

COMMUNITY SERVICES AND ENVIRONMENT SCRUTINY AND PERFORMANCE PANEL

Tuesday, 8 April, 2014 at 6.00 pm in a Conference Room at the Council House

Members in Attendance: Councillor V. Woodruff (Chair)
Councillor C. Creaney (Vice-Chair)
Councillor I. Azam
Councillor B. Douglas-Maul
Councillor G. Illmann-Walker
Councillor L. Rattigan

Other Members in Attendance Councillor P. Smith

Portfolio Holders in Attendance: Councillor M Bird – Leader
Councillor A Harris – Leisure and Culture

Officers in Attendance: Jamie Morris - Executive Director (Neighbourhoods)
Chris Holliday – Head of Leisure and Community Health
Ben Percival – Sports and Leisure Service Manager
Lloyd Haynes – Senior Finance Manager
Craig Goodall – Committee Business and Governance Manager

165/14 Apologies

Apologies for absence were received from Councillor K. Hussain.

166/14 Substitutions

There were no substitutions for the duration of the meeting.

167/14 Declarations of Interest and Party Whip

There were no declarations of interest or party whip for the duration of the meeting.

168/14 Active Living

The Panel considered potential options for the development of leisure centres in the borough.

The Chair introduced the item explaining that she had called a special meeting to consider this important matter ahead of Cabinet making a decision on the topic later in the month.

The Head of Leisure and Community Health gave a presentation to the Panel providing the background, context and research to the proposal developed (annexed).

The Executive Director (Neighbourhoods) highlighted the four development options the costs associated with each and external funding opportunities.

He provided the Panel with feedback that had been received from residents regarding the encroachment on to Leamore Park by the proposed redevelopment of Bloxwich Leisure Centre.

Members were also informed of smaller leisure centre developments that neighbouring local authorities were undertaking for approximately £7m each but with a consequential reduction in facilities and car parking provision.

He explained the costs of each option to the Panel and reported that any capital cost would be required to be met through borrowing over 25 years. Operating costs were estimated to be a worst case scenario £1.3m each year but it was hoped that this would be offset due to increased footfall and spending at the new leisure centres. It was noted that if the Active Living proposals were not delivered, the current leisure centres operating budget of £933,000 was anticipated to rise substantially in future years as facilities aged, attendances dropped and income fell.

The Senior Finance Manager confirmed that the budget estimates were cautious he drew Members attention to the assumptions that had been made with the financial modelling and what changes could occur if usage was higher. It was noted that other areas that had opened new leisure centres had found operating subsidies substantially reduced due to increased usage.

The Panel then moved on to discussing the report. The following were the principal points from the ensuing discussion:

With regard to Bloxwich Leisure Centre it was noted that there was the additional outstanding matter gaining consent from the Charity Commission to permit encroachment on to Leamore Park whilst no problems were anticipated in gaining this consent, an alternative option was available that moved the footprint of the building away from the park. Further to this it could be possible to build the facility in two phases by building the pool and a two storey part of the building with the fitness suite, café and dance studio first and the sports hall at a later date. Both options would require new planning consent.

Members discussed the costs of the new leisure centres and were informed that interest rates had been assumed at 3.5% for 25 years. Whilst the estimated cost of operating new leisure centre was over the current budget of £933,000 the existing operating costs for the sports and leisure service was expected to increase to around 4.5 million pounds in future years to the point where the closure of the existing facilities would be the only realistic option. This is particularly relevant in the context of the Council being required to save £88m by 2018/19. If Cabinet did decide to proceed with any of the options contained in the report a further report would be needed to take to Council in order to amend the capital programme.

Benchmarking had taken place with other local authorities also constructing leisure centres. Sandwell were building based on “invest to save” principal by replacing aging facilities with newer ones to manage and reduce their operating costs.

The new leisure centres would take advantage of energy efficiency methods such as solar panels, combined heat and power, underfloor heating and high quality glazing. Sprinklers would also be installed.

The Portfolio Holder (Leisure and Culture) spoke to the Panel about the impact of poor health in the borough and the role that leisure centres played in improving the current picture. He explained that the financial projections in the report were modest and that he was optimistic that new centres would draw in substantially more income to the point where a cost neutral position could be achieved. Successful leisure centres could then be placed in to the private sector.

The Leader debated whether spending over £20m on leisure centres was appropriate considering the level of savings that the Council were required to make, however, two new centres would be cheaper than continuing to operate the continuing leisure stock for the next 25 years unless they were closed. The question of the long term ability of local government to continue to manage leisure centres speculated that the private sector or leisure trust market would play an increasing role moving forward. In order to be successful the leisure facilities would have to be well used and it hoped that new facilities would encourage this. He appealed to Members local to Bloxwich Leisure Centre to refrain from unnecessarily worrying resident who lived nearby to Leamore Park.

Councillor P. Smith spoke at the invitation of the Chair he appealed to Members to support “option 1” as investment in the boroughs leisure facilities was long overdue. New facilities were required in Bloxwich as it was in the centre of the boroughs deprived areas and would contribute to improving the health of residents. Improving public health was a priority for the Council and new leisure centres would contribute to this important aim. He called on Members local to Bloxwich Leisure Centre to support the proposal rather than campaign against them. Residents were being told that land at the park would be lost but it would actually be a 0.12 hector gain overall if the development went ahead. He also noted that it would be possible to amend the plans for Bloxwich Leisure Centre to help manage the concerns of residents.

After discussion it was **moved** by Councillor Woodruff and **seconded** by Councillor Azam that:

“The Panel support the following option for Active Living:

Option 1 – delegate authority to the Executive Director for Neighbourhoods in consultation with the Portfolio Holder for Leisure and Culture, to:

- (a) accept the tenders and award the contracts for the construction of the two new leisure centres at Oak Park and Bloxwich to ISG Construction PLC at the tendered cost of £23.843 million, plus £503,975 in fees, a total of £24.347 million, and;
- (b) accept Support England’s Iconic grant award of £2m in relation to those new leisure centres, and;
- (c) authorise the signing or sealing of any deeds, contracts and other related documents in relation to such works, and;

- (d) complete discussions with the Charity Commission with a view to obtaining authority to enable the proposed new leisure centre at Bloxwich to be on part of Leamore Park, including the negotiation of the financial implications/offset for the use of Trust land and/or the transfer of land for a land exchange”.

Resolved

That the Panel support the following option for Active Living:

Option 1 – delegate authority to the Executive Director for Neighbourhoods in consultation with the Portfolio Holder for Leisure and Culture, to;

- (a) accept the tenders and award the contracts for the construction of the two new leisure centres at Oak Park and Bloxwich to ISG Construction PLC at the tendered cost of £23.843 million, plus £503,975 in fees, a total of £24.347 million, and;
- (b) accept Support England’s Iconic grant award of £2m in relation to those new leisure centres, and;
- (c) authorise the signing or sealing of any deeds, contracts and other related documents in relation to such works, and;
- (d) complete discussions with the Charity Commission with a view to obtaining authority to enable the proposed new leisure centre at Bloxwich to be on part of Leamore Park, including the negotiation of the financial implications/offset for the use of Trust land and/or the transfer of land for a land exchange.

169/14 Date of next meeting

It was noted that the date of the next meeting would be set by Council on 18th June 2014.

The meeting closed at 7.16 p.m.

Chairman:

Date: