

**Minutes of the meeting of the CARAVAN PARK
BEST VALUE REVIEW WORKING GROUP
held at the Town Hall on TUESDAY, 6th
DECEMBER 2006 at 4.00 p.m.**

Present: -

Councillor G.M. Suttle (Town Mayor) – Chairman
Councillor C. Bright
Councillor Mrs J. Farrow
Councillor M.W. Pratt

Also in attendance:-

Mr. J. Mitchell Humberts Leisure

The Town Mayor introduced Mr. John Mitchell, from Humberts Leisure, and welcomed him to the Meeting.

1. **APOLOGIES**

An apology for his inability to attend the Meeting was received from Councillor Trite.

2. **OPTIONS APPRAISAL**

i) **Options Appraisal - Review**

On the invitation of the Chairman, Mr. Mitchell presented the full Options Appraisal in respect of the future operation of the Swanage Bay View Holiday Park (copies of the Options Appraisal had been circulated to all Members of the Working Group prior to the Meeting).

Four main options were identified in the Report:

- a) Management Contract of caravan sales (minimum option);
- b) Management Agreement in respect of the central complex, incorporating the leisure facilities;
- c) Lease of caravan park and caravan sales;
- d) Lease overall property to a caravan operator.

Mr. Mitchell highlighted some areas that were in need of capital investment, and other cost implications that would be reflected in any future negotiations.

A brief discussion on option a) ensued. Within this option, the consultant emphasised the possibility of a joint venture arrangement. The Clerk highlighted the uncertainty regarding statutory powers, and the issue was then disregarded.

A general discussion of options a) and b) ensued, during which the Council's retention of the capital expenditure costs and the possible requirement to engage a management company to run the central complex, were highlighted. Having regard to the above issues, the Working Group rejected both the Management Contract and Management Agreement options i.e. option a) and b).

Detailed consideration was then given to the lease options that had been identified i.e. options c) and d).

During the ensuing discussion, it was noted that, in pursuing either lease option, the need for the continued operation of the main complex as a public facility and accommodation for the community groups, such as the Operatic Society and Indoor Bowling Club, would be guaranteed.

Discussion then centred on option d). It was noted that the Council would retain the freehold interest in the property, and would be able to set the minimum standards required to retain the current grading assessment i.e. "Four Star" status. Other major benefits acknowledged in pursuing this option included the possibility of attaining a large capital premium, a regular known income, the removal of the Council's need for capital investment, and the transfer of employment issues.

Following a lengthy and detailed debate, it was proposed by the Town Mayor, seconded by Councillor Bright, and **RESOLVED**

UNANIMOUSLY:-

That the Working Group recommends leasing out the entire Holiday Park with a rental derived from an index linked base rent, and a turnover rent comprising a percentage of both net pitch fees and caravan sales.

ii) **Private Letting Service**

Further to Minute No. 4 of the Caravan Park Committee meeting held on 22nd November 2006, and the Council's previous policy decision to dispose of its own letting fleet, consideration was given to terminating the service of offering private caravans for hire.

During the ensuing discussion, it was acknowledged that the Council no longer had a requirement for this service. The consultant had highlighted in his report that this was a loss-making activity. When invited to express a view, he advocated that this service should no longer be provided.

Concern was expressed at the impact upon those private owners who currently use the service, and it was suggested that the possibility of inviting a letting agency in the town to take over this service be investigated.

It was proposed by Councillor Pratt, seconded by the Town Mayor, and **RESOLVED UNANIMOUSLY:-**

That the Working Group recommends in principle that the private letting service be withdrawn with immediate effect, subject to alternative arrangements being put in place.