

Meeting of:	CABINET
Date of Meeting:	22 OCTOBER 2024
Report Title:	TENNIS FACILITIES MANAGEMENT AGREEMENT
Report Owner / Corporate Director:	CORPORATE DIRECTOR COMMUNITIES
Responsible Officer:	ZAK SHELL, HEAD OF OPERATIONS - COMMUNITY SERVICES
Policy Framework and Procedure Rules:	This report has no effect on the Policy Framework and Procedure Rules.
Executive Summary:	Tennis Court Improvements have been made across the borough in association with the Lawn Tennis Association in the sum of £519,469.68 and a decision is required in relation to the appointment of an external operator for the management and maintenance of the courts via an Operator Agreement (Concession Contract).

1. Purpose of Report

- 1.1 The purpose of this report is to update Cabinet on progress made with regards to the development of new tennis facilities across the borough, in conjunction with the Lawn Tennis Association (LTA), and to secure a key decision regarding the appointment of an external operator for the management and maintenance of the courts.

2. Background

- 2.1 In April 2023, Cabinet approved a recommendation to provide funding via the Community Asset Transfer (CAT) fund in the sum of £191,231.90 to enable the refurbishment of nine tennis courts at four locations across the borough: Maesteg Welfare Park, Griffin Park, Caedu Park and Heol Y Cyw. The approval of this funding enabled a further sum of £328,237.78 to be committed by the Lawn Tennis Association via the LTA Park Refurbishment Programme, which sought to refurbish park courts across the UK having received £21.9 million of funding directly from UK Government's Department for Digital, Culture, Media & Sport (DCMS) and an additional £8.4 million from the LTA Tennis Foundation to deliver the programme.
- 2.2 The tennis court improvements were commissioned by Bridgend County Borough Council (BCBC) under a framework agreement that had been arranged by the LTA and assessed by our Procurement and Legal Services Teams to determine compliance with procurement regulations.

2.3 At the time of installation, the intention was for an external operator to take over the management and maintenance of the courts, which included the establishment of a sinking fund to enable refurbishment and resurfacing in the coming years, in line with the Operations and Maintenance Manual provided by the specialist contractor upon completion.

3. Current situation/ proposal

3.1 The refurbishment of the courts has now been completed, with the courts being made available for public use as noted below:

Location	Opening Date
Heol Y Cyw	17 th August 2023
Caedu Park	17 th August 2023
Maesteg Welfare Park	4 th October 2023
Griffin Park	22 nd May 2024

3.2 At present, the courts are being maintained by the Green Spaces department, which includes the need to remove debris and treat surface weeds, as well as the need to conduct regular inspections of the condition of the nets, posts, fencing and gates.

3.3 Due to the extent of the maintenance and management required, there is a need to progress with the appointment of an external operator for a period of 15 years.

3.4 The tennis courts are enclosed by fencing and accessed by a key-coded gate. As a guide, family passes currently cost £39 per annum and the requirements of the third-party agreement would specify the need for the operator to provide free usage and coaching. The LTA grant funding agreement also requires any third party taking on the day-to-day running of tennis facilities developed by the Park Refurbishment Programme to provide a commitment to working with LTA Operations to deliver a free tennis offer via an organised activity on a Saturday or Sunday at 10am. It is envisaged that such an approach should be adopted for the sites across BCBC by the appointed Operator.

3.5 Extensive discussions have been held with Finance and Procurement and in view of the financial restrictions faced by the Council, officers consider that the most cost-effective approach would be to structure the Management Agreement as a concession contract. In effect this means that no payment will be made by the Council for the services to be provided. The value of the contract to any operator will be based on the level of income that it receives over the term and the operator would assume the risk of compliance with the maintenance and refurbishment obligations passed down from the Grant Agreement.

3.6 The operation of the sinking fund involves a mechanism whereby a set amount is to be transferred by the operator to BCBC on an annual basis and ringfenced, to enable sufficient funds to be available at the end of the contract for the refurbishment of the courts to their original standard, in line with the obligations in the Grant Agreement.

3.7 The Council's Contract Procedure Rules do not apply in circumstances:

Where a procurement is required to be conducted under the Concession Contracts Regulations 2016 or the Utilities Contracts Regulations 2016, provided the use of the Concession Contracts Regulations 2016 or the Utilities Contracts Regulations 2016 has been approved by the Appropriate Body. (CPR 3.1.7)

- 3.8 Under the Concession Contract Regulations 2016, the current threshold for advertising such an agreement in accordance with those regulations is £5,372,609. LTA have provided figures for the projected operator income over a 15-year term for all four sites, which are set out at **Appendix A**. It is apparent from these figures that the total projected income for the period would amount to approx. £250,000. A pre-determined amount of the income per quarter will be transferred to BCBC for holding and to ensure sufficient funds for the resurfacing are available when required and in line with the LTA Operations Manual
- 3.9 In addition, the LTA Toolkit has been used to project the values that would be required to maintain a sinking fund to cover the estimated costs of refurbishment of the courts at years 10-12 and these figures are set out at **Appendix B**. Taking the sinking fund obligations into account, the net projected concession contract value is anticipated to be below £60,000 for the full term of the projection.
- 3.10 If approved by Cabinet, the intention is to develop a concession agreement to incorporate the following aspects:
- Maintenance of the courts in line with LTA recommendations, as defined in the Operation and Maintenance Manual.
 - The establishment of an appropriate sinking fund from revenue generated for maintenance and court resurfacing works. The operator will be required to resurface the courts at the end of their lifecycle (approx. 10-12 years) with the sinking fund utilised to fund these works. These costs are currently estimated to be £1,200 per Macadam court under the LTA Sinking Fund Calculator (<https://www.lta.org.uk/roles-and-venues/venues/tennis-padel-facility-funding-advice/club-sinking-fund/>)
 - Confirmation that the courts are to be handed back in a condition reflecting LTA recommended maintenance and resurfacing schedule ([court-surfaces-guidance.pdf \(lta.org.uk\)](#) at the point the agreement ends.
 - All coaching services, Pay and Play, subscription (annual passes) income will be retained by the operator. The LTA estimates that plausible annual income from the hire of the tennis courts and plausible cashflow by year 5 for each site has been included as a guide at **Appendix A**.
 - Provision of a minimum 15 hours and maximum 30 hours of tennis activity and coaching sessions each week across the three park sites, on a maximum of two tennis courts (where available).
 - Funding of annual Gate access charges (currently £536 excluding-VAT) per park to be paid for by the operator (price subject to change).
 - The development of a comprehensive tennis development programme, to include free provision for underrepresented groups.

The concession arrangement will also require any operator to comply with the following LTA specific requirements:

- All sites to show LTA UK Government Branded Material;
- All sites to be registered with the LTA (free for the period of this agreement);
- All sites to offer LTA accredited Coaching Activities;
- All sites to be bookable through LTA Play
<https://www.lta.org.uk/play/book-a-tennis-court/>
- All sites should be operated through Club Spark and linked to online booking, annual passes and coaching programmes;
- A launch plan should be delivered to raise the awareness of sites in the local communities, which should include a promotional Open Day;
- All sites to participate in Local Tennis Leagues;
- All sites to offer a free LTA Free Park Tennis Programme on Saturday or Sunday Mornings and operator to support the recruitment of Volunteers (Activators) to Lead the programme;
- Courts are strictly for the sole use of tennis activities.

The agreement will include monitoring, reporting and financial management controls to ensure the effective operation of the sinking fund which will be maintained by the Council to ensure oversight, with regular payments to be made as set out in the proposed operator agreement.

- 3.11 In order for the operator to provide the services noted above, the acquisition, training and use of tennis coaches registered with the LTA will be required. As part of the LTA Tennis Coach training programme, coaches must be accredited which includes holding relevant DBS checks and undertaking safeguarding and first aid training before they can provide coaching sessions to members of the public. The Operator Agreement will ensure that all coaches are compliant with the necessary requirements of the LTA.
- 3.12 Tennis Wales has approached the Council to express an interest in operating the sites. Whilst in theory, another organisation could operate the sites on the Council's behalf, Officers consider that the concession opportunity would be of very limited value to the wider market due to the low contract value; initial loss-making period; detailed maintenance and refurbishment obligations and LTA requirements. As an affiliate of the LTA, Tennis Wales is best placed to meet the Grant Agreement obligations. In addition, it is a not-for-profit organisation, so it is expected that the service would be provided in the best interests of service users rather than the organisation's own interests. Should Cabinet be minded to approve the grant of a concession, officers may be required to undertake a full assessment to ensure that the arrangement complies with the provisions of the Subsidy Control Act 2022.
- 3.13 Officers have determined that a lease or licence agreement will be required in addition to the Operator Agreement for each of the four sites noting that the Corporate Director – Communities has the necessary delegated authority in accordance with the Council's Scheme of Delegation of Functions.
- 4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 This report assists in the achievement of the following corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015:

- Long Term – The appointment of the operator will enable the specialised maintenance and upkeep of the newly-installed facilities in the short term, as well as providing provision for the resurfacing of the courts after 8-10 years, ensuring a high-quality facility is available for future generations.
- Prevention – The operator identified is a Wales-based organisation, providing employment to local people and will work with established groups to provide a service appropriate for the local community in each area identified. The transfer of the responsibilities in relation to the maintenance and resurfacing of the courts would enable an experienced organisation to ensure the safeguarding of the facilities for future generations and reduce the need for reliance on BCBC for the provision of this service.
- Integration – The contract for this service will be awarded via a concession contract. Any income received by the operator will be utilised for the maintenance and upkeep of the facilities, as well as resurfacing the courts after 8-10 years, ensuring a high-quality facility is available for future generations. The inclusion of Welsh language has been considered and a requirement of the agreement will include the need for services to be provided bilingually where possible.
- Collaboration – BCBC will work with the operator to ensure that a fit-for-purpose service is being provided with consideration to the needs of the local communities. The concession contract will be implemented via a management agreement, which will include consideration of community engagement (e.g. inclusive tennis sessions). An opportunity for the operator to work in conjunction with the established tennis clubs in Bridgend has already been identified and will be implemented upon appointment of the operator. A strong relationship has already been established between the LTA and BCBC and the LTA and Tennis Wales have a long-running partnership in place.
- Involvement – The appointed operator will provide a professional coaching service, which includes the provision of sessions to encourage a diverse range of individuals in our community to participate in exercise sessions free of charge, ensuring an inclusive opportunity for these communities. The service

will actively encourage its users to engage with the activities that take place within their community and support contact with friends, family and other members of the public. Through greater engagement individuals should be able to contribute to their communities for longer.

5.2 The appointment of an operator also assists in the achievement of the following corporate well-being objectives:

1. A County Borough where we protect our most vulnerable – By providing an opportunity for our communities to access outdoor sporting facilities and encouraging people to lead healthy lives and supporting the wellbeing of unpaid carers, including young carers, to have a life beyond caring, through the provision of free tennis sessions open to all. Coaches appointed by the LTA are subject to rigorous screening procedures, to ensure the safeguarding of our communities.
2. A County Borough with fair work, skilled, high-quality jobs and thriving town – By providing opportunities for residents to undertake coaching qualifications with the LTA, to develop skills which are transferable to the work environment.
3. A County Borough with thriving valleys communities – the refurbishment of tennis courts in four areas across the borough (Caedu Park – Ogmores Vale, Maesteg Welfare Park – Maesteg, Heol-Y-Cyw and Griffin Park – Porthcawl) has already contributed to improving community facilities and making them more accessible, as well as investing in our parks and supporting tourism to the valleys. This contribution will be sustained via the implementation of the proposed operator agreement and the granting of the relevant licences to occupy via a Community Asset Transfer,
4. A County Borough where we help people meet their potential by providing the opportunity for residents to undertake training to enable them to support their communities and develop transferable skills, as well as the provision of free sessions and other programmes for our young people.
5. A County Borough that is responding to the climate and nature emergency by encouraging residents to use our County Borough's parks and greenspaces to get out, have fun and improve their own health and wellbeing.
6. A County Borough where people feel valued, heard and part of their community – By helping clubs and community groups to become involved in the control and improvement of their facilities and protecting them for the future.
7. A County Borough where we support people to live healthy and happy lives – By offering attractive leisure and cultural activities and improving children's

play opportunities, as well as encouraging residents of all ages to lead active and healthy lives and get involved in sports, thus increasing participation in leisure activities.

6. Climate Change Implications

6.1 There are no climate change implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications arising from this report.

8. Financial Implications

8.1 The current agreement between BCBC and the LTA includes a standard obligation period, which refers to the maintenance requirements over the proposed term of the maintenance agreement (**Appendix D**).

8.2 These responsibilities are currently being managed by the Green Spaces Department and would be transferred to the operator via the proposed management agreement

8.3 Based on the LTA projected calculations in relation to the income and sinking fund requirements (shown at Appendix B), there is unlikely to be any financial implication to the authority, as the income from the courts would be retained and utilised by the operator via a sinking fund for the operation, maintenance and future resurfacing of the courts. The LTA have undertaken the projected calculations of the income and sinking fund based on their previous experience with courts developed across South Wales and the risk of the sinking fund being insufficient is low. Tennis Wales also have the support of the Lawn Tennis Association and the potential for access to further funding streams in the future.

8.4 In mitigation, minimal promotion of the courts has been undertaken at this time, which has already resulted in the purchase of 93 annual passes at a value of £1,653.00 and individual non-member bookings of 1220 at a value of £5,417.50 across all four locations. A total of 1842 bookings have been made by members and non-members to date. Promotion would be significantly increased upon appointment of an operator and include additional opportunities for professional coaching, which is anticipated to significantly increase income.

9. Recommendation(s)

9.1 Cabinet is requested to:

1. Approve the award of a concession contract in the form of an Operator Agreement to Tennis Wales Limited, based on the principles set out in this report;
2. Delegate authority to the Corporate Director – Communities to negotiate the final terms of an operator agreement in consultation with the Chief Officer Finance, Housing and Change and the Chief Officer – Legal and Regulatory Services, HR and Corporate Policy to enter into the Operator Agreement and any

supplementary agreements and to grant any necessary consents required on behalf of the Council.

3. Note that Tennis Wales Limited will be subject to a lease or licence agreement with the Council to reflect the site-specific requirements.

Background documents

None