

CABINET
3 APRIL 2014

PRINCES PARK – MINI PITCHES

1. Summary

- 1.1 To seek approval to a revised service level agreement with Dartford Football Club for the operation of the mini football pitches at Princes Park.

2. RECOMMENDATION

- 2.1 That Cabinet approves the main terms and conditions as outlined in the report for a service level agreement between the Council and Dartford Football Club for the operation of the mini pitches at Princes Park.

3. Background and Discussion

- 3.1. The mini pitches at Princes Park were built by the Council with part funding from the Football Foundation. The mini pitches opened in September 2011. It was originally intended that Dartford Football Club would be wholly responsible for the mini pitches, but the Football Foundation would not allow this, although they did agree that Dartford Football Club could operate them on behalf of the Council.

- 3.2. Accordingly it was necessary to establish a service level agreement between the Council and Dartford Football Club. The service level agreement expired in August 2013 and discussions have been ongoing between the Council and Dartford Football Club for some time.

- 3.3. Both the Council and Dartford Football Club are happy with most of the terms of the old agreement, but the one area that needs amending is the fee paid to Dartford Football Club.

- 3.4. Under the terms of the old agreement the Council paid Dartford Football Club £19,000 for the administration and maintenance of the mini pitches, dealing with all bookings and collection of income. The fee has not changed since the opening. There is little incentive for Dartford Football Club to increase income and all the risk is with the Council. Dartford Football Club has stated that its work has increased, in line with increased usage, and have asked for an increased fee.

- 3.5. The following is proposed from 1 April 2014 for a period of three years:

The Council will pay an annual fee of £20,000 to Dartford Football Club; this to be subject to CPI each year (based on previous September), rounded down to a whole amount.

Pitch fees to increase by CPI, rounded down to a whole amount (or alternative if both the Council and Dartford Football Club agree) at the start of each football season.

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15% of income (net of VAT) to be paid into a refurbishment reserve; subject to this producing no worse than break even.

Any surplus to be shared 50/50 between the Council and Dartford Football Club.

3.6 Costs for 2013/14 are approximately £22,000, and income is estimated at £27,000. Allowing for £4,000 to be transferred to the refurbishment reserve will give an estimated surplus of £1,000. Since the old agreement ended in August it is recommended that the Council pays Dartford Football Club an additional £500 for 2013/14 in recognition of the increased workload.

4. Relationship to the Corporate Plan

4.1 Increase the opportunities for participating in sporting, cultural and leisure activities.

5. Financial, legal, staffing and other administrative implications and risk assessments

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| Financial Implications | The budget for 2014/15 is a net surplus of £5,000. To achieve this it would be necessary to generate income of approximately £40,000. Although this is lower than currently officers believe this is achievable. Usage continues to increase and fees will increase at the start of the season. |
| Legal Implications | None specifically |
| Staffing Implications | None |
| Administrative Implications | None |
| Risk Assessment | There is a risk to the Council if an agreement cannot be reached with Dartford Football Club because the Council would have to make other arrangements. There is a risk that the required income will not be achieved but Dartford Football Club has a real incentive to increase income so the risk is lower than the current budget risk. |

6. Details of Exempt Information Category

Not applicable.

7. Appendices

None.

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BACKGROUND PAPERS

| <u>Documents consulted</u> | <u>Date / File Ref</u> | <u>Report Author</u> | <u>Section and Directorate</u> | <u>Exempt Information Category</u> |
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| | | Tim Sams (3319)/Stephen Jefferson (3524) | Financial Services Managing Director | N/A |