

**CABINET**

**9 JULY 2019**

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**NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 3, 4 OF PART 1 OF SCHEDULE 12A  
OF THE LOCAL GOVERNMENT ACT 1972**

**FRIARY GRANGE LEISURE CENTRE**

**1. Decision:**

The Cabinet agreed:

- 1.1 That the Council exits the building by April 2020 because of the unfavourable terms of a new lease being proposed by Staffordshire County Council, the current poor condition of the building and the level of investment that would be required to make good (option 1).
- 1.2 That Council be requested to update the Medium Term Financial Strategy accordingly based on the preferred option (option 1) with £75,000 of the contract savings of (£101,202) set aside to fund the mitigation strategy and funding for the One off Costs identified of £520,400 provided by the Earmarked Reserve titled Leisure VAT Reclaim of £896,940.
- 1.3 That the Council work with Freedom Leisure to manage an orderly withdrawal of the leisure service at Friary Grange Leisure Centre by the end of April 2020.
- 1.4 To identify any possible alternative provision for leisure centre users and consider how a transition to these could be facilitated.
- 1.5 To develop a proposal within the next 12 months for how current and future leisure needs for the District could be met.

**2. Statement of Reasons:**

The Cabinet report relates to Friary Grange Leisure Centre (FGLC) and the challenges that Lichfield District Council (LDC) needs to consider as part of either its continued operation over the next 5 years or closing the facility by 30 April 2020.

The FGLC building is nearly 50 years old and is getting to the end of its economic life and is in need of significant investment in order to keep it safe and weathertight for up to 5 years, with a minimum of £443,000 capital investment needed immediately and the likelihood of additional significant costs afterwards, which provide no betterment at the site. Staffordshire County Council (SCC) has stated that it does not intend to invest in the fabric of FGLC.

SCC has issued LDC with 12 months' notice of the 1971 Joint User Agreement (JUA) from 30 April 2019 with a termination date of 30 April 2020 as a result of an academisation process for Friary School. In consequence, LDC has issued Freedom Leisure (FL) with notice for the same period in order to comply with its contractual requirements.

SCC has also presented LDC with draft Heads of Terms for a 10-year full repairs and maintenance lease (with a break clause at five years), in order to continue to use certain aspects of the leisure facility from May 2020 onwards. The change in the way the property is to be managed and maintained from May 2020 will lead to additional revenue costs for LDC, if it was to continue to operate the leisure facility.

The additional cost to LDC of keeping FGLC open for the next 5 years is approximately £948,000 and there is a likelihood that additional costs might be incurred despite this investment.

The net revenue cost to LDC of a permanent closure of FGLC over the next 5 years includes redundancy costs, a potential Sport England (SE) grant repayment and withdrawal costs. These costs will be offset by LDC not having to pay FL a management fee for FGLC from May 2020. The resulting net revenue cost is estimated at £419,198.

**3. Any Alternative Options:**

There were 2 options both of which were considered within the Cabinet report.

(Councillor Smith declared a personal interest as he had, until recently, been a Governor of the Friary School)

(Mr C N Turner declared a personal interest as a member of his family was a member of a swimming club at the Leisure Centre)

(Council Strachan declared a personal interest in the cardiac rehab programme as a member of his family had used the service)

**2. Statement of Reasons:**

**3. Any Alternative Options:**