

<b>Report Title:</b>	Delivery of a Sustainable Leisure Offer for Rossendale		
<b>Report to:</b>	Council	<b>Date:</b>	6 <sup>th</sup> May 2026
<b>Report of:</b>	Chief Executive	<b>Cabinet Portfolio</b>	Leader of the Council
<b>Cabinet Lead Member</b>	Councillor Alyson Barnes	<b>Wards Affected</b>	All
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan	<input checked="" type="checkbox"/> General Exception	<input type="checkbox"/> Special Urgency
<b>Integrated Impact Assessment:</b>	Required:	No	Attached: No
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<b>Valley Plan Priorities</b>	<b>Thriving Local Economy:</b> This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	<input type="checkbox"/>
	<b>High Quality Environment:</b> This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input type="checkbox"/>
	<b>Healthy &amp; Proud Communities:</b> This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input checked="" type="checkbox"/>
	<b>Effective &amp; Efficient Council:</b> The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	<input checked="" type="checkbox"/>

## 1. PURPOSE OF THE REPORT & EXECUTIVE SUMMARY

- 1.1 Rossendale Borough Council commenced a review of its leisure delivery model in September 2025. This report presents a set of recommendations to Full Council, following that review, designed to secure a sustainable leisure offer for the Borough over the long term. The review was prompted by a combination of factors and the need to ensure that leisure provision is placed on a sound footing ahead of Local Government Reorganisation.
- 1.2 The review examined the current operating model in full, assessing the performance and condition of the facilities managed by Rossendale Leisure Trust (RLT) on the Council's behalf, alongside the financial, legal and governance arrangements underpinning their operation.
- 1.3 Based on that assessment, the review recommends a series of interconnected changes that when taken together address the structural weaknesses that currently prevent RLT from investing in its facilities, repaying the intercompany loan owed to the Council, or responding to the changing needs of Rossendale's communities. They will improve the financial sustainability of the leisure delivery model, create the conditions for targeted capital investment, including through Sport England's Place Capital Fund, and ensure that both the Council and RLT are well positioned as the Borough transitions to a new unitary authority in April 2028.

## 2. RECOMMENDATIONS

### That Full Council agrees to the following:

- i) Transition the existing Rossendale Leisure Trust to an agency model, with supporting management and legal agreements and leases redrafted to reflect the reshaped portfolio and new operating arrangement.
- ii) Reconfigure the portfolio of facilities managed by RLT as follows:
  - (1) **The Ashcroft** – Invite the asset transfer to Whitworth Town Council, subject to submission of a comprehensive business plan.
  - (2) **The Whitaker Museum and Art Gallery** – retained under its current operational and governance arrangements, with active work toward the conditions necessary for independent viability in the medium term.
  - (3) **The Hill** – retained under RLT operation, with a future options appraisal for further investment or alternative use to be undertaken in the near term.
- iii) Progress three capital investment priorities across the retained facilities:
  - (1) **Marl Pits** – extension of the existing gym and studio offer, and invite the asset transfer of the outdoor sports facilities to the east of the site to a new multi-sports organisation.
  - (2) **Pioneer** – relocation to a new site fitted out for gym and studio provision.
  - (3) **Adrenaline** – remodelling of the existing layout to improve facility capacity and configuration.
- iv) Develop a clear vision and action plan to support sustained investment in physical activity facilities across the borough.
- v) Establish an annual reporting mechanism to Rossendale Borough Council to monitor implementation, outcomes, and the overall impact of the revised leisure delivery model.
- vi) Delegate authority to the Chief Executive, in consultation with the Lead Member for Communities, Housing, Health and Wellbeing, the Director of Economic Development, and the Head of Legal and Governance, to take all necessary steps to implement these recommendations, including but not limited to the negotiation and completion of revised legal agreements, leases, asset transfer documentation, and any associated contractual, financial, or governance arrangements.

## 3. BACKGROUND & REASON FOR THE DECISION

- 3.1 Rossendale Leisure Trust (RLT) was established in 2004 and currently manages a diverse and ageing portfolio of leisure and cultural facilities on behalf of Rossendale Borough Council (RBC). The breadth of that portfolio spanning core physical activity and leisure provision, cultural assets, and specialist facilities. creates real challenges in generating sufficient income to cover operating costs, invest in facilities, and service the intercompany loan. While this diversity reflects the historical development of the trust, it limits RLT's ability to focus its management capacity and commercial effort on the areas of greatest return.

## 4. REDEFINING THE LEISURE PORTFOLIO

- 4.1 There is a clear opportunity, through the recommendations proposed, to reorient RLT toward its core purpose of physical activity, sport and leisure, whilst reaching considered decisions on the three facilities that sit outside that core remit, The Ashcroft, The Whitaker, and The Hill. Each of those three facilities also carries a share of the intercompany loan, which has a direct bearing on the options available.
- 4.2 The Ashcroft in Whitworth has evolved considerably since it was first included in RLT's portfolio. It now operates principally as a local events and community venue, serving a function

that is distinct from leisure delivery in the conventional sense. Whitworth Town Council (WTC) has expressed a clear interest in an asset transfer, and there is a credible case for this: the Council has an existing relationship with the venue and there is potential synergy with its management of Whitworth Leisure Centre. However, an asset transfer would place additional operational and financial responsibilities on WTC, and it will need to demonstrate the capacity to take these on.

- 4.3 The Whitaker Museum and Art Gallery is a specialist and well-regarded cultural asset whose potential, particularly for events income, remains underexploited. RBC has historically provided an annual grant to the Whitaker, though this has reduced in recent years alongside a reduction in the Council's maintenance responsibilities. Both the Chair of the Whitaker Trust and senior management have identified a longer-term aspiration for the museum to become independent of RLT, and the review supports that ambition in principle.
- 4.4 However, independence is not currently viable without several conditions being met. Three part-time posts, covering volunteering, schools and education and programme co-ordination, are currently funded through a Heritage Lottery Fund award that expires in 2027/28. These posts are essential to the Whitaker's ability to attract external funding and generate events income; without them, an independent trust would struggle to sustain itself financially. The £365,103 debt owed by the Whitaker to RLT also remains an unresolved issue: it forms part of the wider intercompany loan and cannot simply be written off without consequence. As the building is an RBC asset, maintenance risk and the cost of any significant capital works remain with the Council regardless of governance arrangements. The recommendation is therefore to retain the Whitaker within RLT's governance structure for now, while actively working toward the conditions that would make independence viable in the medium term.
- 4.5 The Hill presents the most complex of the three portfolio decisions. The dry ski slope carries £39,007 of the intercompany loan and the facility's current configuration also limits its capacity to diversify: the nursery slope is already being used for both skiing and tubing, leaving very little room to develop additional activity without capital investment in new infrastructure. Whilst The Hill delivers genuine community benefit, its ability to do so is constrained, external investment opportunities are limited, and the financial case for the scale of capital required does not stand up against the income the facility can realistically generate. Decisions about its future are genuinely difficult and any decision to cease operation must address the Sport England grant of £470,000 awarded to the facility, which carries clawback provisions that will require specific legal and financial advice before any closure is confirmed. The review highlights the need for a clear strategic decision regarding the long-term future of Ski Rossendale (The Hill). The facility represents a unique leisure asset within the Valley and to support future decision-making, the Council would need to commission further detailed analysis of the options for the future of The Hill.

## **5. CAPITAL INVESTMENT IN THE LEISURE PORTFOLIO**

- 5.1 There are several potential capital investment priorities aimed at strengthening the Valley leisure offer. These include the expansion of gym and studio provision at Marl Pits Leisure Centre, the relocation of Pioneer Health Studio to a Council-owned building, and the medium to long-term redevelopment of the Adrenaline Centre.
- 5.2 Marl Pits Leisure Centre is identified as the Council's primary leisure facility and plays a central role in supporting physical activity provision across the Borough. As Health and Fitness Direct Debit memberships represent one of the most reliable and scalable revenue streams for Rossendale Leisure Trust, expanding an already successful gym offer presents a lower risk

investment compared to new provision elsewhere. Increased capacity through an extension of the gym would enable additional memberships, improve the customer experience, enhance secondary spend all resulting in a more positive revenue position.

- 5.3 Strategically, the gym at Marl Pits represents a high-performing asset constrained by physical capacity rather than demand. The evidence strongly supports targeted investment to expand the fitness suite as part of a phased approach, delivering early revenue and participation benefits while wider decisions on aquatic provision are resolved at a Borough level.
- 5.4 In 2023, RBC commissioned GT3 Architects to undertake a feasibility study to assess the potential to extend the fitness provision at Marl Pits Leisure Centre by approximately 195 sqm. Whilst this study needs to be revisited and updated in terms of capital cost, it demonstrates that an extension to Marl Pits is achievable.
- 5.5 The review therefore recommends that the Council considers investment in the site to enhance its capacity and facilities. The Council has submitted a bid for Pride in Place funding, which presents an opportunity to enhance the leisure offer at Marl Pits through the potential extension of the facility and improved fitness and studio provision. Investment would allow the Council and Rossendale Leisure Trust to increase capacity, modernise facilities and provide additional spaces for health and wellbeing activities.
- 5.6 To ensure that any future investment is supported by robust evidence and design proposals, a feasibility study will be required to assess the options for extending the facility. The feasibility study would consider the most appropriate design and layout for a potential extension, opportunities to expand gym, studio and health activity spaces, the potential increase in participation and income generation, and the capital costs and funding requirements. The feasibility study would be funded through Pride in Place resources and will provide an update to the 2023 study.
- 5.7 In relation to Pioneer Health Studio, the review identifies the opportunity to develop a new leisure facility within existing council owned assets, which would require a further feasibility work to consider the overall capital investment required. Further feasibility work is also required at the Adrenaline Centre in relation to remodelling of the existing layout to improve facility capacity and configuration.

## **6. ROSSENDALE LEISURE TRUST OPERATING MODEL**

- 6.1 There is the potential for the Council to transition to an agency model for the delivery of leisure services. This approach would enable the Council to treat leisure services as non-business activities for VAT purposes, allowing the recovery of previously irrecoverable VAT. The model is estimated to deliver annual savings of approximately £92,000. To support the development and implementation of the agency model, the Council will need to commission a suitably qualified legal or VAT advisory firm to act as an expert consultant. The implementation of the agency model will require the introduction of revised legal agreements and leases between Rossendale Borough Council and Rossendale Leisure Trust to reflect the new operating arrangements.
- 6.2 To ensure appropriate oversight of the leisure delivery model, annual monitoring and reporting arrangements will be established. These will report to the Corporate Management Team (CMT) on the operational performance, financial position and strategic outcomes associated with the delivery of leisure services.

6.3 It is also proposed that Rossendale Leisure Trust undertakes an organisational review by December 2026. The purpose of the organisational review is to ensure that the Trust's staffing structure, management capacity and governance arrangements are aligned with the future leisure delivery model. This will support the Council's objectives of increasing participation in physical activity, improving financial sustainability and maintaining high-quality leisure services across the Borough. Any costs of re-structure arising from the organisational review would be treated as an in-year financial pressure within Rossendale Leisure Trust's accounts and reflected accordingly within its financial reporting.

## 7. RISKS

7.1 **Financial risk** – RLT currently operates close to break-even and has limited ability to generate surplus income to invest in facilities or repay the intercompany loan owed to the Council.

7.2 **Asset condition risk** – Many facilities are ageing and require capital investment to remain operational and safe. Failure to invest may result in closure or reduced service provision.

7.3 **Legal and contractual risk** – Existing leases and agreements do not reflect current operational arrangements and require review to ensure legal clarity and risk mitigation.

7.4 **Reputational risk** – Decisions regarding the future of facilities such as Ski Rossendale (The Hill) could generate public concern if not managed appropriately.

7.5 These risks can be mitigated through implementation of the recommendations in the Strategic Leisure review, particularly the transition to an agency model and targeted capital investment.

## 8. SECTION 151 OFFICER COMMENTS (FINANCE)

8.1 The Capital Programme 2026/27 – 2027/28, approved by Council on 4 March 2026, includes direct capital provision of £2.500m for Leisure Facilities upgrades, profiled in full in 2026/27 and financed from the Council's own resources and prudential borrowing. This investment reflects the Council's continuing commitment under the Valley Plan priority of Healthy and Proud Communities, and in particular the objective of ensuring residents have access to high-quality leisure facilities.

8.2 The programme also delivers further capital investment into the Council's leisure asset base through two externally supported schemes. The Public Sector Decarbonisation Scheme (PSDS) provides £1.579m of investment in decarbonisation works at Marl Pits Leisure Centre, of which £1.279m is grant-funded by PSDS with a £0.300m contribution from the Council. The Football Pitches scheme provides a further £1.237m of investment in playing pitch infrastructure, of which £0.987m is funded by the Football Foundation alongside a £0.250m Council contribution. Taken together with the Leisure Facilities upgrades budget, total capital investment in leisure and leisure-related assets across the MTFS period amounts to £5.316m, of which £2.816m is externally funded.

8.3 The Capital Strategy additionally identifies future Health and Leisure Facility improvements, together with schemes arising from the Playing Pitch Strategy, as potential further additions to the programme. These remain at feasibility stage or earlier and would, if brought forward, require Member approval and full consideration of the associated revenue implications — including the Minimum Revenue Provision charge — particularly given the constrained two-year MTFS horizon ahead of Vesting Day on 1 April 2028.

8.4 Revenue costs associated with the implementation of the above recommendations will be funded from reserves arising from under-spends in 2025/26.

## **9. MONITORING OFFICER COMMENTS (LEGAL)**

9.1 All legal implications are covered in the body of the report. All necessary external support to put the recommendations into effect will be procured in line with the Council's Constitution.

## **10. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS**

10.1 Leisure and physical activity services play an important role in improving health outcomes and reducing inequalities within the Borough.

10.2 The recommendations outlined in this report support the Council's ambition to increase physical activity participation and improve wellbeing, particularly through investment in accessible facilities and community health programmes.

## **11. POLICY/STRATEGY FRAMEWORK IMPLICATIONS**

11.1 The proposals support the Council's strategic priorities including:

- Rossendale's Physical Activity and Sport Strategy ("An Active Valley")
- The Valley Plan priorities relating to healthy communities
- Wider health and wellbeing objectives.
- Investment in leisure infrastructure and services will contribute to improving health outcomes and increasing physical activity levels across the Borough.

## **12. LOCAL GOVERNMENT REORGANISATION (LGR) IMPLICATIONS**

12.1 The timelines for LGR are very tight and if new Shadow local authorities are going to be in place by April 2028 there is a very small window for change in relation to the model for the delivery of leisure services. Decisions on the adoption of change to the existing Trust model will need to be made in 2026/27 to mitigate risk of non-agreement as the new shadow authority starts to take shape.

## **13. BACKGROUND PAPERS**

13.1 No Background papers