

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

Date 19 September 2018

1. **REPORT TITLE** **Plan to reopen 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 provide a further update to members on the progress made in re-providing sports facilities in Kidsgrove and determine the Council's level of support.

Recommendations

It is recommended that Cabinet:

- (a) That Cabinet commits to making a capital contribution of £300,000 to support the provision of community run sports and leisure facilities at Kidsgrove Sports Centre.**
- (b) That any funding agreed is made with the conditions set out in the report.**

Reasons

This represents a real opportunity to work with the local community and partners to ensure the re-provision of a quality sports offer in Kidsgrove while a more comprehensive plan for the area is developed.

1. **Background**
- 1.1 This report provides a further update on progress following the report to cabinet in July 2018. The report focusses on progress by the Borough Council, Kidsgrove CIO, County Council and others to re-open the dry-side of the former sports centre.
- 1.2 Throughout England leisure and fitness facilities are now being run successfully and competitively by Community Trust organisations, some with support from local authorities, and others independently. Learning from these successes, this report proposes the development of a viable business plan for the Kidsgrove CIO to be operated on behalf of the people of Kidsgrove and surrounding areas.
- 1.3 The proposals contained within this report propose a business plan that is not only geared to preserving Kidsgrove Sports Centre, thereby avoiding the financial, well-being, community and health consequences of the facility remaining closed, but also to ensure Kidsgrove Sports Centre remains an evident and inclusive part of the local community.

- 1.4 This fits with the objectives of both Councils and the Kidsgrove CIO that has been formed as a charitable, not-for-profit company limited by guarantee, and benefits from support from the local community and professional advisers.
- 1.5 The CIO has continued to develop its business plan and the latest revision has now been shared with the Council. It is proposed that the initial business plan submitted be re-structured with support from your officers around 3 contiguous phases:
- the recovery phase
 - the development phase
 - the community/entrepreneurial phase
- 1.6 The CIO cannot reopen the sports centre without the support of the two councils, and it is clear that this will represent significant financial and time resources. Initially the refurbishment of the building was considered as the responsibility of the CIO, but better value for money will be obtained if the building is refurbished by one of the two Council's involved, particularly in relation to VAT, with financial contributions from both. This is proposed to give the CIO the best chance of trading success.
- 1.7 In summary, the work is required to address the following areas:
- Aerobic Studio and Stores
 - Changing Rooms
 - Staff Area
 - Gym Area
 - Reception/ Circulation Areas
 - Remedial Works to Building Envelope
 - Replacement of Sports Hall Roof
 - Mechanical and Electrical
 - Fees
 - Main contractors overheads and profits
 - Builders work
 - Main contractor preliminaries
 - FFE/ Client Direct
 - External Signage
 - IT
 - Asbestos removal
 - Risk allowances for design, construction and contingency
- 1.8 The exact level of financial support required can only be fully determined, once appropriate professional advice has been received in relation to the associated capital costs. This is currently being considered but an initial budget of £700,000 is proposed with the Borough Council contribution being £300,000. The County Council is continuing to work very closely with the Borough Council and the community group and will be discussing the possibility of a significant contribution towards the project at a meeting of the Council's Property Sub Committee in the near future. A bid for additional funding has been made to Sport England and a decision on the bid is anticipated shortly.
- 1.9 Similarly, delivery of the full business plan is also dependant on the above, and requires additional consideration and input. Making Kidsgrove Sports Centre a sustainable business will be achieved by an array of different approaches aimed at securing substantial revenue and combinations of savings against historical costs. Partners are aware of the age of the building and its long term maintenance requirements and understand that the terms of any lease arrangement will require

protection of the Borough Council from any future maintenance liability. It is therefore prudent to deal with the main areas of concern at this point.

- 1.10 The Cabinet are therefore asked to consider making a one-off contribution towards the costs of re-opening Kidsgrove Sports Centre, subject to the usual value for money criteria for the capital works and submission of viable business plan and operational plans that contribute to the Council's objectives.

2. **Issues**

- 2.1 If Cabinet agree to support the CIO in reopening of the facility by the making of a one-off grant towards the costs of re-furbishing the facility, it is recommended that this be subject to the following conditions:

2.1.1 That a full repairing and insuring lease is granted by SCC.

2.1.2 Confirmation that all utility services have been reconnected to the building

- 2.2 To support the business plan and application to Sport England further stakeholder consultation is being undertaken:

- Desk top research using Sport England's Active Lives Survey will be completed by the end of August
- The County Sports Partnership (Sport Across Staffordshire and Stoke on Trent – SASSOT) are to lead on developing insight and research with targeted demographic groups in Kidsgrove, using the Kidsgrove Sports Centre working group as a sounding board and for guidance.
- The Kidsgrove Sports Centre working group meeting in September will be used to launch this work.
- Contact has been made to work in partnership with Sporting Communities to facilitate some of the community engagement, an in principle agreement has been made, with the detail to be confirmed over the coming weeks.

3. **Options Considered**

- 3.1 Members can support or not support the funding for the opening of the dry-side at Kidsgrove Sports Centre.

- 3.2 Members can agree to consider/not consider further ongoing revenue support, by way of a loan to support the financial viability of the operation in years one and two.

- 3.3 Members can agree to consider/ not consider a further request in relation to funding to re-open the swimming pool at a future date.

4. **Proposal**

- 4.1 It is proposed that the actions outlined above be approved and the level of funding identified be confirmed as the Council's contribution to the refurbishment costs.

5. **Reasons for Preferred Solution**

- 5.1 To ensure that quality sports facilities are provided in the Kidsgrove area.

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

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

7. **Legal and Statutory Implications**

7.1 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.

8. **Equality Impact Assessment**

8.1 The Council remains fully committed to developing modern sports facilities in the area to replace those at Kidsgrove Sports Centre that due to their age are not fully compliant with current standards.

9. **Financial and Resource Implications**

9.1 A £300,000 contribution is proposed. It is proposed that this is funded via Prudential Borrowing over a 10 year period at the current Public Works Loan Board borrowing rate of 2.5% per annum. This will cost £37.5k per annum and will be financed from the budgetary provision made within the Council's revenue budget for 2018/19, approved by Full Council on 21 February, in respect of Kidsgrove Sports Centre. However, the Council's Executive Director for Resources and Support Services will be free to exercise his discretion to use such balance between prudential borrowing, capital receipts and available revenue funding as is most appropriate at the relevant time to make the contribution and repay it over time.

9.2 The CIO have asked both Councils to consider providing ongoing expert support to assist them in delivering their plans, and the Council has agreed to one of its officers taking up a seat on the CIO Board to provide them with this ongoing expertise. (It is understood that the County Council will also be taking up a seat on the Board.)

10. **Major Risks**

10.1 There are both financial and non-financial risks in re-opening the sports centre that has been closed for over a year; specifically whether the level of investment identified is sufficient and can be raised. In addition, as to whether the level of patronage by the Kidsgrove community will be sufficient for the operation to recover operational costs. These risks will be shared by the Council and other partners, to minimise the Borough Council's exposure.

11. **Background Papers**

11.1 CIO business plan

12. **Key Decision Information**

12. 1 This is a key decision and appears on the Council's Forward Plan

13. **Earlier Cabinet/Committee Resolutions**

- 13.1 Cabinet July 2018
- Cabinet March 2018 (Memorandum of Understanding between the Borough Council and County Council)
- Cabinet July 2017
- Active and Cohesive Scrutiny Committee October 2017