

**Minutes of:** **PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE**

**Date of Meeting:** 21 April 2009

**PRESENT:** Councillor Sandiford (Chairman)  
Councillors Crawforth, L Barnes, Lamb, Neal, Stansfield and Thorne  
Bernard Divine, Co-opted Member  
  
Ian Cameron, Invitee  
Adrian Leather, Invitee

**IN ATTENDANCE:** Helen Lockwood, Acting Chief Executive  
Phil Seddon, Head of Finance  
Mike Riley, Communities Manager  
Gina Fletcher, Service Development Officer - Culture  
Heather Moore, Committee and Member Services Manager  
Pat Couch, Scrutiny Support Officer  
Gary Hood, Chief Executive, Rossendale Leisure Trust  
Norman Hauserman, Chair, Rossendale Leisure Trust  
Councillor Brian Essex, Portfolio Holder for Finance and Resources  
Councillor Jason Gledhill, Portfolio Holder for Leisure  
Councillor Janet Graham, Portfolio Holder for Communities and Neighbourhoods  
Councillors Aldred and C Pilling

**ALSO PRESENT:** 2 Members of the public

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## **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Linda Fisher, Executive Director - Business.

## **2. CHAIR'S INTRODUCTION**

The Chair indicated that in February 2009 the Council considered a number of financial options for the future provision of leisure in the Borough and approved the delivery of Option H as the preferred option. This option asked that the Performance Overview and Scrutiny Committee review the process on leisure to oversee the transition.

The Chair explained that the views of the Committee would be presented within an update report to the Cabinet meeting in June, with a final report presented to Cabinet in December 2009.

### **3. TERMS OF REFERENCE**

The Chair indicated that the original Terms of Reference of the Performance Overview and Scrutiny Committee would include the following, which would be approved at Annual Council in May 2009, for inclusion in the Council's Constitution.

- To monitor the revised 2009/10 funding and legal agreement agreed with Rossendale Leisure Trust and receive monthly financial/performance monitoring reports on a facility by facility basis
- To oversee, monitor and respond to progress reports on:
  - Pool Review
  - Leisure Hall Review
  - Strategic Leisure Review including options around the leisure delivery mechanism

The Terms of Reference of the Pool Review Panel and Bacup Leisure Hall Review Panel were circulated for the consideration of the Committee.

The Chair indicated that as a Scrutiny Committee they were able invite members of the public with specific interests to attend the meetings to provide their expertise knowledge in a particular area.

The Chair welcomed Adrian Leather who had an interest in community sport across the County and Ian Cameron who had background in finance and she explained that they would be invited to future meetings. The Chair clarified that the meeting was a public meeting and members of the public were able to ask questions in accordance with the Procedure for Public Speaking.

#### **Resolved:**

1. That the Committee agree the Terms of Reference and that they be submitted to the Annual Meeting of the Council in May 2009 for inclusion in the Constitution.
2. That the Committee agrees to invite Andrew Leather and Ian Cameron as regular attendees at future meetings of the Committee.

### **4. DECLARATIONS OF INTEREST**

Councillor Aldred declared a personal interest as he was a Board Member of Rossendale Leisure Trust.

Mr Entwistle declared a personal interest as a Community Representative of Rossendale Leisure Trust.

## **5. URGENT ITEMS OF BUSINESS**

There were no urgent items of business to report.

## **6. PUBLIC QUESTION TIME**

A question was raised asking if all Rossendale Leisure Trust (RLT) Board members should have been invited to the meeting. Gary Hood, Chief Executive of RLT responded that the Board had agreed that any questions raised should be answered by the Chief Executive or the Chair of RLT.

A question was raised as to whether there was a lawful requirement for Rossendale Borough Council to provide leisure facilities within the Borough. The Acting Chief Executive indicated that there was no statutory requirement to provide leisure throughout the Borough and this was discretionary.

## **7. LEISURE REVIEW 2009**

The Communities Manager presented the report which provided an update on the key tasks of the leisure review and to establish strategic priorities for leisure and culture.

The report provided an update on the Pool Review Panel and since the report the review panel had identified a preferred option for a pool adjoined to the Haslingden Lifestyle Centre which is in line with the recommendations of the Leisure White Paper and PMP report. Site visits to other pools would be taking place in near future.

The Bacup Leisure Hall Review Panel had also met and a consultation event would be taking place in May when the public could listen to a presentation on a case study from the Chipping Village Hall Trust, which highlights positive community engagement.

The Chair asked that the Committee received written updates from each of the Review Panels for consideration at the next meeting.

### **Rossendale Leisure Trust (RLT) Corporate Action Plan 2009/10**

The Chair informed the RLT that it would be useful to have the action plan included within the main report and she suggested that future reports should include financial information for each facility and that it should be presented in a traffic light system, similar to the Council's Performance Report. This would show whether the Trust was achieving or underachieving on its performance and the Committee would be able to scrutinise the information.

The Chief Executive of RLT presented a verbal report indicating that he would use the traffic light format when highlighting areas of discussion.

## **Ski Rossendale (Red Risk)**

The Chief Executive provided information as summarised below:

- Proposed revised opening times for the Ski Slopes as follows:
  - Close on Monday to carry out essential maintenance work
  - Open Tuesday and Friday between 4-9pm to maximise club activity on site
  - Wednesday and Thursday would open 1pm-9.00pm
  - Weekend opening times to stay the same (9am-5.30pm)
- Restructure within the facility resulting in savings of £100k. £11k funding remained and RLT would present a business case to the Council to access this, the remainder of restructuring costs would be met by RLT.
- Chill Factor and impact on visitor numbers to ski slope
- Initiatives including 2010 winter Olympics and proposals for adventure/play at Ski Rossendale
- 'Taster sessions' – party packs and 2 for 1 family offers on skiing/tubing
- Passport to Active Living – in 2003/04 admission rates were 1036 and in 2008 was over 30,000 admissions. Therefore there was a need to revise the qualification criteria.

In response to a number of questions submitted by Members the Chief Executive of RLT responded as summarised below:-

- The Trust did undertake benchmarking on admission fees and were at the lower end of pricing and considerably lower for tubing activities
- The Trust offered promotional offers on skiing and tubing
- Return rates for taster sessions and number of Rossendale users had tried to be measured however, varying results from different pieces of work had been obtained
- Medium term actions for the ski slope included the 2010 winter Olympics
- Longer term the ski slope needed to diversify to meet significant challenges. Proposals for a family adventure centre would increase summer usage,

It was agreed that RLT need to provide information on return rates and a medium/long term plan for the Ski Slope.

## **Swimming Marl Pits (Red Risk)**

The Chief Executive explained that the Trust was looking at increasing revenue and they were engaged with marketing and awareness campaigns. He indicated that the Trust needs to piggyback onto local campaigns including the PCT initiative, Saving a Million Years of Life.

There was discussion on the use of the swimming pool by primary schools in the Borough, which provided an income of £85,000. In relation to secondary schools, the Chair of RLT confirmed that secondary schools were more concerned with the academic side of schooling.

## **Bacup Leisure Hall (Amber Status)**

The Chief Executive of RLT indicated that there was reduced revenue during January and February 2009, although they hit target in March. There was a small programme of entertainment events planned and it was hoped that they would find a community solution for future management of the Hall.

## **Haslingden Sports Centre (Green Status)**

The Chief Executive of RLT indicated that they were very much hitting targets for membership – 2,500 against annual forecast of 1,259. From a previous subsidy of £91k, this year's forecast profit was £14,000.

A robust external marketing plan was required in light of the current economic climate and regular forecasting would be undertaken.

Members discussed costs of direct debit and contracts in relation to membership at the sports centre.

## **RLT Financial Monitoring to Month February 2009**

A number of questions were raised by Members in relation to the financial monitoring report and the Chief Executive confirmed that the Trust were fully transparent with their finances, both income and expenditure. Income and expenditure was regularly monitored by service managers.

The Trust also meets monthly with the Council's Head of Finance. The Committee requested that monthly financial monitoring information on a facility by facility basis be circulated to the Acting Chief Executive, the Portfolio Holder for Leisure, the Portfolio Holder for Finance and Resources and the Chair of Performance Overview and Scrutiny.

The Portfolio Holder for Finance and Resources reported on a £1m reward grant from the County Council in relation to the Local Area

Agreement (LAA). The Acting Chief Executive reported that the allocation had not yet been determined and this was an early estimate. The funding would be spent over a number of years and would have to meet certain criteria to meet LAA targets and spend would be agreed by the Council's Cabinet.

The meeting discussed the need to have a clear agreement on the level of subsidy that the Council would provide.

The Head of Finance indicated that as part of the Trust's December 2008 annual audit, the Trust's auditors would require a letter from the Council regarding the Council's ongoing support of the Leisure Trust. Such a letter of support was required to avoid the Trust receiving an unqualified audit opinion. As a consequence of the 2009/10 budget, the Council had agreed to support the Trust by way of grant until 31<sup>st</sup> March 2010 and any letter of support would be based on previous Council resolutions.

The Head of Finance also reported that due to the Trusts current balance sheet deficit of £400k it would experience, as last year, cash flow problems in the summer of 2009. This would be a similar situation to the circumstances faced by the Trust in the summer of 2008; which resulted in the Council making an advance of £300k on the 2009/10 core grant. Therefore the Trust was likely to turn to the Council for a further advance on its 2010/11 grant funding allocation, sometime during the 2009 summer months. The Council has however not as yet confirmed a 2010/11 grant allocation. Future recommendations and their financial implications for beyond March 2010 need to ensure they are both affordable and sustainable.

In response to a question about assumptions in the financial monitoring report the Chief Executive of RLT agreed to include assumptions in the next report together with risks.

The Chief Executive of RLT indicated that the RLT paid interest on the cash flow advance. He reported that the Trust were to receive £513k grant funding and £184k transition funding from the Council and would not envisage further funding requests this year. He indicated that should the outcome of Council's review be that the Trust is the preferred provider, the Trust would like to negotiate a 5 year agreement and keep within that agreement.

The Chief Executive further reported on proposals to reduce head office costs and that a previous report of head office costs had included items such as IT and insurance. He agreed to provide clarification on head office costs and proposals for reduction in costs at the next meeting.

There were a number of other questions raised by Members as follows:

- Money put in place in terms of pay awards for 2009/10. It was confirmed that 1.5% had been factored in, however, the Trust would look at the Council's agreement with it's own employees.

- Spend per population head for leisure provision
- How much interest the Trust has paid on loans from 2004. It was agreed that RLT would provide information at the next meeting.
- What grants had been secured since the Trust formed in 2004. It was agreed that RLT would provide details at the next meeting.

The Acting Chief Executive indicated that there was a need to look at a long term sustainable structure for leisure and the Trust needed to work around investment needs for Ski Rossendale and consider opportunities for private sector investment.

### **Resolved**

1. That the Committee notes the contents of the report and supports the work undertaken to date in delivering Option H.
2. That the Committee requests a written update from the Pool Review Panel and the Bacup Leisure Hall Review Panel for consideration at the next meeting.
3. That the Trust submits a medium and long term action plan in respect of the ski slope to the Committee.
4. That the format of future RLT reports include both Business Plan Actions and financial monitoring for each facility to include details of assumptions and risks and that a traffic light system of performance monitoring be used, with any under performing area be accompanied by an action plan to show what steps are being taken to address underperformance.
5. That a full year forecast, broken down by all areas, be presented by the Trust at their next monthly meeting with the Head of Finance.
6. That the Trust present details of benchmarking information in relation to admission fees for all facilities, including return rates for the taster sessions at Ski Rossendale to the next meeting.
7. That the Trust provide an update on the review of the Passport to Active Living to a future meeting of the Committee.
8. That the Head of Finance report monthly financial monitoring information on an exception basis, broken down by all facilities, to the Chair of the Committee, the Portfolio Holder for Leisure and the Portfolio Holder for Finance and Resources.
9. That the Trust submits benchmarking costs in terms of spend per population to the next meeting.
10. That the Trust provides details of Head Office costs and proposals to reduce costs to the next meeting of the Committee.

11. That the Trust provides details on how much interest they have paid on loans since 2004.
12. That the Trust provides details of what grants have been secured since the Trust was formed in 2004 and also the number of unsuccessful grants.
13. That consideration be given to exploring work around investment needs for Ski Rossendale and consider opportunities for private sector investment.
14. That an update be presented to the Cabinet in June and that the matters relating to cash flow and grant allocation for 2010/11 as outlined by the Head of Finance and as set out in paragraph 8.6 of the report be referred to the Cabinet for consideration.

**Date and Time of Next Meeting**

The next meeting would be held on 23 June at 5pm at Hardman Mill.

The meeting closed at 7.50pm.

**Signed** .....

(Chair)

**Date**.....