

# STRATEGIC OVERVIEW AND SCRUTINY PANEL

## 20 MARCH 2012

*Present :-* Councillor Andrew Ellis (Chairman)  
Councillors Nigel Chapman, Nick Cope, Bill Frame,  
Theresa Higgins, Kim Naish, Gerard Oxford and  
Colin Sykes

*Substitute Member :-* Councillor Sonia Lewis for Councillor Will Quince

*Also in Attendance :-* Councillor Martin Hunt  
Councillor Anne Turrell

### 34. Minutes

The minutes of the meeting held on 14 February 2012 was confirmed as a correct record.

**Councillor Bill Frame (in respect of being a season ticket holder of Colchester United Football Club) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

### 35. Colchester Community Stadium Limited

#### **Presentation(s)**

Mr. David Murthwaite, Chairman of the Colchester Community Stadium Board and Mr. Clive Gilham, Chief Executive of the Colchester Community Stadium Company attended the meeting.

Councillor Anne Turrell, Leader of the Council, Councillor Martin Hunt, Portfolio Holder for Street and Waste Services and Mr. Adrian Pritchard, Chief Executive Officer, Colchester Borough Council, all Board Members of Colchester Community Stadium Limited, also attended the meeting.

Mr. Murthwaite and Mr. Gilham gave a presentation to the panel.

Mr. Murthwaite focused on the core principles of the Colchester Community Stadium Board, a strong partnership between the Football Club, Colchester Community Stadium Limited, Colchester United Community Sports Trust and the Council, committed to ensuring the Community Stadium is used for the benefit of all, and offers a wide range of opportunities from social and recreational activities to health and education programmes.

Mr. Murthwaite said due to the economic downturn the Board had to reflect on and review the financial aspects of the business. Savings had accrued as a result of this work with one less director and reduced remuneration to directors and board members, a point re-emphasised during the general discussions.

Since the last review in 2010, Mr. Murthwaite said a significant investment of £120k had been made in the resurfacing of the Stadium car park and later confirmed that it was envisaged that the surface will have improvements made. Quotations are being sought to polish and protect the car park surface, and this work will be considered by the Board shortly.

Mr. Gilham spoke about the financial position of the CCSL, the community benefit and role of the management company.

The operational profit on revenue and expenditure was £24,733 for the year ending 31 March 2011, with revenue totalling £362,950, including football club rent, leasing of office space and a fixed contribution from the commercial operator (paid irrespective of whether they make a profit or not, and additional income is then earned from how well the commercial operator performs in income generating terms). It is anticipated that a similar figure will be reached for 2011/12.

The total footfall usage of the Community Stadium was 170,990, including 153,339 from commercial use by the Football Club, Trust and Management Company, 6,668 from free services provided by the trust and 10,983 provided by the Management Company.

Mr. Gilham explained that it was disappointing that for 2010-11 the Events Committee had only approved 19 community events, falling short of the 24 annual community events target. This was in the main due to a lack of publicity that meant not enough organisations were applying to use the facility. Efforts have been made to correct the situation with publicity now provided by Myland Parish Council and local community publications. There has been 26 such events organised in 2011-12 and a strong start to 2012-13 suggests the improvements will be maintained.

Mr. Gilham said the Travel Plan has been adhered to, and was now considered in good shape. The Plan is reviewed annually, with the next review due this coming June.

The Management Company is under contract for 5 years, ending in August 2013. The company did not make any profit in the first two years of operation, but a small profit is expected to the year ending in September 2012, that will itself produce a small amount of revenue to the CCSL. The Board is considering future options for September 2013 onwards, looking at various choices, but knowing there will be the inherent problem of sharing assets should a different management company be appointed. The intention is to optimise the potential of the Community Stadium.

### **General discussions**

In response to Councillor Frame, Mr. Gilham confirmed that the outstanding £99,000 owed by Colchester United Football Club (CUFC) to the end of March 2011 had been resolved. Mr. Gilham also confirmed that CUFC and the Community Sports Trusts continue to operate with the drafted leases remaining unsigned. Mr. Gilham said this has not affected trading, with all parties honouring the leases, a case of 'De-facto', working in practice but not legally signed. This situation is being negotiated with a view to bring to a satisfactory conclusion during 2012-13.

Mr. Gilham confirmed that the 'Imagine Centre' was a community space on the ground floor of the stadium, run by a trust with the floor space leased from the stadium. The 'Imagine Centre' had an obligation to use the space to the benefit of the community. It was an excellent facility and there was demand for using the space, but unfortunately not the funding envisaged when Essex County Council decided that they could no longer fund the centre. The CCSL was looking to find an alternative use for the space.

Responding to Councillor Sykes, Mr. Gilham said the Board did not have any direct influence over the football club in terms of improving the revenue position. There is however indirect influence by way of Key Performance Indicators as set out in the service agreement between the company and the football club, and the review of the annual Business Plan includes the performance objectives that are subject to monitoring and publication. That said, the overriding factor was that CUFC, the Board and Management Company all understand that it is in the best interests of all parties to succeed, taking an 'all in it together' approach to managing the interests of the Community Stadium.

Mr. Murthwaite and Mr. Gilham accepted that the overall footfall figure of 170,990 was not very high, not great for the Community Stadium, and it was in everyone's interests to boost these figures, though the largest usage, that of league football, was out of the direct control of the CCSL. The intention is to redraft the future service level agreement, to include innovative ways of increasing revenue by widening the use of the stadium. This remains a priority of the Board.

Councillor Oxford congratulated Mr. Murthwaite and Mr. Gilham on the implementation of the Stadium Travel Plan. Councillor Oxford had not received a single complaint since its implementation and felt it worked very well. Councillor Chapman echoed the comments of Councillor Oxford about improved travelling arrangements. Mr. Murthwaite said the Travel Plan was practical and worked, though with further regeneration in the area he was conscious that the Plan would need to develop to take account of the changes.

Mr. Gilham responded to Councillor Chapman in regards to the new management company contract, saying the intention is to optimise the potential of the Community Stadium, and any new contract will include the need for the contractor to be pro-active in encouraging greater usage. The Board are discussing options and though these are at a very early stage, consideration is being given to a possible linking of performance targets to incentives and rewards. As for the Community Stadium, Mr. Gilham said there was little money or scope to undertake any major stadium improvements at present, but it was a longer term ambition.

Mr. Gilham and Mr. Murthwaite said the relationship between Board Members and stakeholders was very good, with members working in harmony, though the conversations can at times be very robust, and rightly so. The Council had the right to 'veto' but had never exercised that right.

Mr. Gilham acknowledged Councillor Higgins helpful suggestion that the CCSL should consider the installation of a public address system with hearing loops for the disabled in the events / conference rooms, thereby avoiding the need for organisations to hire

the equipment in addition to other costs, a move that would encourage greater events / meetings take-up.

*RESOLVED* that the Panel;

- i) Considered and noted the report Colchester Community Stadium Limited.
- ii) Thanked Mr. Murthwaite and Mr. Gilham for attending the meeting, giving a presentation, and responding to questions from the Panel.
- iii) Agreed to a further review towards the end of 2013/14.