

Cabinet



St Edmundsbury
BOROUGH COUNCIL

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| Title of Report: | Investing in our Leisure Provision in West Suffolk and Establishing a Long Term Strategic Partnership Approach and Reduced Management Fee with Abbeycroft Leisure | |
| Report No: | AMENDED CAB/SE/16/055 | |
| Report to and date/s: | Cabinet | 1 November 2016 |
| | Council (where applicable) | 20 December 2016 |
| Portfolio holder: | Joanna Rayner Portfolio Holder for Leisure and Culture Tel: 07872 456836 Email: Joanna.rayner@stedsbc.gov.uk | |
| Lead officer: | Jill Korwin Director Tel: 01284 757252 Email: jill.korwin@westsuffolk.gov.uk | |
| Purpose of report: | To seek approval for recommendations to Cabinet regarding the creation of an investment fund for future leisure services improvement and to approve specific investment into Skyliner Sports Centre. | |
| Recommendations: | Amendments to the recommendations contained in the original version of Report No: CAB/SE/16/055, are shaded: It is <u>RECOMMENDED</u> that Cabinet: (1) recommends to Council the creation of a strategic investment fund of £5m, funded from the strategic priorities and medium term financial strategy reserve, across West Suffolk (£3.5m FHDC and £1.5m SEBC) with delegated authority given to Cabinet (for sums of £500,000 or more), and delegation to the Portfolio Holder for Leisure and Culture, in conjunction with a Director and the Head of Resources and Performance (for sums of less than £500,000), to draw down from this fund subject to satisfactory business case for each investment proposal for investment in the Council's leisure facilities; <i>Continued over....</i> | |

- (2)** approves the development of a long-term leisure partnership agreement (supported by a business plan) for consideration at a future Cabinet meeting that must address:
- the principles of the Council's Medium Term Financial Strategy and value for money considerations;
 - the outcomes of the Promoting Physical Activity Framework;
 - the planned utilisation of the investment (established in recommendation (1)) to achieve the reduction in the management fee payable by the Council to zero;
 - the optimum duration of the agreement; and
 - the principles set out in Section 2.1 of Report No CAB/SE/16/055.
- (3)** Due to the urgency of initial funding requests, it is also recommended that Cabinet:
- (a) recommends to Council approval for an additional **£177,582** (ex VAT) [*note that final negotiations with Suffolk County Council are progressing and this figure will be confirmed at the meeting*] funding from unallocated capital receipts for the 3G pitch at Skyliner Sports Centre to meet the additional cost incurred to deliver a 3G pitch facility to meet FA and community requirements; and
- (b) approves an investment of **£240,000** (ex VAT) into equipment for the Skyliner Sports Centre from the Council's approved capital invest to save fund.

1. Additional Amendments to Text of Report No: CAB/SE/16/055

- 1.1 In addition, the following minor amendments have been made to two paragraphs contained in the body of the original report, as follows. The changes to the original text are shaded:
 - 2.3 Abbeycroft are limited in their ability to review pricing structure as this is specified in the existing management agreement. Greater flexibility in concessionary pricing is sought by Abbeycroft and the principles from the Promoting Physical Activity Framework provide a clear framework in which this could be done. In developing the new Partnership Agreement, opportunities for greater flexibility will be explored.
 - 3.1 The principle of capital investment to enable revenue return and/or generation of income is well established within West Suffolk, so as part of the negotiations, it was recognised that Abbeycroft could identify opportunities for capital investment in the Councils' facilities on an "Invest to Save basis" to enable a zero management fee to be achieved.