

Subject: Review of Leisure

Status: For Publication

Report to: Cabinet

Date: 3rd December 2008

Report of: Deputy Chief Executive

Portfolio

Holder: Regeneration and Leisure

Key Decision: No

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

1.1 To update members on the current financial challenges in relation to leisure.

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 Customers (Customers, Improvement)
- Delivering Regeneration across the Borough (Economy, Housing)
- Promoting Rossendale as a cracking place to live and visit (Economy)
- Improving health and well being across the Borough (Health, Housing)
- Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

3.1 There is a risk that by failing to act the Council may face issues around the stability of the leisure economy in the Borough.

4. BACKGROUND AND OPTIONS

4.1 In February 2006, the Council undertook a strategic review of leisure within the borough. The report identified a number of challenges, specifically in relation to the age and overall condition of the leisure facilities and the fact that Rossendale Leisure Trust was experiencing significant financial pressure.

4.2 The Council recommendation was to support the delivery of a lifestyle centre at Haslingden. This decision was to enable a reduction in running costs and achieve an increase in income capacity. The centre has recently been

delivered, the £1.2m refurbishment costs being guaranteed by the Borough Council.

4.3 In addition a great deal of work has been undertaken by the Trust, with the Council's support in maximizing income and minimizing costs with the aim of achieving financial stability and this was supported by additional funding of £274k in 2006/07 to support staff restructuring.

4.4 Financial Challenges

4.4.1 The Council has grant funded the Trust since its inception in 2004/5. The original aim was that over time the grant funding would reduce but as can be seen from the table below this has not been achieved.

Grant Funding	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000
Core Revenue Grant	248.0	447.7	428.7	444.0	513.0
Staff restructures			274.0		
Capital Grant		15.0			80.0
Total	248.0	462.7	702.7	444.0	593.0

Nb : a) the above figures do not include grant funding to CLAW

b) 2004/05 grant funding was for nine months to reflect when the trust was established

4.4.2 In addition to grant funding the Council also provides non-cash support in other areas such as free office accommodation, facilities management and information technology advice etc.

4.4.3 Table 2 identifies the capital spending programme in relation to leisure.

Capital & Revenue Maintenance	2004/05 £000	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000
Revenue					
Haslingden Baths	32.2	4.4	7.0	8.2	2.6
Rawtenstall Baths	1.7	4.0	7.4	6.2	4.1
Haslingden Sports Centre	8.9	2.9	2.3	13.7	8.5
Ski Slope	3.8	4.4	-	1.6	3.6
Leisure Hall, Bacup	4.5	7.1	0.7	3.7	3.0
	51.1	22.8	17.4	33.3	21.9
Capital					
Haslingden Baths	-	-	-	38.5	4.3
Rawtenstall Baths	-	-	-	-	69.2
Haslingden Sports Centre	-	-	14.2	25.8	-
Ski Slope	-	-	-	47.8	56.0
Leisure Hall, Bacup	-	16.0	-	-	34.2
	-	16.0	14.2	112.1	163.7
Total Maintenance	51.1	38.9	31.6	145.4	185.6

- 4.4.4 The Trust have confirmed their latest budget predictions indicate a grant funding requirement of £699k which equates to an increase of £186k from last year's funding. This reflects in part significant increases in fuel and energy prices, competition from the new indoor ski facility at Manchester and the current economic climate. This shows many of the pressures are not within the control of the trust, board or the council but nonetheless have a high financial impact.
- 4.4.5 It should be acknowledged that the Trust have achieved success in a number of areas since its formation, for example successful project delivery of the Haslingden Lifestyle Centre, achievement of quality accreditation through national QUEST accreditations scheme for Haslingden Sports Centre, and multiple project lead including adrenaline gateway development.
- 4.4.6 As at 31st December 2007 the Trust had a balance sheet deficit of £301k. Despite the grant for 2008 it is estimated that the accumulated negative reserves will increase to in excess of £400k by the end of 2008.
- 4.4.7 The Council is currently in the process of developing its priorities and budgets for 2009/10. Current budget workings indicate that the cost of the Council's operations (before any grant increases) is higher than known available resources for 2009/10. The Council therefore has to deliver a number of plans and take various decisions in order to deliver a balanced budget for 2009/10.
- 4.4.8 The Council in partnership with the Leisure Trust has a challenge in terms of delivering a leisure service relevant to the needs of local people and one that is affordable and sustainable. It is now an appropriate time to review leisure and develop a strategy with the Trust for leisure provision that addresses quality and sustainability issues.
- 4.5 In reviewing the leisure offer for the Borough there is an opportunity to address the increasing financial pressure being experienced by the leisure trust whilst potentially attracting new private sector investment thus encouraging a mixed leisure economy which is not significantly reliant on public sector funding.
- 4.6 As a number of potential funding opportunities are already being explored around dry sports and cultural provision, ie Marl Pitts Sports Village, Bacup Leisure Hall etc, it is recommended work is prioritized around identifying opportunities around wet facility provision. It is proposed in liaison with the Leisure Trust a phase 1 report is brought to January 2009 cabinet detailing options for wet provision and that a further phase 2 report is delivered later in the year regarding dry provision.

Version Number:	DS004 final	Page:	3 of 5
-----------------	----------------	-------	--------

Is an Equality Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

Contact Officer	
Name	Helen Lockwood
Position	Deputy Chief Executive
Service / Team	Executive
Telephone	01706 252428
Email address	helenlockwood@rossendalebc.gov.uk