

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

28 February 2017

Report of the Director of Street Scene, Leisure & Technical Services

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 LEYBOURNE LAKES COUNTRY PARK – FACILITY PROVISION

Summary

This report updates Members on progress with the Capital Plan Scheme for improved facility provision at Leybourne Lakes Country Park, seeking Members approval to the way forward. The report also refers to the development of a new Management Plan for the site and the onsite Water Sports Concession.

1.1 Capital Plan Project

1.1.1 A List C project for evaluation is currently in the Council's Capital Plan for improved facility provision at Leybourne Lakes Country Park. The scheme identifies potential improvements to include the provision of an education room/facility, general improvements to the water sports facilities/area and the provision of a café. Initial outline proposals and costings have been developed in liaison with an external architect, and developer contributions of just over £700,000 have been identified to support the project.

1.1.2 Highlighted within the Council's Savings and Transformation Strategy, is the theme of 'Income Generation and Cost Recovery'. Being an area of discretionary service it is proposed that this theme needs careful consideration at Leybourne Lakes Country Park, with a long-term ambition for the Country Park to be financially more self-sufficient. Whilst this potential Capital Plan Scheme will provide enhanced services and facilities for visitors it is also focussed on greater opportunities for income generation to offset operational costs and realise a financial return on the Council's potential investment. It is also very important to note that any commercial approach to the site must be in keeping with the nature of the facility and its core objectives.

1.1.3 Before investment on this scale is considered, initial advice on the business case for such a project has been sought from a leading leisure and sport business consultant, Oaks Consultancy, who have developed an 'Income Potential Report'. A Summary of the report's key findings can be found at **[Annex 1]** and a full copy

of the report is available on request. The report focussed on the following key areas:

- the current financial performance of the Country Park, benchmarked against other comparable facilities and against its potential,
- the opportunities available to generate new income for the Country Park and reduce the Council's ongoing financial contribution to the facility,
- potential partnerships for the Council that could deliver a more sustainable operating model, and
- an estimation of the likely costs, and associated risks, to the Council of the identified options.

1.1.4 In overview the report highlighted a number of conclusions including:

- *LLCP is very popular (particularly amongst local people) and has a significant customer base from which to generate income.*
- *LLCP is a valuable asset that should be generating additional income for the Council. There are opportunities in a number of areas that are ultimately impacting on its ability to generate enough income to at least break-even.*
- *Core areas of additional income generation relate to fishing, water sports, catering and car parking. In addition the report highlights opportunities including retail/commercial space, events, and fitness/sporting activities.*
- Benchmarking suggests that country parks run more independently of the Local Authority have a propensity to be more financially stable.
- The majority of opportunities identified and prioritised as having high income potential are reliant on the development of visitor facilities at LLCP
- There are opportunities to diversify income outside of direct customer transactions, such as the use of grant funding and commercial partnership.
- The utilisation of third parties to deliver events, activities and concessions provides low risk opportunities to the Council whilst attracting significant numbers of visitors, generating income and providing a customer base for secondary spend.
- High performing country parks all feature visitor centres..

1.1.5 The Oaks report supports the Council's initial view that facility development is required and viable, and highly recommends that LLCP develops a new facility on site. The consultant identifies that a new visitor centre close to the main lake

should include a café/coffee shop, flexible space, accessible toilet, a sports hub to focus on water sports, cycling and running and a space for a retail outlet. In addition, it is suggested that the existing toilets adjacent to the main car park be re-allocated as a retail outlet.

- 1.1.6 If the Council decides to limit its focus on existing income streams without significant capital investment, the report concludes that the financial impact would be relatively low and would not significantly reduce the overall cost of the facility. The report therefore recommends the consideration of options based on capital investment, but with different operating models. These include in-house and external provision or a combination of both. External provision could include the private, charitable, voluntary or educational sector. The consultant also identifies the opportunities for additional investment to come from external partners and grant aid sources.
- 1.1.7 If Members are minded to pursue the proposed project, it is the intention to develop the options further in liaison with Oaks, including a detailed financial assessment. This approach will include some market testing in liaison with potential partners such as Hadlow College and the Leisure Trust, and liaison with existing contractors/groups using the site. Oaks have confirmed that this second phase of works would cost £ 14,950, with a report available in 3-4 months time. A copy of the aims and methodology of the study is attached at **[Annex 2]**. In addition, it is proposed to incorporate the proposals in the revised Management Plan for consultation with key stakeholders. (see sub-section 1.2)

1.2 Management Plan

- 1.2.1 Management Plans for each of the Council's Country Parks are produced every 5 years with the current Leybourne Lakes Country Park expiring at the end of 2016. A new 5 year plan is being drafted for the site and it is proposed that this be sent out for public consultation in the coming months. It would then be the intention to report the outcome of the consultation to a future meeting of this Board for Members consideration and approval.
- 1.2.2 As outlined earlier in this report, it is recognised that the Council's current financial position needs to be reflected in the future management and development of the Country Park, to secure this valued public asset for future years. The long-term ambition would be for the Park to be operationally cost neutral and to achieve this the Council will need to look at new opportunities for additional income generation.
- 1.2.3 It is the intention that the drafted Management Plan takes the above into consideration, and this report seeks Members support to this approach. Whilst an enhanced focus on financial sustainability should be introduced at the Park, due consideration will always need to be given to other elements including ecology and the Management Plan will continue to highlight that a balance needs to be achieved between all elements and none shall, within reason, dominate others. The consultation process will also enable the Council to receive views on this

approach from key stakeholders and partners including both East Malling & Larkfield Parish Council and Snodland Town Council and the Customer Panel.

1.3 Water Sport Concession

- 1.3.1 The existing onsite water sports concession is currently run by Leybourne Lakes Water Sports Centre under a 10 year agreement with a break clause at year 5. The first 5 year period is due to come to an end on the 31 March 2017 and the current contractor has advised on his intention to withdraw from the agreement at this point.
- 1.3.2 Whilst the Council would normally wish to progress with the immediate retender the concession, it is suggested that in light of the potential development of the site a long-term agreement with a new provider would not be appropriate at the current time.
- 1.3.3 It is clearly important to maintain some level of provision on the site, and discussions have commenced with individuals already involved in water sports at the site to find a short/medium-term solution. Members will be updated on progress with these discussions at the meeting.

1.4 Legal Implications

- 1.4.1 The Council's Contract Procedure Rules will need to be adhered to in all cases and close liaison will be undertaken with the Director of Central Services in this regard. In accordance with the Transfer Agreement any development proposals for the site will need to be in agreement with the previous landowner.

1.5 Financial and Value for Money Considerations

- 1.5.1 The potential Capital Plan Scheme for facility improvements at LLCPC represents a significant level of investment from developer contributions held by the Council. The consultant's study on potential income generation identifies opportunities at the site and it is therefore suggested that a more detailed business and financial assessment of the development options be progressed.
- 1.5.2 In the development of options, the scale of investment will vary and does not necessarily have to be of the scale set out in the consultant's report in terms of a visitors' centre. Lower scale investment, e.g. a coffee shop/café (which the report suggests is what visitors comment on most) might deliver a better return/pay-back period than a larger scale investment, together with core business improvement and other aspects set out in the report. The next stage of the evaluation is about determining the 'best fit' in terms of risk and reward, service improvement and income generation from the more detailed assessment of the development options.

The evaluation will also need to consider the current and future economic climate and the impact that might have on spending levels.

- 1.5.3 The current cost to the Council of the Council Park is £110,650 (16/17 revised estimate) and if greater levels of income could be achieved, it would represent a welcome contribution to the Council's next tranche of savings in the Savings & Transformation Strategy. The cost of the next phase of work with Oaks Consultancy is £14,950, which Management Team has confirmed can be met from the Invest to Save earmarked reserve. The project will be developed and delivered in close liaison with the Director of Finance and Transformation.
- 1.5.4 The water sports concession currently provides the Council with an income of £8,150 per annum (16/17 revised estimate). At this stage this level of income cannot be guaranteed for the 2017 season.

1.6 Risk Assessment

- 1.6.1 The delivery of projects within the Capital Plan is identified in relevant Operational Risk Registers within the Service. A number of existing controls are in place to help deliver projects in accordance with the design brief, on timescale and within budgets. These controls include the preparation of design briefs, use of consultant teams where applicable, compliance with Contract and Financial Procedure Rules, an Officer Study Team approach and regular reports to Management Team and Members.
- 1.6.2 It is important in light of the Council's overall financial position that opportunities are carefully considered to reduce the cost of the facility to Council. To assist the Council in judging the potential financial risk associated with investment in the site, a leading leisure and sport business consultant has been appointed to work alongside the Council, which will assist the Council in making the best decision for the future.

1.7 Equality Impact Assessment

- 1.7.1 Equality will need to be taken into consideration with the design of any new facilities being brought forward.

1.8 Policy Considerations

- 1.8.1 Asset Management, Biodiversity & Sustainability, Community, Procurement and Healthy Lifestyles.

1.9 Recommendations

- 1.9.1 It is **RECOMMENDED TO CABINET** that:

- 1) The opportunity to generate appropriate new/additional income at Leybourne Lakes Country Park be endorsed and be reflected in any future facility improvements.

- 2) Oaks Consultancy be appointed in accordance with its proposal at **[Annex 2]** to the report to assist the Council in the business/financial appraisal of options linked to potential capital investment.
- 3) The approach to the production, consultation and approval of the new Leybourne Lakes Country Park Management Plan be endorsed with a report to a future meeting of this Board.
- 4) Liaison continues with identified individuals for the continuation of water sports activities in the short/medium term.

The Director of Street Scene, Leisure and Technical Services confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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