

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

Date 7th November 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.

Recommendations

It is recommended that Cabinet:

- (a) Agrees, in principle, to accept a transfer of the Sports Centre from the County Council together with a sum of £362,990 in respect of demolition costs.
- (b) That the Council ensures that any transfer to the Borough Council is simultaneous with a transfer from the Borough Council to the Kidsgrove Sports Centre Community Group CIO on like terms, including the funding, and transferring the ongoing risk for the Sports Centre to the CIO.
- (c) That a meeting be arranged between the Borough Council, the Kidsgrove Sports Centre Community Group CIO and officers of the County Council as soon as possible to agree a project plan to move the transaction forward and put in place plans for the refurbishment at the earliest opportunity.
- (d) That the Leader of the Council be given delegated authority, in consultation with the Council's Executive Management Team officers, to take such decisions on behalf of the Council as are necessary to progress this matter.
- (e) That the Council asks the Kidsgrove Sports Centre CIO to agree to allow a local member from the area to become a full voting member of the CIO Board.

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 September 2018. The report focuses 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 The County Council's Property Sub-Committee met on the 7th November 2018 to consider the future of the Sports Centre and agreed to the following recommendations:

That Staffordshire County Council transfers the freehold interest in the Kidsgrove Leisure Centre to Newcastle Borough Council for a nominal sum together with a contribution to the demolition costs of the current end of life building. The amount to be decided by the property committee.

That the transfer includes clauses to recover the demolition costs if the building is not demolished or refurbished for re-use as a leisure centre within 12 months and that use be restricted to leisure purposes and any other use would require repayment of any demolition cost contribution and undervalue element.

1.3 The amount agreed by the Property Sub Committee was £363,000.

1.4 This means that, together with the £300,000 contribution from the Borough Council, there are now funds available for the refurbishment of the dry side of the Kidsgrove Sports Centre in excess of the sum sought by the Kidsgrove Sports Centre Community Group CIO for the refurbishment. This means that the Borough Council is better placed to support the CIO in moving forward with their plans for refurbishment of the Sports Centre.

1.5 In order to keep momentum going it is proposed to quickly get together the various officers from the two Councils and representatives of the CIO to put in place the project planning to deliver a refurbished sports centre at the earliest opportunity. This project still has some way to go before it can be brought to fruition, but with the funding available from the Borough Council and the County Council there is now a real prospect of being able to re-provide this much needed sport facility in Kidsgrove in the relatively near future.

2. **Issues**

2.1 There are risks associated with accepting a transfer of the building from the County Council as it comes with full liability for the building. There are two mitigations to this:

- Firstly, the building will come with a sum equivalent to the estimated demolition costs which, along with the Borough Council's own agreed financial contribution of £300,000, should enable the building to be brought back into an acceptable state of repair.
- Secondly, the Borough Council would seek to offset those risks by the back-to-back transfer of the building to the CIO.

2.2 It will be necessary to commit time and resources to undertake due diligence checks on both the business plan and the building's condition/ refurbishment costs, particularly to ensure that the project can be undertaken within the 12 month funding window proposed by the County Council

2.3 Consideration needs to be given as to who carries out the building works and it is suggested that this is an item for early consideration. If the CIO carries out the works, consideration will need to be given as to how the payment of the funding to the CIO is phased. .

3. **Options Considered**

3.1 The acceptance of the proposed transfer and funding from the County Council allows the project to reopen Kidsgrove Sports Centre to continue.

3.2 The alternative available to Members is to decide not to take a transfer of the facility from the County Council. If this course of action were to be chosen, the project to reopen Kidsgrove Sports Centre is at an end.

4. **Proposal**

4.1 It is proposed that the Council accepts the transfer on the basis set out in this report.

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 None from this decision. The financial implications for the project as a whole have been set out in previous reports. In addition to officer time (which will need to be prioritised) it is expected that the professional fees arising from the procurement of any necessary specialist advice will be funded from the financial provision made by the parties.

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. In addition, there is a risk 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.

10.2 The most significant risk would arise in the event that the centre cannot operate viably after opening. This needs to be considered as part of the land transaction arrangements so that the risk to the Council is mitigated.

11. **Earlier Cabinet/Committee Resolutions**

- 11.1 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
- Cabinet September 2018