



Overview & Scrutiny Board

2 April 2019

Subject Heading:

SLT Lead:

Report Author and contact details:

Policy context:

Financial summary:

REPORT

Call-in of a Cabinet Decision – Chafford Sports Complex

Anne Brown – Deputy Director of Legal & Governance

Richard Cursons – Democratic Services Officer
richard.cursons@onesource.co.uk

Medium Term Financial Strategy

The Councils budget only includes funding for the operation of Chafford Sports Complex until 31 March 2019. It is recommended that the cost of keeping Chafford Sports Complex open from 1 April 2019 until the end of the notice period is met from Business Risk Reserve. Based on a monthly cost of £19,357 if notice period ran until late May 2019 the estimated cost is £38,714.

Funding of up to £50,000 to be released from the Business Risk Reserve in order to develop a feasibility study into a Sports Centre in the South of the Borough.

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[X]
[X]
[X]
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SUMMARY

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by two Members representing more than one Group (Councillors David Durant and Ray Morgon) have called-in the Cabinet Decision dated 13 March 2019. The grounds for the requisition and an initial response from officers are shown below.

RECOMMENDATION

That the Board considers the requisition of the Cabinet Decision and determines whether to uphold it.

REPORT DETAIL

Grounds to the Call In.

I wish to call in the Chafford closure decision, because the gross disparity of funding in the leisure contract towards the south of the borough and the closure of Chafford will adversely impact on the users contrary to the statutory duty within the 2010 Equality Act. Also because the claimed “unaffordable subsidy” is a false claim as the money is available, which I have identified, see message below, which will be the basis for my call for the decision to be reversed.

Regards

Dear All,

“Unaffordable” £232,284 cost becomes £9,430 saving

The Conservative Cabinet decision to close Chafford Sports Complex and evict the many and varied people using the centre due to an allegedly “unaffordable £232,284 subsidy” despite spending £28.8m upfront on a new Romford Leisure Centre and £millions more on new centres and facilities in Hornchurch and Harold Hill. Except its not unaffordable, they just want to close Chafford and use Rainham’s £2m+ contribution to subsidies the ‘borough-wide’ leisure contract and boost figures at Sapphire.

According to the Chafford Sports Complex consultation document the average swim and gym attendance figures at Sapphire are less than Hornchurch and far less than Central Park.

Chafford Sports Complex

The March 13th Cabinet approved closing Chafford Sports Complex (item 6) due to the “unaffordable subsidy”! Even if we ignore the gross disparity of funding in the ‘borough-wide leisure contract’, the unaffordable figure is wrong and the money has been found!

The Cabinet report says £50,000 has been set aside if required for a feasibility study into building a new centre in the south of the borough, £38,714 will still need to be paid for an additional 2 months to closing date on May 31st and I understand about £4,000 (x2) will be paid to two primary schools to help them relocate to Sapphire. This means once the “unaffordable £232,284” is reduced by (£50,000+£38,714+£8,000) it becomes an “unaffordable **£135,570** subsidy”

London Counter Fraud Hub

The conservative policy of making Havering part of a Greater London involves promoting mergers and joining pan-London bodies irrespective of the need to do so.

This was illustrated by the March 13th Cabinet (item 9) decision to join a “London Counter Fraud Hub” to deal with housing fraud. The report offered the option of waiting to gauge the success of the scheme first, but the Cabinet, ignoring lessons from the Tri-borough Policing, agreed to join and pay a **£75,000** joining fee and annual subscriptions of **£70,000**. The scheme offered forecast savings, but Havering has already conducted an extensive audit of council properties and PSL, so has little immediate need for the new anti-fraud “Hub”. **This matters because delaying joining frees up £145,000 for other things.**

Namely if joining the “Hub” is delayed it means the **£145,000** can be used to help keep Chafford open and means rather than an “unaffordable **£135,570** subsidy” you get a welcome (£145,000 minus £135,570) **£9,430** saving.

Regards

PS. I have submitted a complaint that the closure decision is contrary to the statutory duty in the 2010 Equality Act.

Response to the Call In.

“the gross disparity of funding in the leisure contract towards the south of the borough and the closure of Chafford will adversely impact on the users contrary to the statutory duty within the 2010 Equality Act”

The requirement under section 149 of the Equality Act 2010 is to have “due regard” to the need to eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civic partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

“Due regard” is the regard that is appropriate in all the circumstances and was a matter for Cabinet to decide. **As a matter of law, as long as Cabinet was properly aware of the effects of its decision to cease funding for the community use of Chafford Sports Complex with effect from 1 June 2019 and took them into account, it properly discharged its duty.**

In respect of this decision, the effects were set out in an Equality and Health Impact Assessment which was attached to the Cabinet report at Appendix E.

Cabinet’s decision was also informed by a comprehensive public and stakeholder consultation process. The full consultation survey report was attached to the Cabinet report at Appendix B and a summary and analysis at Appendix C. Further, the consultation approach and responses were summarised and discussed conscientiously in the body of the report itself.

Cabinet therefore discharged the Council’s public sector equality duty with great care and demonstrably.

“the claimed “unaffordable subsidy” is a false claim as the money is available, which I have identified”

SLM have indicated that if they manage and operate Chafford Sports Complex beyond the 1 June 2019 further investment will be needed. In fact, Section 1.6 of the Cabinet report states that “SLM have provided the Council with indicative essential maintenance costs to keep Chafford Sports Complex open for a further one year and a further three years from June 2019. To keep the whole complex open for a further year, the investment required would be an estimated £456,000, and for a further three years an estimated £577,000. To just keep the swimming pool open for either one year or three years, the estimated cost is the same at £375,000”. This would be in addition to the £240,000 required in a management fee and utility costs paid by the Council under the Leisure Management contract.. All of this would need to be funded from Revenue, as the Council cannot invest capital funds in a site it does not own. Due to the change of ownership of the site and previous uncertainty around DfE permission for the Council to include Chafford Sports Complex in the leisure management contract, no revenue budget

was created for the ongoing management of the centre. However, one off funding has been identified until the end of March 2019.

If funds were redirected as identified by the call in there would still be a significant shortfall as no funding has been identified for the essential maintenance of between £375,000 and £577,000.

If the £50,000 set aside to fund the feasibility study is spent on running the existing centre, there will be no funds available to develop the proposal for a new build.

As a point of clarity only £3-4,000 will be needed to fund relocation of primary schools swimming, rather than the £8,000 quoted in the call in.

*If “the “Hub” is delayed it means the **£145,000** can be used to help keep Chafford open”.*

The decision of whether to delay the London Counter Fraud Hub should be considered in isolation on the basis of the details contained within the report.

Appendix – Cabinet decision
Appendix – Cabinet report