

RECORD OF EXECUTIVE DECISION

Monday, 21 February 2022

Decision No: (CAB 21/22 33197)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Finance and Capital Assets
SUBJECT:	St Mary's Leisure Centre
AUTHOR:	Paul Paskins

THE DECISION

- (i) Having had regard to representations received to date and the Equality and Safety Impact Assessment, to permanently cease leisure services at SMLC and approve in principle the disposal of the site on the basis set out in recommendation (ii) below.
- (ii) To delegate authority to the Executive Director, Place to, explore the option of restricting the disposal of the building to residential and wholly affordable housing or mixed use with affordable housing in accordance with planning policy. A further decision, in accordance with the Council's Constitution, would be brought forward if this option was to be determined to be viable. If the Executive Director, Place, following consultation with the Cabinet Member for Finance and Capital Assets and the Executive Director for Finance, Commercialisation, determines this option not to be commercially viable, to proceed to disposal of the site on the open market.
- (iii) In accordance with the Council's Financial Procedure Rules, and subject to the anticipated proceeds, explore options for investing a proportion or all of a sum equivalent to the capital receipt arising from the disposal of the building to enhance, improve or supplement facilities and places for people (especially young people) within the community for leisure and recreation.
- (iv) If the outcome of recommendation (ii) is to dispose of the building without restriction, to delegate authority to the Executive Director, Place to take all necessary action to dispose of the site on the open market, including but not limited to selection of a preferred bidder and undertaking all associated arrangements to conclude the sale of the premises.

REASONS FOR THE DECISION

1. Users of SMLC have decreased considerably over 2020 and 2021 and since the reopening of SMLC in May 2021 - following the easing of COVID-related restrictions - users were averaging around 1,100 per month. It is believed that this significant reduction in usage is due to:-

- SMLC's closure in accordance with the Health Protection (Coronavirus) Regulations 2021 and associated non-statutory government guidance (referred to in this report as the "Covid-19 impact") and
 - SU opening their new academic leisure facility at East Park Terrace ("the Sports Complex") and the transfer of the academic users from SMLC to the Sports Complex.
2. In addition to a wide range of Council and privately owned leisure facilities operating across Southampton, a number of facilities exist within a one-mile radius of SMLC. This includes the Sports Complex which is situated approximately 0.2 miles from SMLC and which provides (around its academic provision), public access to a number of activities available at SMLC.
 3. The condition of SMLC building and interior facilities are poor and likely to be costly to maintain, particularly as a result of its Grade II listed status. The facility is at odds with the Council's emerging strategic vision for modern, accessible leisure facilities which actively contribute to the improvement of health and care outcomes for residents and users and result in improved income from such facilities in order to reduce subsidisation by the Council.
 4. The annual budget of operating SMLC is £208,000 and the budgeted income from the facility is £60,000 resulting in a net budgeted saving of £148,000 by discontinuing leisure services at SMLC. It should be noted that in 2020/21 and 2021/22 financial years the net cost of operating the facility varied from the £148,000 as shown in the table below. This occurred as a result of the direct and indirect effect of the Covid-19 impact which affected the actual expenditure and actual income.

	2020/21	2021/22		
	Budget	Actual	Budget	A
	£	£	£	£
Income	-60,000	-9,732	-60,000	-1
Expenditure	208,000	172,205	208,000	1
Deficit	148,000	162,472	148,000	1

*forecast figures to 31/03/2022.

5. The capital receipt arising from disposal on the open market without restriction is indicated to be up to £810,000, based on estimates in October 2021 and subject to the caveats set out in paragraph 23 of this report. It should be noted that if disposal was restricted to development for the provision of residential use, the capital receipt is likely to be reduced. The indicative financial impact of restricting the disposal in this manner will be determined by the process described in paragraph 31 and subject to paragraph 33 of this report.

DETAILS OF ANY ALTERNATIVE OPTIONS

The following options were considered:-

- a. Continue to use the building as a leisure centre or other publicly accessible

facility

- b. with services provided directly by the Council or by selecting an alternative provider through a competitive process.
- c. Community Asset Transfer to a not for profit organisation.
- d. Close the building and “mothball” it to minimise future costs to the Council.
- e. Make the building available for rent.

Each of these options was rejected as they are inconsistent with paragraph 3 of this report.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

Cabinet received the following recommendation from Overview and Scrutiny Management Committee at their meeting held on 17th February, 2022.

That Cabinet does not close St Marys Leisure Centre at this time and seeks to find a partner to keep it open for community use.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 20th February 2022

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council’s Scrutiny “Call-In” provisions.

Call-In Period expires on

Date of Call-in <i>(if applicable) (this suspends implementation)</i>
Call-in Procedure completed <i>(if applicable)</i>
Call-in heard by <i>(if applicable)</i>
Results of Call-in <i>(if applicable)</i>