

# Shareholders Committee Committee

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Thursday, 4th April, 2024

## MINUTES

### Present:

Councillors Emma Marshall, Imran Altaf, Bill Hartnett and Sid Khan

### Also Present:

Ben Clawson-Chan (Managing Director, Rubicon Leisure Limited)

### Officers:

Peter Carpenter and Nicola Cummings

### Democratic Services Officers:

Jess Bayley-Hill

## 22. APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Joe Baker and Craig Warhurst and it was confirmed that Councillor Bill Hartnett was attending as Councillor Baker's substitute.

In the absence of the Chair, the Vice Chair, Councillor Emma Marshall, chaired the meeting.

## 23. DECLARATIONS OF INTEREST

There were no declarations of interest.

## 24. MINUTES OF THE PREVIOUS MEETING

### RESOLVED that

**the minutes of the meeting of the Shareholders Committee held on 27<sup>th</sup> February 2024 be approved as a true and correct record and signed by the Chair.**

Chair

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## 25. 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 1, 2 and 3 of Part 1 of Schedule 12 of the said act, as amended.**

**Minute Item No. 26 – Council Funding and Support Update**

**Minute Item No. 27 – Appointment of Directors**

**Minute Item No. 28 – Rubicon Leisure Business Plan**

**Minute Item No. 29 – Rubicon Leisure Budget Report**

## 26. COUNCIL FUNDING AND SUPPORT UPDATE

The Deputy Chief Executive and Section 151 Officer presented an update on Council funding and support for Rubicon Leisure Limited.

Following discussions held at the previous meeting, advice had been received from the Senior Health and Safety Officer regarding arrangements for testing the quality of the water at the Arrow Valley Lake. An external company would need to be commissioned to undertake the testing and this would help to inform decisions about uses of the lake moving forward.

Officers had investigated the pump track activities which were due to receive Section 106 funding. Confirmation had been received that this funding would be used to support actions taken at one pump track site only.

The pontoon that had been proposed by Members at the previous meeting could be installed in the Arrow Valley Lake. Works would be required and there would be a lead in time of approximately 20 weeks before the pontoon would be accessible. These works would be undertaken at the same time as planned civil works at the site, in order to minimise disruption.

A meeting between members of the Shareholders Committee and Rubicon Board had not yet been possible to arrange due to Members' availability. Due to the forthcoming local elections, it was proposed that this meeting should take place in the 2024/25 municipal year and should be organised once the membership of the Committee had been confirmed. The suggestion was made that

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this meeting should take place prior to the first meeting of the Committee in the 2024/25 municipal year.

Members noted that the Sailing Club did not have exclusive rights to use the Arrow Valley Lake 24 hours a day, seven days a week and questions were raised about how the lake would be used during the times that the club wasn't scheduled to utilise the lake. Members were advised that any decisions would need to take into account the outcomes of water testing.

Reference was made to the potential for lighting to be installed on the pathways around the Arrow Valley Lake and Park. Members noted that this had been raised by residents as a safety consideration. Members commented that this would need to take into account the potential biodiversity implications and there might be planning considerations to address. However, Officers were asked to investigate this matter further. It was noted that the park was managed and maintained by the Council, not Rubicon Leisure Limited.

## **RESOLVED that**

### **The update be noted.**

(During 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)).

## **27. APPOINTMENT OF DIRECTORS**

The Deputy Chief Executive and Section 151 Officer presented a report detailing proposals for the appointment of new Directors to Rubicon Board. In addition, the report invited Members to note the recent appointment of a Director as the Chair of the Board. The Committee was advised that this report was being presented for Members' consideration as the appointment of Directors was a reserved matter for the Committee to determine, although the shortlisting and interview process was conducted by Rubicon Leisure Limited. These appointments were required following the resignation of two members of the Board, including the Chief Executive of Redditch Borough Council.

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## RESOLVED

- 1) **To approve the following appointments to the Rubicon Leisure Board of Directors:**
  - a) **Mr Mark Chambers as Non-Executive Director**
  - b) **Mr Jon Nasta as Non-Executive Director**
- 2) **That the appointment of Guy Revans as interim Chair of the Board of Directors be noted.**

(During 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 relating to an individual and which was likely to reveal the identity of an individual.)

## 28. RUBICON LEISURE BUSINESS PLAN

The Managing Director of Rubicon Leisure Limited presented the Rubicon Leisure Business Plan.

In presenting the business plan, the Managing Director highlighted that the aims and objectives supported the Council's strategic purposes, as detailed in the Redditch Council Plan. This included a key objective to be financially sustainable moving forward. Rubicon Leisure Limited valued staff and aimed to invest in their development. The company also benefitted from the contribution of many volunteers.

The company was aiming to engage more actively with customers moving forward. The new Marketing Manager post at Rubicon Leisure Limited would be integral to achieving this aim. Social media could also increasingly help to engage with customers and an example was provided of a recent social media post for Forge Mill Needle Museum, advertising the use of needles in a Crocodile Dundee themed manner, which had been viewed 1 million times.

There was a need for Rubicon Leisure Limited to continue to work closely with partner organisations to enhance the health and wellbeing of the local community. This included working with the local District Collaborative.

In the long-term, Rubicon Leisure Limited required the Council to invest in the assets that the company managed on behalf of the Council, including the Abbey Stadium, Arrow Valley Countryside

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Centre and Palace Theatre. This investment was required to ensure that the venues remained safe and compliant with health and safety requirements and that income levels could be maintained.

Members were advised that in future the company was aiming to produce a new 3 – 5 year business plan. The company would aim to draft this updated business plan in line with the authority's timeframes for producing a new Council Plan.

After the business plan had been presented, Members discussed the following points in detail:

- The risk that aiming to increase the company's income could come at the expense of meeting the needs of some of the more vulnerable members of society. The Managing Director clarified that the company was aiming to maximise financial performance but not at the expense of other priorities and subsidises for services and activities would remain in place in many areas of the business.
- The potential for additional wording to be added to the business plan to reflect the fact that the company was supposed to continue to have a public sector ethos.
- The potential for further development of new staff through provision of apprenticeship opportunities at the company.
- The information included in the business plan that indicated that the waterwheel at Forge Mill Needle Museum was the only such one in the world and the extent to which this was promoted by Rubicon Leisure Limited.
- The workshop on stress which was due to be provided at the Boathouse by Rubicon Leisure Limited, which had recently been promoted through the social prescribing model. Members thanked the Managing Director for this work and were asked to note that there was also due to be a Stress Awareness Week taking place at the Abbey Stadium.

## **RESOLVED that**

**Subject to reflecting the public sector ethos in the company's priorities, the Rubicon Leisure Annual Business Plan 2024/25 be approved.**

(During 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

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the financial and business affairs of any particular person (including the authority holding that information)).

## 29. RUBICON LEISURE BUDGET REPORT

Members considered the Rubicon Leisure Budget Report.

The Committee was advised that the budget report had been drafted to support the Rubicon Leisure Business Plan 2024/25. Financial sustainability underpinned proposals detailed in the report, in line with that plan.

The company remained in a position where a subsidy continued to be requested from the Council. However, as detailed within the business plan, there were actions being taken to reduce this subsidy. As such, the Managing Director was requesting a subsidy of £349,000 from the Council for 2024/25. There were some services provided by the company on the Council's behalf that would attract a lot of income, particularly sports activities. However, heritage sites and the community centres were less likely to attract significant income, although they were recognised as valuable assets in the community. Furthermore, Members were asked to note that the Leisure and Cultural sector was still recovering from the impact of the Covid pandemic and further improvements in income could occur moving forward.

The level of funding that was being requested by Rubicon Leisure Limited from Redditch Borough Council for 2024/25 was less than in previous years, which indicated that progress was being made. In addition, Members were asked to note that in the 2021/22 financial year a significant amount of financial support had been requested by the company from the Council which had not been used and this would be returned to reserves for future investment.

Reference was made to forthcoming pressures that could impact on costs associated with the assets managed by Rubicon Leisure Limited on behalf of the Council. Officers explained that the Council would soon be required to ensure that all properties achieved at least a minimum Grade C EPC rating, including sports and leisure venues and community centres. This would potentially result in an increase in costs for asset management, although the Palace Theatre was already performing well in respect of this issue, as LED lighting had been installed in the building.

A number of areas were discussed by Members during consideration of this item:

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- The extent to which budget data was up to date, given difficulties that had been experienced with the Council's Tech1 finance system.
- The income received from the café at Morton Stanley Park. Members were reminded that this café was operated by the Council rather than Rubicon Leisure Limited.
- The extent to which the Shareholders Committee had the authority to change the budget for Rubicon Leisure Limited. Officers clarified that the Shareholders Committee did not have the power to change the company's budget, although Members could change the level of subsidy awarded to Rubicon Leisure Limited.
- The stage that had been reached with the submission of the company's accounts, in a context in which there had been challenges with the Council's Tech1 finance system which was also used by Rubicon Leisure Limited. Officers explained that they were aiming to have the 2021/22 accounts in draft form by the end of June 2024 and the 2022/23 accounts in draft form by the end of July.
- The main issues with the Tech1 system that had impacted on the accounts for Rubicon Leisure Limited. Officers confirmed that there had been significant issues with the cash receipting part of the Tech1 system, which had particular implications for Rubicon Leisure Limited because many customers paid for services using cash.

## **RESOLVED that**

**the Rubicon Leisure Budget Report 2024/25, and its underlying assumptions be approved.**

(During 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 6.30 pm  
and closed at 7.44 pm