

REPORT OF THE STRATEGIC DIRECTOR  
TO THE EXECUTIVE  
2 SEPTEMBER 2005

**Civic Halls Procurement of Trust Management**

**1.0 Introduction and Report Summary**

- 1.1 This report covers the objectives and contract term for trust management of Wantage Civic Hall and Abingdon Guildhall, the democratic function's use of the halls, the Guildhall's potential contribution as a wider cultural venue and the way forward. It does not cover the Faringdon Corn Exchange.
- 1.2 The Contact Officer for this report is Nick Garnett, Assistant Director (Leisure), 01235 540337.

**2.0 Recommendations**

- 2.1 *The Executive is asked to agree the objectives of the Trust Management project as identified in 4.1.3;*
- 2.2 *The Executive is asked to agree that the contract term for management of Wantage Civic Hall and Abingdon Guildhall as eight and a half years;*
- 2.3 *The Executive is asked to agree to proceed with the Trust Management project with the service specified as it is currently provided, including the democratic function, with a view to seeking tenderers proposals on the potential impact of a relocation of this function and the re-development of the Guildhall to better meet the cultural needs of the District; and*
- 2.4 *The Executive is asked to agree the delegation to the Chief Executive, in consultation with the Executive Member with responsibility for the Leisure and Community, to deliver the project, including the shortlisting for the procurement.*

**3.0 Relationship with the Council's Vision, Strategies and Policies**

- (a) The report relates to objectives A, C and G of the Council's Vision
- (b) The report relates to the cleaner, greener, safer and healthier environment priority
- (c) The report does not contradict any Council policies

**4.0 Background and Supporting Information**

**4.1 Objectives for Trust Management of Halls Procurement**

- 4.1.1 Following the success of the transfer of the management of the leisure facilities to a Trust, SOLL (Vale) Limited, the management of the Vale's Halls (Wantage Civic Hall and Abingdon Guildhall) was identified as a possible extension of this means of operation.
- 4.1.2 The Council's budget for 05/06 identified the procurement of Trust Management for the Halls as a project to contribute to the Medium Term Financial Plan (MTFP). A figure of £75,000 was identified as a saving.

- 4.1.3 This saving is therefore the primary objective for the project. A broader statement of project objectives is needed. The following additional key objectives are proposed along the lines of those set for the leisure facilities exercise:
- a. To maximise the potential reductions in revenue expenditure required by those services
  - b. To protect existing Civic Halls from the possibility of needing to make further budget reductions in the future; and
  - c. Subject to not compromising the primary objectives that the following further objectives be set:
    - i. The identification of the potential for re-siting the Vale's democratic function and
    - ii. The identification of opportunities to meet a broader cultural need via the redevelopment of the Abbey Hall or other locations.

## 4.2 Contract Term for Trust Management of Halls

- 4.2.1 The Council needs to determine the best contract term for the Halls' management contract. The Council's two facility management contracts run for ten years to: 2012 for the White Horse Leisure & Tennis Centre, and 2014 for Wantage and Faringdon Leisure Centres and Tilsley Park.
- 4.2.2 A balance has to be made in deciding on which term to use. A term long enough to provide an incentive to the contractor to develop and potentially invest in the facilities and services versus a contract that is too short where a contractor's margin will be generated from reducing costs.
- 4.2.3 Bringing the timing of contracts together creates the advantage of the Council dealing with one contractor, creating savings in administrative time that can be spent on developing the service. This also allows the Council and contractor to take a more strategic overview of the service.
- 4.2.4 The three main options are:
- a) A simple ten year contract as we have used in our existing arrangements;
  - b) A contract of six years, its termination coinciding with the White Horse Leisure & Tennis Centre (WHLTC) contract;
  - c) A contract of eight and a half years, its termination coinciding with the Wantage and Faringdon Leisure Centres and Tilsley Park contract.
- 4.2.5 A simple ten year contract would provide a good basis for service improvement but prevent contracts being brought together; this is therefore thought to be the least favourable option.
- 4.2.6 A six year contract to bring the contract in line with the WHLTC contract does not have the potential for providing a significant enough period to encourage service and facility investment.
- 4.2.7 An eight and a half year contract where the contracts are brought together giving time to encourage service and facility improvement.

## 4.3 The Democratic Function

- 4.3.1 The democratic function makes heavy use of both halls but particularly the Guildhall. There is an opportunity to identify whether the democratic function should continue to be

located in these facilities as now or whether an alternative location would better meet the Council's needs.

4.3.2 A space could be created to primarily meet the democratic function's needs while offering a much enhanced venue for seminars and day conferencing. Such a facility could be operated in a re-configured Guildhall, Abbey House or another venue.

4.3.3 Prior to determining whether such a project should be pursued the impact on the loss of use for the Council's democratic function and potential for the space to be let for commercial hire needs to be identified. The Council would, in doing this, need to prevent increasing the cost of managing the Civic facilities, due to a loss in income that can not be replaced, set against the cost of any alternative venue.

#### 4.4 A Cultural Venue for Abingdon and the Vale

4.4.1 A re-figuration of the Guildhall and in particular the Abbey Hall could be considered for a cultural venue should the Old Gaol feasibility not prove viable.

4.4.2 Clearly the Guildhall could not meet all of the cultural functions identified for the Old Gaol e.g. a library and a museum. Which functions, how best to meet them, the cost of any alterations required and the impact they would have financially would require a detailed study.

### 5.0 Options

#### 5.1 Contract term

5.1.1 There are three options, 10 year, 6 year or an 8.5 year contract term.

#### 5.2 Democratic function and cultural use of the Guildhall

5.2.1 Conduct a feasibility in the future location of the democratic function in the Halls and further cultural uses of the Guildhall post tendering.

5.2.2 The alternative is to do this feasibility prior to tendering. This would result, as previously stated, in a significant re-configuration of the service plan and the removal of the £75,000 saving identified in the MTFP.

### 6.0 Conclusions

#### 6.1 Contract term

6.1.1 An eight and a half year contract seems to be the optimum option, where the contracts are brought together with time to encourage service and facility improvement.

#### 6.2 Democratic function and Cultural use of the Guildhall

6.2.1 The future location of the democratic function and the contribution that the Guildhall may be able to make in providing for a cultural venue for the Vale will require substantial work; the linking of these two projects would have to be considered. If such work were to be carried out now the Civic Hall trust management procurement exercise would have to be delayed, preventing the project's contribution to the delivery of the MTFP.

6.2.2 The proposed way forward is therefore to proceed with the procurement of Trust Management for the Civic Halls as planned, tenders being sought on the existing operation including the democratic function. This would allow a like for like comparison of bids and the selection of a Trust for the facilities future management with the objective of securing the sum identified in the MTFP.

6.2.3 In addition the tenderers should be asked to consider.

a. The removal of the democratic usage from the Halls and take a view on whether this function could be relocated, generating a reduction in the overall operating cost of the facilities.

b. The potential for the redevelopment of the Abbey Hall to meet a broader range of cultural needs and the financial impact of these changes.

This additional information would have two functions, to alert the Trusts to potential future changes in service and secondly commence a process which could determine a new direction for these facilities.

6.2.4 On the appointment of a Trust a more detailed feasibility study into these two issues could then commence with the contractor's full involvement. Any change to the service would then require a variation to the contract having jointly identified all of the implications.

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Background Papers: None