectively balances the desire to keep the facility open with the need to ensure rationalised expenditure, it is proposed that this offer is accepted and the necessary arrangements made to lease this element of the site to OCL.

7. Motor Vehicle Workshop

This facility is still heavily utilised by the Oasis Academy: Lord's Hill for specialist education provision. As there will be no similar facility provided at the new Academy site (and since the building is not required for use within the CSL estate), it is proposed that this element of the site be leased to Oasis Community Learning, along with the Down to Earth Farm, at nil rent.

## **RESOURCE IMPLICATIONS**

### Capital/Revenue

8. In 1999, the City Council was awarded a grant by the then English Sports Council (now Sport England) totalling £1,537,545 in order to build a new sports hall at Millbrook School. The grant agreement states that if the facility ceases to be used for the sports purposes approved by the Council within a period of 21 years, the market value of the Facility will be assessed by an independent surveyor and an appropriate proportion of such value (taking account of the period of use) will become payable to Sport England.
9. If an acceptable programme of community use is not being delivered on the site then Sport England could demand clawback of the grant estimated to be approximately £586,000 by September 2012.

10. Currently, the sports facilities at the Millbrook site operate with a small subsidy, paid by the City Council to Oasis Academy: Lord's Hill. Any future contract payments will be met from the Children's Services and Learning portfolio budget.

**Property/Other**

11. All property matters have been dealt with in the main body of the report.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

12. Section 2 of the Local Government Act 2000 permits a Council to do anything likely to improve the economic, social or environmental well being of its area providing it has regard to the provisions of the Community Strategy. It is considered that the proposals set out in this report will meet this statutory test and are in accordance with the provisions of the Community Strategy (see Policy Framework section below).

**Other Legal Implications:**

13. The sports hall and ancillary facilities will be procured in accordance with the Council's Contract procedure Rules. The proposals in this report are consistent with the Council's pervasive duties under the Equalities Act 2010, the Human Rights Act 1998 and the Council's duties under s.17 of the Crime and Disorder Act 1998.

**POLICY FRAMEWORK IMPLICATIONS**

14. The ongoing utilisation of the Millbrook sports facilities for educational purposes will contribute to the outcomes of both the 14-19 Strategy and Children and Young People's Plan, by serving to provide a high-quality learning environment for the relevant pupils. The continued operation of these facilities for community use will also contribute to the Community Strategy and Health and Wellbeing Strategy in a similar manner.

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**KEY DECISION?** Yes/No    Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	Redbridge and Millbrook
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**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

**Appendices**

1.	None
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**Documents In Members' Rooms**

1.	None
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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**Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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