

# **Executive Committee**

**14 March 2017**

## **Proposals for changes in the management of community access to the Gryphon Sports Centre, Sherborne**

### **For Decision**

#### **Portfolio Holder:**

Cllr Mary Penfold - Enabling

#### **Senior Leadership Team Contact:**

M Hamilton, Strategic Director

#### **Report Author:**

T. Hurley, Leisure Commissioning Manager

#### **Statutory Authority:**

Localism Act 2011 – ‘general power of competence’.

### **Purpose of Report**

1. To seek agreement from the Executive Committee to a proposal from The Gryphon School for the transfer of the Gryphon Sports Centre service in exchange for a one-off grant.

### **Officer Recommendations**

2. It is recommended:
  - a) that the operation of the Gryphon Sports Centre service be transferred to The Gryphon School on 1<sup>st</sup> September 2017;
  - b) that a one-off grant of £350,000 from the Corporate Projects Reserves be made to The Gryphon School on condition of both the transfer of the sports centre service to the school in accordance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the continuation of public access to the sports centre in accordance with The Gryphon School’s specification for the service (appendix A);
  - c) that the grant as set out in recommendation 2 (b) should also be conditional on The Gryphon School agreeing to an extension to the Joint Use Agreement for the Gryphon Sports Centre for a four-year period from August 2021 with the option to terminate the agreement at 12-months’ notice by any party at any point after August 2021;
  - d) that the Strategic Director and Section 151 Officer be given delegated authority to agree the terms of the revised Joint Use Agreement and the grant agreement.

## Reason for Decision

3. To enable the continuation of community access to the Gryphon Sports Centre whilst ending the council's long-term commitment to revenue funding.

## Background and Reason Decision Needed

4. The council currently operates the Gryphon Sports Centre on the premises of the Gryphon School in accordance with a 25-year legal agreement (September 1996 to September 2021) between the council, the Gryphon School and the Diocese of Salisbury. The district council does not have a lease for the premises and the joint-use agreement acts only as a licence. The centre comprises a sports hall, fitness suite, studio, outdoor courts and changing rooms. The sports centre staff also manage community access to the school's artificial turf pitch.
5. Under the joint-use agreement, costs are shared between the council and the school, with the district council retaining the majority of the trading income and the school contributing to 40% of operational and repairs/maintenance costs.
6. To run the centre, the council employs a full-time centre manager and part-time duty managers. In addition, the centre makes use of several casual staff (for additional duty manager and receptionist roles) and coaches when necessary. The centre's operation is restricted by not being open to the community during the school day.
7. In 2016-17, the centre is budgeted to require a subsidy from the council of approximately £92,000 excluding corporate recharges of £32,000. Last year, the centre received 59,375 public visits.
8. Following discussions between the council and the school, a proposal has been developed to transfer the management of community access to the sports facilities to the school. The school's specification for the service to be provided is set out in **Appendix A**. Initial discussions indicate that the school will want to focus on organised club bookings of its sports hall and pitches with less emphasis on casual use by individual members of the public. The studio and fitness suite may be operated/hired by self-employed instructors.
9. The most significant proposed change to the service is that the centre will close between 1 and 1½ hours earlier on weekday evenings and on Saturdays, and will only be open for half the day on Sundays. These changes are aimed at focusing the opening times at the peak periods and reducing the service where customer numbers are typically lower. In general the proposed opening hours are subject to flexibility driven by customer demand.
10. In general, the school is very keen to promote public access to the sports centre and its other facilities as part of its role within the community and it

is ambitious to develop this offer further. It plans to create a wholly-owned trading arm to be responsible for these community facilities.

11. In return, the school has proposed that the council make a one-off payment of £350,000 – this would be used to assist with running costs until the end of the joint-use agreement in 2021 and will also be used to improve the facilities (e.g. new ATP surface and new fitness equipment). In addition, the school has indicated that it would be willing to agree to a four-year extension to the joint-use agreement until 2025 although with the capacity to break the agreement at any point having given 12 months notice. This capacity to break the agreement would also be available to the district council.
12. The transfer of the sports centre operation to the school will involve the TUPE transfer of the employees who are assigned to that activity (currently up to approximately 4.5 FTE). The school is a member of the local government pension scheme.
13. The existence of the joint-use agreement with the district council places an obligation on the school to make its facilities available to the community. As a result of this obligation, the school's financial settlement from the Department of Education includes an 'exceptional premises factor' payment of approximately £78,000 p.a. to help with premises costs. By retaining the joint-use agreement (between the school and council or its successor) and by extending it beyond 2021 by four years, the district council can assist the school to continue to benefit from this additional payment (subject to any changes in the national formula for schools' funding). However, the council would not be obliged to make any further financial contribution beyond the initial one-off grant.
14. The benefits of the school's offer are as follows:
  - a) the school is an academy and is a more sustainable vehicle for managing community access than the council;
  - b) the school may create a trust/company to oversee the management of community access (although the school would employ the staff) and this would be eligible to apply for a range of grants;
  - c) the council can use its reserves to extricate itself from an on-going revenue commitment.
15. If the committee agrees to the one-off grant requested by the school, the transfer arrangements and service specification, then legal advice will be required in order to amend the joint-use agreement and draft a grant agreement. Input is also being provided by Human Resources. The aim would be to complete the transfer by 1<sup>st</sup> September 2017.
16. This matter was considered by the sports centre's Management Committee (chaired by Cllr Shorland) on 1<sup>st</sup> March 2017. The committee expressed its support for the transfer of the service to the school and recommended it to the Executive Committee for approval.

## Implications

17. **Corporate Plan.** *Empowering Thriving and Inclusive Communities.*
18. **Financial.** The one-off grant of £350,000, if agreed by this committee, would need to be derived from the Corporate Project Reserve. This grant would secure the operation of community access to the sports centre at no further cost to the council for a four year period from September 2021. At present the centre requires a subsidy from the council of approximately £92,000 p.a. excluding recharges.
19. **Equalities.** It is important to health and wellbeing that sports, cultural and community facilities are sufficient to meet the needs of the growing community and are in accessible locations.
20. **Economic Development.** Sports facilities make a significant contribution to the local economy both as employers and by promoting health lifestyles. The enhancement of these facilities can, therefore, benefit the community not only in terms of wellbeing, but also from an economic perspective.
21. **Risk Management (including Health & Safety).** The one-off grant will be subject to a specific grant agreement with the school and the Joint Use Agreement will be amended and retained. This agreement would enable the council to clawback a pro-rata sum of the grant if community access were to cease (or reduce below a reasonable level) prior to September 2021.
22. **Human Resources.** The transfer of the sports centre to The Gryphon School will require the TUPE transfer of current employees assigned to that activity. Employees and unions will be consulted as part of the transfer arrangements.

## Consultation and Engagement

23. Consultation on this matter has been undertaken with the portfolio holder for Enabling (Cllr Mary Penfold) and the council's two nominated members on the Gryphon Sports Centre's Management Committee (Cllrs Shorland and Elliott). Briefings have also been provided to the affected employees and the union.

## Appendices

24. **Appendix A** – The Gryphon School's service specification for the operation of the Gryphon Sports Centre from 1<sup>st</sup> September 2017.

## Background Papers

25. *Joint Use Agreement for the Gryphon Leisure Centre 1996.*

## Footnote

26. Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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