

Subject: 2009 Leisure Review

Status: For Publication

Report to: Performance Overview and
Scrutiny Committee - Leisure

Date: 21st April 2009

Report of: Deputy Chief Executive

Portfolio

Holder: Leisure

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 To agree the role and scope of the Performance Overview and Scrutiny Committee (Leisure) as detailed in the terms of reference attached as appendix 1, for this to then be ratified at Annual Council meeting in May.
- 1.2 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 current 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
- 1.3 To review the 2009/10 transitional funding agreement with Rossendale Leisure Trust and their current financial monitoring. Details are included as appendices 2 and 3 to this report for consideration.

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 to ensure full access to the decision making process.

4. BACKGROUND AND OPTIONS

4.1 Background

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 Since 26th February the structure for the delivery of the 2009 Leisure review has been put in place and a high level actions and communications plan been agreed. Details of the governance structure are attached as appendix 4.
- 4.5 Key actions for keeping Members and the wider community updated on the progress of the review will include a monthly update report.
- 4.6 The next priority for the project delivery will be:
- developing the brief and commissioning work regarding the options appraisal for the management of leisure and cultural services by June 2009
 - detailed communications and community engagement plan by May 2009
 - progressing with soft market testing of specific facilities, ie Ski Rossendale in order to inform the final review.
- 4.7 A report on the progress of 2009 Leisure review will be presented at the June Cabinet meeting; comments from Overview & Scrutiny (Leisure) will be incorporated into this report.
- 4.8 In addition, a separate piece of work may be commissioned by Sports England reviewing Leisure Trusts in East Lancashire. Depending on timescales, it may be useful to contribute to the review and we are waiting confirmation as to whether the project will go forward in order we can assess the relevance to Rossendale.
- 5. Update on the Pool Review Panel**
- 5.1 The Pool Review Panel has met and agreed membership, terms of reference, and the process the group needs to work through. This will include looking at two options for swimming pool design; a standard option and an enhanced option. This has arisen at the request of the group due to concerns that the 2009 Leisure review could lead to a reduction in public swimming pool provision.
- 5.2 The needs assessment which was undertaken as part of the PMP report will be refreshed. This will support the business case for the development of a new pool.
- 5.3 In accordance with the 2007 Leisure White Paper officers are sourcing the draft plans for a pool adjoined to the Haslingden Lifestyle Centre in addition to standard design plans which would support the submission of a planning application for the site.

6. Update on Leisure Hall Review Panel

- 6.1 The Bacup Leisure Hall Review Panel has met and agreed membership, terms of reference and the initial process the group needs to work through. This will include looking at a number of options for the future of Bacup Leisure Hall.
- 6.2 The group is currently looking at a survey of the building to identify any structural issues or defects that could cause problems. A survey would also establish a land and community asset valuation, which could be used to supplement and support potential funding applications.
- 6.3 In addition the group will look at mapping of the current community provision in Bacup, using previous sources of information from the community impact report, PMP report and current information provided by the Community Engagement Officer.
- 6.4 As part of the strategy for the wider community engagement in Bacup Leisure Hall there will be User Group Consultation Event to be held in April 2009. This will be an informal session where people can look at ideas then hear a presentation from another Community Trust Organisation such as The Chipping Village Hall Trust.
- 6.5 The User Groups involved will be consulted throughout the process and comments will feed into the Review Panel. Meetings will be arranged quarterly to feedback.

Highlight Report

- 7.1 Appendix 3 is a highlight report from Rossendale Leisure Trust identifying financial performance for the next 12 months. This demonstrates that Revenue for the 2 months to February 2009 is down against budget by £49k. Cost savings have reduced the net additional loss in excess of budget expectations to £4k. Further comments on the Financial Monitoring are included at Section 8.
- 7.2 Appendix 2 is a copy of the Trust's Action Plan for the period 2009/10

COMMENTS FROM STATUTORY OFFICERS:

8. SECTION 151 OFFICER

Financial Comments:

- 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, have therefore been identified for 2009/10 within Council resources.
- 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 c £400k (this is subject to final audit).
- 8.5 As part of the trusts December 2008 annual audit the Trust's auditors will require a letter from Council regarding the Council's ongoing support of the Leisure Trust. Such a letter of support is required to avoid the Trust receiving an unqualified audit opinion. As a consequence of the 2009/10 budget, Council has agreed to support the Trust by way of grant until 31st March 2010. Any letter of support will be based on previous Council resolutions.
- 8.6 Due to the Trusts current balance sheet deficit of £400k 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. Therefore the Trust is likely to turn to the Council for a further advance on its 2010/11 grant funding allocation, sometime during the 2009 summer months. Council has however not as yet confirmed a 2010/11 grant allocation.
- 8.7 The Trusts financial year runs from January to December. Appendix 1 details the Trusts trading position for the 2 month to February 2009. This current trading position is compared to the Trust's original budget and the same period for 2008. The appendix also shows the Trust's full year budget for 2009. At the time of writing an updated full year forecast for 2009 has not yet been submitted therefore we are not able to compare against original budget expectations and in particular the grant allocated by Council.
- 8.8 The key points of note from trading to the end of February 2009 are:
- Total revenue is down on budget by £49k. This is due to:
 - A fall in Marl Pits general swimming admissions
 - Fall in Ski lessons
 - Haslingden Sports Centre is achieving its revenues as required in the business plan. Membership is on target at 1, 250 (31st March). Profit is £19k ahead of the 2 first months of 2008.
 - Arts and Healthy Lifestyles is exceeding budget due to cost savings and additional income
 - Overall at the end of February, though revenue was down against budget, as a result of cost savings, the net additional loss in excess of budget expectations was only £4k.
 - The challenge for the Trust going forward must be to at least retain and where possible exceed its revenue budget expectations. It may not be always be in a position to balance revenue losses with cost savings.

9. MONITORING OFFICER

- 9.1 Officers of the Council have met with the Chief Executive of the Trust and we are currently agreeing terms (with specific terms to be agreed by the Trust) relating to the funding for 2009-2010; one of the requirements of the funding was a facility by facility breakdown of spend and performance.
- 9.2 The Council meeting in February delegated the amendments to the Constitution and these are attached to the report for ratification by the Overview and Scrutiny Committee.
- 9.3 The meetings of the Panels are detailed in Sections 5 & 6 and will be held in private. They will not be making decisions and are informal bodies.
- 9.4 The Programme Board will meet at which Officers will consider progress / actions as the process evolves.

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

- 10.1 No issues identified.

11. CONCLUSION

- 11.1 The structure and governance arrangements for the 2009 Leisure Review are in place and the two review panels are meeting and working towards project plans for the swimming pool and Bacup Leisure Hall.

12. RECOMMENDATION(S)

- 12.1 To note the contents of the report and support the work undertaken to date in delivering Option H.

13. CONSULTATION CARRIED OUT

- 13.1 Initial consultation is planned as detailed in the report regarding Bacup Leisure Hall and Swimming and community groups are represented on the Review Panels. Members of the Communities Team will carry out consultation at the Bacup Easter Festival, answer questions the community might have about the 2009 Leisure Review and promote the community updates that will be available on the Rossendale Borough Council Website. Further consultation will be planned as part of the ongoing process. A more detailed communications plan will be available at the next Overview and Scrutiny meeting.

14. 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

Is a Community Impact Assessment attached No

15. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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Background Papers	
Document	Place of Inspection
Report to Council 26 February 2009	Democratic Services/website

Appendices

Appendix 1: Terms of Reference and scope of the Committee and its Panels	Attached
Appendix 2: RLT Action Plan 2009 -10	Attached
Appendix 3: RLT Financial Report	Attached
Appendix 4: Structure	Attached
Appendix 5: Community Impact Assessment	Website