

Report to:	AUDIT COMMITTEE
Relevant Officer:	Lee Frudd – Head of Strategic Leisure Assets
Meeting	24 November 2022

STRATEGIC LEISURE ASSETS UPDATE

1.0 Purpose of the report:

- 1.1 Following an internal audit follow up report in relation to Strategic Leisure Assets in November 2021 the Committee requested that more specific details around the Council’s Strategic Leisure Assets be brought back to the Committee at a future meeting.

The purpose of this report is to provide the Audit Committee with an update in relation to Strategic Leisure Assets.

2.0 Recommendation(s):

- 2.1 To consider the update in relation to Strategic Leisure Assets.

3.0 Reasons for recommendation(s):

- 3.1 To enable Audit Committee to consider an update and progress as requested at a previous meeting.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

4.0 Other alternative options to be considered:

- 4.1 None.

5.0 Council priority:

- 5.1 The relevant Council priority is economy.

6.0 Background information

- 6.1 Following the update and report delivered to the Audit Committee, 11 November 2021, this report further sets out the framework with which risks associated with the Strategic Leisure Assets Portfolio (SLAP) are managed on an ongoing basis, and is intended to provide the Audit Committee with further assurances that adequate management arrangements are in place.

The framework implemented in managing the SLAP consists of a range of monitoring and update meetings including:

Leisure Assets Steering Group Meetings

Frequency of meeting:

- Scheduled to meet every two months

Attendees of meeting:

- The Chief Executive
- The Director of Resources
- The Director of Communications and Regeneration
- The Head of Strategic Leisure Assets
- The Head of Property Services
- Other officers and colleagues as required

Main areas of focus:

- Review of the SLAP revenue management account and financial performance compared to the Medium Term Financial Plan (MTFP), budget and forecast outturn
- Review of the SLAP capital management account and financial performance compared to the budget and forecast outturn for each current capital scheme and the capital account overall
- Updates and discussion on matters in relation to funding partner matters as they arise from time to time
- Updates and discussion on matters in relation to venue operators
- Project monitoring and updates
- Updates and discussion on building condition matters and issues, including regulatory code and compliance with legislation as required
- Consideration of both upside and downside risk
- Other matters not necessarily covered as part of the above headings. This may include, for example, discussion and planning for longer term initiatives in addition to operational matters, consideration of legal matters, sustainability and climate change matters, equality matters etc

Merlin Relationship and Monitoring Meetings

Frequency of meeting:

- Scheduled to meet every two months

Attendees of meeting:

- The Chief Executive

- The Director of Resources
- The Director of Communications and Regeneration
- The Head of Strategic Leisure Assets
- The Head of Property Services
- Representatives from Merlin Entertainments including the Director for the Merlin Blackpool Cluster and Financial Controller
- Other officers and colleagues as required

Main areas of focus:

- Review of the Merlin revenue management account, financial performance and visitor numbers compared to the budget and previous year performance
- Customer satisfaction performance compared to KPI
- Project monitoring and updates in relation to those schemes associated with Merlin operated attraction venues
- Updates and discussion on building condition matters and issues, including regulatory code and compliance with legislation as required, in relation to those venues associated with Merlin operated attraction venues
- Updates on marketing and public relation initiatives
- Consideration of both upside and downside risk
- Other matters not necessarily covered as part of the above headings. This may include, for example, discussion and planning for longer term initiatives in addition to operational matters, consideration of legal matters, sustainability and climate change matters, equality matters etc

Blackpool Entertainment Company Limited Relationship and Monitoring Meetings

Frequency of meeting:

- Scheduled to meet every two months

Attendees of meeting:

- The Chief Executive
- The Director of Resources
- The Director of Communications and Regeneration
- The Head of Strategic Leisure Assets
- The Head of Property Services
- Representatives from Blackpool Entertainment Company Limited (BECL) including the Managing Director, Operations Director and Finance Director
- Other officers and colleagues as required

Main areas of focus:

- Review of the BECL revenue management account and financial performance compared to the budget and previous year performance
- Project monitoring and updates in relation to those schemes associated with BECL

operated attraction venues

- Updates and discussion on building condition matters and issues, including regulatory code and compliance with legislation as required, in relation to those venues associated with BECL operated attraction venues
- Consideration of both upside and downside risk
- Updates on marketing and public relation initiatives
- Other matters not necessarily covered as part of the above headings. This may include, for example, discussion and planning for longer term initiatives in addition to operational matters, consideration of legal matters, sustainability and climate change matters, equality matters etc

Key Leisure Asset Capital Scheme Monitoring Meetings

Frequency of meeting:

- Generally scheduled to meet every two months

Attendees of meeting:

- The Chief Executive
- The Director of Resources
- The Director of Communications and Regeneration
- The Head of Strategic Leisure Assets
- Other officers and colleagues as required

Main areas of focus:

- Review project budget performance
- Review of programme performance
- Updates and discussion on matters in relation to funding partner matters as they arise from time to time
- Review of risk and opportunities associated with the scheme under review
- Other matters not necessarily covered as part of the above headings. This may include, for example, discussion and planning for longer term initiatives in addition to operational matters, consideration of legal matters, sustainability and climate change matters, equality matters etc

Health and Safety Incident Overview

Frequency of meetings

- Monthly and/or Quarterly

Attendees of meetings include

- Group Building Manager
- Group Mechanical and Engineering Manager

- Property Health and Safety Officer
- Head of Leisure Assets Lee Frudd
- Senior Project Manager
- Operator representatives as required

Main areas of focus

- Project monitoring and updates
- Updates and discussion on building condition matters and issues, including regulatory code and compliance with legislation as required
- Day to day repairs and operational issues
- Health and Safety related works by exception

Other main monitoring and control meetings/measures

These include:

- Monthly financial monitoring meetings attended by the Director for Communications and Regeneration and/or The Head of Strategic Leisure assets, and Corporate Finance colleagues
- For those strategic leisure assets for which governance arrangements currently include arms-length companies (for example BECL at the Winter Gardens) Share Holder Committee meetings are held which further monitor a range of performance criteria
- External audit and internal audit are carried out on specific venue operator activities from time to time
- Input into the Corporate Strategic Risk Register
- Tender activity is completed in line with Public Contract Regulations and supported by the Corporate Procurement Department and Legal Services Department
- The ongoing and day-to-day management of the portfolio on behalf of the Council is undertaken by the Head of Strategic Leisure Assets, supported by colleagues from a range of internal departments and external entities as required. This includes daily financial management, contract management, relationship management etc
- Project update meetings to include the Operator of the asset associated with the particular building where the project is taking place
- Various AD HOC meetings. These are generally convened when a specific matter arises which requires attention and the timing of which does not fall within those standard meetings set out above

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None

8.0 Financial considerations:

8.1 Financial monitoring and management arrangement considerations are set out above.

9.0 Legal considerations:

9.1 Legal considerations are set out above.

10.0 Risk management considerations:

10.1 Risk management arrangement considerations are set out above.

11.0 Equalities considerations:

11.1 Equalities management arrangement considerations are set out above.

12.0 Sustainability, climate change and environmental considerations:

12.1 Sustainability, climate change and environmental management arrangement considerations are set out above.

13.0 Internal/external consultation undertaken:

13.1 As set out above, consultation with both internal and external parties as required. This includes both internal and external audit activities, consultation with both internal and external legal advisors etc.

14.0 Background papers:

14.1 None.