



Shareholders Committee

Tue 28 Nov
2023
6.30 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

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 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.

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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

Tuesday, 28th November,
2023

6.30 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. Council Funding and Support Update (Pages 5 - 10)

4. 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;

and may need to be considered as ‘exempt’.

5. Minutes of the Previous Meeting (Pages 11 - 26)

6. Quarter 2 Performance Monitoring Update Report 2023/24 (Pages 27 - 34)

7. To consider any urgent business, details of which have been notified to the Head of Legal, Democratic and Property Services prior to the commencement of the meeting and which the Chair, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

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Redditch Borough Council**Shareholders Committee 28th November 2023****Council Funding and Support Update**

Relevant Portfolio Holder	Councillor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Pete Carpenter
Report Author	Job Title: Peter Carpenter – Interim Director of Finance Email: peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY

The Council set up Rubicon Leisure Limited in 2018 to deliver the Council's Leisure and Cultural activities. As part of the arrangements the Council provide ongoing support services to Rubicon. Like the Council, Rubicon have concerns with the support they are receiving from the Council. This report updates the Shareholders Committee on

- The ongoing Council financial issues and how these impact Rubicon
- Additional investment being made in infrastructure

2. RECOMMENDATIONS

Shareholders Committee are asked to Note and Comment on the:

- The ongoing approach for the delivery of support services to Rubicon by the Council
- The £650k investment being made in Rubicon operated facilities by the Council over the next three years as per the 2024/5 Medium Term Financial Plan.
- The delivery of improvements to plant facilitated by the £177k grant from Sport England.

3. KEY ISSUES**Support Service Position**

Redditch Borough Council**Shareholders Committee 28th November 2023**

- 3.1 The July meeting of this Committee include a review of a letter received by the Rubicon Board of Directors on the quality of financial support being received by Rubicon from the Council. A response to that letter was discussed at that meeting and a response sent to Rubicon.
- 3.2 As set out in the letter, and being discussed in the Audit Governance and Standards Committee on the 23rd November, the Council are still to deliver their 2020/21 Accounts. There is a plan, which is discussed at every Audit Committee, for rectification however until the Auditors sign off the opening balances at the time of transfer to the new financial system draft accounts will not be able to be delivered. The backlog in cash receipting transactions that is the cause of the issues is expected to be cleared by the end of this calendar year. Rubicon is a business that driven by customer income, so this has had a significant effect on its management information. This is referenced in their Managing Director's Performance Report which is also on this agenda. There is significant concern at Rubicon that the Council's ongoing financial issues have still not been resolved and the impact this has on their business.
- 3.3 Although the 2020/21 and 2021/22 Accounts have been delivered, the latter with very heavy qualifications, Rubicon have had to apply for a 3 month extension in the delivery of their Statutory Accounts for 2022/23 because of these issues. This cannot be actioned until the 1st December. Members of the Committee should note that Rubicon has to comply with Companies Act legislation, not Local Government legislation. Both the 2020/21 and 2021/22 Accounts had underspend positions and these amounts will be moved into an Earmarked Rubicon Reserve to mitigate any issues that might arise when the Councils accounts are finally closed for those years.
- 3.4 Rubicon, with the change of their Managing Director, have engaged a financial review to assess issues within their business. The Council is working with Rubicon in delivering information for this review. The most significant area being assessed is ensuring VAT returns are up to date. A key part of this work is ensuring all income is properly logged.
- 3.5 In terms of other SLA items:
- HR support has moved to another provider.
 - Payroll Support is still provided in house.
 - Environmental Services and Parks Services continue to be delivered.
 - ICT services continue to be delivered, and as this is a Council Company delivering Council services, there is a requirement for this linkage. There is an issue in relation to a 24/7 service which is presently not offered by the Council but is covered by out of hours. The Council to looking into ways of offering this more formally as Rubicon does deliver significant services in the evenings and at weekends.
 - Pending the review of financial services, and the Council rectifying its financial position, financial services could be delivered in an alternative way.
- 3.6 Changes to SLA's are reserved matters and would require Council signoff.

Redditch Borough Council**Shareholders Committee 28th November 2023****Investment in Infrastructure****Sports England Grant**

- 3.7 The Council applied through Sport England, whose sponsor Department is the Department for Culture, Media and Sport for support in reducing running costs for the Swimming Pool at the Abbey Stadium Sports Centre.
- 3.8 DCMS has allocated funding to support public sector leisure centres with swimming pools that face immediate cost pressures to limit closures and reduce running costs, specifically energy and chemical costs (the “Swimming Pool Support Fund”). Representatives from DCMS, Department for Levelling Up, Housing and Communities (“DLUHC”) and Sport England form a committee to determine jointly whether individual applications for funding are suitable and the amount of funding to be allocated. Sport England is the body designated to distribute the allocated funding to approved applicants and monitor the application of the funds.
- 3.9 The Council applied for a revenue grant from the fund, and the application has been approved at a total of £177,311. This grant is to be used for expenditure relating to energy or chemical use for the Facilities. The Grant was awarded to Rubicon Leisure and has to be used within the next three years.
- 3.10 Rubicon/the Council will provide details of actual visits and participation at each Facility on a monthly basis. The Applicant will provide the information directly on to Sport England’s Moving Communities platform and will endeavour to provide the information in an automated manner. The information to be provided consists of:
- (a) PARTICIPANTS: Total number of known unique individuals that have visited the Facility to do an activity in the relevant month, broken down into the following categories on a monthly basis:
- (i) Age / age group
 - (ii) Gender
 - (iii) IMD (deprivation decile) based on home postcode of participant.
 - (iv) Ethnicity
 - (v) Disability
- (b) VISITS: Total number of visits to the Facility in the relevant month, including a breakdown of the activity undertaken in each instance
- 3.11 Rubicon/the Council will provide details of actual utilities and chemicals consumption at each Facility on a quarterly basis. The Applicant will provide the information directly on to Sport England’s Moving Communities platform and will endeavour to provide the information in an automated manner.

Council Investment via the Capital Programme

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- 3.12 As part of Tranche 1 of the 2024/5 Medium Term Financial Plan, Executive approved that investment in facilities run by Rubicon of £650k be made over the next three years:

	2023/4 £000	2024/5 £000	2025/6 £000	2026/7 £000
MMP recommendation AVCP North improve surfacing and widen path along route between the Abbey ruins and the fishponds.	0	30	0	0
MMP recommendation AVCP Replace or repair broken bins, adopting a consistent style of bin across the site (in my opinion you do not need to change every bin to the same style, we try to zone so similar styles in an area. Taking a perfectly good bin out is a waste of money. Replace as required	0	5	0	0
MMP recommendation AVCP South. Repair or replace car park surface at Icknield St Drive.	25	0	0	0
AVCP Pump Track	33	0	0	0
AVCP - Parking Bays near Visitor Centre	0	12	0	0
AVCP - Car Park Extension 25 Spaces	0	95	0	0
Arrow Valley Park Visitor Centre Improvements	0	150	150	150
Total	58	292	150	150

- 3.13 The first 4 items of this list were approved at Council on the 13th November 2023 for implementation, as work will begin this year. The other items will be agreed as part of the Tranche 1 proposals in January 2024. It should be noted, that as part of those proposals there is more investment in parks and play facilities across the Borough.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change

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officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications**Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

Operational Implications

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

7. RISK MANAGEMENT

7.1 The financial monitoring is included in the corporate risk register for the authority

8. APPENDENCES**AUTHOR OF REPORT**

Name: Pete Carpenter– Interim Director of Finance (S151)
E Mail: Peter.Carpenter@bromsgroveandredditchbc.gov.uk

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Shareholders Committee

Thursday, 6th July, 2023

MINUTES

Present:

Councillor Craig Warhurst (Chair), Councillor Emma Marshall (Vice-Chair) and Councillors Imran Altaf, Bill Hartnett and Sid Khan

Officers:

Peter Carpenter and Claire Green

Principal Democratic Services Officer:

Jess Bayley-Hill

1. APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

An apology for absence was received on behalf of Councillor Joe Baker and Members were advised that Councillor Bill Hartnett was attending as his substitute.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

Members considered the content of the minutes of the previous meeting of the Shareholders Committee, held on 21st February 2023.

During consideration of this item, Members noted that at the previous meeting, a request had been made for the Committee to be provided with an update at a future meeting on plans for the toilet facilities at the Arrow Valley Countryside Centre. A request was made for officers to ensure that this update was provided at the following meeting of the Committee if possible.

RESOLVED that

the minutes of the meeting of the Shareholders Committee held on 21st February 2023 be approved as a true and correct record and signed by the Chair.

Chair

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Thursday, 6th July, 2023

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 – Rubicon Leisure Business Plan 2023/24**
- **Minute Item No. 6 – Rubicon Leisure Limited Annual Budget Plan 2023/24**
- **Minute Item No. 7 – Correspondence Regarding Support Services for Rubicon Leisure Limited**

5. RUBICON LEISURE BUSINESS PLAN 2023/24

The Interim Director of Finance and Resources presented the Rubicon Leisure Business Plan 2023/24 for the Committee's consideration.

The Committee was informed that the Rubicon Leisure Business Plan linked to a number of the Council's strategic purposes. In particular, the objectives detailed in the business plan would help to support the Council's strategic purpose "Live Independent, Active and Healthy Lives" as well as corporate priorities relating to financial stability, sustainability and providing high quality services. There were nine key themes in the business plan and all of these would support the Council's strategic purposes.

There were a number of important considerations in relation to these themes, including the importance of health and safety, which was key to the effective delivery of Leisure Services. The company's Workforce and Engagement Strategy was also significant in relation to training and motivating staff. In the Leisure industry, there were certain training requirements for key staff which had to be addressed as part of their continuing professional development, including the need to train and re-register lifeguards every year.

A review was in the process of being undertaken with respect to the governance structures for Rubicon Leisure Limited. This would

Shareholders Committee

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take into account existing Service Level Agreements (SLAs) with support services and it was anticipated that the review would result in improvements to service efficiency.

The content of the Rubicon Leisure Business Plan 2023/24 demonstrated that the company had a well thought through direction of travel. A key role of the Shareholders Committee would be to determine whether Members were happy with this proposed direction of travel for the company.

After the presentation of the report, Members discussed the content of the Rubicon Leisure Business Plan 2023/24 in detail and in doing so commented on the following matters:

- The progress that had been achieved by Rubicon Leisure Limited since the company was introduced.
- The remaining issues with service delivery that still needed to be addressed.
- Financial expenditure by the Council in recent years to support Rubicon Leisure Limited.
- The recent appointment of a new Managing Director for Rubicon Leisure Limited and the need for the outgoing interim Managing Director to share knowledge and expertise with this new member of staff prior to his departure.
- The targets detailed in the Rubicon Leisure Business Plan 2023/24 and whether the company was already on track in terms of aiming to deliver the goals detailed in the plan. Officers agreed to raise this with the company.
- The different organisations involved in managing the lake at the Arrow Valley Park and the various lines of responsibility. The Committee was informed that the Council managed and maintained the park, Rubicon Leisure Limited maintained the countryside centre and the Sailing Club had an agreement in place with the Council in respect of use of the lake.
- The potential for further clarification to be provided to the Shareholders Committee in respect of legal restrictions on use of the lake.
- The quality of the water at the Arrow Valley Lake and the impact that this could have on potential use of this site moving forward.
- The potential for the lake to be classified as an area for bathing in order to trigger action by relevant partner authorities that would result in an improvement to the water quality.
- The need for Rubicon Leisure Limited to deliver services and activities that enabled the Council to address objectives detailed in the authority's Leisure and Culture Strategy, which had been approved in 2022.

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- The potential for Key Performance Indicators (KPIs) to be included in the Rubicon Leisure Business Plan to enable the Shareholders Committee to measure the company's performance.

In concluding discussions in respect of this matter, Members agreed that representatives of Rubicon Leisure Limited should be invited to attend the following meeting of the Committee to address a number of the actions that had been raised during consideration of the item.

RESOLVED that

- 1) the Rubicon Leisure Annual Business Plan 2023/24 be approved; and**
- 2) representatives of Rubicon Leisure Limited be invited to attend the following meeting of the Committee to address the points raised during consideration of this item.**

(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)).

6. RUBICON LEISURE LIMITED ANNUAL BUDGET PLAN 2023/24

The Director of Finance and Resources presented Rubicon Leisure Limited's Annual Budget Plan 2023/24 and in so doing explained that the budget plan supported the aims and objectives detailed in the Business Plan.

Following the presentation of the report, Members discussed a number of points in detail:

- The financial position of Rubicon Leisure Limited by the date of the meeting.
- The various capital schemes listed in the budget plan and the extent to which the Council would be expected to cover these costs. The Committee was advised that there was likely to be a mix of expenditure covered by income and requests for funding from the Council during the financial year.
- The need for Rubicon Leisure Limited to submit a robust business case to the Council for any capital funding requested from the authority.

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- The community centres, which Rubicon Leisure Limited managed on behalf of the Council. Members commented that the community centres remained valuable assets for the local community.
- The need for all Council assets, including the community centres, to achieve an Energy Performance Certificate (EPC) C rating or above by 2026. Should this not be possible to achieve, the Council would need to give consideration as to whether the authority could continue to own these assets moving forward, particularly if a significant amount of financial investment would be needed to upgrade the community centres to an appropriate standard.

RESOLVED that

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

(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)).

7. CORRESPONDENCE REGARDING SUPPORT SERVICES FOR RUBICON LEISURE LIMITED

The Interim Director of Finance and Resources presented a report concerning support services for Rubicon Leisure Limited.

(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 8.18 pm

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

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REDDITCH BOROUGH COUNCIL**SHAREHOLDERS COMMITTEE****28th November 2023****RUBICON LEISURE QUARTER 2 PERFORMANCE MONITORING REPORT 2023-24**

Relevant Portfolio Holder	Councillor Jo Beecham
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Ward(s) Affected	N/A
Ward Councillor(s) Consulted	N/A
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. SUMMARY OF PROPOSALS

To update Shareholders on the operational performance of Rubicon Leisure Limited for the period April – September 2023.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

the report be noted.

3. KEY ISSUES

- 3.1 The second quarter report is attached at Appendix 1 and details the work that has been undertaken by the company during this period.

4. Financial Implications

- 4.1 There are no specific financial implications detailed in this report.

5. Legal Implications

- 5.1 The Council must retain control over the company to ensure that the Company continues to benefit from the Teckal exemption. This allows the Council to contract with it for the delivery of leisure services without conducting an open procurement exercise.
- 5.2 The contractual documentation in place between the Council and the Company contains the necessary mechanisms, checks and balances to incentivise good performance and to ensure compliance with the Teckal exemption.

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6. Customer / Equalities and Diversity Implications

- 6.1 As can be seen in the performance monitoring report, Rubicon Leisure Limited continues to provide opportunities across leisure and culture to help inspire the communities of Redditch to live healthier and happier lives. Using the measures dashboard, the Council will ensure that the community and local partners are supported by the leisure and cultural offer, and that Rubicon Leisure continues to deliver on the Council's Strategic Objectives.

7. RISK MANAGEMENT

- 7.1 Rubicon Leisure maintains risk registers in relation to both service delivery and Health and Safety compliance. These are regularly monitored, and any updates reported to the Board at each meeting.

8. APPENDICES

- 8.1 Appendix 1 - Quarter 2 Performance Monitoring Report (2023-24)

9. BACKGROUND PAPERS

- 9.1 Service Specification as reported to the Executive Committee and Council in September 2018.

AUTHOR OF REPORT

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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