

| Report of   | Meeting           | Date            |
|---|-------------------|-----------------|
| Director of People and Places<br>(Introduced by the Executive<br>Member for People<br>Councillor John Walker) | Executive Cabinet | 9 December 2010 |

## **COPPULL LEISURE CENTRE**

### **PURPOSE OF REPORT**

1. To inform Members of a change of arrangements regarding the operation of Coppull Leisure Centre and the end of Chorley Council's direct interest in the facility.
2. To gain approval for a £50,000 payment to deal with all outstanding dilapidation issues.

### **RECOMMENDATION(S)**

3. That Members note the change of arrangements regarding the operation of Coppull Leisure Centre.
4. That Members approve a £50,000 payment to deal with all outstanding dilapidation issues.

### **EXECUTIVE SUMMARY OF REPORT**

5. Coppull Parish Council have notified us, following an Extraordinary General meeting, that they plan to sell Coppull Leisure Centre to Big Air Ltd. The sale will include a covenant that ensures the facility remains in leisure use.
6. Coppull Parish Council held a public meeting on 22 November at which Big Air Ltd presented their plans to develop the centre and increase the leisure offer and usage.
7. A condition survey has highlighted repairs and maintenance works that need to be completed in order for us to fulfil our obligations under our existing lease.
8. It is recommended that Chorley Council pay a £50,000 payment to resolve all outstanding dilapidation issues and a charge be made upon the Centre, pro rata, for 4 years.

### **REASONS FOR RECOMMENDATION(S)**

#### **(If the recommendations are accepted)**

9. To resolve all outstanding dilapidation issues speedily in order to facilitate the sale of the Centre and the commencement of Big Air Ltd's development plans.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10. Chorley Council could insist that we continue to operate the Centre until our lease expires on 31 March 2011. This would put the sale and development of the Centre at risk.

## CORPORATE PRIORITIES

11. This report relates to the following Strategic Objectives:

|  |  |   |   |
|--|--|---|---|
| Put Chorley at the heart of regional economic development in the Central Lancashire sub-region |  | Develop local solutions to climate change.                        |   |
| Improving equality of opportunity and life chances   |  | Develop the Character and feel of Chorley as a good place to live |   |
| Involving people in their communities  |  | Ensure Chorley Borough Council is a performing organization       | √ |

## BACKGROUND

12. Chorley Council is five years into a 15 year contract with Active Nation to manage All Season Leisure Centre and Clayton Green Leisure Centre. Executive Cabinet have previously agreed to add Brinscall Pool and Coppull Leisure Centre to the remaining term of the substantive contract.
13. The reason Coppull Leisure Centre was not included in the contract initially is because Chorley Council's lease of the Centre is due to expire on 31 March 2011.
14. Coppull Parish Council have been in negotiations with Big Air Ltd and have agreed to sell them the Centre for £275,000. Coppull Parish Council have informed us that the sale of the Centre will take place on 7 February 2011. It is proposed that Active Nation be formally informed of this date and that the Council and Active Nation's direct involvement will cease on this date. In the event of there being delays in the conclusion of the sale between Coppull Parish Council and Big Air Ltd, the Centre would not be open to the public.
15. As part of our existing lease of the Centre, we are required to return the premises in a good condition. Liberata have completed a condition survey and regular site inspections. Liberata are comfortable that the £50,000 dilapidation payment is reasonable given the Council's liability from a dilapidation claim. To mitigate the risk to the Council of Big Air Ltd getting into financial difficulties and the Council's dilapidation payment being tied up in an asset that may not be used, we have negotiated a charge against the Centre that will see the £50,000 returned, pro rata, for up to 4 years.
16. There is no existing contract between Chorley Council and Active Nation; the arrangements at Coppull have rolled forward on a goodwill basis. Active Nation have been notified of the proposed sale and are in discussions with Big Air Ltd to consider issues such as staffing, bookings and equipment. Chorley Council's management fee payments to Active Nation will cease on 7 February 2011.

## IMPLICATIONS OF REPORT

17. This report has implications in the following areas and the relevant Directors' comments are included:

|                 |   |  |  |
|-----------------|---|--|--|
| Finance         | √ | Customer Services                        |  |
| Human Resources |   | Equality and Diversity                   |  |
| Legal           | √ | No significant implications in this area |  |

## COMMENTS OF THE DIRECTOR OF TRANSFORMATION

18. Budget cover for the proposed payment of £50,000 to resolve all outstanding dilapidation issues in respect of Coppull Leisure Centre can be vired from the capital programme budget for planned improvements to fixed assets.

JAMIE CARSON  
DIRECTOR OF PEOPLE AND PLACES

There are no background papers to this report.

| Report Author | Ext  | Date       | Doc ID |
|---------------|------|------------|--------|
| Jamie Carson  | 5815 | 03/12/2010 |        |