



Report for: Cabinet

Date of Meeting:	23 rd June 2022
Subject:	Investment into Harrow's Tennis Infrastructure
Key Decision:	Yes – affects more than two wards
Responsible Officer:	Dipti Patel - Corporate Director – Place; Mark Billington - Director Inclusive Economy, Leisure & Culture
Portfolio Holder:	Councillor Jean Lammiman - Portfolio Holder for Community and Culture Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1: Equalities Impact Assessment

Section 1 – Summary and Recommendations

This report seeks approval to enter into an agreement with the Lawn Tennis Association (LTA) for the renovation of tennis courts in Harrow's Parks and to then proceed with the procurement for restoration and renovation of the courts and for an operator to manage the courts.

Recommendations:

Cabinet is requested to:

1. Approve entering into an agreement with the Lawn Tennis Association (LTA) for capital funding to renovate courts in Harrow's parks from the LTA's Renovation Fund, and to delegate to the Corporate Director of Place the authority to finalise the details of the funding agreement and to take any further actions necessary to complete the funding agreement. The supplier that will renovate the tennis courts will be procured by the LTA through the LTA National Framework.
2. Delegate authority to the Corporate Director of Place and the Director of Finance, following consultation with the Portfolio Holder for Community and Culture and the Portfolio Holder for Finance and Human Resources to enter into a works contract between Harrow Council and the successful contractor for the renovation of the courts.
3. Approve the commencement of a procurement to identify and contract with a supplier for the provision of a tennis court operator and delegate authority to the Corporate Director of Place and the Director of Finance, following consultation with the Portfolio Holder for Community and Culture and the Portfolio Holder for Finance and Human Resources to enter into a contract between Harrow Council and the successful contractor. The responsible Officer leading on the procurement will be the Head of Service – Culture and Leisure. Approval in this regard to include delegating to explore and decide the best contract model between the council and the operator, which model may include a straight/conventional contract, a works concession contract or any other model that will be most effective and also yield value for money to the council
4. Delegate authority to the Corporate Director of Place following consultation with the Portfolio Holder for Community and Culture to agree a consultation strategy in relation to the renovation of the courts

Reason: (for recommendations)

To enable the tennis courts in Harrow's parks to be renovated to a playable standard, increasing participation in tennis in Harrow, and ensuring that the courts are maintained in the long term by being financially sustainable.

Section 2 – Report

1. Introduction

1.1 Entering into a funding agreement with the Lawn Tennis Association (LTA) for grant funding to fund the renovation of tennis courts in Harrow's parks and the procurement of an operator to manage the courts will help to deliver the Council's objective to address health inequality by increasing the opportunity for more people of all ages to play tennis in Harrow. Harrow currently has physical activity levels that are below the London and national averages.

2. Current Situation

- 2.1 The public tennis courts in Harrow's parks are currently available on a turn up and play basis with no booking facility available and are free to use at all times.
- 2.2 An assessment of the public tennis courts in all the Harrow's parks by the Lawn Tennis Association (LTA) identified that the majority of the courts as detailed in section 3.1 below were either in an unplayable, very poor, or poor condition. The only parks where the tennis courts were identified as being in a good or very good condition were Pinner Village Gardens, Rayners Mead, and West Harrow Recreation Ground.
- 2.3 Sport England's Active Lives data published in November 2021 for the period May 2020 to May 2021 showed that the percentage of inactive people in Harrow (less than 30 minutes activity a week) was 37.2% compared to 26.7% for London, and 27.5% for England.
- 2.4 From the 1st of April 2022 local Authorities are able to apply for capital funding from the LTA and Department Digital, Culture, Media and Sport (DCMS) Renovation Fund to renovate tennis courts in parks. Total funding of £30 million is being made available until 2024 to bring courts up to a playable standard and to increase the number of people playing tennis and to provide more tennis coaching and competitive tennis opportunities. Local Authorities can apply for funding to repair and resurface the courts, repair fencing, and to install gate access technology. The funding programme also enables the introduction of an online booking system. Whilst local authorities can include match funding as part of their application there is no requirement to do so. Local authorities need to confirm their agreement to fund a sinking fund, ongoing maintenance costs, as well as the ongoing costs associated with the access gates. The introduction of pay and play will ensure that the courts can be maintained to a good standard with the income generated being reinvested into the courts. The sinking fund would be funding that would be kept aside by the Council each year so that when the courts need resurfacing at the end of their life (usually 10-15 years, depending on their usage) there will be

funding available for this. The LTA requires local authorities to maintain a sinking fund of £1,200 per court per annum.

3. Why a Change is Needed

3.1 The tennis courts in several of Harrow's parks are in an unplayable, very poor or poor condition. The Council does not have the capital funding available to bring these courts up to a playable standard, and limited maintenance budget available to maintain all the courts to their present condition. The tennis courts (37 in total) in Harrow identified as forming part of an application for investment from the LTA's renovation fund are as follows:

Park	Number of Courts	Current Condition
Byron Recreation Ground	3	Unplayable
Centenary Park	2	Unplayable
Chandos Recreation Ground	3	Average
Harrow Recreation Ground	4	Very Poor
Harrow Weald Recreation Ground	4	Average
Headstone Manor Recreation Ground	6	Unplayable
Kenton Recreation Ground	2	Average
Montesole Playing Fields	2	Average
Pinner Village Gardens	2	Good
Queensbury Recreation Ground	2	Disappeared except old fence parts and posts
Rayners Mead	2	Very Good
Roxeth Recreation Ground	2	Average
West Harrow Recreation Ground	3	Very Good

3.2 The tennis courts at Harrow Weald Recreation Ground, Kenton Recreation Ground, Pinner Village Gardens, Rayners Mead, Roxeth Recreation Ground, and West Harrow Recreation Ground would just require the installation of a gate to enable gate access control to the courts as the courts are already in a playable condition. The pricing strategy to be introduced for the tennis courts at West Harrow Recreation Ground will be dependent on the current grant agreement in place with the London Marathon Trust Fund for these courts.

3.3 The LTA's penetration rates (which identify the potential number of users of the tennis courts in the parks) have established that the courts at all the proposed parks would have a high level of demand from the resident population in the local areas, with all having penetration rates of over 1000. The penetration rates have been calculated from the number of people who live within a 10-minute drive from the park who have been identified as being likely to play tennis if they had the opportunity to do so.

3.4 The public will be able to book a court in advance, using the LTA's preferred 'Clubspark' booking system, so that they know they will be able to use a court at a specific time and that the court will be to a good standard. A separate online platform 'Rally' enables members of the public to find out where courts are available locally. Through the online booking app members of the public of all ages can also sign up for coaching sessions or participate in a tennis programme. The LTA will also assist in the setting up of a competitive tennis offer in the borough by the creation of a local tennis league. This will enable the public to play matches against players of a similar ability.

3.5 In order to ensure that the tennis courts can be maintained to a good standard and are financially sustainable in the long term a pricing strategy would be introduced. This would include pay and play periods with the income generated being reinvested into maintaining the courts including a sinking fund. A benchmarking exercise of hourly charge rates currently in place in other London boroughs for pay and play hours has been undertaken. In boroughs neighbouring Harrow the charge for peak hours (weekday evenings and weekends) varies from £4 per hour to £8 per hour. Most authorities have different pricing for peak and off-peak periods (weekdays – daytime), and some authorities have concessionary rates for those under 16, those with disabilities, and those aged 65+. Some authorities have introduced season tickets for those who want to play more regularly at an affordable rate. To maximise take up and to address income inequality the council can set aside free weekly tennis sessions at a minimum of 30% of the parks involved. This is in accordance with the LTA's criteria for usage and will help drive up activity levels and will enable residents to play tennis regardless of income. Free sessions can include the rental of tennis rackets and tennis balls to ensure that the whole community are able to play tennis.

3.6 The LTA's Renovation Fund application process is in two stages. An LTA Funding Panel will assess applications based on the estimated costs that have been identified from the LTA's Technical Surveys. The estimated costs for the renovation work to Harrow's courts is £445,675. The LTA has approved Harrow's Stage 1 application for this funding. The costs will then be finalised by the procurement process that would be undertaken by the LTA using their National Framework. The LTA Funding Panel would then make a final decision as to whether to approve the funding based on the bidders' submitted prices via the LTA's National Framework. It would be after this second stage that the Council would enter into the funding agreement with the LTA. There is no requirement for match funding from local authorities and the Council will only proceed with the funding agreement if the full capital cost of the renovation works is met from the grant award. The LTA also considers in its assessment of funding applications areas which are identified as having high levels of deprivation – relevant Harrow parks would include Byron Recreation Ground, Harrow Recreation Ground, Harrow Weald Recreation Ground, Headstone Manor Recreation Ground, and Roxeth Recreation Ground. The contract for the tennis courts' renovation works will be between the Council and the

contractor procured through the LTA's National Framework. There will be a separate agreement between the LTA and the Council for the grant funding awarded to the Council for the renovation works subject to a successful funding application.

3.7 Once renovated the tennis courts can either be managed in-house or outsourced to an operator following a procurement process. The preferred option is to enter into a contract with a tennis operator procured using a competitive tender process. If outsourced the operator would retain the income generated from the use of the courts. The procurement strategy for appointing an operator to manage the courts would detail the exact financial arrangements to be included as part of the contract, but there would be a requirement for the operator to pay the Council £42k annually for the sinking fund requirement. As part of the procurement process for a tennis operator, bidders will be required to propose a pricing strategy that meets the following requirements:

- Promotes the principles of equality of access and sustainability
- Includes pricing for pay and play for peak and off-peak periods (peak periods are defined as weekends and after 5pm Mondays to Fridays)
- Generates an income that ensures the management of tennis courts is financially sustainable and enables future reinvestment into the tennis courts
- Provides some free weekly coach led sessions at a minimum of 30% of the parks included in the contract. This is to include the courts at West Harrow Recreation Ground which have received grant funding from the London Marathon Trust Fund (LMTF). The LMTF have stipulated that there must continue to be some free coach led sessions at the site.
- Includes concessionary rates for those aged under 16, 65+, and those with a disability.

4. Options Considered

4.1 **Option A: To enter into a funding agreement with the Lawn Tennis Association (LTA) for capital funding to renovate Harrow's tennis courts at several Harrow parks, if the Council's application to the LTA's Renovation Fund is successful, to increase participation in tennis. To introduce a booking system and pricing strategy for use of the courts, and to appoint an operator to manage the renovated tennis courts following the completion of a tendering process.** This option will ensure that there is investment in the courts at 13 of Harrow's parks to bring them up to a playable standard with the introduction of pay and play ensuring that there is sufficient funding generated so that the courts can be maintained in the future. Procuring a specialist tennis operator to manage the courts will ensure that the tennis offer benefits from the operator's expertise, including coaching sessions, and that the Council benefits from their economies of scale, and will mean that the financial risk will lie with the operator and not the Council. There would also be the potential for there to be profit share in operation that could then be invested in the parks. The tennis operator would be responsible for the pricing strategy, but

the LTA would require as a condition of their funding that there is an operator led free weekly tennis offer in a minimum of 30% of the parks to ensure that tennis is accessible to all. Most other London boroughs who have introduced a booking system with pay and play also have concessionary rates in operation.

Option A is recommended

- 4.2 **Option B: To enter into a funding agreement with the Lawn Tennis Association (LTA) for capital funding to renovate Harrow's tennis courts at several Harrow parks, if the Council's application to the LTA's Renovation Fund is successful, to increase participation in tennis. To introduce a booking system and pricing strategy for use of the courts, and the renovated tennis courts to be managed in-house by the Council.** This option will ensure that there is investment in the courts at 13 of Harrow's parks to bring them up to a playable standard with the introduction of a pay and play ensuring that there is sufficient funding generated so that the courts can be maintained in the future. Whilst pay and play would be introduced the LTA would require as a condition of their funding that there is operator led free weekly tennis offer in a minimum of 30% of the parks to ensure that tennis is accessible to all. Most other London boroughs who have introduced a booking system with pay and play also have concessionary rates in operation.
- 4.3 Managing the courts in-house would mean that Harrow's tennis offer would not benefit from a specialist operator's expertise or economies of scale and would require additional staff resources to manage and maintain the courts. A contractor would need to be engaged just to operate the coaching sessions, and all the financial risk would lie with the Council.

Option B is not recommended

- 4.4 **Option C: To not enter into a funding agreement with the Lawn Tennis Association (LTA) for capital funding from the LTA's Renovation Fund to renovate tennis courts in Harrow's Parks. No booking system will be introduced, and the courts will remain free to use at all times. There will, however, be no investment in the tennis courts many of which are currently in a poor condition and no identified future maintenance funding for the courts.** This option would result in the condition of the tennis courts in Harrow's parks continuing to deteriorate and mean that they all become increasingly unplayable. This would result in a reduction in participation in tennis rather than an increase. The public will not be able to book a good standard court in advance, and there would not be an improved coaching and competitive tennis offer.

Option C is not recommended.

5. Ward Councillors' comments

- 5.1 The recommendations in this report would affect all wards. There will be consultation with Ward Councillors through the consultation process.

6. Risk Management Implications

6.1 Risks included on corporate or directorate risk register? **No**

6.2 Separate risk register in place? **Yes**

6.3 The relevant risks contained in the register are attached/summarised below. **Yes**

6.4 The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
<p>1. Harrow Council's application to the Lawn Tennis Association (LTA)'s Renovation Fund is not successful.</p>	<ul style="list-style-type: none"> ▪ The Council will work closely with the Lawn Tennis Association (LTA) on the funding application to ensure that it meets all the necessary criteria. ▪ If the application is not successful, the renovation of the tennis courts will not proceed meaning that there is not financial risk to the Council. 	<p>Green</p>
<p>2. There are delays in completing the refurbishment of the courts and/or in procuring a tennis contractor to then manage the courts resulting in the LTA's deadline for completing the project not being met.</p>	<ul style="list-style-type: none"> ▪ The Council will engage with the LTA at any early stage and work closely with them on completing the refurbishment works via the LTA's National Procurement Framework ▪ There will be early engagement with the Council's Procurement team regarding the tendering process to appoint a tennis contractor to manage the tennis courts once refurbished. ▪ The LTA has until 2024 to ensure that all the budget for refurbishing tennis courts has been spent. 	<p>Amber</p>

Risk Description	Mitigations	RAG Status
3. There is a rise in costs for refurbishing the courts	<ul style="list-style-type: none"> ▪ The costs for the various aspects of the refurbishment has been confirmed by the LTA as part of the application process, and the refurbishment work will be undertaken by a contractor from the LTA's National Procurement Framework. The Council would not therefore be responsible for any increase in costs. 	Amber
4. Insufficient income is generated from the use of the refurbished courts to offset the ongoing maintenance costs.	<ul style="list-style-type: none"> ▪ A financial analysis has been undertaken of the minimum income required to be generated from the tennis courts with ongoing annual costs confirmed by the LTA. This includes a benchmarking of the charges in place by other London boroughs for play and play and an analysis of occupancy levels that would be required to generate sufficient income at different charging levels ▪ It is proposed to procure for a tennis operator to manage the courts once refurbished who will be experienced in managing tennis courts with the financial risk lying with the tennis operator rather than the Council. 	Green

7. Procurement Implications

7.1 The procurement of a contractor for the construction works would be completed via the LTA's National Procurement Framework. This is a compliant procurement route through which the LTA would procure the contractor on behalf of the Council. Following the procurement, the Council

will enter into a contract with the selected supplier who will undertake the works.

7.2 The procurement of a tennis operator would be undertaken using a competitive tender process to maximise quality and value of the services to be delivered. The council's procurement team will engage service commissioners to advise on and agree suitable evaluation criteria and weightings and agree the term of the proposed contract. The council will explore and decide the best contract model between the council and the operator. This may include a straight/conventional contract, a works concession contract or any other model that will be most effective and also yield value for money to the council.

8. Legal Implications

8.1 The respective approvals sought in this report are consistent with one another and with the underlying council objective to renovate the tennis courts and maintain them at a playable standard. To this extent the objective of the council and the means to achieve these are lawful.

8.2 The council will remain the Contracting Authority in relation to the procurement of the renovation works contract, while employing LTA to manage the process and this is in order.

8.3 The Procurement of a specialist tennis operator to manage the courts is also in line with the council's best value obligations in law.

8.4 Therefore, the approvals sought are lawful, consistent with the council's legal obligations regarding fairness, transparency, equality, and value for money. They are also in line with and adhere to the provisions of the Public Contract Regulations 2015 and of the Council's Contract Procedure Rules.

9. Financial Implications

9.1 Lawn Tennis Association (LTA) and Department Digital, Culture, Media, and Sport (DCMS) have launched the Renovation Fund to renovate tennis courts in parks. Funding applications open in April 2022. 37 tennis courts in 13 parks have been identified as suitable to be included in the funding application. Technical survey has been undertaken by LTA to inform the detailed renovation works required and estimated costs. Harrow's funding application has been approved at this Stage 1 of the process. The works will now be procured via the LTA's National Framework, and this will confirm the final costs. The LTA would then complete the final stage of the funding process to confirm the grant award. There is no capital match funding requirement from the Council. In order to ensure that there is no net cost impact in the Capital Programme, the Council would only enter into a funding agreement with the LTA should the full costs of renovation be met from their capital grant.

9.2 Under the terms and conditions of the grant, there is a requirement to set aside a sinking fund for future replacement of the courts. This is set at £1,200

per court per annum. With 37 tennis courts in the funding application, the total sinking fund requirement is £44,400 per annum.

9.3 Other on-going running costs include cleaning & litter picking, general repairs, maintenance, and other costs associated with access gates. This is estimated at £30k per annum.

9.4 The introduction of a pay and play scheme will ensure that income is generated to fund on-going costs of the tennis courts. This report recommends the use of a third-party operator to run the tennis courts via a competitive procurement process, therefore pay and play prices are to be determined by the successful bidder. However, the pricing strategy will set out parameters within which the operator needs to follow.

9.5 In order to meet the sinking fund requirement and direct running costs, a minimum income of £74k would be required. For illustration purpose, this level of income could be achieved if around 11% of the operating times of all tennis courts were paid for at an average price of £5 per hour. The table below provides a sensitivity analysis to illustrate the potential income level.

No of courts	Available hours per year	Income @ 50% chargeable hours	Income @ 25% chargeable hours	Income @ 12.5% chargeable hours	Income @ 11% chargeable hours	Income @ 10% chargeable hours	Income @ 7.5% chargeable hours	Income @ 6.5% chargeable hours
37	141,414	£353,535	£176,768	£88,384	£77,778	£70,707	£53,030	£45,960

9.6 Other sources of income include annual membership subscriptions and coaching sessions. The exact delivery model will be the responsibility of the third-party operator.

9.7 The proposed procurement strategy will be that the third-party operator is required to provide a fixed guaranteed income per annum at a minimum level of £44,400 (equivalent to the sinking fund requirement) and propose a profit share arrangement for surpluses achieved from the management of the tennis courts. The operator will also be responsible for the on-going running costs of the courts. The scheme must operate on the basis of self-financing and does not result in any revenue burden, otherwise would create a financial risk to the Council.

9.8 The sinking fund will be held in an earmarked reserve for future replacement of the tennis courts, ensuring a long-term sustainability of the facility. This will ensure that funding is available when capital investment is required in future, avoiding the reliance on capital borrowing.

9.9 The option of appointing a third-party operator will minimise the financial risks to the Council. Should the tennis courts be managed in-house, there would be customer support, administrative and other back-office costs.

10. Equalities implications / Public Sector Equality Duty

10.1 An Equalities Impact Assessment (EqIA) has been conducted (Appendix 1). The EqIA identified that the recommended option would not have an adverse impact on any of the protected characteristics. The proposals, which will bring all the tennis courts up to a playable standard, will improve access to tennis for the community and will have a positive impact for people of all ages, for those with a disability (with specific sessions for this target group to be held), and for all race/ethnic groups. There would still be some free tennis sessions available at some of the parks and the Council would work with the tennis operator to ensure that the charging rates for the play and play sessions are affordable for all including for children and older people. Tennis operators would be expected to detail in a tennis development plan what types of coaching sessions they would provide, including for people with disabilities, as part of the procurement process for a tennis operator. The operator would also be expected to offer competitive tennis opportunities.

11. Council Priorities

11.1 This decision will support the Council priority of addressing health Inequalities by providing all residents with playable tennis courts that can be booked in advance, coaching sessions for all ages, and the opportunity to play competitive tennis against others of a similar ability. There would be pay and play sessions in place with the income generated ensuring that the courts can be maintained to a good standard, but there would also continue to be some free sessions available.

Section 3 - Statutory Officer Clearance

Statutory Officer: Jessie Man

Signed on behalf of the Chief Financial Officer

Date: 20/05/22

Statutory Officer: Nhlanhla Mahlangu

Signed on behalf of the Monitoring Officer

Date: 13/05/22

Chief Officer: Dipti Patel

Signed off by the Corporate Director - Place

Date: 06/06/2022

Head of Procurement: Marzuki Haji

Signed on behalf of the Head of Procurement

Date: 16/05/22

Head of Internal Audit: Susan Dixon

Signed by the Head of Internal Audit

Date: 24/05/22

Mandatory Checks

Ward Councillors notified: NO - impacts on all Wards

EqIA carried out: YES

EqIA cleared by: Micah McLean

Section 4 - Contact Details and Background Papers

Contact: Tim Bryan – Head of Service, Culture and Leisure. Tel: 07917076800. Email: tim.bryan@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee

NO