

SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	Executive
DATE	31 May 2012
REPORT TITLE	Tone Leisure: Car Parking
Report of	Natural Environment and Recreation Manager
WARDS AFFECTED	All Wards

Summary of report:

Executive has previously resolved to pursue three car parking alterations that relate to leisure centre parking. Under the contract with Tone Leisure such proposals are required to go through a consultation process with the contractor (and also in two cases South Hams Indoor Bowls Club) to allow their comment. This item reports on the outcome of the consultations.

Financial implications:

In relation to the proposal to separate leisure memberships from car parking permits there could be significant financial implications for the Council. Leisure members will have a range of options over how (and indeed if) they use SHDC car parking. The outcomes are unpredictable, including potential decrease or increase in income, but will be impractical to assess.

In relation to South Hams Bowls Club permit changes implications are again unpredictable and impractical to assess. Harmonisation of bowls permits with other permits may generate limited income, but may also displace custom elsewhere leading to a decrease in income (unless spaces are taken up by other users).

In both cases Tone Leisure are seeking an outcome that supports their Business Plan which in turn supports the reduction in subsidy from the Council.

RECOMMENDATIONS:

That the Executive **RECOMMENDS TO COUNCIL** that:

1. **The changes set out in the October 13th 2011 (E34/11 relates) report be implemented without a pilot period and**
2. **Defer any consideration of changes to the Bowls permits to any subsequent review of overall car parking permits and charging (E59/11 relates)**

Officer contact:

Ross Kennerley; Natural Environment and Recreation Manager:

ross.kennerley@swdevon.gov.uk 01803 861379

1. BACKGROUND

1.1 On 13th October 2011 Executive resolved to recommend to Council to allow changes to management in leisure centre parking permits and arrangements for a trial 12 month period (E34/11). The background is set out in the October item but in summary the changes included

- Availability of Leisure Parking Permits separate to Leisure Memberships (making parking permits an option to purchasers alongside a leisure membership)
- Paying for parking permits on monthly or annual basis
- Direct management by Tone Leisure of permits at centres to avoid delays (reducing administration for SHDC)

This was approved by Council on 3rd November 2011 (minute 51/11).

1.2 In accordance with the requirements of the Leisure contract this proposal was subsequently placed on consultation with Tone Leisure in order that Tone could review the proposal against their business case. Tone's response was to request that the changes be allowed without the 12 month time limitation. Further details are at Appendix 1.

1.3 On a separate, but linked matter, on 8th December 2011 Executive discussed a number of recommendations from the Economy and Environment Scrutiny Panel regarding parking permits and resolved amongst other things that in relation to leisure centres (minute EE.28/11) the following should be consulted upon:

- Bowling Leisure permits (currently allowing 5 hours parking) be eliminated with users being issued with standard leisure permits allowing four hours parking with additional parking being made up with purchase of a pay and display ticket
- Bowling Club permits, for visiting players, be eliminated

1.4 Again, in accordance with the position in the Leisure contract, these proposals were placed on consultation with Tone Leisure in order that they could review the proposals. SHDC also has a contractual relationship with the South

Hams Indoor Bowls Club which led to the club also being consulted. The responses requested that the proposals aren't implemented. The Bowls Club also made the following suggestions

- A modest increase over the standard 4 hr Leisure permit for 5 hr bowls users.
- An increase in the cost to SHIBC of Visitor permits commensurate with inflation over the period since last reviewed.

2. CURRENT POSITION AND ISSUES FOR CONSIDERATION

- 2.1 In relation to the change to overall leisure permit arrangements detailed at 1.1 & 1.2 the overall position remains much as reported to Executive in October. It will still be very difficult (if not impossible) to disaggregate the impact on parking revenue from the proposed changes and thus the uncertainty over financial impacts remains. In this context it will be difficult to assess with any accuracy how any proposed 12 month trial period might impact on income. Alongside this the other anticipated benefits to leisure members, Tone and the Council, outlined in the October report, remain.
- 2.2 In operational terms the trading position for Tone continues to be difficult – as has been reported recently to Community Life and Housing Scrutiny Panel (CLH 31/11). The panel had also been reminded of the importance of a supportive approach to leisure car parking in order to assist in the delivery of the Tone business plan.
- 2.3 In relation to the proposed changes to the Bowls Club permits, including visiting team permits, the response from both Tone and the Club has been that there will be potential adverse impact on the attractiveness of the Leisure Centre as a quality venue for indoor bowls - and that the adverse impact might well outweigh any financial and operational benefits to the council from implementing the changes. No quantification of cost benefits has been made to underpin the proposed change which stems from a rationalisation of permits rather than any analysis of costs or charging. Current income is £100 from Visitor permits and £3,551 from Bowls permits. The assertion by the club over the Council commitment to the current arrangements cannot be verified, but is implicit in the contract with the Bowls Club.

3. STRATEGIC ISSUES FOR CONSIDERATION

- 3.1 As recognised previously, and reported most recently at Scrutiny Panel (CLH 31/11), the contract with Tone Leisure brings significant financial benefits to the Council. In order to support the business plan that underpins this financial arrangement Tone has consistently highlighted the importance of a careful approach to parking arrangements.

- 3.2 The three proposals made by SHDC to the parking arrangements have been on consultation with Tone – and in each case the response has been that the nature of the proposals are considered to impact negatively on the business plan. The Council isn't obliged to agree with the consultation response but needs to give it due consideration.

Given the uncertainty over the exact impacts of the changes, and the ability to capture definitive evidence, there is only limited financial information on which to base the decision. Balancing the potential operational and financial benefits to the Council against the view from the Tone Leisure and the bowls Club the officer view is that

- The separation of leisure membership from car park permits supports the Leisure contract and should be supported without a 12 month trial (in the context that a trial period is not operationally practicable) and
- Given that there are limited demonstrable benefits to changing the bowls club permits (and a context of Club concern and other options being proposed) any consideration of changes to the Bowls permits be held over to any subsequent review of overall car parking permits and charging

4. LEGAL IMPLICATIONS

- 4.1 The proposed changes to the leisure centre parking permits detailed at recommendation 1 will need to be approved by Council because an amendment to a Council decision is being recommended.
- 4.2 This adjustment to parking arrangements will fulfil the terms of the contractual commitment made to Tone Leisure that car parking would be reviewed in consultation with the company, “[balancing] the business case for concessions to [leisure centre] members and wider social inclusion and fare pricing issues”. There need be no change to the terms of the contract itself as a result.
- 4.3 This report deals with the business affairs of both the Council and Tone Leisure (South Hams) Ltd. As such it qualifies to be taken in exempt session. However the nature of the item is such that it may be in the public interest for the information in this report to be placed in the public domain and the report discussed in open session. For that reason the Monitoring Officer has taken the view that it is appropriate to publish the report. If at the meeting it becomes necessary to consider commercially confidential matters, Members may pass a resolution to exclude the press and public in the usual fashion

5. FINANCIAL IMPLICATIONS

- 5.1 The proposed changes in how leisure centre car park permits are managed could have significant financial implications. Income from the leisure centre parking permits element of leisure memberships paid to South Hams District Council for 09/10 was £57,559 and in 10/11 was £55,784.

5.2 However assumptions can only be made as to how many members will take up the new proposals. Assuming that existing committed direct debit members retain their required parking this would generate £42,750 in income. If all non committed members continued then parking income of £12,973 would be generated. Potentially this could generate in the region of £55,723 – similar to current levels. If members don't renew then they may take up other parking fee options generating income to SHDC – and if they stop using parking then this frees up space for general public use.

5.3 In relation to proposed Bowls permits changes financial benefits are likely to be limited (given the relatively low level of current use) and financial implications will depend on whether users pay for the additional hours/ tickets or make alternative arrangements.

6. RISK MANAGEMENT

6.1 The risk management implications are:

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership	
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
TCP1	Contract Delivery	Failure to implement preferred parking options supported by the contractor may impact leisure centre performance	3	3	9	↔	Implement proposed arrangements	Natural Environment and Recreation Manager
TCP 2	Customer Service	Implementation of recommendation 1 allows customer choice over parking options	2	2	4	↑	Implement proposed arrangements this stage	Natural Environment and Recreation Manager
TCP3	Customer Service	Implementation of recommendation 2 maintains status quo for of bowls club users	2	2	4	↑	Retain current position	Natural Environment and Recreation Manager

7.0 CONCLUSION

7.1 Tone have been awaiting a review of parking to support the use of the leisure centres since the signing of the contract. In response they have received two proposals from the Council in quick succession. In both cases Tone have queried the impact on the business operation and requested that the Council

amend the proposals. Officers have sought to balance the potential benefits to the Council against the operational benefits to Tone – albeit against an inevitably uncertain outcome on car park income.

Corporate priorities engaged:	Economy Community Life
Statutory powers:	Local Government Acts 1972 & 2000
Considerations of equality and human rights:	Greater awareness and choice for Leisure parking supporting active and healthy lifestyles
Biodiversity considerations:	Not applicable
Sustainability considerations:	Supports Green travel options
Crime and disorder implications:	Not Applicable
Background papers:	The funding and management agreement with tone Leisure dated 24 th November 2006 is subject to a confidentiality agreement regarding its availability to the public. Certain parts of it are therefore exempt from disclosure by virtue of paragraph 3 of schedule 12A to the Local Government act 1972. Report to and minutes of the Executive 13 th October 2011 (E34/11) and 8 th December 2011 (E.59/11) Resolution of Council on 3 rd November 2011 (minute 51/11)
Appendices attached:	1. Summary responses to consultation

APPENDIX 1 Summary Responses to Consultation

Summary of responses made by Tone Leisure to proposal to place 12 month trial period in place

- Disappointment at late introduction of 12 month trial given extensive and careful preparation of the proposal
- That it was unclear how SHDC would monitor the impact during any 12 month trial and accordingly how it would judge the success or otherwise of the trial period to allow consideration of any extension
- That implementing the change was a significant operational matter that could not easily be reversed and might generate significant user dissatisfaction if reversed with car parking and membership being brought back together at a future point
- That given the risk involved in the decision being reversed, and the significant impact on the business case, that Tone couldn't move forward on a 12 month trial basis and requested SHDC look again at allowing the changes in the original report without time limit.
- SHDC reminded of the competitive market conditions and that the operation of a successful business underpins the declining annual subsidy SHDC pay to Tone

Summary of response made by South Hams Bowls club to proposal to amend Bowls Club permits (supported by Tone Leisure)

- The Bowls Committee was originally proposing to build, with their own funds, a standalone facility. They contend that they were encouraged to put their funds into a pot with SHDC to build what they consider to be the excellent dual Swimming/Bowls facility that now exists on the basis that the current parking arrangements were agreed
- That the club therefore didn't have their own parking facility for members and visitors. All other indoor bowls clubs in South Devon are believed to have free parking for their members. The club considers that both the 5 hour permit and visitor permit arrangement date from this time and were agreed by South Hams Council to support the joint facility.
- Bowls matches typically last for 5 hours and to arbitrarily reduce the tickets to 4 hours impacted on the attractiveness of the centre for hosting matches. That the Bowls governing body requires that games can last beyond four hours
- Removing the Visitors permit is detrimental to the attractiveness of the centre when compared to offers elsewhere
- The overall cost benefit to the Council as a venue for matches and spin off benefits for the viability of the centre.