

Full Council
18 July 2024
Agenda item 6 – Petitions and Deputations

**Briefing note for Full Council: Queen Elizabeth Leisure Centre
Withdrawal**

QE Leisure Centre is under the ownership of QE School Foundation Trust. The Council had managed the facilities since 1987 under a dual use management agreement which set out arrangements for school and community use, amongst other things. The Council could withdraw from the agreement at any stage provided it gave QE School Foundation Trust notice of 2 years. Dorset Council did not provide direct funding to QE School but met the revenue deficit of the community use each year. Since 2019, Dorset Council subsidised the leisure centre facilities at QELC by £2,979,591 with an average annual subsidy of £596k net. This annual spend equated to around a third of the overall leisure centres budget which was higher than for other leisure centres owned by the Council. In September 2021 the Council undertook a public consultation to consider the impacts if they chose to withdraw from the agreement. One of the main factors considered was the already good level of leisure provision with 8 alternative public centres within a 10-mile radius.

On 01 March 2022 Cabinet took the following decisions:

1. That the Executive Director of Place is instructed to write to Queen Elizabeth School Foundation Trustees to give formal notice to withdraw from the dual use management agreement on the 31.3.24.
2. That officers continue to engage with the school during this transitional period and work with them to approach the Education and Skills Funding Agency to apply for exceptional circumstances funding in recognition of the change in contractual arrangements.
3. That officers work alongside Queen Elizabeth School in identifying ways to maximise the availability of leisure facilities for school and community use and provide advice to any displaced users who may need assistance in identifying opportunities to maintain their activity levels.
4. That a bid for one off capital funding (up to a max of £150,000) should be included in Dorset Councils 2023/24 capital budget process. If successful, this funding would be Dorset Council's contribution towards the replacement of the All-Weather Pitch.

The period of notice meant that QE school had two years to find a new operator or arrange to manage the facilities directly themselves. They were unable to find another operator so have opted to manage the site under a different operating model. The facilities will continue to be utilised by the school during the school day and made available to hire by clubs and organisations on evenings and weekends. So, whilst the school is no longer offering a full leisure service, they are still making some facilities available to community groups.

QES is currently in receipt of Exceptional Factor Funding from the Education and Skills Funding Agency (ESFA). This is for exceptional circumstances relating to school premises, in this instance for joint-use sports facilities. Dorset Council made the application for Exceptional Factor Funding securing £296k for 24/25. However, current proposals from the Department of Education are to reduce all funding to nil from 2025 and this is likely to have an impact on all dual use facilities in the future. Therefore, the future subsidy at QELC could be in excess of £850K.

In summary, Dorset Council's decision was to withdraw from the management agreement and, QE School Foundation Trust took the decision on how it would operate its own leisure facilities after 01.04.24.

Ken Buchan – Head of Environment and Wellbeing