

Meeting: Council

Date: 22 June 2017

Wards Affected: All Wards

Report Title: Transformation Project - Future direction of the Council's relationship with Torbay Leisure Centre

Is the decision a key decision? Yes

When does the decision need to be implemented? As soon as possible

Executive Lead Contact Details: Councillor Robert Excell, Executive Lead for Community Services, Robert.excell@torbay.gov.uk

Supporting Officer Contact Details: Frances Hughes, Assistant Director Community & Customer Services, (01803) 208002, frances.hughes@torbay.gov.uk

1. Proposal and Introduction

- 1.1 Torbay Leisure Centre is operated by Parkwood Leisure. The current agreement ceases in 2019 and the Council pays an annual management fee for the provision of the facilities. The current management agreement ceases in April 2019 and the fee is £169,400 per annum. A review of the existing arrangements has been undertaken as part of the Council's transformation Programme (TP18).
- 1.2 The current arrangement presents the Council and Torbay Leisure Centre with a number of immediate challenges:
 - The current management agreement ceases in 2019 and the Council needs to consider how it sustains the Leisure Centre after this date.
 - The Council has yet to formally declare its intentions for the future of Torbay Leisure Centre yet there are less than two years remaining on the management agreement.
 - The Council also directly manages the Velopark which is immediately adjacent to Torbay Leisure Centre. Any future arrangements should consider the future of the Velopark as a shared facility within the ongoing arrangements.
- 1.3 This report details the outcome of several discussions with the current operator, Parkwood Leisure and seeks an agreed direction of travel to secure the sustainability of the provision for the benefit of Torbay residents.

2. Reason for Proposal

- 2.1 The future of Torbay Leisure Centre needs to be determined due to the management agreement ceasing in April 2019.
- 2.2 There is an immediate opportunity to make a saving to the Council's revenue budget by changing the arrangement with the current provider.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Council enters into a new lease with Parkwood Leisure for the provision of the Torbay Leisure Centre and the Velopark until 2029.
- 3.2 That from the point of transfer to the new arrangements to the end of the term, no management fee is payable by the Council.
- 3.3 That the new arrangements include the operation and management of the Velopark and the TUPE of existing Velopark staff.
- 3.4 That the Council provides a £1.7 Million loan to Parkwood Leisure through prudential borrowing for investment projects to improvement the building, increase revenue generation, modernise and improve the facilities and improve customer satisfaction.
- 3.5 That the final terms of the lease and loan arrangements are delegated to the Assistant Director (Communities and Customer Services) in consultation with the Executive Lead for Community Services and the Section 151 Officer.

Appendices

- Appendix 1: Supporting Information and Impact Assessment
- Appendix 2: FMG consultant review of Torbay Leisure Centre (exempt)
- Appendix 3: Council financial model (exempt)
- Appendix 4: Business plan/proposal from Parkwood Leisure (exempt)

Background Documents

None