

Redditch Borough Council

Shareholders Committee

1 December 2025

Rubicon Leisure – Council Funding and Support

Relevant Portfolio Holder	Councillor Sharon Harvey
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Debra Goodall, Assistant Director of Finance and Customer Services Email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:
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 provides ongoing support services to Rubicon under service level agreements.

2. RECOMMENDATIONS

Shareholders Committee are asked to note:

1) The position in terms of:

- a) The budget and Medium Term Financial Plan position for 2026/27 to 2028/29
- b) The Closure of the 2023/24 Accounts and 2024/25 Accounts
- c) VAT
- d) The stabilisation of the Council's finance service
- e) The update on Technology One ledger system

3. KEY ISSUES

2026/27 Budget Process and Medium-Term Financial Plan (MTFP) to 2028/29

- 3.1 Following the closure of all the outstanding statements of accounts, the Council is following a budget setting process that will include enhanced budget review and consultation and continuing governance by Councillors and Scrutiny Committees. Any relevant actions from the Chancellor's autumn budget on 26 November 2025 will be factored in as will the provisional Local Government Settlement which is expected to be announced before Christmas. The Council will set its annual budget for 2026/27 at its meeting scheduled for 23 February 2026.

Redditch Borough Council

Shareholders Committee

1 December 2025

- 3.2 As part of this process, a significant number of Capital bids relating to Rubicon have been included, some initiated by Rubicon as potential ways to increase revenue and some by the Council's property department as a requirement to maintain the quality of the Council-owned assets. Attached at Appendix 1 is the provisional list of Rubicon related bids received to date. This does not in any way signify acceptance or approval of the bids. The final capital programme for the Council including the Rubicon bids will be determined in February 2026.

2023/24 and 2024/25 Annual Accounts

- 3.3 The Council has now published all the outstanding statements of accounts. It has received disclaimed opinions on the accounts up to and including the financial period 2022/23.
- 3.4 The publication of the draft 2023/24 accounts has happened and these are currently being audited by the newly appointed external auditors Ernst and Young (EY). This has been delayed due to the original appointed auditors leaving the local government sector and EY being 'on-boarded' at short notice. It is expected that these will also receive a disclaimed opinion with EY.
- 3.5 The 2024/25 accounts have been published in unaudited and draft format by the required deadline and EY anticipate commencing their audit in early November with issuance of an opinion by the statutory backstop date of 27 February 2026.
- 3.6 EY will issue a statement on the Council as a going-concern and a value for money assessment even if the accounts are disclaimed.

VAT

- 3.7 The Council submitted a consolidated VAT return in December 2024 and has been submitting quarterly returns and (if required) payments since then. It has engaged external tax consultants to assist with its returns and look at any historic issues. The Council continues to maintain a dialogue with HMRC regarding any outstanding VAT issues.

Stabilisation of the Council's finance service

- 3.8 The Council is seeking to increase the capacity and resilience of its finance service through a number of ways, including a recruitment campaign and will engage with Members as appropriate. Any immediate pressures are being addressed through a hybrid of a permanent recruitment campaign to resource the service as deemed necessary combined with an urgent need to recruit covering interim staff whilst the permanent team is established. Interim resource has successfully been recruited into key roles within the finance team.

Redditch Borough Council

Shareholders Committee

1 December 2025

Technology One recovery

- 3.9 Running concurrently with the stabilisation process is a full root and branch review of the Technology One system. It is likely that some elements of the current system can be fixed through 'patches' whilst other parts may well need a full re-instatement. There is currently a health check underway with Tech 1. Any revised implementation will be entered into with the support of Technology One and will include full interaction with end-users and a re-specification based on the feedback from user-acceptance testing.
- 3.10 It was originally intended to bring a further update on progress to date with Technology One recovery in the December Committee report. However, the outcome of the Health check had not been received at the time of the preparation of this report. A meeting is being arranged with Tech One and it is hoped that a verbal update will be available in time for the Shareholders Committee meeting.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Council Priorities - Implications

Relevant Council Priorities

- 5.1 The Council's priorities are included in the Council's corporate plan and guide the Council's approach to budget making ensuring the authority focuses on the issues that are most important for the Borough and the communities the authority serves. Financial monitoring and strategies are integrated within all of the Council's priorities.

Climate Change Implications

- 5.2 The green thread runs through the Council plan. Every report has potential financial implications and these in turn can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications

Local Government Reorganisation (LGR)

- 6.1 The Council has agreed to work on a proposal for a two unitary model for Worcestershire and will submit a final proposal to government by 28 November 2025 in accordance with the published timescale. Pending the government decision, work is underway to assess the impact on the Council services and staff.

Redditch Borough Council

Shareholders Committee

1 December 2025

Equalities and Diversity Implications

- 6.2 None as a direct result of this report.

Operational Implications

- 6.3 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. APPENDIX

Appendix 1 – Rubicon provisional capital bids for MTFP 2026/7 to 2028/29

AUTHOR OF REPORT

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Redditch Borough Council

Shareholders Committee Report – 1 December 2025

Appendix 1

Rubicon provisional capital bids for MTFP

Project Title	Project Brief	Capital Costs
Abbey Stadium Dry Changing Rooms, Central Core, Staff Welfare & Office Space	To complete works to redesign and upgrade the existing facilities following phase 1 enabling works, including M&E, asbestos removal and Structural works	£225,000
Abbey Stadium - flat roof replacement	Flat roof replacement over original building area	£280,000
Abbey Stadium Track Lighting	Potential requirement for additional funding for track lighting / Track	£90,000
Forge Mill - Sluice, Launder and Sluice	Make single sluice operational by installing new winding mechanism, plus associated enabling work. Remedials to cast iron launder and sluice.	£20,000
Forge Mill - Window Replacement	Replacement of original windows to due H&S risk	£15,000
Arrow Valley lakeside Slipway and landing area replacement	To replace Slip way and adjoining landing areas into the lake	£300,000
AVCC car park extension	Extend the existing carpark closest to the visitor centre, to double capacity, extending into Stitch Meadow	£375,000
Batchley Community Centre Carpark Resurface	Resurfacing due to condition and H&M responsibility for users and adjoining premises	£80,000
AVVC Reconfiguration of upstairs space	Reconfiguration of the upstairs space to allow direct public access from the lift to mezzanine and potential increased storage facilities	£25,000
Arrow Valley Visitors centre Replacement windows	to replace timber windows in the centre	£75,000
AVVC External Shelter	To design and install permanent shaded / covered all weather seating area	£25,000
AVVC permanent external storage facilities	To design and install multi-functional external storage facilities	£60,000
Arrow Valley Visitors Kitchen Extension	To extend Kitchen facilities and reconfigure the counter and service areas	£400,000

Redditch Borough Council

Shareholders Committee Report – 1 December 2025

AVVC seating and landscaping to waterside area	To fully retain and landscape the waterside space and create waterside seating area. To include alteration of fence line to maximise space	£150,000
Palace theatre Refurbishment of Auditorium Seating	To refurbish Auditorium seating	£50,000
Arrow Valley visitors Centre Wet change Refurbishment	To refurbish the basement wet changing rooms to bring back to a usable area , Decoration , cleaning and showers and lighting	£35,000
AVVC Extend external Balcony	To extend the existing balcony to wrap around building as additional means of escape and additional seating	£100,000
Palace theatre Replacement Grid	To replace the Theatre Grid to enable mechanical lifting instead of the rope manual pulling	£250,000
Arrow Valley Visitors Centre Repair Solar Thermal system and new Solar PV.	To restore the solar thermal (Hot Water) system back to working order. To incorporate into replacement covering to balcony area	£200,000
Abbey Stadium - Padel Courts	Installation of 2no. External Padel Courts	£500,000
Palace Theatre Dressing Room Ventilation	MVHR linked to showers to provide ventilation	£15,000
Abbey Stadium replacement of Colorado swimming / diving timing system	To replace timing system used in the pool	£35,000
Abbey Stadium Refurbish Wet side Cubicles and Vanity units	To replace wet side Vanity units and Cubicles	£150,000
Buggy storage area	Provide storage and recharge area for buggies	£20,000
Abbey Stadium replacement Dosing System	To replace Dosing System in Abbey Stadium	£150,000
Palace Theatre New Front of House doors and counter	To install an additional serving counter in the reception to improve sales	£100,000
Windmill Community Centre Replacement windows	To replace windows with Double glazed units	£75,000
Winyates Green Replacement windows	To replace windows with Double glazed units	£75,000
Batchley Community Centre Replace windows	To replace the Blue Windows with a new window	£150,000
Forge Mill - External Storage	External Storage for potential storage of items stored at Depot, Chapel	£20,000
Bordesley Abbey VC Heating Upgrade	Replace existing storage heaters to improve energy performance	

Redditch Borough Council

Shareholders Committee Report – 1 December 2025

Palace Theatre Additional seating (Capital)	Reposition of the box office, to allow 4 rows of additional seating to be installed	£250,000
Oakenshaw Meeting Room Carpark resurface and edging repairs	Resurface the carpark and replace the brick on edge carpark kerbs	£125,000
AVVC Floating Pontoon	Install floating pontoon for additional water sports activities	£15,000
		£4,435,000