

Report to: Executive Board – 8 July 2002

**NORTHWAY SPORTS CENTRE**

		<b>WARDS AFFECTED</b>
<b>Report of:</b>	<i>Business Manager Neighbourhood Renewal</i>	<b>Northway</b>
<b>Report Author:</b>	<i>Val Johnson, Business Manager Tel no. 01865 252209 e-mail: vjohnson@oxford.gov.uk</i>	
<b>Lead Member Responsible:</b>	<i>Port folio holder for Leisure</i>	
<b>Overview and Scrutiny Committee Responsibility:</b>	<i>Economic and Social Well-being</i>	
<b>Key Decision:</b>	<i>No</i>	
<b>SUMMARY AND RECOMMENDATIONS</b>		
<b>This report provides options for the management and funding of Northway Sports Centre. The report ASKS the Executive Board to:</b>		
<b>a) Agree to the Northway Sports Centre being directly managed by the Neighbourhood Renewal Business Unit in the short term;</b>		
<b>b) ask the Neighbourhood Renewal Business Unit to continue to try to identify an appropriate community group to take on the management of the centre;</b>		
<b>c) make provision to fund the short fall of £8,700, to enable Neighbourhood Renewal Business Unit to keep the Centre open for the remainder of the year;</b>		
<b>d) refer the report to the North East Area Committee for information.</b>		

## **BACKGROUND**

1. Following discussions on the budget in 2001 Leisure Services concluded that the Northway Sports Centre needed a community orientated approach in order to become viable.

2. At a Council meeting on 9<sup>th</sup> April 2001 a report was considered on 'Sports and Leisure Centres: Operational Review. As a result Council agreed to:

'agree to the negotiation of the transfer of the lease on East Oxford Games Hall and Northway Sports Centre to an appropriate community group'. (Minute 20 (3))

## **IDENTIFYING COMMUNITY INVOLVEMENT**

3. Efforts had been made by the Leisure & Culture Business Unit and the Neighbourhood Renewal Business Unit to identify a potential community group who were interested in operating the Centre, but to no avail. Although there was greater success with the East Oxford Sports Hall where the current users and the ACCAN formed a partnership to take on the lease and to continued to operate services.

## **EXISTING TEMPORARY ARRANGEMENTS**

4. In October 2001 there was a transfer of responsibility for community centres from Leisure and Culture Business Unit to the Neighbourhood Renewal Business Unit. Following public concerns about the potential closure of the Northway Sports Centre the Neighbourhood Renewal Business Unit continued to manage the Centre at a reduced service provision. This was done for the first three months of the current financial year in the hope that a community group would eventually come forward to manage the Centre. To date this has not happened and a decision is needed as to the future of the Centre.

## **OPTIONS**

5. Four options have been considered which would enable the Centre to be kept open:

- a) Leisure & Culture Business Unit managed
- b) Community Group managed
- c) Lease out premises to a community / voluntary group / alternative service provider.
- d) Neighbourhood Renewal Business Unit managed

6. The advantages and disadvantages of each option are set out in section 11 of the report.

## **BUDGET IMPLICATIONS**

### **Capital**

7. A capital investment is required of £23,000 (conditions survey carried out on Sports centres). This would be needed if the Centre is to remain open in the longer term.

## Revenue

8. Approximate Cost of Options a), b), c) and d) to the Council, 2002-2003

	Expenditure	Income to Council £	Net Cost £	Existing Budgets*	Addition Budget required
a) Managed Leisure Services	64,340	10,370	53,970	19,000	34,970
b) Community Managed	25,400	0	25,400	19,000	6,400
c) Leased to alternative use	32,200	8,000	24,200	19,000	5,200
d) Current position (NR Run)	40,980	10,370	30,610	19,000	11,610

## Notes

- i) \* Capital asset charges
- ii) Expenditure is £6,800 less for option b) than option c) because savings that can be made on reclaiming 80% Business rates. Income from bookings would go to the community group.
- iii) Income to Council in option c) is rent paid by alternative user.
- iv) These represent annual costs. If option d) is agreed the budget shortfall for 1 July - 31 March 2002-03 will be £8,700.

9. Details of the estimated budget costs for the year 2003 for options a) and d) are set out in Annex 1. These exclude internal recharges, as there would be no additional budget implications.

10. It should be noted that the Neighbourhood Renewal Business Unit identified some under-spend (from a frozen post) which enabled the Centre to be kept open for a limited period of three months. In addition other costs have been absorbed within existing Neighbourhood Renewal budgets. This cannot be sustained because the available budgets are limited and savings from frozen posts and supplies and services budgets have been included in the requirements for corporate savings. Therefore an additional budget needs to be identified.

## THE ADVANTAGES AND DISADVANTAGES OF THE OPTIONS

11. The advantages and disadvantages of each option are set out below:

### a) Leisure Services managed

**Advantages:**

- Provision of improved sports services in Northway
- Potential access to leisure capital development funding

**Disadvantages:**

- High revenue costs
- Need for capital investment
- Lack of community orientated approach

**b) Community Group managed**

**Advantages:**

- Continued sports use - albeit limited
- cost benefits of rate relief and reduced staffing costs through the use of volunteers

**Disadvantages:**

- Dependent on identifying suitable community management group willing to take it on
- Need for capital investment to encourage interest from community group

**c) Lease out premises to a community / voluntary group / alternative service provider**

**Advantages:**

- Possible income generated through the lease
- Source of potential capital investment

**Disadvantages:**

- Loss of sports centre and sporting activities
- Potential loss of community use

**d) Neighbourhood Renewal managed**

**Advantages:**

- Continued sports use - albeit limited
- Potential to encourage community use in the longer term

**Disadvantages:**

- Under utilised facility
- Need for capital investment to encourage interest from community group

This report has been seen by Mark Bowler, Leisure and Culture Business Unit Manager, David Higgins, Group Accountant, Cllr. Peter Johnson, Port-folio holder for Leisure

Background papers: Report to Council, 'Sports and Leisure Centres: Operational Review' on 9<sup>th</sup> April 2001.

## ANNEX 1: Northway Sports Hall Income and Expenditure 2002/03

### A) Leisure Services Managed

#### Expenditure

Salaries	28,287
Premises	32,180
Supplies & Services	3,873
<u>Total</u>	<u>64,340</u>
Income (Hall Hire)	10,370
<u>Deficit</u>	<u>53,970</u>

### D) Neighbourhood Renewal Managed (Reduced level of service)

Salaries	4,800
Premises	32,180
Supplies and Services	4,000
<u>Total</u>	<u>40,000</u>
Income (Hall Hire)	10,370
<u>Deficit</u>	<u>30,610</u>