

(Informal Joint) Cabinet



Forest Heath
District Council

Notes of informal discussions of the SEBC/FHDC **Cabinets** held on **Tuesday 1 November 2016** at **6.00 pm** in the **Conference Chamber West, West Suffolk House**, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

Forest Heath District Council (FHDC)

David Bowman	Stephen Edwards
Andy Drummond	Robin Millar

St Edmundsbury Borough Council (SEBC)

John Griffiths (in the Chair for the informal discussions)

Robert Everitt	Jo Rayner
Sara Mildmay-White	Peter Stevens
Alaric Pugh	

In attendance: Susan Glossop (SEBC)

Prior to the formal meeting, informal discussions took place on the following substantive item:

- (1) Investing in our Leisure Provision in West Suffolk and Establishing a Long Term Strategic Approach and Reduced Management Fee with Abbeycroft Leisure.

All Members of Forest Heath District Council's Cabinet had been invited to attend St Edmundsbury Borough Council's Offices at West Suffolk House to enable joint informal discussions on the report to take place between the two authorities, prior to seeking formal approval at their respective separate Cabinet meetings, immediately following the informal discussions.

The Chairman, and Leader of St Edmundsbury Borough Council, welcomed all those present to West Suffolk House and the interim Service Manager (Legal and Democratic Services) advised on the format of the proceedings for the informal discussions and subsequent separate meetings of each authority.

Under their Constitutions, both Cabinets listed as standing agenda items: an 'Open Forum', which provided the opportunity for non-Cabinet Members to discuss issues with Cabinet and also 'Public Participation', which provided the

opportunity for members of the public to speak. Therefore, as any matters arising from the discussions held during these agenda items may have some bearing on the decisions taking during the separate formal meetings, non-Cabinet Members and members of the public were invited to put their questions/statements prior to the start of the joint informal discussions.

1. **Open Forum**

No non-Cabinet Members in attendance wished to speak.

2. **Public Participation**

There were no members of the public in attendance.

3. **Investing in our Leisure Provision in West Suffolk and Establishing a Long Term Strategic Approach and Reduced Management Fee with Abbeycroft Leisure. (Report Nos: CAB/SE/16/055 and CAB/FH/16/049)**

The Cabinets considered the above report, which sought approval for a number of recommendations relating to:

- (a) the creation of a strategic investment fund of £5m across West Suffolk (£3.5m FHDC and £1.5m SEBC);
- (b) the longer term strategic approach to leisure provision in West Suffolk through the future development of a leisure partnership agreement for consideration by the Cabinets; and
- (c) specific investments in Skyliner Sports Centre from SEBC, and Newmarket Leisure Centre from FHDC.

SEBC Cabinet Members confirmed that they had received an amended version of Report No: CAB/SE/16/055, which provided amended recommendations and textual changes to paragraphs 2.3 and 3.1 of the main body of the original report. The amendments to the recommendations were as follows, as indicated with shaded text:

It is RECOMMENDED 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;*
- (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.*

Members noted that no changes had been made to the recommendations contained in the FHDC version of the report (Report No: CAB/FH/16/049), and that the figure of £177,582 funding required for the 3G pitch at Skyliner Sports Centre as detailed in Recommendation (3)(a) above was a confirmed amount.

Councillors Andy Drummond and Joanna Rayner, FHDC's and SEBC's respective Portfolio Holders for Leisure and Culture, drew relevant issues to the attention of both Cabinets, including that in recognition of the continued financial challenges in the public sector and that the pressure in the longer term could be worsened with the uncertainty of local government finances, it was proposed to bring the Councils' leisure services provider in line with their own longer term strategic planning approach regarding striving towards self-sufficiency. The proposal for developing a new long term leisure partnership agreement would need to address specific issues, as set out in recommendation (2) above.

In line with the above, Members noted that the creation of an investment fund of £5m would act as an enabler for delivering a zero management fee in the medium to longer term, through schemes that would provide new capacity or upgraded facilities.

In respect of issues that need addressing in the shorter term, the Cabinets considered the following in relation to specific investment proposals located with their own district/borough:

- (a) SEBC: Skyliner Sports Centre. Proposal for an immediate allocation of £240,000 (ex VAT) on an 'invest to save' basis for provision of new gymnasium equipment at Skyliner Sports Centre, which would in turn provide a reduction in management fee of £40,000 from 2017/18 onwards and represented a return on investment of 16.67%.

Proposal for an additional contribution of £177,582 (ex VAT) to ensure the 3G pitch at Skyliner Sports Centre was to a size and standard acceptable to meet FA and local club requirements. This would ensure the pitch was commercially viable and would ultimately contribute to a reduction in management fee.

- (b) FHDC: Newmarket Leisure Centre. Proposal for an immediate allocation of £204,000 (ex VAT) on an 'invest to save' basis for the upgrading of the current gymnasium equipment at Newmarket Leisure Centre, through re-design of the space to increase capacity and investment in upgraded cardiovascular fitness equipment. This, in turn, would guarantee a reduction in management fee of £60,000 per annum from 2017/2018 onwards and represented a return on investment of 29.4%.

A discussion was held on ownership issues, lease agreements and the associated responsibilities, as detailed in paragraph 2.2 of both reports. Members noted that a review of these matters would be undertaken once the proposed leisure partnership agreement with each authority was in place.

The Cabinets acknowledged the benefits of investing in leisure facilities and the contribution to the Councils' strategic priorities in respect of striving for improvements in the general wellbeing, physical and mental health of communities.

Both Cabinets supported approval of the recommendations, (as amended for SEBC) set out in the reports.

On the conclusion of the informal joint discussions at 6.14 pm, the Chairman then formally opened the meeting of Forest Heath District Council's Cabinet at 6.17 pm in the Conference Chamber West.

Cabinet



Forest Heath
District Council

Minutes of a meeting of the **Cabinet** held on
Tuesday 1 November 2016 at 6.17 pm in the **Conference Chamber West,**
West Suffolk House, Western Way, Bury St Edmunds, IP33 3YU

Present: **Councillors**

Chairman Robin Millar

David Bowman
Andy Drummond

Stephen Edwards

252. Apologies for Absence

Apologies for absence were received from Councillors Lance Stanbury and James Waters.

253. Open Forum

This item had already been considered during the informal discussions in relation to Item 4. on the agenda (Item 1. above within the notes of the informal discussions refers).

254. Public Participation

This item had already been considered during the informal discussions in relation to Item 4. on the agenda (Item 2. above within the notes of the informal discussions refers).

255. 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: CAB/FH/16/049)

Further to the joint informal discussions held prior to the meeting with St Edmundsbury Borough Council's Cabinet on Report No: CAB/FH/16/049, it was proposed, seconded and with the vote being unanimous, it was

RECOMMENDED TO COUNCIL: (21 December 2016)

That:-

1. The creation of a strategic investment fund of £5m across West Suffolk (£3.5m Forest Heath District Council and £1.5m St Edmundsbury Borough Council) funded from the strategic priorities and Medium Term Financial Strategy Reserve, 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 a satisfactory business case for each investment proposal for investment in the Council's leisure facilities.

RESOLVED:

That:-

2. The development of a long-term leisure partnership agreement (supported by a business plan) be approved, 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. above) to achieve the reduction in the management fee payable by the Council to zero.
 - The principles set out in Section 2.1 of Report No CAB/FH/16/049.

Due to the urgency of initial funding requests, the following decision has also been taken:

RESOLVED:

That:-

3. An investment of £204,000 (ex VAT) into new equipment for the Newmarket Leisure Centre from the Council's approved capital invest to save fund to deliver a £60,000 per annum management fee saving.

The Meeting concluded at 6.18 pm

Signed by:

Chairman
