

## Report to Cllr John Chilver (Resources Cabinet Member)

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**Decision to be taken on or after 27 July 2017**

**Decision can normally be implemented at least 3 working days after decision has been signed.**

**Cabinet Member Report No. R04.17**

**Title:** Bucks Sports and Social Club

**Date:** 19 July 2017

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**Local members affected:** Cllr Brian Roberts

*For press enquiries concerning this report, please contact the media office on 01296 382444*

[Guidance can be found on the intranet at the following link:  
<https://intranet.buckscc.gov.uk/how-do-i/member-services/decision-making/>]

### Summary

The Bucks Sports and Social Club has the following issues:

- Substantial budget pressure.
- Insufficient income generation.
- High level of management overheads.

We have identified and assessed the options available to us and shortlisted four of them:

- 1) Retain as is.
- 2) Close the whole building and external facilities from 31<sup>st</sup> October 2017. Existing bookings up until 31<sup>st</sup> October 2017 will be honoured.

- 3) Consider the creation of an alternative delivery vehicle, for example transfer the Club to a Community Interest organisation to run.
- 4) Close the bar section of the Bucks Sports and Social Club, and retain sports and social facilities on site.

### **Objectives:**

- To remove the significant cost pressures that have arisen in the running costs of the premises.
- Limit reputational damage to the County Council in the operation of the site.
- Reduce additional pressures caused by allocating management time in operational input to the Bucks Sports and Social Club.
- Ensure that the way is cleared for future possible development of the site.

### **Recommendation**

**Option 2 - Close the whole Bucks Sports and Social Club building and external facilities with effect from 31<sup>st</sup> October 2017.**

Existing bookings up until 31st October 2017 will be honoured.

### **A. Narrative setting out the reasons for the decision.**

The Bucks Sports and Social Club is currently operated by the BCC Property Facilities Management team. The Bucks Sports and Social Club provides various activities for the local community including a licenced bar, football, badminton, tennis, archery, dance, yoga, crèche and motorcycle training. These services are not core business for the County Council.

In recent years, the Club's income has decreased due to the following factors:

- The car park spaces which were being let to the NHS Stoke Mandeville hospital have not been required by the NHS due to the erection of a new multi storey car park.
- The Property team had to close the Pavilion building which housed changing room and toilet facilities due to identified health and safety risks such as:
  - Asbestos in the roof which is in poor condition,
  - A requirement for electrical re-wiring,
  - Non-compliance with current standards for the prevention of legionella,
  - Degradation of the shower and toilet facility.

This was due to minimal maintenance of the building being undertaken over a significant amount of time prior to 2014, and the age of the building. Closing the Pavilion has meant that changing facilities are not available to adult league football and so games are played on other pitches elsewhere.

The financial position of the Bucks Sports and Social Club is that it has a separate bank account, but is financially supported by BCC Property Operations budget for statutory maintenance, VAT bills, and utilities which the separate bank account has been unable to cover for a substantial period of time.

In the last financial year, Buckinghamshire County Council expended circa £54,000 in supporting the Bucks Sports and Social Club. This is in addition to any funds within the separate bank account. This level of overspend is unsustainable. In addition, the level of expenditure on the site no longer represents value for money given its very low usage

As of June 2017 there are 56 members. There is virtually no BCC staff involvement in “BCC” teams such as football.

The clubhouse acts as a space for private functions with the income due paid to the Club.

The site is registered by AVDC as a site of Community Interest. The Localism Act 2011 introduced a new power for local communities to protect buildings and open spaces they value. This right means communities can ask their local council to list certain assets as being of value to the community. If an asset is listed and then comes up for sale, communities that want it are given 6 months to put together a bid to buy it.

A building or land can be listed as an asset of community value if:

- current primary use of the building/land or use of the building/land in the recent past furthers the social well-being or social interests (cultural, recreational, or sporting interests) of the local community.
- it is realistic to think that now or in the next five years there could continue to be primary use of the building/land which will further the social well-being or social interests of the local community (whether or not in the same way as before)

Owners of listed assets cannot dispose of them without:

- letting the local authority know that they intend to sell the asset or grant a lease of more than 25 years
- waiting until the end of a six week ‘interim moratorium’ period if the local authority does not receive a request from a community interest group to be treated as a potential bidder
- waiting until the end of a six month ‘full moratorium’ period if the local authority does receive a request from a community interest group to be treated as a potential bidder

The Site has been identified in LASR for development as an ASC facility and/or residential which, depending on options chosen, yields a land value of between £2.7m and £7.5m

The provision of community leisure facilities is not a BCC duty or policy, this falls within the District remit.

## **B. Other options available, and their pros and cons**

### **Option 1 - Retain as is.**

As of June 2017 there are 56 members of the Club. There is virtually no BCC staff involvement in “BCC” teams such as football. The venue presently supports junior football, badminton, table tennis, judo and other activities such as motorcycle training, dog training, and pigeon racing. Senior external sports are not feasible; the changing facilities have been closed because of their poor condition and levels of asbestos. The buildings would require a considerable amount of investment to bring them up to required standards.

The clubhouse acts as a space for private functions with the income due paid to the Club.

#### **Pros:**

- Community provision of social and sports facilities.
- No change to staffing.
- Location available for functions and events.
- Memberships of the Club would still be available.

**Cons:**

- The current budget pressure would continue.
- Investment would be required to fund changing room facilities.
- Site would continue to degrade due to lack of adequate funding for maintenance.

**Option 3 - Consider the creation of an alternative delivery vehicle, for example transfer the Club to a Community Interest organisation to run.**

This opportunity has previously been explored, a group were provided the opportunity to do this but this was not successful. It has not been possible to turn round the club's financial position and there have been a number of complaints about the way in which the Club has been operating which present a significant reputational risk to the County Council.

The County Council has held various meetings and invested a significant amount of time in trying to support the process. During meetings in August 2016 with Cllrs and some club members it was made clear that the present position was not sustainable and it was intended to remove any financial subsidy in April 2017.

The County Council had also undertaken a review of all its property assets and had identified the BSSC site as potentially being suitable for extra care housing or other development that would address local community needs. Cllrs present at the meeting in August indicated that they wished the club to remain active, while supporting the development options. An agreement was reached as follows:

- BCC would Lease the Club back to a new committee/legal entity to be in place from April 2017, with a key role for County Council members in its formation and operation.
- The Club would receive no budget subsidy from the County Council.
- The Lease would be FRI (Fully Repairing and Insuring).
- The Club would seek external funding for developing senior changing facilities.

Since this agreement was reached in September 2016, BCC have followed through on their obligations i.e. a lease was drafted for approval. **However** the transitional group made up of Council Members and Club Members struggled to reach agreement on the future structure of the club, it became clear that "the Club" was not going to provide a valid group for BCC to hand on to. No legal entity exists for the County Council to lease to.

**Pros:**

- The current budget pressure would be alleviated.
- Buckinghamshire County Council would not be responsible for the site in terms of resource and funding.

**Cons:**

- A significant amount of County Council time would need to be engaged in supporting the process to develop a legal entity to transfer the property to
- Current staff would need to undergo a TUPE consultation, which would take 35 days.
- Risk that issues of malpractice may be damaging to County Council reputation.
- The site would not be released for development

**Option 4 - Close the bar section of the Bucks Sports and Social Club, and retain sports and social facilities on site.**

**Pros:**

- Part of the current budget pressure would be alleviated.
- Community would be provided with social facilities.
- Sports would continue on the site.

**Cons:**

- 3 staff would need to undergo a redundancy consultation, which would take 35 days plus notice periods, cost £3,580.80.
- The location would not be available for functions and events.
- Memberships of the Club would cease.
- Investment would still be required to fund changing room facilities.

**C. Resource implications**

The recommendation (**option 2**) can be “contained within existing resources”.

The revenue saving is **£65,500**

3 bar staff would need to undergo a redundancy consultation, which would take 35 days plus notice periods, cost £3,580.80.

**D. Value for Money (VfM) Self-Assessment**

High level costs for each option are as below:

	<b>Option 1 (As Is)</b>	<b>Option 2 (Close whole building and external facilities)</b>	<b>Option 3 (Consider the creation of an alternative delivery vehicle)</b>	<b>Option 4 (Close the bar section of the Club, retain sports and social facilities)</b>
<b>Costs £</b>	<b>65,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32,400.00</b>

*Option 1 & 4 are 'losses'*

**E. Legal implications**

HB Public Law have been consulted.

**F. Property implications**

The Property team had to close the Pavilion building which housed changing room and toilet facilities due to identified health and safety risks such as:

- Asbestos in the roof which is in poor condition,
- A requirement for electrical re-wiring,
- Non-compliance with current standards for the prevention of legionella,
- Degradation of the shower and toilet facility.

This was due to minimal maintenance of the building being undertaken over a significant amount of time prior to 2014, and the age of the building.

## **G. Other implications/issues**

If the Recommendation is approved, the result will be that the location would not be available for functions and events and Memberships of the Club would cease.

## **H. Local Member views**

The feedback we have received from the local member is to consider option 3.

## **I. Communication issues**

3 staff would need to undergo a redundancy consultation, which would take 35 days plus notice periods, cost **£3,580.80**.

Property Facilities Management have communications prepared for the BCC staff working at the Club, the user groups and the Club Members. These will be sent using the relevant forums appropriate to each individual group, in conjunction with BCC Communications Team.

## **J. Progress Monitoring**

This proposal is included in the Resources service/business plan so that progress can be tracked.

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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 that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on 26 July 2017. This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*