

AUDIT AND GOVERNANCE COMMITTEE

DATE	7 th November 2024
REPORT OF	Carolina Borgstrom – Director for Economy, Environment and Infrastructure
SUBJECT	Leisure Partnership Update – Lincs Inspire Limited
STATUS	Open Report. Appendix NOT FOR PUBLICATION . Exempt information within paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended)

CONTRIBUTION TO OUR AIMS

The Council has two strategic priorities – stronger economy and stronger communities. The Partnership with Lincs Inspire Limited contributes to the Council's strategic aims through the delivery of a range of leisure and cultural services that support the ambitions of stronger economy and stronger communities.

EXECUTIVE SUMMARY

This report and closed appendix provide an update on the Leisure Partnership with Lincs Inspire Limited.

RECOMMENDATIONS

The Committee is asked to consider and note the contents of this report and closed appendix from a governance perspective.

REASONS FOR DECISION

Not applicable.

1. BACKGROUND AND ISSUES

- 1.1 The Leisure Partnership with Lincs Inspire Limited commenced on 1st May 2015 for an initial twenty five-year period, with the option to extend the arrangement by up to ten-years. The contract will therefore end on 30th April 2040; however, this is subject to potential extension to 2050.
- 1.2 The partnership covers several services including the Archives, Library Service, Leisure Centres, Sports Development and the Auditorium.
- 1.3 The services which Lincs Inspire Limited currently provides cost £2.111m per year with an additional £80k capital grant, as well as annual variable expenditure by the Council across Lincs Inspire Limited facilities for repairs, maintenance and utilities, plus cleaning services for Libraries and Bradley Football Development Centre. This variable expenditure is budgeted at circa. £1.8m per year.
- 1.4 Lincs Inspire Limited deliver services in accordance with agreed service levels. Since 2023 an arrangement of quarterly reporting has been established covering a service delivery report and sharing of key performance indicators included within Appendix 1.

- 1.5 Formal governance of the partnership is via partnership meetings, and the Assistant Director of Regeneration and the Head of Culture, Heritage, Leisure and Tourism represent the Council on it. Lincs Inspire Limited is represented by its Chief Executive and Finance Director. The partnership meets every two months to monitor service delivery, report on different aspects of business, consider future developments for the partnership, and maintain the relationship between Lincs Inspire Limited and the Council.
- 1.6 Changes to service delivery and the funding agreement between the Council and Lincs Inspire Limited are set through a triennial process. However, in recent years due to the impact from the Covid pandemic this has been set on an annual or two-year basis. The funding agreement for 2025-26 is being set on an annual basis due to wider uncertainty and challenges around local government finance.
- 1.7 Decisions are referred to the Cabinet/Portfolio Holder as appropriate and scrutiny is via the Economy, Culture and Tourism Scrutiny Panel.
- 1.8 The Council's Internal Audit team carries out cyclical audits of the partnership arrangements from the Council's perspective and has provided audits when requested to Lincs Inspire Limited on an advisory basis.

2. RISKS AND OPPORTUNITIES

- 2.1 The wider cultural and leisure sector faces ongoing challenges with inflation that continues to place cost pressure on services, this includes significant increases over the previous year in utility prices.
- 2.2 The arrangements around quarterly reporting and sharing of key performance indicators within the Leisure Partnership has improved in recent years.

3. OTHER OPTIONS CONSIDERED

Not Applicable.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 There are no specific reputational or communications issues associated with this report.

5. FINANCIAL CONSIDERATIONS

- 5.1 Through the Leisure Partnership, the Council supports the operation of services delivered by Lincs Inspire Limited at a cost of circa £3.991m through existing budgets. As part of future budget setting, the financial resources allocated to support the partnership will be considered within wider Council priorities.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1 The services delivered by the Leisure Partnership are wide ranging and impact the opportunities available for our children and young people and quality of place that they live in. Some of these services include key life skills such as learning to swim and gaining confidence and skills in riding a bike.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The services delivered through the Leisure Partnership includes a portfolio of facilities that would be considered high users of energy, for example swimming pool provision. The Council is working in partnership with Lincs Inspire Limited in the delivery of energy conservation measures across both Grimsby Leisure Centre and Immingham Swimming Pool through secured Public Sector Decarbonisation Scheme grant funding.

8. MONITORING COMMENTS

- 8.1 In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

9. WARD IMPLICATIONS

- 9.1 All wards are impacted by the operation of the leisure partnership.

10. BACKGROUND PAPERS

Not applicable.

11. CONTACT OFFICERS

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