

Report to: Charity Committee

Date of Meeting: 21st March 2016

Report Title: Stade Facilities Management

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Purpose of Report

To update the Committee on options for the future management of the Stade Facilities.

Recommendation(s)

- 1. That the Charity Committee endorse the recommendations set out in sections 15 – 18 of this report**

Reasons for Recommendations

Following the ending of external funding for the promotion and organisation of a range of activities in the Classroom on the Coast, Stade Hall and the Stade Open Space (Stade Facilities), interim management arrangements were put in place while further investigations were made to determine options for more permanent arrangements. These investigations are now completed.

Introduction

1. In September 2015 the Charity Committee considered an officer report about the costs and income generation related to the Stade Open Space and Stade Hall (which also includes the Seafood Kitchen), and implications regarding future management arrangements following the cessation of FLAG funding.
2. Interim management arrangements were agreed to ensure that the Facilities could continue to be used while more permanent arrangements were investigated. Under these interim arrangements, the booking and associated administration of the Facilities were undertaken by Council staff.
3. As reported in September, the annual running costs are approximately £31,970 for the Stade Hall/Seafood Kitchen, and £9,490 for the Stade Open Space. This does not include major repairs or replacement, or staffing costs. The costs associated with taking bookings and administering the hiring of the facilities is estimated at £10,500 per annum.
4. Income from bookings this year is likely to be slightly better than forecast in September and is currently projected to be close to £10,000 (up from £7,500 in 2014-15).
5. A limited Classroom on the Coast programme is being administered by Regeneration officers, running from December 2015 through to the end of March 2016, to test the potential of a self-sustaining cookery school based on the model that was established under the FLAG programme. From the outcome of this trial to date, it is evident that this operation would require a substantial subsidy for a long period of time, with no firm guarantee of future profitability. There are, however, indications of more viable variations on this model, and officers will continue to explore these.
6. The Stade Facilities occupy land that lies outside the area covered by the Hastings Borough Council Act 1988, and so the types of uses to which they can be put is limited. The priority has been to identify options that will best ensure the Facilities can continue to be used for cultural and community uses while reducing the financial burden to the Trust.
7. Officers have reviewed the past and current use of the Facilities, and have sought to determine whether there are any new uses that offer prospects for generating income. There have been no approaches by other parties interested in using any part of the Facilities, other than some potential interest in renting the Stade Open Space from time to time.

Options

8. The following is based on recent advice received by the barrister who has previously provided legal opinion on Foreshore Trust matters. It has also been informed by the outcome of an independent valuation of the market value and rental value of the Facilities commissioned from GVA Grimley Ltd.

9. It would be possible to seek the consent of the Charity Commission to the grant of a lease or tenancy of the Stade Open Space to the Council in its capacity as local authority. The Commission would need to see justification for such a disposition, ie that it was a better way of managing the land and benefiting the inhabitants either directly or indirectly. The consideration should be equivalent in value to a market rent, but part of it might consist of a commitment for a specified amount of the period in question to provide charitable activities open to the public free of charge, or simply to allow the public free access. The independent valuation of the market rent of the Stade Open Space is nil.
10. However, under such an arrangement, the costs of maintaining the whole of the Stade Open Space would fall to the Council. The income generated from activities over the past few years has been minimal, and there is no immediate prospect of new uses that would produce significant sources of income. There may be potential for generating income from the Stade Open Space over time, but this is likely to require financial investment and staff time that the Council does not have at present.
11. In relation to the Seafood and Wine Festival and other events on the Stade Open Space and in the Stade Hall that involve commercial activity (eg Fish Fairs, antique markets, wedding receptions, art shows), these are permissible if organised by the Council acting as Trustee, with certain restrictions: the entry fee to the public must be nominal, and in relation to activity that benefits a commercial organisation (eg private stallholder) an appropriate fee must be charged. The advice of an independent surveyor should be sought to determine what fee would be appropriate.
12. The advice of the independent valuer is that the rates and charges imposed currently do not seem unreasonable. In terms of entrance fees, the advice is that the event should be of sufficient size and appeal to warrant entry fees, and that it would not be appropriate to make entrance charges for more mainstream general stall holder events, such as seasonal or regular markets.
13. In relation to the Classroom on the Coast, the current arrangements are within the current permissible uses of the Trust's assets, provided that fees are kept reasonable and there are concessions enabling participation by those unlikely to be able to afford the full fees.
14. The option of exchanging the Stade Facilities and the land on which they sit for land of equivalent financial and amenity value belonging to the Council has been explored as a way of freeing the Stade Facilities from the current restrictions on their use. An independent valuation of the market value of the Stade Facilities was obtained for this purpose. However, even with the current restrictions lifted, the Council would need to invest significantly in staffing, marketing and other activities to establish a going concern, and a solid business case could not be made at this point given the current lack of commercial prospects for either the Stade Open Space or the Stade Hall/Classroom on the Coast.

Recommended way forward

15. That Council staff continue to provide administrative duties for the Trust in managing the bookings and hiring of the Stade Facilities. In carrying out this

