

Minutes of a meeting of the Executive

At 10.00 am on Thursday 3rd August, 2023 in the Council Chamber, Corby Cube, George Street, Corby, NN17 1QG

Present:-

Members

Councillor Jason Smithers (Leader of the Council) (Chair)	Councillor Helen Howell (Deputy Leader of the Council)
Councillor Matt Binley	Councillor Helen Harrison
Councillor David Brackenbury	Councillor Harriet Pentland
Councillor Lloyd Bunday	Councillor Mark Rowley
Councillor Scott Edwards	

Also in attendance – Councillors Anne Lee, Lyn Buckingham, Keli Watts, John McGhee, Peter McEwan, Anup Pandey, Wendy Brackenbury, Jim Hakewill and Dorothy Maxwell

470 Apologies for absence

Apologies for absence were received on behalf of Cllr David Howes and Interim Director of Public Health, Susan Hamilton.

471 Members' Declarations of Interest

A pecuniary interest was declared by Cllr Lloyd Bunday in relation to agenda item 4 – The Future of Kettering Leisure Village. Cllr Bunday left the meeting for the duration of the debate and voting on this item.

A personal interest was declared by Cllr Jim Hakewill prior to speaking in relation to agenda item 4.

472 Notifications of requests to address the meeting

The Chair, Councillor Jason Smithers reported that there were requests to address the meeting as set out below:

Agenda Item	Speakers
Item 4 - The Future of Kettering Leisure Village	Cllrs Dorothy Maxwell, Jim Hakewill, Anne Lee, Lyn Buckingham, William Colquhoun, John McGhee, Anup Pandey

Cllr William Colquhoun did not attend the meeting and consequently did not speak in relation to agenda item 4.

473 The Future of Kettering Leisure Village

(Cllr Lloyd Bunday left the meeting prior to consideration and voting on this item)

The Chair, Cllr Jason Smithers invited Cllr Jim Hakewill to address the meeting. Cllr Hakewill offered thanks to Phoenix Leisure and Compass for recognising that the local community held Kettering Leisure Village (KLV) at its heart and noted that the centre remained open as a result of their efforts. Cllr Hakewill also thanked the petitioner who raised 15,000 signatures in support of KLV remaining open following news that it was set to close. Cllr Hakewill made reference to corporate memory and requested that the public KLV support group be invited to be involved in the process of developing the proposed business case for the future of KLV. Cllr Hakewill also requested scrutiny of the production of the business case.

Cllr Anne Lee was then invited to address the meeting. Cllr Lee raised a variety of queries as set out below:

- Contract management to ensure Phoenix Leisure used “reasonable endeavours” to keep KLV open.
- How objectives set as part of existing grant agreements would be monitored
- A lack of defined notice period ahead of closure of the facility
- That a clause be inserted into the agreement to allow for Northants Sport to hold its winter event at the venue.
- The outcome following the cessation of proposed two-year agreement period with Phoenix Leisure.
- A query between “best endeavours” and “reasonable endeavours”
- The lack of representation from Phoenix Leisure and its intentions for the site
- The lack of mention of the site’s gym facilities within the report.

Cllr Lyn Buckingham then spoke, recognising hard decisions to be made around KLV and raised concerns around viability of the conference centre at the site and the sustainability of the whole centre as a result. Cllr Buckingham raised a query as to the possibility of obtaining grants or modifying the existing facilities at the site to improve viability.

Cllr John McGhee addressed the Executive noting that the site was essential for the health and wellbeing of local residents. Cllr McGhee noted the opportunities for Public Health and Social Care to be involved at the site working towards the prevention agenda and thereby improving the viability of the facility. Cllr McGhee thanked all those involved in keeping KLV open to date and asked that users of the site be provided with the opportunity to have input into the discussions regarding its future.

Cllr Dorothy Maxwell was then invited to address the meeting. Cllr Maxwell spoke to query the aims for the future of the site and the cost implications for the site. Cllr Maxwell requested additional details of the costings involved in future operation of KLV.

Cllr Anup Pandey then spoke to thank all members and officers for their efforts to keep the site operational. Cllr Pandey stated his disappointment at the perceived actions of the opposition political groups in relation to the site, clarifying that no additional funding had been provided by the Council to save KLV and referenced the motion put to Full Council on 22nd June 2023.

The Chair then invited Cllr Matt Binley, Executive Member for Highways, Travel and Assets to introduce the report. Cllr Binley initially responded to comments made by speakers as follows:

Cllr Binley thanked Cllr Hakewill for his comments and noted that scrutiny of the process was required, which was why the administration had added such an amendment to the motion approved at Full Council, with scrutiny requirements detailed within the report before members.

In relation to comments from Cllr Lee, Cllr Binley clarified the legal position regarding the amendment within the provisions of the lease from “best endeavours” to “reasonable endeavours”. Cllr Binley referenced the notice period for closure of KLV, and that the report detailed the potential legal recourse should any closure fall outside a notice period. The report also provided details as to the outcome after the two-year obligation on Phoenix Leisure to use best endeavours to stay open, noting that the proposed business case would identify this. Cllr Binley stated that the gym element was referenced throughout the report, but the Council had no authority regarding its ongoing operation through Phoenix Leisure.

In regard to Cllr Buckingham’s comments, Cllr Binley referenced the ongoing sustainability of the site, noting the requirement for a robust business case for the site. Cllr Binley stated that the involvement of Public Health at KLV was crucial and thanked Cllr McGhee for his comments and thanks.

Cllr Binley noted costings would form part of the proposed business case, although commercially sensitive figures could not be included in the public domain. Cllr Binley also confirmed that no new grant funding had been provided by the Council to enable KLV to remain open.

The Chair then asked the Council’s Monitoring Officer to provide additional clarification around the terms “best endeavours” and “reasonable endeavours”, the interpretation of the courts regarding both terms and relevant case law for each.

Cllr Binley then introduced the report the purpose of which, following the motion approved by Full Council on 22nd June, was to set out the considerations required to develop a business case and options appraisal for the longer-term operation of the Kettering Leisure Village site as well as detailing the current position for KLV, the lease arrangements in place and the outcome of recent negotiations with the leaseholders towards securing an interim solution to support the site to remain open.

Cllr Binley noted that on 27th April 2023, the Council had been informed by Compass Contracts Services UK Limited of their intention to close KLV on 3rd July 2023. It was heard that the Council valued KLV as one of the area’s premier leisure venues and was committed to the development of a business case to support its ongoing delivery of physical activity, theatre and health services. The business case should consider the immediate and long-term impact of the Council operating KLV in full or in part, with many factors for consideration as part of wider leisure strategic framework. The Council was not in a position of direct control to take on the long-term management of KLV, with the site being in control of the Council’s tenant, Phoenix Leisure.

Significant annual grants provided by the Council towards the provision of services at KLV were detailed to the meeting, with objectives of these grants highlighted.

It was heard that the proposed business case would take approximately three months to develop and review, covering a number of key elements as detailed within the report.

The meeting noted that since the Council had received notice of the intention to close KLV, members of the Executive and Council officers had worked hard to broker a temporary solution that would see Compass surrender its sub-lease to Phoenix Leisure at the end of August 2023, with the latter then operating the site for a two-year temporary obligation period using “reasonable endeavours” to keep the facilities open. Despite this obligation being in place it was noted that Phoenix Leisure could choose to close the centre should it be unviable to continue operation.

The meeting noted that while the proposed solution did not permanently secure the future of KLV or prevent its closure, it had prevented the closure that was due to take place on 3rd July and provided time for Phoenix Leisure to consider other operators it may wish to work with.

The proposed business case would be submitted to a future meeting of the Executive once it had been developed and reviewed by the appropriate scrutiny function, with financial and resource implications highlighted and to be met by existing budgets.

Cllr Helen Harrison spoke to acknowledge that production of a business case for the site was a step forward and noted that Public Health would be engaged in that process.

Cllr David Brackenbury also welcomed the proposed business case and noted that although a permanent solution had yet to be identified, a clearer path for future operations would be revealed once options had been appraised.

Cllr Helen Howell noted the opportunity to engage as part of the Active Communities Strategic Framework and that the proposed business case would involve Public Health and link the facility with wider public services required.

Cllr Scott Edwards supported the production of a business case to allow KLV to continue to support local organisations and the prevention strategy. Cllr Edwards thanked the staff at KLV for their efforts amidst much uncertainty over the future of the site.

Cllr Mark Rowley fully supported the production of the business case for the future of KLV and welcomed the opportunity for it to go to scrutiny before returning to Executive.

The Chair concluded debate by thanking all those involved, including the KLV support group and KLV staff for their tireless efforts to date. The Chair noted that the inclusion of scrutiny as part of the business case production process would assist in achieving best value and the most positive outcome for both the Council and the facility.

RESOLVED

That the Executive:

- i) Noted the motion approved by Council on 22nd June 2023;
- ii) Agreed to receive a comprehensive business case, including associated options appraisal and details of any agreement between North Northamptonshire Council and Phoenix Leisure Management as set out in Paragraph 5.13;
- iii) Endorsed the agreement in principle to agree revisions to the provisions of the lease to support the site to remain open

Reasons for Recommendations: The recommendations, if agreed, will allow Officers and the Executive time to fully consider the implications of the Council stepping in to operate part or all of the site, alongside a range of other options for future operation and management of the site.

Alternative Options Considered at this stage:

- Do nothing and let the site close as the Council does not have direct control of it;
- Pursue the various litigation options available to the Council to enforce the terms of the lease.

Both options would not have prevented the site from closing on 3rd July 2023, which would have been of detriment to users of the site, the staff employed there and to the wider community. In addition, re-opening and mobilising an already closed leisure facility would present a range of additional challenges which may be avoided if the recommendations set out above are approved.

The other option was for the Council to directly fund the operator, CCS. However, doing so would likely breach Subsidy Control restrictions and is unlikely to satisfy value for money and other fiduciary responsibilities for the Council, not least that it would place further pressure on the Council's Medium Term Financial Plan.

Chair

Date

The meeting closed at 10.48 am