

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Thursday, 05 September 2024</b>
Relevant Scrutiny Committee:	Healthy Living and Social Care
Report Title:	Repurposing of the former C1V Call Centre into new recreational opportunities in partnership with Legacy Leisure
Purpose of Report:	To seek Cabinet approval for the repurposing of the former C1V call centre area adjacent to Barry Leisure Centre into new recreational space, in partnership with the Council's Leisure Management provider, Legacy Leisure, and entering into a short-term lease arrangement with them that will further enhance our physical activity opportunities.
Report Owner:	Cabinet Member for Leisure, Sport and Wellbeing.
Responsible Officer:	Director of Environment and Housing Services
Elected Member and Officer Consultation:	Legal - Committee Reports Head of Finance/Section 151 Officer Operational Manager - Property Operational Manager – Accountancy
Policy Framework:	This report is a matter for Executive decision by Cabinet.
<p><b>Executive Summary:</b></p> <ul style="list-style-type: none"> <li>• Following the relocation of the Council's Contact One Vale (C1V) Service to the Civic Offices an opportunity to use the former C1V call centre, located in the former Bowls Hall in Barry Leisure Centre has been explored with the Council's Leisure Management Partner, Legacy Leisure.</li> <li>• Legacy Leisure have secured funding of £200,000 from the Shared Prosperity Fund to refurbish this area for recreational use and needed to match this with a further £200,000. This match funding has now been secured via Legacy's own resources and a further contribution from the Council as part of the 'invest to save' initiative. The Council will make savings by immediately reletting this area to Legacy Leisure as costs such as NNDR, security and utilities would need to be met if the area remained vacant. However, the main objective for the area is focused on providing more recreational space in Barry that will lead to more physical activity opportunities.</li> <li>• A supplemental lease is required for the former C1V area for Legacy Leisure to formerly accept the funding they have successfully applied for and requires Cabinet approval. In addition, Cabinet are also being requested to grant the Director of Environment and Housing Services</li> </ul>	

authority to negotiate any other agreements required to deliver this project due to tight timescales contained within the Shared Prosperity Fund funding offer. Such agreements may include, but not limited to, an early access licence and other agreements to start works.

- A match funding amount of £200k will be required to supplement the grant. £100k of this funding will be provided by Legacy Leisure, with the remaining £100k being made available from the Council's Reshaping Risk and Investment reserve.
- The costs of the Council managing this area currently is circa £50k, therefore the payback period on the Council's investment in this case is less than two years.

## **Recommendations**

- 1.** That Cabinet supports the repurposing of the former C1V call centre into usable recreational space, in partnership with Legacy Leisure, for the benefit of both residents and visitors as detailed in the report.
- 2.** That the Director of Environment and Housing Services, in consultation with Head of Finance and the Cabinet Member for Leisure, Sport and Wellbeing, be authorised to negotiate the terms for a supplemental lease of the former C1V area to Legacy Leisure to the end of December 2029; to agree terms and conditions to allow early access under licence for the required works to progress in advance of completion of supplemental lease; to vary, as required, the Leisure Management Agreement between the Council and Legacy Leisure to reflect the additional space being encompassed within the existing agreement.
- 3.** That the Director of Environment and Housing Services, in consultation with the Head of Finance and the Cabinet Member for Leisure, Sport and Wellbeing, be authorised to negotiate with Legacy Leisure any further permissions, early access agreements etc. if required.
- 4.** That the Monitoring Officer / Head of Legal and Democratic Services, be granted delegated authority to complete and execute all necessary agreements associated with this arrangement.
- 5.** That the use of the urgent decision procedure as set out at section 15.14 of the Council's constitution be agreed for Recommendations (1-4).

## **Reasons for Recommendations**

- 1.** To make positive use of a redundant area by providing further physical activity opportunities available at Barry Leisure Centre and to again demonstrate the positive working relationship the Council has with its 'not for profit' Leisure Centre management partner, Legacy Leisure.
- 2.** To allow the terms of the grant that Legacy Leisure has secured from the Shared Prosperity Fund to be complied with in a timely manner.
- 3.** To enable any potential obstacles to the completion of this exciting project to be tackled quickly and efficiently given the tight deadlines involved relating to the terms of the Shared Prosperity Fund grant.
- 4.** To ensure all Council policies are complied with.
- 5.** To ensure compliance with the terms of the grant that Legacy Leisure has secured from the Shared Prosperity Fund and to permit them early access to the space under licence for the required works to progress in advance of lease completion.

## 1. Background

- 1.1 The C1V call centre has recently relocated to the Civic Offices from the former Bowls arena attached to Barry Leisure Centre. The Council is still liable for certain costs associated with the this now redundant former contact centre space such as NNDR (Rates), security, maintenance of alarms, utilities etc. The current costs are shown below:

Expenditure	£s
Electrical Equipment/Materials	300
Electric	12,700
Gas	2,750
Rates	27,500
Water - Metered Supplies	2,700
Disposal of Waste	2,100
Household & Toilet Requisites	2,000
	<b>50,050</b>

- 1.2 Legacy Leisure, the Council's Leisure Management partner, which has a contract to operate Barry Leisure Centre until the end of 2029, in consultation with the Council's Leisure team, identified this area as having recreational opportunities to expand the already comprehensive range of physical activity on offer.
- 1.3 Following an evaluation of the site, and with the support of the Council Senior Leadership Team (SLT), a successful grant application was made by Legacy Leisure to the Shared Prosperity Fund for £200,000 to repurpose the area for recreational purposes. The value of the grant represents 50% of the total scheme cost with the additional 50% coming from firstly from a £100,000 contribution, directly from the Council's Reshaping Risk & Investment reserve.
- 1.4 This contribution has been approved by the Council's SLT due to savings that will be generated by the Council not having to pay the costs associated with the vacant space. The payback on the Council's investment is under two years in this case. This space will be otherwise difficult to dispose of and other possible uses would not necessarily provide the benefits to the community that converting it into usable recreational space would have. The further £100,000 of match funding required will be provided directly by Legacy Leisure who, in a similar arrangement to the initial investment model set up for the contract when first awarded in 2012, will have the remainder of the contract to generate the income, to cover the cost of their own investment. To assist with this, given the financial risk being taken by Legacy Leisure and in the knowledge that a Council asset is being significantly upgraded, it is not proposed to charge any additional lease fee for the remaining duration of the management contract.
- 1.5 Full risk for providing this £100k funding contribution sits with Legacy Leisure.

## **2. Key Issues for Consideration**

- 2.1** To progress this scheme Legacy Leisure will require a supplemental lease to be completed as quickly as possible and to be granted early access under licence to the area to start works (if necessary). This lease will run co-terminously with the existing leases (s) that Legacy Leisure hold that will terminate at the end of December 2027 (subject to an option to renew until 2029) unless a further extension to the present contract is agreed prior to this date in which case this new lease would also be extended.
- 2.2** The potential benefits of the proposed scheme are significant and include the following:
- New, quality recreational space for residents and visitors that will be designed to attract new as well as existing customers to the benefits of regular physical activity. The addition of new multi-purpose fitness space is particularly important as Barry Leisure Centre has previously lacked this type of space in comparison with facilities offered at some other Vale of Glamorgan Leisure Centres.
  - The enhancement of a Council asset that would otherwise, in all likelihood, remain vacant and generating costs to the Council for the foreseeable future.
  - That the scheme is, from a Council perspective, predominantly self-funding with Legacy Leisure securing a significant grant from the Shared Prosperity Fund, that isn't available directly to the Council. The additional funding provided by the Council is on a 'invest to save' basis.
  - Further demonstration and strengthening of the success partnership and shared commitment to improving the Leisure provision in the Vale of Glamorgan with the Council's 'not for profit' Leisure Management partner, Legacy Leisure.
- 2.3** It is also potentially possible that assistance will be required on this joint working project in relation to other permissions or unforeseen issues. The grant, from the Shared prosperity fund, Legacy Leisure have secured for this project is time restricted with all work relating to the grant required to be completed by 31st March 2025. To assist in ensuring that the project is delivered on time delegated authority is requested to deal with any issues such as an early access licence, prior to a lease being completed, in consultation with the Cabinet Member for Leisure, Sport and Wellbeing.

## **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** The long-term future of the Leisure Centre is being safeguarded by both the extended contract and the continuing upgrading works.
- 3.2** The Leisure Centres make a significant contribution the Council's well-being objectives and further investment will provide new opportunities for residents to

take up new physical activities. Remaining fit and healthy is the best prevention known for residents to enjoy healthy lives and the partnership with Legacy Leisure demonstrates the Council's commitment to long term health objectives for its residents and visitors.

- 3.3** Leisure Centres link with health services with services such as the GP referral scheme and provide a base for many Sports Clubs to offer opportunities to residents for both competitive sport and well-being activities.
- 3.4** The leisure management contract is a good example of a collaboration project within the Council demonstrating how an external 'not for profit' organisation, Legacy Leisure, and the Council can work together to provide quality services.
- 3.5** Legacy Leisure regularly consults with customers about future requirements and many of the initiatives presently offered at the sites are as a direct result of this.
- 3.6** In addition, the proposal is also a direct fit for some of the new proposed corporate objectives, notably delivering great places to live and work.

#### **4. Climate Change and Nature Implications**

- 4.1** As part of the refurbishment of the former C1V any new equipment being installed will be more energy efficient than the equipment it is replacing. Further opportunities are also being investigated to reduce the energy costs in the centres.

#### **5. Resources and Legal Considerations**

##### **Financial**

- 5.1** As detailed in the report the scheme is fully funded via a combination of grant, 'invest to save' contribution and Legacy Leisure Funds. The proposals will not impact on the price of the contract as the proposal encourages Legacy Leisure to attract as many customers as possible to use the new facilities as this is their primary method of generating income that fits with the Council objective of attracting as many customers as possible to enjoy healthier lifestyles.
- 5.2** The saving generated by the Council by not paying for vacant space has already been included in the Council's savings plan.

##### **Employment**

- 5.3** There are expected to be additional employment opportunities as a result of this scheme. These are partly detailed in the Shared Prosperity Fund Grant application form submitted by Legacy Leisure.

## **Legal (Including Equalities)**

- 5.4** As detailed in the report, Legacy Leisure will require a supplemental lease for the former C1V area to comply with the conditions of grant from the Shared Prosperity Fund. A minor variation of the existing agreement with Legacy Leisure will be required, as set out in the report, to reflect the additional space within the wider Leisure Centre Management Contract. A licence for Works will be required to permit Legacy Leisure early access to commence works. A change of use application is also required to be submitted to the Planning Authority.

## **6. Background Papers**

None.