

EAST DEVON DISTRICT COUNCIL

Notes of a Meeting of the Leisure East Devon Joint Working Group held at Knowle, Sidmouth on 11 June 2014

Present: **Councillors:**
Pat Graham
Tim Wood

Also Present Nigel Halford - Chairman of LED Board

Officers:
Mark Williams – Chief Executive
Simon Davey – Head of Finance
John Golding - Head of Housing
Charlie Plowden – Countryside & Leisure Manager
Chris Lane – Democratic Services Officer
Peter Gilpin – Chief Executive LED

Apologies Councillors
Dave Chapman
Tony Howard
Geoff Pook

The meeting started at 4.00pm and ended at 5.50 pm.

1 **Minutes of meeting held on 30 April 2014**

The minutes of the meeting held on 30 April 2014 were noted.

2 **To note the scope and terms of reference of the Joint Working
Group**

The following terms of reference were agreed:

- To recommend a new or revised strategy for the LED funding agreement for the period 2015 – 2020.
- To make recommendations regarding the future leisure provision (including dual-use) within East Devon.
- To consider the advantages and disadvantages, and make recommendations, in respect LED taking on the management of the council's three main cultural facilities (Exmouth Pavilion, Sidmouth Manor Pavilion and the Thelma Hulbert Gallery).
- To consider LED's contribution towards the Council's priorities including the health and well being agenda; public health priorities; regeneration schemes; Cranbrook; green infrastructure and tourism.

3 **Ocean Blue – LED Lease and Rent Guarantee**

Peter Gilpin, LED Chief Executive reported that a Business Plan had been produced for Ocean Blue Bowling Centre, Exmouth and agreed to email a copy to Simon Davey, Head of Finance. The conclusions contained in the Business Plan and the financial forecasts showed that there would be a clear benefit to LED and EDDC from taking on the management of Ocean Blue under a 25-year lease.

The 3 aims set out in the Introduction & Executive Summary would be met, namely:

- This is a good business opportunity that will improve the net revenue ('bottom line') position of LED;
- In doing so, it will improve LED's sustainability and ability to achieve the medium and long-term intention of both the trust and EDDC to reduce the Council's leisure services subsidy;
- By managing it themselves LED will remove the threat of Ocean Blue as a competitor operation.

The initial concerns and risk regarding the lack of building defects warranties had been removed within the Business Plan as the lease was to be an internal repairing one, and the above aims demonstrated a clear plan for operational and financial success. On this basis, and in view of the reserves held by LED and the transparency to EDDC of its other operations, the Guarantee being asked of the Council represented a relatively low risk for a significant potential benefit.

Mr Gilpin had hoped to be able to agree a presentable lease agreement with Harlequin Leisure but this had not yet been finalised. He hoped that this was only days away as both parties were close to agreement, only minor issues had yet to be agreed. He was not prepared to bring a lease to EDDC until he was happy with all the details.

The EDDC Cabinet meeting on 2 July 2014 would be the first available opportunity for a lease agreement for Ocean Blue to be considered by the Council. Harlequin Leisure was busy with internal repairs to the building and had agreed to take on the responsibility for the external parts of the building including windows and doors. The lease between LED and Harlequin Leisure was for the internal repair of the building only. The soft play equipment on the first floor had been installed and the kitchen specification had been agreed. Peter Gilpin confirmed that if he was still not happy with the lease agreement then he was prepared to delay signing the 25 year lease agreement with Harlequin Leisure until the autumn, missing out on the summer holiday period. The Council rent guarantee period was for the first 5 years of this agreement, with the first year of this being rent free.

RECOMMENDED that Council consider the lease agreement between LED and Harlequin Leisure in respect of the Ocean Blue facility; the agreement to cover LED's responsibility for the internal repair of the building only (Harlequin Leisure to retain responsibility for the external structure including windows and doors), with the Council providing a rent guarantee for the first 5 years of the 25 year lease agreement, subject to the first year of the agreement being rent free and subject to LED being fully satisfied with the detail of the lease agreement before signing.

4 **Shared health and well being aspirations**

John Golding, Head of Housing reported on LED's important role as a key partner in EDDC's public health agenda. He reported on a successful meeting that had been held with LED officers to explore practical actions that could be undertaken to identify actions to improve East Devon's healthy lifestyle agenda. This meeting had looked at LED customer details. LED had been asked to look into ways of preventing fall amongst the more elderly residents of East Devon. A further meeting between EDDC and LED officers to discuss the healthy lifestyle agenda would be held in July. Outreach work was important to help those who were not able to access LED's Leisure Centres. There were also plans to use LED's customer details to look at ways of making access more affordable to certain target groups in the district.

It was noted that LED was already undertaking considerable work in this area through GP referrals and the PULSE scheme and John Golding confirmed that he would like to build on the excellent work already being undertaken. It was suggested that LED could work more closely with the Countryside Service to explore joint projects. Reducing slips, trips and fall for the elderly was an area that East Devon in particular needed to help its residents.

RESOLVED that John Golding, Head of Housing, be requested to produce specific recommendations on the Health & Well Being agenda for a future meeting of the Working Group.

5 **Thelma Hulbert Gallery**

Members noted that a report on the Thelma Hulbert Gallery had been considered by Cabinet at its meeting on 4 June 2014. The Cabinet had agreed in principle of a transfer of the Thelma Hulbert Gallery to the LED Leisure Trust, subject to a) successful grant applications which would mean the gallery could function with a reduced financial support package from the Council and b) satisfactory detailed transfer arrangements being agreed between the Council and LED. Cabinet had given delegated authority to the Chief Executive, in conjunction with the Environment Portfolio holder to approve them, and subject to further legal, financial and valuation advice as required. Nigel Halford, Chairman of LED Board reported that he hoped that the Board would accept the transfer of the Thelma Hulbert Gallery, but expressed some reservations over the need for sufficient funding to be available and the ambitious nature of the three year business plan presented by the consultants.

Members hoped that LED would be able to bring a more managed focus to running the Thelma Hulbert Gallery. A view was expressed that the funding for the Thelma Hulbert Gallery could be better spent on Arts Development throughout East Devon. It was recognised that the physical asset of the Thelma Hulbert Gallery used a lot of the budget.

The Working Group noted that it was proposed that a part time post of Arts Development Officer would be advertised shortly. However, it was agreed that the advertising of this post be delayed until further information was received from LED. It was noted that EDDC's commitment to the Thelma Hulbert Gallery was contingent on grant funding for the Gallery being achieved.

6 **LED Vision and ambitions for the future**

Peter Gilpin reported on LED's vision and ambitions for the future. These were to continue to improve East Devon's leisure facilities and improve the performance of the leisure centres. In particular he was looking at the dual use sites and developing a long term strategy for those. An ambition was also to improve the health & well being and arts & culture elements of the business.

Members noted that Axminster Power Tools was negotiating to purchase the Grove Night Club building in Seaton and as part of the development for the building proposed to open a commercial gym in the first floor of the building, with the opportunity of this being run by LED.

Mr Gilpin confirmed that LED had a 5 year business plan which had 2 years left to run, the 2015/20 business plan would be considered at by the LED Board in October. LED was continuing to look at ways to become more self-sustainable.

7 **Update on progress with the following facility developments:**

a. Exmouth Leisure Centre

Peter Gilpin, reported on developments at Exmouth Leisure Centre. The first design stages of the improvement project were currently being undertaken. The contractor had been agreed and they were starting to produce a formal design. Mr Gilpin identified a potential delay from the legal side and requested that EDDC's legal officers be encouraged to provide a speedier response for the request for landlord's consent for the work to go ahead and also for Simon Davey to chase the loan agreement. It was hoped to start work on site on 3 November 2014.

Members noted that as a result of the works the 5 a side football had been displaced and this had resulted in some adverse publicity and complaints from 5 a side football users. Alternative provision had been sourced on 2 nights a week on a recently resurfaced facility at Exmouth Community College that had been partly funded by LED. There was also an opportunity for the conversion of outdoor tennis courts at Exmouth Tennis Centre for 2 nights a week with specially purchased rebound boards.

b. Honiton Leisure Centre

Peter Gilpin reported that the builders were on site to create a gym extension. All was proceeding well except for a small problem with a gas main, which had now been overcome.

c. Seaton Swimming Pool

Peter Gilpin reported that it was the intention to run Seaton Swimming pool as successfully as possible in 2014, without the need to ask for additional funding.

d. Seaton Gym

Peter Gilpin reported that Axminster Power Tools was very close to the purchase of the Grove Night Club site. There was the potential for a first floor gym operated by LED. He confirmed that Axminster Power Tools had a viable plan for operating the site.

8 **Next meeting**

RESOLVED that the next meeting, to be held on Wednesday 30 July at 4.00pm in Room 1.

Future meetings to discuss – a)Information on subsidy and participation levels, b)income and expenditure for swimming pools, Exmouth Tennis Centre and Exmouth Pavilion c)the number of people attending the Centres, d)the maintenance agreement, e)the timetable and negotiation of the contract with LED (January 2016).