



Friday, 6 January 2023

Dear Sir/Madam

A meeting of the Advisory Shareholder Sub Committee will be held on Monday, 16 January 2023 in the Council Chamber, Council Offices, Foster Avenue, Beeston, NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: P Lally (Chair)  
M Hannah  
I L Tyler

P Roberts-Thomson  
P J Owen

## AGENDA

1. APOLOGIES

To receive apologies and to be notified of the attendance of substitutes.

2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

3. MINUTES

(Pages 3 - 4)

The Committee is asked to confirm as a correct record the minutes of the meeting held on Monday 17 October 2022.

4. LIBERTY LEISURE BUSINESS PLAN 2023/24 AND HEALTH AND SAFETY UPDATE (Pages 5 - 32)

This purpose of this report is to invite the Committee's comments on the Liberty Leisure Limited Business Plan 23/24 and the 23/24 Liberty Leisure Limited Fee changes. Also, to provide the Committee with an update on Health and Safety management at the Kimberley School Sports Centre.

5. EMDEVCO LTD (Pages 33 - 36)

To update Members of the Sub Committee on activities of the EMDevco Ltd board since the last meeting.

6. WORK PROGRAMME (Pages 37 - 38)

The Sub Committee is asked to approve its Work Programme and to consider items for consideration at future meetings.

## ADVISORY SHAREHOLDER SUB COMMITTEE

MONDAY, 17 OCTOBER 2022

Present: Chair P Lally

Councillors: P J Owen  
P R Thompson  
I L Tyler

An apologies for absence was received from Councillor M Hannah.

1 ELECTION OF CHAIR

**RESOLVED that Councillor P Lally be appointed Chair of the Committee.**

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PRESENTATION FROM LLEISURE

The Sub-Committee received a presentation from LLeisure.

**RESOLVED that:**

- 1. To obtain assurance from Kimberley School and all Health and Safety obligations are being met.**
- 2. A report on service level agreements, budget implications and Broxtowe Borough Council's management of the Leisure Centres be added to the Work Programme.**
- 3. An update be provided as to the deficit of events budgets.**

4 EMDEVCO LTD UPDATE

The Sub-Committee received an update on the Em Devco Ltd.

The local authority shareholders and funding partners including this Council, invested £1.5m in the previous financial year to ensure the Devco project got off the ground. The government matched funded that with an investment of £1.62m, and has committed the same amount in the current financial year. Nottinghamshire County Council, Broxtowe and Rushcliffe have already committed their agreed investment for the current financial year.

**RESOLVED that:**

- 1. That further information is gained regarding "early win" projects and the need for the EM Devco Ltd to provide tangible projects.**
- 2. Encourage further engagement with Neighbourhood forums.**

5 WORK PROGRAMME

The Sub-Committee considered the Work Programme. The Sub-Committee requested that items and resolutions considered on the meeting held on 17 October 2022 form the Sub-Committee's Work Programme.

**RESOLVED that the Work Programme be approved.**

## Report of the Managing Director Liberty Leisure Limited

### **LIBERTY LEISURE BUSINESS PLAN 2023/24 AND HEALTH AND SAFETY UPDATE**

#### 1. Purpose of Report

This purpose of this report is to invite the Committee's comments on the Liberty Leisure Limited Business Plan 23/24 and the 23/24 Liberty Leisure Limited Fee changes. Also, to provide the Committee with an update on Health and Safety management at the Kimberley School Sports Centre.

#### 2. Recommendation

**The Committee is asked to NOTE:**

- 1. Liberty Leisure Limited Business Plan 23/24**
- 2. Liberty Leisure Limited fee changes 23/24**
- 3. Health and Safety update.**

#### 3. Detail

The Liberty Leisure Limited Business Plan 2023/24 was discussed at the Board meeting on 7 December 2022 and was considered by the council's General Management Team. The final Business Plan is to be presented to the Board for approval on 17 January 2023 and is included in the Board minutes that was circulated to members on 5 January 2023. The Business Plan 2023-2026 is included at the appendix.

Liberty Leisure Limited fee changes 2023/24 was approved by the Board on 7 December 2022. The price changes are included in the Board minutes that was circulated to members on 5 January 2023.

#### Health and Safety

Kimberley School have agreed to give full access to all relevant Health and Safety compliance information to the company's Health and Safety Manager, Operations Manager and Duty Staff. The checks being undertaken will be subject to ongoing monitoring with any concerns that arise to be resolved through the regular operational meetings between the company and Kimberley School.

#### 4. Financial Implications

Included within the Liberty Leisure Limited Business Plan.

#### 5. Legal Implications

None.

6. Human Resources Implications  
None
7. Union Comments  
None
8. Data Protection Compliance Implications  
None
9. Equality Impact Assessment  
None
10. Background Papers  
None.

**LIBERTY LEISURE LIMITED  
BUSINESS PLAN 2023-2026**

The Liberty Leisure Limited Business Plan ensures that the company's projects and performance develop the business objectives of the company while contributing towards the priorities of Broxtowe Borough Council.

This plan outlines the project priorities that Liberty Leisure Limited will implement to develop the company so it can continue to exceed the business objectives agreed with Broxtowe Borough Council.

The priority of the company is to deliver an efficient service for Broxtowe Borough Council while continuing to make contributions to the Council's Corporate Plan priority of Health. The company delivers a programme of opportunities to have a positive impact on the health of local people, to do this Liberty Leisure Limited is guided by the Service Agreement with the Council.

The business plan focuses on the delivery of actions for the coming financial year. A suite of milestones and Key Performance Indicators (KPI) will be used to monitor progress against key tasks and targets.

**The Council's Vision for Broxtowe is 'a greener, safer, healthier Broxtowe where everyone prospers'.**

**Liberty Leisure Limited's values that contribute to the Council's vision are:**

- Innovation – Constantly evolving our offering
- Care – Caring for our community
- Employees – recognising our staff and ensuring a happy workforce for all
- Integrity – always acting with integrity
- Value – Delivering value for all
- Fun – Vibrant and diverse leisure, culture and events that enrich lives

**Liberty Leisure Limited specifically contributes to Broxtowe's Corporate Plan by:**

- Encouraging active and healthy lifestyles in every area of the Borough

- Supporting the council to produce and deliver its Leisure Facility Strategy

## 1. PUBLISHED STRATEGY AND POLICY DOCUMENTS SUPPORTING THE DELIVERY OF PRIORITIES AND OBJECTIVES

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Broxtowe Leisure Facilities Strategy	The future of leisure facilities within the Borough of Broxtowe	March 2021	Deputy Chief Executive
Broxtowe Borough Council Corporate Plan	The Council's overarching plan for its priorities, targets and objectives. The plan sets out priorities to achieve the vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time" with focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.	April 2024	Chief Executive
Get Active Delivery Plan <i>(Previously Sports Strategy)</i>	Providing the opportunity, motivation and support to enable people to be more active than ever before	From March 2023. Action plan to be reviewed annually	Managing Director
Joint Use Agreement	Provides legal framework for the management of the joint-use facilities in partnership with Notts County Council and school governing bodies	Agreement with Chilwell School subject to 2 years notice	Managing Director/Deputy Chief Executive
Licence to Occupy	Provides an operating agreement with EMET / Kimberley School	Sept 2022 to August 2024	Managing Director/Deputy



Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
		subject to review and 3 months termination notice	Chief Executive

## 2. LIBERTY LEISURE LIMITED VISION AND VALUE

### Promote active and healthy lifestyles in every area of Broxtowe (He1)

Service Areas covered by this Plan	Service Objectives
Vision	Leisure and Health at the heart of our community
Mission	To earn the lifelong loyalty of our customers through delivering first class leisure and health opportunities
Values	<ul style="list-style-type: none"> <li>• INNOVATION – constantly evolving our offering</li> <li>• CARE – caring for our community</li> <li>• INTEGRITY – always acting with integrity</li> <li>• SAFETY – provide safe and secure facilities and events</li> <li>• VALUE FOR MONEY – delivering value for all</li> <li>• EMPLOYEES – recognising our staff and ensuring a happy workplace for all</li> <li>• FUN – vibrant and diverse leisure, culture and events that enrich lives</li> </ul>

<b>Service Areas covered by this Plan</b>	<b>Service Objectives</b>
Operational Areas	<ul style="list-style-type: none"> <li>• Bramcote Leisure Centre; Kimberley Gym and Swim; Chilwell Olympia</li> <li>• Get Active</li> <li>• Business Development</li> </ul>

**3. MEASURES OF PERFORMANCE AND SERVICE DATA**

**PERFORMANCE INDICATORS**

<b>Indicator Description</b> (Pentana Code)	<b>Achieved 2018/19</b>	<b>Achieved 2019/20</b>	<b>Achieved 2020/21</b>	<b>Achieved 2021/22</b>	<b>Target 2022/23</b>	<b>Target 2023/24</b>	<b>Target 2024/25</b>	<b>Indicator Owner and Comments (incl. benchmarking)</b>
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Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Total Attendances for Liberty Leisure Limited LLLocal_G02	1,743,511	1,685,140	237,626	913,122	Original 887,100  <i>Revised</i> 985,000	1,010,600	1,025,700	Managing Director  The 2023-24 attendance target is based on the 2022/23 revised target increased by 2.6%  2024/25 is a 1.5% increase on the 2023/24 target
Total number of members (fitness and swim school) LLLocal_G12	8,040	8,175	1,410	6,691	7,000  <i>Revised</i> 7,395	8,170	8,365	Managing Director Business Manager  Targets are taken from the annual sales forecasting document using the revised figure of 7,395 as the base figure stated for April 2023

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Total Number of Annual Direct Debits Collected LLLocal_G06	94,711	96,402	16,923	69,199	83,590	94,000	95,500	Managing Director Business Manager Fitness 52,100 direct debits for the year 2023/24 Swim 41,900 direct debits for the year 2023/24
Percentage of direct debits collected LLLocal_G13	98.2%	98.2%	97.8%	98.1%	98.4%	98.4%	98.4%	Managing Director Business Manager
Total Income (excluding management fee) LLLocal_G05	£3.574m	£3.857m	£3.350m	£2.955m	£3.073m	£3.249m	£3.336m	Managing Director

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Operating Expenditure (including central charges) LLLocal_G04	£4.236m	£4,593m	£4.118m	£3.466m	£3.915m	£3.754m	£3.890m	Managing Director Assumes that an agreement for the delivery of leisure at Kimberley Leisure Centre is agreed and implemented by the end of August 2022 Excludes capital depreciation and pension back pay adjustments

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Management Fee from the Council to Liberty Leisure Ltd LLData_G05	£1,160,000	£1,030,000	£995,000	£850,000	£845,000	£519,000	£519,000	Managing Director
					<b>Fee Splits</b> Leisure Centres £557,000  Get Active £60,000  Events £130,000  Museum £98,000	<b>Fee Splits</b> Leisure Centres £262,000 surplus  Get Active £3000 surplus  Managing Director / Business Support £806,000 deficit  Details in the comments column	<b>Fee Splits</b> Leisure Centres £271,000 surplus  Get Active £13,000 surplus  Managing Director / Business Support £824,000 deficit  Details in the comments column	Managing Director and Business Support includes: <ul style="list-style-type: none"> <li>• £240,000 Service charges paid to the council</li> <li>• £150,000 VAT</li> <li>• £63,000 Operating Licenses</li> <li>• £26,000 training, professional fees, subscriptions</li> <li>• £20,000 contingency</li> <li>• £16,000 Marketing</li> </ul>

<b>Indicator Description</b> (Pentana Code)	<b>Achieved 2018/19</b>	<b>Achieved 2019/20</b>	<b>Achieved 2020/21</b>	<b>Achieved 2021/22</b>	<b>Target 2022/23</b>	<b>Target 2023/24</b>	<b>Target 2024/25</b>	<b>Indicator Owner and Comments (incl. benchmarking)</b>
Subsidy per visit all service areas LLLocal_G07	58.1 pence	38.0 pence	57.8 pence	49.7 pence	86.0 pence	51.4 pence	49.8 pence	Managing Director Calculation based on Management fee received divided by forecast attendances 2023 onwards excludes Cultural Services

#### 4. KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2022/23 – 2025/26 INCLUDING COMMERCIAL ACTIVITIES

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Operate alternative leisure provision from the existing Kimberley Leisure Centre site  LL2225_K01	Continue to provide fitness and swim facilities for community use during the day and evenings	East Midlands Education Trust Kimberley School Broxtowe Borough Council	Managing Director Kimberley Operations Manager  Start: May 2022 End: April 2025	Kimberley only expenditure (excluding on costs) 2023/24 = £821,000 2024/25 = £850,000 Income 2023/24 = £838,000 2024/25 = £895,000 Attendance target 2023/34 = 285,000  The contract to operate at the site will be reviewed in November each year



Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Grow fitness memberships <a href="#">LL2326_G01a</a> (New)	To continue to recover income lost during the lockdowns by increasing direct debit collections from fitness and gym school membership	Les Mills (Virtual Classes) Innovatise (App development) Gym Sales (Membership prospecting) Primary Care Network (Health referral partner) Big Wave (Performance Analysis)	Managing Director Business Manager  Start: April 2021 End: August 2024	Total gym membership direct debits numbers (including Exercise Referral): <b>ACTUAL</b> 1 April 2022 = 3,342 30 September 2022 = 3,875 <b>TARGET</b> 31 March 2023 = target of 4,160 (24.5% increase since April 2022) 31 March 2024 = target of 4,608 (being 10.8% increase for the year)  The forecast represents 93.5% of the pre-pandemic gym direct debit membership

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Grow Swim School memberships <a href="#">LL2326_01b</a> (New)	Complete a review with the aim of increasing the total number of people learning to swim and to improve the efficiencies in delivering the Swim School programme	Big Wave Active 4 Today	Managing Director Operations Managers  Start: September 2022 End: March 2024	<p>The Swim School at Bramcote is operating at 108% of pre-pandemic figures and is considered to perform well with limited scope to improve.</p> <p>Bramcote <b>ACTUAL</b> 1 April 2022 = 2,358 30 September 2022 = 2,379 <b>TARGET</b> 1 April 2023 = target of 2,390 31 March 2024 = target of 2,400</p> <p>Kimberley <b>ACTUAL</b> 1 April 2022 = 984 30 September 2022 = 1,031 <b>TARGET</b> 1 April 2023 = target of 1,070 31 March 2024 = target of 1,170</p>

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Continue to deliver the exercise referral scheme <a href="#">LL2023_G08</a>	Provide a sustainable supported referral opportunity for people with medical needs who will benefit from exercise	Primary Care Network (PCN) Social Prescribers Public Health – ABL Community Health / Physio workers PICS respiratory services	Managing Director Kimberley Operations Manager  Start: April 2022 End: March 2024	Exercise Referral memberships are also included in the total gym memberships above: <b>ACTUAL</b> 1 April 2022 = 181 30 September 2022 = 219 <b>TARGET</b> 1 April 2023 = 264 (45.1% increase since Apr '22) 31 March 2024 = 335 (being a 26% increase for the year)
Implement a first aid, NPLQ and Fitness Qualification training programme <a href="#">LL2023_G02</a>	LLL to provide a range of training opportunities such as First Aid to be sold commercially	NUCO NPLQ Active IQ	Managing Director  Kimberley Operations Manager  Start: April 2020 End: March 2024	Staffing costs are contained within an existing Duty Manager role. Proportion of existing DM role allocated £10,000 Course resources £4,000 Income target £29,000

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Implement price changes LL2326_02 (New)	Increase the overall operational income to mitigate against expenditure increases resulting from the cost of living crisis	Board of Directors	Managing Director  Start: April 2023 End: March 2024	Price changes implemented on 1 April 2023 will result in £100,000 of forecasted income and is included in the total income target
Implement a Direct Debit Bureau LL2326_03 (New)	To increase the total income surplus created by the company's operations	PayGate Gladstone LMS Broxtowe Borough Council	Managing Director Business Manager  Start: April 2023 End: March 2026	Expenditure 2023/24 = £8,190 (inc set up) Expenditure 2024/25 = £2,840 Expenditure 2025/26 = £2,840  Income 2023/24 = £ 7,620 Income 2024/25 = £14,340 Income 2025/26 = £20,340  It is expected that the additional work can be contained within the existing administrative resource. The balance for the first 3 years being a surplus of £28,430  It is expected that as incomes increase additional staff resource will be required

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
<p>With external support review a range of potential operating efficiencies</p> <p>LL2326_04 (New)</p>	<p>To identify achievable operating efficiencies to implemented</p>	<p>Active 4 Today Broxtowe Borough Council</p>	<p>Managing Director</p> <p>Start: November 2022 End: March 2024</p>	<p>Specific operational areas to be reviewed include:</p> <p><u>Expenditures</u></p> <ol style="list-style-type: none"> <li>1. Staffing structures &amp; technology</li> <li>2. Identify specific operating costs and incomes e.g. Swim School</li> <li>3. Review staff contracts to ensure operational flexibility</li> <li>4. Review operating hours in relation to usage</li> <li>5. Review current charges paid to the council and services provided</li> <li>6. Review capital repairs and renewal programme</li> </ol> <p><u>Incomes</u></p> <ol style="list-style-type: none"> <li>1. Review the fitness and swim school membership and forecast changes between 2022/2026</li> <li>2. Review and provide business cases for alternative sources of income</li> <li>3. Review pricing and potential prices changes between 2022/2026</li> <li>4. Provide a medium term financial forecast 2023/26</li> </ol> <p>Other areas to be considered include:</p> <ol style="list-style-type: none"> <li>1. Utility costs</li> <li>2. Staffing pay increases</li> <li>3. Superannuation and triannual review</li> </ol>

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Ongoing delivery of the Get Active Plan <a href="#">LL2225_S01</a>	Supporting partners who deliver services to support people with mental health conditions  Develop volunteer opportunities and a pathway into volunteering	BBC Communities Team  Primary Care Network Active Nottinghamshire  Middle Street Resource Centre  Durban House  Broxtowe Women's Project	Managing Director Kimberley Operations Manager  Start: April 2023  End: March 2024	Provide opportunities for potentially inactive people to become more active: <ul style="list-style-type: none"> <li>- Buggy and Wellbeing Walks</li> <li>- Work with Heya to enable Asian Women to be more active</li> <li>- Broxtowe Women's Project – improving leisure access</li> <li>- Support people with dementia to access leisure opportunities</li> <li>- Improving access to leisure opportunities for asylum seekers and refugees</li> <li>- With the NHS reduce inequalities for people with learning disabilities enabling more people to access health checks and leisure opportunities</li> <li>- Delivery of chair based exercise for older people at risk of falling</li> </ul>

## SUPPORTING BROXTOWE BOROUGH COUNCIL

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Support Broxtowe Borough Council in the development of the Leisure Facilities Strategy <a href="#">LL2225_G01</a>	LLL provide operational expertise to the council to ensure that any new facilities have an achievable business plan, that design and layout will meet customer expectation and enable efficiencies to be achieved	Broxtowe Borough Council	Managing Director / Business Manager  April 2022 to March 2024	Liberty Leisure Ltd will: <ol style="list-style-type: none"> <li>1. Support the council in developing a leisure facility strategy for the Borough</li> <li>2. Provide operational expertise to enable the council to determine whether the facility mix proposed at any identified sites will provide the income required to support the development and the on-going revenue implications</li> <li>3. In addition, LLL will use the facility mix proposed to scope out a draft activity programme for the new facility, which will reflect the diverse needs of the community</li> </ol>

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Replacement gym equipment  BBC2022c	Provide a scope of the equipment required, digital capabilities, meet with suppliers, site visits, support with scoping the details of a procurement. Redesign available gym space and work with the contractor to ensure installation is to specification and on time	BBC Procurement Officer  Liberty Leisure Ltd	BBC Deputy Chief Executive  June 2024	The implementation of this action is delayed from December 2021.  £600k is the nominal figure included in the council's capital planning for this action. The figure will change due to the financial impact of Brexit, the future of Kimberley Leisure Centre and the timescale for implementing the leisure facility strategy



Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
<p>In line with a finalised Leisure Facilities Strategy, review the existing Management Agreement between Broxtowe Borough Council and Liberty Leisure Limited</p> <p>BBC2022a</p>	<p>To have an updated agreement that accurately details the roles and responsibilities of Broxtowe Borough Council and Liberty Leisure Ltd in the provision of leisure in Broxtowe</p>	<p>BBC Legal Officer</p>	<p>BBC Client Officer BBC Deputy Chief Executive Managing Director</p>	<p>Currently the direct budget costs associated with potentially delivering changes to the existing management agreement are not known. Where possible these will be contained within existing budgets, however, until the extent of the work is known, the finance cannot be set out. Areas which will be explored further are:</p> <ul style="list-style-type: none"> <li>• Reviewing payment schedules</li> <li>• Updating the scope of the service</li> <li>• Potential reductions in the Management Fee</li> <li>• Agreeing a reserve policy</li> <li>• Exploring corporation tax liabilities</li> <li>• Managing Repairs and Renewals</li> <li>• Governance of the Company</li> </ul>

## 5. LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

All known costs, savings and financial efficiencies (actuals and estimates) identified in the key actions above have been (or will be) incorporated in the annual and medium-term budget accordingly.

Pentana Code	Revenue and Capital Budget Implications/ Efficiencies Generated 2023-24	2023/24 Budget (£)	2024/25 Budget (£)
LL2225_K01	Operate alternative leisure provision from the existing Kimberley Leisure Centre site	<p>Operating expenditure £821k</p> <p>Operating income (£838k)</p> <p>Balance £17k operating surplus</p>	<p>Operating expenditure £850k</p> <p>Operating income (£895k)</p> <p>Balance £45k operating surplus</p>
LL2326_G01a (New)	Grow Fitness Memberships	<p>Incomes by site</p> <p>Bramcote £748k</p> <p>Chilwell Olympia £86k</p> <p>Kimberley £411k</p> <p>TOTAL £1,245,000</p>	<p>Incomes by site</p> <p>Bramcote £812k</p> <p>Chilwell Olympia £93.5k</p> <p>Kimberley £436k</p> <p>TOTAL £1,341,500</p>
LL2326_01b (New)	Grow Swim School Memberships	<p>Total incomes by site</p> <p>Bramcote £665k</p> <p>Kimberley £333k</p> <p>TOTAL £998k</p>	<p>Total incomes by site</p> <p>Bramcote £680k</p> <p>Kimberley £341k</p> <p>TOTAL £1,021k</p>

<b>Pentana Code</b>	<b>Revenue and Capital Budget Implications/ Efficiencies Generated 2023-24</b>	<b>2023/24 Budget (£)</b>	<b>2024/25 Budget (£)</b>
LL2023_G08	Continue to deliver the exercise referral scheme to grow Exercise Referral memberships	Additional Expenditure £13.6k Income £68.0k Balance £54.4k surplus	Additional Expenditure £14.3k Income £74.5k Balance £60.2k surplus
LL2023_G02	Implement a first aid, NPLQ and Fitness Qualification training programme	Reallocating existing staff resource £10k Additional Expenditure £4k Income £29k Balance £15k surplus	Reallocated existing staff resource £10.5k Additional Expenditure £6k Income £40k Balance £23.5k surplus
LL2326_02 (New)	Implement price changes	Additional Income £100k	A 3% price increase is included within the overall income for 2024/25.
LL2326_03 (New)	Implement a Direct Debit Bureau	Expenditure £8,190 Income £7,620 Balance Deficit £570	Expenditure £2,840 Income £14,340 Balance £11,500 surplus
LL2326_04 (New)	With external support review a range of potential operating efficiencies	Service savings offsetting the additional charges identified by the council £15k	Potential efficiencies to be implemented to be identified through scoping process
LL2225_S01	Ongoing delivery of the Get Active Plan	All listed projects funded with no additional costs to existing revenue budgets	All listed projects funded with no additional costs to existing revenue budgets
BBC2022c	Replacement gym equipment	Expenditure £0	Expenditure £700k

**FORECASTED INCOME AND EXPENDITURE SUMMARY**

Financial Element	2022/23 (Revised)	2023/24*	2024/25*	2025/26*
Operating Expenditure	£3,834,245	£3,807,600	£3.938m	£4.105m
Operating & School Income	£3,016,210	£3,244,275	£3.363m	£3.504m
Operating Balance	£818,035 deficit before management fee	£563,325 deficit before management fee	£575k deficit before management fee	£601k deficit before management fee
Allocated Management Fee	£788,390	£519k	£500k (no actual figure agreed)	£500k (no actual figure agreed)
Balance including the allocated management fee	£29,645 deficit	£44,325 deficit	£75k deficit	£101k deficit

\*The revenue budgets for 2023/24 and 2024/25 assumes that the estimated superannuation back pay will be paid in a lump sum rather than in monthly payments as was the arrangements between 2020/23.

**6. SUMMARY OF KEY RISKS**

Key Strategic Risk	Action to be taken or required to mitigate/minimise the risk or threat
1. Teckal Company	Ongoing strategic operational documents identifying a wide range of actions to develop the company
2. Lack of financial resources	A medium term financial forecast that is regularly reviewed to ensure that potential financial issues are identified in advance of the problem arising

<b>Key Strategic Risk</b>	<b>Action to be taken or required to mitigate/minimise the risk or threat</b>
3. Leisure Facilities Strategy	As per strategic risk register. The council to complete its leisure facility strategy to enable the company to develop it operational and financial planning

*The top five risks (strategic or operational) arising from the key tasks and priorities for improvement*

<b>Key Task</b>	<b>Risk or Threat to Key Task</b>	<b>Covered by an existing Strategic Risk?</b>	<b>Action taken/required to mitigate/minimise the risk or threat</b>
Operate alternative leisure provision from the existing Kimberley Leisure Centre site	The ongoing operation I subject to an annual review at which point notice may be issued	Yes – Risks 4 and 5 (see below)	Regular operational and review meetings with the school to ensure that operations meet both organisations expectations

Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
Grow fitness and swim school memberships (excluding Exercise Referral)	<p>Potential effects of the cost of living crisis on consumers disposable income</p> <p>Ageing buildings and insufficient maintenance budgets</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows:</p> <ul style="list-style-type: none"> <li>- Continue to diversify delivery over time to include a range of exercise referral options and to build new partnerships to grow daytime usage</li> <li>- Retrain staff to maximise the use of the Gym Sales prospecting tool</li> <li>- New Leisure Management System improving the online booking and joining process</li> <li>- Continue to review the customer journey to maximise changes in technology</li> <li>- Deliver an annual programme to promote sales and retain existing customers</li> <li>- Continue to support the council to deliver it plans for new leisure facilities</li> <li>- Meetings held with the councils estates team to agree priority maintenance to be discussed with the council</li> </ul>
Implement the exercise referral scheme	<p>Continued provision of services at Kimberley Leisure Centre</p> <p>Referrals are less than predicted</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows</p> <ul style="list-style-type: none"> <li>- Minimise additional expenditure for by utilising some existing staff expertise within their existing job roles to support the programme</li> <li>- Referral targets are based on previous performance and the number of refers have been increased</li> <li>- Increasing involvement in local NHS networks is expanding the network of health professionals who can refer</li> </ul>

Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
Implement a Direct Debit Bureau	<p>Failure to attract sufficient customers to cover the expenditure</p> <p>Sufficient staff resilience to ensure that the service</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows:</p> <ul style="list-style-type: none"> <li>- Centralise the company’s admin function to add resilience and keep expenditures contained to existing admin budgets</li> <li>- Year 1 targets based on actual conversations with potential customers</li> <li>- Set up costs are contained within the existing Business Development budget with no requirement to utilise the company’s reserves</li> <li>- Templates for any additional data sharing agreements are available and existing agreements and security arrangements are in place with LMS provider</li> </ul>

Risks as extracted from the Strategic Risk Register as at November 2022:

**Risk 4:** Failure of strategic leisure initiatives

**Risk 5:** Failure of the Liberty Leisure Limited trading company

The latest Strategic Risk Register is available in full at <https://intranet.broxtowe.gov.uk/finance/risk-management/>

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## Report of the Chief Executive

<b>EMDEVCO LTD</b>
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1. Purpose of Report

To update Members of the Sub Committee on activities of the EMDevco Ltd board since the last meeting.

2. Recommendation

**The Committee is asked to NOTE the report.**

3. Detail

(a) The Government allocated funding through EM Devco Ltd for the creation of a “design code” pilot scheme. The Government encourages all local authorities to produce these [design codes](#) which are documents which would guide the form and nature of new development in our area, including the area of Toton – the major site in the Devco area. A presentation is due to be given on Tuesday 10 January to which all Councillors have been invited regarding the design code work which is being done in order to invite the input of Councillors.

(b) a summary of the work ongoing to deliver the government funded package of work through the Devco on the post IRP Economics and business case development for the areas of development including Toton; transport planning and traffic modelling in the new reality of changed HS2 proposals and station integration planning is set out in the appendix.

(c) The Company remains on target to meet its revised budget and carry forward a modest balance of approximately £350k in order to meet commitments for 2023/24. Year-end accounts were agreed at the last board meeting. Discussions continue with Leicestershire County Council and North West Leicestershire district Council regarding their future relationship with the company. The issue currently remains unresolved.

(d) The work of Areli in developing the approach to marketing the sites to ensure they are investable propositions which attract private sector investors continues. A presentation is due to be made to lead Councillors of the individual shareholder authorities in the next month or two.

4. Financial Implications

The Borough Council’s commitment to the company is £162,000 in each of three years, the current year being year two.

5. Background Papers

None

## APPENDIX

At the last meeting of the East Midlands HS2 Executive Board in October 2022, on which this Council was represented by Councillor M Radulovic MBE, a work programme and approach were agreed to the delivery of work through the EMDevco Ltd which has been funded by government.

Two key technical working groups have been formed. Firstly, a Commissioning Group involving the key strategic economic growth and regeneration leads from each authority and statutory agency. Secondly, a transport working group (TWG) involves the transport planning leads from the local highway authorities and relevant agencies including Midlands Connect. The TWG is primarily responsible for overseeing the technical content of the transport planning and traffic modelling aspects of the work. In all instances this involves officials from government departments.

The review involves a two-year programme of work, with funding from Department for Transport expected to be provided in two equal tranches of £1m per annum. It is broadly envisaged that the first year will focus on the baseline assessment and concept build with the second year focussing on further development and testing the proposals.

There are three core workstreams with progress on each outlined further below.

**Economics and Business Case Development** – the primary objective of this workstream is:

*“to frame the strategic and economic case for the growth strategy through an update of some of the macro and more localised economic indicators. It will quantify the scale of opportunity in terms of jobs, GVA and other relevant indicators of growth based on high level appraisals of the transport and growth plans to emerge from other workstreams and specific the transport planning and station integration planning processes in addition to macro regional dynamics.”*

Initially, the work will look to assess the baseline economic conditions and growth assumptions.

**Transport Planning and Traffic Modelling** – the primary objectives of these workstreams are:

*“**Transport Planning** - to develop transport concepts, plans and proposals that can complement HS2 and the potential for growth. This will be achieved through a refresh of the East Midlands Gateway Study and in the new context presented by the IRP.*

*“**Traffic Modelling** - to create robust multi-modal model and a platform to test the transport concepts, plans and proposals emerging from the transport planning workstream. This will be achieved through a refresh of the East Midlands Gateway Study Multi-Modal Model and in the new context presented by the IRP.”*

Initial stages will involve checking and testing the working assumptions whilst preparing concept transport schemes. With a more settled set of assumptions, the second year involves a review of the traffic model alongside the development and testing of specific proposals. The lead contractor for this work is Arup with Systra as modelling sub-contractor. This provides essential continuity as Systra led on the East Midlands Gateway Multi-Modal model.

**Station Integration Planning** – the primary objective of this workstream is:

*“to explore the specific growth potential of sites in the vicinity of the new HS2 station locations at Nottingham, Derby, East Midlands Parkway, and a reassessment of that potential at Toton and Chetwynd i.e., the capacity, scale and mix of uses. This will need to align with the transport planning workstream.”*

This involves developing a scope for each location and establishing a clear vision and capacity assessment for each station location. Areli Developments are already working with EM DevCo to develop proposals for East Midlands Parkway and Toton. As mentioned above, positive conversations are on-going with Nottingham, Derby, and Chesterfield about the potential for efficiencies in retaining Areli to provide consistent levels of support.

Work on the economic and business case analysis with Amion Consulting will progress in line with the approach set out, as will work on transport planning and modelling. Meanwhile, the scope for station integration planning work will continue to be developed and an update brought back to the HS2 Executive Board in the New Year. All of the teams will be working together and engaging continuously with respective local authorities and agencies both together through the established working group arrangements in addition to more focussed bilateral sessions and site visits as required.

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## Report of the Chief Executive

### **WORK PROGRAMME**

1. Purpose of Report

The Sub Committee is asked to approve its Work Programme and to consider items for consideration at future meetings.

2. Recommendation

**The Sub Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

3. Detail

26 June 2023	<ul style="list-style-type: none"><li>• Quarterly Statistics</li></ul>
16 October 2023	<ul style="list-style-type: none"><li>•</li></ul>
22 January 2024	<ul style="list-style-type: none"><li>•</li></ul>
26 February 2024	<ul style="list-style-type: none"><li>•</li></ul>

4. Background Papers

Nil.

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