

# Buckinghamshire Sports and Social Club

## **Planning Note – Closure of former BCC Sports and Social Club.**

This note considers the process and consideration that Buckinghamshire County Council undertook when the decision to close the former Sports and Social Club was taken in 2017. It then considers that process against VALP policy requirements for proposals involving the redevelopment sports and infrastructure buildings.

### **A. DESCRIPTION OF CLUB**

The former Sports and Social club comprised:

- A northern field for various uses including football and cricket
- A southern field for various uses including as a football pitch
- A pavilion (now demolished) that contained changing rooms, toilets and a small cricket club room. The pavilion was closed in 2014 (see below) so from that date on there were no changing facilities.
- A clubhouse containing the bar, function room and committee room.
- Tennis courts
- Car park

### **B. ORIGINAL CABINET DECISION**

The decision to close the club was taken by the Cabinet Member for Resources on 28 Jul 2017 (reference R04.17). This is recorded in the 'Cabinet Member Decisions' section of the Buckinghamshire County Council Cabinet meeting on 25th September 2017. The report records that *"The Cabinet Member: AGREED Option 2 – Close the whole Bucks Sports and Social Club building and external facilities with effect from 31 October 2017. Existing bookings up until 31 October 2017 will be honoured. The Cabinet Member took into account the representations that had been received."*

### **C. FIRST CALL IN (12<sup>th</sup> SEPTEMBER 2017)**

A call-in request was subsequently submitted and considered at a meeting of the Finance, Performance and Resources Select Committee 12th September 2017.

The report to that Select Committee sets out the reasoning behind the decision to close the club and the considerations made by officers and Members. It is clear from the report that the decision was not taken lightly and the former County Council made significant efforts to keep the club open. The report in full is attached as Appendix A but in summary:

1. The Council had been unable to invest in the maintenance of the site facilities (which were not used for the provision of any core Council service). In August 2014, the Pavilion building which housed changing room and toilet facilities was closed due to identified health and safety risks including:
  - Asbestos in the roof
  - The roof being in poor and unsafe condition
  - A requirement for electrical re-wiring
  - Non-compliance with current standards for the prevention of legionella,
  - Degradation of the shower and toilet facilities
2. In 2016/17, the Council spent £54,000 in supporting the Bucks Sports and Social Club (net of the income raised). Based on current income and costs, this was projected at £65,500 for 2017/18. This level of subsidy was considered unsustainable in the then financial climate. Given

the very low usage by BCC staff and lack of use of the site for any required public service, the expenditure was not considered represent value for money.

3. In September 2017, many of the facilities at the club were recorded as “no longer fit for purpose and, in some cases, are unsafe.” The Pavilion building, which housed changing facilities and toilets, has already been closed due to health and safety risks and its generally unacceptable state of disrepair. This closure removed the provision of changing facilities for the football team, one of the main groups using the site. The tennis courts had (in September 2017) “not been used for several years and are not considered fit for purpose.” The car park required a barrier to prevent fly tipping and unauthorised use of the site. In addition to the health and safety risks posed by the condition of the site, the lack of available investment for modernisation meant that the prospect of making the club commercially viable through additional private functions and increased bar usage was not realistic.
4. Until 2014, the club had been managed by an independent committee. An audit investigation showed irregularities in the club accounts and its financial processes, including cash handling and book keeping.
5. Following meetings in August 2016 with County Councillors, some club members and representatives from the football group, an agreement was reached that:
  - The Council would cease all financial subsidy of the club from April 2017
  - The Council would lease the club and site to a new legal entity to be in place from April 2017, governed by a clearly incorporated committee with a key role for County Councillors in its formation and operation
  - The lease would be FRI (Fully Repairing and Insuring)
  - Under the leadership of the new committee, the club would seek external funding for developing the changing facilities

The transitional group made up of County Councillors and club members did not reach agreement on the future governance structure of the club; no legal entity or appropriate body was formed to which the Council can legally or responsibly hand over management of the club and site.

The Council has held numerous meetings and invested a significant amount of time in supporting this process, which extended beyond the original transition date of April 2017.

6. The Council considered (in 2017) that there were suitable alternative sports facilities in close proximity to the site. The report records that *“while it is understandable that members of the club (and the Council) will regret its closure, the fact that there are suitable alternative facilities in the vicinity should mitigate the impact on the local community. Indeed, these facilities are more modern, more fit for purpose and better placed to meet the needs of the various sports groups that currently use the Sports and Social Club.”*
7. The report records that *“It has not been an easy decision to close the Sports and Social Club but a significant amount of time has been spent by officers and Members in exploring all possible options. It is only after carefully evaluating these options and exhausting the credible alternatives that officers met with the Cabinet Member for Finance and Resources and local Members to discuss the recommendation to close the club. This meeting took place on 17th July 2017.”*

The Finance, Performance and Resources Select Committee unanimously agreed that the decision should be referred back to the Cabinet Member for reconsideration and advocated that Option 3 in the original report should be revisited, as there had been a lack of consultation with service users and local Members and the Club Committee had now organised itself more effectively and could be in a position to take over the management of the Club and make it profitable.

The Finance, Performance and Resources Select Committee proposed that the Cabinet Member should take a period of three months to have further discussions with local Members and the Club

Committee and then report back to the Select Committee on his decision. The Cabinet Member agreed to this proposal.

#### **D. FOLLOW UP CALL IN (19th December 2017)**

The report to the Finance, Performance and Resources Select Committee dated 19<sup>th</sup> December 2017 sets out the further work undertaken following the 12<sup>th</sup> September call in meeting. The report in full is attached as Appendix B but in summary:

Cllr Chilver responded to the Call In decision by writing a letter to all key stakeholders and interested parties. The letter stated *"I am consulting all interested parties and stakeholders with a view to understanding if there is any meaningful prospect of the club being able to sustain itself independently going forward. However, if there is no such plan then regrettably I will have to confirm my decision to close the club. I am available to discuss this matter with any individuals or groups who would find that helpful and officers will also be made available to ensure that there is full understanding of what is being consulted on and what the options are"*.

Over this period of time various meetings, telephone conversations and emails took place with the Cabinet Member for Resources. In the end, two organisations submitted proposals for the future of the club.

An independent evaluation panel consisting of Legal, Finance and Procurement professionals was established. The panel reviewed the two proposals. The advice of the independent panel of experts was that neither of the two plans put forward represented an acceptable level of risk to the County Council.

The minutes of the meeting (also attached at Appendix B) provide further detail on why the bids were properly considered by the Council but unfortunately not considered to be acceptable. In summary:

- The Interim Director of OD & HR explained that she had met with the Bucks Sports and Social Club Members group, along with the Cabinet Member and on one occasion with the Commercial Director, to explain the required format for their submission and to answer any questions. She and the Cabinet Member met with the group approximately six times.
- Both bids had areas where further information could have been helpful and one bid did not include Profit and Loss details.
- However the view of the evaluation panel was that the community bid was over-optimistic about potential income levels, whilst also being unrealistic about costs. The Profit and Loss projected a very slim profit margin for the Club which meant that it would be difficult to build up any reserves for the future.
- The Director of Finance and Assets confirmed that he agreed with the financial assessment of the submissions. Assumptions around income and membership levels were optimistic and although the submission outlined various grants and donations that the Club hoped to secure, there was little evidence to support this. A very small surplus was forecast for the first two years but with no reserves the sustainability of the club was questionable.
- A Member expressed concerns that the community bidders may not have received sufficient advice for preparing their bids and the evaluation panel had not been adequately briefed. The Director of OD and HR reiterated that one of the bids had been well-supported with a number of meetings with the Cabinet Member and officers. The Council had not been aware that a second bid was being prepared, but when that submission was received the deadline was extended to allow it to be reformatted to meet the requirements, but the bidder asked for the submission to be evaluated as it stood.

Stoke Mandeville Parish Council was also been contacted separately to ensure they had received the consultation letter and whether they required a specific meeting with the Cabinet Member for Resources to discuss their concerns however there was no request for further information.

The Cabinet Member advised that as the evaluation report concluded that both bids represented an unacceptably high risk to the Council, the original decision to close the Bucks Sports and Social Club would still stand.

## **E. SUMMARY OF KEY POINTS**

In summary:

- In 2017 the club and buildings were in poor condition and were recorded as “no longer fit for purpose and, in some cases, are unsafe.”
- In 2016/17 the Council spent £54,000 in supporting the Bucks Sports and Social Club.
- Between August 2016 and July 2017 a transitional group (made up of County Councillors and club members) was formed to find a way forward for the club but no legal entity or appropriate body was formed to which the Council could legally or responsibly hand over management of the club and site.
- Following the September 2017 call in, a further period was allowed for organisations to come forward to run the club. Two proposals were received but neither was considered to be acceptable.

It is clear that much Buckinghamshire County Council officer and Member time was afforded towards retaining the sports and social club in 2016/2017. Organisations were given a clear time frame (August 2016-April 2017, extended until July 2017) to put forward proposals to run the club. A further period was allowed between September-November 2017. Two bids were received but neither was considered acceptable.

## **F. ASSESSMENT AGAINST VALP POLICY**

### **POLICY I2 SPORT AND RECREATION**

This is set out in full in our Planning Statement. For the reasons set out above, the site cannot be considered an “existing sports and recreation facilities” (as it closed in 2018). Therefore Policy I2 does not apply. Nevertheless, we set out in our Planning Statement that:

(a) the southern field of the application site will be made available for informal sport and leisure use, potentially through a partnership with Booker Park School.

(b) Development in the northern field is centred around a large open space which will provide general amenity space and a children’s play area. This will link with the northeast and southwest corners of the site to provide a diagonal route through the site, which will significantly enhance the Open Space network as a whole and contribute to the Green Infrastructure Strategy.

(c) The development will make a contribution to the Council’s proposals to bring the (currently mothballed) Walton Court sports area back into use. This will ensure that a currently disused sports facility is once again available for sport and recreation.

Accordingly, it is considered that the planning application proposal would comply with parts G and H of VALP Policy I2.

POLICY I2 COMMUNITY FACILITIES, INFRASTRUCTURE AND ASSETS OF COMMUNITY VALUE

Policy I3 states that in considering applications for alternative development or uses, the council will consider the viability of the existing use, that the site/use has been marketed for a minimum period of 12 months at a price commensurate with its use together with proof there has been no viable interest, marketing of the building or facility at a price commensurate with its use, the presence of alternative local facilities and the community benefits of the proposed use.

Our assessment of these points is set out below, with reference to the above:

The viability of the existing use	The existing (2016) use was demonstrable unviable as set out above.
That the site/use has been marketed for a minimum period of 12 months at a price commensurate with its use together with proof there has been no viable interest	The proposal was offered to local community groups between August 2016-July 2017, seemingly extended until July 2017). A further period was allowed between September-November 2017. It is clear from the above that Buckinghamshire County Council went to significant lengths to solicit a community use for the club and this is set out as a matter of public record in the various meeting reports and minutes.
The presence of alternative local facilities	When the club was closed, the County Council recorded there were <i>“suitable alternative facilities in the vicinity should mitigate the impact on the local community. Indeed, these facilities are more modern, more fit for purpose and better placed to meet the needs of the various sports groups that currently use the Sports and Social Club.”</i>
The community benefits of the proposed use	The community benefits of the proposed use include: <ul style="list-style-type: none"> <li>- Use of the southern field for sports and leisure</li> <li>- A financial contribution towards sports facilities at Walton Court</li> <li>- The provision of affordable housing in excess of local plan requirements.</li> </ul>

Accordingly, it is considered that the proposal complies with Policy I3 of the VALP.

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**Appendix 1**  
**Response to the call in September 2017**

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Buckinghamshire County Council  
Finance, Performance and Resources  
Select Committee

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## Report

<b>Title:</b>	Bucks Sports and Social Club
<b>Committee date:</b>	12 <sup>th</sup> September 2017
<b>Author:</b>	Lloyd Jeffries – Director of Operations
<b>Contact officer:</b>	Gill Smith – Facilities Management Head of Service <a href="mailto:gismith@buckscc.gov.uk">gismith@buckscc.gov.uk</a>  01296 383931
<b>Cabinet Member sign-off:</b>	Cllr John Chilver

### Executive Summary

This paper provides context and rationale for the agreed closure of the Bucks Sports and Social Club. The current arrangements for the club are considered unsustainable for reasons of:

- Financial and commercial viability
- Condition and suitability of facilities
- Health and safety

After considering a range of options and investing significant time and effort in pursuing an alternative arrangement which would transfer management of the club and its facilities to a community organisation, the Council has taken the difficult decision to close the club and site from 31<sup>st</sup> October 2017.

This paper outlines the factors that have led to this decision, the alternatives considered and why they were ruled out, assesses the impact of the closure on the local community and proposes suitable alternative provision.





## **Background and Context**

### **Background to the Sports and Social Club**

Buckinghamshire County Council originally purchased part of the Sports and Social Club land in 1936, purely as a sports field, with a pavilion, for BCC staff. In 1974, the Council purchased an adjacent piece of land and in 1975 constructed the club building with lounge bar and sports hall. In 1985 the club building was extended to provide a games room. Throughout the 1970s and 1980s, BCC employees were automatically members of the club; this has now changed and BCC employees have the option to opt in to club membership, with their monthly fees deducted from payroll. The club currently has 56 members of a council workforce of 3,000 (13,000, including schools).

Over time the facilities have been increasingly used by local community groups, although this was not the original purpose of the site and there is no obligation to provide them. The usage of the site by these groups amounts to around 28.5 hours per week. Excluding private functions, this means that the club is unused 73% of its normal opening time.

The Council has been unable to invest in the maintenance of the site facilities, which are not used for the provision of any core Council service. In August 2014, the Pavilion building which housed changing room and toilet facilities was closed due to identified health and safety risks including:

- Asbestos in the roof
- The roof being in poor and unsafe condition
- A requirement for electrical re-wiring
- Non-compliance with current standards for the prevention of legionella,
- Degradation of the shower and toilet facilities

In 2016/17, the Council spent £54,000 in supporting the Bucks Sports and Social Club (net of the income raised). Based on current income and costs, this has been projected at £65,500 for 2017/18. This level of subsidy is unsustainable in the current financial climate and, given the very low usage by BCC staff and lack of use of the site for any required public service, does not represent value for money. In autumn 2016, the Council therefore communicated clearly to club users that it would cease to subsidise the club from April 2017.

### **The Council's Financial Position**

The Council has made in excess of £100m of savings over the last 7 years. Members and Chief Officers have had to take increasingly difficult decisions to meet this target and the Council must now focus on its core business if it is to meet its statutory obligations and the priorities of the Strategic Plan while operating within its significantly reduced budget.

## **Reasons for Change**

The current operating arrangements for the club are no longer considered viable for the following reasons:

1. **Financial sustainability** – the current business model for the club is financially unsustainable and it requires subsidy from the Council to maintain its basic operations. This subsidy was £54,000 in 2016/17 and is projected to be £65,500 in 2017/18. This position is after cutting costs and before making the investment needed to repair or replace the deteriorating facilities. The cost of this is estimated in the range of £109,000 to £170,000.
2. **Suitability of facilities** – many of the facilities at the club are no longer fit for purpose and, in some cases, are unsafe. The Pavilion building, which housed changing facilities and toilets, has already been closed due to health and safety risks and its generally unacceptable state of disrepair. This closure has removed the provision of changing facilities for the football team, one of the main groups using the site. The tennis courts have not been used for several years and are not fit for purpose. The car park requires a barrier to prevent fly tipping and unauthorised use of the site. The bar and kitchen areas require significant modernisation and the sports hall requires re-lamping. In addition to the health and safety risks posed by the condition of the site, the lack of available investment for modernisation means that the prospect of making the club commercially viable through additional private functions and increased bar usage is not realistic.
3. **Historic malpractice** – Until 2014 the club had been managed by an independent committee. An audit investigation showed irregularities in the club accounts and its financial processes, including cash handling and book keeping. At this time, management of the club transferred to the Council's Facilities Management team to ensure its compliance and protect both the club and Council from reputational risk. This is an additional activity that the Facilities Management team now performs with no budget and creates a distraction from its core role of ensuring that sites from which vital Council services are delivered (such as the care of vulnerable people) are fit for purpose and well maintained.
4. **Public responsibility** – while the Council will do everything reasonably possible to support resilient and cohesive communities, it has duties to manage public money responsibly, to ensure that services it provides are affordable and fit for purpose and to protect the public from risk of harm when using facilities it provides. The club as it is now does not meet the requirements of these tests and the council has a duty to consider alternatives.

## **Options Appraisal**

The available options for the future of the Sports and Social Club are:



1. Retain as is
2. Close the bar section of the club and retain the sports facilities
3. Consider the creation of an alternative delivery vehicle
4. Close the whole club and all of its facilities

These options were carefully considered with the intention to find the most suitable overall outcome for all stakeholders. Genuine and concerted efforts have been made to pursue options alternative to the closure of the club and, having fully explored and exhausted these, appraisal of the options was as follows:

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

#### *Option rejected*

Under this option, the club and all of its facilities would remain open and would continue to be managed under the existing arrangements. This option is not considered feasible for the following reasons:

- **Lack of commercial viability** - there are too few paying members of the club and too little income from private bookings to render it commercially viable. Fees from the club's current 56 members generate £2,000 p.a., which covers just over 1% of the operating costs of the site. To break-even, the club would need either to:
  - Increase its membership to 1800 people;
  - Raise membership fees by 3000% to £1,169 per member;
  - Generate in excess of an additional £65,000<sup>1</sup> in private bookings. This equates to an additional 6 bookings per week or an increase in price above the current £200 per booking which, given the location and condition of the facilities, would price the club out of the market;
  - Or achieve a combination of the above.
- **Lack of available investment** – the club facilities are not fit for purpose; the sports changing facilities have recently been closed due to their poor condition and prohibitive cost of restoration (around £85,000). Without this investment, the facilities will continue to degrade to a point beyond restoration and to presenting significant health and safety risks.
- **Health and safety** – dangerous levels of asbestos are prevalent in some of the buildings and the structurally unsafe Pavilion building has now been demolished. Continued use of the site represents a significant health and safety risk which could result in severe injury or illness to users of the site, which includes members of the public as well as members of the club.

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<sup>1</sup> Note that additional bar staff are required for functions, therefore costs increase with each booking, meaning that more than the current £65,000 deficit would have to be generated in additional income to achieve a break-even position

## **Option 2 - Close the bar section of the club and retain the sports facilities**

### *Option rejected*

Under this option, the bar section of the club – which makes up the highest part of its costs – would be closed but the indoor and outdoor sports facilities would remain open.

This option is not considered feasible for the following reasons:

- **Lack of commercial viability** – although insufficient to cover overall costs, the income generated from private bookings and associated bar takings is by far the club's greatest revenue stream, generating £102,000 p.a. When adjusting for the reduction in costs from closing the bar, the subsidy required by the club would still be in the region of £32,000. This represents only the annual operating deficit and does not allow for investment in facilities.
- **Lack of available investment** – as per option 1, the lack of available investment for the site facilities would result in unrecoverable deterioration. As the main investment and maintenance needs are in the sports facilities, there is no advantage to closing only the bar.
- **Health and safety** – as per option 1, the continued deterioration of the site facilities would create significant health and safety risks.

## **Option 3 - Consider the creation of an alternative delivery vehicle**

### *Option rejected*

Under this option, the management of the club would transfer to an 'alternative delivery vehicle', in this case meaning a community group or company set up for the purpose of running the club such as a Community Interest Company or social enterprise.

This option was given very serious consideration and, following meetings in August 2016 with County Councillors, some club members and representatives from the football group, an agreement was reached that:

- The Council would cease all financial subsidy of the club from April 2017
- The Council would lease the club and site to a new legal entity to be in place from April 2017, governed by a clearly incorporated committee with a key role for County Councillors in its formation and operation
- The lease would be FRI (Fully Repairing and Insuring)
- Under the leadership of the new committee, the club would seek external funding for developing the changing facilities

Since this agreement was reached in September 2016, the Council has followed through on its obligations, including the drafting of the lease agreement. However, the transitional group made up of County Councillors and club members did not reach agreement on the future governance structure of the club; no legal entity or appropriate body has been formed to which the Council can legally or responsibly hand over management of the club and site.

The Council has held numerous meetings and invested a significant amount of time in supporting this process, which has gone beyond the original transition date of April 2017. This has resulted in an increased financial deficit, creating a burden on the public purse and the core business of the County Council.

Therefore, while supportive of this option in principle and hopeful that it would achieve a satisfactory outcome, this option is no longer considered feasible for the following reasons:

- **Lack of proof of concept** – the proposed model, including the new committee structure, could now have been in place for five months or longer, effectively providing a proof of concept. In the absence of the relevant groups having self-organised into a structure able to assume the necessary duties and liabilities, the Council has been unable to transfer management of the site to the community and has justifiable concerns that this cannot be achieved within a reasonable timeframe, given the ongoing financial pressure caused by the site.
- **Lack of available investment** – even with the creation of an eligible community organisation, there is no guarantee that the club would be able to secure the funding required both to invest in the site and to eliminate its financial operating deficit. Even with the leadership of a well organised and experienced community organisation, there is a high risk the levels of funding required will not be secured.
- **Risk of arms-length delivery** – the Council has had a mixed experience with alternative delivery models and, while some have been more successful than others, it is clear that arms-length delivery of services comes with its own set of risks and limitations. The formation of a separate legal entity creates with it additional costs, including the requirement to prepare a separate statement of accounts and additional insurances. An exceptionally strong business case is needed to demonstrate that these risks can be managed and that they are outweighed by the potential return. In this case, it has not been possible to demonstrate this or to show that a community organisation would be better placed to run the club and site.

#### **Option 4 - Close the whole club and all of its facilities**

*Option recommended*

Under this option, the club and all of its facilities would be closed, with the intention to do so from 31<sup>st</sup> October 2017.

While it has not been easy to reach this decision, this option has been recommended and agreed for the following reasons:

- **Fiscal responsibility** – the current budget pressure of £65,000 p.a. would be alleviated, ensuring that the Council can demonstrate responsible use and appropriate management of public money and that, in a time of extreme financial challenges, funding is channelled to core Council business and services.

- **Strategic investment** – the site is a prime location for long term development, including possible new homes or a facility for adult social care clients. Depending on which option (or mix of options is pursued), this could yield a land value of between £2.7m and £7.5m and improve the Council’s provision of core and statutory services. This is by far the most commercially viable option for the site, aligns to the Council’s financial strategy and supports the priorities of the Strategic Plan.
- **Risk management** – closure of the site in the short term and its sale for development in the long term mitigates the very significant health and safety risks presented by the site. Not only do these risks present real jeopardy to members of the club and of the public but, at their most extreme, could result in charges of corporate manslaughter against the Council or any community group involved in the management of the site.
- **Reasonable alternative provision** – there are suitable alternative sports facilities in close proximity to the site. While it is understandable that members of the club (and the Council) will regret its closure, the fact that there are suitable alternative facilities in the vicinity should mitigate the impact on the local community. Indeed, these facilities are more modern, more fit for purpose and better placed to meet the needs of the various sports groups that currently use the Sports and Social Club.

### **Decision Making Process**

It has not been an easy decision to close the Sports and Social Club but a significant amount of time has been spent by officers and Members in exploring all possible options. It is only after carefully evaluating these options and exhausting the credible alternatives that officers met with the Cabinet Member for Finance and Resources and local Members to discuss the recommendation to close the club. This meeting took place on 17<sup>th</sup> July 2017.

On 24<sup>th</sup> July, the Facilities Management team communicated proposals with the BCC staff working at the club, club members and other relevant groups, using the forums most appropriate for each stakeholder group. This provided an opportunity for those individuals and groups affected to comment on the proposals.

On 28<sup>th</sup> July, the Cabinet Member for Finance and Resources agreed to close the Bucks Sports and Social club and all its facilities. The decision was to defer closure until the end of October 2017 in order to honour bookings and allow time for clubs to transition to new locations. In making this decision, the Cabinet Member took into account the representations that had been received.

## **Community Impact and Alternative Provision**

In taking this difficult decision, officers and Members of the Council are very mindful of the impact this will have on the community groups using the club site. While it is regrettable that members who enjoy the social aspect of the club will no longer have access to the facility, clearly the Council cannot continue to subsidise a members' bar and the main concern has therefore been to identify alternative provision for the various sports groups.

The Sports and Social Club is located in Stoke Mandeville, which has a rich sporting heritage and is home of the Paralympic Legacy. Stoke Mandeville Stadium is less than half a mile from the club and provides sports and leisure facilities of the highest quality for all users, from occasional users to professional sportspeople.

There are also 13 registered football pitches in the local area, most of which have access to changing facilities.

All of these facilities are more modern and fit for purpose than the Sports and Social Club site and represent more sustainable options for the relevant groups.

## Appendix 1: Financial Analysis of Options

	<b>Option 1 (Retain as is)</b>	<b>Option 2 (Close the bar section, retain sports facilities)</b>	<b>Option 3 (Consider the creation of an alternative delivery vehicle)</b>	<b>Option 4 (Close whole site)</b>
<b>Expenditure</b>				
Bar staff costs	30,000.00	0.00	0.00	0.00
FM Management	8,000.00	5,000.00	0.00	0.00
Site Manager	32,000.00	0.00	0.00	0.00
Mobile maintenance	0.00	12,000.00	0.00	0.00
Repairs	8,000.00	8,400.00	0.00	0.00
Utilities	10,000.00	7,000.00	0.00	0.00
Security	0.00	0.00	0.00	0.00
Supplies (beer, food)	54,000.00	0.00	0.00	0.00
Grounds maintenance	6,000.00	6,000.00	0.00	0.00
TV screens	1,700.00	0.00	0.00	0.00
Cleaning	4,800.00	3,000.00	0.00	0.00
Insurance	0.00	0.00	0.00	0.00
VAT	16,000.00	0.00	0.00	0.00
Changing rooms	0.00	0.00	0.00	0.00
<b>Total:</b>	<b>170,500.00</b>	<b>41,400.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Projected Income</b>				
Rent/Lettings	0.00	2,000.00	0.00	0.00
Sports	1,000.00	6,000.00	0.00	0.00
Functions (hall hire) and bar takings	102,000.00	0.00	0.00	0.00
Hall activities	0.00	1,000.00	0.00	0.00
Memberships	2,000.00	0.00	0.00	0.00



<b>Total:</b>	<b>105,000.00</b>	<b>9,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total profit or loss</b>	<b>-65,500.00</b>	<b>-32,400.00</b>	<b>0.00*</b>	<b>0.00</b>

\* Note that these figures show the cost to the County Council, which would be zero by virtue of having transferred all costs and liabilities to a new, community based organisation. However, these liabilities would be borne by the new organisation and there is significant risk of not being able to secure funding for the needed improvements to the site. The projected loss should therefore, for all practical purposes, be considered as at least equal to option 1 (£65,500).

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**Appendix 2A  
Finance, Performance and Resources  
Select Committee**

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# Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

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## Report to the Finance, Performance and Resources Select Committee

<b>Title:</b> Update	Bucks Sports and Social Club - Call-in
<b>Committee date:</b>	Tuesday 19 December 2017
<b>Author:</b>	Gillian Quinton
<b>Contact officer:</b>	Deb Clarke, 01296 382714, <a href="mailto:debclarke@buckscc.gov.uk">debclarke@buckscc.gov.uk</a>
<b>Cabinet Member sign-off:</b>	John Chilver – Cabinet Member Resources

### Purpose of Agenda Item

Information: Provided to enable the select committee to scrutinise a specific issue or inform the development of the work programme

### Background

In July 2017, the Cabinet Member for Resources made a decision (R04.17) to 'close all buildings and external facilities of the Bucks Sports and Social Club'.

This decision was 'Called In' by Cllr Brian Roberts, supported by Cllr Niknam Hussain and Cllr Julie Ward for review.

A special Select Committee meeting was arranged at which the Committee Members reviewed the decision on Tuesday 12 September 2017.

As a result the Committee proposed that the Cabinet Member decision should

- **be referred back to the Cabinet Member for Resources for reconsideration and advocated that Option 3 (see below) in the original report should be revisited**
- **The Committee also proposed that the Cabinet Member for Resources should have further discussions with local Members and the Club Committee over a**



**period of three months and then report back to the Select Committee on his decision.**

- **The Cabinet Member for Resources agreed to this proposal.**

Under Option 3, the management of the club would transfer to an 'alternative delivery vehicle', in this case meaning a community group or company set up for the purpose of running the club such as a Community Interest Company or social enterprise.

A summary of issues raised at the meeting (taken from the minutes) held on 12<sup>th</sup> September 2017 is below and the action taken to respond to those issues (where reasonably practicable) is also below

<p>In September 2016, Brian Roberts attended a meeting to discuss possible reforms to the Bucks Sports and Social Club and a potential lease arrangement. By the end of November 2016, the lease should have been prepared but nothing happened.</p>	<p>These matters are an account of historical actions or inactions</p>
<p>In March 2017, club staff raised a number of concerns with Brian Roberts as their local County Councillor and he took these issues to the Cabinet Member and relevant officers and suggested a further meeting should be held. Mr Roberts continued to press for Officers to meet with Members and Club Members, but this didn't happen.</p>	
<p>Finally on 24<sup>th</sup> July 2017, two officers met with two club staff but the Cabinet Member decision recommending closure of the club had been published on 19<sup>th</sup> July, to be taken on or after 27<sup>th</sup> July.</p>	
<p>It appeared that a draft lease had been prepared and a business case had been put together with a view to turning the club's fortunes around and club members believed that this was being progressed.</p>	
<p>Whilst Mr Roberts fully acknowledged that Buckinghamshire County Council faced financial challenges, he believed that local residents were right to raise concerns about a lack of engagement and consultation around the possible closure of the Club. Stoke Mandeville Parish Council only heard about the possible closure on local radio station, Mix 96 which Mr Roberts felt was unacceptable. Over 800 people had signed a petition opposing the club's</p>	<p>A letter regarding the future of the club was sent to all identified stakeholders.</p> <p>The letter contained an invitation to make proposals regarding the future of the club. Two proposals were received and evaluated.</p> <p>Stoke Mandeville Parish Council</p>

closure.	was sent the letter but did not respond. SMPC was chased twice by phone.
There were a number of inaccuracies in the report, particularly around the membership figures. The report claimed there were only 56 members, but the level of representations made on this decision illustrated the number of people who use the club regularly, many of whom had been advised that they could not become members currently.	The current membership is only those members of staff of BCC who continue to pay membership fees. Each individual was sent the letter referred to above.
There had been no consultation with local Members or the Greater Aylesbury Local Area Forum ahead of the Cabinet Member Decision report being published and no public consultation feedback had been included in the Cabinet Member report, despite the report template clearly indicating that consultation feedback should be included. There was also no evidence that an Equalities Impact Assessment had been undertaken.	Cllr Roberts, the County Ward Member was consulted and communicated with throughout the consultation period and attended multiple meetings with officers and the Cabinet Member for Resources. Cllr Roberts is Chairman of the LAF. The deputy chairman of the LAF was also sent the letter, and was invited to meet with officers for a briefing in his role as Leader of the Opposition in the County Council. Unfortunately his diary did not allow.  An Equalities Impact Assessment has been carried out and is appended to this report.
Wes and Mel Personal Training (WMPT Sparks) currently delivered their fitness classes at the Club and had been told that their bookings would be honoured to April 2018, although the Cabinet Member Decision stated bookings would only be honoured until 31 <sup>st</sup> October 2017.	This is a matter of record
There was a risk to the Council's reputation due to the lack of consultation.	The Cabinet Member for Resources has made every effort to consult with stakeholders on his decision.
Between 2003 and 2012, the Club was producing an average annual surplus of £24,500. In recent years, since the BCC Facilities Management team had been	This is a matter of record. The club has not been in surplus since it was taken over by the County Council.

<p>managing the Club, there had been a financial deficit of -£5,500 in 2015, - £25,000 in 2016 and -£64,500 in 2017.</p>	
<p>Club members recognised that it was not part of the Council's core business and agreed that the current situation was unacceptable. In 2016, two former County Councillors had offered to represent the Club Committee and put their case forward, which included offering to take on the lease of the club by forming a legal entity to allow this and a schedule of works for the site which included investing in new changing rooms. Subsequently it was discovered that the Councillors had not presented these ideas and had turned down an invitation to establish a Community Interest Company (CIC).</p>	<p>This is a matter of record.</p>
<p>Club Members had now incorporated as a CIC, lease terms had been drawn up and they had investigated options for new changing rooms. They believed that they could increase the membership and revenue the Club produced and asked for this opportunity, as set out in Option 3 of the Cabinet Member Decision report to be considered.</p>	<p>Members of the community and the club have put in a business case to run the Club, as they were invited to do.</p> <p>Unfortunately, it is believed that this bid represents too great a risk to the County Council of a continuing need for financial support.</p>
<p>The Localism Act 2011 allowed facilities to be registered as an Asset of Community Value. In 2015, Stoke Mandeville Parish Council wanted to nominate Bucks Sports and Social Club as an Asset of Community Value and was advised by Buckinghamshire County Council's (BCC) Estates department not to proceed. The Parish Council agreed to reconsider but ultimately decided to submit a bid, which was accepted by Aylesbury Vale District Council in May 2015 and BCC was notified.</p>	<p>This is a matter of record.</p> <p>When a site has been listed as an Asset of Community Value it is subject to certain regulations. If the owner decides to dispose of the asset either through freehold sale or granting a qualifying lease of 25 years or more, this would trigger a period of consultation. In this instance, BCC had not decided to dispose of the site.</p>
<p>On 21<sup>st</sup> July the Parish Council was alerted from a report on local radio that there was</p>	<p>As previously, all identified</p>

<p>a plan to close the Bucks Sports and Social Club. The Cabinet Member report was then obtained and Mrs Hunt, Chairman of Stoke Mandeville Parish Council contacted the Cabinet Member to make representations and to complain about lack of consultation. There has been plenty of opportunity to consult the Parish Council and the users of the Club. Mrs Hunt asserted that BCC had failed to follow Government guidelines on public consultation.</p>	<p>stakeholders including Stoke Mandeville Parish Council were sent the consultation letter.</p> <p>Stoke Mandeville Parish Council was contacted on two occasions subsequently to ascertain whether they wished to respond.</p>
<p>Mr Hussain advised that the green space of the Club site helped BCC with its duty around Health and Wellbeing and was well-used by the whole community, including Booker Park School who used the playing fields for their sports lessons.</p>	<p>Booker Park school did respond to the consultation so there has been a dialogue with the school about the reciprocal arrangements that exist. These will continue in the near future and discussions are continuing. They are not affected by a decision to close the club.</p>
<p>Mrs Ward reiterated concerns about reputational risk to the Council due to a lack of engagement around the proposal to close the Club, which was widely used.</p>	<p>As previous.</p>
<p>There had been mismanagement and miscommunication at the Club over the past couple of years, particularly in connection with diary management for bookings.</p>	<p>It is acknowledged that there have been issues with bookings and diary management and a system which puts all bookings through Facilities Management has been instituted.</p>
<p>400 people recently attended a Fun Day event at the Club, 190 people would like to become Members and the Committee was confident that if they could replace the changing rooms they could further increase the membership.</p>	<p>This is part of the communities' bid to take over management of the club.</p>
<p>Up to 2014, the Club had been run well and the Council published the Club's accounts up to this point. BCC took over the management of the Club in 2014, due to financial impropriety at the Club by a member of BCC staff who was no longer working there.</p>	<p>Not relevant to the current decision.</p>
<p>The Club had previously been open six</p>	

<p>nights a week and during the day at the weekends – this level of activity had reduced since BCC took over. The Air Ambulance landed there and clients from the Spinal Injuries unit at Stoke Mandeville also used the Club to socialise.</p>	<p>This is part of the communities' bid to take over management of the club.</p> <p>Discussions with Stoke Mandeville Hospital about the potential uses of the site are ongoing, but they are not affected by the decision to close the club</p>
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Cllr Chilver responded to the Call In decision by writing a letter which is Appended at A. to all key stakeholders and interested parties which included; BSSC Members; Local Councillors; Staff; Stoke Mandeville Parish Council; Booker Park School, the Chair and Vice Chair of the LAF, Suppliers and Users. A full list of those who were written to is appended at B.

The letter (appended at A) explained the purpose of the consultation and it gave stakeholders the opportunity to have meetings with Cllr Chilver, send through any questions or concerns to a dedicated Bucks Sports and Social Mailbox and asked for any viable proposals to keep the club from closure with responses required by Monday 20 November.

Over this period of time various meetings, telephone conversations and emails took place with the Cabinet Member for Resources. In the end, two organisations submitted proposals for the future of the club.

In addition, officers have discussed with Booker Park School the usage of the car parking facilities and field usage. This was a historic reciprocal arrangement established some years ago. Both parties now have an open channel to discuss any changes that affect usage in the future.

Stoke Mandeville Parish Council has also been contacted separately to ensure they had received the consultation letter and whether they required a specific meeting with the Cabinet Member for Resources to discuss their concerns however there was no request for further information.

With regard to the two proposals that were received, an independent evaluation panel consisting of Legal, Finance and Procurement professionals was established. The panel reviewed the proposals. They have provided a report on their expert opinion to Cllr Chilver.





## **Decision**

Following this consultation and the advice of the evaluation panel, the Cabinet Member for Resources has concluded that his decision will still stand in regards to closing the Bucks Sports and Social Club.

In deciding that his decision will stand, the Cabinet Member for Resources has taken into account the following factors:

- Full consultation has been carried out
- The County Council has does not have responsibility for the provision of leisure and/or sports facilities
- The advice of the independent panel of experts that neither of the two plans put forward represented an acceptable level of risk to the County Council
- The financial circumstances of the Council
- The value of the total asset and the possible future uses of the site
- The equality impact assessment did not identify any detrimental impact to particular groups

## **Resource implications**

The financial and resource implications are set out against all the options detailed in the report that was submitted for the 12<sup>th</sup> September 2017 Select Committee meeting.

## **Next steps**

The Cabinet Member for Resources will confirm his decision to close the club.

Officers will discuss with members of the community and the local Member when this should take effect as there is a booking for a New Year's Eve party which could go ahead if wished. The club will close no later than January 15<sup>th</sup> 2018.

Appendix A – letter sent

To all stakeholders and interested parties in Bucks Sports and Social Club

I am writing to set out the next steps in relation to the Bucks Sports and Social Club.

As you are aware, I agreed with the request of the Select Committee which was as follows:

- The Committee unanimously agreed that the decision should be referred back to me for reconsideration and advocated that Option 3 in the original report should be revisited
- The Committee also proposed that I should have further discussions with local Members and the Club Committee over a period of three months and then report back to the Select Committee on his decision. I agreed to this proposal.

Under Option 3, the management of the club would transfer to an 'alternative delivery vehicle', in this case meaning a community group or company set up for the purpose of running the club such as a Community Interest Company or social enterprise.

During 2016 we invested a significant amount time supporting this option, however unfortunately an appropriate body was not formed before the deadline of April 2017 to which the Council could hand the club over to. This was due to a number of issues, which were outlined to committee in our report.

Our conclusion was that Option 3 was no longer considered feasible.

The County Council continues to face financial pressures and needs to ensure the effectiveness and efficiency of all its expenditure.

Delivery of community based sports and social facilities are not a statutory responsibility of the County Council. There is no option on the table to redevelop the site or any part of it – our advice is that this will not be viable in the short to medium term. So the Council must focus its attention on the future prospects of the site being developed in a sustainable and cost neutral way.

I know there is a strongly held view amongst key stakeholders that the club can be viable, but this has not yet translated into anything that could be relied upon to enable the Council to keep the club open and hand the management over.

This situation cannot be allowed to continue indefinitely, and therefore, in order for me to report back on my decision to the Select Committee in December I am consulting all interested parties and stakeholders with a view to understanding if there is any meaningful prospect of the club being able to sustain itself independently going forward.

However, if there is no such plan then regrettably I will have to confirm my decision to close the club.

I am available to discuss this matter with any individuals or groups who would find that helpful and officers will also be made available to ensure that there is full understanding of



what is being consulted on and what the options are. Of course, adequate notice will need to be given in order to make myself and/or officers available.

Councillor John Chilver

Executive Member for Resources



## Appendix B – who the letter went to

### Clients / Users:

- Archery
- Aylesbury Motorcycle Training
- Aylesbury Pigeon Club <;
- Badminton
- Badminton Wednesday ;
- Bucks Athletic Association
- Football
- Keep Fit
- Kids Club ;
- Whizz Kids ;
- Wingrave Swan
- WMPT Fight Club
- As well as 7 staff members
  
- 3 suppliers
  
- Booker Park School
  
- Stoke Mandeville Parish Council (who were also rung on a couple of occasions to see if there was any response)
  
- Cllr Brian Roberts
- Cllr Stephen Lambert
  
  
- about 40 members of staff who are paying subs from payroll
  
- Aylesbury Town Football Club

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**Appendix 2B  
Meeting minutes**

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# BCC Finance, Performance and Resources Select Committee

## Tuesday, 19th December, 2017 10.00 am

### Minutes

The Chairman welcomed Mr John Chilver, Cabinet Member for Resources, Mrs Gill Quinton, Executive Director, Resources, Ms Deb Clarke, Interim Director of Organisational Development and Human Resources (OD&HR) and Mr Richard Ambrose, Director of Finance and Assets to the meeting.

The Chairman also welcomed Ms Sara Turnbull, Head of Democratic Services and the Council's Statutory Scrutiny Officer, who reminded Members that the Call-in process enabled the Select Committee to provide a robust check and challenge to decisions taken by Cabinet or Cabinet Members. The Call-in had been concluded at the 12<sup>th</sup> September meeting when the Committee recommended that the Cabinet Member should reconsider his decision to close the Bucks Sports and Social Club and in particular should reconsider Option 3, which was to consider transferring the management of the Club to an Alternative Delivery Vehicle, for example, a Community Interest Company.

The Chairman asked the Cabinet Member to outline the process he had undertaken following the 12<sup>th</sup> September meeting. During the presentation and in answer to subsequent Members' questions the following main points were noted:

- Following the 12<sup>th</sup> September meeting, the Cabinet Member had written to interested parties to invite them to submit proposals to take over management of the Bucks Sports and Social Club. A deadline of 20<sup>th</sup> November 2017 was set. A dedicated email address for consultation had been established.
- The Cabinet Member had regular meetings with the local Member to keep him updated throughout the process.
- Two proposals were received by the deadline and these were evaluated by an independent panel comprising of Legal, Procurement and Finance professionals.
- The Interim Director of OD & HR explained that she had met with the Bucks Sports and Social Club Members group, along with the Cabinet Member and on one occasion with the Commercial Director, to explain the required format for their submission and to answer any questions. She and the Cabinet Member met with the group approximately six times.
- Once the bids were received they were evaluated by the panel. The Cabinet Member advised that he chose not to look at the submissions in detail as he wanted the independent panel to evaluate them.
- Both bids had areas where further information could have been helpful and one bid did not include Profit and Loss details.
- However the view of the evaluation panel was that the community bid was over-optimistic about potential income levels, whilst also being unrealistic about costs. The Profit and Loss projected a very slim profit margin for the Club which meant that it would be difficult to build up any reserves for the future.
- The Director of Finance and Assets confirmed that he agreed with the financial assessment of the submissions. The business case from the Sports and Social Club members was very full but the financial risks to the Council remained. Assumptions around income and membership levels were optimistic and although the submission outlined various grants and donations that the Club hoped to secure, there was little evidence to support this. A very small surplus was forecast for the first two years but with no reserves the sustainability of the club was questionable.
- A Member expressed concerns that the community bidders may not have received sufficient advice for preparing their bids and the evaluation panel had not been adequately briefed. The

Director of OD and HR reiterated that one of the bids had been well-supported with a number of meetings with the Cabinet Member and officers. The Council had not been aware that a second bid was being prepared, but when that submission was received the deadline was extended to allow it to be reformatted to meet the requirements, but the bidder asked for the submission to be evaluated as it stood.

- In the interests of transparency, a Member asked for confirmation that all documents had been shared with the Committee. The Cabinet Member confirmed that all relevant information had been shared.
- A Member queried if the evaluation panel had asked for further information from either of the bidders. It was confirmed that the panel felt that on balance they could still reach a conclusion based on the information they had and they did not want to ask the groups to undertake further work.

In light of this discussion, the Chairman asked the Cabinet Member for Resources to confirm his decision. The Cabinet Member advised that as the evaluation report concluded that both bids represented an unacceptably high risk to the Council, the original decision to close the Bucks Sports and Social Club would still stand.

The Cabinet Member paid tribute to both bidders for the work they had put into their submissions and he thanked everyone who had submitted written representations. In reaching this decision, in addition to the results of consultation, the Cabinet Member had taken into account the evaluation panel's advice, the Equalities Impact Assessment, the Council's overall financial position and the fact that it was not a statutory duty for the Council to provide leisure facilities. The Cabinet Member thanked all the officers and the members of the Select Committee who had been involved in this process.

A Member commented that whilst he believed the decision to be the right one on financial grounds, local residents might still feel a sense of injustice because of the original lack of consultation which had been highlighted by the Committee at its 12<sup>th</sup> September meeting. It was suggested that the public might find it easier to accept the decision if feedback around the risks could be provided.

In conclusion, the Chairman commented that it was a difficult balance between commercial sensitivity and the need for transparency and openness. The Committee had played its part by scrutinising the original decision and recommending that it should be reconsidered.