

Minutes

Companies Committee

Tuesday, 21 September 2021, 2.00 pm

Council Chamber – South Kesteven House,
St. Peter's Hill, Grantham. NG31 6PZ



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Committee Members present

Councillor Graham Jeal (Chairman)
Councillor John Dawson (Vice-Chairman)

Councillor Bob Adams
Councillor Ashley Baxter
Councillor Helen Crawford
Councillor Phil Dilks
Councillor Mark Whittington

Non-Committee Members in attendance

Councillor Virginia Moran
Councillor Jacky Smith

Cabinet Members in attendance

Councillor Rosemary Trollope-Bellew (Cabinet Member for Culture & Visitor Economy)
Councillor Robert Reid (Cabinet Member for Housing & Property)
Councillor Linda Wootten (Cabinet Member for Corporate Governance)

Company Directors in attendance

Councillor Kelham Cooke (LeisureSK Ltd)
Richard Wyles (Gravitas Housing Ltd)
David Monkhouse (Non-Executive Director, LeisureSK Ltd)

Officers in attendance

Karen Bradford (Chief Executive)
Alan Robinson (Deputy Chief Executive)
Gary Smith (Director of Commercial and Operations)
Nicola McCoy-Brown (Director of Growth and Culture)
Karen Whitfield (Head of Leisure)
Alison Hall-Wright (Head of Finance)
Sarah Downs (Democratic Services Officer)

11. Apologies for absence

Apologies for absence were received from Councillors Bob Adams, Philip Knowles and Susan Sandall.

Councillor Helen Crawford had been appointed as a substitute for Councillor Susan Sandall and Councillor Phil Dilks had been appointed as a substitute for Councillor Philip Knowles.

12. Disclosure of interests

There were none.

13. Minutes of the meeting held on 29 June 2021

The minutes of the meeting held on 29 June 2021 were proposed, seconded and **AGREED** as a correct record, subject to the following amendment:

- Councillor Philip Knowles attendance at the meeting be recorded.

14. Updates from the previous meeting

A Member asked for confirmation on when the Committee could report profit or loss of Gravitas Housing Ltd within public session.

The Committee was informed that once Gravitas Housing Ltd was no longer an ongoing trading concern, there would be a debate on the final performance of the Company.

It was noted that the Committee would receive a completed account once the last Unit had been sold.

ACTION 1

The final performance of Gravitas Housing Ltd be added to the Committee's Work Programme, a date to be confirmed.

15. LeisureSK Ltd Performance Report

The Director for Growth and Culture presented the report on behalf of the Deputy Leader of the Council and Cabinet Member for Leisure.

LeisureSK Ltd commenced the management of the Council's leisure facilities in January 2021. In line with Government guidelines, due to the covid-19 Pandemic leisure centres remained closed until a gradual reopening, which commenced in late March 2021. Restrictions were fully lifted in July 2021.

Whilst the leisure centres remained closed and activities were limited the Directors of LeisureSK Ltd ensured that appropriate steps were taken to mitigate the impact. This included the appropriate use of the staff furlough scheme and renting out the Table Tennis Centre at Grantham Meres Leisure Centre, as one of the main vaccination sites for Lincolnshire.

A Director of Leisure SK Ltd noted that the Company was set up after the end of the Council's contract with 1Life had ended. Arranging a contract with a new provider would have been a great risk within the leisure industry, during the current climate. Employees were transferred to LeisureSK Ltd and a business plan was formed. Following a positive start, the Company would operate as long as was required.

The non-executive Director was introduced to the Committee, Mr Monkhouse, and he described experience over a 38 year career within the leisure industry. He was looking forward to taking a key role leading on health and safety and provide a 'check and challenge' to operational processes.

The Director was asked how the current position at LeisureSK Ltd compared with the national position. LeisureSK Ltd information was not immediately available but the national position was confirmed that before the pandemic each leisure customer generated 34p, however currently each customer costed an average of £6.65. Cost recovery pre-pandemic was 112% but was now approximately 41%.

It was estimated that Leisure Centres were currently receiving 70% participation when compared to pre-covid levels. This was considered to be largely due to running costs, exacerbated by a rise in cleaning responsibilities. An officer advised that through LeisureSK Ltd, the Council would have support from local healthcare services to promote health and wellbeing to the residents of the District.

The strengths of LeisureSK Ltd were considered to be industry knowledge and experience, a stronger identity was being developed to ensure the facilities were being used to their greatest potential.

- A Member asked what made LeisureSK Ltd stand out against competitors.

Members were advised that the onus had previously been on social care and acute primary health, an integrated care system had been developed which stressed the importance of health and wellbeing. This was hoped to be operating by April 2022 with LeisureSK Ltd, widening the scope and supporting health and fitness of residents through physical activity, having invested in parks and open spaces too.

- Clarification was requested on the impact of the closure of Deepings Leisure Centre, on the five-year Business Plan.

Refurbishment options for Deepings Leisure Centre were being considered and would be brought before scrutiny, in due course. The impact of the site's temporary closure on the business plan was currently being considered. User panels had been set up for each leisure centre, but the process was delayed due to covid restrictions.

The Business Plan had also considered Leisure Improvement Feasibility works that looked at potential required investment to maintain Bourne, Stamford and Grantham leisure centres.

- What substantial works were required to keep all sites operational and what was being done to prevent possible future enforced closure.

The Committee were advised that the impact of the temporary closure of Deepings leisure Centre was being monitored. It was emphasised that LeisureSK Ltd was responsible for the upkeep of the internal structure and facilities of the buildings

- Clarity was requested on the essential maintenance to structure of the buildings and requested what the Council's responsibility was for this and where the liability became that of LeisureSK Ltd.

It was confirmed by an officer that the Council was responsible for any major structural costs.

- A request was made for figures which indicated the financial position for LeisureSK Ltd.
- It was noted that to align the accounting year of LeisureSK Ltd with the Council, there would be a 15 month financial reporting year for LeisureSK Ltd.
- The use of Sports Leisure Consultancy (SLC) was queried and if a procurement process had been followed.

LeisureSK Ltd adhered to financial regulations that mirrored the Council's and public procurement rules were followed. SLC had provided a great deal of knowledge and experience whilst supporting LeisureSK Ltd.

- Clarification was sought as to how user capacity for using services was monitored.

The Committee were informed that every customer had a leisure card that they used each visit. The card registered the services the customer accessed and the number of visits made. It was emphasised that the analysis was based on every user and not just those paying a monthly membership fee. Assessing the data collected reflected that there was a shortage of available space during the evenings.

- What had been done to share the maintenance fee more fairly for a playing field at the Deepings.

A meeting had been arranged with the Deepings School, whom benefitted from its use, to discuss the appropriate sharing of cost. It was clarified that the

Deepings Rugby Club no longer held the lease and was to pay per usage. Further clarification was provided on the revised Business Plan, it would incorporate the refurbishment options for the Deepings Leisure Centre. It was anticipated that those amendments would be brought to the Companies Committee in January 2022.

- A question was asked as to how LeisureSK Ltd was involved in the Council's aim to reduce carbon emissions.

As the company was responsible for paying for utilities, they would therefore be involved in any efficiency measures the Council were to put in place.

- A question was asked as to what percentage of people who used Deeping Leisure Centre, had recently used Bourne or Stamford facilities. A concern was raised by Members that travelling to other facilities may not be possible for everyone.

An officer confirmed that the figures were available and would be shared with Members.

- Members requested that the hard work was acknowledged into renting out the Table Tennis Centre at Grantham Meres as a vaccination centre and in securing a payment of £320,000 through the leisure recovery fund.

ACTION 2

That details of the usage of all facilities, following the closure of the Deepings Leisure Centre, be communicated to Members.

AGREED:

That the current progress of LeisureSK Ltd be noted against the approved Business Plan for 2021/22.

16. Aubers Ridge Management Company Ltd

The Cabinet Member for Corporate Governance presented the report to the Committee.

Aubers Ridge Management Company Ltd, was a Management Company that was set up to complement the Wherry's Lane residential development project. The Company currently had one registered Director, following the resignation of its second Director. As the Company was intrinsically linked to the Wherry's Lane, Bourne development it was recommended that one further Director from Gravitas Housing Development Ltd be appointed alongside the Cabinet Member for Housing and Property.

The Committee were informed that having two Directors provided resilience and capacity. It was also noted that the Company was currently dormant, until all the properties on the development were sold.

The following points and questions were raised:

- How long were the leaseholds?
- It was confirmed that the leases held on the properties were for 125 years.

Officers advised that the owners of the freehold properties were now paying service charges through a third party, on behalf of Aubers Ridge and Gravitax Housing Ltd. The transfer would happen from the Council, following the sale of the final property.

The recommendations of the report were proposed and seconded.

Following a vote, they were **AGREED**.

Councillors Ashley Baxter and Phil Dilks requested that their votes against the appointments be recorded.

DECISION:

That Councillors Barry Dobson and Robert Reid be appointed as Directors to Aubers Ridge Management Company Ltd.

17. Work Programme 2021 - 2022

The Committee noted the contents of its Work Programme for 2021 – 2022.

18. Any other business which the Chairman, by reasons of special circumstances, decides is urgent

There were none.

19. Close of meeting

The Chairman closed the meeting at 15:31