

MEETING:	CABINET
DECISION DATE:	23 JANUARY 2014
TITLE OF REPORT:	FUNDING FOR LADY HAWKINS' AND WIGMORE LEISURE CENTRES
REPORT BY:	CULTURAL SERVICES MANAGER

1. Classification

Open

2. Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.

AND NOTICE has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

3. Wards Affected

Kington Town and Mortimer Wards

4. Purpose

To consider the funding for Lady Hawkins' Community Leisure Centre and Wigmore Leisure Centre.

5. Recommendation(s)

THAT:

- (a) authority be delegated to the Director for Economy, Communities and Corporate, in consultation with the Chief Finance Officer, to pursue negotiations to implement the asset transfer of the Lady Hawkins Community Leisure Centre by September 2014; and**
- (b) the funding for Wigmore Leisure Centre be reduced to £15,000 pa from 2014-15.**

6. Alternative Options

- 6.1 An alternative option would be for both leisure centres to close to the public.
- 6.2 In the instance of Lady Hawkins' Community Leisure Centre the facility could be handed to Lady Hawkins' School to run and which could include some public access.
- 6.3 An alternative option would be to continue support at existing funding levels. This would require commensurate savings to be made in other budget areas and not be consistent with other changes to council funding of leisure provision within the county.

7. Reasons for Recommendations

- 7.1 To make budget savings to support the corporate financial strategy and enable council resources to be focused on priority services.

8. Key Considerations

- 8.1 The leisure centres are dual-use facilities used by schools in the day time and open to members of the public outside these times.
- 8.2 The 2013-14 budget for Lady Hawkins' Community Leisure Centre is £60,637. This budget provision is offset by income generation of between £35 and £40k per annum.
- 8.3 The council currently delivers the service at Lady Hawkins Community Leisure Centre and has been in negotiations with Halo Leisure in relation to transferring that service to Halo and to enter a TUPE arrangement for the staff.
- 8.4 As this matter would be additional to the core service arrangement with Herefordshire Council Halo has indicated that they could not deliver a service for no cost within the current operational scope but has indicated that it could reduce the subsidy to £28k with a reduced service, reduced opening times, staff reduction and a lone working model.
- 8.5 Halo have stated that it could not absorb any additional redundancy costs.
- 8.6 The 2013-14 budget for Wigmore Leisure Centre is £22,000
- 8.7 For its operation of the Wigmore Leisure Centre Halo currently receives a £10k management fee and the council pays a split percentage with the school for the utility charges.
- 8.8 Halo has indicated that while it could not achieve a zero subsidy it could commit to a reduced funding package for a £5k management fee. An allowance would still need to be made for the utility charges.
- 8.9 Lady Hawkins' School has been consulted on the proposals and would wish to continue to have access to the facility for the purposes of their lessons and also to be kept informed of the ongoing process.

- 8.10 Negotiations will commence with Kington Town Council and Lady Hawkins School to seek the asset transfer of the Kington Community Leisure Centre.

9. Community Impact

- 9.1 The recommendations would support retention of these facilities in areas where there are no other public leisure services and there is considerable distance to be travelled to next closest services in Leominster. There are currently 28,000 users pa of the Lady Hawkins' Community Leisure Centre.
- 9.2 In 2012-13 the Wigmore Leisure Centre attracted a total of 2300 users for use of the fitness facilities, exercise classes and use of the sports hall. The majority of these users are males age 16-24 for whom this is the only leisure provision within the Mortimer Ward.

10. Equality and Human Rights

- 10.1 There is no perceived detrimental impact to those people that share a protected characteristic as no change to the service delivered is being proposed at this time, rather the management arrangements for that service.

11. Financial Implications

- 11.1 If recommendation (b) is accepted a decision regarding the length of core funding for both facilities will also need to be made. Halo has indicated that a longer commitment would allow time to develop a meaningful and sustainable alternative.
- 11.2 If the savings are not made from these costs centres they will have to be made elsewhere.

12. Legal Implications

- 12.1 If the council enters into an agreement with Halo to carry out services, procurement obligations will be triggered. Failure to comply with procurement legislation leaves the decision open to challenge with potential overturn of any arrangements made and would render the council liable for financial penalties. The level of tendering required before any provider can be determined will depend on the value of the contract.
- 12.2 A report elsewhere on this agenda addresses a wider programme of investment in leisure facilities. It would be appropriate to capture revised arrangements for those two facilities within this wider context.
- 12.3 There is an existing contract in place between the council, the governors of Lady Hawkins and the trustees of the community centre who are a registered charity for joint use in relation to the community centre. Any change to the current arrangements cannot be imposed unilaterally. The agreement of the other parties to the contract will need to be obtained in the first instance.
- 12.4 Any variation of management fee for any of the council's leisure sites necessitates the variation of the current management agreement with Halo. Until that is varied liability for management fees will remain.

- 12.5 The Wigmore site is let under long lease to the Academy. As such no arrangements can be put in place without the consent of the Academy.

13. Risk Management

- 13.1 The risk is recorded in the Environment, Economy and Culture risk register.
- 13.2 The mitigation for the risk would be made through the asset transfer of the Kington Community Centre to a third party who would in turn procure a delivery agent.
- 13.3 There are presently a number of negotiations under way in Kington regarding the asset transfer of leases on the local museum, the market, toilets and the Old Police Station. The future delivery of leisure services needs to be considered alongside the impact of these other activities within the town. The risk of closure can be mitigated through the provision of a reduced funding package.
- 13.4 The risk that the council is unable to secure agreement to a community asset transfer of Lady Hawkins' Leisure Centre will be mitigated by allowing sufficient time for these discussions to take place.

14. Consultees

- 14.1 Halo Leisure
Herefordshire Council Finance and Property Departments
Lady Hawkins School, Kington
Kington Town Council
Kington Local Member
Mortimer Ward Local Member

15. Appendices

- 15.1 None

16. Background Papers

- 16.1 None