

## **MAIDSTONE BOROUGH COUNCIL**

### **COMMUNITIES, LEISURE AND ARTS POLICY ADVISORY COMMITTEE**

#### **MINUTES OF THE MEETING HELD ON 3 OCTOBER 2023**

**Present:**

<b>Committee Members:</b>	<b>Councillor Forecast (Chairman) and Councillors Bryant, Eagle, Mrs Gooch, Harper, Hastie, Hinder and Naghi</b>
<b>Cabinet Members:</b>	<b>Councillor Russell, Cabinet Member for Communities, Leisure and Arts</b>

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fort.

44. NOTIFICATION OF SUBSTITUTE MEMBERS

Councillor Hastie was present as Substitute Member for Councillor Fort.

45. URGENT ITEMS

There were no urgent items.

46. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

47. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members or Officers.

48. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

49. EXEMPT ITEMS

**RESOLVED:** That the exempt Appendix to item 10 (Maidstone Leisure Centre – Operator Contract) be considered in public but the information contained therein should remain private.

50. MINUTES OF THE MEETING HELD ON 5 SEPTEMBER 2023

**RESOLVED:** That the Minutes of the meeting held on 5 September 2023 be approved as a correct record and signed.

51. FORWARD PLAN RELATING TO THE COMMITTEE'S TERMS OF REFERENCE

**RESOLVED:** That the Forward Plan relating to the Committee's Terms of Reference be noted.

52. MAIDSTONE LEISURE CENTRE - OPERATOR CONTRACT

Councillor Russell, the Cabinet Member for Communities, Leisure and Arts, introduced the report relating to the leisure services contract for the operation of Maidstone Leisure Centre, Mote Park Outdoor Adventure and Lockmeadow Health Club. It was noted that:

- Although the report was titled Maidstone Leisure Centre – Operator Contract, it related to the leisure services contract for the Maidstone Leisure Centre, Mote Park Outdoor Adventure and Lockmeadow Health Club, and this was reflected in the recommendations.
- The first sentence of the Biodiversity and Climate Change section of the report should read 'The implications of this report have been considered and there are multiple opportunities to greatly reduce utilities and carbon emissions through the minor practical improvements that can be delivered.' This was because the minor practical improvements were a Council-led initiative and were possible with a new leisure operator or with an extension of the existing contract.
- In February 2023, the Executive agreed to proceed with minor practical improvements to the Leisure Centre and pursue a contract extension with Maidstone Leisure Trust (MLT) and Serco Leisure Ltd (Serco) for the continued operation of the Centre until 2031. The Council's contract was with MLT, an independent not-for-profit community benefit society. Day to day running of the Leisure Centre was carried out by Serco who operated as agent for MLT.
- Since the meeting of the Executive in February 2023, the Council had acquired the Lockmeadow Health Club and the Government had announced capital funding for swimming pool upgrades to mitigate the rising cost of managing public swimming pools.
- Discussions and negotiations with MLT and Serco included incorporating the delivery of the minor practical improvements as part of the contract extension; building upon Serco's experience of delivering similar cost-saving and income-generating schemes in other leisure centres; and the submission of a bid by the Council to the new Sport England Swimming Pool Support Fund.
- It was proposed that the contract, if extended, should continue to include the Lockmeadow Health Club which had been operating under the leisure services contract since June 2023 and shared the same termination date.
- Accepting the current proposal from MLT and Serco and extending the existing contract was not recommended as the Council would incur additional expenditure and need to make changes to its budgets which would impact other priority areas across the Council. The recommendation was to put the leisure services contract for the Leisure Centre, Mote Park Outdoor Adventure and Lockmeadow Health Club out to tender and invite offers from other

operators as this would provide flexibility if a more acceptable offer was not received from MLT and Serco.

- By contracting with MLT, the Council had access to significant tax exemptions and other benefits.

During the ensuing discussion reference was made to the need to undertake the minor practical improvement works to the Leisure Centre as soon as possible to reduce the costs of running the building and increase revenue.

In response to questions, the Cabinet Member/Director of Finance, Resources and Business Improvement advised the Committee that:

- It was not unusual for local authorities to outsource leisure provision to a charitable trust because of the tax and other benefits. If the Council were to bring the service back in-house, it would be liable for business rates. There would also be the challenge of mobilising the skills and experience needed to run what was quite a complex operation. With a third-party operator, it was possible to tap into their technical expertise and knowledge.
- Maidstone Leisure Trust was an independent, charitable organisation subject to Charity Commission regulation so if, for example, it used Council employees as its agents to run the leisure centre, the Trust would still be in control. The Trustees were local people who were very focused on ensuring good leisure provision and were comfortable working with Serco because the company had the skills to meet the requirements. In theory, it would be possible for the Council to set up its own Leisure Trust which could consider a bid from the Council to operate the facility.
- In terms of whether the Council should be represented on the Maidstone Leisure Trust or a different Trust, leisure trusts were organisations set up to independently run local authority leisure services and it was important to maintain the separation of roles, although Members were invited to attend meetings of the Trust and could be involved.
- Members had already approved the minor practical improvements to the Leisure Centre, and this had been taken into account in the discussions.
- The minor practical improvements were additional to the improvements being progressed through the Biodiversity and Climate Change Action Plan to decarbonise the Council's buildings.
- For logistical reasons it might not be possible to complete the minor practical improvements during the 2023/24 financial year, but there was provision to carry the budget forward.
- The Sport England Swimming Pool Support Fund was intended to help with running costs rather than larger projects, with grants of around £50k potentially available.
- Consideration was being given to the installation of solar panels in the Mote Park car park. They could not be installed on the roof of the Leisure Centre as it was not load-bearing.

The Committee supported the recommendations set out in the report.

**RESOLVED to RECOMMEND to the CABINET:**

1. That it be noted that agreement has not yet been reached with the Maidstone Leisure Trust and Serco Leisure Ltd. on a contract extension.
2. That the leisure services contract for Maidstone Leisure Centre, Mote Park Outdoor Adventure and Lockmeadow Health Club for the period August 2024 onwards be let via competitive tender.
3. That leisure consultants be employed to assist the Council with the procurement process and contract award for this contract.
4. That a procurement strategy and tender documentation for the contract opportunity be developed.
5. That delegated authority be given to the Director of Finance, Resources and Business Improvement, in consultation with the Cabinet Member for Communities, Leisure and Arts, to sign off the procurement documentation before it is issued via procurement channels.

53. DURATION OF MEETING

6.30 p.m. to 6.55 p.m.