

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	9 March 2017
Title:	Calthorpe Park School – Sports Facility
Reference:	8117
Report From:	Director Culture, Communities and Business Services

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1. Executive Summary

- 1.1 As a result of the re-provision of Hart District Council's (HDC) leisure centre in Fleet, there is an opportunity for HDC and Hampshire County Council (HCC) to work together in partnership to construct a replacement sports hall and support accommodation for Calthorpe Park Secondary School. It is considered in the best interest of both parties and in the context of increasing revenue finance pressures to demolish the vacated and out-dated leisure centre and replace it with a new, much smaller, building. The existing Centre, dating from the 1970s, has significant liabilities and running costs so therefore a replacement efficient, modern and appropriately sized new Sports Hall is proposed.
- 1.2 It is recommended that the capital costs and a proportion of the revenue costs (in the short term) are shared to the benefit of both organisations. £1.875m of capital funds has been identified in the Children's Services Capital Programme 2017/18 and it is proposed that this sum is provided as a grant to HDC who will organise the delivery of a new sports hall and demolition of the existing leisure centre. A Partnership Agreement will be concluded setting out the principles of the arrangement.
- 1.3 It is recommended that delegated authority be given to the Director of Culture, Communities and Business Services supported by the Directors of Corporate Resources, Transformation and Governance and Children's Services to negotiate the detailed terms of the agreement, the timing of phased payments and termination of the lease that HDC have with HCC in relation to the existing leisure centre.
- 1.4 Following completion of the construction of the sports hall and demolition of the existing building, HCC will retain freehold of the land and proceed to

design and construct an extension to Calthorpe Park School to accommodate a predicted rise in further pupil numbers.

2. Background

- 2.1. HDC's leisure centre in Fleet is adjacent to Calthorpe Park Secondary School and sits on land owned by the County Council. A long lease exists with over 75 years to run with the obligation that HDC maintain the building on a 'full repairing basis'.
- 2.2. HDC committed to construct a new replacement leisure centre on a nearby site in the summer of 2016 to replace the existing facility which has significant maintenance liabilities and was a high priority project for them.
- 2.3. The School has access to the sports hall, changing and other facilities within the existing building for which they pay an annual rent.
- 2.4. The School was recently extended by 300 places (2 FE) and a further expansion is currently being planned to address the forecast pressure on school places. Land availability is restricted on the existing site for further expansion. HCC has a statutory obligation to provide the additional places. The existing Leisure Centre building once vacated is inefficient, too large and impedes the best location for further school expansion.

3. Summary of Agreement between HCC and HDC

- 3.1. A number of meetings were held with the two Chief Executives and Senior Officers to develop the agreement and this then culminated in a meeting of the two Leaders at the end of 2016. It is recommended to the Executive Member for Policy and Resources that approval is given to the principles of this agreement as set out below. It is also expected that the content of this will be approved by HDC's Cabinet in parallel:
 - 3.1.1 HDC will construct a replacement Sports Hall for exclusive use of the School adjacent to the Leisure Centre to a specification that is mutually agreed.
 - 3.1.2 HDC will demolish the existing Leisure Centre and leave the site fully cleared for the future extension of Calthorpe Park School. At this point the lease obligations for HDC will end. This will be subject to a detailed termination agreement to be negotiated by the Directors of CCBS and Transformation and Governance.
 - 3.1.3 HCC will make a fixed capital grant of £1.875m to the cost of the replacement Sports Hall and demolition contract. HDC will contribute the balance of the cost on the understanding that the total budget will not exceed £3.75m (an estimate provided during the negotiation as a guide by the Director of CCBS).
 - 3.1.4 HDC will procure and contract with the builder to deliver the two elements of construction. A joint governance arrangement will be established with senior representatives at officer level to oversee the delivery in accordance with the Partnership Agreement. HCC officers will also

represent the interests of the schools to ensure the building is suitable and appropriate for modern education use.

- 3.1.5 A phased payment arrangement will be agreed between the parties to transfer funds on a timely basis from HCC to HDC in accordance with progress on the design and delivery with the intent to ensure that cash flow is appropriate for HDC in their obligations to pay the contractor.
- 3.1.6 HDC will maintain the existing Leisure Centre from the point at which their service vacates until the new Sports Hall is complete. Access for the School to the existing hall and support accommodation will be maintained in a safe and unencumbered manner. The school will continue to pay a rent to HDC based on current levels. HDC will be liable for all revenue costs for the financial years 2017/18. From April 2018 the County Council will share the revenue costs equally if necessary – this date is the target completion for the occupation of the sports hall. It is estimated that the revenue costs of running the existing building in its reduced form could be up to £150,000 a year.
- 3.1.7 HCC and HDC will agree a protocol and formally commit to working together collaboratively so that HCC will be invited to be joint signatories to future Section 106 Agreements (education provision). This will ensure that HCC receive a proportion of Developer Contributions towards the provision of additional school places. HDC will lead on the drafting of this protocol and it is recommended the Director of Children's Services and Transformation and Governance be authorised to do this on behalf of the County Council.

4. Finance

- 4.1. Funding of £1.875m has been allocated in the 2017/18 Children's Services' Capital Programme recommended by the Executive Lead Member for Children's Services, endorsed by Cabinet and approved by Full Council in February 2017.
- 4.2. This report recommends that this funding is committed as a contribution to the new Calthorpe Park Sports Hall and that the Director of Corporate Resources be authorised to negotiate the terms of the transfer of that money to HDC. It is expected to be on a staged payment basis formulated by the two Heads of Finance.
- 4.3. The management of the construction contract and the payment of the building contractor will be the responsibility of HDC.
- 4.4. The Directors of Children's Services and Corporate Resources will negotiate and agree the future payments of Developers Contributions and will manage the recovery of funds from HDC.
- 4.5. The cost of the Director of CCBS property resources to undertake the management of HCC's interface with HDC, the negotiation of the lease and other professional time is yet to be assessed. It is recommended that the Director of Corporate Resources and the Director of CCBS be authorised to

agree this revenue cost from corporate contingencies up to a value of £30,000.

5. Legal Issues

- 5.1. The Director of Transformation and Governance will be integral to the drafting of a number of agreements to support the principles referred to above and to ensure there is clarity on the outcome:

The details of the agreement to support the principles negotiated by the Leaders of the two Councils.

The termination of the lease that HDC has with HCC and the discharge of any obligations to ensure their liabilities are concluded.

A protocol for the involvement of HCC in S106 Developer Contributions in the Hart area (for education purposes)

6. Governance

- 6.1. A Joint Officer Steering Group will be established with senior representatives of the two authorities together with Legal, Property, Finance and other work stream leads. It is proposed that the Director of CCBS will act in the capacity of Joint Chair with the Joint Chief Executive of HDC.
- 6.2. It is proposed that progress will be reported, where appropriate, to the Buildings, Land and Procurement Panel but there will be no requirement for a Project Appraisal as HCC is not designing or delivering the building. It is recommended that the Director of CCBS has delegated authority to agree the detailed design and scope for both the new building and the demolition contract to ensure the County Council and the Schools interests are met.

7. Procurement

- 7.1. As part of the joint Leaders agreement it is proposed that HDC procure the new Sports Hall using a pre-existing national framework arrangement. This is expected to be an efficient route to market and deliver best value for both Councils. HDC will take responsibility for the procurement process and will be the employer in the construction contract. The Director of CCBS will ensure that the procurement process is undertaken appropriately and commensurate with the expectations of HCC.

8. Consultation

- 8.1. The Executive Lead Member for Children's Services and the Executive Member for Education have both been consulted and are supportive of the proposals in this report.

9. Recommendations

That the Executive Member for Policy and Resources approves the following:

- 9.1. The completion of a formal agreement to share the costs of the provision of a new Sports Hall for Calthorpe Park School and demolition of the existing redundant Leisure Centre with Hart District Council.
- 9.2. £1.875m of funding for this purpose identified in the Children's Services Capital Programme 2017/18 be committed as Hampshire County Council's share of the capital cost to be paid as a grant to HDC.
- 9.3. The revenue cost of operating the existing facility be shared after April 2018 on a 50/50 basis (only in the event that the new building is not available for occupation by the School at that date).
- 9.4. That a protocol be agreed with HDC such that HCC will have the benefit of being a signatory to all future Section 106 Agreements with developers in Hart for education contributions to additional school places.
- 9.5. That the revenue resources and costs of managing the arrangement to a successful conclusion be added to the budget of the Director of CCBS in consultation with the Director of Corporate Resources. Funding to come from corporate contingencies up to a maximum value of £30,000.
- 9.6. That delegated authority be given to the Director of Culture, Communities and Business Services, supported by the Directors of Children's Services, Corporate Resources, and Transformation and Governance to agree detailed terms of the documents referred to in the report. In addition to ensure the design, procurement, and construction of the new building is in accordance with County Council and School expectations (based on a like for like basis). All in accordance with the spirit of the agreement to work in partnership.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Maximising well-being:	Yes
Enhancing our quality of place:	Yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This project will have a low impact on groups with protected characteristics as defined by the EIA. The facilities will be modern and much improved compared to the current facilities. School pupils and community users will have good access to a building which will be designed to take into account a wide range of requirements including physical, visual and auditory impairment for example.

2. Impact on Crime and Disorder:

2.1. The project will be designed to minimise the likelihood of Crime and Disorder occurring inside or around the building with appropriate security measures fitted as well as lighting and materials which support this expectation.

3. Climate Change:

3.1. This project will have a significantly smaller footprint compared to the existing building and will be compliant with current standards including a well insulated envelope. This will reduce energy costs and contribute a reduction to County Councils carbon emissions.