



# Buckinghamshire County Council

## Report

## Cabinet Members for Community Services and Resources

Decision to be taken on or after 26 October 2001

Cab Member Report No. CS 21/01

**Date** 22 October 2001

**Title** Market Test of the Green Park Centre, Aston Clinton

**Authors** Strategic Managers for Community Services and Resources

**Contact Officers** John Whitter and Jeff Gaskell

**Electoral Divisions Affected** Aston Clinton

### Summary

To seek Members' views on the issues arising from the Market Test of the Green Park Centre.

### Recommendation

- 1. To concentrate on the development of the Green Park Centre, building initially on the options contained in the Management Committees draft strategic plan. Developing external partnerships as appropriate within separate areas of the Centres activity,**
- 2. To end the overall Market Test exercise as no proposal meets the overall specification for provision at Green Park,**
- 3. That Green Park covers its own running costs within 12 months of the publication of this report from income generated by its activities.**

### Local Member's Views:

The local member has been consulted and knows that Green Park will do its utmost to achieve the targets that are set.

## **Executive Summary**

1. The Mission Statement agreed by the Management Committee at Green Park on 21 July 1999 stated 'Green Park exists as a centre of excellence for training, learning and skills development for Young People and the Community'.
2. A considerable proportion of usage of the site and an even greater proportion of revenue comes from the use of its facilities, primarily by other Council Departments, as a venue for meetings, conferences and training courses, (see Appendix A).
3. The draft Strategic Business Plan for Green Park, presented by Youth & Community to the Management Committee in October 1999 identified a number of possible development options which if implemented could address some of the financial and operational issues. This will need to be updated.
4. Under the present management arrangements Youth and Community have stressed that only by restricting the general public's unescorted access to the site and its facilities can the Council's duty of care for the safety of the young people using the site be properly discharged. The strict application of this duty of care policy could be seen as a significant operational constraint to new business development in the future. The developments in the business plan sought to make the Centre financially self-sufficient and continue to be used as a base for young people. One way to resolve this could be by improved site supervision rather than fundamental change of use.
5. In common with other similar facilities the Centre operates below its maximum capacity. In this situation, the requirements of both groups of users can be balanced to mutual benefit. However a substantial increase in site utilisation by either group as envisaged under the proposals considered during the Market Test might change this.
6. Unless major redevelopment of the site is considered, the indications from the Market Test participants canvassed to date are that the present facilities are insufficient to accommodate the requirements and aspirations of the youth activity or conference provider organisations together.
7. Relevant background information in respect of the present patterns of activity and usage together with a synopsis of the Market Test process is provided below.

## **Background Information**

8. A usage analysis extracted from Green Park's site bookings database is contained in Appendix A. It shows the demand from schools and youth groups. About a dozen Bucks' schools regularly book residential courses and a similar number attend day courses at the Centre. In income terms their usage accounts for less than 10% of the total, demonstrating how work with young people is subsidised by the use of the training and meetings facilities.

Links with organised youth and voluntary groups generate additional patronage contributing around 17% of the Centre's income.

9. The financial benefits derived from partnering arrangements such as the Climbing Wall with the Scout Association and the coaching initiative with Buckinghamshire RFU have yet to be fully realised and these facilities remain significantly under-utilised.
10. Demand for the residential accommodation is less than 30% of the maximum capacity with just over 6000 users per year. The accommodation which is designed as single rooms with shared facilities needs to be reviewed in order to provide the appropriate accommodation for the client group; dormitory, single school child accommodation or, least likely, conference accommodation. An alternative to consider would be to convert part of the space to additional teaching space, which for significant periods of time is fully booked causing the Centre to turn away daytime business.
11. The Centre's largest source of income, around 44% of total revenue is generated from bookings for conferences, seminars and training courses accounting annually for approximately 23,000 visitors. This level of usage represents less than 50% of Green Park's maximum capacity. The inadequate standard of the residential accommodation also limits the appeal of the Centre as a venue for residential adult training courses and conferences.

### **The Market Test Criteria**

12. The Market Test was conducted with the widest possible remit. Contractors that would be willing to meet all or part of the specification for provision were asked to put forward their ideas. This could have involved providing investment to the Centre to enhance service provision and managing the investment, or managing the existing facility and growing the business through specific expertise.
13. Outsourcing is the process of identifying the most suitable expert third party service provider to undertake the management, administration and provision of the service in question. The key point is that it is primarily the responsibility for service provision that is being outsourced. Under such an arrangement all or parts of Green Park could be transferred on appropriate leaseback terms in return for either a capital consideration or an agreed programme of capital investment to improve the facilities. The Council's ongoing use would be bound by a separate management agreement and this could be in competition with the acquiring organisation's own operational requirements/customer base or on the basis of exclusive use of the facilities for set periods.
14. It is essential to establish at the outset what benefits are to be derived from engaging an external partner as opposed to developing the service in-house. The Market Test, which has continued for some time, has in effect produced a planning moratorium on the Centre's development plans.

## **Evaluation of Proposals against Market Test Criteria**

15. The objective for this initial phase of the Market Test was to elicit outline proposals from a diverse range of organisations on the basis of two general parameters:
  - (i) To develop the ability of Green Park to generate more income, thereby reducing the net cost of the Centre to the Youth and Community budget.
  - (ii) To identify opportunities to attract capital investment required for improving and developing the facilities at Green Park.
16. Advertisements seeking expressions of interest were placed in the Official Journal of the Economic Community (OJEC), Contrax Weekly and the Times Educational Supplement, augmented by direct mailshots to over sixty organisations.
17. The interest shown reflected the current usage, attracting expressions of interest from outdoor youth activity providers, conference & training specialists as well as organisations interested in the general operational/facilities management aspects of the site.

## **Youth Outdoor Activity Provision**

18. Despite canvassing over 40 Youth Outdoor Activity providers, initial interest was limited to two suitably qualified commercially orientated Activity Holiday providers; PGL Travel & NST Group.
19. It became apparent that rather than an outsourcing arrangement to deliver outdoor youth activities on behalf of the Council, their interest in Green Park was as a potential venue for their existing product offerings and operations.
20. Significant investment would be forthcoming to improve the quality of the residential facilities and expand the capacity from the present 62 beds to over 250. At this level of activity their demands on the Centre's facilities coupled with their duty of care obligations would effectively dictate almost total site exclusivity for most of the year.
21. In accommodating such an arrangement, the existing usage and customer base for adult orientated activities would be seriously compromised. Given the fairly narrow scope of the providers' packages it is questionable whether such proposals represent the best interests of the Council or the youth and community organisations presently served by the Centre.

## **Training & Conference Provision**

22. Interest in managing and developing parts of Green Park as a conference venue came from Reed Learning who were interested in the Centre as a potential venue for extending their own training facilities.

Discussions were also held with Initial Style who develop and operate a number of flagship commercial corporate training facilities on behalf of host organisations.

23. In essence both the Outdoor Youth Activity and the Training and Conference provision options would be privatisation contracts. In return for the substantial levels of capital investment required to bring the present conference and residential facilities up to an acceptable commercial standard the organisations would require appropriately termed leases and management contracts and unrestricted operational control of the conference facilities.
24. If the Council were to accept these proposals it would compromise the use of the Centre as a Youth facility and a centre for activity by voluntary organisations. It would also limit the Council's own in-house training and meetings facility which is the main income generating activity supporting the Centre's operation as a whole.

### **Business Development Opportunities**

25. During the conduct of the Market Test an unsolicited approach was made by representatives of Aylesbury United Football Club. Having held preliminary discussions with the representatives of the Club, there are elements within their proposal, which are in keeping with aspirations of the Business Plan. The Club was anxious to seek the Council's initial views on the acceptability of their proposals.
26. Accordingly, after consultation with the Cabinet Member for Community Services in May the Club were advised that their proposal to relocate the main playing facilities to Green Park was not likely to be acceptable to the Council. However it was felt that the sports development proposals warranted closer investigation and could be considered.
27. In addition to this approach discussions have also taken place with the voluntary sector organisations located at the Centre. They require additional accommodation and are developing a scheme that would not only provide the possibility of addition revenue through rents to the Centre, but also the enhanced use of the Centre by those organisations and increased visitor income.
28. The Market Test has not produced an organisation that can meet the current specification for provision at Green Park. In particular no organisation was able or willing to meet the part of the specification that the County Council would wish to have access to Green Park for it's own activities, and particularly for activities for young people.
29. During the time that the Test has been conducted, individual organisations have approached the Council in respect of specific activities and the possibility of working in partnership with the Council.

The recommendations reflect the opportunity to extend and enhance the work with a number of different external partners something, which has been a feature of the past management of the Centre.

30. The following table shows the movement towards making the Green Park Centre self financing over the past few years. A Manager has just been appointed with the key task of reducing the subsidy to Green Park from the Youth and Community budget to zero. Key to this will be an overhaul of the pricing structure at Green Park, as well as exploring opportunities for new business and beneficial partnership arrangements.

Year	1997/98	1998/9	1999/00	2000/01	2001/02
<b>Budget (net)</b>	255975	176858	222200	78203	75433
<b>Outturn</b>	263772	123302	94834	84784	60000 est.

### Background Papers

The draft Strategic Business Plan for Green Park prepared by the Youth & Community Service.

#### Decision Taken:

Signed: \_\_\_\_\_ (Cabinet Member for Community Services)

Signed: \_\_\_\_\_ (Cabinet Member for Resources)

Date: \_\_\_\_\_

#### Decision Not Taken:

Signed: \_\_\_\_\_ (Cabinet Member for Community Services)

Signed: \_\_\_\_\_ (Cabinet Member for Resources)

Date: \_\_\_\_\_

Reason: \_\_\_\_\_

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**Your questions and views**

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper which you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Head of Cabinet Support by **5.00 p.m. on Thursday, 25 October 2001**. This can be done by telephone (to 01296 382966), Fax (to 01296 383441), or e-mail to [cabinet@buckscc.gov.uk](mailto:cabinet@buckscc.gov.uk)*