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North Yorkshire Council

Executive

Minutes of the meeting held on Tuesday, 21st May, 2024 commencing at 10.00 am.

Councillor Carl Les in the Chair plus Councillors Mark Crane, Gareth Dadd, Keane Duncan, Michael Harrison, Simon Myers, Heather Phillips, Janet Sanderson and Annabel Wilkinson.

In attendance: Councillors Kevin Foster, Paul Haslam (remote), Rich Maw and David Webster

Officers present: Stuart Carlton, Gary Fielding, Richard Flinton, Nic Harne, Barry Khan, Richard Webb, Vicki Dixon, St John Harris and Kerry Metcalfe.

Apologies: Councillor Greg White.

Copies of all documents considered are in the Minute Book

449 Apologies for Absence

450 Minutes of the Meeting held on 7 May 2024

Resolved –

That the public Minutes of the meeting held on 7 May 2024, having been printed and circulated, be taken as read and confirmed by the Chairman as a correct record.

451 Declarations of Interest

There were no declarations of interest.

452 Exclusion of the Public

Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, the public was excluded from the meeting during consideration of agenda item 6 – Decision regarding outcome of marketing exercise to procure a short term operator for Alpamare Waterpark.

453 Public Participation

There were no public questions or statements.

454 Decision regarding outcome of marketing exercise to procure a short term operator for Alpamare Waterpark

Considered – A report of the Corporate Director of Resources which provided details of the outcome of the marketing exercise to procure a short-term operator of the Waterpark and sought approval to enter into negotiations with a preferred bidder.

Introducing the report, Councillor Gareth Dadd advised that this facility was never intended to be operated as a community asset nor to require substantial public subsidy, but rather as a commercial venture which would deliver a major visitor attraction for the region. Since the Council did not have the expertise to run a commercial facility of this nature, the purpose of this marketing exercise was to secure an initial short term operator for the site to achieve a summer 2024 opening whilst the Council developed its long-term aspirations for the site.

Members were then further advised of the background to the proposals in the report: the wider North Bay development which sought to achieve 55 acres of regeneration consisting of a Principal Visitor Attraction, commercial development and accommodation; the former Scarborough Borough Council's decision in 2013 to approve the provision of a commercial loan to the developer, Benchmark of up to £9m to fund the development of the Water Park (one of the two PVAs) with a projected build cost of £14m, with the remaining £5m and any potential cost overruns being funded by Benchmark; the completion of the Water Park in August 2016 and subsequent grant by Scarborough Borough Council of a 35 year lease of the Water Park to Benchmark including its adjoining car park; the commercial loan agreement; Scarborough Borough Council's enforcement of a loan guarantee from Benchmark's parent company which was settled in October 2022; Benchmark's continued failure to meet significant loan repayments, North Yorkshire Council's issue of a statutory demand, Benchmark's entry into voluntary administration and the Council taking possession of the facility by way of forfeiture in December 2023.

The informal tender documentation set out that the initial lease term offer for the new operator was 12 months, with an option to extend for a further 12 months depending on the progress of the Council's long term plans for the site.

With the permission of the Chair, Councillor Rich Maw addressed the meeting sharing concerns of local residents and service users that the Council's long term plans for the site should not neglect the health and wellbeing of the local community (with more affordable ticket prices) in addition to attracting visitors since an exclusive focus on the latter had failed Alpacare. In response, Councillor Dadd reiterated that Alpacare was always envisaged as a commercial venture, and that the cost of the Council operating a leisure facility of that scale would be prohibitive; therefore the goal of the Council was to make the Water Park financially sustainable. It was also commented that Alpacare was not designed primarily for its public health benefits and that Scarborough already had excellent leisure facilities in the form of a Sports Village.

Resolved (unanimously) – that the Executive:

- i. note the outcome of the marketing exercise to procure a short-term operator for Waterpark;
- ii. approve that officers enter into negotiations with the preferred bidder with the aim of agreeing final terms;
- iii. delegate the authority to enter into the potential short-term lease, along with the agreement of any associated tenant incentives, to the Corporate Director of Resources in consultation with the Assistant Chief Executive Legal & Democratic Services (Monitoring Officer), Corporate Director Community Development, the Executive Member for Finance and Resources, and the Executive Member for Culture, Arts and Housing; and
- iv. note the intention to immediately commission a review of the long-term options

for the operation of the Waterpark in the event the council is unable to finalise the terms of the lease for the short-term operation with the preferred bidder.

455 Forward Plan

Considered –

The Forward Plan for the period 28 May 2024 to 18 March 2025 was presented.

Resolved - That the Forward Plan be noted.

456 Date of Next Meeting - 28 May 2024

The meeting concluded at 10.32 am.

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