



Shareholders Committee

Monday, 2nd December,
2024

MINUTES

Present:

Councillor Sharon Harvey (Chair), Councillor Bill Hartnett (Vice-Chair)
and Councillors Joe Baker and Ian Woodall

Also Present:

Councillor Juliet Barker Smith

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

Officers:

Peter Carpenter and Ben Clawson-Chan

Democratic Services Officers:

Jess Bayley-Hill

7. APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

An apology for absence was received on behalf of Councillor Jen Snape.

Members were informed that Councillor Matthew Dormer had been invited to attend the meeting as a leader of a political group, in line with the terms of reference for the Committee. Councillor Dormer had advised that he was hoping to attend the meeting but he would be late as he was due to attend another Committee meeting the same evening. In the event, that meeting had not finished by the time that the Shareholders Committee meeting concluded and therefore he was unable to attend.

8. DECLARATIONS OF INTEREST

There were no declarations of interest.

Chair

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9. MINUTES OF THE PREVIOUS MEETING

RESOLVED that

the minutes of the meeting of the Shareholders Committee held on 22nd August 2024 be approved as a true and correct record and signed by the Chair.

10. 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 paragraph 3 of Part 1 of Schedule 12 of the said act, as amended.

Minute Item No 11 – Budget Monitoring Report

Minute Item No. 12 – Quarter 2 Performance Monitoring Report 2024/25

11. BUDGET MONITORING REPORT (TO FOLLOW)

The Deputy Chief Executive and Section 151 Officer presented a Budget Monitoring Report for the consideration of the Committee.

The report followed the Executive Committee's recent consideration of the Medium Term Financial Plan Tranche 1 report 2025/26 to 2027/28, which had included information regarding requests for capital funding that had been received from Rubicon Leisure Limited. This funding would be used for the following reasons:

- To upgrade the changing room and toilet facilities at the Abbey Stadium.
- For a new outdoor kiosk and toilet facilities at Forge Mill Needle Museum.
- To refurbish the changing facilities and second green at Pitcheroak Golf course.

Additional capital funding would also be helpful to enable upgrading of the roof at the Abbey Stadium and to improve the kitchen facilities at the Arrow Valley Countryside Centre.

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Progress had been made, since the previous meeting of the Committee, with preparation and submission of the company's accounts. This followed progress with the preparation and submission of the Council's accounts for three separate financial years from 2020/21 onwards. The company was on track to submit their accounts to Companies House by the deadline at the end of the calendar year. The Council's accounts were likely to receive a disclaimer opinion from the authority's external auditors and the company's external auditors would be notified of this situation accordingly.

Members were asked to note that Rubicon Leisure Limited would need to cover significant costs arising in relation to VAT. However, the Council had previously anticipated this cost and had set aside a reserve of £800,000 to try to cover these costs. Whilst the final figure remained to be confirmed on the date of the meeting, it was anticipated that the figure would be much lower than this reserve.

The Committee was advised that since the previous meeting, the Government had confirmed that the Council had been unsuccessful in its bid for Levelling Up Cultural Grant funding. This would have implications for Rubicon Leisure Limited, as it had been one of the organisations that might have benefitted from this funding. However, there was a Government consultation being undertaken on future culture grant funding and the Council needed to submit a response to this by the deadline of 13th December 2024.

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

- Progress that had been achieved by the Council in respect of responding to the Government's consultation on culture funding. An update was requested for the consideration of Members in respect of this matter.
- The Levelling Up funding for culture that had been withdrawn by the Government and the fact that the Council had not allocated this funding to any particular initiatives before the withdrawal was announced. Officers were asked to ensure that this situation was clarified in Council communications moving forward.
- The figures that had been included in the report in respect of capital funding requested to support Council assets operated by Rubicon Leisure Limited and the basis for these figures. The Committee was informed that some of these figures had been included in the bid for culture funding whilst other figures were based on information supplied by the company in terms of the level of investment needed in various assets.

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- The need for the changing rooms and toilets at the Abbey Stadium to be upgraded and the feedback received from customers regarding the current condition of these facilities.
- The need for the toilets at Forge Mill Needle Museum to be upgraded.
- The information that had been provided by the Council's Property Services team in quotes relating to many of the figures supplied in the report.
- The positive impact that an upgrade of the kitchen facilities at the Arrow Valley Countryside Centre might have on income at the venue.
- The need for capital investment in the car parks at the Arrow Valley Park.
- The potential for a bid writer to be employed by Rubicon Leisure Limited to apply for grant funding on behalf of the company.
- The authority's plans to employ a bid writer and the potential for expertise to be pooled between the Council and company in order to work on submitting bids.
- The need for the Council to be able to identify a return on investment for any capital funding allocated to facilities managed by Rubicon Leisure Limited.
- The potential for a breakdown of expenditure proposed by Rubicon Leisure Limited, based on priority areas of spend, to be provided in reports to the Committee.

RESOLVED to note

the position in terms of:

- **Rubicon related items in Tranche 1 of the 2025/6 Budget.**
- **The Closure of the 2023/4 Accounts.**
- **VAT.**
- **The Culture Fund.**

(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)).

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12. QUARTER 2 PERFORMANCE MONITORING REPORT 2024/25

The Managing Director of Rubicon Leisure Limited presented the Quarter 2 Performance Monitoring Report for the 2024/25 financial year.

The Committee was advised that services were performing well. Many venues managed by Rubicon Leisure Limited were benefiting from the enhanced food and beverage offer that was now available to customers. This included a positive impact from the introduction of a food and beverage offer at Forge Mill Needle Museum.

The services and activities available to the local community that were provided by Rubicon Leisure Limited had increased. Communications in respect of this offer had also been enhanced, with improvements having been made to the content of the company's website.

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

- The positive impact of the approach that had been adopted to managing the company on the performance of Rubicon Leisure Limited. Members were asked to note that this was due to a team effort by all staff.
- The need for the Committee's thanks to be communicated to staff employed by Rubicon Leisure Limited for their hard work.
- The valuable contribution that was made by volunteers, particularly at the Palace Theatre and Forge Mill Needle Museum.
- The potential for a recognition night dedicated to these volunteers to be held to provide an opportunity for thanks to be communicated to the volunteers.
- The volunteer handbook that was being developed by Rubicon Leisure Limited to help volunteers make the most of their time volunteering with the company.
- The constructive impact that participation in sporting and leisure activities could have on people's health. Members commented that the NHS could benefit from the activities and services provided by Rubicon Leisure Limited as these had a positive preventative impact.
- The 13 different health interventions that were delivered at the Abbey Stadium.
- The difficulties in terms of clarifying the financial performance of the company due to the challenges that had been created by problems with the Tech1 finance system. Members noted

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that the report could only currently include information in relation to income as a consequence of these issues.

- The main financial costs that needed to be covered by the company, which included staffing and utilities.
- The main sources of income in the Leisure industry nationally. Officers clarified that sporting activities tended to attract income whilst cultural services tended to be delivered at cost. The facilities managed by Rubicon Leisure Limited reflected these national trends.
- The reduction in the level of subsidy that the company required from the Council compared to previous years. Members were advised that this was approximately £500,000 per year by the date of the meeting.
- The extent to which it was unusual for there to be so many leisure and cultural assets in a Borough equivalent to the size of Redditch.

RESOLVED that

the report 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)).

The Meeting commenced at 6.30 pm
and closed at 7.31 pm