

Report To:	CABINET	Date:	23rd March 2020
Heading:	LEISURE TRANSFORMATION - LEASING OF LEISURE CENTRES TO THE NEW OPERATOR AND APPROPRIATION OF LAND FROM THE HRA ACCOUNT		
Portfolio Holder:	CLLR KIER BARSBY - PORTFOLIO HOLDER FOR HEALTH AND LEISURE		
Ward/s:	ALL		
Key Decision:	No		
Subject to Call-In:	Yes		

Purpose of Report

1. To seek authorisation to lease the three leisure centre sites to the new leisure operator: Kirkby new leisure centre, Lammas and Hucknall leisure centres, as part of the arrangements for the new contract.
2. To appropriate a small area of land within the Kirkby Leisure Centre site from the Housing Revenue Account to the General Fund.

Recommendation(s)

1. To seek authorisation to lease the three leisure centres: Kirkby new leisure centre, Lammas and Hucknall leisure centres, as part of the arrangements for the new operator contract.
2. To appropriate a small area of land within the Kirkby Leisure Centre site from the Housing Revenue Account to the General Fund.

Reasons for Recommendation(s)

1. Leasing of the three leisure centres: the leasing of the facilities to the operator is a standard approach and forms part of the Sport England standard form of contract.
2. The area of land needs to be appropriated from the Housing Revenue Account as it is currently designated for potential use for housing.

Alternative Options Considered

- 1) Not leasing the sites– **Not recommended**, as the leasing of the facilities to the operator is a standard approach and forms part of the Sport England standard form of contract.
- 2) Not appropriating the area of land – all of the land needs to be within the General Fund to allow for the construction of the new centre.

Detailed Information

Leasing

The procurement of the new Leisure Operating Contract requires that the three leisure centres: Kirkby new leisure centre, Lammass and Hucknall be leased to the successful operator as part of the award.

The leasing of the facilities to the operator is a standard approach and forms part of the Sport England standard form of contract.

The leasing of the sites will be completed in accordance with the council's rules and policies.

Appropriation

The Kirkby leisure centre site is appropriated to Recreation and Amenities (R&A), except for a small parcel of land referenced as 444K which is appropriated to Housing and Planning. The land needs to be appropriated to Recreation and Amenities with the value of the land paid to the Housing Revenue Account (HRA) to compensate for the loss. The land has been independently valued at £20,000 and allowance has been made in the project budget to transfer this sum to the HRA.

Appendix 1 shows the area of land to be appropriated – Deed packet 444k to the south of the B&M car park.

Kirkby Leisure Centre

Design work for the new leisure centre is progressing well with RIBA Stage 3 (Developed Design) complete and work on Stage 4 underway.

The project team met with residents adjacent to the site to discuss any concerns about the facility and these are being addressed where possible. A follow-up meeting was held on 18th March. We are continuing to work with current users of Festival Hall to ensure that the new provision will meet their needs, including the over 50s club and free weights users.

A planning application is due to be submitted in March. Enabling works are due to start on site in the next few weeks which will include further clearance and hoarding of the site.

Implications

Corporate Plan:

Health and Happiness: Deliver the Leisure Transformation Programme, maximising the well-being benefits whilst reducing costs. Deliver a new leisure destination in Kirkby. Re-procure the leisure centre management contract.

Legal: The leasing of the sites as part of the contract will be compliant to the Council's Code of Procedure for the disposal of Land and Buildings.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	None
General Fund – Capital Programme	Legal costs to be funded from the budget for the new Leisure Centre already approved within the Capital Programme.

	£20,000 included within the Kirkby Leisure Centre budget to compensate the HRA.
Housing Revenue Account – Revenue Budget	None
Housing Revenue Account – Capital Programme	None

Risk:

Risk	Mitigation
Lease agreements for leisure centres are not completed correctly	Internal ADC teams to ensure this process follows the necessary Code of Practice and gains the necessary approvals.

Human Resources:

None for this report

Equalities:

As part of the operator contract we will be asking the operators to consider how they ensure their offer is accessible to all – this will focus on price, concessions, programming, activities, welcome and feel, staff training and awareness.

Environment/sustainability

No issues identified.

Other Implications:

Not Applicable.

Reason(s) for Urgency

Not Applicable.

Reason(s) for Exemption

Not Applicable.

Background Papers

Cabinet Report, 21st January 2019:

Leisure Transformation Programme – Replacement Leisure Centre for Kirkby in Ashfield

Cabinet Report, 15th May 2019:

Leisure Transformation Programme - Appointment of professional team for the construction of Kirkby Leisure Centre and appointment of the leisure consultant for procurement support for the District's leisure operator contract.

Cabinet Report, 25th November 2019:

Leisure Transformation - Procurement of the New Leisure Centre Operator Contract.

Report Author and Contact Officer

Theresa Hodgkinson
DIRECTOR OF PLACE AND COMMUNITIES
t.hodgkinson@ashfield.gov.uk
01623 457374