

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

2 SEPTEMBER 2014 AT 6.30 PM

PRESENT: MR JG BANNISTER - MAYOR
MR K NICHOLS – DEPUTY MAYOR

Mr RG Allen, Mr PR Batty, Mr DC Bill MBE, Mr SL Bray,
Mrs R Camamile, Mr MB Cartwright, Mrs T Chastney, Mr DS Cope,
Mr WJ Crooks, Mr PAS Hall, Mrs WA Hall, Mrs L Hodgkins,
Mr MS Hulbert, Mr DW Inman, Mr C Ladkin, Mr MR Lay,
Mr KWP Lynch, Mr R Mayne, Mr JS Moore, Mr K Morrell,
Mrs J Richards, Mrs H Smith, Mrs S Sprason, Mr BE Sutton,
Miss DM Taylor, Mr R Ward and Ms BM Witherford

Officers in attendance: Steve Atkinson, Bill Cullen, Malcolm Evans, Emma Horton, Simon D Jones, Sanjiv Kohli, Karen Mason, Rebecca Owen and Katherine Plummer

142 APOLOGIES

Apologies for absence were submitted on behalf of Councillors Bessant, Boothby, Gould, Mullaney and O'Shea.

143 DECLARATIONS OF INTEREST

No interests were declared at this stage.

144 LEISURE CENTRE

Councillor Morrell, seconded by Councillor Richards, MOVED that this item be deferred to allow for consideration of the amended recommendations. Councillor Batty and a further seven members stood to request that voting on the motion be recorded. The vote was recorded as follows:

Councillors Allen, Batty, Camamile, Chastney, Ladkin, Morrell, Richards, Smith, Sprason, Sutton and Ward voted FOR the motion (11);

Councillors Bannister, Bill, Bray, Cartwright, Cope, Crooks, Mrs Hall, Mr Hall, Hodgkins, Hulbert, Inman, Lynch, Mayne, Moore, Nichols, Taylor and Witherford voted AGAINST the motion (17);

Councillor Lay abstained from voting.

The MOTION was therefore declared LOST.

The Leader of the Council then presented and moved the progress report on the delivery of the new Hinckley Leisure Centre which included the position following site investigation work, mitigation required and related budget implications. Following consideration of the same report by the Scrutiny Commission and recommendations of that body, meetings had been held between representatives of the Developer, the Council, Hinckley Swimming Club, the Amateur Swimming Association and Leicestershire & Rutland Sport and as a result an addendum report, with revised recommendations, had been circulated to members in the supplementary agenda. The revisions to the recommendations were to add the provision of 'raised ends' to the pool to be funded within the existing cost envelope, to consider the inclusion of a 'moveable floor' in relation to the associated financial implications as outlined in the addendum

report, and amendments to recommendation 2.11 in light of the further considerations outlined.

Councillor Bray, seconded by Councillor Lynch, proposed an AMENDMENT to that in the addendum report as follows:

“that, taking into account the discussions officers have now held with Hinckley Swimming Club, the following revised set of recommendations be approved by Council:

- i. Endorse and acknowledge the importance of the new centre as a major community facility for the Borough.
- ii. Note the progress towards facilitating the delivery of the new Hinckley Leisure Centre since Council’s selection of the preferred bidder in January 2014.
- iii. Note the outcomes of the recent ground investigation survey carried out following the demolition of the former council offices on Argents Mead.
- iv. Note that despite the additional capital costs associated with ground works, the gross management fee payable to the Council under contract will remain unchanged at an average of £922,634 per annum over the twenty-year contract. This is £382,000 per annum more than the alternative bidder, or £7,640,000 more over the life of the contract.
- v. Agree to a capital allocation of £889,678.42, as detailed in section 5, to address the unforeseen ground works to allow for the construction of the new Leisure Centre.
- vi. In light of the wider implications for the Capital Programme, agree that the decision on the most appropriate method of funding the capital cost in 5 above be delegated to the Deputy Chief Executive (Corporate Direction) in consultation with the Executive Member for Finance.
- vii. Members note that the Hub Future Rental Management Reserve will be replenished from in-year underspends in future years.
- viii. Approve a base revenue budget funded from the General Fund of £20,000 from 2015/16 to fund the cost of insuring the old and new facility.
- ix. Approve a base revenue income budget of £1,900 per annum from 2015/16 to reflect income received from PFPLM to fund maintenance works. In addition, an income budget of £20,000 for 2015/16 should be approved to reflect one-off income received from PFPLM for car parking provision.
- x. That the ‘raised ends’ be incorporated into the design and delivery of the pool to be provided within the existing cost envelope.
- xi. That a moveable floor be incorporated into the design and delivery of the pool, funded by a mix of reserves and prudential borrowing.
- xii. That the authorised borrowing limit be increased by up to £705k.
- xiii. That the appropriate mix of funding support be delegated to the Deputy Chief Executive (Corporate Direction) in consultation with the Executive Member for Finance.
- xiv. Note that the draft Design, Build, Operate and Maintain contract will be prepared and undergo appropriate due diligence and the contract will be sealed in accordance with the Council’s contract procedure rules as soon as possible following approval of the recommendations in this report.”

The motion was accepted as the substantive and formed the basis of the ensuing debate.

During debate, the following points were raised:

- The impact of the additional delay in delivery and the additional costs on the MTFS resulting in the maintenance fee being received later thereby impacting on the 2016/17 budgets

- The delegation of the consideration of funding options to the Deputy Chief Executive (Corporate Direction) and the Executive Member for Finance
- The possibility of looking at asset sales to part fund the costs
- The risk of a double impact for residents in rural areas in funding the Leisure Centre via council tax when they are unlikely to use it, but also the possible reduction in or removal of New Homes Bonus and Council Tax Support funding for parishes which would have to be considered in the near future
- Concern regarding the late receipt of the supplementary agenda and the tabling of the amendment
- The need for office space within the leisure centre was queried, particularly in light of the unused space in the Hub. In response it was explained that the office space was minimal, would be also used by key partners including health and had proved very helpful in the current facility in having officers overseeing performance by the existing Leisure Centre and developing partnership initiatives with the operator. This would also be important to protect the Council's interest in the new Leisure Centre. It was confirmed that the unused space in the Hub had now been let to the Citizens Advice Bureau
- The change of company name and the continuing security of the parent company guarantee, as explained in the report and by the external legal advisor at the Scrutiny Commission meeting
- Congratulations to officers and in particularly the Cultural Services Manager and his team for their hard work on this project
- Sport England's positive comments regarding the project and the wide consultation undertaken.

It was moved by Councillor Bray, seconded by Councillor Lynch and unanimously

RESOLVED –

- (i) the importance of the new centre as a major community facility for the Borough be acknowledged and endorsed
- (ii) progress towards facilitating the delivery of the new Hinckley Leisure Centre since Council's selection of the preferred bidder in January 2014 be noted
- (iii) the outcomes of the recent ground investigation survey carried out following the demolition of the former council offices on Argents Mead be noted
- (iv) it be noted that, despite the additional capital costs associated with ground works, the gross management fee payable to the Council under this contract will remain unchanged at an average of £922,634 per annum over the twenty-year contract. This is £382,000 per annum more than the alternative bidder, or £7,640,000 more over the life of the contract
- (v) the capital allocation of £889,678.42 to address the unforeseen ground works to allow for the construction of the new Leisure Centre, as detailed in section 5 of the report, be agreed
- (vi) in light of the wider implications for the Capital Programme, the decision on the most appropriate method of funding the capital cost in (v) above be delegated to the Deputy Chief Executive (Corporate Direction) in consultation with the Executive Member for Finance

- (vii) the replenishment of the Hub Future Rental Management Reserve from in-year underspends in future years be noted
- (viii) a base revenue budget funded from the General Fund of £20,000 from 2015/16 to fund the cost of insuring the old and new facility be approved
- (ix) a base revenue income budget of £1,900 per annum from 2015/16 to reflect income received from PFPLM to fund maintenance works and an income budget of £20,000 for 2015/16 to reflect one-off income received from PFPLM for car parking provision be approved
- (x) the incorporation of 'raised ends' into the design and delivery of the pool within the existing cost envelope be approved
- (xi) the incorporation of a moveable floor into the design and delivery of the pool, funded by a mix of reserves and prudential borrowing, be approved
- (xii) the increase of the authorised borrowing limit by up to £705k be approved
- (xiii) a decision on the appropriate mix of funding support be delegated to the Deputy Chief Executive (Corporate Direction) in consultation with the Executive Member for Finance
- (xiv) the draft Design, Build, Operate and Maintain contract be prepared and undergo appropriate due diligence and the contract be sealed in accordance with the Council's contract procedure rules as soon as possible.

(The Meeting closed at 7.45 pm)

MAYOR