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| <b>Subject:</b>                       | Rossendale Leisure Trust – Efficiencies Update       | <b>Status:</b>                             | For Publication                          |
| <b>Report to:</b>                     | Cabinet  | <b>Date:</b>                               | 5 September 2012                         |
| <b>Report of:</b>                     | Chief Executive and General Manager of Leisure Trust | <b>Portfolio Holder:</b>                   | Regeneration, Tourism and Leisure        |
| <b>Key Decision:</b>                  | <input type="checkbox"/> Forward Plan                | General Exception <input type="checkbox"/> | Special Urgency <input type="checkbox"/> |
| <b>Community Impact Assessment:</b>   | Required: Yes  | Attached:                                  | Yes                                      |
| <b>Biodiversity Impact Assessment</b> | Required: No   | Attached:                                  | Yes/No                                   |
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|-----------|---|
| <b>1.</b> | <b>RECOMMENDATION(S)</b>  |
| 1.1       | That members note the progress made to date on work to identify savings and efficiencies in relation to Rossendale Leisure Trust.                             |
| 1.2       | That members agree consultation to continue in relation to the options identified and for a report to be presented to Cabinet and Full Council in due course. |
| 1.3       | That members note a grant reduction between the ranges of £100k to £200k has been agreed with the Leisure Trust to be achieved by 2014.                       |

## 2. PURPOSE OF REPORT

- 2.1 The Purpose of the report is to update Members on work done to date in identifying efficiencies with Rossendale Leisure Trust.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **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 Undertaking appropriate consultation on potential service changes is essential and will mitigate the risk of challenge and enable informed decision making. Importantly, this also reinforces a culture of engagement and empowerment.

## 5. BACKGROUND AND OPTIONS

- 5.1 Cabinet considered a paper on the Medium Term Financial Strategy in June 2012 and gave approval for officers to work with Rossendale Leisure Trust in identifying potential savings and efficiencies in order to support the overall reduction in Council funding.
- 5.2 The Borough Council has been working with the Leisure Trust over a number of years in terms of delivering sustainable leisure services for the Valley and to reduce the dependency on Council subsidy. A grant reduction target between the ranges of £100k to £200k has recently been agreed with the Leisure Trust and work has commenced identifying the key areas for focus. The target to reduce the grant dependency needs to be put into the context of the wider financial challenge facing the Borough Council and the need and desire of the Leisure Trust to progress towards a less grant dependent culture.

5.3 The current grant funding to the Leisure Trust consists of £295k per annum. Funding has previously been reduced by £290k following the transfer of Bacup Leisure Hall and Rossendale Ski Slope to other organisations. The saving made has been used by the Council to finance the capital investment and associated borrowing at Marl Pits and the Valley Centre.

5.4 In addition recent capital investment comprises :

|                                   | <b>2011/12<br/>Actual<br/>£000</b> | <b>2012/13<br/>Budget<br/>£000</b> |
|-----------------------------------|------------------------------------|------------------------------------|
| <b>Haslingden pool</b>            |                                    |                                    |
| General repairs & maintenance     | 4.2                                | 3.2                                |
| Premises insurance                | 3.5                                | 3.5                                |
| Capital Expenditure               | 0.0                                | 0.0                                |
|                                   | <b>7.7</b>                         | <b>6.7</b>                         |
| <b>Haslingden Sports Centre</b>   |                                    |                                    |
| General repairs & maintenance     | 12.3                               | 8.0                                |
| Premises insurance                | 6.0                                | 6.0                                |
| Capital Expenditure               | 4.1                                | 0.0                                |
|                                   | <b>22.4</b>                        | <b>14.0</b>                        |
| <b>Marl Pits</b>                  |                                    |                                    |
| General repairs & maintenance     | 3.3                                | 2.5                                |
| Premises insurance                | 3.2                                | 3.2                                |
| Capital Expenditure               | 42.6                               | 0.0                                |
|                                   | <b>49.2</b>                        | <b>5.7</b>                         |
| <b>Leisure Investment Project</b> | <b>977.3</b>                       | <b>1,960.0</b>                     |
| <b>Grand total</b>                | <b>1,056.6</b>                     | <b>1,986.4</b>                     |

## 6. ACTIVITY

6.1 Work identifying potential savings and efficiencies can be categorised as follows:

- Review of the Leisure Trust's information technology systems.
- Review of back office transactions with Rossendale Council – a business case is being developed and will be reported on shortly.
- Review of loss making/high subsidy activities within the Trust.

6.2 Of the three facilities operated by the Leisure Trust, the area which remains of significant concern and which requires revenue and capital investment is Haslingden Swimming Pool. Due to the importance of understanding the options surrounding the pool, a swimming pool panel have formed comprising representatives from swimming forums across the Borough, the Borough Council, Rossendale Leisure Trust and Members. The pool panel are not a decision making body but have been prepared to give their time to understand the possible options surrounding the pool and will form part of the consultation process. It was requested at the last pool panel meeting that information regarding Marl Pits pool be also

used to help inform decision making.

6.3 The key stages in terms of the options appraisal for the pool comprises:

Stage 1 - determine options available in relation to the pool

Stage 2 - confirm criteria for assessing options

Stage 3 - develop community impact assessments for each option

Stage 4 - assess options (first stage assessment)

Stage 5 - consult on options which meet the criteria

Stage 6 - assess consultation feedback (second stage assessment)

Stage 7 - report to enable preferred option to be confirmed

6.4 **Stage 1** - The options identified to date in relation to Haslingden Pool are:

- For the pool to continue as is
- Reduce costs, increase revenue and identify capital programme (it was recognised by the pool panel that this option needs to be expanded to demonstrate different variables)
- Build an alternative pool
- To close the pool and consider site disposal options
- Transfer responsibility for the pool to another organisation
- Other options identified as part of the consultation process

6.5 **Stage 2** - Each option will be assessed and the criteria for assessing each will include

- Deliverability
- Timescales
- Sustainability
- Finance and Funding Implications
- Relevance to Council Corporate Priorities
- Risk

6.6 **Stage 3** - An important aspect of the work being undertaken is ensuring there is a clear understanding of the impact of each option on customers and the wider community. Initial community impact assessments have been undertaken on each option for this purpose and are attached to this report. As the consultation develops over the next few months, the impact assessments will be amended in order to ensure the reports which are finally presented for decision making are informed and reflect the full impact assessment data.

6.7 The work in relation to the pool is now at stage 4 and it is envisaged the first stage assessment will be undertaken during September and will be reported to Cabinet in due course. The formal consultation will only occur once viable options have been identified.

## 7. COMMENTS FROM STATUTORY OFFICERS:

### 7.1 SECTION 151 OFFICER

7.2 Comments contained within the main body of the report. However, the Council is facing serious financial challenges and it is appropriate to review all activities.

### 8. MONITORING OFFICER

8.1 Advice is being provided in relation to the options identified.

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

9.1 There are potential staffing implications for the Leisure Trust in relation to Haslingden Pool, dependent on the final decision made.

9.2 The Equality Act 2010 requires the Council to have due regard in the exercising of its

functions to three considerations. The need to :

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.

The amount of regard that is “due” is set out in the Act and will depend on the circumstances of the case.

Under the general equality duty there is a requirement to engage with people with protected characteristics and to have an adequate evidence base for Council decision-making.

9.3 The Council is under a Duty to Consult representatives of a wide range of local people; this should include local voluntary and community organisations and small businesses in such consultation.

## **10. CONSULTATION CARRIED OUT**

10.1 Rossendale Leisure Trust, Pool Panel and Rossendale Borough Council have been consulted. In addition, wider community engagement and specific focus groups are being organised to support the further development of the impact assessments. Staff and employee consultation has commenced and is being led by Rossendale Leisure Trust.

## **11. CONCLUSION**

11.1 The work done to date has identified areas of focus but it is unclear at this stage if they will achieve the target agreed. Should this occur, efficiencies, budget reduction and income generating ideas will need to continue to be explored.

### Background Papers

| Document                              | Place of Inspection                |
|---------------------------------------|------------------------------------|
| Report to Cabinet on MTFS – June 2012 | Rossendale Borough Council website |