

Note: this report was originally considered on 5 December 2023 and has now been redacted in order for its consideration to be undertaken in open session.

Report of the Portfolio Holder for Leisure and Health

KIMBERLEY SCHOOL LEISURE CENTRE

1. Purpose of Report

The Council has recently received a letter (appendix) from the Head teacher at Kimberley School, regarding the financial viability of the leisure centre at Kimberley School, which highlighted that if no Council financial support is provided, the likelihood of terminating the licence on 31/3/24. This report updates the Cabinet on the latest position on the negotiations with the school and details of school's financial support request to allow the leisure centre to remain open.

2. Recommendation

Cabinet is asked to RESOLVE that:

- 1. The Kimberley school request of funding of £444,538 to cover their estimated leisure centre deficits over 3 financial years (see details below) be rejected.**
- 2. The Kimberley school request that Council provides uncapped contributions towards the repairs costs, including the pool plant replacements and future price increases in utility and supplies costs, not included in their assumptions, be rejected.**
- 3. Liberty Leisure considers whether a 'dry-side' gym facility can be managed at the school site 1/4/2024 be approved.**
- 4. The Council's leisure officer and Liberty Leisure seek alternative leisure sites in the north of the borough and report back to Cabinet on any viable opportunities be approved.**

3. Detail

The Head teacher at Kimberley School has written to the Council (Appendix dated 19/9/23), outlining the significant financial loss for the school over last year in running the swimming pool, and that if no financial support can be secured by the school from the Council, the risk of the leisure centre closing on the 31/3/24. Liberty Leisure provides leisure services to the public at Kimberley leisure centre, operating under a Licence Agreement, which is renewed annually.

The school is requesting significant financial support, over and above the existing annual licence fee paid by Liberty Leisure, approximately £75,000 in 2022/23, £90,000 in 2023/24 and, £92,000 in 2024/25 (if the licence continues)

Over the last few months, a number of meetings have taken place with Liberty Leisure and the school to understand the financial position and provide advice, and on a couple of occasions the Deputy Chief Executive has joined the meeting with the head to discuss the financial viability of the leisure centre.

The table below has been provided by Kimberley school, which highlights that the school is seeking very significant financial support from the Council to meet their estimated financial deficits in 2022/23, 2023/24 and 2024/25, in total, £444,538.

The school is also requesting, potential additional financial contributions towards any repairs costs, including pool plant replacement and future utilities and supplies price increases not currently identified.

Kimberley leisure centre – financial deficits (provided by Kimberley school)

Financial year	2022 - 23	2023-24	2024-25	TOTAL
What BBC need to pay based on our subsidy schedule described above	£122,580.74	£179,249.21	£142,708.81	£444,538.76

The assumptions around the calculation of these deficits, including the allocation of costs and income at the leisure centre have been challenged by Liberty Leisure and the Council's leisure client Officer, however there have been no amendments to the school's funding request.

In order to secure an extension to the licence at the school until 31/3/25, the Council has made an offer to provide a contribution of £100,000 to the school (capped, so no further contribution to repairs, supplies or utility costs), based on two-thirds of the Sports England grant (£31,057) and Council funding (£68,943). This offer has not been accepted by the school.

Sport England are administering a scheme, on behalf of the Government to provide one-off revenue funding to support swimming pools through the energy price increases. Sport England have confirmed that a one-off revenue grant of £46,585 will be available to keep Kimberley swimming pool open (no funding was provided for the Bramcote leisure centre swimming pool). The grant is based on the pool remaining open for three years from April 2023 until April 2026, and as the Council's offer to keep the pool open for another year, until 31/3/25, it is proposed that two thirds of this grant (£31,057) is used to support the swimming pool and one third (£15,528) is held in a reserve until the Council has agreed with the school on the pool's future from 1/4/25 to 31/3/26.

The school has agreed to provide Liberty Leisure with an estimated licence fee cost for running only a 'dry-side' facility (gym and studio), and Liberty Leisure agreed to assess whether this could be managed without any further contributions from the Council.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The value of the financial contribution being requested by Kimberley School is £444,538, in addition to unquantifiable financial contributions to liabilities for repairs and utility price increases. If the school was to close the leisure centre, there would be a strategic, operational and financial impact on Liberty Leisure Limited that would ultimately impact upon the Council. The programme of activities provided from Kimberley Leisure Centre would need to be revised and any resulting changes in terms of staffing provision could result in redundancy costs being incurred.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The letter from the School states that they are 'likely' to terminate the licence agreement if the deficit is not paid by Liberty Leisure Limited and will serve the relevant termination notice in November. They have until 23 December 2023 in accordance with the Licence to Occupy to serve such notice.

If the Licence to Occupy is terminated and the number of employees who are at risk of redundancy exceed 20, the statutory requirements in relation to consultation as detailed in the Employments Right Act 1996 must be complied with.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

[REDACTED]

[REDACTED]



7. Union Comments

The Union comments were as follows:

UNISON is concerned that the closure of the swimming pool could result in redundancies for LLeisure Ltd employees. However, it is encouraging to note that LLeisure Ltd have met with the school and are looking at a solution to provide support via the support from Government.

We would like to see a longer-term solution to this issue to provide employees with reassurance.

8. Data Protection Compliance Implications

Not applicable.

9. Equality Impact Assessment

Not applicable.



The
**Kimberley
School**

We Respect. We are Proud. We Succeed.

The Kimberley School
Newdigate Street, Kimberley,
Nottingham.
NG16 2NJ

Head Teacher: Andy Park
Deputy Head Teacher: Danny Knapczyk

APPENDIX

19 September 2023

Zulfiqar Darr (Deputy Chief Executive)
Broxtowe Borough Council
Foster Avenue
Beeston
Nottingham NG9 1AB

By email: Zulfiqar.Darr@broxtowe.gov.uk

Dear Zulf,

**The areas known as the Leisure Use Premises situated within the
Kimberley School Sports Centre**

Thank you for your time on Monday 18th September when we met to review the Licence to Occupy. As we explained, the present arrangements have resulted in a significant financial loss for the school over the last year which is unsustainable and, if permitted to continue, will place the school in a deficit situation. As such, I wish to give notice that the school is *likely* to terminate the licence on the 31 March 2024 in accordance with the terms of the licence.

That said, we want to give the council an opportunity to explore the possibility of providing financial support to help us keep the leisure centre open until a more viable permanent and modern solution can be found. We would therefore be grateful if you can consider this question. But, in the absence of such support, we will write again in November serving notice to terminate the present arrangements on the 31 March 2024.

Yours sincerely



Andy Park
Head Teacher
The Kimberley School