

DONCASTER METROPOLITAN BOROUGH COUNCIL

REGENERATION AND ENVIRONMENT
OVERVIEW AND SCRUTINY PANEL

22ND MAY, 2012

An EXTRAORDINARY MEETING of the REGENERATION AND ENVIRONMENT OVERVIEW AND SCRUTINY PANEL was held at the MANSION HOUSE, DONCASTER on TUESDAY 22ND MAY, 2012 at 3.30 P.M.

PRESENT:

Chair - Councillor Tony Revill

Councillors Monty Cuthbert, Nuala Fennelly, Ted Kitchen, David Nevett, John Sheppard, Yvonne Woodcock and Paul Wray.

Councillor Bob Ford was in attendance in his role as a Stadium Management Company (SMC) Board Member.

Also in Attendance:

Councillor John Mounsey
Simon Wiles, Director Finance and Corporate Services
Drew Oxley, Head of Facilities Management
Dave Wilkinson, Chair, SMC and Assistant Director Trading and Support Services
Gavin Baldwin, Chief Executive, Doncaster Rovers Football Club
C Taylor, Doncaster Rovers Football Club
Colin Harker, Finance SMC
Julie Nichol, Operations, Keepmoat Stadium
M O'Hara, Footballers, Supporters Federation

APOLOGIES

Apologies for absence had been received from the Vice-Chair, Councillor Richard Cooper-Holmes, Councillors Stuart Hardy, Deborah Hutchinson, Ken Keegan and GMB Invitee Paul O'Brien.

1. DECLARATIONS OF INTEREST

In accordance with the Members Code of Conduct, Councillor David Nevett declared a personal interest in Agenda Item 5, 'Keepmoat Stadium Update', by virtue of being a season ticket holder at Doncaster Rovers and a member of Doncaster Rovers Supporters Club and Viking Supports Co-operative.

ACTION

All to note

In accordance with the Members Code of Conduct, Councillor John Mounsey declared a personal interest in Agenda Item 5, 'Keepmoat Stadium Update', by virtue of being a Doncaster Rovers season ticket holder

All to note

In accordance with the Members Code of Conduct, Councillor Bob Ford declared a prejudicial interest in Agenda Item 5, 'Keepmoat Stadium Update', by virtue of being a member of the Stadium Management Company Board and left the meeting during final considerations.

All to note

In addition to the above declarations, Dave Wilkinson, Assistant Director, Trading and Support Services, declared a prejudicial interest in Agenda Item 5, 'Keepmoat Stadium Update' by virtue of being in attendance as a Director and the Chair of the Board of Directors of the Stadium Management Company and left the meeting during final considerations.

All to note

2. PUBLIC STATEMENTS

There were no public statements made at the meeting.

3. KEEPMOAT STADIUM UPDATE REPORT

Simon Wiles, Director of Finance and Corporate Services, introduced this item to Members and gave a background history on the Stadium and its uses/range of facilities for the benefit of the new Members of the Panel.

Members were informed that the Stadium, which had been running for around 6 years now, was Council owned and run by the Stadium Management Company, an independent body. At the end of 2012, the Stadium had lost £2.1 million and also had further liabilities in that certain inspections, surveys and works were required to be carried out in order to keep its operating licence and a number of these issues would become relevant in the next year or two to ensure they still meet current standards and this 'maintenance' would need to continue.

The Director reported that the Council wanted to preserve the use of the Stadium to the users now, i.e. Rovers, Belles, Dons etc. The Council had inherited agreements for income paid which was to be offset by any profit. Unfortunately there had been no profit, so the Stadium had not broken even, not even with cuts/redundancies. The current agreement with

Doncaster Rovers was in place for the next 19 years and Rovers were interested in running the Stadium for the long term as this was more beneficial to them and they would combine their own management structure with that of the SMC.

The proposal was such that Doncaster Rovers would take over the running costs, currently at £28k. It was intended that the community activities would continue to grow further and be embedded within the agreement to be made. The Council would still be the freeholder and any major changes would have to be agreed with them as the land owner. It was hoped that in the future other parts of the grounds would be used more by the community, so the Council was happy to continue paying for some grounds maintenance, with Rovers paying some also for what they use.

The Panel noted that there were still some legal and transactional issues to be sorted, e.g. control of athletics and what future issues would still require Council approval. The Director informed Members that there was a time pressure to complete the agreements as the SMC was running out of money and had around 6 weeks left and the Council wanted to avoid any bankruptcy issues etc.

The Chair thanked the Director for the information provided to the Panel. Members were invited to ask questions and the following issues were discussed:

- Cost of insurance premium - the cost was £75k per year which would still be covered by the Council as owners of the building.
- Amount to be received by the Council - the amount received would be £100k with an inflation clause included in the agreement.
- Query regarding other parties interested in purchasing the site - Members were advised that it was a separate issue to develop other parts of the site and this meeting was to discuss the management of the Stadium.
- Management control and use of Stadium - the Council could consider anyone interested in taking over the whole site including the Doncaster Rovers agreement.

A discussion took place regarding whether Doncaster Rovers, as a Football Club, would be able to run the Stadium successfully and the Director advised that a large part of staff at the SMC would transfer to the Rovers company on TUPE. Members were further advised that a consultant had looked into this issue and Rovers would work with other users.

The Panel was informed that there would be a break clause in the agreement and the Council would still own the Stadium, so could take it back if for example the maintenance was not completed to the correct standard. It was noted that community involvement and usage would be part of the package.

- Concession agreement - similar to how the Doncaster Leisure Trust was run, means a concession to run the facilities in a certain way, the right to change the way the facilities were being used and ability to bring in other ways of making income. The concession was to do with the management and not the building.
- Amount of loss - at the end of March £2.1 million in losses, now around £2.3 million.

The Director advised that whoever took over would have nothing to sell and reiterated that Doncaster Rovers want the security of a long term usage of the Stadium for their Club.

The Panel was informed that Doncaster Rovers had a structure ready to be implemented and hopefully they would make a profit.

- Concerns over the 100 year term of agreement - Doncaster Rovers were not interested in renegotiating after the 19 years currently left to run, as they want long term security for the Club and time to make it work.
- Concern that other elements of the Stadium would also go downhill - the five-a-side and car boot make a significant income, the gym breaks even and could become profitable.

Members were advised that the Athletics Club would take control themselves and they would then improve/replace the track through obtaining other forms of external funding.

- Query regarding payment of business rates - these were paid by the SMC and Rovers would apply to Charities for assistance.
- Litter caused by Stadium users but on Council areas - the SMC employ their own team and would make good any issues and would also work with neighbourhood teams.
- Clarification re 19 year lease - Rovers would be relinquishing the 19 year lease and entering into a concession agreement for 99 years (or less as agreed).

A discussion took place surrounding the issue of the term of lease and what would happen if Rovers went to the Premiership. The Director advised Members that the minimum offer from Doncaster Rovers was for a 99 year lease.

The Director also explained that Rovers would benefit monetary wise if they entered the Premiership. If they then required larger grounds, they would have to fund it themselves and negotiate with the Council (as owners of the ground) to rebuild/extend. A Member reported that if the Club entered the Premiership there would be money available for the Stadium.

Members noted that if Rovers entered the Premiership the Council would be able to claw-back some money and this had happened elsewhere.

A Member queried the possibility of an Elected Member being represented on the Stadium Board as the Council would still be the owners. The Director explained that the Athletics side could set up a Trust and if they wished, invite a Member onto their Board, though he doubted if Rovers would want to include a Member on their Board.

The Director advised the Panel that if possible, the handover would be from the 1st July, 2012 after the legal agreements had been completed.

It was noted that Councillor Bob Ford, SMC Board Member and Dave Wilkinson, Chair, SMC and Assistant Director Trading and Support Services left the meeting at this stage.

All to note

A Member asked if an Elected Member could be an observer of Doncaster Rovers and the Chief Executive, Doncaster Rovers Football Club considered, as part of the concession agreement, that he, (as Chief Executive), could attend quarterly meetings of the Scrutiny Panel to update Members.

RESOLVED that:

- | | |
|---|-------------|
| (1) That the Athletics club be encouraged to consider setting up as a Trust and in the event that this was to occur, Elected Members be included as representatives on the Board of that Trust; | All to note |
| (2) Members support the decision for the Council to finalise negotiations for a concession agreement with Doncaster Rovers; and | All to note |
| (3) as part of the concession agreement, the Chief Executive of Doncaster Rovers report back quarterly to Overview and Scrutiny Members. | All to note |