

Subject: 2009 Leisure Review

Status: For Publication

Report to: Performance Overview and
Scrutiny Committee - Leisure

Date: 6th August 2009

Report of: Chief Executive

Portfolio

Holder: Leisure

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To provide an update on the key tasks of the 2009 Leisure Review:
- The use of the PMP report and additional mapping and consultation to establish Rossendale's priorities for leisure and cultural provision. Including an assessment of our cultural offer to inform our Cultural Strategy
 - Completion of an Options Appraisal for the management of our leisure facilities, including market testing for private sector investment in certain facilities; to establish an affordable management option for the delivery of leisure and cultural services
 - Establish and implement a project plan for the delivery of a new Swimming Pool including the development of a business case and planning/need justification.
 - Establish and implement a project plan for the community takeover or closure of Bacup Leisure Hall
- 1.2 To review the 2009/10 transitional funding agreement with Rossendale Leisure Trust and including their business plan actions and current financial monitoring.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.
- Delivering quality Services to our customers
 - Delivering regeneration across the Borough
 - Encouraging healthy and respectful communities

- Keeping our Borough clean, green and safe
- Promoting the Borough
- Providing value for money services

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Failing to deliver the actions within the review may result in an impact on the budget setting process and possible financial impact for 2010/11
- The delivery of both Bacup Leisure Hall and a swimming pool are dependent on securing adequate financial resources and permissions
- Full and robust community engagement and communication is required in order to mitigate the risk of non-engagement and ensure full access to the decision making process

4. BACKGROUND AND OPTIONS

4.1 Following a request in October 2008 by Rossendale Leisure Trust to increase their grant funding by 40% a number of financial options were identified for the future provision of leisure in the Borough.

4.2 In February 2009 the Cabinet approved the delivery of 'Option H':

- Agree £513k funding for Rossendale Leisure Trust conditional upon:
- Review of leisure and recreation comprising consultation on what people feel is a priority, what the council can afford and most appropriate mechanism for delivering leisure in the Borough
- Establish a transition fund to maintain in particular Haslingden and Marl Pitts Swimming pools above and beyond grant funding, pending the outcome of a review. This will ensure that both pools remain open for a minimum period of 12 months
- New funding agreement in relation to grant funding and transition fund to be developed and agreed by the Council and the Trust by 1st April 2009
- Take opportunity of vacancy freeze and continue to identify savings
- Rossendale Leisure Trust to agree to the early surrender of the lease for Bacup Leisure Hall which will close by 31 March 2010 unless a successful lottery grant award is achieved or take-over by community
- Establish regular Overview and Scrutiny process on leisure to oversee transition and amend the constitution to accommodate this
- Establish steering group for the development of a new pool
- Establish steering group to develop community approach to Bacup Leisure Hall

4.3 2009 Leisure Review will address the immediate action required to deliver Option H and identify a sustainable option for the future delivery of leisure and cultural delivery in the Borough.

- 4.4 Following the last report to Performance Overview and Scrutiny – Leisure officers have continued to work on each of the key actions under the review to ensure the delivery of Option H.

5 Consultation and options appraisal

- 5.1 **Appendix 1** is the consultation and communications action plan for the 2009 Leisure Review. It highlights the ongoing communication being carried out with Members and residents through the regular updates.
- 5.2 The Culture in Rossendale questionnaire will be live on the Council's feedback website (with a link from the Rossendale Borough Council site) and sent to the Citizen's Panel Members on 3rd August. The questionnaire covers priorities for facilities, countryside recreation, the arts and taking part in arts, sports and leisure in Rossendale. There has been a slight delay in the launch of the questionnaire due to the need to collate feedback on previous consultation for the Citizens Panel.
- 5.3 Knight, Kavannagh and Page (KKP) consultants have been awarded the contract for the Options Appraisal for the delivery of our leisure services. An initial meeting with the consultants has taken place and work is underway.
- 5.4 Consultation will be carried out as part of the Options Appraisal contract and is detailed in the Consultation action plan.

6. Progress of the Review Panels

- 6.1 The Pool Review Panel has visited the Haslingden Lifestyle Centre site with representatives from the Councils planning department. A highlight report on the Pool Review Panel is attached at **appendix 2**.
- 6.2 The Bacup Leisure Hall Review Panel have been working on assessments for the 3 options identified at their last meeting; private sector provider, community takeover and closure of the building. Individual members of the panel have been tasked with bringing back semi completed assessments for the next meeting. A highlight report on the Bacup Leisure Hall Review Panel is attached at **appendix 3**.
- 6.3 Following the Cabinet decision on 17th June to undertake an exercise to assess whether there was any potential interest within the private sector to invest and improve the facilities at Ski Rossendale meetings have been held (individually) with all user groups to discuss the scope of the project and receive initial comments and interest has been expressed from one private sector operator. A highlight on Ski Rossendale is attached at **appendix 4**.

7. Highlight Report - Rossendale Leisure Trust

- 7.1 A highlight report from Rossendale Leisure Trust is attached at **appendix 5** which updates Performance, Overview and Scrutiny on the action plan (**appendix 6**) and the transitional funding agreement.

- 7.2 Gary Hood resigned as Chief Executive of the Trust on 17th July and Martin Kay as been appointed as Acting Chief Executive until further notice to ensure continuity. An update note on the changes to the Senior Management Team is attached at **appendix 7**.
- 7.3 The highlight reports indicate continued progress against the short term action plan. A number of red risks are identified:
- Uncertainty around Bacup Leisure Hall is affecting the programming for the facility from March 2010
 - There has been a continued loss of key staff from the lifestyles team due to the uncertain operating climate
 - Additional parking is urgently required at Haslingden Sports Centre. Progress of the additional parking could be affected by discussions about a new pool
 - Community perception is that Ski Rossendale will close March 2010. There is a need to produce a clear message that the Slope will continue to operate.
- 7.4 Officers are already working with staff at the Trust to reduce the risks around Bacup Leisure Hall, car parking at Haslingden Sports Centre and Ski Rossendale.
- 7.5 A report on sickness absence from Rossendale Leisure Trust is attached at **appendix 8** as requested.
- 7.6 The Trust's financial monitoring is attached at **appendix 9**.

COMMENTS FROM STATUTORY OFFICERS:

8. SECTION 151 OFFICER

- 8.1 Financial matters and forecast by the Trust for 2009/10 have previously been reported to Members in detail as part of the Full Council meeting on 26th February 2009.
- 8.2 Financial resources, assuming Rossendale Leisure Trust achieves its own targets, together with the cost of the 2009 Leisure Review, have therefore been identified within the Council's 2009/10 budget.
- 8.3 Future recommendations and their financial implications for beyond March 2010 need to ensure they are both affordable and sustainable.
- 8.4 Grant funding to the Trust has therefore been agreed by Members at £513k for core funding together with transitional funding resources to a maximum of £222k for 2009/10. In addition the Council has also commenced the creation of an earmarked leisure reserve. It is the ambition of the council to eventually create an earmarked reserve equal to the Trust's balance sheet deficit. As at 31st December 2008 the Trust had a deficit of £420k.

- 8.5 Due to the Trusts current balance sheet deficit of £420k it will experience, as last year, cash flow problems in the summer of 2009. This is a similar situation to the circumstances faced by the Trust in the summer of 2008; this resulted in the Council making an advance of £300k on the 2009/10 core grant. Members have recently agreed to again give cash flow support to the Trust during 2009/10. At the time of writing the Trust has not yet called on this support.
- 8.6 The Trusts financial year runs from January to December. Appendix 1 details the Trusts trading position for the 6 month to June 2009. The current trading position is compared to the Trust's original budget, its revised full year forecast and the same 6 month period for 2008.
- 8.7 The key points of note from trading to the end of June 2009 are:
- a) Total revenue is down on forecast by £25k. This is due in the main to lower revenues at Ski Rossendale.
 - b) The actual loss, year to date, is £12k higher than the revised forecast.
 - c) However, the Trust continues to forecast an overall loss of £698k which is in line with original grant funding expectations.
 - d) The challenge for the trust remains achieving revenue forecasts for the rest of the year particularly at Ski Rossendale. It should be noted that Ski Rossendale is forecasting a loss and therefore will not contribute to central overheads.
 - e) Haslingden Sports Centre is in line with its business plan and is forecast to be marginally above break-even before central overheads.
 - f) Head office and central shared costs are forecast to be £57k better than the original budget.

9. **MONITORING OFFICER**

- 9.1 It may be appropriate at this stage to remind Members of the basic legal position regarding the provision of recreational services and facilities.
- 9.2 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 allows local authorities to provide such recreational facilities as they think fit, both within and outside their areas.
- 9.3 Councils are also given particular powers to provide sports centres, swimming pools, tennis and badminton courts, sports pitches, dance facilities, riding stables, athletics facilities, golf courses, bowling greens, camp sites, boating, water skiing and fishing facilities and premises for clubs and societies.
- 9.4 These powers include the right to provide staff, parking facilities, buildings, supplies and equipment.
- 9.5 Councils may also make grants and loans to voluntary organisations providing recreational facilities.
- 9.6 Section 145 of the Local Government Act 1972 empowers local authorities to provide entertainment of any nature to include facilities for dancing, theatres, concert halls and so on, to maintain a band or orchestra and to foster the arts.

9.7 Section 144 of the 1972 Act also gives wide powers to councils to attract visitors to their area.

9.8 It is important to note that these are all powers, not duties.

10. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

10.1 No HR implications arising from the report.

11. CONCLUSION

11.1 Since the last Performance, Overview and Scrutiny meeting a number of actions have been progressed to support the delivery of Option H and the 2009 Leisure Review.

10. RECOMMENDATION(S)

10.1 To note the content of the report and the work undertaken to date in delivering Option H

11. CONSULTATION CARRIED OUT

11.1 The consultation plan is attached at Appendix 1. Consultation is in progress regarding the priorities for culture in Rossendale.

12. COMMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required Yes

14.3 Equality implications of any decision will be considered as part of the ongoing review and the Community Impact Assessment updated according prior to any decision.

Is a Community Impact Assessment attached No

13. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

Contact Officer	
Name	Gina Fletcher
Position	Service Development Officer – Culture
Service / Team	Communities
Telephone	01706 252458
Email address	ginafletcher@rossendalebc.gov.uk

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Background Papers	
Document	Place of Inspection
Performance Overview and Scrutiny (Leisure) papers 23/6/09	Website
Consultation and Communications action plan	Appendix 1
Culture in Rossendale questionnaire	Website
Pool Review Panel Highlight Report	Appendix 2
Bacup Leisure Hall Review Panel Report	Appendix 3
Ski Rossendale Report	Appendix 4
Rossendale Leisure Trust Report	Appendix 5
Rossendale Leisure Trust Action Plan	Appendix 6
Rossendale Leisure Trust Note on Senior Management	Appendix 7
Rossendale Leisure Trust Sickness Absence Report	Appendix 8
Rossendale Leisure Trust Finance Report	Appendix 9