



CABINET AGENDA

Wednesday, 3 March 2010

The Jeffery Room, The Guildhall, St Giles Square,
Northampton NN1 1DE

6:00 pm

Members of the Cabinet:

Councillor: Brian Hoare (Leader of the Council)
Councillor: Paul Varnsvery (Deputy Leader)
Councillors: Sally Beardsworth, Richard Church,
Trini Crake, Brian Markham, David Perkins

Chief Executive David Kennedy

If you have any enquiries about this agenda please contact Jo Darby at
jdarby@northampton.gov.uk or 01604 837089

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	PORTFOLIO TITLE
Councillor B. Hoare	Leader Partnership and Improvement
Councillor P.D. Varnserry	Deputy Leader Community Engagement
Councillor S. Beardsworth	Housing
Councillor R. Church	Planning and Regeneration
Councillor T. Crake	Environment
Councillor B Markham	Performance and Support
Councillor D. Perkins	Finance

SPEAKING AT CABINET MEETINGS

Persons (other than Members) wishing to address Cabinet must register their intention to do so by 12 noon on the day of the meeting and may speak on any item on that meeting's agenda.

Registration can be by:

Telephone: (01604) 837101, 837089, 837355, 837356
(Fax 01604 838729)


In writing: The Borough Solicitor,
The Guildhall, St Giles Square, Northampton NN1 1DE
For the attention of the Democratic Services Officer

By e-mail to democraticservices@northampton.gov.uk

Only thirty minutes in total will be allowed for addresses, so that if speakers each take three minutes no more than ten speakers will be heard. Each speaker will be allowed to speak for a maximum of three minutes at each meeting. Speakers will normally be heard in the order in which they registered to speak. However, the Chair of Cabinet may decide to depart from that order in the interest of hearing a greater diversity of views on an item, or hearing views on a greater number of items. The Chair of Cabinet may also decide to allow a greater number of addresses and a greater time slot subject still to the maximum three minutes per address for such addresses for items of special public interest.

Members who wish to address Cabinet shall notify the Chair prior to the commencement of the meeting and may speak on any item on that meeting's agenda. Such addresses will be for a maximum of three minutes unless the Chair exercises discretion to allow longer. The time these addresses take will not count towards the thirty minute period referred to above so as to prejudice any other persons who have registered their wish to speak.

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £50,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.


NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held in The Jeffery Room,
The Guildhall, St Giles Square, Northampton NN1 1DE on Wednesday, 3
March 2010 at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. APOLOGIES
2. MINUTES
3. DEPUTATIONS/PUBLIC ADDRESSES
4. DECLARATIONS OF INTEREST
5. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES
6. RENT PAYMENT INCENTIVES
Report of the Director of Housing Services
7. HUNSBURY HILL DISUSED PUBLIC CONVENIENCES:
REPORT ON OBJECTIONS RECEIVED TO THE PROPOSED
DISPOSAL OF PUBLIC SPACE
Report of the Director of Finance and Support
8. COUNTYWIDE SCRUTINY ARRANGEMENTS
Report of the Assistant Chief Executive
9. DELAPRE ABBEY STABLE BLOCK
Report of the Director of Finance and Support
10. NEIGHBOURHOOD MODEL
Report of the Director of Environment and Culture
11. LEISURE AND SPORT STRATEGIC BUSINESS REVIEW -
MANAGEMENT OPTIONS APPRAISAL
 Report of the Director of Environment and Culture
12. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

Appendices
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NORTHAMPTON
BOROUGH COUNCIL

Item No.

6

CABINET REPORT

Report Title

Rent Payment Incentives

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	3 March 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	HOUSING
Accountable Cabinet Member:	Cllr Sally Beardsworth
Ward(s)	All

1. Purpose

1.1 To consider the use of incentives to encourage payment by direct debit and to encourage tenants to pay rent on time.

2. Recommendations

2.1 It is recommended that the following incentive payments be approved for 2010/11:

- a) a quarterly £250 prize draw for those paying by direct debit with two prizes per quarter;
- b) an end of year prize draw of £250 for those with a clear rent account at the end of March 2010 and 2011 with two prizes awarded;
- c) a quarterly prize draw of £250 for tenants in arrears who have paid the agreed amount regularly over the previous 13 weeks. There would be two prizes per quarter.

3. Issues and Choices

3.1 Audit Commission best practice

- 3.1.1** In its key lines of enquiry document recommending best practice, the audit commission recommends that incentives should be used to encourage tenants to stay out of debt or reduce their arrears.
- 3.1.2** Last year the Council held a prize draw for tenants with a clear rent account. The first prize was £1,000. There were also four prizes of £500. All those awarded prizes still have clear rent accounts.
- 3.1.3** The analysis has shown that there is currently no incentive for those in arrears, struggling to pay. Such tenants did not have sufficient income to be able to clear their arrears by the end of the financial year. It is proposed to target this group of tenants to encourage them to pay by offering an incentive for those in rent arrears who are maintaining regular agreed payments.

3.2 Payment by direct debit

- 3.2.1** Direct debit is the most cost effective method of paying rent. However, few tenants use this method to pay. In April 2008, 283 tenants paid by direct debit. This increased to 725 at the end of December 2009. In order to increase the number of tenants paying by direct debit, tenants can now choose from four payment dates. A direct debit awareness campaign supported by incentives is recommended to increase the number of tenants who use this payment method.
- 3.2.2** Increasing the number of tenants paying by direct debit would reduce collection costs and also free up staff time. It is envisaged that late payments would reduce and staff could concentrate on those with higher and more serious arrears.

3.3 Choices

- 3.3.1** Members could choose not to pay incentives. However, this would be against best practice. Alternatively, Members could decide to keep arrangements as they are, and have a prize draw only for those with clear rent accounts. However, this will not be an effective incentive for those tenants in arrears on low incomes.
- 3.3.2** It is proposed that tenants will be eligible to win in only one category but there is the option of not restricting it in this way.

4. Implications (including financial implications)

4.1 Financial Implications

The total costs of £5,000 will be met from within existing resources. This needs to be considered along side the costs of evictions and loss of rent. There are approximately 40 evictions per year with an average void revenue repair cost of £1,500 per void. Rent loss during the void period will be in the region of £280 per property – more if major repairs are required. These costs add up to £71,200 per year. These costs do not include officers' time spent visiting and working with tenants in arrears.

4.2 Policy

None

4.3 Resources and Risk

- 4.3.1** If the incentives are not changed to include those in arrears, there is a risk that they will be seen as ineffective by the audit commission.

4.4 Legal

None arising specifically from this report.

4.4.1 Gambling Act 1985

In view of the fact that tenants are not required to pay a separate amount from their rent in order to participate in the draw, it is deemed not to be a licensable activity under the Gambling Act 1985 and hence the activity does not need to be registered with the local authority.

4.5 Equality

- 4.5.1** None directly

4.6 Consultees (Internal and External)

- 4.6.1** Stakeholders working with those in rent arrears.

4.7 How the Proposals deliver Priority Outcomes

- 4.7.1** The proposals are consistent with the following corporate priorities as outlined in the Councils' Corporate Plan

Improve Housing Health and Well-being

Reduce homelessness
Encouraged vibrant neighbourhoods and engaged communities.

4.8 Other Implications

None

5. Background Papers

None

Christine Ansell, Head of Landlord Services, 8584

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

Item No.

7

CABINET REPORT

Report Title	Hunsbury Hill Country Park – Public Conveniences
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	3 rd March 2010
Key Decision:	No
Listed on Forward Plan:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Finance & Support
Accountable Cabinet Member:	Cllr David Perkins
Ward(s)	West Hunsbury

1. Purpose

- 1.1 The purpose of this report is to (a) inform Cabinet of the outcome of discussions with the Police and other relevant parties, following the decision on 23 September 2009 by Cabinet to defer consideration of the previous report and (b) to decide upon the future use of these disused public conveniences.

2. Recommendation

- 2.1 To support the original recommendation made in the report to Cabinet on 23 September 2009 to agree to the disposal of the land designated as public open space (edged red upon the attached plan shown at Appendix 1) by way of a lease, on terms referred to in that report.

3. Issues and Choices

3.1 Report Background

- 3.1.1 At the Cabinet meeting on 23 September 2009 a report was considered which sought the authority of Cabinet to agree to the disposal of an area of land designated as public open space by way of the grant of a lease for a term of 9 years, for use as a cafe. There would be provision for either party to break the agreement after 1 year.
- 3.1.2 Cabinet resolved that consideration of the original report be deferred so as to allow further discussions with the Police Crime Prevention Officer to take place and to allow the proposed lessee and the Friends of Hunsbury Hill Country Park and the Ironstone Railway Trust to discuss the possibility of the lessee being involved with the Trust's café operation.
- 3.1.3 Enquires have been made of the Crime Prevention Design Manager for Northamptonshire Police to establish if the Police have any additional concerns or objections. It is confirmed that their original comment and recommendations (made at the time of the planning application in 2008) still stand and no additional concerns or objections are relevant.
- 3.1.4 Enquires have also been made of the Sector Commander for the Safer Communities Team in the South West of the town. The Sector Commander is of the opinion that a café in the proposed location may contribute to increases in crime and disorder in the area. These concerns focus on the increase in parking in the adjacent car park that, in his view, will result in a higher risk of car crime. He has commented that the installation and robust management of a barrier preventing vehicular access should be seen as a minimum for the car park ahead of any further development. The Sector Commander considered that comments about the potentially positive collateral impact of day trade from the café reducing crime locally should not be discounted, but is not something he feels informed enough to comment upon. He also commented that such a business enterprise in this location, when closed, will undoubtedly attract criminal enterprise and would need substantial crime prevention design to minimise this threat to the café itself.
- 3.1.5 Section 3.1.4 of the original report noted that 15 conditions are attached to the planning permission, relating primarily to the comments made by the Police and others about managing the risk associated with vandalism in the area. The conditions focus on the requirement to use suitable materials and design in the construction process (see Appendix 2).
- 3.1.6 The prospective lessee, Mr Ingle, has had discussions involving Cabinet members about his working more closely with the Trust. He has confirmed that he is not interested in locating a café within the demise of the Ironstone Railway Trust for a number of reasons. The primary reason stated is that he has incurred costs in obtaining the planning permission and reaching provisional agreement for a lease, which has taken him approximately 2 ½ years to date. He wishes to maintain his original business plan.

- 3.1.7 The Northamptonshire Ironstone Railway Trust (NIRT) are 3 years through a 10 year plan that includes its own plans to improve the cafe, located within their compound. They have been approached with a view to understand their aspirations for the café. It is understood that improvements are planned for the existing café but it will only be used on open days for people visiting the site (see Appendix 3). The Trust has no plans to operate a café on a daily basis.
- 3.1.8 Had the Trust or prospective lessee been interested in operating within the area let to the Trust, the Ironstone Railway Trust would have needed to agree with NBC a lease variation to permit sub-letting of parts of their demise. Further, there would have to have been a formal planning application for a café use. This may have resulted in some of the same objections being raised by local people concerning traffic issues. The same issue of higher risks of car crime arising from visitors to a café within the Trust area would logically be relevant.
- 3.1.8 It has been agreed that in addition to patrons of the café, other members of the public will be able to use toilet facilities within the café. The prospective lessee has offered to provide and accommodate an information board about the park's history, wildlife, cycling and park walks.

3.2 Issues

- 3.2.1 The vacant property is the subject of continuing antisocial behaviour and vandalism. The Council continues to spend revenue resources keeping the premises secure and attempting to prevent access to the interior and to the roof.
- 3.2.2 The Council has no proposals to re-open these facilities. In the absence of a long-term strategy to either reopen them or to use the building for an alternative purpose, they should rationally be demolished. The appropriate cost of undertaking this work and making good the land would be approximately £5,000.

3.3 Choices (Options)

- 3.3.1 The Council could support the disposal of public open space by way of a grant of a lease to facilitate the conversion of the property into a café use, at no capital or revenue cost to the Council. This would (after an initial rent free period) also generate a modest new income for the Council of £7,500pa. The provision of a café/snack bar and seating area would enhance the facilities in the park. The risk of crime affecting cars parked in the car park whilst people use the café has to be acknowledged if this option is pursued. It may be mitigated by the presence of the café staff during operational hours and a higher flow of public visitors to the locality.
- 3.3.2 The Council could decide to reject the proposal to grant a lease. In this event there would need to be either a decided alternative strategy for reuse of the building or resources allocated to its demolition.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are none, save for the proposal impacts on the policy relating to the release of public open space, to facilitate the grant of the proposed lease.

4.2 Resources and Risk

- 4.2.1 If the Council pursues the recommended course of action there will be no additional resources required from the Council. If a lease were completed there would be a small saving in revenue costs from not having to maintain the property. The letting would generate a new income to the Council. In the event of the café not being successful or leading to unanticipated problems in the locality, either party could break the proposed lease at the end of either the first or third years. In this event the position of the Council would be resource neutral compared with the current position.

4.3 Legal

- 4.3.1 The legal implications and relevant statutory provisions are detailed elsewhere in this report.

4.4 Equality

- 4.4.1 There are none. The facility is not presently open to the public and the proposed conversion to café use would have to be compliant with relevant building regulations as they relate to disability.

4.5 Consultees (Internal and External)

Ward Councillors
Northamptonshire Police - South West Sector Commander
Northamptonshire Police - Crime Prevention Design Manager

4.6 How the Proposals deliver Priority Outcomes

None specifically

4.7 Other Implications

None specifically

5. Background Papers

- 5.1 Planning permission dated 5th June 2008
5.2 Cabinet Report dated 23rd September 2009
5.3 Asset Management file – 60364/02

Adrian Daniell, Principal Estates Officer, x8762

Appendix 1



Appendix 2

Reference No: N/2008/410

**NORTHAMPTON BOROUGH COUNCIL
APPROVAL OF FULL PLANNING PERMISSION**

Applicant Name And Address

PROPOSAL: Conversion of public toilet block to café (Class A3) including paved patio area to front and erection of extraction flue
LOCATION: Public Toilets Hunsbury Hill Country Park Hunsbury Hill Road Northampton
DATE REGISTERED: 04 April 2008
DRAWINGS (No.): Location plan, layout, cross-section and elevation.

NORTHAMPTON BOROUGH COUNCIL HEREBY GRANTS FULL PLANNING PERMISSION FOR THE ABOVE DEVELOPMENT FOR THE FOLLOWING REASON:

The proposed development is not considered to have an undue detrimental impact on the amenity of the nearby residential properties and there would be sufficient off road parking to cater for the proposed use. The site would be brought back into use with improved surveillance together with additional measures for crime prevention. The development is therefore accords with Policies E20 and E40 of the Northampton Local Plan and advice in PPS1 (Delivering Sustainable Development) and PPG24 (Planning and Noise) and the SPG "Planning Out Crime."

Subject to the following conditions:

(1) The development hereby permitted shall be begun before the expiration of three years from the date of this permission.

Reason: To comply with Section 91 of the Town and Country Planning Act 1990.

(2) Before the development hereby permitted commences, a scheme shall be submitted to and approved in writing by the Local Planning Authority which specifies the sources of noise from the site, whether from fixed plant or equipment or noise generated within the building, and the provisions to be made for its control. The agreed scheme shall be implemented prior to the development coming into use and shall be retained thereafter.

Reason: In the interests of residential amenity to accord with advice in PPG24 Planning and Noise.

(3) Notwithstanding the details as submitted, before the development hereby permitted commences, a scheme shall be submitted to and approved in writing by the Local Planning Authority that specifies the provisions to be made for the collection and treatment and dispersal of

cooking odours and the agreed scheme shall be implemented prior to the development coming into use and shall be retained thereafter.

Reason: In the interests of residential amenity to accord with advice in PPS23 Pollution Control.

(4) The external doors and windows of the building shall comply with security standards independently certified as set out in PAS 24-1;1999 "Doors for enhanced security" and BS 7950 "Windows for enhanced security". Full details shall be first submitted to and approved in writing by the Local Planning Authority. Development shall be carried out in accordance with the approved details.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and SPG Planning out Crime.

(5) The proposed external shutters shall comply with standards set out in LPS1175 SR2. Full details shall be first submitted to and approved in writing by the Local Planning Authority. Development shall be carried out in accordance with the approved details.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and SPG Planning Out Crime.

(6) The use hereby permitted shall not commence until details of two fixed anti-ram raid bollards to Secure by Design standard to be erected in front of the main access doors of the building have been erected. Full details of which shall be submitted to and approved in writing by the Local Planning Authority and shall be implemented in accordance with the approved details.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and SPG Planning out Crime.

(7) The roof tiles shall be replaced with those that meet the requirements of LPS1175 SR1 or an equal or higher specification. Full details of which shall be submitted to and approved in writing by the Local Planning Authority and the development shall be implemented in accordance with the approved details.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and advice in SPG Planning out Crime.

(8) All external wall surfaces of the building shall be coated with an anti-graffiti finish. Details of which be first submitted to and approved in writing by the Local Planning Authority and implemented prior to the first use of the café.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and advice in SPG Planning out Crime.

(9) The patio area shall be constructed of a solid concrete base without any form of slabbing or tiling. Details of which shall be first submitted to and approved in writing by the Local Planning Authority and implemented prior to the first use of the café.

Reason: In the interests of crime prevention to accord with advice in Policy E40 of the Northampton Local Plan and SPG Planning Out Crime.

(10) Full details of facilities for the secure parking of bicycles shall be submitted to and approved in writing by the Local Planning Authority prior to the commencement of development hereby permitted, provided prior to the development being first brought into use and retained thereafter.

Reason: To ensure the provision of adequate facilities in accordance with Policy E20 of the Northampton Local Plan.

(11) The premises shall be used as a café only and for no other purpose (including any other purpose in Class A3 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended), or in any provision equivalent to that Class in any statutory instrument revoking and re-enacting that Order with or without modification). The premises shall not be used for the sale of hot food for consumption off the premises.

Reason: In the interests of amenity of the surrounding locality in accordance with PPG24 Planning and Noise and PPS23 Pollution Control.

(12) The premises shall only be open to customers between the hours of 9am and 6pm.

Reason: In the interests of residential amenity to accord with PPG 24 "Planning and Noise."

(13) Details of the provision for the internal storage of refuse and materials for recycling shall be submitted to and approved in writing by the Local Planning Authority prior to the commencement of development, implemented prior to the occupation of the building as a café and thereafter retained.

Reason: In the interests of amenity and to secure a satisfactory standard of development in accordance with Policy E20 of the Northampton Local Plan.

(14) Full details of the proposed external lighting of the café hereby approved shall be submitted to and approved in writing by the Local Planning Authority prior to the commencement of development, implemented prior to the occupation of the building as a café and thereafter retained.

Reason: In the interests of amenity and to secure a satisfactory standard of development in accordance with Policy E20 of the Northampton Local Plan.

(15) The proposed fire exit door at the rear elevation of the building as shown on the submitted plan shall be used as emergency exit only and shall be kept shut at any other time.

Reason: In the interests of residential amenity in accordance with PPG24 Planning and Noise.

Appendix 3

Opening times for the Northamptonshire Ironstone Railway Trust – 2010 opening times - to be announced

Northants Ironstone Railway Page 1 of 7

NORTHAMPTONSHIRE IRONSTONE RAILWAY TRUST

Hunsbury Hill Road, Camp Hill, Northampton NN4
9UW. Tel: 01604 702031

Trust Directors: Mr Ian Cave, Chairman. Mr Alan Sorkin. Treasurer. Mr
David Windhaber. Company Sec. Mr Kevin Smith. Mr. Roger Whiffin.
Mr. Simon Tasker.

... 2009 season starts on Good Friday from 10am... NIRT - the family friendly,

■■■ charities aid foundation CA

NIRT 2009 OPENING TIMES

Month	Days open	Time	Event	
April Easter 2009	10 – 13	10am – 5pm	Easter Egg Hunt	Adult £ : £ 10.00
May Bank Holiday	3 – 4	10am – 5pm		Adult £ 3. 10.00
Spring Bank Holiday	24 – 25	10am – 5pm		Adult £ 3. 10.00
June	7	10am – 5pm		
July	5	10am – 5pm		
August	2	10am – 5pm		
August	29 – 31	10am – 5pm	Treasure Hunt	
September	12 – 13	10am – 5pm	Heritage Open Days	
October	30 – 31	5.30pm – 9pm	Halloween	
December	12-13/19-20/24	11am – 5pm	Santa Specials	

To book for events please email Nirt or Call the Hotline 07790-163.114.

Web site updated: 26.03.09

<http://www.nirt.co.uk/> 17/04/2009

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

8

CABINET REPORT

Report Title	Countywide Scrutiny Arrangements
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	3 rd March 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Chief Executive
Accountable Cabinet Member:	Councillor Brian Hoare
Ward(s)	All

1. Purpose

- 1.1 To present for adoption the final Terms of Reference and Procedure Rules for the Northamptonshire Overview and Scrutiny Board, a copy of which is attached at Appendix A.
- 1.2 All member organisations will consider the Terms of Reference and Procedural Rules. Details of all participating organisations are listed in Section 2 of the Terms of Reference. As soon as the Terms of Reference and Procedural Rules have been adopted by all member organisations, the Board can be formally constituted and take on its role.

2. Recommendations

- 2.1 To recommend to Council the adoption of the Terms of Reference and Procedural Rules governing involvement in countywide overview and scrutiny arrangements.
- 2.2 To recommend that Council nominates Northampton Borough Council's representatives onto the Board.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The process to produce Terms of Reference has been led by a five-member Countywide Constitution Working Group, which has proved to be a useful forum, and provides much encouragement for cross-organisation scrutiny work in the future.
- 3.1.2 Councillor Jamie Lane was a member of this Working Group and the Council's Scrutiny Officer was also involved in the production of the draft Terms of Reference.
- 3.1.3 The Northamptonshire Overview and Scrutiny Board approved the Terms of Reference at its meeting of 28th January 2010 and requested that they be considered by all the member organisations.
- 3.1.4 The Northamptonshire Overview and Scrutiny Board derives any authority it has from the member organisations, therefore there is a need for each member organisation to approve the Terms of Reference. It should be noted that authority would come from various areas of the member organisations, which are all set up in different ways. The powers to require attendance are included in the Terms of Reference. There is a clear commitment to avoid the use of this power, wherever possible, as this is not the spirit in which the Board was set up.
- 3.1.5 Once the Northamptonshire Overview and Scrutiny Board has been established, its meetings will be held in public and usual regulations around public meetings will be followed.
- 3.1.6 It is emphasised that the Northamptonshire Overview and Scrutiny Board will not replace any existing Overview and Scrutiny Committees within the county but will enable cross county working on issues of countywide importance. Section 21 of the Local Government Act 2000 requires the establishment of one or more Overview and Scrutiny Committees for the adoption of executive arrangements for individual Councils.
- 3.1.7 The focus of the Northamptonshire Overview and Scrutiny Board will be broad. An important feature will be to hold the Public Service Board to account. The Public Service Board comprises Leaders and Deputy Leaders of the member authorities and others.
- 3.1.8 The Northamptonshire Overview and Scrutiny Board is currently carrying out a Review into drug rehabilitation.

3.2 Issues

- 3.2.1 This process is an important step towards setting up the Northamptonshire Overview and Scrutiny Board as an established body with powers and

responsibilities. The Terms of Reference and Procedural Rules are therefore recommended for approval.

3.3 Choices (Options)

3.3.1 There are three options for consideration: -

3.3.1.1 To approve the Terms of Reference for the Northamptonshire Overview and Scrutiny Board, as recommended at paragraph 2.1.

3.3.1.2 To agree not to sign up to the Terms of Reference, which would have implications on the establishment of the Northamptonshire Overview and Scrutiny Board.

3.3.1.3 To recommend amendments to the Terms of Reference for the Northamptonshire Overview and Scrutiny Board. Any suggested recommendations would have to be considered by the Northamptonshire Overview and Scrutiny Board.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Northamptonshire Overview and Scrutiny Board will not have an impact upon the work of Northampton Borough Council's Overview and Scrutiny function. The work of Overview and Scrutiny at Northampton Borough Council plays a major part in the development of the Council's policy framework through its work programme. The structure and remit of the Overview and Scrutiny Committee and Scrutiny Panels is important in supporting the delivery of the Council's corporate objectives.

4.2 Resources and Risk

4.2.1 Travelling and other expenses will be incurred by Members and Officers attending meetings of the Northamptonshire Overview and Scrutiny Board.

4.2.2 All other costs will be contained from within existing budgets.

4.2.3 Time commitments will be also placed on Members and Officers attending meetings of the Northamptonshire Overview and Scrutiny Board, which are currently set at a minimum of four times per year.

4.2.4 The report is asking the Council to approve the Terms of Reference and Procedural Rules for the Northamptonshire Overview and Scrutiny Board and it is not required to make a financial contribution to these arrangements.

4.3 Legal

4.3.1 The legal implications to the establishment of the Northamptonshire Overview and Scrutiny Board are detailed in paragraphs 3.1.3 and 3.1.4.

4.4 Equality

- 4.4.1 Effective countywide scrutiny should, amongst other things, contribute to improved equality and diversity issues.

4.5 Consultees (Internal and External)

- 4.5.1 The Head of Legal and democratic Services, Corby Borough Council, was consulted and provided comment on each version of the draft Terms of Reference for the Northamptonshire Overview and Scrutiny Board.
- 4.5.2 Councillor Jamie Lane and the Council's Scrutiny Officer were part of the Working Group that was set up to produce draft Terms of Reference and Procedural Rules for the Northamptonshire Overview and Scrutiny Board.
- 4.5.3 Councillor John Yates, Chair, Overview and Scrutiny Management Committee, and Councillor Jamie Lane, Chair, Overview and Scrutiny Committee 3, are the members of the Northamptonshire Overview and Scrutiny Board.
- 4.5.4 The Overview and Scrutiny Management Committee, at its meeting on 29th September 2009, received a copy of the draft Terms of Reference and Procedural Rules for the Northamptonshire Overview and Scrutiny Board.
- 4.5.5 The Borough Solicitor has been consulted upon the Terms of Reference and Procedural Rules for the Northamptonshire Overview and Scrutiny Board.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The Northamptonshire Overview and Scrutiny Board is an excellent example of joint working.

4.7 Other Implications

- 4.7.1 None.

5. Background Papers

- 5.1 Minutes of the meeting of Northamptonshire Overview and Scrutiny Board – 28th January 2010.
- 5.2 Minutes of the meeting of the Overview and Scrutiny Management Committee- 29 September 2009.

Report Author: Tracy Tiff, Scrutiny Officer, extension 7408

Northamptonshire Overview & Scrutiny Board

Terms of Reference and Procedure Rules

1. Role

The Northamptonshire Overview & Scrutiny Board (referred to in the remainder of this document as “the Scrutiny Board”) will carry out the following functions:

a) Holding to Account

To maintain an overview of the business conducted by the Public Service Board and hold it to account for its actions, including the recommendations it makes to partner organisations.

b) Policy Development and Review

To scrutinise and review issues affecting Northamptonshire, making recommendations to the Public Service Board and other bodies as appropriate. Scrutiny should focus on issues that affect the county as a whole, or the area of more than one district or borough council, and that relate to the work of more than one partner organisation.

c) Communication and Co-operation

To act as a forum for discussing scrutiny activity and responsibilities across Northamptonshire in order to encourage co-operation and co-ordination between different organisations to maximise resources.

d) Regional Scrutiny

To provide a Northamptonshire voice in the operation of regional scrutiny.

2. Membership

The membership of the Scrutiny Board will consist of 2 members appointed by each of the following organisations (referred to as the “member organisations”):

- a) Corby Borough Council
- b) Daventry District Council
- c) East Northamptonshire Council
- d) Kettering Borough Council
- e) Northampton Borough Council
- f) Northamptonshire County Council
- g) NHS Northamptonshire
- h) South Northamptonshire Council
- i) Borough Council of Wellingborough

Scrutiny Board members will be drawn from an Overview & Scrutiny Committee, or appropriate equivalent body, of their respective member organisation.

Each of the member organisations will select their 2 Scrutiny Board members according to their own appropriate procedures.

If a Scrutiny Board member is unable to attend a Scrutiny Board meeting a named member from an Overview & Scrutiny Committee, or appropriate equivalent body, of their respective member organisation may substitute for them.

It is the responsibility of any Scrutiny Board member due to be substituted at a meeting to ensure that their substitute is briefed on the business to be conducted at that meeting.

3. Advising Officer

The Northamptonshire Partnership Strategic Planning & Policy Manager will carry out the role and functions of an Advising Officer for the Scrutiny Board. All references to “the Advising Officer” in the remainder of this document refer to the Strategic Planning & Policy Manager.

4. Meetings

The Scrutiny Board will meet at least four times per year following meetings of the Northamptonshire Public Service Board (PSB).

The Advising Officer may be requested to call additional meetings by the Chair of the Board, or by Board members representing at least 6 of the member organisations if they have already made a request to the Chair to call a meeting that has been refused.

Scrutiny Board meetings will normally start at 6.00pm.

The Scrutiny Board will determine the locations of its meetings.

5. Quorum

A meeting of the Scrutiny Board will be quorate when members representing at least half of the member organisations are present.

During any meeting if the Chair counts the number of members present and declares that there is not a quorum present then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date the remaining business will be considered at the next ordinary meeting.

6. Chair of the Scrutiny Board

The Chair and Vice Chair of the Scrutiny Board will be agreed annually by the Board at the first Board meeting of the municipal year, when nominations from the membership will be taken.

The positions of Chair and Vice Chair of the Board will always be held by members representing different member organisations.

If the position of Chair or Vice Chair becomes vacant during the course of the municipal year a new Chair or Vice Chair will be appointed at the next Board meeting to serve for the remainder of the municipal year in progress.

7. Work Programme

The Scrutiny Board will agree a rolling work programme covering a three-year period. The work programme will be reviewed on an annual basis by the Board, following the appointment of the Chair and Vice Chair.

The work programme should support the delivery of the Scrutiny Board functions set out in paragraph 1 above.

The work programme may be informed by:

- a) The Public Service Board Forward Plan
- b) Member organisations' Forwards Plans or equivalent
- c) Member organisations' scrutiny work programmes or equivalent
- d) The East Midlands Regional Select Committee's work programme, or equivalent
- e) Potential subjects for scrutiny brought to the attention of the Board by:
 - i) The Public Service Board
 - ii) The Chief Executives Group
 - iii) Member organisations' Overview & Scrutiny functions or equivalent
 - iv) Members of the public or representatives of community groups
 - v) Partner organisations including the voluntary and business sectors
 - vi) Any other county, regional or national body
 - vii) Previously-completed scrutiny work.

8. Meeting Agendas

The agenda for meetings of the Scrutiny Board will be agreed by the Chair and Vice Chair, based on the work programme.

9. Employees, Officers and Members Giving Account

In carrying out its functions, the Scrutiny Board may request the attendance of any employee, officer or member from the member organisations and, if that request is declined, require any portfolio holder / lead member, the head of paid service, or any member of the senior management team from these organisations to attend before it to explain any matter for which they would be accountable, and it is the duty of those persons to attend if so required.

Where any individual is required to attend a Scrutiny Board meeting under this provision, the Chair of the Board will inform the Advising Officer. The Advising

Officer shall inform the individual in writing, giving at least 10 working days notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Board. Where the account to be given to the Board will require the production of a report, then the individual concerned will be given sufficient notice to allow for preparation of that documentation.

Where, in exceptional circumstances, the individual is unable to attend on the required date, the Board shall in consultation with them arrange an alternative date for attendance to take place as soon as possible following the original request.

10. Recommendations and Reports from the Scrutiny Board

Recommendations by the Scrutiny Board for actions by partner organisations will be set out in a formal report. The report will be submitted to the relevant partner organisation(s).

Recommendations by the Scrutiny Board that member organisations' Overview & Scrutiny functions consider carrying out scrutiny work will be set out in a formal report. The report will be submitted to the relevant Overview & Scrutiny committee, or appropriate equivalent body, of the member organisation(s) concerned.

All recommendations by the Scrutiny Board must be evidence-based.

The Scrutiny Board will aim to agree all recommendations and reports by consensus. If the Scrutiny Board cannot agree on a single final report than a minority report may be submitted with the majority report.

Reports by the Scrutiny Board setting out recommendations for actions by partner organisations will specify when the Scrutiny Board will review the implementation of its recommendations.

11. Ensuring that Scrutiny Board Reports are Considered

Reports from the Scrutiny Board to the Public Service Board will be considered by the Public Service Board at its next meeting following the agreement of the report by the Scrutiny Board in accordance with the Partnership Protocol.

Reports from the Scrutiny Board to partner organisations will be considered by the appropriate body within two months of the date on which the partner organisation received the report.

Once it has considered a report from the Scrutiny Board the Partnership Board will:

- a) produce a report setting out its response to the recommendations from the Scrutiny Board to be submitted to the next following Scrutiny Board meeting;
- b) instruct the Chair of the Public Service Board to write to relevant partners to request that any recommendations that are supported by the Public Service Board are implemented.

- c) instruct the Chair of the Public Service Board to request that relevant partners provide a report to the Scrutiny Board on the implementation of recommendations or the reasons why implementation has not occurred in accordance with the timescale for reviewing the implementation of recommendations specified in the report by the Scrutiny Board.

Once it has considered a report from the Scrutiny Board a partner organisation will:

- a) produce a report setting out its response to the recommendations from the Scrutiny Board to be submitted to the next following Scrutiny Board meeting;
- b) provide a report to the Scrutiny Board on the implementation of recommendations or the reasons why implementation has not occurred in accordance with the timescale for reviewing the implementation of recommendations specified in the report by the Scrutiny Board.

12. Task and Finish Groups

The Scrutiny Board may set up sub groups (referred to as Task & Finish Groups) to carry out scrutiny reviews on behalf of the Board. The Scrutiny Board will agree a brief for the work that is required from any sub group. A sub group will be wound up once its assigned task has been completed satisfactorily and it has reported back to the Scrutiny Board.

Scrutiny Board members may sit on sub groups. Other members of member organisations may also be approached to sit on them.

Representatives from the local community may be co-opted to sit on sub groups, where it would be useful and appropriate to do so. Proposals to co-opt community representatives will normally be agreed by the Scrutiny Board. In the event that it is impractical for a decision on a proposed co-option to be delayed until the next available Scrutiny Board meeting then the proposal may be agreed by the Chair and Vice Chair of the Scrutiny Board.

The Scrutiny Board may specify the chair of a sub group when it is established or may leave a group to select its own chair.

The Scrutiny Board will consider requests from member organisations for it to nominate a Scrutiny Board member to serve on a task and finish group to be formed by member organisations' Overview & Scrutiny functions.

13. Review and revision of the Terms of Reference and Procedure Rules

Any Scrutiny Board member or the Scrutiny Board as a whole may request the Advising Officer to consider any proposed changes to the Terms of Reference and Procedure Rules. The Advising Officer may also make proposals for changes.

The Scrutiny Board will review its operation and effectiveness, including the need to propose changes to its terms and reference and procedure rules, on an annual basis at the final Scrutiny Board meeting of each municipal year.

All proposed changes to the Terms of Reference and Procedure Rules of the Scrutiny Board shall be considered by the Advising Officer before being presented to the appropriate body for approval.

Northamptonshire Overview & Scrutiny Board

Access to Information Procedure Rules

a) Right to Attend Meetings

Members of the public may attend all Board meetings subject only to the exceptions in these rules.

b) Notices of Meeting

Member organisations will give at least five working days notice of any Board meeting by posting details of the meeting at their respective corporate headquarters.

c) Access to Agenda and Reports Before the Meeting

Member organisations will make copies of the agenda and reports open to the public available for inspection at the designated office at least five working days before the meeting. If an item is added to the agenda later, the revised agenda and any report relating to the item will be open for inspection from the time the item is added to the agenda.

d) Access to Minutes Etc After Meeting

Member organisations will make available copies of the following for six years after a meeting:

- the minutes of the meeting or records of decisions taken, together with reasons, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- the agenda for the meeting; and
- reports relating to items when the meeting was open to the public.

e) Background Papers

The Advising Officer will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:

- disclose any facts or matters on which the report or an important part of the report is based; and
- which have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information (as defined in these rules) - and in respect of Cabinet reports, the advice of a political advisor.

The member organisations will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

f) Confidential Information - Exclusion of Access by the Public to Meetings

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

g) Exempt information – discretion to exclude public

The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

h) Meaning of confidential information

Confidential information means information given to a member organisation by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

i) Meaning of exempt information

Exempt information means information falling within the following 7 categories (subject to any qualification):

General qualifications:

(i) Information falling within any of the paragraphs 1-7 in the table below is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

(b) Information which falls within any of the paragraphs 1-7 below and which is not prevented from being exempt by virtue of the general qualification (a) above or the qualification to category 3 below is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Category	Qualifications and Interpretation
1. Information relating to any individual	
2. Information which is likely to reveal the identify of an individual	

<p>3. Information relating to the financial or business affairs of any particular person (including the organisation holding that information).</p>	<p>Information falling within this paragraph is not exempt information if it is required to be registered under the:</p> <p>(a) Companies Act 1985; (b) Friendly Societies Act 1974; (c) Friendly Societies Act 1992; (d) Industrial and Provident Societies Acts 1965 – 1978; (e) Building Societies Act 1986; or (f) Charities Act 1993</p> <p>“organisation” means any Council, its committees and sub-committees, and any other member agency. “financial or business affairs” includes contemplated, as well as past or current activities.</p>
<p>4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the organisation or a Minister of the Crown and employees of, or officer-holders under the authority.</p>	<p>“organisation” means any Council, its committees and sub-committees, and any other member agency. “employee” means a person employed under a contract of service. “labour relations matter” is as specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992, i.e. matters which may be the subject of a trade dispute, within the meaning of that Act. This provision shall relate to “office holders” as they apply to employees.</p>
<p>5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.</p>	
<p>6. Information which reveals that the organisation proposes:</p> <p>(a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or</p>	<p>“organisation” means any Council, its committees and sub-committees, and any other member agency.</p>

(b) to make an order or direction under any enactment.	
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.	

j) Exclusion of Access by the Public to Reports

If the Advising Officer thinks fit, access by the public may be excluded from reports which in his/her opinion relate to items during which, in accordance with rules (f)-(g) above, the meeting is likely not to be open to the public. Such reports will be marked "Not for publication" together with the category of information likely to be disclosed.

Appendices

2



NORTHAMPTON
BOROUGH COUNCIL

Item No.

9

CABINET REPORT

Report Title	Delapre Abbey Stable Block
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	3 March 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Finance & Support
Accountable Cabinet Member:	Councillor David Perkins
Ward(s)	Delapre

1. Purpose

- 1.1 The purpose of this report is to advise members that included in the heads of terms to grant the Friends of Delapre Abbey (FoDA) a new five-year lease of the above is reference to a side letter. This proposes a concessionary rent below that outlined in the lease, if certain specified conditions are and continue to be met.
- 1.2 As any lettings below market value require Cabinet approval, Members are being asked to approve this subject to a completion of the lease and compliance with the required conditions.

2. Recommendations

- 2.1 That Cabinet agree in principle the proposed grant of a lease of the Stable Block at Delapre Abbey, at a concessionary rent, to FoDA provided that certain conditions are met and continue to be complied with by FoDA.
- 2.2 That Cabinet delegates to the Borough Solicitor in consultation with the Chief Executive and the Director of Finance & Support judgement of whether the conditions set out by the Council have been satisfied.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Friends of Delapre Abbey are a registered charity. Their formal objects set out in their present Constitution are “the restoration and preservation of Delapre Abbey, comprising the buildings, gardens and grounds, for the use of the local and wider community”. A copy of FoDA’s most recently published accounts (relating to the year ended 31 March 2009) are attached to this report at Appendix 2.
- 3.1.2 In 2004 FoDA were granted a Tenancy At Will to occupy three ground floor rooms at the above, for the purposes of establishing an administrative office and charitable base. This was subject to an initial payment of £1,700 per annum. Over the years FoDA have extended their occupation in the building to additional first floor areas, which were neither consented to nor included in any agreement.
- 3.1.3 In an attempt to address the situation negotiations were opened with FoDA to agree terms for a new lease. Unfortunately, due to concerns about FoDA’s governance and activities, an expression of no confidence was sent to FoDA’s committee by some of its members. This Council then advised FoDA that it would not be possible for the Council to continue negotiations or enter into a lease, until the various issues raised by members of that organisation had been satisfactorily resolved.
- 3.1.4 As there appeared to remain unresolved matters concerning the governance of the organisation, FoDA were further advised in a letter from the Council dated 16th December 2009 of the Council’s continuing concerns. This letter confirmed that the Council would continue to work with FoDA, but that in order to take the matter forward and enable continued support it would be necessary for them to: -
- (a) Comply with the various requirements and conditions specified by the Council in the letter to FoDA before any lease would be granted.
 - (b) That FoDA should vacate immediately those areas of the first floor for which no consent has been granted or agreement made.
 - (c) Enter into negotiations and agree the heads of terms which have been proposed for the grant of a new lease.
- 3.1.5 To acknowledge the positive work carried out by FoDA and the benefits that the Council and FoDA believe will accrue from their activities in the future, the heads of terms have included reference to a side letter. This side letter proposes a concessionary rent below that specified in the lease itself, provided certain important conditions are and continue to be met.
- 3.1.6 A copy of the draft side letter is attached in Appendix 1. This sets out the requirements of the Council in order for FoDA to enjoy a concessionary rental basis.

3.2 Issues

- 3.2.1 FoDA need to demonstrate that they have met the pre conditions required for the Borough Council to grant them a lease, agree specific terms for that lease and complete the same within a timescale acceptable to the Council.
- 3.2.2 Officers can deal with the grant of a lease of less than 21 years. However, the Borough Council's policy, agreed in March 2007, requires that Cabinet must approve any letting at less than full market value. There is an established criterion for exceptional disposal of Council property for non-commercial use at less than full market value. One important element of the criteria is that the discount from full market value should usually lever in external investment or financial benefit in kind for the Council, in excess of the value of the rental discount. If the requirements set out in numbered paragraphs 2 and 4 of the draft side letter at Appendix 1 are met, then this criteria would be likely to be satisfied. Ultimately, discretion is reserved to Cabinet on whether or not it is willing to agree to the grant of concessionary terms.

3.3 Choices (Options)

- 3.3.1 That Cabinet resolves that any grant of a lease to FoDA should only be at full market value and that no rent concession, as proposed, is appropriate.
- 3.3.2 That Cabinet supports the grant of a lease to FoDA at a concessionary rental as proposed, but that it should not be subject to any specific conditions. This would not provide the Council with any mechanism to ensure that required ongoing outcomes from agreeing the concession were realised.
- 3.3.3 That Cabinet supports the grant of a lease to FoDA at a concessionary rental, subject to them complying with the terms and conditions set out in a side letter. This would ensure that the Council had an ongoing means of ensuring that the benefits promised would continue to be realised in practice.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

- 4.2.1 The granting of a lease on a concessionary rental basis would result in the loss of potential revenue to the Borough Council of £6,850 per annum.

4.3 Legal

- 4.3.1 None

4.4 Equality

4.4.1 None

4.5 Consultees (Internal and External)

The Friends of Delapre Abbey

Legal Services

The Director of Environment and Culture.

Portfolio Holder for Finance & Assets

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Although this proposal links to several of the council's priority outcomes it primarily supports priority 4 by demonstrating the Authorities willingness to develop partnership and community engagement.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Asset Management files

David Fletcher, Principal Estates Officer, Ext 8763

DRAFT

The Chairman
Friends of Delapre Abbey
Central Stable Block
Delapre Abbey
Northampton

Our Ref: DM/glp/DLE005183
Your Ref:
Contact: Diana Marten
Direct Line 01604 837596
E-mail: dmarten@northampton.gov.uk
Date: [] February 2010

Dear Sirs

LEASE OF GROUND FLOOR AND FIRST FLOOR ROOMS
CENTRAL STABLE BOCK DELAPRE ABBEY

Northampton Borough Council ("NBC") agree that for so long as the following conditions ("Conditions") are satisfied then notwithstanding the rent stated in the lease referred to above (£10,500.00 pa) a refund of part of that rent of £5,350.00 pa will be paid to you. The rent must be paid in full and on time each month and then if the Conditions remain satisfied a one-twelfth of the refund will be set of against the next monthly instalment when it is due.

The Conditions are that at all times:

- 1 That your constitution is generally satisfactory in NBC's reasonable opinion and makes detailed provision for:
 - a) the conduct of, attendance at, and frequency of meetings
 - b) the free and fair election of officers
 - c) members voting rights
 - d) admittance criteria and grounds for suspension or ejection of members
 - e) maintenance of audited accounts and the compliance with good and transparent accounting practices
- 2 That you apply all profits after the deduction of reasonable overheads agreed with NBC to the enhancement and preservation of Delapre Abbey and/or its grounds. You will vigorously pursue a programme of fund-raising activities suitable for the style and size of your organisation. Proper accounting practices will be used in managing this programme and a separate dedicated bank account will be maintained. All will be open to inspection by NBC when requested.

- 3 The programme of fund-raising events to be agreed in advance of publication on your website and/or generally with the Events Team of NBC and reviewed by both parties on a monthly basis. The rules laid down by the Events Team for the holding of events must be adhered to strictly at all times.
- 4 That you provide an agreed level of assistance to NBC in terms of volunteer work (and the obtaining of grant assistance if appropriate) to undertake an annual programme of works, such works to include maintenance of public lavatories, pathways etc as before. The programme detailing works to be undertaken will be agreed on the commencement of the lease and reviewed during each year on a monthly basis by NBC. These works must represent a value in monetary terms of at least the amount by which the rent is refunded under the terms of the first paragraph of this letter.
5. That the obligations of the Tenant under the lease are fulfilled generally, and in full, and all restrictions observed.

Yours faithfully

Diana Marten
Principal Lawyer
Legal Services

The Friends of Delapre Abbey

Trustees Annual Report

For the year ended 31st March 2009

Charity registration number: 1113979

Principle Address: The Stable Block
Delapre Abbey
London Road
Far Cotton
Northampton
NN4 8AN

Chairman: Mr G Walker

Structure, governance and management

The charity is governed by the governing document, which is the constitution adopted on 12th September 2001 (amended, 2005, 2009), when the charity was constituted as a charitable unincorporated association. Trustees, who are also known as Executive Committee Members are elected at the AGM. The Executive Committee may also co-opt members to the committee during the year.

Objectives and activities

The charity's objects ("the objects") are the restoration and preservation of Delapre Abbey, comprising the buildings, gardens, woodlands, parklands, and lakeside for the use of the local and wider community.

A wide variety of activities have been undertaken during the period in relation to the charity's objects.

FoDA Aims & Objectives

We are a community organisation, with the full support of both Northampton Borough Council and Northamptonshire County Council, dedicated to securing the future of Northampton's Delapre Abbey, to enable our community now and for generations to come to enjoy the heritage and facilities of this wonderful building and its grounds.

FoDA aims to work with NBC during the transference of Delapre Abbey to trust status. We continue to raise the profile of the Abbey and public awareness of the historical and environmental importance of the Abbey and its grounds.

Achievements and performance

Awards

- East Midlands in Bloom – Silver Gilt Award

Visitors

Delapre Abbey's grounds, gardens, lakeside, Tea Rooms and events attract around 75,000 visitors a year.

FoDA Community Events

We held 17 days of events for the local community and the wider audience that have helped to raised over £10,000 for the charity:

- St Georges family fun day
- Easter Egg hunt
- 3 day Beer Festival
- Family show Weekend
- 3 day Heritage Weekend
- Children's Halloween Trick or Treat in the Walled Garden
- Christmas Craft Fair
- Garden and Parkland guided tours

Tea Rooms

With the help of 40 volunteers, ranging from 14 years (with parental supervision onsite) to 80 years old, the Tea Rooms serve up to 1000 visitors a week, providing a meeting place for the local community in a beautiful setting.

Refurbishment and Renovation fund

Through monies raised for our Refurbishment and Renovation fund we have achieved:

- Victorian Greenhouse Renovations
- Refurbishment of the Stable Block Foyer
- Landscape design and planting around the Lady and Fish Statue
- Maintenance and keeping open public toilets on site
- The monies raised from previous events enable funding for future events.

We received a grant from the WNDC Stronger Communities Fund towards our outdoor education project for children and young people. This money has enabled us to purchase equipment necessary to carry out Forest School activities in partnership with Everdon Outdoor Centre in Daventry and the Preschool Learning Alliance. Barclaycard Volunteers have also made this project possible by providing the people power and resources to clear and make a pathway through a nearby woodland where the Forest School activities take place. Three pilot Forest School workshops have taken place with local schools, giving 90 children a unique outdoor experience.

Partnerships

Over the past 12 months we have developed new relationships with WNDC and Everdon Outdoor Centre, and continued to develop a strong relationship with local businesses.

Barclaycard

Every month up to 26 employees contribute their time and resources, in addition to helping us with the Rookery pathway for Forest Schools; they also contribute invaluable help with:

- Victorian Greenhouse renovations
- Gardening
- Clearing the driveways
- Litter picking
- Clearing ponds and water features

Community Support

We have helped the following community groups by providing resources and facilities for their events at the Abbey:

- 6 family events in the Walled Garden
- Events and functions for community groups including Northampton's Cultural Literary Festival, A Teddy Bear's picnic in the Walled Garden, Picnics by the lakeside and on the south lawn, yoga in the walled garden. Providing meeting room facilities and lunches.

Community engagement

Volunteers – We rely on our volunteer help to carry out our activities and events. We are fortunate to have such a reliable and hard working team that help to make things happen in our Tea Rooms, gardens, at our events and behind the scenes in the offices. We have had 250 volunteers working for us this year. Volunteer time contributed to FoDA this year is approximately 62,500 hours.

Financial Review

The Executive Committee now maintains a reserve, since the charity has two full-time employees. The trustees consider that in the short term they would have sufficient resources to be able to continue the current activities of the charity. It would obviously be necessary in the long term to consider how funding would be replaced or activities changed.

There are no funds in deficit.

Report of the Trustees and
Unaudited Financial Statements For The Year Ended
31 March 2009
for
Friends of Delapre Abbey

Cobley Desborough
Chartered Certified Accountants
Chartered Tax Advisers
Artisans House
7 Queensbridge
Northampton
Northamptonshire
NN4 7BF

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	Detailed Statement of Financial Activities	11 to 12

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The charity is governed by the governing document, which is the constitution adopted on 12th September 2001, when the charity was constituted as a charitable unincorporated association. Trustees, who are also known as Executive Committee Members, are elected at the AGM. The Executive Committee may also co-opt members during the year.

OBJECTIVES AND ACTIVITIES

The Charity's objects ("the objects") are the restoration and preservation of Delapre Abbey, comprising the buildings, gardens, woodlands, parklands and lake, for the use of the local and wider community.

A wide variety of activities have been undertaken during the period in relation to the charity's objects.

We are a community organisation, with the full support of Northampton Borough Council & Northampton County Council, dedicated to securing the future of Northampton's Delapre Abbey, to enable our community now and for generations to come to enjoy the heritage and facilities of this wonderful building and its grounds.

Originally formed as a protest group in 2001 following plans being revealed by the Borough Council to sell the Abbey to private developers, FoDA quickly built up a network of community support and a membership database of over 2000 members from Far Cotton to Australia.

FoDA have now become a development group working closely with NBC and the recently formed Delapre Abbey Preservation Trust to raise the profile of the Abbey and to raise public awareness of the historical and environmental importance of the Abbey and grounds.

ACHIEVEMENT AND PERFORMANCE

After 10 years service to FoDA I summarise our achievements and our future plans.

The last year has been a turbulent one as the majority of your committee responds to the various threats and opportunities that face us. The majority of your committee have responded in a most positive manner to the opportunities, unfortunately a minority of the committee have chosen to actively disrupt our projects and plans.

However, despite the time consuming disruptions your majority committee have achieved major successes which we intend to build upon and I detail below our future plans.

FODAS PLANS FOR 2010

In response to the possibility of Delapre Abbey, gardens and parklands moving to Trust Status we need FoDA to be a united and progressive charity that has the individuals with the necessary experience and skills to deliver a wide range of services and amenities to all of the community.

Finalise with The Borough Council our new 5 year lease to secure our future, which has not progressed due to the uncertainty caused by the dissent of the minority committee.

To work with our Lawyers and Accountants to ensure we work with a legal and compliant framework.

To continue to offer low cost community events.

St. Georges Day.

ACHIEVEMENT AND PERFORMANCE

Northampton Carnival.

Beer Festival

Family Day.

Weddings and Family events.

In conjunction with various organisations celebrate the 550 year anniversary of The Battle of Northampton.

Progress our excellent relationship with Barclaycard to use their volunteer staff in projects within The Parklands.

Further develop our exciting Schools Education Project in conjunction with Northamptonshire Council.

Improve our catering facilities and utilise our wine licence.

Continue improving our walled garden using our volunteers which has ensured our major contribution to securing the gold award for Northampton in the East Midlands gardens competition.

To build on our ability to recruit, train and develop a wide range of volunteers with mixed abilities to assist with activities.

With a united committee I ask you as a member of FODA to give the new committee which has the necessary desire, skills and integrity the mandate to allow us to deliver our objectives for 2010.

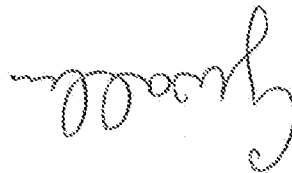
FINANCIAL REVIEW

The Trustees consider that, in the short term, they would have sufficient resources to be able to continue the current activities of the charity. It would obviously be necessary in the long term to consider how funding would be replaced or activities changed.

There are no funds in deficit.

ON BEHALF OF THE BOARD :

Graham Walker - Trustee



21 October 2009

I report on the accounts for the year ended 31 March 2009 set out on pages five to ten.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

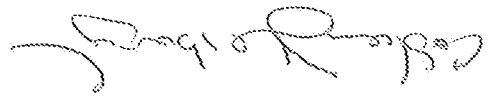
In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Cobbley Desborough
Chartered Certified Accountants
Chartered Tax Advisers
Artisans House
7 Queensbridge
Northampton
Northamptonshire
NN4 7BF

21 October 2009

Statement of Financial Activities
for the Year Ended 31 March 2009

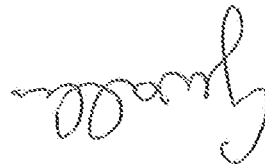
	2009	2008			
	Total funds	Total funds	Unrestricted funds	Restricted funds	Notes
	£	£	£	£	
INCOMING RESOURCES					
Incoming resources from generated funds	44,211	15,803	24,211	20,000	
Voluntary income	89,659	67,619	89,659	-	2
Activities for generating funds					
Total incoming resources	133,870	83,422	113,870	20,000	
RESOURCES EXPENDED					
Costs of generating funds	75,970	57,870	75,970	-	3
Fundraising trading; cost of goods sold and other costs					
Charitable activities	4,567	4,567	4,567	-	
Greenhouse and garden maintenance	-	14,504	-	6,241	
Schools project	-	726	-	6,241	
Education project	-	-	-	4,522	
Governance costs	880	235	880	-	
Other resources expended	38,038	11,742	38,038	-	
Total resources expended	119,455	85,077	119,455	10,763	
NET INCOMING/(OUTGOING) RESOURCES	(5,585)	(1,655)	(5,585)	9,237	
RECONCILIATION OF FUNDS					
Total funds brought forward	15,442	23,338	15,442	6,241	
TOTAL FUNDS CARRIED FORWARD	9,857	21,683	9,857	15,478	

The notes form part of these financial statements

	2009	2008			
FIXED ASSETS					
Tangible assets	10,729	10,443			
CURRENT ASSETS					
Stocks	1,360	1,360			
Cash at bank	8,039	11,170			
	9,399	12,530			
CREDITORS					
Amounts falling due within one year	(10,271)	(11,510)			
	(1,239)	(1,290)			
NET CURRENT ASSETS/(LIABILITIES)					
	(872)	14,606			
TOTAL ASSETS LESS CURRENT LIABILITIES					
	9,857	21,683			
NET ASSETS					
	9,857	21,683			
FUNDS					
Unrestricted funds	9,857	15,442			
Restricted funds	15,478	6,241			
TOTAL FUNDS					
	25,335	21,683			

The financial statements were approved by the Board of Trustees on 21 October 2009 and were signed on its behalf by:

Graham Walker - Trustee



**Notes to the Financial Statements
for the Year Ended 31 March 2009**

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Charities Act 1993 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources
All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Kitchen equipment -25% on reducing balance
Marquee -25% on reducing balance
Computer equipment -33% on reducing balance

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
The charity is exempt from tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACTIVITIES FOR GENERATING FUNDS

	2009	2008
	£	£
Fundraising event income	23,561	17,486
Shop income	1,135	3,697
Tea room income	64,963	46,436
	89,659	67,619

3. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2009	2008
Opening stock	1,360	-
Closing stock	(1,360)	(1,360)
Trustees' remuneration etc	19,614	-
Staff costs	4,335	23,401
Cost of fundraising events	17,555	13,773
Cost of shop goods	1,311	3,387
Tea room costs	29,514	15,092
Depreciation	3,641	3,577
	<u>75,970</u>	<u>57,870</u>

£
as restated
2008

4. TRUSTEES' REMUNERATION AND BENEFITS

	2009	2008
Trustees' salaries	42,000	-
Trustees' social security	3,990	-
	<u>45,990</u>	<u>-</u>

£
as restated
2008

Trustees' Expenses
There were no trustees' expenses paid for the year ended 31 March 2009 nor for the year ended 31 March 2008.

5. STAFF COSTS

	2009	2008
Wages and salaries	46,335	23,401
Social security costs	3,990	-
	<u>50,325</u>	<u>23,401</u>

£
as restated
2008

6. PRIOR YEAR ADJUSTMENT

The charity has had to move from receipts and payments accounting to accruals accounting since its turnover now exceeds £100,000. Adjustments have been made to comparatives drawn from last year's accounts where necessary.

£3,000 of funding from the Barclaycard local communities project was incorrectly included in last year's accounts within restricted funds. The comparative has been restated to show the funding credited instead to general reserves.

£	£	£	£
Kitchen equipment	Computer equipment	Marquee	Totals

COST		DEPRECIATION		NET BOOK VALUE	
At 1 April 2008	11,978	3,158	1,300	16,436	At 1 April 2008
Additions	3,926	-	-	3,926	
At 31 March 2009	15,904	3,158	1,300	20,362	At 31 March 2009
At 1 April 2008	3,444	1,826	722	5,992	At 1 April 2008
Charge for year	3,115	333	193	3,641	Charge for year
At 31 March 2009	6,559	2,159	915	9,633	At 31 March 2009
At 31 March 2009	9,345	999	385	10,729	At 31 March 2009
At 31 March 2008	8,534	1,332	578	10,444	At 31 March 2008

Stocks

2009	2008	as restated	£	1,360	1,360	Stocks
------	------	-------------	---	-------	-------	--------

Trade creditors	
Taxation and social security	
Other creditors	

2009	£	4,014	Trade creditors
		4,827	Taxation and social security
		2,669	Other creditors
2008	as restated	£	
		1,055	
		235	
		11,510	
		1,290	

10. MOVEMENT IN FUNDS

	Net movement in funds	At 1/4/08 £	movement in funds £	At 31/3/09 £
Unrestricted funds				
General fund	15,442	(5,585)	9,857	
Restricted funds				
Schools project	6,241	(6,241)	-	
Education project	-	15,478	15,478	
	6,241	9,237	15,478	
TOTAL FUNDS	21,683	3,652	25,335	
Net movement in funds, included in the above are as follows:				
	Incoming resources £	Resources expended £	Movement in funds £	
Unrestricted funds				
General fund	113,870	(119,455)	(5,585)	
Restricted funds				
Schools project	-	(6,241)	(6,241)	
Education project	20,000	(4,522)	15,478	
	20,000	(10,763)	9,237	
TOTAL FUNDS	133,870	(130,218)	3,652	

Detailed Statement of Financial Activities
for the Year Ended 31 March 2009

	2009	2008	as restated	£
INCOMING RESOURCES				
Voluntary income				
Greenhouse donations	2,565	-		
Sundry donations	6,758	3,188		
Grants	33,280	9,967		
Subscriptions	1,608	2,648		
	<u>44,211</u>	<u>15,803</u>		
Activities for generating funds				
Fundraising event income	23,561	17,486		
Shop income	1,135	3,697		
Tea room income	64,963	46,436		
	<u>89,659</u>	<u>67,619</u>		
Total incoming resources	<u>133,870</u>	<u>83,422</u>		
RESOURCES EXPENDED				
Fundraising trading: cost of goods sold and other costs				
Opening stock	1,360	-		
Trustees' salaries tea room	18,000	-		
Trustees' social sec tea room	1,614	-		
Team room wages	4,335	23,401		
Cost of fundraising events	17,555	13,773		
Cost of shop goods	1,311	3,387		
Tea room costs	29,514	15,092		
Kitchen equipment depreciation	3,115	2,844		
Marquee depreciation	333	444		
Computer equipment	193	289		
Closing stock	(1,360)	(1,360)		
	<u>75,970</u>	<u>57,870</u>		
Charitable activities				
Greenhouse and garden	4,567	14,504		
Schools project funding return	6,241	726		
Education project	4,522	-		
	<u>15,330</u>	<u>15,230</u>		
Governance costs				
Accountancy	880	235		
Support costs				

This page does not form part of the statutory financial statements

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2009**

	2009	2008	as restated	£
Management				
Trustees' salaries	24,000	-	-	-
Trustees' social security	2,376	-	-	-
Rent, rates and utilities	3,679	1,700	1,700	1,700
Insurance	951	932	932	932
Telephone	1,331	892	892	892
Postage and stationery	3,918	2,744	2,744	2,744
Sundries	590	24	24	24
Repairs and maintenance	1,193	5,450	5,450	5,450
Total resources expended	38,038	11,742	11,742	11,742
	130,218	85,077	85,077	85,077
Net income/(expenditure)	3,652	(1,655)	(1,655)	(1,655)

This page does not form part of the statutory financial statements

Appendices



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Item No.

10

Report Title

Neighbourhood Model

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	3 March 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	No
Directorate:	Environment & Culture
Accountable Cabinet Member:	Councillor Trini Crake Councillor Paul Varnserry
Ward(s)	Non-specific

1. Purpose

- 1.1 The Council aims to make Northampton a better place to live by improving the way it engages with local people to give them more say in the opportunities and issues in their communities that affect their quality of life.
- 1.2 A new neighbourhood model is proposed that will enhance the way we consult, involve and deliver services to the public that will enable us to achieve this aspiration.
- 1.3 The purpose of this report is to seek Cabinet's in principle approval of the proposed new neighbourhood model and to request Cabinet's agreement to commence implementation, subject to constitutional changes being agreed by Full Council.
- 1.4 A description of the proposed model and how it will work is provided within the report.

2. Recommendations

- 2.1 That Cabinet approves in principle the model for neighbourhood working proposed within this report as a means of improving engagement with local communities and making public services more responsive to their needs.
- 2.2 That any constitutional changes required to implement the neighbourhood model are referred to the Constitutional Review Working Party, for its consideration and to make recommendations to Full Council.
- 2.3 That Cabinet delegates authority to the Director of Environment and Culture, in consultation with the relevant portfolio holder, to take any actions necessary to further refine the model.
- 2.4 That Cabinet notes the financial implications for the council arising from the implementation of the neighbourhood model, as set out in paragraph 4.2.
- 2.5 That Cabinet agrees to receive a further report after a period of experience, review and consultation on the proposed neighbourhood model to monitor its implementation and to agree any amendments to the model that may be required.

3. Issues and Choices

3.1 Background

- 3.1.1 It is the ambition of Northampton Borough Council to be amongst the best Councils in terms of public services by 2013. We have agreed this ambition because we believe that this is what the people of Northampton deserve and have a right to expect.
- 3.1.2 The Council believes it will only achieve this ambition if it is able to properly listen to its communities and starts to empower local people to make decisions about the opportunities and issues in their neighbourhoods that affect their quality of life.
- 3.1.3 At times of tremendous financial challenge it is even more important that we keep this ambition at the forefront of our minds. Finding a way to work closely with our partners to engage and involve local people, effectively support councillors in their role of community champions and deliver services that are flexible and responsive to customer need is essential to the achievement of this ambition.
- 3.1.4 The purpose of the neighbourhood model is to put in place a new way of working focused around neighbourhoods and communities that has the potential to deliver real change to all areas of Northampton. It must however be recognised that dramatic change will not happen overnight. The proposed model, once implemented, will need to be given the necessary support to allow it to grow, develop and mature. Improvement flowing from the model will be incremental and will build up over time, rather than delivering immediate transformation.

- 3.1.5 The scope of the project to deliver the neighbourhood model has extended beyond council services and responsibilities. Key delivery partners such as Police, Fire and the County Council have been involved.
- 3.1.6 Through the proposed neighbourhood model the Council aspires to:
- agree with partners shared neighbourhood boundaries based on natural neighbourhoods and electoral wards, covering the whole of the borough
 - ensure that a deep understanding of the needs and attributes of neighbourhoods and communities informs the way local services are designed and delivered in the future
 - put the frameworks in place to promote local democracy and support councillors in their local leadership role
 - develop robust mechanisms to consult, involve and empower communities (including those who are hard to reach)
 - put arrangements in place that will support targeted interventions to close the gap between the poorest and most affluent neighbourhoods so that nobody in Northampton is disadvantaged by where they live
 - make mainstream public services more accessible and responsive to local needs through devolvement, colocation and integration
- 3.1.7 A variety of measures have already been implemented in Northampton aimed at advancing this agenda, including neighbourhood services, neighbourhood managed areas, neighbourhood coordinators, environmental wardens and neighbourhood partnerships. These initiatives have not been coordinated or embedded in the day to day business of the Council and its partners. Furthermore they have been based on a range of different neighbourhood boundaries and have resulted in a two tier system. They have however been, to some extent, effective in their own right in delivering improved outcomes and will provide some learning for the future.
- 3.1.8 This report proposes that we move to a single model for neighbourhood working that is embraced by local people, elected members and all key partner agencies across the town. It is proposed that the model is implemented borough wide and becomes a part of the way we do things in Northampton. To ensure our model has sustainable impact it is important that we join partners, elected members and citizens together at the strategic, democratic and community level. This type of coherent, systematic approach will enable us to maximise the impact of collective resources on priority outcomes.
- 3.1.9 Recent government White Papers (Strong and Prosperous Communities (2006), Communities in Control – Real People, Real Power (2007)) send out a clear message that a key role of local government is to work with public service partners and communities to sustainably improve the quality of life of local people. The White Papers set out a clear agenda for local government in relation to community leadership, working with partners, local democracy and community empowerment that requires the type of coherent, systematic approach to neighbourhood management that is proposed in this report.

There is a clear indication that this message would not change in the event of a change of government.

3.1.10 From April 2009, through comprehensive area assessment (CAA), Councils will be judged on how effectively they work with their partners and communities to deliver more responsive services and better local outcomes. CAA recognises that what matters locally varies from place to place and requires us to demonstrate how local services work together to make efficient and effective use of collective resources to meet the needs and priorities of the community. The proposed neighbourhood model will enable us to respond better to the requirements of CAA.

3.1.11 As part of the CAA process, The Place Survey is undertaken. The survey focuses on quality of life by asking people about their perception of the area where they live. It provides us with a useful source of data to understand how we need to change and what our areas for improvement should be. One such area for improvement highlighted by the Place Survey is in relation to the perception of local people of their ability to influence decisions in their locality. The neighbourhood model will be a vital tool in enabling us to improve performance against this indicator, as well as having a positive impact on Place Survey results overall.

3.1.12 The police have now moved to a single target on local confidence. The single confidence measure is a target they share with local authorities. It is intended to focus energy and resources on the most serious issues that blight communities.

3.1.13 The single confidence measure is as much an issue for the Council as it is for the Police. It requires public services to come together to:

- work in partnership
- identify local concerns
- tackle those concerns
- report back to people on how their concerns have been responded to and what action has been taken

3.1.14 The neighbourhood model proposed within this report provides the type of framework that is essential if we are to respond effectively to the challenges of the single confidence measure.

3.1.15 The proposed neighbourhood model recognises the strategic significance to the borough of the town centre, which sits within the central area, and as such also provides for appropriate additional engagement arrangements for the town centre business community.

3.2 Neighbourhood Model

3.2.1 The proposed neighbourhood model is primarily about more effectively engaging and involving people in what goes on in their communities so that they take ownership of local opportunities and issues and feel empowered to address them.

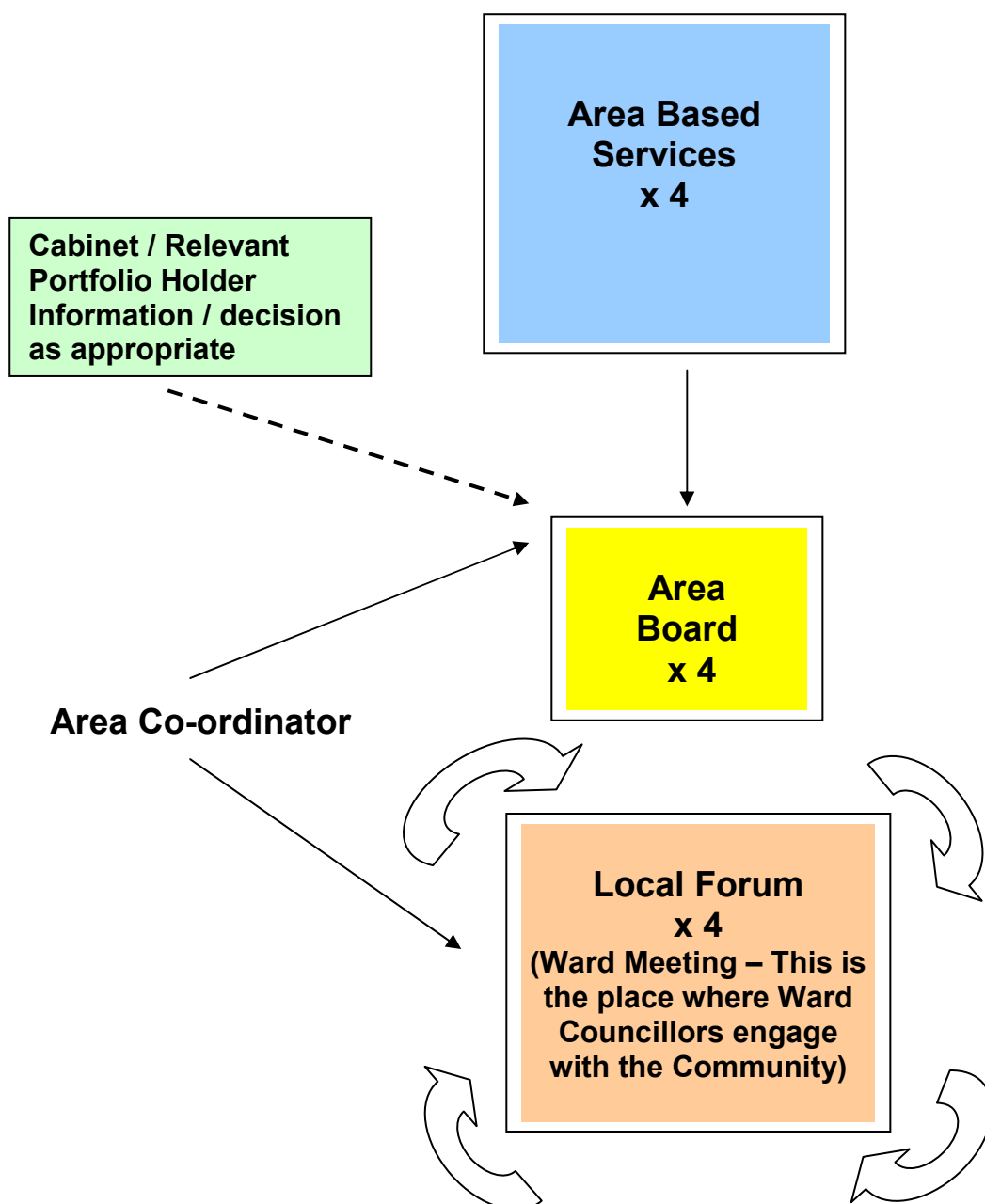
3.2.2 The concept of the proposed neighbourhood model is that it sits within a wider public service framework that ensures a structured and systematic approach at the strategic, thematic and local level.

3.2.3 The purpose of such a framework is to ensure that at all levels, there is a coherence around public services that means we are able to work effectively together and target resources at agreed priorities.

3.2.4 Four areas have been identified as the potential boundaries for the neighbourhood model – North, East, Central, South West.

3.2.5 A diagram of the proposed neighbourhood model is provided below. As illustrated, its key element are as follows:

- Area based services
- Area boards
- Local forums



3.2.6 It will be the responsibility of the relevant director to keep the relevant portfolio holder informed of activity, issues and progress arising from local forums and area officer boards, as appropriate. Matters requiring an executive decision will be referred by the relevant portfolio holder to Cabinet for its consideration.

3.2.7 **Constitution**

To further enhance the governance of the Neighbourhood Model, it is proposed that the Constitutional Review Working Party incorporates the Neighbourhood Model within its current work programme and recommends changes to the constitution to Full Council.

3.2.8 **Area based services**

The purpose of the area services teams will be to keep neighbourhoods clean and tidy by providing effective environmental services, helping to reduce crime, fear of crime, ASB and the visible impact of crime on the environment, e.g. graffiti, fly tipping, vandalism. The establishment of area services teams will make it easier to identify opportunities for coordinated activity, joined up working, integration and further devolvement of services.

3.2.9 Plans are currently being developed to consider colocation with the Police at a location in each of the four areas. It is envisaged that Police SCT and council staff would be permanently based at these sites and there would also be 'hot desk' facilities in each location for officers from other agencies or council staff whose permanent base is elsewhere.

3.2.10 **Area boards**

The purpose of the area boards is to receive for action information about local issues and priorities from local forums. It is proposed that their membership consists of the area coordinator and appropriate senior officers from services such as street care/grounds, housing, public protection, police and youth, as well as officers from other partner agencies such as Fire and PCT.

3.2.11 There is potential for area boards to take the lead on place shaping and neighbourhood regeneration. It is suggested however that their initial focus is likely to be environmental issues and community safety, but their remit should not be considered to be limited to these issues and, in any case, there should be an ambition to broaden their focus in the future.

3.2.12 **Local forums (ward meetings)**

The focal point of the proposed neighbourhood model is councillors and the people they represent. It is therefore entirely dependent on effective community engagement. Whilst it is intended that local forums will be the key vehicle for engaging local people at ward level, the proposed neighbourhood model will require a flexible approach to working with councillors and communities that is based on what works for them. It will be the role of the area coordinator to take the lead on developing a range of means for effective engagement, involvement and empowerment.

3.2.13 Local forums will operate at ward level and should be regarded as ward meetings. Their focus will be very local to ensure close engagement with the

public. It is proposed that there will be four local forums, one for each area. The local forums will rove within their area, meeting in different locations, on a regular basis and returning to each location at regular intervals. Attendance at local forums is proposed as follows but will vary depending on the issues to be discussed:

Attendee	Purpose
Councillors	Community leadership
Public	Engagement/ involvement
Area coordinator	Support/facilitation
Police SCT rep	Local identified priority setting
Council/County Council officers	Information/advice
Others – as requested	Information/advice

3.2.14 It is proposed that local forums replace other existing public engagement forums so as to ensure a 'single conversation' between local people and public services.

3.2.15 The proposed purpose of local forums is to provide a regular public meeting at ward level that is clearly identified by all stakeholders as the place where local people go to meet with councillors and partners to determine local priorities for improvement, raise issues and concerns and find out how to become involved in improving their neighbourhood.

3.2.16 It is proposed that local forums are supported and facilitated by area coordinators who will work on behalf of councillors by taking the priorities determined at ward level to the area boards to be addressed and will keep councillors informed of progress and actions, so that they can update the public at subsequent local forums when it returns to their ward.

3.2.17 **Local forums (ward meetings) – role of elected members**

An effective neighbourhood model should be driven by elected members from the very heart of the communities they serve. It should provide front line councillors with a clearly defined place within their ward for undertaking their community leadership role and ensure that they have easy access to the public resources they need to influence and improve their communities and get things done quickly and effectively.

3.2.18 It is proposed that councillor involvement in the neighbourhood model is, in the main, through the leadership they provide to local forums, which operate at ward level. It is envisaged that, in addition to borough councillors, county councillors may also be invited to attend the local forum when it is in their ward, if they wish to.

3.2.19 The local forums will provide the venue for councillors to determine local priorities for their ward, and through their area coordinator, ensure that these issues get appropriately addressed.

3.2.20 Existing community meetings such as JAGs/community panels will evolve into local forums as the model is rolled out.

3.2.20 Area coordinators

It is proposed that four area coordinators are appointed, one for each area. Their purpose will be to make the neighbourhood model work by providing effective support to councillors in their wards through ensuring that there is a robust interface between local forums and area boards. The suggested role of the area coordinator will be to support and facilitate the neighbourhood model at area level.

3.2.21 Duties will include:

- Supporting frontline councillors in their involvement in local forums
- Supporting, facilitating and coordinating the activity of the relevant area board
- Supporting, facilitating and coordinating the activity of the relevant local forum
- Ensuring the coherence and coordination of all elements of the neighbourhood model

3.2.22 Once options and choices have been considered an implementation plan will be developed. A proposed 'go live' date of April 2010 is suggested, subject to Full Council approving constitutional changes.

3.2.23 Care will be taken to ensure a smooth and gradual transition from current to new arrangements in order to ensure changes are viewed as an evolution from existing arrangements rather than a change in direction.

3.3 Choices (options)

3.3.1 If Cabinet choose to Implement the proposed neighbourhood model it will help to empower local people to make decisions about the opportunities and issues in their communities that affect their quality of life and will therefore ultimately help to make Northampton a better place to live.

3.3.2 Cabinet could choose not agree to implement the proposed neighbourhood model and should do so if they are not satisfied that it will ultimately achieve its high ambitions for the communities of Northampton.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The proposed neighbourhood model does not directly impact on policy, although it will provide a framework for neighbourhood working against which future policy may be developed.

4.2 Risk and resources

4.2.1 Implementation of the proposed neighbourhood model will deliver annual savings to the council of approximately £300k. These savings are mainly derived from the implementation of area working arrangements.

4.2.2 The Council will fund two of the area coordinator posts and the Police will also fund two. Funding of these posts will be reviewed after 12 months.

4.2.3 As with any major transformation there are risks associated with the changes that will need to be implemented. It is important that these risks are identified, assessed and appropriately mitigated.

4.3 Legal

4.3.1 There are no legal implications directly arising from this report

4.4 Equality

4.4.1 There are no equalities issues directly associated with this report. The Council has stringent standards in relation to equalities and any changes introduced will be fully consistent with these standards and, as appropriate, will be subject to equality impact assessment.

4.5 Consultees (Internal and External)

4.5.1 A range of stakeholders have been consulted on the development of the proposed neighbourhood model, including councillors, officers, Police, County Council, Fire Service, PCT and other agencies.

4.5.2 Further consultation will take place throughout the initial implementation phase so that the model can be developed and improved.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposals contained in this report have the potential to contribute to all five of the council's priority outcomes.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 None

Julie Seddon, Director of Environment & Culture, ext 7379

Appendices

1



**NORTHAMPTON
BOROUGH COUNCIL**

Item No.

11

CABINET REPORT

Report Title	Leisure and Sport Strategic Business Review – Management Options Appraisal
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	3 March 2010
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	No
Directorate:	Environment & Culture
Accountable Cabinet Member:	Councillor Paul Varnsberry
Ward(s)	Non-specific

1. Purpose

- 1.1 To advise Cabinet of the conclusions and recommendations arising from an appraisal of potential management options for leisure and sports provision, undertaken as part of a strategic business review of the service.

2. Recommendations

- 2.1 That Cabinet notes the outcome of an appraisal of potential management options for leisure and sports provision (see annex 1).
- 2.2 That, in accordance with the outcome of the management options appraisal, Cabinet agrees to the commencement of the implementation phase for the establishment of a new charitable trust for the provision of leisure and sports development services.

3. Issues and Choices

3.1 Background

- 3.1.1 The council has high ambitions for the health and well being of its local communities. A fit and active society will enjoy improved quality of life and have longer life expectancy. In pursuit of such aspirations the council, along with its public and private sector partners, has an important role to play in enabling better access and provision of leisure facilities and promoting regular participation in sport.
- 3.1.2 In addition to the positive impact good quality, accessible leisure and sports facilities will have on the lives of local people, other potential benefits are far reaching and will range from contributing to the regeneration of the borough and increasing its economic vitality to improving social cohesion and raising aspirations.
- 3.1.3 The prevention of ill-health will also have a positive impact on the demand for health care, which will help to reduce the growing strain on NHS budgets.
- 3.1.4 Of course such benefits will not flow automatically and the council therefore needs to carefully consider how it responds to ensure maximum impact from within the reality of limited and reducing financial resources.
- 3.1.5 To address this challenge, the council has undertaken a strategic business review of leisure and sport. An output of the review was the leisure and sports facilities strategy. Approved by Cabinet last month, it provides the essential strategic framework that will enable sound decisions to be made about the role the council should play and how that role can complement the other public agencies and private sector providers.
- 3.1.6 The strategic business review has also delivered a management options appraisal. In pursuit of the vision of a fit and healthy Northampton, a range of options have been robustly evaluated to determine the optimum management model for the council's leisure and sports facilities and services.

3.2 Leisure and sport strategic business review

- 3.2.1 The development of a leisure and sport strategy was initiated by the council in November 2008 and consultants Knight, Kavanagh and Page (KKP) were appointed to undertake this work. But the need to undertake a strategic business review of these services and the way they are provided led to the revision of the brief of that commission part way through, resulting in the determination of a three phase approach, as follows:

Phase 1	Baseline assessment	Completed May 09
Phase 2	Strategy development	Completed Dec 09
Phase 2a	Management options - evaluation	Completed Mar 10
Phase 3	Management options - implementation	Due to complete Mar 11

- 3.2.2 The first phase of the leisure and sport strategy was completed in May 2009. The work undertaken established a base line for sport and leisure facilities in Northampton. It built on previous key reports and considered the contextual aspects of Northampton and its predicted population growth. It analysed the

supply and demand of provision in the borough in order to identify any additional infrastructure that may be required. In particular, it summarised the need for:

- New facilities within the borough
- The continued provision of existing facilities
- The continued provision of school swimming pools
- Facilities for emerging sports such as adrenalin sports
- Facilities for people of retirement age

3.2.3 The first phase of the leisure and sport strategy was a valuable piece of work and provided us with a firm basis from which to undertake a strategic business review.

3.3 Strategic business review – leisure and sport

3.3.1 The strategic business review of leisure and sport was undertaken in two further concurrent phases (phase 2 and phase 2a), as follows:

3.3.2 Phase 2 – development of the leisure and sport facilities strategy

The leisure and sport facilities strategy was approved by Cabinet on 10th February 2010. This phase of the study determined the council's strategy for facility provision across Northampton. It has

- Taken account of the national, regional and local context for sport and other policies and publications which enables planners and policy makers to take informed decisions on enhancing local provision
- Identified the role of each facility within the context of Northampton being a desirable place to live, work and play as well as achieving national targets in increasing participation in sport and physical activity and health improvement
- Identified the investment requirements for each of the existing facilities to enable them to fulfil their role
- Identified opportunities for facilities to be rationalised
- Specifically, identified the development options for Lings Forum
- Identified the role of Northamptonshire schools' sports and swimming facilities
- Identified the key stages of the strategy delivery plan through until 2026
- Identified potential funding sources to deliver the strategy

3.3.3 Phase 2a – management options appraisal

The management options appraisal is the subject of this report. It has identified and evaluated the management options for the delivery of leisure and sport in Northampton. In particular, it has considered the potential benefits that models such as charitable trusts and private sector provision might provide.

3.3.4 Specifically phase 2a has:

- Determined if the Council is currently achieving value for money
- Identified a range of opportunities to maximise financial advantage and, in particular, to access new opportunities for savings and investment
- Identified criteria against which the potential options can be measured.
- Identified the advantages and disadvantages of each management option
- Undertaken a financial evaluation of each of the options
- Reached a conclusion as to the best management option for NBC

3.3.5. Management options evaluation - conclusion

As described in paragraphs 3.3.3/4, a robust options appraisal has taken place that has evaluated a range of delivery models against a number of qualitative and financial criteria. It has emerged that the management option most likely to enable us to meet our strategic and operational objectives is a new charitable trust.

3.3.6 A charitable trust that is correctly set up and provided with the appropriate leadership and support will have the potential to herald an era of aspiration and innovation. New freedoms and opportunities will be there to be grasped and greater commerciality will be encouraged and promoted. The new charitable trust's ability to attract and retain a talented board from a broad range of backgrounds – for example the healthcare profession, the financial sector, the legal profession and both amateur and professional sports, along with representatives from the local authority(ies) – will be key to its success, as will its ability to forge strong partnerships with key public agencies.

3.3.7 Within the context of the mixed economy that exists in Northampton for leisure and sport, a charitable trust will offer the council the most potential to achieve its desired outcomes and provide the best return on its investment. Ultimately it will deliver the most sustainable solution through the period of austerity that the public sector has now entered.

3.3.8 Phase 3 – implementation of preferred management option

Building on the recommendations arising from phase 2a to put in place a new management model for leisure and sport, it is now proposed that phase 3 of this project focuses on implementing the new arrangements.

3.3.9 It is anticipated that the implementation phase will take a year and it is proposed that project support is commissioned to manage the implementation. A robust project plan will be developed which will be closely monitored.

3.4 Choices (options)

3.4.1 Cabinet can choose to agree to commence implementation of a new charitable trust for the provision of leisure and sports services leading to innovation, improved outcomes and reduced costs.

- 3.4.2 Alternatively, Cabinet could decide to continue with the current delivery model which provides a good service to the people of Northampton but faces growing financial challenges each year as the level of subsidy to this non-statutory service competes with other high level, statutory priorities. Careful consideration therefore needs to be given to the sustainability of the option not to change delivery models.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The management options appraisal has been undertaken within the wider context of the recently approved leisure and sport facilities strategy that sets leisure and sport in Northampton within a strategic context that is aligned to plans for regeneration and growth in the area.

4.2 Resources and Risk

- 4.2.1 For the foreseeable future, the council will be required to subsidise the charitable trust. Payment of subsidy will be tied to the delivery of outcomes. A charitable trust will also have access to funding streams that are not open to local authorities and will be better placed to negotiate funding from partners.
- 4.2.2 It is anticipated that implementation of the recommended management option for the provision of leisure and sports development will have the potential to achieve efficiencies and savings. The KKP options appraisal identifies potential savings of up to £260k against 2008/09 outturn figures. The actual level of subsidy will be a matter for negotiation between the Council and the Trust's shadow board and will be influenced by the perceived robustness of current budgets, the potential for efficiencies/additional income and the extent to which risk is transferred. Moving to a charitable trust may provide a means of capping future costs and might also protect the service from the impact tight financial constraints could have on discretionary areas of activity.
- 4.2.3 Further opportunity to reduce subsidy may exist if the council is able to exploit its more advantageous position in relation to capital borrowing and uses this advantage to offset revenue contributions. This potential will need to be fully explored during the implementation phase.
- 4.2.4 The original leisure and sports facilities project was commissioned through a tender process at a cost of £43,000. Revisions of the brief gave rise to a cost increase of £7,500, bringing the total cost of the project to date to £50,500, which has been funded by a contribution of £19,500 from Northamptonshire County Council and the balance from LABGI.
- 4.2.5 The cost of the implementation phase is estimated at approximately £120,000. It is recommended that this is funded from the council's investment fund.
- 4.2.6 There will be risks associated with the establishment and operation of a charitable trust, as indeed there are risks associated with providing the current service. These risks will be appropriately identified, assessed and managed as part of the project implementation.

4.3 Legal

- 4.3.1 The establishment of a charitable trust has complex and challenging legal implications which will need to be carefully managed. These implications will require expert legal advice and guidance which will need to be externally commissioned. Legal advice accounts for a significant part of the total funding required for phase 3 (paragraph 4.2.5).

4.4 Equality

- 4.4.1 An equalities impact assessment was undertaken of the leisure and sport facilities strategy, which provides the strategic context for this report. Due consideration has also been given to equalities issues in the undertaking of the options appraisal. The council has high standards in relation to equalities and any changes introduced will be fully consistent with these standards and, as appropriate, will be subject to further equality impact assessment.

4.5 Consultees (Internal and External)

- 4.5.1 The strategic business review has involved consultation with a broad range of stakeholders and such views have been used to inform the outcomes of the process to date.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The proposals contained in this report will significantly contribute to the priority outcomes of 'improving health to enhance the well-being of our communities' and 'a well managed organisation that puts the customer at the heart of what we do'.

4.7 Other Implications

- 4.7.1 None

5. Background Papers

Leisure & sport strategy facilities strategy (February 2010)

Julie Seddon, Director of Environment & Culture, ext 7379



NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

FINAL REPORT

MARCH 2010

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INTRODUCTION

This section of the report details the management options that Northampton Borough Council (NBC) should consider. As outlined within the Council's brief it focuses on the following key areas:

- ◀ Determination of whether if the Council is achieving value for money from its current sport and leisure service.
- ◀ Identification of the range of opportunities to maximise financial advantage, and in particular access opportunities for savings and investment that may not currently be available to NBC.
- ◀ Identification of criteria against which potential options can be measured.
- ◀ Identification of the advantages and disadvantages of each management option.
- ◀ A financial evaluation of each option.

The scope of the facilities and services included within this review include:

- ◀ Mounts Baths.
- ◀ Lings Forum.
- ◀ Danes Camp.
- ◀ Sports Development.

It should be noted that the review does not consider in detail the options for the management of the Council's Cultural Services (including the cinema at Lings Forum); however, some comment is made with respect to this wider scope in the conclusion to the report.

Key facts about transferring sport and leisure services to external partners

The following is a 'snapshot' of the key facts about alternative management options. It also provides a flavour of some of the key decisions the Council must take in the context of a decision to transfer the management of its services to an alternative service provider:

- ◀ The Council will retain ownership of the assets (i.e. sports facilities etc.), regardless of which management option is chosen.
- ◀ The type of lease arrangement for facilities is dependent upon the age and quality of facilities being transferred. The private sector and trusts are, in general, only willing to take on new facilities on a full repairing lease basis.
- ◀ It is normally more cost effective for the Council to invest capital in facilities than the partner, as the partner is unlikely to be able to reclaim the VAT on the investment.
- ◀ Staff currently employed in the service will transfer to the new partner with protected terms and conditions of employment (i.e. TUPE will apply).
- ◀ TUPE does not cover pension provisions.
- ◀ The Council must consider if it will 'require' the partner to become an admitted body to the local government pension scheme, or determine whether a broadly comparable pension scheme will be sufficient.
- ◀ If the Council chooses the admitted body route, it will have to advise on whether it is willing to pay for an open or closed scheme.

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- ◀ Although the partner may wish to purchase support services (e.g., HR, payroll, legal) from the Council in the initial stages, it may ultimately decide to purchase these from the external market in future years. Therefore, the funding it receives for the provision of support services cannot 'tie' it to having to purchase these from the Council (i.e., as a sole provider).
- ◀ If the Council provides financial support services to the partner it will have to ensure that all funds are paid directly into the partner's bank account and not the Council's. It has been the case for some trusts that their income is paid into the Council's bank account.
- ◀ Similarly, it needs to be clear that the partner is purchasing services from the Council and that this is demonstrated with the appropriate financial transactions.
- ◀ Where the partner does purchase services from the Council, the Council will have to perform against the SLA developed by the partner, rather than giving the partner 'what it is prepared to provide'.
- ◀ If the partner does not wish to purchase any support services from the Council it needs to be given the wherewithal (i.e., staff, budget, infrastructure) to access these support services from the open market. The Council must then deal with the residual costs associated with providing support services to the externalised service (e.g. absorb costs across other departments, restructure, redundancy, etc.).
- ◀ If the Council transfers to a Trust, it will be entitled to have up to 20% representation on the board of trustees.
- ◀ A trust can achieve up to 80% mandatory rate relief on its facilities.
- ◀ If the Council transfers to a private operator it will have to accept that this organisation will wish to build an element of profit into the contract. Depending on the partner, the competitiveness of the tendering process and the attractiveness of the contract, this profit margin could range from between 6 to 12% of income.
- ◀ If the Council transfers the management of its services to a trust operating in a neighbouring local authority area it will have to accept that this organisation would expect a contribution to its overall reserves account.
- ◀ If the Council transfers the management of its services to a neighbouring area trust, the governance arrangements will be determined by the partner trust.

OVERVIEW OF CURRENT SERVICE

NBC's leisure facilities stock is similar to that of other councils throughout the country and is in need of significant investment. The main challenges facing each facility are identified and summarised below:

Mounts Baths

- ✦ Although an attractive example of a facility developed in the early part of the 20th century, its Art Deco design has an impact on any refurbishment designs and maintenance costs.
- ✦ It has a town centre location which appears to be positive from a wider community access perspective; although there can be issues with the corresponding night time economy.
- ✦ The facility has no designated car parking, although there is a public car park on the opposite side of the main road.
- ✦ The Council has converted part of the facility into a fitness suite, which is one of its best performing amenities from a financial perspective.
- ✦ The facility is landlocked, so there is no room for expansion of the site.
- ✦ The facility is politically sensitive and holds a place in the hearts of many older Northampton residents.
- ✦ The facility serves the main inner city area of Northampton.

Danes Camp

- ✦ Opened in January 1987, this is the Council's newest facility and consists of a leisure pool with fitness and dryside sports facilities.
- ✦ Key areas of the facility are 'tired' and in need of investment to bring them, and the facility as a whole up to current day standards.
- ✦ It has a limited 'swimming' offer, and is more focused on play. However, there is a need to refresh its leisure water offer as it is becoming dated.
- ✦ The under 16 market is key user group, especially of the leisure pool.
- ✦ After the facility was developed, housing was built in the areas around it, so it is somewhat hidden from the main road. In essence users feel like they are entering a housing estate to access the facilities.

Lings Forum

- ✦ This facility is very tired and in need of significant investment.
- ✦ Recent improvements to the pool changing facilities have been well received by customers and have contributed, in part, to the increased use of the pool.
- ✦ The replacement and wider refurbishment of the facility has always been part of a wider master planning exercise for the Weston Favell shopping area; however, this has not come to fruition. This is further complicated by the fact that any expansion of the retail offer would contravene planning policies designed to develop and enhance the town centre.
- ✦ The facility is located adjacent to the shopping centre; however it does not have a designated car park facility sufficient for its customer base. Customers previously used the Focus (DIY Superstore) car park; however, restrictions have now been placed on the use of this by Lings Forum customers.

- ◀ Physically, in the context of its somewhat obscured location, the facility has limited 'presence', and could be easily missed.
- ◀ It has the best financially performing fitness facility, but the worst performing pool.
- ◀ DDA access will be an ongoing issue with the facility unless significant funds are invested to either replace, or significantly restructure and refurbish, it.
- ◀ The facility serves the main area of deprivation in the east of the Northampton borough.

Sports Development

It is not only the Borough's facilities that have faced significant challenges; the Sports Development service has seen regular reductions in its core budget over a number of years. The service also has a number of externally funded temporary posts in place where the funding is due to run out in 2011. Therefore, one of the key challenges will be to identify alternative sources of funding to maintain these posts, albeit that their focus may change.

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VALUE FOR MONEY

A key component of this study is to determine whether the Council is achieving value for money from its existing operation. In order to do this there is a need to consider:

- ▶ The quality of facilities and services available.
- ▶ The income generated.
- ▶ The impact they have on the local community.

Section 1 identifies the usage and reach of the service and the impact it has on residents. Therefore, the key component in this section is to determine the efficiency and economy of the service.

NBC's current service generates £2.8 million of income, but expends approximately £5.58 million; an annual subsidy of circa £ 2.7 million. Therefore, every pound spent at the facility by customers and users is, in effect, matched by a comparable contribution from the Council. However, it is important to recognise that, of the £2.7 million subsidy, £1.08 million comprises support services recharges.

A range of performance measures have been identified which indicates the general performance of each of the facilities and service areas from a financial perspective.

Performance measure	Lings	Danes	Mounts	Sports Dev	Full service
Total income	813,282	1,000,997	886,572	126,272	2,827,125
Total expenditure	1,714,490	1,961,020	1,583,054	322,307	5,580,872
Total employee costs	781,593	899,611	746,092	193,971	2,621,267
Support services charges	339,188	371,959	305,788	61,739	1,078,676
Staffing as a % of income	-96%	-90%	-84%	-154%	-93%
Staffing as a % of total expenditure	46%	46%	47%	60%	47%
Income as a % of expenditure	-47%	-51%	-56%	-39%	-51%
Support costs as a % of income	-42%	-37%	-34%	-49%	-38%
Support costs as a % of expenditure	20%	19%	19%	19%	19%

Analysis of the above identifies that:

- ▶ Mounts Baths is, in relation to the level of income generated, the most efficiently staffed facility.
- ▶ Danes Camp generates the most income, but also incurs the highest level of expenditure: this is in part, due to the level of staff costs. The reason for this is the leisure pool which while it generates more income, costs more to staff because of the design of the pool and its leisure features.
- ▶ Lings Forum barely generates sufficient funds to cover its staffing costs and, of the three, has the highest staff cost as a percentage of income. A key feature of Lings financial profile is the low level of income it generates from its swimming pool in comparison to the other two sites.

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- Sports Development generates a proportion of its costs from external grants; this is, for the purpose of this exercise, treated as income in the above scenario.
- In general Support Services recharges equates to approximately 20% of total expenditure. This would be a key area of saving which the Council itself would have to achieve regardless of the savings from any externalisation process.

Fitness membership

The table below identifies the number of members each fitness facility generates per piece of static fitness equipment. This is a key measurement of the success of the fitness operation in attracting members.

	Mounts	Lings	Danes	Total
Total direct debit members	1554	1572	1368	4493
Stations	53	53	56	162
Members per station	29	30	24	28

A number of key comments can be made about NBC's performance, including:

- The service is punching above its weight in relation to current fitness membership; particularly given the quality of the environment; facilities, car parking etc., within which they are located.
- The members per station ratios of c. 29-30 are higher than many high performing trusts and private sector operators.
- The above ratios are also high given the intensity of competition from the private sector fitness market in Northampton.
- It is interesting that Danes Camp has the lowest members per station ratio given that it serves a relatively affluent catchment. This may be a reflection on the quality of the offer and that its niche is slightly below that of the commercial health and fitness operators; which residents local to Danes Camp can afford to access.

Swimming pool income

	Lings	Danes	Mounts	Total
Swimming fee	44,291	227,595	149,191	421,078
Swimming lesson Income	58,318	103,762	109,890	271,970
Pool hire fee	11,611	1,717	35,209	48,537
	114,220	333,074	294,290	741,584

The above table reinforces some of the challenges faced by the service, especially in generating income from the swimming pool at Lings Forum. Key points to note include:

- Lings generates less than one third of the general swimming income than Mounts achieves and less than a fifth of that generated at Danes.
- This is key in relation to the staffing cost as a percentage of income as the pool still requires a minimum staffing level regardless of the general levels of usage it attracts.

- ◀ Lings also generates a significantly lower level of swimming lesson income than the others. A key factor in this is the lack of car parking at or adjacent to the facility. Although this does not appear to affect individual activities such as fitness, it may be having a more profound influence on the propensity of parents to bring their children to swimming lessons at the venue.

Summary

In summary, there are several key areas where NBC is achieving value for money from its current operation. A key example is the fact that its fitness operation is achieving higher levels of income than would normally be expected from comparable services.

Furthermore, it would appear that this income level will be improved upon during the current financial year. However, it is also clear that the service has a range of challenges which affect its ability to offer value for money. The main ones being that the quality of the swimming facility and availability of parking at Lings Forum significantly affects the ability of the Council to sell this service to local residents. Furthermore, the age and condition of existing plant and machinery also affects the service's ability to operate as efficiently as a new facility.

In relation to value for money, the key challenge for the management options appraisal for the service and the Council is the degree to which following can be achieved:

- ◀ Financial savings as a result of the management model implemented (e.g. NNDR and VAT).
- ◀ Increased income from the activities at each facility; especially in light of the existing high income levels already achieved from fitness.
- ◀ The potential for efficiency savings to be achieved within the operation of the service.
- ◀ The potential savings from support services which the Council can achieve through the externalisation process

TRUSTS – NOT FOR PROFIT DISTRIBUTION ORGANISATIONS (NPDO)

Types of trust – not-for profit distribution company (NPDO)

Two main types of trust vehicles have been developed to deliver sport and leisure services. These are currently employed in the management and operation of leisure services throughout the country and have a proven track record:

- ◆ Company Limited by Guarantee (CLG).
- ◆ Industrial Provident Society (IPS).

In addition to the above, a new company structure - the Charitable Incorporated Organisation (CIO) is in the process of being developed by the Charity Commission. It is, in effect, a simpler model of the CLG.

Company Limited by Guarantee (CLG)

A CLG is fairly quick and easy to establish. It is the most common type of company in the third sector. Member and trustee liability is limited to the amount they have promised to contribute to the company's assets if it is wound up; usually a nominal sum of £1. However, this does assume that said members and trustees have not acted unlawfully in carrying out their duties.

A CLG is governed by company law (i.e. Companies House) and where it achieves charitable status, is also required to operate within charity law and guidance (as identified by the Charity Commission). The CLG must, therefore, submit returns to both of these organisations on an annual basis. The nature and scope of responsibilities for both company directors and trustees are well established in law with clear guidelines to consult and follow.

One of the key advantages of a CLG is that it enables the company to attract "the great and the good" onto its management board (i.e. as company directors and trustees of the charity). However, such trustees are volunteers and their position is unpaid. As a result, the challenge is to obtain people with the right level of altruistic interest in sport and with the requisite level of skill and expertise to manage the company.

Furthermore, where the trust has been established by the local authority there are specific guidelines as to the proportion of trustees allowed to be elected members or employees of the local authority. The standard rule of thumb is that such representation cannot comprise more than 20% of board membership. However, some trusts and councils have taken the view that elected members do not necessarily make good trustees (i.e. expertise, conflict of interest, time commitments) and have sought to identify other individuals to be involved as Board members.

Industrial Provident Society (IPS)

An IPS model is registered under the Industrial and Provident Societies Acts. They are currently governed by the Financial Services Authority (FSA), although there are moves to incorporate them within the jurisdiction of the Charity Commission. An IPS can be deemed to have charitable objects and can be viewed as an exempt charity and qualify for the same financial advantages as a charitable trust.

The key difference between an IPS and a CLG structure is the ability of the IPS to incorporate staff involvement on the board. Some local authorities, when considering which type of management arrangement to install, have chosen to specify such staff involvement as a key principle underpinning how the trust should function. However (at present), the IPS cannot be registered as a charity and therefore only qualifies for discretionary rate relief. Where the IPS model has been adopted, they do not appear to have faced any major difficulties in achieving this level of rate relief.

A number of IPS models have been implemented in a range of leisure trusts. These include, for example; Greenwich Leisure, Rossendale Leisure Trust, Salford Community Leisure Ltd, and Oldham Community Leisure).

Rate relief

As identified above, both models can achieve rate relief, although the IPS model is discretionary and the CLG model requires the company to have achieved charitable status.

Relationship between the Council and a trust/NPDO

The relationship between a local authority and a trust is enshrined within the lease of the facilities and land. The trust is required to demonstrate “independence from local authority control” and must occupy any premises as the principal in its own right, and not as the council’s agent. This is what enables a trust to qualify for national-non-domestic rate (NNDR) relief.

Type of lease

In essence, there are two types of lease agreement: full or part repairing. The implications of both of these are outlined below:

Full repairing lease

This option requires the trust (or the Council’s chosen operator) to take on full liability for the repair and maintenance of the facility stock over the term of the lease. NBC would expect it to meet all agreed condition liabilities for the length of the lease period and return the facilities to the Council in what would, potentially, be an improved condition.

This would be a very costly solution for NBC as the Trust/operator would identify a cost for every aspect of repair and maintenance associated with the service as well as all other possible risks. It is likely that in this circumstance an investment schedule would be required as part of the lease, and would be required to be carried out even if the investment was not totally necessary.

In addition, if a trust is required to make significant capital investment over the term of the lease (e.g., improvements to tired facility stock, upgrade of accommodation etc.) it would be liable for the VAT on the work required to realise this investment. As a result, a full repairing lease is rarely financially attractive. Furthermore, risks associated with a full repairing lease are only minimised when a new facility is developed.

Therefore, it is unlikely that any trust or private partner would take on such a lease (at least at a level of costs that would make such an arrangement worthwhile for the Council) for NBC's facilities.

Part repairing lease

A part repairing lease is where NBC and a trust share responsibility for the future repair and maintenance of the facilities. This would require NBC to maintain responsibility for specific parts of the buildings and to specify which aspects of the identified condition survey liabilities it will be responsible for and undertake to deliver. The trust would be required to commit to undertaking its share of the condition survey items and the enhancements it identifies for the facilities. However, a trust can only deliver on its commitments if provided with the wherewithal and the funds to deliver these. A number of key issues arise from this option, including:

- ✦ Where the division of responsibility lies.
- ✦ Whether there is an investment threshold applied to the split in responsibility.
- ✦ The potential cost of investment by each organisation.
- ✦ The ability/willingness of NBC to commit to responsibilities over the term of the lease.
- ✦ The ability of the trust to demonstrate independence and to respond to customer needs and changes within the market.
- ✦ Current condition of facilities and likely investment requirements over the next 15-20 years.
- ✦ The likely replacement schedule for facilities, major equipment, plant and machinery.
- ✦ Recent investment in the facilities, or the expected life of the asset.
- ✦ The most efficient way of procuring major capital works.

Capital investment

As identified previously, if a trust is required to invest capital in the facilities (i.e. via borrowing) it will be liable for the VAT on any contracted works required to deliver this investment. Over recent years, the trend has been for local authorities to borrow funds via prudential borrowing and in return for said funds to be repaid via a reduction in the grant. However, this arrangement only works where the investment results in increased use and higher levels of net income at the facility.

Monitoring and evaluation

Within either of the above options it is important for NBC to ensure that it continues to monitor the condition of its assets and that component elements of facilities are maintained and repaired to the highest possible standard. In general the main areas of dispute arise where it is perceived that the requirement to replace key items of plant and machinery or fixtures and fittings is a direct result of a lack of maintenance. This highlights the importance of detailed condition, suitability and sufficiency surveys and the need for an open, transparent relationship between the Council and partner with regard to the repair, maintenance and replacement of plant and machinery, fixtures and fittings.

Regardless of the type of lease, it is good practice for Council and the trust/operator to set out respective maintenance and improvement strategies on a five yearly and annual basis. This underpins development (and continuance) of a transparent relationship and provides a basis for both to monitor the extent to which they do what they say they are going to do and to assess the impact of not taking specific actions. It provides a solid foundation for ongoing monitoring and evaluation of the assets and enables key issues to be identified at the earliest possible stage. Furthermore, it enables the impact of emergency repairs to be assessed within the context of ongoing maintenance.

Governance

As identified above, 'standard' trust arrangements, often attract concern with regard to trust independence from the local authority and the desire/requirement of elected members to have a place on the board 'to protect the authority's position'. It is important to note that a trustee should not be hamstrung by external interests or influences when performing his/her duties as a trustee. The principles of good corporate governance and the highest standards of probity should be employed at all times. This can affect the ability of NBC members to participate equitably in key trust and/or Council decisions. The guiding principle is that all relevant interests in specific matters should be declared and where appropriate, and if necessary, trustees/members should step aside when key decisions are made.

It is also important for a trust to ensure that board recruitment is based on the skills and expertise needed (and appropriate) to manage the company's affairs. A clear matrix should be developed which highlights such requirements at board level. Recruitment should be undertaken on this basis rather than the need to ensure representation of particular organisations. KKP has worked with a range of trusts with varying degrees of expertise at board level. The following represent the types of skill and expertise we would recommend that a board seeks to acquire (see also the examples table overleaf):

- ◀ Legal.
- ◀ Financial.
- ◀ 'Business'.
- ◀ Human resources.
- ◀ Marketing.
- ◀ Sector knowledge (e.g. health, inclusion, education).
- ◀ Political/local government.

The other key governance aspect; one that there is a tendency to overlook, is the relationship between the council and the trust. Some local authorities consider having an elected member on the board sufficient to ensure that full governance requirements are met. However, the communication and reporting function between the trust and NBC must be considered. A key consideration is that the trust/operator is not just 'left to it' and that there continues to be an advocate within the local authority. The "partnership" role/function within the Council is critical. Furthermore, the CEO of the Trust must have ongoing access to key senior NBC officers to ensure that communication channels are maintained. Evidence suggests that the absence of, or limitations to, this continued dialogue and advocacy role is the 'achilles heel' of many underperforming trust/ council relationships.

NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

Examples: Trusts recruiting key people into board director positions

Core skills	Trustee experience
Legal	Salford Trust has a lawyer on its board from a specialist mental health law firm; he also has an active interest in hockey and cricket.
Financial	Tameside Trust has a board member who is a prior head of finance from a neighbouring Greater Manchester authority
Business acumen	Trafford, Salford and Tameside trusts have attracted a range of trustees who either manage a small business or who have experience within larger companies (e.g. Proctor and Gamble, Kelloggs).
Human resources	Tameside Trust has the previous head of human resources at the Council as one of its nominated representatives.
Sector knowledge	Salford Trust has co-opted a senior regional development officer from Sport England onto its Board. Edinburgh Leisure has a well-known researcher in leisure as its chair. Trafford has the Chief Executive of Lancashire County Cricket club on its Board as well as the head teacher of a local specialist sports college.
Political/local government	All trusts have a range of elected members on the Board, but many keep this to a minimum to demonstrate independence

Transferring staff

The Transfer of Undertakings (Protection of Employment) Regulations 1981 and the Acquired Rights Directive 77/187 ensure that staff wholly (i.e. 100%) or mainly (i.e. over 50%) employed by the service are transferred to the trust (or private sector partner) with all employment rights intact. Therefore, changes to terms and conditions of employment should be related to economic, technical or organisational issues and not for reasons relating to the transfer of staff from one organisation to another.

This then presents a challenge for both local authorities and trusts/private contractors where there is an expectation to reduce staffing costs in the initial years of the externalisation process. In Northampton there is a perception that staff salary costs are high and that there may be scope to reduce these. This may, however, contravene the TUPE legislation.

Pensions

Pension provisions are not covered by the TUPE transfer process. Continuity of pension provision is a key concern of staff when they transfer from one organisation to another. A trust can either set up its own stakeholder scheme or apply to become an admitted body to the Local Government Pension Scheme. The key challenge for any trust or private sector contract is the decision on whether to have an open or closed scheme. This is determined by what the Council is prepared to fund and whether or not it perceives that it will contribute to a two-tier workforce for the host organisation.

NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

Key advantages and disadvantages

The following table summarises the key advantages and disadvantages of establishing a trust to manage NBC's sports facilities and sports development

Advantages	Disadvantages
VAT benefits	Loss of NBC control. The relationship is one of influence.
Up to 85% NNDR relief	Dependency upon NBC for reinvestment in assets.
Capital expenditure (ability to borrow/ secure capital outside of local authority regimes)	Success depends on attracting and retaining quality trustees - skills and expertise.
Fits with Best Value, CPA and CAA	Trusts need support services infrastructure – cost.
Opportunity to engage the local community on the management board	Potential impact on central services personnel
	Difficult for NBC to make savings from support services

PARTNERSHIP WITH AN EXISTING TRUST

A growing number of existing trusts are looking to expand their operational management domains outside and beyond the local authority in which they were originally established. At first this process was relatively unusual, however it is similar to how private sector leisure companies in this field developed and expanded.

The rationale for a trust expanding into NBC's territory needs to be tested as there is no financial benefit to trustees (unlike the dividend paid to shareholders). Therefore, the key question to resolve is which organisation benefits from such an arrangement, the host or the new partner organisation. The motives of the 'predatory' trust need to be considered carefully. Is it about growing a business in a bid to improve service delivery through efficient operational and organisational practices (e.g. support services) or is it empire building for trustees and chief executives?

Varying degrees of trust partnership arrangements can apply ranging from one trust supplying support services to another, to a concession contract won in competition. Examples of trust partnerships include:

- ✦ Wigan Leisure and Culture Trust – it has recently won a contract to manage Abbey and Tadcaster Leisure Centres and Selby Park on behalf of Selby District Council.
- ✦ Carlisle Leisure – which operates facilities on behalf of Allerdale Borough Council.
- ✦ North Country Leisure Ltd - having started life in Tynedale, it now operates contracts in Alnwick and Copeland.
- ✦ Fusion Leisure Ltd – which was originally established in the London Borough of Southwark and now operates facilities on behalf of a range of local authorities including Oxford City Council, the London boroughs of Lambeth, Croydon, and Hillingdon and Mole Valley District Council.
- ✦ Greenwich Leisure – perhaps the best known 'predatory trust'; it now operates facilities on behalf of seventeen London boroughs and is also involved in partnership-based management arrangements outside the capital;
- ✦ South Oxfordshire Leisure Limited – which also operates facilities on behalf of Daventry District Council

Representation on the board

It should be borne in mind that the decision on the type of board structure to be employed when partnering with a neighbouring trust, lies with the trust itself; NBC will only be able to influence this through negotiation. NBC will have to identify its ideal model and evaluate whether the partnering trust can achieve this. This will be one of many evaluation scores within an open procurement process. Where local authorities have previously partnered with a neighbouring trust a range of different relationship structures have developed including:

- ✦ The authority's facilities being subsumed within the Trust; this tends to occur where the local authority in question is happy for this to happen.
- ✦ The development of a local consultation board for the contract, either with or without representation on the main ('central') trust board.
- ✦ The development of a local board (comprising trustees and local representatives) with an equal representation of trustees on the main board. However, this tends to get progressively less sustainable as more contracts are won.

NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

Key advantages and disadvantages

The following table summarises the key advantages and disadvantages of partnering with an existing trust to manage NBC's sports facilities and sports development

Advantages	Disadvantages
An existing trust already has its legal framework established.	The Board is already established so the Council would need to identify if it can either: <ul style="list-style-type: none"> • Gain representation on existing Board • Establish a local Board
It can achieve VAT and NNDR benefits	Potential for conflict of interests between the original and "new" Boards.
An existing Trust has support services in place, so there should be economies of scale.	Potential for cross subsidy of Council grant funding.
The option exists to test partner's performance - KPIs, partnerships, relationships	Loss of Council control. The relationship is one of contract management.
The Council can enter into a contractual relationship rather than a grant Agreement	Partner trust would expect a contribution to its overall reserves.
Fits with Best Value, CPA and CAA	Will involve a procurement process; which has a cost.
	Need to test the track record of managing full range of services (i.e. sports development).

PRIVATE SECTOR PARTNERSHIPS

The original private sector partnership was normally a straight concession based contract for usually 10 to 15 years, where the operator sometimes (particularly in the earlier contracts set up) invested funds in the facility. Within such contracts there were no VAT or NNDR benefits and the key driver was that the Council did not wish to directly provide the service. Such arrangements were normally underpinned by a belief that the private sector could do it more efficiently and cost effectively. A number still exist, although some have been renegotiated or re-tendered in such a way as to achieve improved VAT and NNDR benefits.

Within the Northampton context, a concession based private sector contract is not considered to be worth progressing further as it is considered unlikely to achieve the financial savings that the Council wishes to achieve from the externalisation process.

Hybrid private sector partnerships

In an attempt to counteract the financial advantages (and competitive edge) of the trust approach, private sector companies developed the concept of the 'hybrid', or as is sometimes referred to, the 'sham', trust. Under this arrangement parties agree to structure the private sector company, or the relationship between the company and the local authority in such a way as to qualify for mandatory and/or discretionary rate relief and in some cases VAT concessions.

This is done by using a not for profit company or subsidiary. Via this method, private operators can offer councils the benefit of tax savings, the ability to secure capital investment and a more 'commercial' approach.

Each private sector partner has its own variation of the hybrid model, some able to achieve charitable status and others not. It is open to legal challenge and is in some circles viewed as a 'sham trust'. Until the Government clarifies the situation, it is for each council and its particular partner to assess the legality of each arrangement on its merit. NBC needs to be aware that it would have to deal with the impact of any future decision as and when it took place (e.g., possible back payment of NNDR and VAT savings).

Private sector partnerships have predominantly focused on the operation of sports facilities, few have successfully taken responsibility for the sports development function within an authority. This has been the normal approach from the outset and does not appear to have significantly as the sector matures.

NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

Key advantages and disadvantages

The following table summarises the key advantages and disadvantages of partnering with a private sector partner within a hybrid arrangement.

Advantages	Disadvantages
VAT and NNDR benefits	Each contractor has its own hybrid model so the Council gets what it is given.
Potential savings are comparable with trusts.	Complex legal, administrative & organisational structure associated with all hybrid models.
Business acumen (although in many instances this has solely centred on fitness).	Loss of council control. The relationship is one of contractual management.
Private sector can access capital - although this is more normally more costly than the rates at which the Council can borrow.	Council will have to deal with residual cost of support services and contractor will have its own structures in place.
Competitive tendering demonstrates that the best value (cheaper?) option is identified.	Potentially open to legal challenge.
Potential economies of scale (i.e. bulk purchasing)	Will involve a procurement process – which has a cost.
Fits with Best Value, CPA and CAA	No track record managing sports development

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MANAGEMENT OPTIONS APPRAISAL

The following table outlines the appraisal of each of the management options (i.e. NBC in-house operation, new trust, neighbouring trust and a hybrid private sector partnership) for the Council's sport and leisure facilities and sports development. The appraisal considers the following key criteria and identifies the potential implications of each:

- ✦ Quality.
- ✦ Need for capital.
- ✦ Revenue implications.
- ✦ Risk assessment.
- ✦ Human resources.
- ✦ Property and maintenance.
- ✦ Council influence.
- ✦ Legal issues.

Criteria	Option	Comment
Quality	In-house	<p>The in-house service has achieved high standards of quality with very positive scores in its APSE performance results. It has also achieved very high levels of throughput from the free swimming initiative and is the highest performing authority in the county and in the top quartile in the East Midlands.</p> <p>The Council has a good team delivering its service; it has generated high levels of use and income from key activity areas (e.g. fitness), although the quality of some facilities has hindered its ability to operate them as efficiently and effectively as desired.</p>
	New trust	<p>The current in-house team would be delivering the service as a new trust; therefore, the Council could expect the same high standards and levels of success as is currently delivered. Furthermore, greater flexibility and speed of decision making could result in improved quality as the service will be in a position to respond to residents' needs a lot quicker and more effectively.</p>
	Existing trust	<p>Cultural Community Partnership is the only neighbouring trust in Northants (i.e. East Northants) which may be interested in partnering with the Council to operate its services. In addition to this there are a range of existing trusts in the wider area (e.g. SOLL, Nexus – formerly Wycombe Leisure Ltd) which have won contracts outside of their original local authority host boundary.</p> <p>The quality of trusts facilities and services is varied. This would need to be tested via a competitive tendering process. NBC would need to scrutinise the quality of trusts' facilities and sources of investment. Comparisons will need to be made with regard to external funding etc. There are no guarantees that the quality of service will improve.</p>
	Private sector hybrid	<p>Each of the main private sector leisure operators has a presence in the wider area (i.e. Northants, Bucks, Leicestershire).</p> <p>Quality of private sector provision and services is as varied as that of trusts. These would also need to be tested via a competitive process.</p> <p>The private sector does not appear to have as good a track record securing external funding; this may be linked to a lack of experience delivering sports development services.</p> <p>There are no guarantees that service quality will improve</p>

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Criteria	Option	Comment
Need for capital	In-house	Irrespective of the management option put into place NBC will need to identify the funds to invest in its facility stock. It will continue to own the assets regardless of which type of organisation manages them.
	New trust	A new trust can access capital, but this is either underwritten by the Council or often achieved by capitalising NNDR savings, assuming that they are ring-fenced for investment not taken as savings for NBC.
	Existing trust	It is unlikely that an existing trust will be able to raise significant funds to invest in NBC facilities; they have their own challenges to deal with.
	Private sector hybrid	<p>The private sector could invest capital in the facility stock although this would be costly compared to NBC prudential borrowing. This would be tied into the term of the contract and may result in higher ongoing revenue costs.</p> <p>In recent years the private sector has invested lower levels of capital in public sector facilities due to better rates achieved via prudential borrowing. Given the current economic climate the private sector has found it more difficult to secure major investment in its facility stock.</p>
Revenue implications	In-house	<p>NBC is unable to source VAT/NNDR benefits that other management models achieve. However, it is clear that the service currently punches above its weight with respect to its fitness offer at facilities.</p> <p>Given the Council's drive for efficiency savings it is clear that continuing with the in-house operation is not financially beneficial.</p>
	New trust	<p>A new trust will save NBC at least £79k per annum. This is a worst case scenario and assumes that it provides its own support services. This situation could be drastically improved assuming that NBC works with the Trust to achieve additional savings. This could increase annual savings to approximately £250k.</p> <p>Key savings areas for NBC will be in provision of support services. This is currently costing the service over £1 million per year.</p>
	Existing trust	<p>A neighbouring trust may achieve similar savings comparable to those of a new trust (circa £72k); however this may also impact on wider NBC savings to be achieved (i.e. an existing trust may not wish to receive support staff through the TUPE transfer process). The key challenge in this respect is the existing trust's financial performance, especially with respect to health and fitness where the current team excels.</p> <p>Service revenue cost should be tested via a procurement process.</p>
	Private sector hybrid	<p>A hybrid private sector partner will achieve circa £54k per annum saving to the Council from the current cost (i.e. worst case scenario). This is based on an assumption that it will take profit from the service at 6% of turnover (which is lower range).</p> <p>This situation could be improved dependent upon the need for a contract manager, the cost of support services and the level of profit taken by the contractor. However, a key challenge will be maintaining high current income levels from the fitness operation. The private sector tends to excel where the prior fitness income is low; this is traditionally where it invests in order to achieve higher income levels. The current income achieved by the in-house team may make this contract unattractive to the private sector.</p> <p>Service revenue cost should be tested via a procurement process.</p>

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Criteria	Option	Comment
Risk assessment	In-house	The key risk associated with retaining the service in-house is the potential increase in costs (e.g. staffing, pensions, etc) and the need to implement service reductions to remain within budget.
	New trust	<p>The key risk associated with a new trust is that of failure as a result of not setting it up properly. Some key reasons for trusts failing have been ascribed to a combination of the following:</p> <ul style="list-style-type: none"> • Insufficient funds to deliver the service (i.e. the Council retained all of the VAT and NNDR savings). • Lack of ongoing investment in key facilities. • Breakdown in relationship between trust and local authority. • Lack of clear focus for the trust (i.e. leading on both strategy and operational delivery) <p>The above risks might, potentially, result in NBC taking the service back in house or seeking an alternative arrangement.</p>
	Existing trust	<p>The key risks associated with partnerships with existing trusts include:</p> <ul style="list-style-type: none"> • Poor service performance; although this is governed by the contract. • A change in the operating philosophy; new CEO or if board members change. • Lack of performance within one of the contracts puts significant pressure on a core of senior managers, with limited back-up. This could impact on other contracts • The company not achieving the targets stated in the procurement process. <p>The above risks would potentially result in the Council taking the service back in house or needing to find an alternative arrangement.</p>
	Private sector hybrid	<p>The key risks associated with a contract with a private sector partner with a hybrid arrangement include:</p> <ul style="list-style-type: none"> • Poor performance of the service although this is governed by the contract. • A change in the operating philosophy – new CEO or a merger with another company. • A change in contract manager; or as some authorities have experienced, continual change in contract managers. • The company not achieving the targets stated in the procurement process. • The Government closes the loophole associated with hybrid trust arrangements. • Risks associated with poor performance will be determined within the contract, therefore NBC has some element of protection. <p>The above risks could result in the Council having to take the service back in house or finding an alternative contractual arrangement.</p>

NORTHAMPTON BOROUGH COUNCIL OPTIONS APPRAISAL

Criteria	Option	Comment
Human resource	In-house	There would be no HR issues as staff will stay with the Council.
	New trust	Staff would transfer to the new trust under TUPE. NBC would be left to deal with residual support services staff and it is likely that redundancies, redeployment or restructuring of departments would be required. NBC and the new trust could seek to minimise this by transferring appropriately skilled support services staff to the Trust, or by the Council contracting to provide a range of support services to the Trust (the trust would need to set the SLA for this arrangement).
	Existing trust	Staff would need to transfer to an existing trust under TUPE. An existing trust will already have support services in place and is unlikely to need services or staff from the Council. NBC would have to deal with residual support services staff and redundancies, redeployment or restructuring would be necessary.
	Private sector hybrid	Staff would need to transfer to a private partner under TUPE. It normally has support services in place: NBC would need to deal with residual staff via redundancies, redeployment or restructuring.
Property & main-tenance	In-house	NBC would be liable for the cost of all repairs and maintenance.
	New trust	The split in property and maintenance responsibilities will be set out in the facilities lease. NBC and a Shadow Board will agree a budget for facilities operation in line with these responsibilities. The Shadow Board will need to undertake due diligence on the property and maintenance budget to ensure that requirements can be met. (There have been a number of instances where the trust has had insufficient funds to enable it to honour maintenance responsibilities).
	Existing trust	NBC tender documents will outline what it expects the existing trust to deliver. The Trust will then identify the anticipated cost of meeting its requirements under the lease. This is done via a tendering process.
	Private sector hybrid	Tender documents will outline what it expects the operator to deliver. The private partner will then identify the anticipated cost of meeting its requirements under the lease. This is done via the tendering process. There are instances of private contractors increasing maintenance costs as not doing so would impact negatively on service quality.
Council influence	In-house	The Council will then have complete control over the service.
	New trust	The Council can have involvement in the Board of the Trust; up to 20% of the Board make up. The Council is able to influence the trust by way of the Grant. However, the Council should be cautious in using this too often as it can compromise the relationship between the organisations. Furthermore, it is important that the trust's funding is linked into the Council's medium term financial plan.
	Existing trust	NBC will determine the relationship with an existing trust by means of the contract. It is important to ensure the contract is "tight but flexible". Governance arrangements with the existing trust will have to be resolved (i.e. part of main board or local board).
	Private sector hybrid	NBC will determine the relationship with a private partner by means of the contract. It is important to ensure the contract is "tight but flexible". Local "board/trust" arrangements will be determined by the type of hybrid structure the successful partner has established.

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Criteria	Option	Comment
Legal issues	In-house	No legal issues are anticipated with this option given that the service remains with the Council.
	New trust	Legal issues associated with establishing a new trust include: <ul style="list-style-type: none"> • The drafting of leases. • The drafting of the grant agreement. • TUPE and pensions issues associated with transferring to a new trust. • Legal advice for the Shadow Board prior to creating the company and transferring services. • NBC's approach to dealing with residual support services staff.
	Existing trust	Legal issues will be determined by the procurement process if NBC decides that it wishes to secure a new partner to deliver its services. Likely issues include: <ul style="list-style-type: none"> • The drafting of leases. • The drafting of contract documents for a procurement process. • TUPE and pensions issues associated with transferring to a new partner. • NBC's approach to dealing with residual support services staff.
	Private sector hybrid	Legal issues determined by the procurement process if NBC decides that it wants to secure a new partner to deliver its services. Likely issues include: <ul style="list-style-type: none"> • The drafting of new leases • The drafting of contract documents for a procurement process. • TUPE and redundancy issues associated with transferring to a private partner. • NBC's approach to dealing with residual support services staff.

FINANCIAL APPRAISAL

The financial appraisal of the options identifies a range of savings which can be achieved from service externalisation. These are based on four fundamental assumptions about the options:

- ✦ The NNDR savings that can be achieved by implementing the management model.
- ✦ The VAT savings that can be achieved by implementing the management model.
- ✦ The ability of the management model to increase income from the facilities.
- ✦ The ability of the management model to run the facilities more efficiently and economically.

Given the Council's drive to have a more economically efficient service we have excluded a standard private sector partnership as it does not achieve the VAT and NNDR benefits of the other management models.

The financial model is used to evaluate each of the management options against the current in-house operation. A number of assumptions are used to differentiate the various models. These are based on the known financial advantages and disadvantages of the various models; they take into account any likely improvement in trading from the current operation. In summary the key assumptions for each model are as follows:

New Trust:

- ✦ Some improvement in key income areas such as fitness, pool and hall hires and instructed activities; but nothing significant given current performance.
- ✦ VAT advantages on key income activities such as fitness, room hires, general sports use.
- ✦ National non-domestic rate relief of 85%.
- ✦ Increased insurance costs; as it will be a new company with no track record.
- ✦ VAT on expenditure.

Existing trust:

- ✦ Some improvement in key income areas similar to a new trust.
- ✦ VAT advantages on key income activities such as fitness, room hires, general sports use.
- ✦ National non-domestic rate relief of 85%.
- ✦ Increased insurance costs; but slightly less than a new trust.
- ✦ VAT on expenditure.

Hybrid private sector:

- ✦ Some improvement in key income areas similar to a new trust.
- ✦ VAT advantages on key income activities such as fitness, room hires, general sports use.
- ✦ National non-domestic rate relief of 85%.
- ✦ Increased insurance costs; similar to an existing trust. This is based on the fact that some companies have group insurance which includes a wider range of services (e.g. prisons, hospitals, MOD installations, etc).
- ✦ VAT on expenditure.

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It should be noted that the above assumptions can only be tested through a procurement process, but that they are built on experience of evaluating tenders.

The outcome of the financial appraisal is as follows:

Description	2008/9 outturn	New trust	Hybrid private	Existing trust
Total employees	2,621,268	2,621,268	2,497,828	2,621,268
Total premises	849,645	745,138	782,576	745,138
Total transport	13,922	15,731	15,731	15,731
Total supplies & services	702,667	805,319	810,437	801,551
Total support services*	1,309,132	1,339,091	1,339,091	1,339,091
Total capital charges	84,240	84,240	84,240	84,240
Total income	-2,827,125	-3,150,918	-3,169,603	-3,154,087
Total VAT payable/receivable	-52,453	-52,453	-52,453	-52,453
Total subsidy	2,701,294	2,407,416	2,307,847	2,400,478
Variance from 2008/9 actual		-293,878	-393,447	-300,816

(* It is assumed that the cost of support services charges will remain the same as it will be the responsibility of NBC to achieve such savings – rather than the management models).

As can be seen from the above summary, the hybrid private sector option appears to be the most financially efficient model when compared to the current operation; with a new and existing trust options very similar. However the above model has not taken into account the additional costs associated with the various options. The following table takes into account the extra costs that each management option is likely to incur. Again, this is based on current support structures and lessons learnt from other trusts throughout the country and from the evaluation of tenders to manage leisure services on behalf of other local authorities.

*Additional costs	New Trust	Hybrid private	Existing trust
Support services	180,000 (assumed 100% direct saving from transfer)	75,000 (assumed 0% direct saving from transfer)	90,000 (assumed 50% direct saving from transfer)
Trust CEO/Contract Manager	0	50,000	20,000
Audit	9,500	9,500	9,500
Systems (e.g. financial)	10,000	0	0
Profit	0	190,176	94,623
Office accommodation	15,000	15,000	15,000
Total	214,500	339,676	229,123
Variance from 2008/9 actual	-180,000	-53,770	-45,000
Variance from 2008/9 actual	-259,378	-53,770	-116,693

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The key assumptions on the additional costs to be applied to each management option can be identified as follows:

New Trust:

- ✦ The breakdown of support services costs for a new trust have been based on the following staff structure and salary costs (including on-costs), along with other professional support that will be required:

Designation	Total £
Finance Manager	40,950
Payroll Manager	24,570
Finance Assistant	24,570
Cashier	15,210
Sales and Purchase Ledger Clerk	15,210
Finance Admin	14,040
HR Assistant	18,720
Total staff cost	153,270
Professional support costs	
HR Adviser	15,000
Legal Adviser	12,000
Total support costs	180,270

- ✦ In addition to the above support services costs a new trust will also require office accommodation for these staff, an external audit of its accounts and funds to ensure it has the right financial and HR system/software to manage its business.

Existing trust:

- ✦ Although an existing trust would have some of its support services in place (e.g. Finance Manager) it will require additional support to deal with the volume of financial administration and additional staff. It is also likely to incur increased professional costs.
- ✦ Although the trust will have a chief executive in place there may be a need to promote one or two key staff within the existing structure to take lead roles; it should also be noted that NBC would be likely to have to pay any additional salary costs associated with the chief executive's improved package.
- ✦ In addition to the above, an existing trust will also require office accommodation for its staff and an external audit of its accounts; however, it is anticipated that it would have its own financial and HR system/software in place.
- ✦ The existing trust is unlikely to take on the contract 'for nothing'; therefore, it is assumed that it would be seeking a modest contribution to its central reserves of approximately 3% of income.

Hybrid private sector:

- ◀ It is assumed that the hybrid private sector company would have support services in place, however from experience it is likely to identify circa £75,000 support services costs as a contribution to increased central costs within the organisation.
- ◀ The organisation is unlikely to employ a new contract manager as this would be a TUPE transfer and the officer would come under the leadership of its national and regional structure.
- ◀ In addition to the above, a hybrid private sector company will also require office accommodation for its staff and an external audit of its accounts; however, it will have its own financial and HR system/software in place.
- ◀ It has been assumed that the hybrid private sector company would wish to build in a profit margin of approximately 6% of income; this would equate to £190,000. It should be noted that this is considered to be at the lower end of the spectrum.

Based on the above financial appraisal it is clear that there is very little difference between the savings to be achieved from each model, but that the establishment of a new trust is the most financially viable. In comparison to other authorities which have gone through this exercise the level of savings to be achieved at NBC are, in our view, considerably lower. This is a direct result of the level of income currently being achieved from the fitness offer at NBC's three sites. Therefore, there are comparably small improvements in income to be achieved from the service compared to other authorities, so there is greater emphasis on what savings the model achieves and what additional savings can be gained from the Council's support services.

Potential for additional savings

When assessing each of the options for potential additional savings the key area under consideration is the existing support services costs. The current support services equate to circa 20% of the service's total expenditure or 38% of its total income.

As identified previously, NBC will be the organisation which drives the savings from support services; however some management models are more appropriate than others in assisting this. As identified above, the different models require differing levels of support services given that one will be starting afresh, whereas it is presumed that others already have the majority of support services in place. Therefore, if managed correctly the creation of a new trust provides the Council with the greatest opportunity to achieve savings from its support services. As an example, if the new trust's support services can be recruited from appropriate staff within the Council's support services then circa £180,000 additional savings can be achieved. Added to the £79k saving that the trust option achieves, the potential total saving from the externalisation process would be circa £260,000.

Cultural trusts

There has been a recent trend towards the creation of cultural trusts, however this has not been considered within the scope of this report as there has been a clear indication that NBC may consider developing its cultural offer via an alternative arrangement. Northampton Theatre Trust manages the Royal and Derngate Theatre within the town and this may be a more appropriate model to consider for the management of the Borough's wider cultural offer. Furthermore, it can be difficult to find appropriately skilled

and experienced trustees who wish to engage in the management of a wide ranging cultural trust.

COMMERCIAL SECTOR APPROACH

As part of this study KKP was asked by the NBC Chief Executive to test and soft market test a much more radical approach to local authority leisure provision with the commercial health and fitness sector. The key focus of this aspect of the study was to ensure that

- ▶ Participation levels and the frequency of participation in sport and physical activity in the borough rises over the next few years.
- ▶ ...but to test whether this can be delivered through an innovative relationship with a commercial fitness provider.

Therefore, the scope of service which the Borough Council should consider providing was streamlined and focused on 'exercise' linked in to addressing the health inequalities across the Borough. As such, the concept taken to the market was that NBC would provide:

- ▶ Access to **swimming** and **fitness** (only) at a range of core facilities throughout the Borough.
- ▶ Access to a range of school sports halls and synthetic pitches to deliver its sports development service.

This in effect, is a much more formula driven approach than is currently provided and would necessitate provision of four strategically located facilities across Northampton. These would all have an identical facility mix consisting of:

- ▶ Swimming pool - 6 lane 25m pool, with a small teaching pool
- ▶ Fitness suite x 100 stations
- ▶ Group fitness studios x 2
- ▶ Ancillary facilities to service these activity areas; including café, and vending.
- ▶ Car parking for approximately 150 cars.

In order to address the requirement to increase levels and frequency of participation in sport and physical activity (especially among the most disadvantaged communities) this approach would provide high quality, accessible fitness for the whole community. However, there is an assumed requirement that the operator would focus upon the most disadvantaged communities in Northampton.

Approximately 62,000 Northampton residents reside within the top 30% most deprived communities in the country. The current service reaches 5.2% of these residents. Therefore, an innovative approach for NBC would be to ensure that the subsidy for the service is focused on usage by these residents rather than on the bricks and mortar of the service (as is the case at present). The rationale for this is that the operator would have sufficient quality facilities to attract a wide range of users, while having an incentive to attract some of the most disadvantaged residents in the Borough. However, this approach ties the subsidy for the service into one which is 'means tested' which may not be palatable to elected members, existing leisure centre members or some residents.

The approach assumes that NBC would not be required to fund the total cost of disadvantaged residents' access to facilities. There would be a requirement for the resident to commit to being a member of the facility and pay a monthly membership fee.

It is envisaged that there would be two key stages in the commercial operator's approach to providing services on behalf of the Council:

- ◀ Increase the proportion of members at the facility from the most deprived communities in Northampton.
- ◀ Increased participation frequency; raising the proportion of these members who are undertaking 3 x 30 minutes of physical activity per week.

This would require the Council to incentivise the operator for increasing membership and then to provide a supplementary incentive based on the achievement of 3 x 30 minutes. However, it should be noted that the incentive for increasing members from the most deprived communities needs to have at least the same financial reward as can be achieved from non-subsidised members. If this were not to be the case, the greater the proportion of subsidised members, the less income the operator can generate from the facilities.

Similarly, when providing additional incentives for 3 x 30 minutes, it is anticipated that there would have to be a reduction in subsidy for those that are just members, but a real incentive for their conversion into regular users.

Risks associated with this approach

There are a number of risks and challenges associated with this approach including:

- ◀ The degree of comfort within the Council at being so specific about its target market for sport and physical activity, as it requires a clear line to be drawn about who is subsidised and why:
 - ◀ Means tested provision.
 - ◀ Targeting the most deprived and the least likely to vote.
 - ◀ Potentially alienating the wider community.
- ◀ The need to develop new facilities to achieve this arrangement.
- ◀ The ability of NBC to monitor the scheme effectively as there is a real capacity for operator abuse of the arrangement.
- ◀ There need for effective, detailed, accurate management information and potential "physical activity tracking" of members.
- ◀ The clear financial risk to NBC if the commercial partner over achieves in attracting members from the most deprived communities (i.e. it could lead to an 'earned increase' in the level of subsidy).
- ◀ If the commercial partner under-achieves there is a political risk of the Council entering a contract which purely subsidises membership to a private health club.
- ◀ Existing customers and those having to pay more may vote with their feet or potentially use their political vote 'against' the Council.
- ◀ There is the potential that deprivation definitions and indicators may change which may expand the scope (and thus the cost) of any means testing regime.
- ◀ There is considerable uncertainty within the commercial sector given the number of actual and potential mergers and acquisitions taking place.

- ◀ There is the potential that the existing health and fitness market within the town may react against a single operator being given a subsidised foothold in the area.
- ◀ It is unlikely that the commercial operator would wish to take on existing NBC staff; this may result in significant redundancy costs.

The commercial sector's response

The initial response from the commercial sector to this approach can be summarised as follows:

The level of interest in taking on a contract of this type has been rather cool as a result of the following:

- ◀ The sector does not measure (and is, in all honesty, not particularly interested in) participation frequency; its key driver is membership numbers.
- ◀ There may be issues with regard to the quality of specific brands; at both a local and national level.
- ◀ The commercial sector views the mixing disadvantaged members with those that can afford to pay as an issue. As a result, adoption of this type of experimental approach would need to be heavily incentivised.
- ◀ The commercial sector will be reluctant to take on NBC's existing facilities and would ideally prefer new ones; in the right location with the right mix of facilities and services.
- ◀ There would be a need to build in funding for refurbishment and improvement every 8 to 10 years.
- ◀ There would be a need to develop a minimum guarantee figures for operating the service in order to minimise the level of risk to shareholders.

Summary

In summary it is clear that the commercial health and fitness sector is not ready to consider an innovative approach to providing physical activity for the local authority market, especially one which focuses on exercise frequency for residents often in most need of exercise. Similarly there is a real challenge for local authorities and health partners in identifying who, and why certain residents receive a subsidy for their sport and physical activity.

This requires a radical approach but regardless of NBC's commitment to it, it is only likely to attract a commercial sector partner if the contract is written in such a way that it protects the commercial partner rather than the Council. Therefore, it is almost certainly not appropriate for NBC to consider progressing with this type of approach with the commercial sector.

However, this part of the study raised some significant questions around the current service and the need for any new approach to consider frequency of use as a KPI moving forward. This also requires the Council to engage with health partners in a more focused way and for all partners to adopt take-up and/or exercise frequency as a key measurement for all partners.

A key issue for the Council in developing a more focused approach to its partnership with the health sector is the degree to which joint initiatives are managed by the right service.

As an example the current health improvement officer in the Council does not sit within the Culture and Leisure team. There would, potentially, be greater synergy and impact if the post-holder was in a position to work with and influence the service to drive wider health improvement targets.

CONCLUSION

There are a number of key conclusions that can be drawn from the evaluation of the management options appraisal for the sports facilities and sports development service at Northampton Borough Council. These include the following:

- ✦ The current in-house team is generating significant income from the health and fitness offer at the facilities and is, in our view, punching above its weight.
- ✦ The quality of the facilities impacts on the income generated from specific activity areas; this is specifically relevant in relation to swimming income at Lings Forum.
- ✦ The private sector does not have a track record in managing sports development services, which is a key component of Northampton's portfolio of services.
- ✦ Although the subsidy for the service in 2008/9 equated to £2.7 million; £1.08 million is support services recharges. This is a key area where the majority of savings can be achieved.
- ✦ The private sector market has traditionally won contracts on the basis of being able to generate increased income from health and fitness. It is clear that there will be limited or no opportunity to make such gains within Northampton. In fact the level of health and fitness income presently being achieved, may be a deterrent to the private sector bidding for a contract with the Council.
- ✦ The financial evaluation of the various options identifies that, in general, the minimum potential saving is relatively low compared to other authorities. This is on the basis that there is minimal additional income to be generated (on a sustained basis) from the service.
- ✦ The financial evaluation identifies that in general the difference between each of the options is minimal (varying from circa £50k to £80k) with the creation of a new trust the most economically advantageous option.
- ✦ The hybrid private sector and existing trust options would expect a financial return (profit and contribution to reserves) from operating the service.
- ✦ In addition, the creation of a new trust enables the Council to work with the shadow trust to transfer appropriate and key support services staff into the trust, thus enabling it to generate additional savings (up to £180k).
- ✦ None of the options brings any guaranteed access to capital (not even the private sector within the current economic climate). The most efficient method of securing capital will be prudential borrowing.
- ✦ TUPE would apply to all staff transfers.
- ✦ The Council will need to resolve its position on pensions provisions for the service moving forward and whether or not it will require the new operator to become an admitted body to the LGPS.
- ✦ Regardless of which option is progressed it is likely that the Council will require additional specialist support to achieve its preferred management model.
- ✦ It would appear that the more radical option of entering into a contract with a commercial health and fitness provider to provide sport and physical activity services to residents would be a high risk option for the Council. Furthermore, it is almost certainly not attractive to the private sector and it is unlikely that commercial operators would wish to be judged (and more importantly be remunerated on the basis of) frequency of use, as it does not currently measure (and value) this element of performance.

RECOMMENDATIONS

Given the above detail within the report, the following recommendations should be implemented by NBC:

- ◀ Create a new leisure trust to operate its facilities and sports development service on behalf of the Council. The rationale for this is that:
 - ◀ It provides the most economically advantageous option for the Council.
 - ◀ It provides greater opportunities for the Council to achieve savings from its support services.
 - ◀ It retains any surplus income from the service within the service rather than it being lost to profit or redirected into another trust contract facilities.
 - ◀ It builds on the successful operation built up by the current in-house team.
- ◀ Not to progress with either of the hybrid private sector, existing trust or commercial health and fitness options as these will not, in our view, provide the most economically advantageous or effective options for the Council.
- ◀ To ensure that key health related KPI's (e.g. 3 x 30 minutes) are built into the performance measures for the new trust and that the PCT and health practitioners are fully engaged as stakeholders in this.
- ◀ To agree the Council's approach for pension provisions for the new trust (i.e. admitted body to the LGPS or money purchase scheme).
- ◀ Identify funding (circa £100k) to buy in the appropriate specialist advice to establish the trust with the objective of transferring the service on 1st April 2011.
- ◀ To consider the extent to which the new trust will be responsible for the repair and maintenance of the facilities.
- ◀ To consider the degree to which the Council would want to be involved in the management of the new trust (i.e. up to 20% membership on the Board of trustees).
- ◀ To consider the type of trust the Council would want to create
 - ◀ Industrial and Provident Society (IPS).
 - ◀ Company Limited by Guarantee.
 - ◀ Charitable Incorporated Organisation
- ◀ To consider, in principle, the proportion of savings that will be ring-fenced in the short, medium and longer term to be invested in improving the quality of facilities and services for residents; and to ensure the service continues to generate optimum levels of income (especially from fitness).