

Report of the Deputy Chief Executive

LEISURE FACILITIES STRATEGY – UPDATE ON PROGRESS1. Purpose of report

This report updates member on progress with the Leisure Facilities Strategy and covers the latest position on the Bramcote site options, the options for a leisure centre in the north of the Borough, and the latest position with negotiations with EMET regarding Kimberley School joint use agreement. The report also recommends that members consider the Council's client side leisure capacity, and improvements to the governance of Liberty Leisure limited.

2. Detail

Following member's approval at the Policy and Performance Committee on 1 December 2020, external financial advice was procured to assess the financial implications of the various leisure facilities options available at the Bramcote site, 'do minimum', 'refurbishment', 'new build on the current site' and 'new build on the former school site'. The options appraisal model used a 25-year lifecycle period to develop net present values of the four options. The emerging favoured option is the 'new build on the current site', and the following key actions are recommended;

- i. Commence discussions on pre-planning application advice on this site
- ii. Further financial modelling to test the assumptions on borrowing costs, lifecycle costs, expenditure costs, income and affordability
- iii. Detailed project plan outlining the key stages, activities and risks.

3. Financial implications

The recommendations within this report include a request to the Finance and Resources Committee for £30,000 to recommission work on the potential leisure facilities in the north of the Borough and £30,000 to establish a client side leisure capacity on behalf of the Council.

Recommendation

The Committee is asked to RESOLVE that;

1.
 - (a) commencement of further work (pre planning, financial modelling, project plan) on the 'new build on the current site' option at Bramcote
 - (b) recommissioning work on the potential leisure facilities in the north of the Borough.
 - (c) the establishment of a client side leisure capacity.
 - (d) the delegation of the negotiations of any post April 2022 Kimberley school joint use agreement with EMET to the Deputy Chief Executive, and that the final agreement is submitted to Committee for final approval.
 - (e) the Monitoring officer reviews the governance arrangements at Liberty Leisure limited and reports back suggested improvements to the Governance, Audit and Standards Committee.
2. The Committee RECOMMENDS the Finance and Resources Committee approves expenditure of £30,000 to complete the recommissioning work in the north of the Borough and £30,000 to establish the client side leisure capacity be approved.

Background papers; Nil

APPENDIX

Options for a leisure centre in the north of the Borough

Continuum have now completed their work on assessing the viability of various leisure facilities in the north. Unfortunately, a clear favoured site option did not emerge, and importantly, the leisure facilities proposed did not meet the Council's wider post-pandemic opportunities, especially around innovation and environmental sustainability, and reflected a lack of integration into our wider strategic objectives, such as community leisure, health and commercial use. It is therefore recommended that further work is recommissioned to develop leading edge and future proof leisure facilities that meet our strategic objectives.

Negotiations with EMET regarding Kimberley School joint use agreement

The notice of termination of the joint use agreements at Kimberley School, were issued by the Chief Executive of the East Midlands Trust (EMET) to the Council on the 23rd April 2020. Over the last year, details of negotiations between the Deputy Chief Executive and the Chief Executive at EMET, have been covered in detail within letters between the Council and EMET, and shared with the Leader, Deputy Leader, Leader of the Opposition, Chair and Vice-Chair of the Leisure and Health Committee, Chair of the Finance and Resources Committee, and members of the Leisure task and finish group. Agreement has been reached on the retention of the use of internal facilities by the Council until April 2022 and the management of external facilities (5 a side pitches and synthetic pitches) have been transferred across to EMET. After April 2022 the two-year notice period will have expired, and EMET will effectively control the terms of usage of the internal leisure facilities, and it is expected that EMET will want to significantly increase the usage of the facilities during the daytime, with potentially the Council retaining community usage predominantly at weekends and evenings, which will impact significantly Liberty Leisure's income stream and therefore on its workforce. Members will need to consider the financial implications of any post April 2022, joint use agreement with EMET, before formally approving any new joint use agreement at Committee. The Deputy Chief Executive will continue to lead on negotiations with EMET, share written correspondence to and from EMET with members, and report back on progress to Committee.

Client side leisure capacity

Since the establishment of Liberty Leisure limited, there has been a lack of client side leisure capacity to monitor closely the management agreement between the Council and Liberty Leisure limited. It is therefore recommended that additional client side capacity for monitoring the management agreement is established, to ensure rigorous holding to account of Liberty Leisure limited. The Deputy Chief Executive will look into opportunities of sharing a client side officer with another Nottinghamshire district authority, and report back to Committee for approval.

Liberty Leisure limited governance improvements

Members will be aware of the governance challenges faced by a number of local authority trading companies (eg Robin Hood Energy Company). In order to ensure that the Council is continuing to review and strengthen its governance arrangements, it is proposed that the Monitoring officer reviews the Liberty Leisure limited governance arrangements, and reports back suggested governance improvements to the Governance, Audit and Standards Committee.