



Shareholders Committee

Thu 6 Jul
2023
7.00 pm

Council Chamber,
Redditch Town Hall,
Walter Stranz Square
Redditch
B98 8AH

REDDITCH BOROUGH COUNCIL

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If you have any queries on this Agenda please contact
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GUIDANCE ON FACE-TO-FACE MEETINGS

Please note that this is a public meeting.

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON

Meeting attendees are encouraged not to attend if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

PUBLIC ATTENDANCE AT MEETINGS

Members of the public are encouraged not to attend the meeting if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.



Shareholders Committee

Thursday, 6th July, 2023

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Craig Warhurst (Chair)	Joe Baker
	Emma Marshall (Vice-Chair)	Sid Khan
	Imran Altaf	

1. Apologies for Absence and Named Substitutes

2. Declarations of Interest

3. Exclusion of the Press and Public

Should it be necessary, in the opinion of the Chief Executive, during the course of the meeting to consider excluding the public from the meeting on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution:

“That, under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12 (A) of the said Act”.

These paragraphs are as follows:

Subject to the “public interest” test, information relating to:

- Para 3 – financial or business affairs;
- Para 4 – labour relations matters;

and may need to be considered as ‘exempt’.

4. Minutes of the Previous Meeting (Pages 5 - 24)

5. Rubicon Leisure Business Plan 2023/24 (Pages 25 - 34)

6. Rubicon Leisure Limited Annual Budget Plan 2023/24 (Pages 35 - 40)

7. Correspondence Regarding Support Services for Rubicon Leisure Limited (Pages 41 - 48)

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Shareholders Committee

Tuesday, 21st February,
2023

MINUTES

Present:

Councillor Luke Court (Chair), and Councillors Joe Baker, Lucy Harrison, Bill Hartnett and Ann Isherwood

Also Present:

John Oxley (Managing Director, Rubicon Leisure Limited)

Officers:

Peter Carpenter and Claire Felton

Principal Democratic Services Officer:

Jess Bayley-Hill

1. APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

An apology for absence was received on behalf of Councillor Alex Fogg and Members were informed that Councillor Ann Isherwood was attending as his substitute.

In the absence of the Chair the Vice Chair, Councillor Luke Court, chaired the meeting.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED that

the minutes of the meeting of the Shareholders Committee held on 28th March 2022 be approved as a true and correct record and signed by the Chair.

Chair

Shareholders Committee

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4. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that:

Under S100 A (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12 of the said act, as amended.

- **Minute Item No. 5 – Update on Council Financial Support to Rubicon Leisure Limited.**
- **Minute Item No. 6 – Performance Monitoring Report.**

5. UPDATE ON COUNCIL FINANCIAL SUPPORT TO RUBICON LEISURE LTD

The Interim Section 151 Officer presented a report which updated the Shareholders Committee on the financial support that had been provided to Rubicon Leisure Limited by the Council. Members were advised that the content of the report was based on the information that had been provided for Members' consideration at a meeting of the Overview and Scrutiny Committee held on 2nd February 2023.

The Committee was advised that the previous two years leading up to the meeting had been a very challenging time for the Leisure Sector in general. During the Covid-19 pandemic, leisure facilities across the country had been required to close for a significant period of time, which had impacted on income. There had been some Government grant funding available to assist leisure facilities but many leisure venues and organisations had struggled with the impact of the pandemic.

In Redditch, there had been an added complication for Rubicon Leisure Limited as a consequence of the issues that had resulted in the Council being issued with a Section 24 Notice by the authority's external auditors, Grant Thornton. The Council provided the company with financial support services but there had been delays in the submission of the company's 2020-21 accounts, as there had been for the Council. The turnover in the 2020/21 financial year had been lower than would usually be anticipated due to the closure of services during this period. In order to close the accounts, the Council had been asked to provide the company with an additional £135,000 funding in order for Rubicon Leisure Limited to remain viable.

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The submission of Rubicon Leisure Limited's 2021/22 accounts would also been delivered six months late. Officers were still working on the content of the 2021/22 accounts by the date of the meeting and were aiming to meet the deadline of 31st March 2023 for their submission. The financial position of the company appeared to be better than in the 2020/21 financial year as facilities had remained open for longer during this period and there had been an increase in customers for various facilities.

When Rubicon Leisure Limited had been established, it had been determined that the Council would provide the company with support services. This arrangement was unusual for a Council company, as they usually operated their own support services except for ICT support. The arrangements in place, in terms of the support services, were in the process of being reviewed.

A number of issues had been raised during consideration at the Overview and Scrutiny Committee meeting at which the subject of Rubicon Leisure Limited's performance had been discussed. Subsequent to this meeting, Councillor Joanna Kane had raised a number of questions and these were addressed by Officers present at the Shareholders Committee meeting in turn:

Question 1: Please could you let me know which events Rubicon does organise and how it complements that of the events team?

Members were advised that Rubicon Leisure Limited had its own programme of events. As part of this, events took place at Forge Mill Needle Museum and the Abbey Stadium.

Question 2: We would also be interested to know how the community centres run by Rubicon are being used?

Members were advised that Rubicon Leisure Limited managed a range of facilities on behalf of the Council, including the community centres. These operated on a commercial basis as leisure facilities.

Question 3: In addition, it would be good to have a full overview of how Rubicon is getting on and its plans for the future?

Officers clarified that further information had been provided in response to this question in the report that had been provided for Members' consideration and could also be considered as part of the Performance Monitoring update report, considered by the Shareholders Committee. All Members could access the

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information that was provided in agenda packs for meetings of the Shareholders Committee.

Reference was made to the impact that the Covid-19 pandemic had had on the financial position of Rubicon Leisure Limited and the implications arising from this for the Council's budget. Members were advised that as with many leisure services, the pandemic had had a serious impact on the financial position of the company. For 2021/22, the Council had budgeted for a financial contribution of £640,000 to the company but additional funding had been required. However, improved performance by the company since then meant that the financial situation had improved and the level of subsidy that the Council was required to provide to Rubicon Leisure Limited had reduced significantly.

The accounts for Rubicon Leisure Limited for 2020/21 had been submitted, although there had been delays. This had been due to issues with the Council's ERP finance system particularly with technical issues that had arisen with the cash receipting module in the system. Rubicon Leisure Limited's auditors, UHY Hacker Young, had audited the accounts and would be bringing forward their opinion on the 2021/22 accounts in due course.

During consideration of this item, Members queried whether the questions that had been raised at the recent meeting of the Overview and Scrutiny Committee when Rubicon Leisure Limited had been debated would be answered at the Shareholders Committee meeting. The suggestion was made that the questions arising from that meeting should have been made available for consideration at the Shareholders Committee meeting. However, Officers explained that no questions had been referred for inclusion in the agenda for the Shareholders Committee meeting and Members were advised that it was understood that the questions raised at the Overview and Scrutiny Committee meeting had already been answered at that meeting. Officers further clarified that it had been understood that Members of the Overview and Scrutiny Committee would have raised any further questions that they felt should be considered in relation to Rubicon Leisure Limited prior to the Shareholders Committee meeting, but questions had only been received from Councillor Kane in advance of the meeting.

Members were asked to note that the appropriate body holding the company to account, within the governance structure of Rubicon Leisure Limited, was the Shareholders Committee, not the Overview and Scrutiny Committee. To ensure all Members' issues of interest and concern relating to Rubicon Leisure Limited were raised and addressed in a timely and appropriate manner, it was

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important to ensure that these were considered and discussed by the Shareholders Committee. Any Member could suggest to their colleagues on the Shareholders Committee questions for consideration at a meeting of the Committee and any elected Member could attend meetings of the Committee to observe proceedings.

It was noted that one of the areas in which questions had been raised at the recent Overview and Scrutiny Committee meeting had related to the frequency with which meetings of the Shareholders Committee took place. Clarification was requested regarding the reasons why the Shareholders Committee had not met for some time and Members noted that the Audit, Governance and Standards Committee, which received important financial reports relating to the Council, had managed to meet during that period. Officers explained that the issues with the ERP system had impacted on the availability of financial data that could be used as the basis for budget monitoring reports to the Committee. Prior to this, meetings of the Shareholders Committee had taken place regularly and it was anticipated that they would do so again in the 2023/24 municipal year. However, whilst Members acknowledged that there had been problems arising from issues with the ERP system, it was suggested that performance monitoring reports could still have been prepared for the consideration of the Shareholders Committee in this period. In addition, Members commented that the Shareholders Committee could have met in the summer in 2022 after the company's auditors had issued their audit opinion on the 2020/21 accounts.

Consideration was given to the future frequency with which meetings of the Shareholders Committee should take place. Members proposed that, in future, the Shareholders Committee should meet on at least a quarterly basis and that meetings should go ahead even in cases where there was no financial information available to report to the Committee.

RESOLVED that

- 1) the Shareholders Committee should meet on at least a quarterly basis each municipal year;**
- 2) the Chair of the Overview and Scrutiny Committee to advise Members of the Committee about the potential for them to raise questions for the consideration of the Shareholders Committee concerning Rubicon Leisure Limited; and**

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- 3) **members of the Shareholders Committee to be provided with a copy of the minutes of the Overview and Scrutiny Committee meeting held on 2nd February 2023 when the subject of Rubicon Leisure Limited was discussed.**

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information) and information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority and employees of, or office holders under, the authority).

6. **PERFORMANCE MONITORING REPORT**

The Managing Director of Rubicon Leisure Limited presented a Performance Monitoring Report covering the performance of the company up to the end of the third quarter of the 2022/23 financial year.

Members were reminded that Rubicon Leisure Limited had only been trading for a short period before the emergence of the Covid-19 pandemic. During the pandemic, leisure facilities had had to close as part of the national lockdown arrangements, and this had included facilities managed by Rubicon Leisure Limited. These facilities had all reopened by the date of the meeting.

For most of the 2022/23 financial year, the visitor centre at the Arrow Valley Park had been closed, which had been very disappointing. Trade had occurred outside the building and there were plans in place to reopen the Visitors' Centre. Once this reopening had occurred, people would have a very different experience at the site.

When Rubicon Leisure Limited was launched, the company did not have access to IT software that would have enabled customers to interact with the organisation on a digital basis. New ICT solutions had since been introduced which enabled staff to access business information immediately and customers could interact with the company in a digital manner.

There remained some challenges that could impact on the company. This included:

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- The cost of living crisis
- Rising energy costs

Once the report had been presented, Members discussed the following points in detail:

- The assets managed by Rubicon Leisure Limited and who determined this asset mix. Members were advised that Rubicon Leisure Limited managed many of the Council's leisure assets on the authority's behalf and Members determined which assets were managed by the company.
- The purpose of the services provided by Rubicon Leisure Limited and whether commercial considerations should be prioritised over other reasons. Members were asked to note that Leisure Services had an important role in relation to the health and wellbeing of the local population and could help to make people happier and healthier. The reasons for providing leisure services in this context were not just commercial but also to help address health inequalities.
- The need for consideration to be given in the long-term to the mix of services that should be provided by Rubicon Leisure Limited on behalf of the Council and the role of elected Members in helping to determine that mix.
- The plans in place in the long-term for the future operation of a museum at Forge Mill. Members commented that Forge Mill Needle Museum was an important cultural asset in the Borough.
- The new fitness equipment that had been installed at the Abbey Stadium and the stimulating experience that arose from using this equipment.
- The plans for Arrow Valley Park in the future. Members commented that more could be done to maximise use of the park. Officers explained that the park was managed by the Council, rather than Rubicon Leisure Limited.
- The proposals for the future of the visitor centre at the Arrow Valley Park, which was operated by Rubicon Leisure Limited.
- The potential for Rubicon Leisure Limited to provide services and activities that really benefitted the local community, including particular groups living in the local area such as young people.
- The social media coverage for the company.
- The ICT problems that had impacted on the company in previous years and the extent to which these had been fixed. Members were advised that the ICT support for the company was improving and digital transformation was a key part of the company's strategy for the future.

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The challenges in relation to the visitor centre at the Arrow Valley Park including in relation to the toilet facilities were discussed. Members were advised that these toilets had been misused and left in a poor state of disrepair. They were only supposed to be used by customers using the visitor centre but had tended to be used by everybody visiting the park and there was a risk that the toilets could be misused again if they were reopened in the future. However, there was the potential to make more constructive use of the facilities at the visitor centre in the Arrow Valley Park and Members suggested that this would be a useful subject for discussion at a future meeting of the Shareholders Committee. As the visitor centre was situated in the park, which was managed by the Council rather than Rubicon Leisure Limited, Members suggested that representatives of both the company and the Council should be invited to attend the meeting of the Committee when this matter was discussed further.

Members were advised that members of the Rubicon Board were passionate about the company and the potential for the services provided by Rubicon Leisure Limited to make a positive difference to people's lives. This was important to the performance of the company moving forward.

RESOLVED that

- 1) the performance monitoring report be noted; and**
- 2) the future options for the operation of the visitor centre at the Arrow Valley Park be discussed at a future meeting of the Shareholders Committee.**

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information)).

The Meeting commenced at 7.00 pm
and closed at 8.25 pm

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Shareholders Committee 2023

6th July

Rubicon Leisure Annual Business Plan 2023/24

Relevant Portfolio Holder	Councillor Joanne Beecham
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Report Author Jess Bayley-Hill	Job Title: Principal Democratic Services Officer Contact email: jess.bayley-hill@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252 Ext: 3072
Wards Affected	All wards
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Living independent, active and healthy lives
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Shareholders Committee is asked to **RESOLVE** that:-

The Rubicon Leisure Annual Business Plan 2023/24 be approved.

2. BACKGROUND

- 2.1 The Rubicon Leisure Limited Board have already considered the Rubicon Leisure Annual Business Plan 2023/24 and endorsed the content.
- 2.2 The Shareholders Committee is responsible for approving the final business plan for Rubicon Leisure Limited. This report provides Members with an opportunity to do this.

3. OPERATIONAL ISSUES

- 3.1 The Rubicon Leisure Annual Business Plan 2023/24, at Appendix 1 to this report, details plans for the company for 2023/24. These plans have implications for how the company will operate during the period in which the plan will apply.

4. FINANCIAL IMPLICATIONS

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4.1 The financial implications are detailed in the appendix.

5. LEGAL IMPLICATIONS

5.1 Final approval of the business plan for Rubicon Leisure Limited is a reserved matter for the shareholders Committee to determine on behalf of the Council.

6. OTHER - IMPLICATIONS**Relevant Strategic Purpose**

6.1 The services delivered by Rubicon Leisure Limited supports the strategic purpose 'Living independent, active and healthy lives'.

Climate Change Implications

6.2 There are no specific climate change implications.

Equalities and Diversity Implications

6.3 Any equalities and diversity implications are detailed at Appendix 1 of the report.

7. RISK MANAGEMENT

7.1 The risks are detailed in the appendix.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Rubicon Leisure Annual Business Plan 2023/24

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Shareholders Committee 2023

6th July

Rubicon Leisure Budget Report 2023/24

Relevant Portfolio Holder	Councillor Joanne Beecham
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Report Author Jess Bayley-Hill	Job Title: Principal Democratic Services Officer Contact email: jess.bayley-hill@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252 Ext: 3072
Wards Affected	All wards
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Living independent, active and healthy lives
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Shareholders Committee is asked to **RESOLVE** that:-

The Rubicon Leisure Budget Report 2023/24, and its underlying assumptions be approved.

2. BACKGROUND

- 2.1 The Rubicon Leisure Limited Board have already considered the Rubicon Leisure Budget Report 2023/24 and endorsed the content. The budget report is part of the wider business plan.
- 2.2 The Shareholders Committee is responsible for approving the final business plan for Rubicon Leisure Limited. This report provides Members with an opportunity to understand the budget plan for the year and how potential risks and issues are to be mitigated.

3. OPERATIONAL ISSUES

- 3.1 The Rubicon Leisure Budget Report 2023/24, at Appendix 1 to this report, details financial plans and key assumptions for the company for 2023/24. These plans have implications for how the company will operate during the period in which the plan will apply.

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4. FINANCIAL IMPLICATIONS

- 4.1 The financial implications are detailed in the appendix.

5. LEGAL IMPLICATIONS

- 5.1 Final approval of the business plan for Rubicon Leisure Limited is a reserved matter for the shareholders Committee to determine on behalf of the Council. The Budget Report is a subset of the business plan.

6. OTHER - IMPLICATIONS**Relevant Strategic Purpose**

- 6.1 The services delivered by Rubicon Leisure Limited supports the strategic purpose 'Living independent, active and healthy lives'.

Climate Change Implications

- 6.2 There are no specific climate change implications.

Equalities and Diversity Implications

- 6.3 Any equalities and diversity implications are detailed at Appendix 1 of the report.

7. RISK MANAGEMENT

- 7.1 Financial and Budget monitoring is included in the corporate risk register for the authority.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Rubicon Leisure Budget Report 2023/24

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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