

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Leisure & Environment Committee** held in the broadcast from the Civic Suite, Castle House, Great North Road, Newark NG24 1BY on Tuesday, 22 September 2020 at 6.00 pm.

PRESENT: Councillor R Jackson (Chairman)
Councillor N Mison (Vice-Chairman)

Councillor L Brailsford, Councillor S Carlton, Councillor D Cumberlidge,
Councillor P Harris, Councillor J Lee and Councillor Mrs Y Woodhead

APOLOGIES FOR ABSENCE: Councillor M Cope, Councillor Mrs L Hurst and Councillor B Laughton

53 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

Councillor P Harris declared a personal interest in Agenda Item 6 – Letter of Comfort between Newark & Sherwood District Council and Southwell Leisure Centre Trust, as he was a Southwell Leisure Centre Trust Trustee.

Councillor S Carlton declared a personal interest in Agenda Items 7 – Active4Today Covid 19 Update, 8 – Active4Today Governance Agreement and 10 – Active4Today Annual Report, as he was a member of the Board of Active4Today.

The meeting was held remotely, in accordance with the Local Authorities and Police & Crime Panels (Coronavirus) (Flexibility of Local Authority and Police & Crime Panel Meetings) (England and Wales) Regulations 2020.

54 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

The Chairman informed the Committee that the Council was undertaking an audio recording of the meeting which was to be webcast.

55 MINUTES OF THE MEETING HELD ON 21 JANUARY 2020

AGREED that the Minutes of the meeting held on 21 January 2020, be approved as a correct record to be signed by the Chairman.

56 CHAIRMAN'S REPORT

The Chairman delivered an update to the Committee in relation to key developments that have taken place between Committee meetings from services within the Committee remit.

Needless to say, the response to COVID-19 has dominated developments to a large extent this year and some of our services have been on the frontline in terms of the Council's operational response. As members will recall all too vividly, a range of measures were introduced in March which we had to respond to. And indeed, the March committee of Leisure & Environment was stood down as a result. Update reports and communications have been sent to members on the changes that took place so I don't propose to repeat what has already gone before.

But I do, however, want to pay tribute to all those who had the arduous task of interpreting rapidly moving guidance from the Government, to ensure Newark & Sherwood was able to help with mitigating the spread of Covid 19 and ensuring our staff who had to maintain critical services were able to do so safely. Only one recycling round per household was lost as the Council made the shift from three refuse collectors in a cab to two in order to comply with the two metre social distancing rule.

And whilst there was a knock on effect to garden recycling and bulky waste services as residual waste was prioritised, all services were reinstated by June 1. Indeed, I'm pleased to be able to inform members of the Committee that since the reinstatement of the garden recycling service, the Council has managed to generate an additional 1,400 customers to the service which is hugely positive in the circumstances.

As members will be aware, the Council's leisure centres were closed from March until August as part of the response to mitigating the spread of Covid-19. And there is a report later on the agenda in relation to Active4Today and what the impact has been so I won't go into any more detail now. But I do want to update members on the positive news that proposals for the new pool at the Dukeries Leisure Centre were approved by the Police and Finance Committee in June with planning permission for the development being granted in August. I'm delighted to inform you that work on the pool began in early September with the completed facility due for handover to Active4Today in the summer of next year. This is a hugely positive outcome for the people of Ollerton and its surrounds, and finds a much-needed solution to swimming pool access which this Committee is all too aware of.

I also want to update the Committee on the work that colleagues in Environmental Health have been playing in trying to prevent Newark going into a local lockdown which was a real possibility in early August. Members will be aware that the town was put on the Government watchlist as the number of cases per 100,000 over a seven day period exceeded 20 for a consistent period of time. Officers in environmental health worked with colleagues in public health to track and trace cases, as part of a major effort to prevent a wider community outbreak. As a result of their efforts, the community and local businesses, Newark saw a significant reduction in cases and came off the Government watchlist earlier this month.

As a result of Covid, however, some plans have not been able to progress as we would have liked or were anticipating. So, for example, the very much valued Days of Action programme has not been able to progress this year as planned. Days were due to take place in Southwell, Bilsthorpe and Clipstone, but these have had to be put on hold and I'm sure Committee members will understand why.

However, I'm assured by officers that Days of Action in those communities will be honoured as soon as the circumstances allow. Similarly, progress with the Council's anti-flytipping campaign, Not in Newark & Sherwood, has not progressed as was anticipated, as resources were diverted to prioritising the delivery of critical residual waste services and mitigating the local outbreak of Covid-19. But again, the plans have only been paused and a report updating members more fully on a revised programme will be brought to the committee cycle in November.

Finally, a financial report setting out how the budget has been affected by Covid is contained on the agenda so I won't go into any more detail here. I hope this update has been helpful and unless there are any questions, I would propose we move on to the next item on the agenda.

57 LETTER OF COMFORT BETWEEN NEWARK & SHERWOOD DISTRICT COUNCIL AND SOUTHWELL LEISURE CENTRE TRUST

The Committee considered the report presented by the Business Manager - Financial Services, which sought Committee approval to enter into a letter of comfort between the District Council and Southwell Leisure Centre Trust (SLCT) in order to underwrite any potential cash flow losses the Trust had made as a result of COVID-19.

The Council's legal team had worked with Freeths, who were the legal advisors to SLCT, in order to draft a letter of comfort between the two organisations that safeguarded the Council's position whilst offering support to the Trust. The main provisions within the agreement stated that:

- The Council ensured that SLCT would have financial resources available of £220,000, once the Trust had utilised all of its reserves. The support available would be capped at a maximum of £220,000;
- Any support transferred to SLCT must be repaid within 24 months of the payment date;
- Any support transferred to SLCT would not incur any interest expenses for SLCT; and
- Any support considered to be transferred must be evidenced satisfactorily in that the debt to SLCT existed and that SLCT did not have other funds available to pay such debts.

The term of the letter of comfort would be reviewed on a quarterly basis and the Council reserved the right to terminate this having considered the representations made by SLCT at each quarter end. The letter of comfort was appended to the report.

In discussion Members questioned why there was no interest attached to the loan, and whether it was likely that SLCT would need the use the loan from the Council. The Business Manager- Financial Services confirmed that, a prudent approach had been taken in relation to the amount, and, if approved by the Policy and Finance Committee, the loan would be available to SLCT to provide support but hopefully it would not be required.

AGREED (unanimously) that a recommendation be made to the Policy & Finance Committee, for their approval, the request by SLCT for the Council to enter into a letter of comfort with it in order to safeguard its sustainability.

(After declaring an Interest, Councillor P Harris did not take part in the debate or vote on this item.)

58 ACTIVE4TODAY COVID-19 UPDATE COVER REPORT

The Committee considered the report presented by the Health Improvement & Community Relations Manager, which updated the Committee on the current position of Active4Today in relation to the impacts of Covid-19 actual and anticipated for the current year to 31 August 2020.

The report proposed that the Company would use £0.200m of its reserves to support the estimated shortfall, which was currently being forecasted at £0.690m. The Company requested that the Council make provision within its finances to support the current estimated remaining deficit (currently estimated at £0.490m), which based on the forecasted financial modelling, would leave the Company in a balanced position. The Company would provide monthly updates to the Council's Senior Leadership Team, regarding the financial position of the Company and the level of deficit funding support required. The full amount of £0.490m would not be drawn down immediately and would be released based on need and as agreed at the monthly review meetings.

Members considered the report and it was clarified that whilst the majority of staff of Active4Today had been furloughed, the money received was to cover the wages of staff, not the loss of income for Active4Today. Southwell Leisure Centre Trust was not included in the financial support as it was not an asset held by the Council and as such was the subject of separate support through the Letter of Comfort, to be considered by the Policy and Finance Committee.

AGREED (with 7 votes for with 1 abstention) that:

- (a) the content of the Active4Today Covid-19 report be noted; and
- (b) a recommendation be submitted to the Policy & Finance Committee to approve the allocation of £0.490m from MHCLG Covid-19 funding grant to support Active4Today's additional management costs as a direct result of the impact of Covid-19 on its trading activity.

59 ACTIVE4TODAY GOVERNANCE AGREEMENT

The Committee considered the report presented by the Director – Governance & Organisational Development, which sought Member consideration and approval regarding the draft Governance Agreement between the Council and Active4Today.

A proposed Governance Agreement had been drafted for the Council by Anthony Collins Solicitors, based upon the version they prepared for the Council for its other company, Arkwood Developments Ltd. This provided the benefit of consistency of approach by the Council in its control and overview of its wholly owned companies. A copy of the draft document was attached, as Appendix A, to the report.

The document sought to provide greater clarity around governance arrangements:- regulating the Council and Company's respective responsibilities around the operation and management of the Company and the relationship between both parties. It would secure greater transparency between the Council and the Company and reinforce the Council's role as shareholder. Included were provisions regarding the ability of the

Council to have a representative (who would not be a director of the Company) to attend the Company's board meetings as an observer; a requirement for the Company to provide full management accounts and financial forecasts to the Council; and those decisions that were specifically reserved for Council approval; etc. This mirrored the provisions that the Council already had in place for Arkwood Developments Ltd.

Subject to the consideration and approval of the draft governance document by the Committee, it was proposed that officers consult and negotiate with the Company to secure approval by the Board to enter into the Agreement.

AGREED by (7 votes for with 1 abstention) that:

- (a) the draft Governance Agreement, as appended to the report be approved; and
- (b) Officers be authorised to consult and negotiate with the Board of Active4Today to secure the execution of the Agreement between the parties.

60 LEISURE & ENVIRONMENT REVENUE AND CAPITAL FORECAST OUTTURN REPORT TO 31 MARCH 2021 AS AT 31 JULY 2020

The Committee considered the report presented by the Business Manager - Financial Services, which compared the Revised Budgets for the period ending 31 March 2021 with the Projected Outturn forecast for the period, based on meetings with Financial Services staff and the appropriate Business Manager. These were based on four months' performance information on the Council's revenue and capital budgets, including: General Fund (GF) Revenue; and Capital Programme.

Appended to the report was the Policy & Finance report to be considered at the 24 September Policy & Finance Committee which detailed the forecast financial position to 31 March 2021 of the Council as at 31 July 2020.

The current position for the Council was an unfavourable variance of circa £0.574m-£0.774m. This was prior to any return funding from the Nottinghamshire Business Rates Pool, for which S151 Officers across the County were working to review the position.

The forecast outturn position for the Leisure & Environment Committee was an unfavourable variance of £0.185m. The main reasons for the variance were contained in Appendix A to the Policy & Finance Report.

AGREED (unanimously) that the content of the report be noted.

61 ACTIVE4TODAY ANNUAL REPORT 2019/20

The Committee considered the report presented by the Health Improvement and Community Relations Manager which provided an update regarding the performance of Active4Today for the financial year ending 31 March 2020.

It was reported that the Company had traded positively in 2019/20. Company turnover had increased slightly by a modest 0.64% however, this should be considered positively in light of the challenges the Company encountered such as the loss of the swimming pool at the Dukeries Leisure Centre and more latterly the impact of Covid-19 which led to the closure of all sites to the public at the close of play on 17 March 2020. Accordingly, the efforts of the Company should be recognised in respect of its positive trading position despite these challenges, which were not within the control or influence of the Company.

During the period 1 April 2019 to 31 March 2020, the financial statements showed that the Company recorded a net operating deficit of £56,788 factoring in the full management fee payable by the Council of £121,220. It was noted, that £224,994 was spent on repairs and renewals on the Council's Assets and £223,548 was paid to the Council in support charges. The trading position moved from a small surplus of £22,453 down to a deficit of £3,311 which was a swing of £25,764 this was due to a combination of increased VAT charges and reduced turnover. Within the accounts the provision for pension deficit was now shown as a net liability in the Balance sheet and was in accordance with generally accepted accounting treatment. The Company's earmarked usable reserves, as at 31 March 2020 stood at £396,819 a decrease of £3,310 on the balances held at 31 March 2019.

It was reported that Members further agreed at the 19 November 2019 Leisure & Environment Committee to review the payment mechanism within the Service Contract so that there was single payment mechanism either to or from the Company, with no separate clause for sharing in the 'operating surplus of the Company'. Under normal operating circumstances that approach would be appropriate, however, the onset and subsequent impact of Covid-19 caused significant financial challenges for the Company and it was agreed by Policy & Finance Committee, under Urgent Delegation Powers, on 24 April 2020 to release the retained 50% management fee for 2019/20 and the first instalment of the management fee for 2020/21 (£60,610) and the management fee to provide strategic support to Southwell Leisure Centre Trust (£80,850) to ease cash flow and to reduce anticipated financial hardships that an extended closure would cause the Company.

Appended to the report was the following information: The 2019/20 Annual Management Report provided by Active4Today; Active4Today Directors' Report and Financial Statements outlining the period of trading; Active4Today Key Performance Indicators 2019-20; and an overview of sports development activities.

AGREED (by 7 votes for with 1 abstention) that:

- (a) the positive performance of Active4Today in 2019/20, be noted;
- (b) the operating agreement between the Council and the Company was under review and any significant changes to the agreement be brought to a future meeting of the Committee;
- (c) the impacts of Covid-19 on the Company's performance would be closely monitored and proposals to support the Company through the pandemic would be brought to a future meeting of the Committee; and

(d) the proposed reported Key Performance Indicators be noted.

62 RESPONSE TO RECYCLING PETITION

The Committee considered the report presented by the Business Manager – Environmental Services, which updated Members regarding a petition the Council received at the end of the year 2019, organised by a resident of North Muskham. The resident was extremely active in the local community and was a keen advocate of recycling and environmental issues. The concerns raised aligned with the Council's stance on climate change. Although the petition did not reach the required levels of support to be heard at Full Council, Officers considered that it was important to bring it to the attention of Members as it highlighted some of the issues the Council faced and the views of many residents. The full text of the petition was included as an appendix to the report. The actions that had been taken in response to the concerns raised were also contained within the report.

Members considered the petition and the Council's response, and urged Officers to work where they could to improve recycling rates and facilities within the District.

AGREED (unanimously) that Members note the petition and acknowledge the actions taken and that there was a desire within the community to improve recycling services.

63 ENVIRONMENTAL SERVICES STRATEGY AND PROJECT UPDATE

The Committee considered the report presented by the Environmental Services Business Manager, which provided Members with an overview of the Environmental Services Strategy, the background to its development, and an update on Environmental Services Projects.

It was reported that there were 7 key objectives outlined in the strategy and the full document lists a number of actions which were aimed to deliver on each one. These objectives were:

1. To improve the district's recycling rate with the aim of maximising recycling Percentage;
2. Work with communities and partners to 'Green' Newark and Sherwood delivering district wide programmes focusing on tree planting and protecting and enhancing the district's natural environment;
3. Making Newark and Sherwood 'Clean' with a focus on areas in need by conducting targeted activity in identified communities and tackling key issues;
4. Work with our communities to create social capital in the 'Green' and 'Clean' agendas and encourage engagement with Environmental Services;
5. Engage with communities to deliver behaviour change through education and enforcement including campaigns;
6. Work with key colleagues within the Council to reduce Newark and Sherwood District Council's carbon footprint to offset the impact of Climate Change; and
7. Maximise resources within the unit through efficiencies and commercialisation with the aim any additional resource being reinvested into greening initiatives and service improvements.

The project to realign and invest in Environmental Services commenced in September 2019 and aimed to realign and refocus the service towards effective delivery of the Community Plan. The report provided an overview of the work done within the project and complimented the Strategy.

AGREED (unanimously) that:

- (a) Members note the information contained in the strategy and provide their approval and support; and
- (b) the progress made in the development of Environmental Services be noted.

64 PROGRESS REPORT NEWARK & SHERWOOD YMCA COMMUNITY AND ACTIVITY VILLAGE

The Committee considered the report presented by the Health Improvement & Community Relations Manager which provided an update report in respect of building progress at the YMCA Newark and Sherwood Community and Activity Village.

Members were delighted that residents of the District would have access to world class facilities and expressed their hope that local residents would access the facility using alternative active modes of transport.

AGREED (unanimously) that the progress report be noted.

65 ANNUAL REVIEW OF EXEMPT REPORTS

The Committee considered the report of the Chief Executive listing the exempt items considered by the Committee for the period 5 March 2019 to date.

The Committee agreed that the report considered on the 19 November 2019, relating to, 'Proposed expansion of the fitness suite and consideration of alternative management arrangements at Southwell Leisure Centre – update', should remain confidential.

AGREED (by 6 votes for with 1 against) that the report considered on 19 November 2019, relating to, 'Proposed expansion of the fitness suite and consideration of alternative management arrangements at Southwell Leisure Centre – update', should remain confidential.

66 URGENCY ITEMS TAKEN DURING COVID-19 PANDEMIC

The Committee noted the urgency item decisions which had been taken to date during the Covid 19 Pandemic. The urgency items was taken in respect of the following:

- (i) Payment of Management Fees to Active4Today
- (ii) Newark Cattle Market
- (iii) Reinstatement of Garden Recycling Services

- (iv) Car Parking Charges Review – Covid-19
- (v) Parish & Town Council Initiative Funs and Community, Sports & Arts Grants Scheme

AGREED (unanimously) that the urgency items be noted.

67 LEISURE & ENVIRONMENT COMMITTEE FORWARD PLAN

The Leisure & Environment Committee Forward Plan was provided for Member information. Members were encouraged to submit any areas of work they wanted to address for the forthcoming year.

AGREED (unanimously) that the Forward Plan be noted.

Meeting closed at 7.22 pm.

Chairman