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| <b>Report Title</b>                         | Pendle Leisure Trust - Proposed Lease Extension                  |
| <b>Meeting</b>                              | Executive  |
| <b>Meeting Date</b>                         | 22 <sup>nd</sup> January 2026                                    |
| <b>Report Author</b>                        | Phillip Spurr<br>Director of Place                               |
| <b>Directorate</b>                          | Place  |
| <b>Lead Executive Member(s)</b>             | Cllr M Hanif<br>Portfolio Holder for Health and Leisure Services |
| <b>Wards Affected</b>                       | All  |
| <b>Public. Part Exempt, or Fully Exempt</b> | Public   |
| <b>Appendices (if any)</b>                  | N/A  |
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## 1. Executive Summary

- 1.1 This report seeks agreement to the extension of the current management and facility lease arrangements between the Council and Pendle Leisure Trust (PLT) from October 2028 to 31<sup>st</sup> March 2033.
- 1.2 The report highlights financial efficiencies and service improvements achieved under the current partnership arrangement, concluding that an extension of the current arrangements represents the most efficient and value for money way forward.

## 2. Recommendations

- 2.1 For the reasons set out in this report, Executive is recommended to:

grant delegated authority to the Chief Executive, in consultation with the Leader of the Council, to agree an extension of PBC's management agreement and facility leases with PLT from October 2028 to 31<sup>st</sup> March 2033, subject to receipt of detailed procurement and subsidy control advice.

## 3. Information: The Rationale and Evidence for the Recommendations

- 3.1 PLT currently manages PBC's leisure facilities and some cultural venues under a management agreement and facility leases currently due to expire in September 2028.

- 3.2 The PBC and PLT partnership has been in place since 2000 and has delivered vital investments in recent years through the Town Deal, Public Sector Decarbonisation Scheme, and the Swimming Pool Support Fund, totalling over £5.4m. These investments have modernised facilities, reduced energy costs, improved service sustainability, and driven significant increases in service users (from 510,000 in 2000, to 675,000 in 2024).
- 3.3 PLT has worked closely with PBC to successfully reduce the level of service subsidy (ie. management fee) from circa.£2m in 2024/25, to £1.857m in 2025/26, with further a reduction of £300k proposed for the financial year 2026/27.
- 3.4 Working closely with partners across Pendle, PLT has delivered important value and social outcomes, including through targeted programmes for vulnerable families, young carers, and health referral schemes. PLT achieved national recognition at the 2025 ukactive awards, winning an award for Excellence in Community Wellbeing and Operational Resilience. This success demonstrates PLT's sector-leading performance, credibility and successful partnership with PBC and wider Pendle stakeholders.

#### **4. Local Government Reorganisation**

- 4.1 As the Executive will be aware, Local Government Reorganisation (LGR) in Lancashire is progressing in line with the Government's stated timetable which will see new Unitary Councils in Lancashire created in shadow form from May 2027 and vesting day – the abolition of existing Councils and the first day of operation for new Councils – in April 2028.
- 4.2 Councillors will appreciate the significant amount of work that is necessary to establish the new Unitary Councils so that they can operate effectively, in a safe and legal way, from inception. This is against a backdrop of a tight timetable and resource constraints as Councils continue to balance 'business as usual' with the demands of preparing for LGR.
- 4.3 Given the wide-range of services that will require consideration in the run up to vesting day, it is probable that there will be insufficient time to undertake a full and informed review and reconfiguration of Leisure Services to fit with new Unitary Councils in advance of that time will not take place. Equally, the expiry of the present agreement and leases within 6 months of vesting day is likely to inhibit such a review.

## 5. Proposal

5.1 In recognition of this, and subject to complying with relevant procurement and subsidy control regulations, it is proposed to extend the PLT management agreement and facility leases by c.4.5 years, from September 2028 to 31<sup>st</sup> March 2033.

5.2 Extending the management agreement and leases would:

- Provide service delivery continuity prior to and during the Local Government Reorganisation period, protecting vital services that support the wellbeing of Pendle residents and communities.
- Facilitate the optimisation of ongoing business and service developments alongside local partners, including to yield financial returns on recent capital investments and enable further service delivery innovations based on current, and to be developed business cases including:
  - Pendle Leisure Centre: cafe, soft play and office space redevelopment, and support for the new Pendle Skatepark to the facility's exterior.
  - West Craven Sports Centre: cafe, reception area, wellbeing consultation rooms, office spaces and overall facility improvements.
  - Wavelengths: redevelopment of the café, reception area and spa.
- Continue to retain operational risk with PLT, rather than PBC, for a proportion of facility maintenance and repairs, thereby securing ongoing asset investment and robust asset management.
- Enable PLT to continue preparations and strategic partnership opportunities with all other East Lancashire leisure service providers to minimise service disruption and optimise the seamless, efficient transition into and beyond Local Government Reorganisation.
- Continue ongoing dialogue about the assets and their alignment within the Council's strategic plan for the borough.

5.3 Further, extending the current management arrangement and facility leases will:

- Avoid a costly procurement exercise that, in the light of LGR, may unnecessarily bind any future decision making about the delivery of leisure services in the Borough.
- Secure continuity of services ahead of, and during, the L GR and the initial Unitary Authority's 'bedding-in' period.
- Create contract alignment with other local Leisure Trusts such as Burnley, and fit with the financial year of the new Unitary Council to benefit strategic planning.
- Enable ongoing partnership relations and opportunities to be further developed with other East Lancashire leisure providers ahead of LGR.

- Safeguard community services and maintain high quality facilities building upon PLT's strong partnership with PBC, evidenced by the recent ukactive national awards success which reinforce PLT's credibility as a trusted partner.
- Allow requests for capital funding from sports national governing bodies to be applied for linking to their current arrangements for funding being 5 – 7 years.

5.4 In considering the facility leases, acknowledging that as part of the Council's Asset Transfer Strategy, some interest has been expressed by Town Councils in the asset transfer of facilities currently leased to PLT, any revised leases will include sufficient flexibility to allow any such transfers to take place.

## 6 Conclusion

6.1 On the basis of the above, it is recommended that Executive agrees, in principle, to support the extension of the Council's management agreement and facility leases with PLT from September 2028 to 31<sup>st</sup> March 2033.

6.2 While there are many other examples of recent extensions to leisure management agreements (such as in Bridgend, Tameside, and Rochdale, amongst others), further specialist external procurement and subsidy control advice is currently being sought on this approach and so, on this basis, it is recommended that delegated authority is granted to the Chief Executive, in consultation with the Leader of the Council, to agree the specified extensions, subject to receipt of this specialist advice.

## 7 Link to Council Plan Priorities: (Providing High Quality Services and Facilities, Proud and Connected Communities and Places, Good Growth and Housing and Healthy Communities)

7.1 Agreeing an extension to the management agreement and facility leases will help to deliver Council Plan Priorities around 'Providing High Quality Services and Facilities', and 'Housing and Healthy Communities'.

## 8 Implications

### 8.1 Financial Implications

8.2 The current management fee is £1.857m (2025/26) with proposed reductions of £300k for the year for 2026/27 making it £1.557m. The Council will continue to work with the Trust to explore how the management fee can be reduced further in the run up to LGR.

8.3 It is anticipated that the proposed c.4.5 year extension period provides an opportunity to deliver further savings based on the realisation of facility investments and service developments.

8.4 The cost of obtaining procurement and subsidy control advice is estimated to be £5k and can be contained within existing budgets.

## **9 Legal and Governance Implications**

9.1 As indicated in the report, the current agreement and leases for property with PLT are due to expire in September 2028. It is proposed, subject to obtaining appropriate advice from procurement and subsidy control experts, to extend the present agreement for 4.5 years to 31<sup>st</sup> March 2033.

## **10 Climate and Biodiversity Implications**

10.1 As highlighted above, significant investment is currently underway to improve the energy efficiency and performance of the leisure portfolio.

## **11. Human Resources Implications**

11.1 Should the recommended way forward be adopted, there are no direct Human Resources implications flowing out of this report.

## **12. Equality and Diversity Implications**

12.1 There are no Equality and Diversity implications flowing directly out of the recommendations contained within this report.

## **13. Consultation**

13.1 No specific consultation has been undertaken on the proposal contained within this report.

## **14. Alternative Options Considered**

14.1 Alternative management options are considered throughout this report.

## **15. Statutory Officer Sign off (please put an x in the relevant box below)**

|                     |                                     |
|---------------------|-------------------------------------|
| Section 151 Officer | <input checked="" type="checkbox"/> |
| Monitoring Officer  | <input checked="" type="checkbox"/> |

## **16. Appendices**

None.

### **Contact Officer**

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