

SLOUGH BOROUGH COUNCIL

REPORT TO: Overview and Scrutiny

DATE: 16th November 2017

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(Section 151 Officer)

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WARD(S): Elliman

PART I **FOR COMMENT & CONSIDERATION**

CALL IN - ARBOUR PARK COMMUNITY STADIUM SLOUGH TOWN FOOTBALL CLUB AGREEMENT WITH SLOUGH BOROUGH COUNCIL

1. **Purpose of Report**

To advise the Committee of the receipt of a Member call-in and to seek the Committee's views and instructions on how it wishes to deal with it.

2. **Recommendation(s)/Proposed Action**

The Committee is requested to resolve the call-in and decide what action it wishes officers to take.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The Arbour Park Community Stadium supports all local communities of all ages while maximising the council's asset base and providing an income stream that can be used to contribute towards the provision of front line services. The opening of the new stadium supports the wellbeing of residents, encouraging the use of this facility to lead safe, fulfilling, prosperous and healthy lives.

3a. **Slough Joint Wellbeing Strategy Priorities**

Health and Wellbeing - The Arbour Park Community Sports Stadium provides residents access to a 'fit for purpose' community asset, enhancing wellbeing requirements encouraging the community to use the facility to get active and increase life expectancy while also improving mental health and wellbeing. The strategy for leisure, aims to "enhance the health and wellbeing of Slough residents by ensuring leisure activity is adopted as a habit for life for all – more people, more active, more often". The causal link between physical activity and overall health indicators is clear, particularly for obesity and heart disease, which are high priorities for Slough.

Safer Slough - The opportunity to participate in shared leisure activities makes a positive contribution to community cohesion and interaction for all members of the varied and diverse community in Slough.

Regeneration and environment – The Arbour Park Community Sports Stadium contributes to the quality of the environment of the town. It has contributed to regenerating the local community. This great leisure facility will help improve the image of the town, making Slough a destination for sport and physical activity for local residents who will take a pride in the promotion of its use.

3b. **Five Year Plan Outcomes**

The Arbour Park Community Sports Stadium demonstrates investment in our assets to put people first and support delivery of all outcomes in the Five Year Plan. Introducing such a fabulous facility to Slough will help us to attract, retain and grow businesses and investment to provide jobs and opportunities for our residents while also making Slough an attractive place where people choose to live, work and visit. We are offering our communities a facility that supports healthier living.

4. **Other Implications**

(a) **Financial**

STFC have been offered a discounted rate at £15k pa and although this will reduce monetary income for the stadium, the social return on investment will compensate for this discount as specified in the terms & conditions (**Appendix A**), where initiatives STFC will be required to deliver have been specified. When costed, the indicative costs of this social return on investment is estimated at £68k pa. Performance and delivery of these initiatives will be closely monitored by the Building Management team through monthly meetings with STFC, liaising with SBC services to support evidence of impact i.e. Education, Leisure, Health etc.

(b) **Risk Management**

Risk	Mitigating action	Opportunities
Legal	No risks identified.	N/A
Property	No risks identified.	Enhance our Assets.
Human Rights	No risks identified.	N/A
Health and Safety	No risks identified.	N/A
Employment Issues	No risks identified.	Create jobs for people to serve the communities out of this asset.
Equalities Issues	No risks identified.	N/A
Community Support	No risks identified.	Deliver local needs.
Communications	No risks identified.	N/A
Community Safety	No risks identified.	Providing community activities out of our assets will enhance community safety.
Financial	The income may not cover the asset running costs, however ongoing initiatives	Income generation.

	will support income generation.	
Timetable for delivery	No risks identified.	N/A
Project Capacity	No risks identified.	N/A
Other	No risks identified.	N/A

(c) Human Rights Act and Other Legal Implications

The report does not have any legal or human rights act implications

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA at this stage.

5. Supporting Information

5.1 A Member Call-In has been received from Councillor Dexter Smith, as attached at **Appendix B** to this report.

5.2 The Committee may take the following action on the call-in:

- Agree to take no further action on the request.
- Make alternative recommendations to the Cabinet or Council.

5.3 Background - Slough Town Football Club -

Slough Town Football Club (STFC) is a senior non-league football club representing Slough, England. From 1973 Slough Town played at the Wexham Park Stadium. At the end of the 2002–03 seasons the club vacated Wexham Park Stadium. During the next four seasons (2003–04 to 2006–07) the club was based in Windsor, ground-sharing with Windsor & Eton at their Stag Meadow ground. In the summer of 2007, the club agreed a three-year ground-share with Beaconsfield SYCOB that was extended to cover the 2010–11 seasons and continued until STFC moved to Arbour Park Community Sports Stadium in August 2016.

5.4 Since June 2009, Slough Town FC was promoting a proposal submitted to Slough Borough Council for permission to build a new stadium within the Borough of Slough. In July 2014, cabinet approved a new CSF (Community Sports Facility) to be developed on the Arbour Park site. Members welcomed the fact that the proposed stadium would be as flexible as possible to accommodate STFC and ensure that there could be as wide a use as possible. The Community Sports Stadium is now in full operation and being managed by the council's Facilities Management team and the stadium has been the home ground for STFC since the beginning of the 2016/17 football season.

5.5 It was proposed to the Cabinet that the council enters an 18 month agreement with STFC as per **Appendix A**, with a break clause enabling either party to terminate the agreement giving a minimum of 3 months notice. On the 12th

month of the agreement, the council would review progress and decide if changes to the arrangements are required.

- 5.6 Councillor Smith has confirmed that he is aware that Council minutes only record decisions rather than debate. The meeting he is referring to is 21st July 2015. The meeting details can be found at <http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=168&MId=5371&Ver=4> The minutes of this meeting do not specify any information as referred to in Councillor Smith's call-in.
- 5.7 Although the financial payment being made by STFC is reduced, the social return on investment when costed is estimated at £68k pa, which sufficiently covers the rental cost and in essence provides no subsidy to the club. In addition to this, the performance and delivery of these initiatives will be closely monitored by the Building Management team. Monthly meetings with STFC will take place and STFC will be required to liaise with SBC services to evidence their impact and delivery of the agreed commitments to social return on investment.
- 5.8 The call-in states that SBC will be subsidising STFC with no attempt to recover the **capital costs** of the Arbour Park Stadium and only a nominal rent and profit share with STFC. It must be confirmed that STFC are a hirer of the stadium and do not have an ownership in the land or asset. Therefore it would not be normal or acceptable to request that they fund capital build costs of the asset which belongs to the council, neither has this been requested from any other hirer who has committed to a licence or lease to rent space in other council assets owned, refurbished or built by the council i.e. Montem Leisure Centre, The Curve and other community venues owned by the council. Also the facility was not built to STFC specification. It was built to the FA grade C ground grading specification, ensuring a fit for purpose facility for all community use and to comply with the Green Guide on sports facilities and stadiums.
- 5.9 As specified above the social return on investment sufficiently covers rental costs in a non-monetary value. By applying the initiatives specified in **Appendix A**, not only will STFC be supporting the council's 5 year plan, they will also be contributing to improving the health and wellbeing of the Slough community and therefore reducing financial pressure to other services in the town i.e. Health.
- 5.10 The call-in states that there is direct conflict with a promise made by Cllr Anderson, when he was Leader of Council and at the Full Council Meeting where all councillors gave their approval to the building of the Arbour Park Stadium and that no commitment was being made to subsidise STFC. At this present time we cannot confirm that any subsidy is being offered as the council will get social return on investment, which will be accurately calculated in relation to 'actual' social return after a period of 12 months. However the present estimates indicate that there will be no subsidy.
- 5.11 The fact that the call-in specifies that Cabinet made no commitment to subsidise STFC, it implies that this may be perception from the debate that may have took place i.e. no commitment was confirmed. Therefore it is unclear that this was actually agreed as an action and in fact comments may have been made during a debate, therefore this cannot be perceived to be a binding decision. Officers have searched reports, various meeting minutes, newspapers articles etc. and no evidence exists stating that a promise was made by the Council to not subsidise STFC, therefore we are unable to establish that this commitment was given.

However, this should not be an issue as it has been confirmed that there is unlikely to be any subsidy due to the social return on investment delivery requirement by STFC and as the asset belongs to the council and is being hired for matches and training by STFC and many others. STFC is not the sole occupier, therefore we would not expect to recoup the capital investment from them as a hirer (this approach is consistent with all SBC assets).

- 5.12 The call-in states that this has been done without reference to Full Council – it exceeds the £1million threshold requiring reference back to Full Council. As specified above, the subsidy will naturally reduce/disappear due to the community benefits STFC will have to deliver as well as 50% of profits from sale of food and drink.

6. **Comments of Other Committees**

None

7. **Conclusion**

Members are requested to consider what action to take on the call-in, noting that officers have followed a thorough process to ensure that the agreement offers the council good return on investment. Although the financial payment being made by STFC is reduced, the social return on investment when costed is estimated at £68k pa, which sufficiently covers the rental cost and in essence provides no subsidy to the club. In addition to this, the performance and delivery of these initiatives will be closely monitored by the Building Management team through monthly meetings with STFC, liaising with SBC services to support evidence of STFC's output in relation to social return on investment.

It should also be emphasised that this is an 18 month agreement between STFC and the Council, with allowance for either party to terminate sooner giving 3 months notice. Therefore the council will be absolutely within its right to terminate the agreement should it find itself not receiving the promised return on investment with a value that reduces or removes any subsidy.

8. **Appendices Attached**

'A' - Proposed Agreement with Slough Town Football Club
'B' - Member Call-in Request

9. **Background Papers**

None

APPENDIX A – Proposed Agreement with Slough Town Football Club

SUBJECT TO CONTRACT

Heads of Terms

In respect of STFC's use of Arbour Park, Slough, SL2 5AY (the Arrangement)

Between

1. Thames Valley Sports & Leisure Limited (company number 5223594) T/A Slough Town Football Club (STFC)
2. Slough Borough Council (SBC)

Background

Arbour Park phase 2 was handed over to the Council in May 2017 and now operates as a community sports stadium, managed by the Councils Facilities Management Team. The stadium serves the local community, with STFC as a key user of the facility. The Council is eager to support STFC in continuing to operate a successful football club, recognising their importance to the local community of Slough, however we also appreciate that there is a need to cover building running costs.

This agreement sets out the principal terms and conditions which the above-named parties propose to enter into for the Arrangement. These Heads of Terms are not intended to be legally binding and the Arrangement is subject to agreement by Cabinet and the completion of formal legal documents, which will contain additional terms and conditions.

Terms

1. This agreement will commence on 2017 and will last for 18 months, with a break clause enabling either party to terminate the agreement giving a minimum of 3 months notice.
2. On the 12th month of the agreement, the council will review progress and decide if changes to the arrangements are required. An open book financial review will be undertaken on the first anniversary year following commencement of this agreement to allow both parties to assess the actual financial impact of the arrangements and decide whether to continue, or modify, the arrangement for future years.
3. The football season runs from 1st July to the last game of the season (which is generally the end of April assuming no play-off games).
4. STFC will be granted a licence to train at and play **all their first team home games only** (which includes league, cup and pre-season friendlies) at Arbour Park ("the Facility") during the football season. All other use will be charged as per published rates.
5. On match days STFC will have Licence to exclusive use to all areas of the Facility (except plant rooms) but not exclusive of SBC staff working at the facility. On training nights the licence to use the Facility by STFC shall be limited to the pitch, changing and physio rooms. The Facility will remain the responsibility of and in the control of SBC at all times.
6. Agreed time for the pitch and the other facilities for use by the **STFC First Team Only**:-
 - Match Days**
 - Saturday – 13.00 to 17.00 (pitch) and 12.00 to 18.30 (Facility)*
 - Tuesday – 18.00 to 22.00 (pitch) and 17.30 to 23.00 (Facility)*
 - (It is noted that there may be the occasional bank holiday game)*
 - Training**
 - Tuesday and Thursday – 19.30 to 21.00 (pitch, changing and physio room)*
7. STFC agree to pay to SBC £15K per season for usage as detailed in points 4 - 6.
8. STFC keep all income generated from match day operations which, whilst not an exhaustive list, would include gate receipts, season tickets, the sale of golden goal

tickets, programme sales, game sponsorships, club shop sales, parking, match day sponsorships, match day advertisings.

9. SBC allocate some exclusive physical space to enable STFC to retain some equipment and supplies at Arbour Park. Such space to include space to store football equipment (e.g. balls, training kit, steward's jackets), physio equipment in physio room, kitchen supplies and equipment in tea bar and shop supplies.
10. On match days and consistent with the previous season STFC to operate and manage downstairs tea bar and downstairs bar subject to SBC's agreement with the concession. The tea bar and downstairs bar will close on match days on the 75th minute of the game. STFC will ensure the tea bar and downstairs bar are clean and tidy during and after the game.
11. STFC will be granted licence to use a dedicated space for the Club Shop function.
12. STFC are allocated 60 pitch perimeter advertising spaces and are permitted to sell these spaces and retain the income generated. However, the price that these spaces are sold at, whether individually or as part of a package, must not be sold at less than the pre-agreed price for one space. STFC agree to provide the names of any board advertisers to SBC for approval.
13. Apart from what is listed in this form and specific club/match day sponsorship/advertising SBC retain all other sponsorship and advertising opportunities for the Facility.
14. Subject to any agreement to the contrary STFC and SBC agree to pay any agreed invoices within 30 days of invoice date.
15. The initial invoice for £15,000 will be payable in three instalments of £4,000 on 1 August £4,000 on 1 December and £7,000 on 1st March.
16. STFC provide their own food and bar on match days to players, fans and all other visitors. They will be given use of the 1st floor kitchen from where they will prepare and serve food and bar to serve alcohol. They will also retain the tea bar on the ground floor. **STFC shall agree that the council receives 50% profit from sales on the site from any Catering provision, including the tea bar. All sales transactions must be processed through the council's till system wherever food or drink is being sold.** Profit is defined as: Total Revenue less cost of goods sold less wage cost. Cost of goods sold is defined as: the wholesale price of goods sold at point of sale only. Wage cost is defined as: The wage cost of staff paid on the day of sales for arbour park sales only, however STFC will be expected to have very minimal staff costs as the council will require them to deploy volunteers as much as possible. **STFC will also be required to offer the following Social Return to the local community at no cost to the council:**
 - a) STFC to supply 50 free children's tickets together with a subsidised £5 adult entry ticket to one local Slough School **for each home League game**. Schools throughout Slough will be selected in alphabetical order and in conjunction with the Council's Education Service.
 - b) Evidence continued support to local charities and Slough schools and clubs. Invite children from schools and clubs to be mascots at no cost to the child/family/school. This is a requirement for each match where mascots are to be used and no charges will be applied for this opportunity.
 - c) At least once a month invite 20 Slough based children for a one hour exclusive training session with the joint managers/players before a first team game. This would take place before a match so children can spend an hour on the pitch, have a tour of Arbour Park and then watch the game. Facilities Officers will be present during this session.
 - d) At least once a month conduct talks by Players or Managers. They will be required to conduct a talk on 'getting into football' and their experiences. This may be done at schools or as players/managers work it may be carried out at Arbour Park before a game. This can be conducted in the first floor room.

- e) Lead an end of season tournament over a weekend – liaising with the council's leisure team and LFP to co-ordinate and agree age groups to be involved in the tournament.
 - f) Offer summer football courses at AP with a view to generate income for the Council, while also encourage children to get active.
 - g) Continue to focus on encouraging children to become season ticket holders - by including a home shirt and a signed photo of a player. This will aim to keep parent and children interested in football and therefore encourage them to participate in such a sport.
 - h) Offer children's parties at Arbour Park before a game or training and allow the children to have 30 minutes on the pitch and meet players.
 - i) Demonstrate commitment and success of engaging with the community to encourage participation in football, **in particular working with different ethnic minorities, females as well as tackling childhood obesity** and therefore encouraging children to 'get active'.
 - j) Offer any other initiatives that will encourage use of Arbour Park Community Stadium, while also generate income for the council and support Social Value.
 - k) Any income generated from the above initiatives will be 100% payable to the council.
 - l) STFC must demonstrate initiatives and commitment to recruiting local players who are residents of Slough. A minimum of one attendance per month to a local football club with a view to scout and develop young talent.
 - m) Develop a girl's only football team.
 - n) Commit and demonstrate working with the council's Public Health, Leisure and Education Specialist, to support engagement with the community and achievement of the above requirement.
- Any complimentary meals, snacks or drinks provided to players, officials etc. will be 100% at STFC own cost, the council will bear no financial liability at all.
 - STFC would need to meet all statutory food safety regulations and will be subject to inspection by Environmental services.
 - STFC will be the Designated Premises Supervisor – DPS for serving Alcohol.
 - The council will install an electronic till with a card facility, so all payments for food at drink sales are received through this method and sales easily identified.
 - STFC will be required to present full accounts to the councils Head of Facilities Management and dedicated Accountant on a monthly basis.
 - STFC will provide a bar and/or catering service to any other event where requested by the council or their customer. **50% of profit from these sales will be paid to the council.** However, customers will be given the choice of providing food and drink themselves, as long as they are not selling it to their invitees/customers.
 - The Council will require STFC to be flexible and occasionally at the request of Slough Borough Council move their training day/time. Although this will only be an occasional requirement, i.e. due to cup finals at the stadium, the council will expect STFC to accommodate this flexibility.
 - STFC will be required to sign and ensure compliance with the Councils Booking Facility Terms & Conditions.

- Under no circumstances will STFC sublet any space to a third party. Any third party introduced by STFC to Arbour Community Stadium, they must book the space via the council's booking team and therefore comply with the council's booking terms, conditions and charges.
- The signature of these Heads of Terms on behalf of SBC shall not in any way or to any extent prejudice SBC's statutory powers and duties as a local authority within the meaning of the Local Government Act 1972.

No party shall use the other party's confidential information for any other purpose other than the evaluation of the Arrangement and the negotiation of the legally binding agreement.

These Heads of Terms are for the benefit of the parties to it and they are not intended to benefit, or be enforceable by, anyone else.

We confirm our agreement to the above.

.....
Signed by Steve Easterbrook for and on behalf of STFC

Date:
.....
Signed by Neil Wilcox for and on behalf of SBC

Appendix B – Member Call-in Request

Call-in Request

Name: Cllr Dexter Smith

Date: 17th October 2017

Decision taken by Cabinet

Delegated decision by –

Date of decision: 16th October 2017

Title of agenda item/report: Slough Town Football Club

Reasons for Call-in:

The decision of Cabinet (6th Oct 2017) approving an agreement with Slough Town Football Club (STFC) means that SBC will be subsidising STFC with no attempt to recover the capital costs of building the Arbour Park Stadium to STFC's specification, and only a nominal rent and profit share with STFC on other income to partly cover operating costs falling to the Council. This is in direct conflict with a promise made by Cllr Anderson, when Leader of Council, at the Full Council Meeting where all councillors gave their approval to the building of the Arbour Park Stadium, that no commitment was being made to subsidise STFC. This change of policy direction has been done without reference to Full Council, or any explicit use of the word "subsidy" by officers and Cabinet members, (and it amounts to a financial liability to the Council greater than the £1m threshold requiring reference back to the Full Council). This Cabinet Decision needs to be referred to Scrutiny for investigation of who made the decision to subsidise STFC in this way, and when, plus what the full cost of this financial exposure of the Council will be as a result.

Proposed alternative course of action (optional):

Proposed documentation and/or witnesses for the call-in (optional)

Signed: Councillor Dexter Smith
Councillor Wayne Strutton
Councillor Anna Wright

Submit

Please submit your request to the Statutory Scrutiny Officer, Tracy Luck Tracy Luck, Assistant Director, Strategy and Engagement (Tracy.Luck@slough.gov.uk).

Any queries should be directed to the Scrutiny Officer, David Gordon (David.Gordon@slough.gov.uk; tel: 01753 875 657).