

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date 18 July 2018

1. **REPORT TITLE** **Re-opening of Kidsgrove Sports Centre**
- Submitted by:** **Acting Chief Executive – John Tradewell**
- Portfolio:** **Corporate and Service Improvement, People and Partnerships**
- Ward(s) affected:** **All**

Purpose of the Report

To update members on the progress made in re-providing sports facilities in Kidsgrove.

Recommendations

It is recommended:

- (a) That Cabinet & officers continue to work with partners towards re-providing community run sports and leisure facilities at Kidsgrove Sports Centre.**
- (b) That a further report detailing the financial implications to the Council associated with this is brought to the September Cabinet meeting for decision.**

Reasons

To ensure that an appropriate sports offer is re-provided in Kidsgrove at the earliest opportunity.

1. **Background**

- 1.1 This report provides an update on progress following the earlier report to cabinet in March 2018 and focusses on work undertaken with the Kidsgrove community group to re-open the former sports centre.
- 1.2 The Borough Council, Community Interest Organisation (CIO), County Council (SCC), with support from others, are working together to look at the feasibility of re-opening the sports centre (potentially on a phased basis) to be managed by the CIO. Heads of Terms for the CIO to lease the Sports Centre are currently being agreed; while discussions take place to secure the desired outcome for the CIO in relation to their community asset registration of the sports centre through the development of a viable business plan.

The CIO requires the support of the two Councils to enable them to reopen the Sports Centre and it is clear that this will represent significant financial and time resources. Indeed considerable time has already been committed by your Officers in

providing information to various members of the group on their journey thus far. The exact level of financial support required can only be fully determined once all parties are agreed on what work needs to be done to bring the centre back into use, and how much this will cost. The CIO believes the figure to be in the region of £500,000, and work is ongoing to verify whether this will be sufficient.

- 1.3 In terms of the operating costs of the centre. It is agreed between the partners that the CIO that I will run the centre without subsidy from the Council and conversations are taking place about how they will achieve this. The one possible caveat to this is that it may take time for use of the centre to build back up as it has been closed for over a year, so the CIO may need to access some bridging finance to allow them to re-establish the customer base.
- 1.4 In the latter scenario it is likely therefore that the Council could make a contribution to the capital costs of bringing the building back into use (along with other partners). If the cost is circa £500,000 then this should be achievable between the Council and its partners. If it increases significantly above this figure, thought will need to be given as to what can be done for around that sum to provide at least a basic level of indoor sports activity open for use at the centre. The Council may also wish to consider some form of bridging finance for the CIO. At this stage the level of the Council's likely financial contribution cannot be further quantified, but it is intended that this will be clear in time for a decision at September Cabinet.

2. **Issues**

- 2.1 If Cabinet do decide to provide financial support to the CIO in reopening of the facility, it will have to be subject to a number of conditions that are under discussion with the CIO, including the following:
 - 2.1.1 That a full repairing and insuring lease is granted by SCC.
 - 2.1.2 That the full scope and costs of the repairs proposed to the sports centre are confirmed as sufficient and reasonable by SCC.
 - 2.1.3 Confirmation that the total funding package has been secured by the CIO from various funding sources.
 - 2.1.4 Confirmation that all utility services have been reconnected to the building.
 - 2.1.5 The CIO submits the final Business Plan and a draft Operating Plan.
 - 2.1.6 That an appropriate agreement is signed with full and legally binding grant conditions that cover the limitation of liability of this Council and warrantees of the work to be undertaken, along with any other restrictions.
- 2.2 It is proposed that the Acting Chief Executive, in the capacity as Chair of the Working Group, be authorised to develop and oversee an action plan covering the required work. In this regards, progress to date includes the following:
 - 2.2.1 Revised Heads of Terms have been issued and are awaiting ratification at a future CIO board meeting. A decision is expected in advance of the July Cabinet meeting.
 - 2.2.2 The Community Organisation is registered as an official charity with CIO status. Charity number is; 1175301 and registered address is currently; 56

Fifth Avenue, Kidsgrove, Stoke-on-Trent, Staffordshire, ST7 1DA (it is proposed that this will change to the address of the Sports Centre, upon taking out the lease on the site). The organisation is registered with HMRC for Gift Aid allowance.

- 2.2.3 A meeting took place on the 10th July to agree the operating budget.
 - 2.2.4 A meeting is planned for 16th July to agree the extent of capital works and budget to re-open. Entrust have made a recent site visit and are in direct discussions with the CIO and their professional advisors.
 - 2.2.5 The CIO submitted an application to Sport England on Monday 18th July and has been assigned a case manager. A decision is anticipated within 6-12 weeks.
 - 2.2.6 The CIO has consulted experts where specific specialist knowledge has been required and this will continue to be the case. The CIO has also requested additional help and support from the Council, which they have not specified at this time.
 - 2.2.7 In considering the cost of reconnection of services the issue of an independent gas supply is being looked into as the current supply comes from the neighbouring school. The CIO wish to have services reconnected before taking over the lease.
 - 2.2.8 A final Business Plan will be produced after agreement has been reached on any outstanding matters.
- 2.3 The following action points have been identified as needing to be in place before opening to the Public:
- Undertake further stakeholder consultation
 - Secure Lease and raise finance
 - Set up bank account and working capital facility
 - Take out suitable insurances
 - Appoint principal Designer and main contractor
 - Hand over building to main contractor
 - Put in place service contracts
 - Commence Pre sales
 - Hand back of building following completion of works
 - Put in place arrangements for IT, Finance, payroll and pensions
 - Agree new job descriptions, objectives and performance management arrangements
 - Advertising and recruitment of new posts
 - Final Operating Procedures in place
- 2.4 The Council is continuing to work with the County Council to develop its long term plans for the Borough in general and Kidsgrove in particular. A key part of this will be the need for a replacement, modern leisure centre with swimming pool for when the current Sports Centre reaches the end of its useful life. Further discussions on these long term plans will be taking place with the leadership of the County Council in the near future. The key challenge will inevitably be funding, but there are also funding opportunities if a medium to long term approach is taken by looking at how the leisure provision is integrated into wider development proposals for the town (such as the

potential need for further extra care provision), opportunities around the station, and the potential for land sales to support investment.

3.0. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 3.1 The recommendations contained in this report seek to achieve positive health and wellbeing outcomes for the local community.

4. **Legal and Statutory Implications**

- 4.1 There is no statutory duty on the Council to provide sport and leisure facilities; however it has the power to and also the power of community leadership, introduced by the Local Government Act 2000, to lead, influence and support partner organisations to work to common goals to meet the needs and aspirations of their communities. The Council has the power to provide sport and recreation facilities.

5. **Equality Impact Assessment**

- 5.1 The Council remains fully committed to working with the local community in Kidsgrove to ensure the provision of a modern, fit for purpose, sport and leisure offer in Kidsgrove to meet the needs of all sections of the local community.

6. **Financial and Resource Implications**

- 6.1 Budgetary provision has been made within the Council's revenue budget for 2018/19, approved by Full Council on 21 February, in respect of Kidsgrove Sports Centre. This could be utilised for sports provision in Kidsgrove including any proposed funding support to the Community Interest Organisation. As indicated above it is envisaged that the precise financial implications for the Council will be known by the time that a further report comes to your meeting in September.

- 6.2 There may be an ongoing resource requirement in terms of officer time in supporting the CIO.

7. **Major Risks**

- 7.1 The key financial and non-financial risks in re-opening the sports centre that sit with the CIO which are largely around the level of repair and financial investment needed, the degree to which usage will be sufficient to meet the operating costs, and the sustainability of wider community support for the project. All these are being looked at and addressed as key issues in the ongoing business planning process.

8. **Key Decision Information**

8. 1 The final decision will be a key decision and appears on the Council's Forward Plan.

9. **Earlier Cabinet/Committee Resolutions**

- 9.1 Cabinet March 2018
Cabinet July 2017
Active and Cohesive Scrutiny Committee October 2017