



Report of the Chief Recreation Officer

Executive Board

Date: 22 June 2010

Subject: SOUTH LEEDS SPORTS CENTRE

Electoral Wards Affected:
Beeston and Holbeck

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

Under a previous Executive Board decision, South Leeds Sports Centre is due to close when Morley Leisure Centre opens, unless a suitable community group is identified to take it over. Expressions of interest have been canvassed and proposals have been received from a community organisation, but the decision is not yet taken on whether their proposal is suitable. This report seeks to extend the council's management of the sports centre for up to four months to allow continuity of service pending a decision on community transfer.

1. Purpose Of Report

This report seeks to extend the council's management of South Leeds sports centre for up to four months, to allow continuity of service pending a decision on community transfer.

2. Background Information

2.1 On 26 August 2009, Executive Board approved the "Vision for Council Leisure Centres". The approved recommendations relating to South Leeds Sports Centre were:-

- To seek expressions of interest to transfer South Leeds Sports Centre to a Community Organisation
- To close South Leeds Sports Centre (if no suitable community group is identified) when the new Morley Leisure Centre opens in 2010, and concentrate leisure provision at the John Charles Centre for Sport and Morley .

2.2 The report also suggested a series of conditions for the offer of Community Management, as follows: no ongoing financial commitment from Leeds City Council; transparent community or public control and robust governance arrangements; any leases on a full repair and maintenance basis with a minimum of ten years; adequate public liability insurance put in place by the organization; sound Business Plan for using the facility in the public interest; evidence of sufficient funding in place to avoid coming back to the Council for capital, revenue or emergency funding.

2.3 Tiger 11 were invited to submit a bid, and given the Council's detailed criteria on 18th November 2009 and had a clarification meeting on 4th December 2009 with several council officers. Tiger 11 sent their Business plan to the Council on 1st March 2010 and were informed on 12th March 2010 of concerns the Council had about its viability and sustainability. They subsequently enlisted help from a neighbouring Leisure Trust to help address some of the concerns with the plan. On 18th May 2010 they presented a Business Plan that was more somewhat more robust concerning the operating assumptions but which asked the Council for a revenue grant (the business plan showed a cumulative £1.4m deficit after 5 years) and asking whether they could have access to prudential borrowing towards the £1.8m capital improvement assumption. This was incompatible with the Executive Board decision of 26th August 2009. The community organisation have asked for more time to explore other sources of funding.

2.4 Morley Leisure Centre is due to open on 21 June.

3 Main Issues

3.1 The extended process of formulating the bid for Community Asset Transfer means that no decision has yet been taken on whether the bid is suitable. Moreover, Officers are of the opinion that a short additional period to allow direct engagement with Tiger 11 would enable further beneficial refinement of the proposals.

3.2 To keep the centre open for four months will require continued staffing and operation of the centre. Opening on the restricted hours basis on which the centre was reopened in 2006/07 is recommended to contain the deficit. The estimated net cost for the maximum four month period proposed is £129,735 as set out in the table below.

South Leeds	2010/11
Summary Financial Projection	Jul-Oct
Income	34,000
Payroll (shifts equivalent to 10 @£30k p.a.)	100,000
Maintenance	4,000
NNDR	15,735
Gas, Electricity & Water	28,000
Other Running Costs	16,000
Total Costs	163,735
Deficit	<u>129,735</u>

3.3 As well as providing a better basis for a possible transfer to Tiger 11, the continued opening would of course mean continued service provision during the period in question, and the subsidy needs to be understood in the context that all Council swimming pools depend on subsidy to operate.

4. Proposal

4.2 It is proposed to continue operating South Leeds Sports Centre on a limited hours basis for a period of up to four months from 22 June 2010 while further work, evaluation and final decision take place on the proposed business plan under which a community asset transfer to Tiger 11 would take place. There will be a further report to Executive Board within this period to consider the community asset transfer.

5 Consultation

5.1 There will be ongoing consultation regarding the Community Asset Transfer proposal.

6 Legal And Resource Implications

6.1 There is £100,000 funding in the 2010/11 budget for South Leeds Leisure Centre, which will have been largely or completely expended by the end of June. The proposals therefore create a budget pressure of up to £129,735 which will need to be met from reprioritising of resources in the City Development Directorate.

7 Recommendation

7.1 Executive Board is requested

[a] to approve the postponement of the closure of South Leeds Sports Centre for up to four months from the current approved date of 21 June 2010 and request a further report regarding the proposed community asset transfer within the period of time.

[b] to note the financial implications of continued opening which will be met by reprioritising of resources in the City Development Directorate.

Background Papers

Vision for Council Leisure Centres