

EAST DEVON DISTRICT COUNCIL

Notes of a Meeting of the Leisure East Devon Joint Working Group held at Knowle, Sidmouth on 25 November 2014

Present: **Councillors:**
Tim Wood
Dave Chapman

Also Present: **Councillor:**
David Cox

Nigel Halford - Chairman of LED Board

Officers:
Mark Williams – Chief Executive
Simon Davey – Strategic Lead - Finance
John Golding – Strategic Lead – Housing & Environment
Chris Lane – Democratic Services Officer
Peter Gilpin – Chief Executive, LED

Apologies Councillor
Pat Graham
Tony Howard
Andrew Moulding

The meeting started at 4.30pm and ended at 5.50 pm.

1 **Notes of previous meeting**

The minutes of the meeting held on 14 October 2014 were received.

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

The following terms of reference had been previously 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.

4 **Shared health and well being aspirations**

John Golding, Strategic Lead – Housing, Health & Environment reported that a new Public Health project officer had been appointed funded by a grant from DCC. The officer had met with LED staff and started to look at shared interests in health and well being aspirations. These included exploring projects such as the Man Shed project in Exmouth. John Golding confirmed that he wanted the LED agenda to include greater emphasis on Health and Well Being, particularly around helping to address obesity and cardiovascular disease in the more disadvantaged areas of the district.

Members noted that the trigger point for the provision of health and well being facilities at Cranbrook, under the S106 agreement, was fast approaching. The need for LED to have the capability to identify new funding streams for the provision of health and well being projects and to bid for them was important.

5 **Legal position regarding dual use centres and the possibility of LED strategically withdrawing from these centres**

Mark Williams, Chief Executive circulated a document regarding the contractual relationship with LED in relation to five of the dual use centres prepared by the legal team. It was noted that it was very difficult to break the long term 99 year leases entered into with DCC.

Peter Gilpin, Chief Executive, LED emphasised that, due to the nature of the leases, there was a need to make these centres work. LED and EDDC were committed to these centres. There was also a problem, due to the age of the buildings, of on going repair and maintenance costs. A key strategy for the gyms was to look at how technology may reduce their operating costs, such as going towards a reception-less model where customers gain access using a swipe card. However due to the dual nature of these sites, there was the need to consider child protection issues. There was also the option of having more limited opening times. Staff vacancies at these sites were only being replaced with staff on temporary contracts.

It was acknowledged that the main costs for dual use sites was staffing, it was hoped that by the end of 2015 the staffing position for dual use sites would be clearer and this could be factored into the 2016 Service Level Agreement.

6 **Grounds Maintenance Costs**

Simon Davey, Strategic Lead – Finance circulated a list of grounds maintenance costs for LED facilities which totalled £143,610.92. The current payment under contract from LED for Grounds Maintenance was £45,440. There were four facilities that were particularly expensive but which EDDC had maintained for historic reasons, these were: Phear Park Bowling Green; Phear Park Pitch and Putt; Coburg Lawns, Haydons Lane, Sidmouth and Putting Green, Church House, Sidmouth.

Members questioned whether if outsourcing the grounds maintenance for these facilities could reduce costs.

RECOMMENDED that the costs for the four most expensive LED grounds maintenance sites be investigated.

7 **Any other business**

Financial Modelling

Members noted that Simon Davey, Strategic Lead – Finance was putting together a financial model for the new LED SLA starting in 2016, showing a 5% reduction in subsidy over the 5 year period. Peter Gilpin, Chief Executive, LED reported that LED were anticipating a £200K operating deficit for 2015 due to costs surrounding improvements to Exmouth Leisure Centre and taking over the management of Ocean Blue. It was anticipated that it would not be until 2016 and 2017 when LED's profit situation would look better as investment in these two facilities was expected to become profitable. LED should be able to come back in the New Year with a better idea of their budget situation.

LED were not proposing any significant increases in charges for their facilities, except for a £1 increase in the membership charge. Also operating facilities on behalf of SSDC was starting to make an operating profit for LED.

It was reported that a draft programme of building maintenance had been prepared by Simon Allchurch, Senior Building Surveyor; Peter Gilpin would contact Simon to discuss this in the next week.

Ocean Blue

LED and Harlequins Leisure had now agreed a lease for Ocean Blue, although there was still some due diligence to be carried out over planning, licensing and covenant release issues before the lease could be signed. This included obtaining an alcohol licence for the top floor of Ocean Blue.

Peter Gilpin reported that negotiations were still progressing regarding agreement for Heads of Terms with Axminster Tools for a gym at the Grove Nite Club site in Seaton. It was also reported that Seaton Town Council had indicated that they would be refusing to provide £5,000 towards the running costs of the Seaton Swimming pool for the coming season.

8 **Next meeting**

RESOLVED that the next meeting, to be held on Tuesday 3 February 2015 at 4.30pm in Room 1, to include the following subjects for discussion – Grounds Maintenance costs, Building Maintenance costs and Financial Modelling for the 2016 SLA.