

**Report to:** Charity Committee

**Date of Meeting:** 28<sup>th</sup> September, 2015

**Report Title:** Future Management Options for the Stade Facilities

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### **Purpose of Report**

To advise the Charity Committee on the current position and future options regarding management arrangements for the Stade Hall, Classroom on the Coast and the Stade Open Space (Stade Facilities).

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### **Recommendation(s)**

1. That the Charity Committee approves the interim measures set out in section 20 of this report.
2. That a further report setting out options be brought to the Charity Committee in time for implementation in 2016-17.

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### **Reasons for Recommendations**

The external funding for promotion and management of these facilities will cease in October, and there is a need to put in place alternative arrangements to ensure that these facilities can continued to be used for the benefit of the general public.

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## Summary, background and context

1. The creation of the StadeFacilities was part of a much bigger project to enhance the Stade as a cultural destination. The entire £8.3m project resulted in the Jerwood Arts Gallery, the Stade Facilities, and other key physical improvements. The project was funded from a variety of sources which included a £2m government grant in January 2009 from the Sea Change programme which was managed by the Commission for Architecture and the Built Environment (CABE). This grant was for the creation of the Stade Open Space and a new community/arts facility (Stade Hall). The creation of the Stade Facilities was approved and supported by the former Hastings and St Leonards Charitable Trust.
2. One of the conditions of the CABE funding agreement was to maintain appropriate public access to the Stade Facilities in accordance with the purposes for which the grant was intended for the lifetime of the agreement. The agreement ends in January 2019.
3. In June 2011, the Charity Committee unanimously approved a proposal to delegate the management of the Stade Facilities to the Stade Community Trust (SCT), under a lease and management agreement. The organisation was comprised of Stade and other local community-based interests and, at that time, was in the process of applying for registration as a charity. The SCT was to be able to retain any income from hiring the spaces and to use this to run SCT operations and maintain the facilities.
4. In July 2013 a report recommending that the proposed lease and devolving of the management of the Stade Facilities to the SCT be halted. Instead, it was proposed that the Council continue to manage the Stade Facilities, operating on behalf of the Foreshore Trust, and that a Management Advisory Committee that included community representatives would oversee the use of the facilities. These changes were proposed following considerable discussion with the SCT trustees, and in view of the fact that a business case for a sustainable operation managed by the SCT would have been impossible without sustained and substantial injections of funding from the Foreshore Trust. These new arrangements were unanimously approved by the Charity Committee. (There were meetings of the Management Advisory Committee during 2013-2014, but it has not met for some time.)
5. Also in July 2013, the Charity Committee unanimously endorsed four applications for European funding through the local Fisheries Local Action Group (FLAG) programme to support capital and revenue projects involving the Stade and related infrastructure and activity. FLAGs are funded by Axis 4 of the European Fisheries Fund, which in the UK is managed by the Marine Management Organisation. Two of the proposals involved the development and promotion of a seafood training kitchen in the Classroom on the Coast, and the promotion and development of cultural and community-based activity on the Open Space and in the Stade Hall.
6. These proposals were successful, and the agreement for the equipping and promotion of the Classroom on the Coast was issued in November 2013. Among the conditions of the agreement is a requirement that the project must not be modified within six years of the grant award.

7. In December 2013 the Charity Committee approved an increase of 3% from April 2014 to all hourly and daily fees for the use of the Stade Hall and the Stade Open Space. There is a sliding scale of fees established for the Stade Hall, with community, voluntary or charity groups paying at the lowest end of the scale and commercial entities at the highest end. In terms of the Stade Open Space, an ad hoc arrangement exists, and it was resolved that free community or charitable events should cover their costs, whilst commercial events would be charged a fee in line with that charged for Council owned spaces.

### **Current uses**

8. There are two essentially separate operational management arrangements currently in place for the Classroom on the Coast, and the Stade Hall/Stade Open Space, both of which are primarily FLAG funded. This funding ceases in October.
9. The promotion and use of the Seafood Kitchen – Classroom on the Coast – is managed by Hastings Voluntary Action (HVA). Earlier this year, HVA contracted with a professional chef to develop and promote a Fish Cookery School. This has proved to be very popular, and the first series of classes was booked out. A second series is about to get underway, finishing in October.
10. The promotion and administration of the Stade Hall and the Stade Open Space is currently managed by the Council's Resorts team through a separate FLAG funded project. The funding pays for a part-time Stade Development Officer who promotes the spaces and manages the bookings. She has also developed and curated several cultural exhibitions and programmes in the Stade Hall.
11. The Council and HVA work collaboratively and in close partnership. However, the dual management arrangements sometimes lead to different uses of the Stade Hall and Classroom on the Coast that are not entirely compatible. Users also regularly request the use of both spaces to host events or receptions, and the different booking processes are not conducive to this. All parties have concluded that a single management structure for the Stade Facilities would resolve booking conflicts and lead to more effective administration and potential cost savings.

### **Stade Facilities costs and income**

12. The different management and accounting arrangements funded by FLAG, combined with the way that some costs are apportioned across Foreshore Trust assets, and the annual variations in activities that have taken place on the Stade Open Space, the Stade Hall and the Classroom on the Coast, make it difficult to accurately predict annual costs and income.
13. Stade Open Space:
  - a. The anticipated 2015-16 cleaning and maintenance costs is approximately £9,490 (£6,550 for Foreshore Trust, £2940 for Hastings Borough Council).
  - b. There is no income from fees anticipated this year.

- c. We have been approached by an antiques market operator who is interested in renting the space in 2016 on regular occasions (together with some parking space). This could generate potentially substantial income.
14. Stade Hall and Classroom on the Coast:
- a. The annual running costs (eg cleaning, utilities, minor repairs and maintenance) is anticipated to be £31,970 for FY2015-16.
  - b. The anticipated income is expected to be in the region of £6,500 (£7,500 in 2014-15).
  - c. Single management arrangements would enable more efficient administration and potentially some cost savings.
15. The total annual running costs, including a small contingency of £3,000, are estimated to be £41,500, not including staffing costs or substantive repair/maintenance costs. The estimated cost of providing a minimal level of staffing to take bookings and administer the hiring of the facilities is £10,500 (0.4 FTE).

### **Legal position**

16. A report to the Charity Committee in December 2013 provided an update on legal advice about permissible uses on Foreshore Trust land. The Stade Facilities are on land that is outside of the Hastings Borough Council Act 1988 (HBC Act), which limits the type of uses and management arrangements. Options available include:
- a. For the Foreshore Trust, through Hastings Borough Council, to directly provide the service, activity or facility.
  - b. For other local charities to provide the service, activity or facility under licence.
  - c. To seek prior Charity Commission consent/approval for a licence to be granted to a commercial body based on evidence that the proposal is reasonably in keeping with existing activities, affordable and provides a facility which is open to the public and that there is no more pressing charitable demand.
  - d. To seek an amendment of the HBC Act to include additional Trust land.
17. There are conditions attached to the Sea Change and FLAG funding that are still extant, and should be taken into account when considering future uses.

### **Future options**

18. There are indications that some existing activities may have potential for generating increased levels of income. For example, the trial Seafood Kitchen, which is currently subsidised by FLAG funding may have potential to be self-sustaining. It is worth examining this in greater detail following the end of the trial in October.
19. The Department for Environment, Fisheries and Rural Affairs (DEFRA) has confirmed that there will be a FLAG II programme, but detailed guidance will not be available and funding applications will not be accepted until the European Commission has approved the Operational Programme. The earliest this may

happen is in autumn this year. The latest advice, however, is that the programme will be similar in many respects to FLAG I, but that there will be an increased focus on FLAG strategies that seek to achieve sustainable economic growth, as well as delivering social and environmental benefits. It is not possible to assess the potential for securing funding for the Stade Facilities at this point in time.

20. It is recommended that the following arrangements and activities are implemented as an interim measure until there is greater clarity about future options:
  - a. The bookings and associated administration of all of the Stade Facilities be managed on behalf of the Foreshore Trust by the Council's Resort Services team. The costs of this, estimated at £10,500 p.a. would be charged to the Foreshore Trust.
  - b. The usual and/or traditional events continue to be scheduled and operate as they have done, while officers investigate measures to maximise their potential to generate income for the Trust.
  - c. Regular meetings of the Management Advisory Group are re-instigated, and the Group is encouraged to work with Council officers to explore the benefits of other models of governance that are consistent with the Trust's objects and which could open up new sources of funding.
  - d. The potential for funding under a FLAG II programme is investigated and actioned, subject to EU guidance and application timeframes.
  - e. Regeneration officers research new activities/uses and management options that will enable the Facilities to become self-sustaining over the longer term.
21. The above measures include bringing the management of the Facilities together in one place, which will enable officers to examine measures to reduce running costs and maximise income for the Trust.
22. Following these investigations, a further report will be prepared setting out recommendations for more permanent arrangements for the Charity Committee, and including business cases for any new uses and/or management arrangements.

### **Policy Implications**

23. Operating costs that have been supported by FLAG funding will revert back to the Foreshore Trust. However, the report sets out a number of measures that will be pursued to minimise the costs and increase income.
24. The Facilities will continue to operate for the benefit of the general public, and local stakeholders will be involved in monitoring the uses of the Stade through the re-institution of the Stade Management Advisory Group.

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### **Wards Affected**

Castle, Central St. Leonards, Old Hastings, West St. Leonards

