

DRAFT

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET**

Date 19th July 2017

<u>REPORT TITLE</u>	Sports Provision in Kidsgrove
<u>Submitted by:</u>	Executive Director Operational Services
<u>Portfolio:</u>	Leisure Culture and Localism
<u>Ward(s) affected:</u>	All

Purpose of the Report

To consider a range of issues relating to the provision of sporting activities in the Kidsgrove area.

Recommendations

- i. That Cabinet note that due to the age and condition of the building it is no longer a viable to operate a service from this facility.
- ii. That in accordance with the spirit and intent of the District Deal Agreement, Cabinet continue to work closely with Staffordshire County Council to safeguard and secure control of the land that the existing centre occupies to facilitate a replacement sports facility and a joint approach to securing the initial capital investment.
- iii. That the Cabinet prioritises the re-provision in the local area of interim dry-side activities and receives an update report.
- iv. That Cabinet notes the progress made with negotiations with neighbouring local authorities and at its J2 facility for interim swimming pool use and continues those negotiations.
- v. That Cabinet note the progress made with consulting service users and local residents in respect of re-provision of interim facilities
- vi. That subject to the agreement of Full Council to the principle of re-provision of a sports centre in the Kidsgrove area, resources be secured to commission project support that examines options available and produces a funded business case for an affordable replacement local facility.
- vii. That should a community trust be successful in acquiring an interest in the building from its owners, it is proposed that the Council engages with the group in a positive and supportive way.
- viii. That a Stakeholders Consultation Group be established to help shape the planning of replacement facilities in the local area.

Reasons

To ensure that the sport and leisure needs of residents in the Kidsgrove area are properly

considered and that a plan is put in place to provide options for future re-provision of facilities to meet the future needs of the local community.

1.0 Background

1.1 History of the Sports Centre

Kidsgrove Sports Centre was commissioned, constructed and opened by Staffordshire County Council in 1976 as part of the then Clough Hall Secondary School. Since opening, the Sports Centre has been managed through a joint use agreement between the Staffordshire County Council, Newcastle Borough Council and Clough Hall School. A part refurbishment was carried out in 1999 which was part funded by Sport England and Staffordshire County Council.

1.2 Over the last 8 years the facility has been managed through a fixed term Joint Use Agreement between Newcastle Borough Council, Staffordshire County Council and the Governing Body of Clough Hall Technology School as a dual use centre, with the primary purpose of meeting the school's curriculum needs and maximising the commercial use of the centre by the local community.

1.3 The most recent Joint Use Agreement was completed in 2009 with the termination date of the end of March 2016. Prior to the expiry of that fixed period the Borough Council sought and secured a 12 month extension to that Agreement on the same terms and upon the expiry of that extension period again sought and secured a further 3 months extension from the partners, terminating on Friday 30th June 2017. The Borough Council had no remit to operate the centre beyond that point once the partners withdrew their support, therefore the centre ceased to operate from that later date.

1.4 The District Deal Agreement

In May 2015, following discussions with Staffordshire County Council, a successor agreement to the 2012 District Deal for Newcastle under Lyme, was signed between the Borough and County Councils. The District Deal 2 for Newcastle under Lyme is a key inter-authority agreement that sets out how by working together, benefits could be achieved for Newcastle borough's communities around two key strands: Place and Themes. Under the Place strand, it was agreed to work together towards the provision of a new sports centre and pool in Kidsgrove.

1.5 The vision stated was for this to be accessible to, and used by, all the community and be a genuine public health asset, as well as being the facility of choice for all schools in the area. It also agreed a joint approach to securing the initial capital investment. The District Deal 2 also linked this to Health and Wellbeing, committing to work with partners in the health community to optimise the sustainability of community recreation and leisure services through commissioning of health improvement programmes.

1.6 Successor Agreement

In early October 2016, in advance of the March 2017 Joint Agreement termination date, discussions commenced with SCC in respect of the future operation of the sports centre. The basis for this was to establish a new agreement, with SCC as the building owners for the continued operation of the centre on a shared cost and risk basis whilst further works on identifying a potential funding source for a replacement centre continued. This led to a formal request from the Borough Council to SCC for support with running costs post March 2017 being made in mid-December 2016.

- 1.7 To aid this process, the Council requested that SCC undertook a building survey to determine potential future liabilities. At this time, a request was also made by the Borough Council to SCC for support with essential expenditure where identified in the building survey, as well as previously requested running costs.

2.0 Issues

- 2.1 The building survey identified very significant repair and replacement liabilities due to the age and condition of the building.

The table below identifies the estimated costs of essential work (not refurbishment) to keep the centre open for up to 10 years as well as other essential and desirable works identified by your officers that improve the efficiency of the building and ensure its compliance with equalities standards:

Year Required	Building Condition	Building Efficiency/ FM Issues	Equalities Compliance	Total
2017/18	£404,911	£350,000	£50,000	£804,911
2018/19 and 2019/20	£286,615	£200,000	£50,000	£536,615
2020/21 to 2022/23	£357,587	£150,000		£507,587
2023/24 to 2026/27	£1,345,155			£1,345,155
Total	£2,389,268	£700,000	£100,000	£3,194,268

- 2.2 Following receipt of this information, the Council advised SCC that whilst it had some limited ability to meet limited repair costs, under any new cost sharing agreement, the Council could not afford to be left with all the maintenance liabilities for the centre on its own.
- 2.3 SCC subsequently advised the Council that they had no funding to support the existing facilities when the existing Agreement ran out after 31st March 2017 and made an offer of a 2 year lease on 'full repairing' basis or sale.

The effect of the latter would be that all building liabilities, risks and costs would transfer to the Council on its own. At this point the Council requested the partners to agree a further extension to the Agreement and this resulted in a further 3 month extension to Agreement to 30th June 2017.

2.4 Building Closure Announcement

On 19th May 2017 it was announced that the building condition survey revealed at least £2.4 million would need spending on the ageing centre over the next seven years and of that over £400,000 would need spending on the centre in the next year alone to repair and maintain it.

In view of the above and that the new Kings School building had opened complete with new sports hall and related sports facilities, making the Kidsgrove Leisure Centre building no longer required to fulfil their curriculum obligations, it was announced that all of these considerations had led to the decision to close the building.

- 2.5 In that announcement, Staffordshire County Council confirmed that this had not been an easy decision, but the age and condition of the building meant it is no longer a viable option.

Although an SCC investment of £220,000 was put into the building over four years ago, it was clear that there needed to be considerable investment to bring it up to standard. Given that the school no longer needed it and the County Council is not responsible for providing leisure facilities, SCC could not justify the investment.

2.6 Consultation on the Closure

The Council was unable to consult on the closure of the centre because the Council's occupation of the premises came to an end automatically at the end of the term set out in the joint use agreement between the County Council, Borough Council and School.

Attempts were made to secure a new agreement on a shared cost and risk basis that would have allowed for the continued operation of the centre.

Unfortunately, this became unfeasible as given that the school no longer needed the building, and the County Council is not responsible for providing leisure services, the County Council could not justify further investment in the building and the closure of the facility was announced. That being the case, at that point in time, there were no options for the Borough Council to consult on.

2.7 Petition

On 22nd June 2017 a petition was hand delivered to the Council. Under the Council's petition scheme, verification revealed that some but not all of the criteria were met.

Under the Council's Petitions Scheme, for a petition to be debated by the Full Council, when affecting more than two wards it needs to contain 1500 signatures. In this case there were 1189 names, 566 of which did not have a signature and a further 107 queries.

- 2.8 At the Cabinet meeting of 27th June 2017, where members of the public were present in respect to the impending closure of the centre, under questions to Cabinet, the Chair ruled that the two day rule would be waived and a representative was invited into the Chamber to address Cabinet.

Mr Lee Hartshorne, representing the Kidsgrove Sports Centre Action Group, addressed the Cabinet and handed over his contact details and a box containing views and comments from residents and service users which was received.

The Chair explained the current position with regard to the Sports Centre.

2.9 The Council's Capital Programme.

The Council has only been able to commit £500,000 capital expenditure in total for 2017/18 and had to defer £3.4m of additional pressures, which includes for example essential repairs to Council owned buildings, community centres, repairs to parks and open spaces.

- 2.10 Up to 2021/22 there is a forecast capital requirement of £12.9m, for which funding has not yet been identified which includes requirements under the following thematic headings:

- Improving housing £2.8m
- Investing in Community Facilities £3.8m
- Community Centres £0.6m

- Safeguarding Heritage £0.6m
- Investing for the future £2.7m
- Vehicles and Plant £2.4m

2.11 Funding for Kidsgrove Sports Centre is not included in the above amounts and therefore the cost of its replacement or refurbishment would be in addition to these sums.

In view of the above and the very significant future financial liabilities arising from the building condition survey in 2.1 above, at a time when the council's very limited capital resources are fully committed, the Council's position is one of being unable to fund the works required itself either in the short or medium term and therefore not being able to consider a lease or acquisition of the building on the terms offered.

2.12 Interim re-provision of Facilities

Following the announcement that the centre would close on 30th June 2017, a number of actions commenced as a matter of urgency to establish interim provision for sports activities for users of the centre, both for 'wet-side' swimming activities and 'dry-side' activities. Progress to date on this is as follows:

Memberships have been transferred over to Jubilee2 or members can opt to cancel without penalty. Many have also been signposted to other local facilities.

In the meantime a number of interim measures have been put in place, in particular the relocation of sports clubs, and others are still being explored. Specifically in relation to swimming the local swimming club and sub aqua club have re-located to New Horizons and Alsager Pool is being used to deliver curriculum swimming for schools from September 2017. Both these pools along with the one at Chesterton have enrolled children from Kidsgrove Sports Centre on swimming lessons in addition to the Council's Jubilee2.

The new sports facilities at Kings School are also being used. The school's Dance Studio is now host to The Performance Studios dance company, which hitherto met at the sports centre and the Governors have now drawn up a new Lettings policy and are making the school sports hall available to a variety of activities displaced from the Leisure Centre.

Swimming lessons have where possible been rescheduled at Jubilee2 or people have enrolled at other local swimming pools for lessons, with a proportion having the balance of their fees refunded. All regular sports club users have been relocated to other local facilities.

In a desire to maintain a local fitness offer in Kidsgrove several other local facilities have been considered, following this evaluation a proposal has been submitted to a local school for the dual use (community and education) of their sports facilities.

A consultation on interim facilities has been launched on 17th July and this will run for four weeks.

This will involve:-

- A survey will be available on the Council's website.
- Hard copies of the survey will be distributed to key points in Kidsgrove.
- Local councillors will be asked to help circulate hard copies of the survey.
- Interested parties such as former members of Kidsgrove sports centre, user groups etc. will be contacted directly and asked to complete the survey.
- The Council's social media channels will be used to promote this consultation.
- Posters with QR codes will be put in place at locations in Kidsgrove.

2.13 Longer Term re-provision of Local Sports Facilities

Significant progress has been made in this respect with the Leaders of Newcastle under Lyme and Staffordshire County Councils having met to reaffirm the commitment of the two authorities to work together to achieve replacement facilities in the spirit of the District Deal Agreement. A key achievement in this respect has been an agreement to make the land that the centre occupies available for the site of a replacement facility.

2.14 It is proposed to commission project support to identify the options available to the Council in re-providing an affordable local sports facility and prepare a funded delivery plan to achieve this. Subject to consultation with local residents, and service users, there is an aspiration to provide a 6 lane 25m pool, with associated gym and studio space. This project will include an evaluation of options for an efficient operating model for the future, including working with the private or charitable sectors

2.15 Your Officers are also aware that a community group has formed with the intention of a community trust being set up to re-open and manage the sports centre. As a first step, the group have submitted an application to the Council for the building to be placed on the register for Assets of Community Value. If the asset is admitted onto the Register, this will provide a period within which the group could explore the feasibility of purchasing and running the centre. Subsequently, if the group then acquire an interest from the owners of the building, it is proposed that the Council engage with the group in a positive and supportive way.

2.16 Consultation on Future Provision

The importance of consulting residents and users groups on available options moving forward is recognised both in respect of interim replacement facilities and when options for the longer term replacement of the sports centre are being developed.

2.17 A further consultation will also be carried out when options for longer term replacement sports facilities are being developed. The outcome of this consultation will be evaluated and used to help shape the future sports provision that is being considered.

3.0 Options

3.1 In Terms of Interim re-provision of Facilities:

1. Option 1 – Take no action

This option would not secure interim alternative sports and active lifestyles opportunities for the local community. This option is not recommended.

2. Option 2 - Prioritise the re-provision in the local area, on an interim basis, of the dry-side activities and that Cabinet notes the progress made with neighbouring local authorities and at its J2 facility for interim swimming pool use and continues those negotiations. This option is recommended.

3.2 In Terms of Future re-provision of Locally Based Facilities:

1. Option 1 – Take no action.

This option would not secure long term alternative sports and active lifestyles opportunities for the local community. This option is therefore not recommended.

2. Option 2 – Continue with the interim re-provision arrangements

This option would not secure long term alternative sports and active lifestyles opportunities for the local community. This option is therefore not recommended.

3. Option 3 - Commission a project to identify the options available to the Council in re-providing an affordable local sports facility and prepare a funded delivery plan to achieve this. Subject to consultation with local residents and service users, there is an aspiration to provide a 6 lane 25m pool, with associated gym and studio space.

Continue to work closely with Staffordshire County Council to safeguard the land that the existing centre occupies for a replacement facility in accordance with the District Deal Agreement and towards the provision of new facilities in Kidsgrove.

As this option has the potential to require significant expenditure it is proposed to seek the view of Full Council on whether it is minded to support in principle the re-provision of a sports centre in the Kidsgrove area.

This option ensures that the local community views are taken into account in the planning for future locally based re-provision of sports facilities and aspires to local people having access to a new sports centre which is accessible to and used by all the community as a genuine health asset and becomes the facility of choice for local schools in the area. This option is recommended.

4.0 Proposals

It is proposed that:

- a. That Cabinet note that due to the age and condition of the building it is no longer a viable to operate a service from this facility.
- b. That in accordance with the spirit and intent of the District Deal Agreement, Cabinet continue to work closely with Staffordshire County Council to safeguard and secure control of the land that the existing centre occupies to facilitate a replacement sports facility and a joint approach to securing the initial capital investment.
- c. That the Cabinet prioritises the re-provision in the local area of interim dry-side activities and receives an update report.
- d. That Cabinet notes the progress made with negotiations with neighbouring local authorities and at its J2 facility for interim swimming pool use and continues those negotiations.
- e. That Cabinet note the progress made with consulting service users and local residents in respect of re-provision of interim facilities
- f. That subject to the agreement of Full Council to the principle of re-provision of a sports centre in the Kidsgrove area, resources be secured to commission project support that examines options available and produces a funded business case for an affordable replacement local facility.
- g. That should a community trust be successful in acquiring an interest in the building from its owners, it is proposed that the Council engages with the group in a positive and supportive way.
- h. That a Stakeholders Consultation Group be established to help shape the planning of replacement facilities in the local area.

5.0 Reasons for Preferred Solution

5.1 To ensure that the sport and leisure needs of residents in the Kidsgrove area are properly considered and that a plan is put in place to provide options for future re-provision of facilities.

6.0 Links to Sustainable Community Strategy and Corporate Priorities

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

7.0 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.

8.0 Equality Impact Assessment

8.1 An Equality Impact Assessment on the proposals set out in this report has been undertaken and is available on request. The Assessment shows a range of impacts associated with the closure and re-provision proposals that affect current and future service users.

9.0 Financial and Resource Implications

9.1 In 2016/17 Kidsgrove Sports Centre had a budget revenue requirement of £291,430 (including support service costs) however it under achieved against its budget by a further £179,222 (it should be noted that over the previous five financial years the average income shortfall was £170,000 per annum) and the school made a contribution of £90k which the Council had made provision for in 2017/18 to take the centre beyond the end of the joint use agreement. This equates to an additional £269,222 a year direct operational subsidy and has the effect of pushing the subsidy per visit to above £8.53 and annual revenue costs of over £500,000.

9.2 The costs to the Council of operating the centre over the last 5 years are as follows. Total expenditure (subsidy) by the Council, net of income, has therefore been **£2,266,128** over the past 5 financial years (this includes recharges and excludes expenditure from the joint reserve previously held with the school):

Financial Year	Actual Expenditure (Net of income)	Expenditure from Equipment Replacement Fund
2012/13	£454,775	£5,781
2013/14	£473,377	Nil
2014/15	£402,416	£4,790
2015/16	£433,356	£15,681
2016/17	£471,152	£4,800
Total	£2,235,076	£31,052

9.3 The options for interim re-provision of both swimming and dry-side facilities are currently being developed and the costs associated which flow from that work.

The options for future re-provision of a replacement facility will need to be assessed as part of detailed business case development. It will be necessary to commission a project to identify the options available to the Council in re-providing an affordable local sports facility and prepare a funded delivery plan to achieve this. Subject to consultation with local residents, and service users, there is an aspiration to provide a 6 lane 25m pool, with associated gym and studio space.

10.0 Major Risks

10.1 This approach seeks to manage the risks for the Council, public, stakeholders and potential funders of future facilities in the local area.

There are a number of key risks associated with the proposals contained within this report as follows:

- Risk of not securing interim sports facilities suitable to meet demand due to unavailability of suitable premises
- Risk of delays in providing replacement facilities
- Risk of not achieving positive engagement with residents and service users on service design
- Risk of not securing funding for replacement facilities.

10.2 A risk assessment has also been undertaken which considered the risks that the Council would have been exposed to if it were to continue to operate the building in isolation of the previous partners after the end of June 2017. The assessment identified significant risks for the Council if it were to take over sole responsibility for the building. Cabinet are advised that without significant resources it is not possible to adequately mitigate these risks. A copy of this is available on request.

The risks fall into three broad categories:

- Health and Safety
- Equality
- Financial

11.0 Key Decision Information

11.1 This matter is a key decision and as such has been included on the Councils Forward Plan.

12.0 Earlier Cabinet Resolutions

- 12.1 14th November 2012
- 12.2 23rd July 2014
- 12.3 10th December 2014

13.0 List of Appendices

13.1 Draft Terms of Reference for the Kidsgrove Sports Centre Working Group.

14.0 Background Papers

14.1 Risk Assessment for the proposals contained in this report

- 14.2 Risk Assessment for the potential risks of sole operation.
- 14.3 Equalities Impact Assessment
- 14.4 Joint Use Agreement for the joint use of the leisure centre located at Clough Hall Technology School in the County of Staffordshire.

15.0 Management Sign-Off

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and Agreed		
Legal Implications Discussed and Agreed		
Equalities Implications Discussed and Agreed		
H.R. Implications Discussed and Agreed		
ICT Implications Discussed and Agreed		
Report Agreed by: Executive Director/ Head of Service		