

<b>Subject:</b>	Leisure Review		<b>Status:</b>	For Publication	
<b>Report to:</b>	Performance Overview and Scrutiny		<b>Date:</b>	20 <sup>th</sup> June 2011	
<b>Report of:</b>	Director of Customers and Communities		<b>Portfolio Holder:</b>	Leader of the Council	
<b>Key Decision:</b>	<input type="checkbox"/>	Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
<b>Community Impact Assessment:</b>		Required:	No	Attached:	No
<b>Biodiversity Impact Assessment</b>		Required:	No	Attached:	No
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1.	<b>RECOMMENDATION(S)</b>
1.1	For Overview and Scrutiny to note the work carried out so far in relation to the leisure review and delivery of the development projects.

## 2. PURPOSE OF REPORT

- 2.1 To update Overview and Scrutiny regarding the progress of projects implemented as part of the 2009 Leisure Review including the funding agreements relating to Rossendale Leisure Trust (RLT) and Community Leisure Association Whitworth (CLAW).

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A clean and green Rossendale** – creating a better environment for all
- **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy
- **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services

## 4. RISK ASSESSMENT IMPLICATIONS

4.1 All the issues raised and the recommendations in this report involve risk considerations as set out below:

- The investment for leisure identified in the February 2010 Full Council report was based on assumptions regarding the Council's ongoing commitment to leisure services. Changes from the assumptions outlined in that report could have an impact on the Council's overall budget.
- Failure to deliver the recommendations outlined in the 2009 Leisure Review committed to by the Council would have an impact on the reputation of the Council and our leisure partners.

## 5. BACKGROUND AND OPTIONS

5.1 Following a thorough review of leisure provision in Rossendale in 2009, the February Council approved the delivery of a significant leisure improvement project for the Borough including the following key actions:

- Negotiate surrender of the lease for Ski Rossendale with Rossendale Leisure Trust and continue to explore a viable option for the site
- Continue with the procurement for a new pool at Haslingden Sports Centre and development of fitness suite, five-a-side and improvements at Marl Pits
- Closure of Haslingden Pool on completion of new pool
- Confirm a new funding agreement with CLAW and continue to work on the findings of external review of the Riverside Civic Hall
- Confirm a new funding agreement with Rossendale Leisure Trust.

The following points provide an overview of progress against each of the leisure development key projects.

### **Ski Rossendale**

5.2 As previously reported the KKP report outlined the transfer of Ski Rossendale as intrinsic to the delivery of the Leisure Review. The KKP report assumed that there would be a neutral cost to the Council from 1<sup>st</sup> April 2011.

5.3 At a special Cabinet meeting on 26<sup>th</sup> January 2011 members discussed the Council's Medium Term Financial Strategy and the implications for the Ski Slope. The Cabinet's recommendation was to close the Ski Slope at the end of the 2010/11 winter season whilst every effort would be made to secure its future be it through a social or commercial enterprise.

- 5.4 Interested parties were invited to complete a 'Pre-Qualification Questionnaire' (PQQ) that made a business case for the running of the Ski Slope and were invited to a Q&A meeting prior to the Council requesting a formal tender submission.
- 5.5 Although no guarantees or assurance can be given as to the validity of the bids the timeline of mid July 2011 for awarding of the contract remains on target.

### **Facilities Development: Haslingden Pool and Marl Pits Development**

- 5.6 The 'Development Project Team' consisting of representatives from across Council departments, senior staff of Rossendale Leisure Trust, Mouchel and the team supporting Kier Northern have continued to meet to refine plans for both developments at Marl Pits and Haslingden Sports Centre.
- 5.7 The key focus for this period has been the refining of the costings for both developments to ensure they fit within the cost of £5.6million.
- 5.8 This exercise has been very time intensive and thorough as it covered everything within the construction costs from ground excavation, steel, structural design of the stainless steel pool down to the price of fixtures and fittings like toilet roll holders and the cost and quality of handles on lockers.
- 5.9 There have been a number of factors which presented the project team with some real challenges like the cost of steel which is fluctuating due to an unstable world market and the depth of piling (24 meters) required to support the weight of a 6 lane 25 meter pool at Haslingden Sports Centre.
- 5.10 This thorough scrutiny of the costing was conducted against the parameters set by the KKP report to ensure the new facilities were delivered within budget and importantly the increased income generation generated by the Leisure Trust gave a return on investment.
- 5.11 Given some of the aforementioned costs challenges the design is in the process of being reconfigured to:
- be more cost efficient,
  - preserve the basis of the business case for investment
  - importantly preserve the integrity of the internal fit out - particularly in relation to the facilities design agreed in conjunction with the pools advisory group.
- 5.12 Taking account of the above and given the recent change in administration any reconfigured design, based on the fundamentals noted in 5.11, will be circulated to Members and key stakeholders once finalised.

### **Funding and Performance agreement: CLAW and the Riverside**

- 5.13 The CLAW Board has considered the findings of the Globe report attached at appendix 1 and have supplied an initial 'Action Plan' that outlines how they are responding to the challenge (see appendix 2). Alongside this, CLAWs financial report can be viewed at appendix 3.

- 5.14 One of the outstanding and recurring issues the board of CLAW would like to resolve is their Lease Agreement with the Council for Whitworth Pool and The Riverside. The CLAW board's aspiration is to have the same lease agreement as is presently agreed between the Council and the Marl Pits facility managed by Rossendale Leisure Trust.
- 5.15 CLAW maintains that providing this clarity will enable them to accurately define their budget forecast and they would ask members to resolve this issue as a matter of urgency.

**Funding and Performance agreement: Rossendale Leisure Trust**

- 5.16 Performance Indicators for Rossendale Leisure Trust are attached at appendix 4 along with the financial report at appendix 5.

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

- 6.1 The Council has previously agreed an investment of £5.6m in new leisure facilities, which is backed by a business model agreed between the Council and Rossendale Leisure Trust.
- 6.2 With regard to CLAWs aspirations for lease arrangements, ie similar to those relating to Rossendale Leisure Limited, this is essentially to transfer the responsibility for structural repairs and maintenance to the Council. Currently under previous lease arrangements and the current proposal this responsibility rests with CLAW.
- 6.3 Members should note that with regard to The Riverside this a relatively new build, completed in October 2006, following a fire destroying the previous Whitworth Civic Hall. Part of the business case supporting a rebuild included the upkeep and full maintenance of the new building. It is reasonable to expect that this facility should be generating enough resources to ensure its structural integrity.
- 6.4 With regard to the Whitworth Pool. This facility reopened in 2003 following a significant investment by the local community in refurbishing the building and pool. Rossendale borough Council has since supported the pool via an annual revenue grant (originally c £47,000). In addition the Council has also supported some capital investment on an ad hoc basis. However, changing formal lease terms will most likely expose the Council to future financial commitments.
- 6.5 With regard to current lease arrangements with RLT, the terms of the lease do not commit the Council to expenditure which is unaffordable. Should major expenditure be required in order to keep a facility open, then this is a matter for Member consideration alongside all other priorities and therefore requires their final approval. Members could therefore choose not to make the necessary investment, with the potential consequences being the closure of the facility.

6.6 Members should in making any recommendations have due regard of the financial pressures the Council is facing over the medium term and in particular the need to identify £1M of savings in its annual revenue expenditure.

**7. MONITORING OFFICER**

7.1 Covered within the report.

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

8.1 No HR implications.

**9. CONSULTATION CARRIED OUT**

9.1 As included within the body of the report.

**10. CONCLUSION**

10.1 There has been progress against each of the key actions identified as a result of the leisure review.

Background Papers	
Document	Place of Inspection
Final Globe Report	<i>Appendix 1</i>
Riverside Action Plan	<i>Appendix 2</i>
CLAWs Financial report	<i>Appendix 3</i>
Performance report – RLT	<i>Appendix 4</i>
Financial report – RLT	<i>Appendix 5</i>