

# MINUTES

## COUNCIL

THURSDAY, 11 JANUARY 2024

2.30 PM



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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### PRESENT

Councillor Gloria Johnson Chairman  
Councillor Paul Fellows Vice-Chairman

Councillor Matthew Bailey  
Councillor Emma Baker  
Councillor Rhys Baker  
Councillor Ashley Baxter  
Councillor David Bellamy  
Councillor Harrish Bisnauthsing  
Councillor Pam Byrd  
Councillor Richard Cleaver  
Councillor Helen Crawford  
Councillor Steven Cunningham  
Councillor James Denniston  
Councillor Phil Dilks  
Councillor Richard Dixon-Warren  
Councillor Barry Dobson  
Councillor Patsy Ellis  
Councillor Paul Fellows  
Councillor Phil Gadd  
Councillor Tim Harrison  
Councillor Graham Jeal  
Councillor Anna Kelly  
Councillor Gareth Knight  
Councillor Philip Knowles  
Councillor Robert Leadenham

Councillor Bridget Ley  
Councillor Paul Martin  
Councillor Penny Milnes  
Councillor Virginia Moran  
Councillor Charmaine Morgan  
Councillor Chris Noon  
Councillor Habibur Rahman  
Councillor Rhea Rayside  
Councillor Susan Sandall  
Councillor Max Sawyer  
Councillor Ian Selby  
Councillor Vanessa Smith  
Councillor Peter Stephens  
Councillor Lee Steptoe  
Councillor Paul Stokes  
Councillor Elvis Stooke  
Councillor Rosemary Trollope-Bellew  
Councillor Sarah Trotter  
Councillor Murray Turner  
Councillor Mark Whittington  
Councillor Jane Wood  
Councillor Paul Wood  
Councillor Sue Woolley

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### OFFICERS

Karen Bradford, Chief Executive  
Richard Wyles, Deputy Chief Executive and Section 151 Officer  
Nicola McCoy-Brown, Director of Growth and Culture  
Alison Hall-Wright, Deputy Director (Finance and ICT) and Deputy Section 151 Officer

Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer  
Karen Whitfield, Assistant Director – Leisure, Culture and Place  
Debbie Roberts, Head of Corporate Projects, Policy and Performance  
James Welbourn, Democratic Services Manager (Deputy Monitoring Officer)  
Patrick Astill, Communications Officer  
Lucy Bonshor, Democratic Officer  
Michael Chester, Leisure, Parks and Open Spaces Team Leader

## **72. Apologies for Absence**

Apologies for absence were received from:

Councillor Pam Bosworth  
Councillor Ben Green  
Councillor Jane Kingman  
Councillor Zoe Lane  
Councillor Nikki Manterfield  
Councillor Nick Robins  
Councillor Penny Robins  
Councillor Rob Shorrocks  
Councillor Ian Stokes

## **73. Disclosure of Interests**

No interests were disclosed at this section of the meeting.

## **74. Public Open Forum**

Councillor Virginia Moran had an 'Other Registrable Interest' in item 4 – Request for a Financial Contribution, Deepings Leisure Centre.' Therefore she would read out a statement in her capacity as Chairman of the CIC, and would leave the Council Chamber following the statement's conclusion.

After being proposed and seconded, it was **AGREED** that Virginia Moran, Chairman of the Deepings Community Interest Company (CIC) be allowed to speak to the item on the agenda for up to 20 minutes.

Two Directors of the Deepings Leisure Centre Community Interest Company (CIC) provided their statement:

*'Good Afternoon and thank you for giving me the opportunity to present this request for funding towards the renovation and re-opening of The Deepings Leisure Centre and for your time this afternoon to give it your consideration. I have been an SKDC Councillor for Market & West Deeping for the past 5 years but today I am addressing you in my role as a Director of the Deepings Community Leisure Centre CIC. I have with me Martin Reilly who is the Director with responsibility for the refurbishment*

*programme, Paul Smith Shelton, the Director with the responsibility for our illustrative cashflow and who is our liaison with organisations wishing to use the new facilities. Chris Davis is coordinating our grant applications, including the Commons Community Ownership Fund Bid, and the final Director is Ian Stygall, who is a commercial electrician and long-time Deepings resident.*

*Councillor Baxter will cover the history of the site when working through his presentation. This request is looking for this council's support to reinstate leisure facilities to thousands of residents in The Deepings and beyond, facilities that they have enjoyed for almost 50 years and which will bring parity with the other three towns of South Kesteven. Throughout all our previous battles to retain facilities we have had the unending support of residents and this has never wavered. The Deepings is truly the least supported area within SKDC and we have watched over the years as one service or facility after another has been taken away. We have no arts centre or large events venue, our community centre is run by volunteers, we now run our own immensely successful library (again with volunteers), we looked after ourselves during the pandemic with volunteers, we recently updated a little SKDC play park again with money raised by volunteers and so it goes on. We now wish to be given the means to run our leisure centre, again with volunteers on a not for profit basis.*

*I'd now like to comment on various aspects of the documents before you. Our Business Plan gives you an outline of the services we hope to provide, the repairs required and the funding sources for those repairs. I will say that to date (as recently as a couple of days ago) the support we have received from Lincolnshire County Council has been incredible and very much appreciated. At the closure and handing back of the centre to them by SKDC, they could have simply torn the building down and handed the land to the school; they didn't, nor did they want to. In addition to giving us the opportunity to buy the land and buildings they also offered us considerable financial support towards those repairs. Their stipulations were that the amount of that offer was kept confidential and we have done our utmost to ensure that was adhered to. Hence why we asked that the plan was kept on pink papers and we would be grateful if that confidentiality was adhered to by those attending today. LCC also stipulated that we employed a professional leisure company to run the centre and that we accommodate the school's requirements for use of the sports hall. We were happy to comply with both as they were our intentions anyway. We are also grateful to Sir John Hayes, our local MP, for his consistent support.*

*The plan also includes our costs of renovation. These are dramatically different from those provided to SKDC in the past. There are several reasons for this. The first one is that the figures provided to SKDC were based on a formula which meant that each item of expenditure was based on the square meterage of the footprint of the building. This was patently flawed, so any comparison with those figures is a nonsense. We have provided written quotations from local suppliers which show exactly what the cost of each item is. The second reason our costings are so low is that we have the benefit of several of the companies doing the large items of work, such as the roof, electrical work and the new heating, solar and ventilation systems being done at cost. We also benefit from several professional services which are*

*being provided free of charge, these include an architect, a solicitor and a barrister. Please don't think for one second that this will mean inferior quality of work, quite the reverse, these are local well-qualified people who want this centre open again, not just for their own benefit, but for their children and grandchildren's benefit and for the community as a whole. This is how Deepings people operate. SKDC Officers appear to have taken the view that because our prices are low that we won't be complying with building regulations, insurance or health and safety requirements. I don't know why they would think that, why would we not be providing the best possible facilities for ourselves and our families? There is also mention in the report that we will not be providing a full refurbishment. No room in the centre will remain untouched. They have also mentioned in meetings that we have no budget for exterior upgrading. That is correct. That doesn't mean that we won't intend to do it in the future. Frankly, nobody minds about the fact that the cladding is a bit rusty. What matters are the facilities inside and that is where we are concentrating our efforts.*

*I have provided details from our project management company which you will see covers all aspects of building control and health and safety.*

*We have also outlined the other professional leisure centre providers we are hoping to work with and presented our estimates of the income that the centre will generate. At the outset of this initiative, we didn't want to fall into the trap which a lot of community groups fall into which is enthusiastically over-estimating our income and we have based our figures on the very minimum amount of support that we would expect to achieve. Every single professional provider who has seen these figures has expressed the opinion that we have severely underestimated, particularly in respect of gym membership, and our recent public consultation backs up that opinion. We did this on purpose because we need to assure ourselves that we could run the centre effectively, and at a profit at the lowest take up. There is a strong reliance on swimming which is due to the fact that we are the only publicly accessible deep water 6 lane 25m pool for some considerable distance.*

*We have prepared an invitation to tender to all five of the companies who have expressed interest in running the centre for us. This will be issued as soon as we have decisions on funding from SKDC and LCC, and we will appoint them very shortly thereafter. All of the companies are already running successful leisure centres and will carry any financial shortfall that may occur during the first few months of opening. We are very fortunate in that, quite uniquely, we have six income streams that will immediately be forthcoming upon opening. The Anthem Trust, for use of the Sports Hall, The Deepings Swimming Club, who will immediately move back home. School swimming lessons and swim school, which will be forward booked as we approach opening, and advance booking for gym and swim memberships. Whilst building work is taking place, we will also be confirming evening or weekend sports hall usage from the many clubs and organisations who have contacted us expressing interest together with offering rental space in our studios to exercise providers and support services through our leisure provider.*

*The building itself will remain in the ownership of the CIC as a public asset and we will have monthly meetings with our leisure provider.*

*In the past, due to the agreement between SKDC and The Anthem Trust the Deepings Leisure Centre was unable to reach its full potential – it now can. The agreement gave the school the majority of pool use during the day in term time which resulted in a lack of public and club use. The residents of Deeping frequently bemoaned the fact that the pool would be empty for hours on end. The school simply didn't need the amount of hours it was allocated and, whilst the school often offered time back to SKDC, SKDC couldn't accept these hours as they were outside of published times or at short notice. We have met with the Trust on numerous occasions and they no longer require any pool time on a permanent basis, if they do need pool time then this would be booked on an ad hoc basis through the normal channels. They have asked for daytime use of between 38 and 40 weeks, of the sports hall for PE and examinations and we are happy to accommodate them, together with ad hoc usage for special events during the evening at a discounted rate. Dependent upon the result of this meeting we will be meeting them at the end of the month, hopefully with our prospective partner to finalise hours and costs. We will also be finalising our car park requirements, joint access to the site and the breakdown of any repair costs to that joint access.*

*We are very grateful for Martin Hill's letter earlier this week to you all and have discussed our exit strategy briefly with him at past meetings. In response to that, we have published our exit strategy and you should have that before you.*

*Finally on the Business Plan, I'd like to tell you where we are up to with funding sources. At present we require just short of £2m to complete all the works, however, this includes a contingency of almost half a million. The contingency is there to cover any items which we become aware of, such as the asbestos in the building, which is currently contained, but we have an estimate for removal should we decide that is the best course of action. Minor items such as re-lining our area of the car park is also included. We have today's request for £850k from this Council, LCC have indicated that they would be prepared to contribute and we have a Community Ownership bid in, currently for around £450k. We have been allocated a consultant by the COF who is there to assist us in completing our bid successfully; there are a couple of reports that the COF require but they are providing us with the funding required to obtain these reports. We have commitment from various local parish Councils, although we have seen very few of them at the moment. Those figures are before you; a lot of them are keeping their powder dry, shall we say, until they find out the result of this meeting, which is fair enough. They are also in precept negotiations at the moment. You will notice that one of the Parish Council's is not within SKDC and is within Peterborough; they recognise that the Deepings Leisure Centre has benefits for the wider community. We also have plans for crowdfunding and business sponsorship which will be announced as soon as we have secured the decision today and Lincolnshire County Council's decision. So, provided we receive all the funding listed we are covered for a full refurbishment as outlined.*

*Also within the papers is our Dear Councillor booklet. This was prepared prior to the decision not to pursue a new leisure centre. It was our way of letting Councillors at the time know how this was impacting residents as they had been denied a voice at*

*various meetings, including one in Grantham where no-one was allowed to speak in the public session. I asked residents at the time to write to me outlining the impact the loss of leisure facilities would have and the booklet contains a selection from the enormous amount of replies I received.*

*There are some aspects of the officers' report that I would like to comment on.*

*There is quite a lot of text about a subsidy; I'm not entirely sure why they want to call it a subsidy. Our barrister's opinion disagrees with them, but to be honest, we don't really care what you want to call it, whether it be a subsidy or a grant. It states in the papers that this Council has the power to provide these monies as a grant, so we don't mind what you choose.*

*It states the Council should, quite rightly, balance the risks against the potential rewards. Almost no account of the potential rewards of providing a grant or a subsidy of this amount and for this purpose has been mentioned. Thousands of residents will receive enormous real mental and physical benefits from this proposal for years to come. Our mantra of providing facilities for all, especially those with mental and physical difficulties has simply not been acknowledged.*

*Great store has been placed in the SLC report. I think we are all aware that, particularly in business consultants tell you what you want to hear. I am convinced that if we (the CIC) had gone to SLC for a report in support of this proposal that they would have waxed lyrical for page after page about its benefits just as they did when this Council was looking at spending £10million on the leisure centre. If you tell a consultant (however obscurely) that you "have concerns about the viability of a project" they will provide you with the evidence to support those concerns.*

*Constant comparisons with LeisureSK have been made. Why are we being compared to a company which has failed for the entirety of its existence and continues to do so? A Company which officers are actively looking to close and replace. Why not compare us with any of the successful leisure centres that all of our proposed partners run? Spalding has recently been given £20m to build a new leisure centre – do you really believe that they would have been awarded this for them to create a money pit? Very many of the leisure centres around the country are run well and at a profit year in year out – please, I beg of you, allow the Deepings to be one of them.*

*Thank you.'*

The Monitoring Officer reported, in relation to the Exit Strategy document, that Graham Thompson, who was the Chairman of the Deepings St. James United Charities had requested that his charity be removed from the exit strategy document. That decision was taken at their meeting on 10 January 2024.

**Note:** Councillor Virginia Moran left the Council Chamber.

## **75. Deepings Leisure Centre - Request for a Financial Contribution**

Council considered a report requesting a financial contribution for the Deepings Leisure Centre, taking into account recommendations from the Joint Finance and Economic & Culture and Leisure Overview and Scrutiny committees that met on 9 January 2024.

Council consented to extending the time for speeches from Councillors to 7 minutes.

Officers confirmed that advice had been received from the Building Control Manager that the whole of the building would need to be brought up to current Building Regulations if a heat source was to be introduced. The proposals before Members changed the heat source and did not introduce a new one, therefore paragraph 1.38 of the report was to be disregarded.

In moving the motion and additional recommendations, the Deputy Leader of the Council gave a presentation to Full Council on the proposal for a financial contribution, and highlighted the following points:

- Deepings Leisure Centre was built in 1974. A promise for a new Leisure Centre was received in 2018, but the site was closed in July 2021 due to a lack of maintenance. A £10 million refurbishment was promised in December 2021, but this did not proceed, and the leisure was decommissioned in 2023 and handed back to Lincolnshire County Council (LCC).
- The Deepings Leisure Centre Community Group was established in 2023, and there was political change at the Council.
- Questions put by the Joint Meeting of the Finance & Economic and Culture & Leisure Overview and Scrutiny Committees on 9 January 2024 included whether the proposal was desirable, legal, affordable, achievable, and value for money, as well as a request of knowing what the risks might be.
- The Deepings Swimming Club were currently training in other venues in the local area as they could not use the pool at Deepings Leisure Centre (DLC).
- The model for DLC was that it would be owned by the Deepings CIC, but there would be a service level agreement (SLA) with a third-party provider. It was expected that the CIC would be able to engage with a third-party provider upon receipt of monies from the Council. The third party would be able to carry out marketing, membership signups and preparatory work to ensure DLC was ready for all its users.
- A formal agreement with the Deepings School would be required.

In formally seconding the motion and additional recommendations, the Cabinet Member for Leisure and Culture highlighted the following points:

- A number of suggestions were made during the Joint Meeting of the Finance & Economic and Culture & Leisure Overview and Scrutiny Committees on 9 January 2024.

- Some of the quotes included as part of the information within the report were obtained from individuals that had previously worked at DLC, but also at other Leisure Centres within Lincolnshire.
- The proposal included working with community groups to provide a blended management model utilising trained and committed volunteers, with the potential for the Deepings School to be more involved than they had been previously.

During debate on the proposals, the following points were highlighted by Members:

- The time spent on the report by various groups and officers was praised.
- Whilst the CIC had received advice that their projections within their business case were understated, alternative advice had been received from UK leading sport and consultancy firms to say that the business case was unrealistic.
- A report had previously been carried out by Mace to explore viability and options appraisals. It concluded that a District the size of South Kesteven would normally have two leisure centres, one in the north of the District and one in the South.
- Re-opening DLC would have an impact on the viability of Bourne Leisure Centre.
- Lincolnshire taxpayers needed a firm decision on the project as it costed approximately £70,000 a year to have the building standing empty.
- DLC was a sanctuary for physical and mental health. By supporting this project Members were investing in the long-term health of their communities in the area. It would be a place where young and old alike could find a positive and constructive outlet for their energy.
- There had been a huge growth in housing in the Deepings area since DLC was built in 1974. DLC had been taken away from residents without any adequate plan for leisure provision. Since the plan for a £10 million refurbishment had been reversed, it could be argued that the reputation of the Council had not been enhanced as a result. However, it was noted that spending public money always carried a risk. What was being requested was less than 10% of the cost of the initially promised £10 million refurbishment.
- The Deepings had seen previous promises not fulfilled; this was a community project supported by the community in the Deepings.
- It was not enough to say that residents in the Deepings area could just travel to the next nearest facility. Re-opening DLC would complement and enhance the leisure offer within South Kesteven. In particular, the burden on the Deepings Swimming Club was undeniable, as they had no home venue.
- Faced with a significant demolition bill, it was crucial that Members understood a financial outlay was inevitable.
- There would be future housing developments and growth in the population in the area, and these future residents should be encouraged to use local amenities such as leisure centres.
- There was the argument that there was the moral responsibility to provide the monies to DLC, as it had previously been let down through a lack of



maintenance, alongside a failure through the Council's 'block voting' system to keep the business running whilst a long-term solution could be found.

- Rather than approving a subsidy or grant of £850,000 it may have been prudent to request that the Council receives due diligence on the future use of the money, in order that it is kept up to date with progress. One further idea would be an independent external consultant to monitor progress of the project, and report back to the appropriate forum. However, consultants had been employed in the past, and it was important not to delay the project any further if possible.
- A risk register for the Deepings CIC would have been welcomed as there was a degree of risk attached to the project.
- Previously LCC ceased the payment of £144,000 per year to maintain DLC, so therefore SKDC had to operate independently.

**Note:** Councillor Murray Turner arrived during this section of the debate.

- More time was needed in order to take a decision on this proposal as more information on the financial impacts on the District was needed; however, it was noted that the deadline for a final response to LCC was 2 February 2024.
- The weight of balance must be on the reality of unacceptable legal and financial risks to SKDC. The moral argument did not provide a loophole for the spending of public money. The use of reserves was concerning.

The meeting agreed to adjourn at 4:18pm and reconvened at 4:25pm.

**Note:** Councillor Sue Woolley left the Council Chamber and did not return.

An amendment to the original motion was proposed and seconded, and following a vote, Council agreed to accept this amendment, and it then became the substantive motion before Members.

In summing up, the Deputy Leader thanked all involved with the report for their contributions, and added that on some occasions, Members needed to not just consider decisions based on the costs, but to also subjectively consider the merits of proposals. He urged all members present to vote for the proposals.

A request was made that a recorded vote on the motion be taken, as in accordance with Council Procedure Rule 15.5 any ten or more Councillors present at the meeting of Full Council could request this.

For: Councillors Emma Baker, Rhys Baker, Ashley Baxter, Harrish Bisnauthsing, Pam Byrd, Richard Cleaver, Steven Cunnington, James Denniston, Phil Dilks, Patsy Ellis, Paul Fellows, Phil Gadd, Tim Harrison, Anna Kelly, Philip Knowles, Bridget Ley, Charmaine Morgan, Chris Noon, Habib Rahman, Rhea Rayside, Ian Selby, Vanessa Smith, Lee Steptoe, Paul Stokes, Elvis Stooke, Murray Turner. (26)

Against: Councillors Matt Bailey, David Bellamy, Helen Crawford, Richard Dixon-Warren, Graham Jeal, Robert Leadenham, Paul Martin, Penny Milnes, Susan Sandall, Max Sawyer, Peter Stephens, Rosemary Trollope-Bellew, Sarah Trotter, Mark Whittington, Jane Wood, Paul Wood. (16)

Abstain: Councillors Barry Dobson, Gloria Johnson, Gareth Knight (3).

Therefore, the motion was **AGREED**.

#### **DECISION:**

That Full Council notes the comments and outcome of the Joint Meeting of the Finance & Economic and Culture & Leisure Overview and Scrutiny Committee Meeting of 9<sup>th</sup> January 2024 and resolves to:

Delegate authority to the Cabinet to approve a one-off payment of £850,000 to the Deepings Community Leisure Centre CIC subject to all the following conditions:

- a. Any funds would only be released after the statutory period for a potential challenge in accordance with the Subsidy Control Act 2022 has expired.
- b. Confirmation that the other major funding contributions set out in the Business Plan have been committed and approved by those contributors.
- c. A satisfactory undertaking of due diligence of the Deepings Community Leisure Centre CIC including a review of their Financial Regulations.
- d. Evidence that proposed refurbishment works will comply with Building Regulations.
- e. Completion of transfer of lease or freehold ownership of the site from LCC to the Deepings Community Leisure Centre CIC.
- f) CIC have entered into an acceptable and formal partnership with a suitable third-party leisure provider.
- g) Formal agreement with the Anthem Trust regarding terms of use and tariffs for the use of the centre by the Deepings School.
- h) Robust, final, and affordable quotes for the refurbishment of the centre.

#### **76. Close of meeting**

The meeting closed at 4:38pm.