

Report To: Cabinet

Date of Meeting: Monday, 7th June 2021

Report Title: Lease and Management Agreement for the Bale House

Report By: Mike Hepworth, Assistant Director, Environment and Place

Key Decision: Yes

Classification: Part 1

Purpose of Report

To seek cabinet agreement on the draft Heads of Terms for the lease and management agreement for The Bale House Visitor Centre at Hastings Country Park Nature Reserve with Groundwork South.

Recommendation(s)

- 1. Cabinet agree the draft Heads of Terms for the lease and management agreement with Groundwork South for the Bale House Visitor Centre at Hastings Country Park Nature Reserve, and**
- 2. Delegate authority to enter into a legal agreement for the lease and management agreement with Groundwork South to the Chief Legal Officer, in conjunction with the Assistant Director of Environment and Place, and the lead councillor for the Environment.**

Reasons for Recommendations

1. The Bale House is our new visitor centre at Hastings Country Park Nature Reserve. It is due to open this Summer, 2021. Council Officers have negotiated a proposed 10-year agreement with Groundwork Trust to manage the centre on our behalf. Authorisation to proceed with a lease and management agreement are required to enable an operator to be appointed, so the new visitor centre can open this Summer.
2. The draft lease and the draft management agreement are commercially sensitive and are detailed in a Part 2 report.

Introduction

1. The Council's new Bale House visitor centre at Hastings Country Park Nature Reserve has been constructed in partnership with Groundwork South with funds from a European Interreg grant and Hastings Borough Council. The Bale House is due to open summer, 2021.
2. A proposed 10-year lease and management agreement with the commitment the centre becomes cost neutral to the council after three years, has been negotiated with Groundwork South directors, and has the approval of the Board of Trustees of Groundwork Trust.
3. The draft Heads of Terms for the lease and management agreement will be presented as a part 2 report to Cabinet due them containing commercially sensitive information. Subject to Cabinet approval they will form the basis of a legal agreement between Hastings Borough Council and Groundwork South.

Background

4. In 2014, the council sought expressions of interest from organisations who could work with the council to realise our ambition to have a new fit for purpose visitor centre at Hastings Country Park.
5. The council chose to work with Groundwork South whose presentation included commitments to help raise funds for a new centre and to manage the new centre at no cost to the council.
6. Over the intervening years, we have worked extensively with Groundwork to access additional funding to enable the project to go ahead. Groundwork committed a part time officer to the project back in 2016 and now have a number of officers working throughout Hastings and St Leonards.
7. Groundwork accessed significant European funding to match the council's funds to build the new centre. They were awarded additional grants from Heritage Lottery to invest at Hastings Country Park and have been awarded significant funding through the CHART programme to work with communities around town.
8. They are proving to be one of the most significant and successful third sector partners for the council and remain committed to working with the council for the benefit of our local communities.
9. Various executive reports on the visitor centre have been presented to councillors and Cabinet since 2014. Many of those reports articulate the working arrangement we have with Groundwork and clearly state Groundwork's original and continued commitment to manage the centre once it is built. Groundwork South have remained our key partner in delivering the new centre and now it is built they remain committed to managing it on our behalf.
10. Officers are seeking authority to enter a legal agreement with Groundwork South on the basis of the draft Heads of Terms for the lease and management agreement as presented in the accompanying part 2 report, for 10-years with suitable break clauses, to be cost neutral for the council after three years.

11. It is not proposed to invite further expressions of interest from other companies to manage the visitor centre. This approach will also avoid further delays in appointing an operator and opening the new centre.

Summary points on the management agreement and lease

12. The agreement has been negotiated for a 10-year period with break clauses.
13. Regular meetings between HBC and Groundwork will monitor all aspects of the running of the building.
14. We have agreed to maintain a revenue budget of £20k annually for the first three years to cover items such as grounds maintenance, refuse collection, fire safety checks, buildings insurance and cleaning, after which the centre will be cost neutral to the council.
15. Groundwork will be responsible for management of staff and the management of the catering facility.
16. Specific targets and performance indicators for operating the centre have been agreed with Groundwork and are detailed in the draft management agreement.

Groundwork's position

17. Groundwork have taken the draft terms of the lease and management agreement to their Board of Trustees who have agreed both. They are extremely keen to take on the lease and the management agreement as per their long-standing commitment to the council.
18. Groundwork are committed to not only managing the Bale House but are additionally working with the council to provide skills and learning opportunities for residents throughout Hastings and St. Leonards, especially focused on green spaces and Covid recovery activities.
19. Groundwork will manage the centre and employ all staff including the catering facility. They have carried out due diligence and are ready to enter into a legal agreement with a local chef who has similar operations elsewhere.

Opening the new centre

20. The construction of the centre is complete. The kitchen will be fitted at the beginning of June, the outside area has been landscaped and the information boards will be installed following the kitchen installation.
21. Groundwork are proposing a limited opening of the Bale House at the end of June and gradually opening more fully towards the summer school holidays. By opening gradually, Groundwork feel they can take a responsible approach to how people use the centre and respond to issues that might arise from the on-going threat of corona virus.
22. They will progress towards a range of family activities over time to ensure safety of the users, managers, and staff of the building.
23. Groundwork and the council's communications team are working collaboratively to ensure arrangements for opening are agreed and coordinated.

Financial Implications

24. The council has established a revenue budget of £20k annually for the centre. Negotiations have concluded this will cease after three years, thereafter, being net zero cost to the council.
25. Having a partner manage the centre on our behalf is a considerable saving for the council. Groundwork will be employing all staff to coordinate community and learning activities and coordinating volunteers. They are also managing the catering facility.
26. Should the activities of the centre and Groundwork's grant applications result in surplus funds being generated, they will be re-invested into the centre and the wider reserve to further enhance services and activities at the centre and the reserve.

Risk Management

27. The council does not have the financial resources or staff to manage the Bale House. Doing so would cost the council more than the proposed arrangement with Groundwork which also offers the opportunity for further investment through profits generated and further grant aid investment.
28. The risks associated with the partnership will be mitigated through a comprehensive lease and management agreement with regular meetings. Suitable break clauses in the lease safeguard the council's interests.

Legal Implications

29. The draft Heads of Term and management agreement will form the basis of a legal agreement between the council and Groundwork South subject to cabinet approval of the drafts as set out in Part 2 of this report.

Conclusions

30. We have achieved our ambition of building a new visitor centre at Hastings Country Park, managed by Groundwork Trust for 10 years, at limited cost to the council for the first three years, and no cost thereafter.
31. Officers have negotiated what they feel to be the most pragmatic and cost-effective deal for the council and one that has the support and approval of the Groundwork Board of Trustees.
32. Officers seek approval for the recommendation of the report.

Timetable of Next Steps

33. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Finalise legal agreement	Lease and Management	By end of June	Chief Legal Officer in conjunction with

	Agreement signed		Assistant Director of Environment and Place and Lead councillor for the Environment

Wards Affected

(All Wards);

Policy Implications

Reading Ease Score: 41.2

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	N
Crime and Fear of Crime (Section 17)	N
Risk Management	Y
Environmental Issues & Climate Change	N
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	N
Local People's Views	N
Anti-Poverty	N
Legal	Y

Additional Information

Officer to Contact

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