

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Service Delivery Overview & Scrutiny Panel

20th November 2019

TITLE:	Leisure Centre Options
PORTFOLIO HOLDER:	Councillor Mark Deaville - Deputy Leader & Portfolio Holder for Leisure and Sports
CONTACT OFFICER:	Robert Wilks - Principal Officer (Leisure and Recreation)
WARDS INVOLVED:	Non-specific

1. Reason for the Report

- 1.1 The purpose of the report is to inform the Panel as to the development work to help establish clear plans for future investment and management options for the Council's leisure centres, in line with the Physical Activity and Sport Strategy and ambitions for a reduced service subsidy.

2. Recommendation

- 2.1 It is recommended that the Service Delivery Overview & Scrutiny Panel:
- Note plans to recruit external consultancy support in order to assist the Council in progressing plans for future investment and management options for leisure centres

3. Executive Summary

- 3.1 Asset condition surveys were completed during 2016, the outcomes from which were considered by Cabinet in September 2016. The findings highlighted that significant capital investment is required in our leisure assets over the next 30 years in order that they remain fit for purpose.
- 3.2 In August 2017 Cabinet adopted a new Strategy for Physical Activity and Sport. The strategy provides for opportunities for participation be developed and maintained for a widest possible range of the Staffordshire Moorlands community and establishes priorities that will target particular groups of people and communities where inactivity and poor health is more prevalent.
- 3.3 At a similar time, the Council also commissioned FMG Consulting to review its

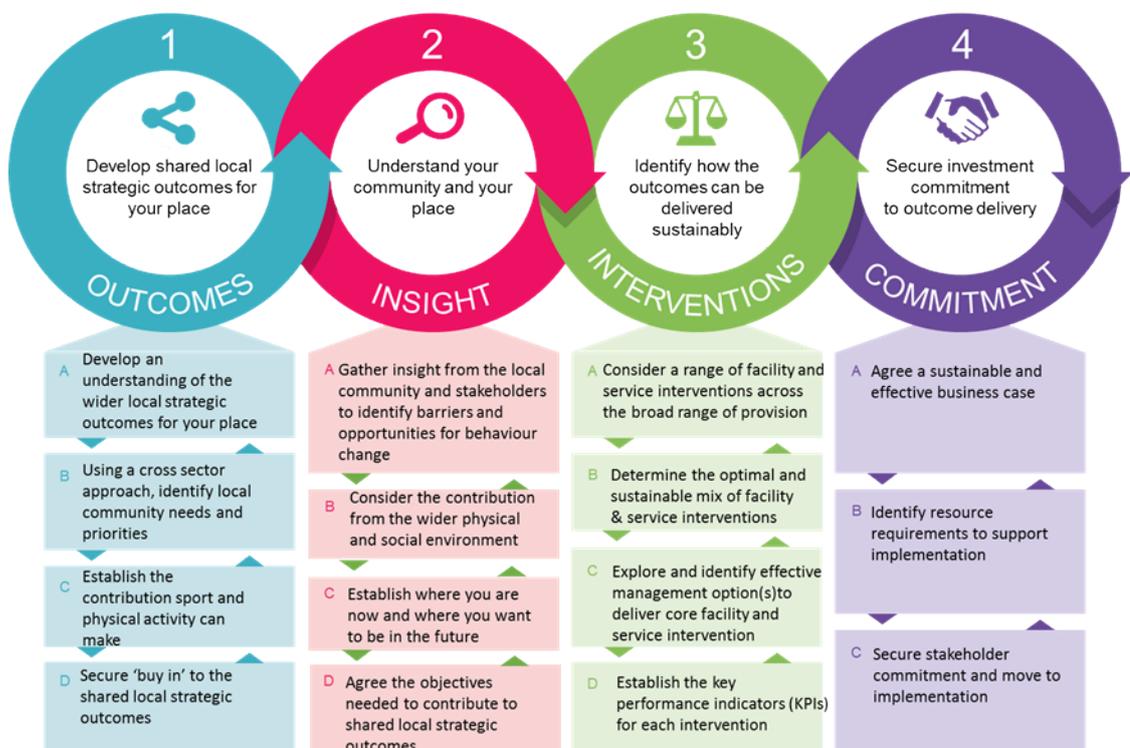
leisure centre provision in the context of its sports facility needs focusing on sports halls, swimming pools and other indoor provision. The purpose of undertaking this review was to inform the Council on options for future provision of council leisure centres and other sports facility based services from 2018 and beyond.

- 3.4 The outcome of this review, in effect sets out a position statement on the suggested facility hierarchy and approach, along with recommendations for phasing of future facility developments and rationalisation. The aim is to ensure that the Council can develop a more sustainable solution in relation to meeting customer needs, affordability and partner aspirations, whilst supporting the overall vision of the Council's Physical Activity & Sport strategy.
- 3.5 The conclusion of the review was that the Council should consider the following investment requirements:
 - Replacement of South Moorlands Leisure Centre with smaller community pool and fitness offer, ideally co-located with other public sector services or alternative options if co-location with health is not deliverable
 - Refurbishment and essential works at Biddulph Valley Leisure Centre
 - Replacement pool at Brough Park Leisure Centre
 - Investment in 3G pitch provision at strategic sites referenced in Local Football Facilities Plan (LFFP) and Playing Pitch Strategy (PPS)
- 3.6 Parkwood Leisure has managed the Council's leisure centres since March 2006 and in December 2018 Cabinet approved the extension the current contract arrangements with them for the period from 1st March 2019 to 31st March 2024.
- 3.7 Whilst approving the contract extension for Parkwood, the Council committed to commence a process to consider longer-term future management options for the leisure centres in further detail.
- 3.8 There are a number of different delivery options available for the Council to consider for the future management arrangements for leisure centres once the contract with Parkwood comes to an end in March 2024. Recommendations for further consideration, taken from the FMG report are as follows:
 - A new outsourced single contract (i.e. an evolution of the current arrangements with Parkwood or other external provider); or
 - Set up a local delivery vehicle – either a wholly owned subsidiary of the Council or a new trust.
- 3.9 It is recommended that the Council now seeks further consultancy support in order to assist the development of plans for continued service transformation, in line with the Physical Activity and Sport Strategy and ambitions for a reduced service subsidy, which should include;
 - A refresh of the current position highlighted in the 2017 FMG report, taking into account changes to participation trends, leisure centre performance data and improvements to community facilities, which build on the

aspirations in the physical activity and sport strategy;

- Development of a clear and affordable capital investment plan and proposed delivery schedule for each investment option;
- Detailed work to establish the preferred management options and the financial impact of these to the Council; and
- Engagement with partners to establish meaningful joint investment plans if/where there is opportunity to do so.

3.10 Initial scoping meetings have taken place with Sport England in order to begin to develop a robust specification for the work, including the use of the Sport England, Strategic Outcome Planning Guidance (SOPG). SOPG guidance (summary shown below) has a clear, strategic and sustainable approach to making effective investment into sport and physical activity provision – both facilities and services.



3.11 It is recognised that wider aspirations for the Council involving regeneration, housing and health should feed into this work so as to ensure a holistic approach is taken to addressing physical inactivity and health inequalities in the broadest sense.

3.12 Work to develop a Cheadle Town Centre Master Plan led by colleagues in Regeneration is ongoing, the Council has commissioned consultants Cushman and Wakefield to progress this over the coming months.

3.13 An integrated leisure / health hub is being considered and further scoping works are being undertaken by Cushman and Wakefield to establish high level feasibility for this option. The further consultancy work planned for the future leisure centre options will feed into this and explore feasibility in greater detail.

4. How this report links to Corporate Priorities

- 4.1 The provision of high quality leisure facilities both in formal leisure centres and swimming pools and out in the communities is an objective of the Council as set out in the new Corporate Plan.

5 Options and Analysis

- 5.1 A number of options will be considered as part of the work undertaken

6 Implications

- 6.1 Community Safety - (Crime and Disorder Act 1998)
None

- 6.2 Workforce
None

- 6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Equality and Diversity policies.

- 6.4 Financial Considerations
The cost of this work will be met from existing resources

An outcome from this next piece of work will be a clear and affordable capital investment plan and proposed delivery schedule for each investment option

- 6.5 Legal
None

- 6.6 Sustainability
None

- 6.7 External Consultation
Extensive stakeholder consultation will be necessary before investment options are finalised

- 6.8 Risk Assessment
Not applicable at this stage

ANDREW P STOKES
Executive Director (Transformation) and Chief Finance Officer

**Web Links and
Background Papers**

Cabinet report - [Development of the Asset Management Plan - Asset Condition Surveys](#)
[Cabinet report - Strategy for Physical Activity & Sport](#)
Various background and working papers
Location: Fowlchurch Depot
Sport England – Strategic outcomes planning guidance:
<https://www.sportengland.org/media/1371/1/strategic-facilities-fund-prospectus.pdf>

Location

Moorlands House

Contact details

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7. Background & Introduction

- 7.1 In order to provide the foundations for the development of a strategy for new investment options and operating arrangements for the leisure centres, the Council appointed FMG Consulting Ltd in 2017 to review the leisure centre provision and sports facility needs, focusing on sports halls, swimming pools and other indoor provision.
- 7.2 The purpose of undertaking the review was to inform the Council on options for future provision of council leisure centres and other sports facility based services from 2019 and beyond. The review and assessments also provide data and information to inform the development of the Local Plan, emerging planning policy and infrastructure planning
- 7.3 The four core objectives of the review were to:
- To audit and report on the wider supply and demand for sports facilities in the Staffordshire Moorlands area and identify a mixed model of provision (public/private/voluntary) capable of meeting future demand for sport and physical activity.
 - To review the existing and provide options for the future provision of Council leisure centres across the Staffordshire Moorlands.
 - Identify opportunities for allocating resources into existing local facilities (council owned or third party) to achieve better outcomes for people in relation to health, social and economic inclusion, crime reduction etc.
 - Provide a headline procurement and management model options appraisal, for future council owned sports and leisure facilities. The model should try and provide an optimal balance between meeting (sport and physical activity) market demands, providing sufficient capacity, being financially self sufficient and addressing local sport and physical activity development needs.
- 7.4 The final report in effect sets out a position statement on the suggested facility hierarchy and approach, along with recommendations for phasing of future facility developments and rationalisation. The aim is to ensure that the Council can develop a more sustainable solution in relation to meeting customer needs, affordability and partner aspirations, whilst supporting the overall vision of the Council's Physical Activity & Sport Strategy.
- 7.5 The report stresses the importance of a multi-agency approach to delivery of the service in the Moorlands if the Council's strategic priorities are to be achieved. The services are reliant on a network of well maintained, accessible facilities throughout the district in order to facilitate the delivery of such intervention programmes, alongside supporting positive habits amongst the general population.
- 7.6 In order to inform the options for facilities, a detailed supply and demand assessment was undertaken in a separate Assessment Report. The headline findings are as follows:

Facility Type	Findings
Sports Halls	<ul style="list-style-type: none"> • Good supply of sports halls with good accessibility; • Stock is aging (average age is 26 years)
Swimming Pools	<ul style="list-style-type: none"> • Good supply of swimming pools • Location and catchment area of the pool sites serves the District well • Over 92% of the District's demand for swimming being met and located inside the catchment area of a pool • Pools are reasonably full but there is also unused capacity • The age and quality of provision is a significant factor (average age 45 years)
Studios	<ul style="list-style-type: none"> • Studios are important as a facility type to increase participation • Facility type has appeal to females and across the age ranges 16 – 54 • Recent research evidence has shown that a reason for declining participation in swimming is because of females choosing to do dance and exercise classes in preference to swimming. • In the event of re-development of the public leisure centres then dedicated high quality studio provision should be an integral part of the facility mix.
Squash	<ul style="list-style-type: none"> • Rate of participation in squash has decreased considerably in recent years • At the same time the average age for playing squash has increased (according to • England Squash the average age of squash players is now between 52 – 55 years of age) • There is scope to consolidate squash provision as participation at the Draycott Centre and in 1-2 public leisure centres will still provide access for pay and play at the leisure centre sites and retain squash development at the Draycott Centre.
Health and Fitness	<ul style="list-style-type: none"> • Findings indicate the level of current gym provision is meeting demand.

7.7 If the Council is to be effective in raising activity levels in the Moorlands, a clear approach to facility provision is required. It will be necessary to maximise the use of assets and coordinate provision from a number of sources. The Council along with schools, colleges and clubs all have pivotal roles to play.

7.8 Future facility provision needs to be considered from four aspects:

- Facilities required to enable physical activity for health benefits on a mass and localised basis (particularly linked to the Physical Activity & Sport Strategy);
- Facilities required to meet educational need, particularly school swimming;
- Facilities required for sport, particularly sports development and sports clubs;
- Facilities required for disability sport, including sports development and education links.

7.9 For the services provided to be effective ensuring an appropriate location of the facilities is vital. The figure below identifies an initial framework of provision in the district going forward – this can form the basis for refinement and

prioritising investment in future years. Importantly, the tiers are not exclusive and many facilities will cater for a range of users.



7.10 Within the context of this framework of provision, particularly in relation to district-wide and 'locality' or town-based provision, the Council invests significant resources in delivering a number of sporting facilities, which attract nearly 1 million visits per annum and provide a range of essential services such as learn to swim programmes, exercise referral services and support for local schools. In addition, the centres are bases for numerous clubs and groups, enabling many clubs to deliver and develop their sports in a safe and suitable environment.

7.11 The review of current provision and needs analysis in Staffordshire Moorlands identifies the following key themes to be taken into account in relation to Council-owned indoor leisure assets:

- The need to address quality issues across all sites, but particularly South Moorlands Leisure Centre and the pool provision at Brough Park Leisure Centre;
- Recognition that there is no need for additional swimming pool or sports hall provision and that residential growth is not a driver of future facility need;
- Future facilities and programmes need to be cognisant of the needs of focus groups and ageing of the resident population;
- Refurbishment and re-provision are the main drivers to achieve a 'fit for purpose' estate, with the potential to rationalise the stock in some aspects;
- At a quantitative level, there is potential for pool consolidation across Staffordshire Moorlands, however there also needs to be recognition that pools service distinct catchments;
- To ensure, where possible, that all school sports halls are accessible to the local community for as much time as is feasibly possible (see proposed community use standard). This should be written into community use agreements with schools where possible;

- To ensure that the programming of all sports halls is complementary and works to achieve maximum benefit for the local community and catchment which it serves;
- In parallel, there is also a need to ensure that the cost of accessing facilities is appropriate for different client groups.

7.12 This translates into the following investment requirements for the Council:

- Replacement of South Moorlands Leisure Centre with smaller community pool and fitness offer, ideally co-located with other public sector services (health / children's services / social care etc.);
- Refurbishment and essential works at Biddulph Valley Leisure Centre;
- Replacement pool at Brough Park Leisure Centre & 3G pitch development (indoor & outdoor coordination, meeting the Playing Pitch Strategy needs; Leek North target area engagement given proximity of the Brough Park site);
- Increased access to school sites for sports hall provision / club use;
- Development of 3G pitch provision – potentially linked to school sites

7.13 At the time of the study, the indicative capital cost for the preferred investments would be in the region of £19.25m. This would result in indicative debt repayment costs of £1.35m per annum. Evidence would suggest that investment would result in savings / increased income of approximately £460,000 per annum. As the investment costs is significantly in excess of revenue savings, the Council will need to provide additional sources of capital investment to deliver these improvements.

8. Consultancy Support and Consultation with Key Partners

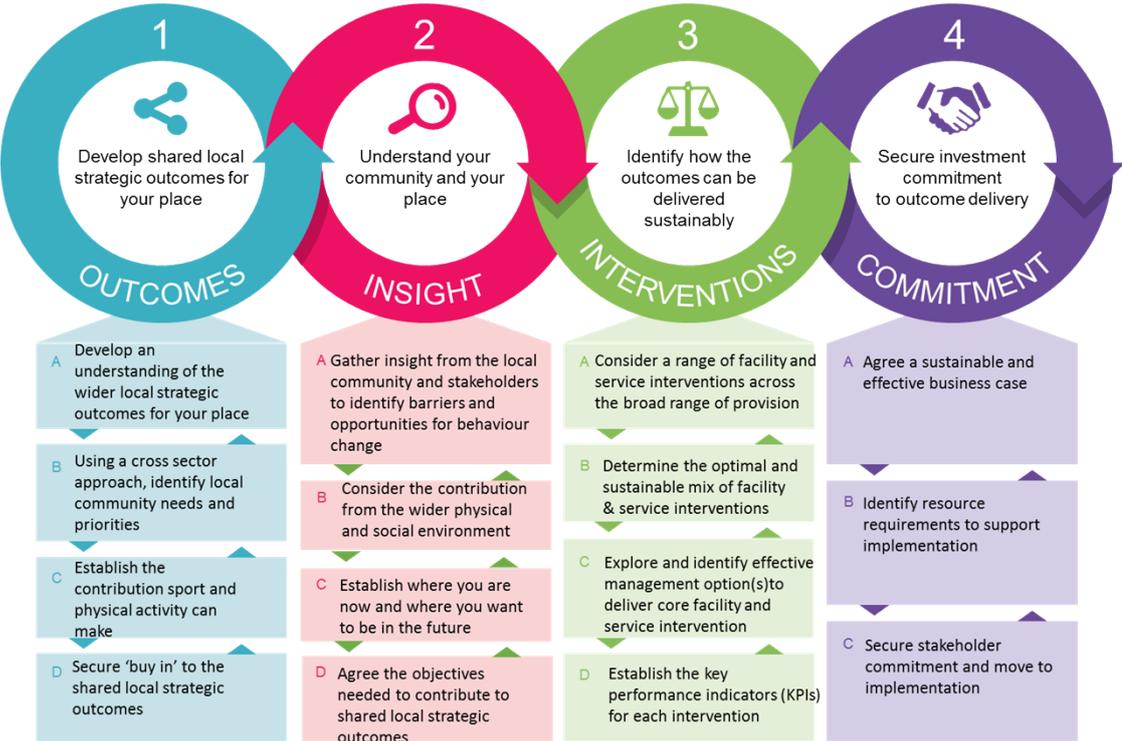
8.1 It is recommended that the Council now seeks further consultancy support in order to assist the Council in developing its plans for continued service transformation, in line with the Physical Activity and Sport Strategy and ambitions for a reduced service subsidy, which should include:

- A refresh of the current position highlighted in the 2017 FMG report, taking into account changes to participation trends, leisure centre performance data and improvements to community facilities, which build on the aspirations in the physical activity and sport strategy;
- Development of a clear and affordable capital investment plan and proposed delivery schedule for each investment option;
- Detailed work to establish the preferred management options and the financial impact of these to the Council; and
- Engagement with partners to establish meaningful joint investment plans if/where there is opportunity to do so.

8.2 Sport England is a national organisation responsible for grass roots sport in England. They have a wide focus which encompasses many aspects, including providing specialist support and guidance to local authorities regarding the development of new leisure facilities and operating models.

8.3 The Council will work closely with Sport England throughout the next steps to ensure the Council maximises the support, guidance and external funding opportunities available to it.

8.4 Initial scoping meetings have taken place with Sport England in order to begin to develop a robust specification for this work, this will include the use of their Strategic Outcome Planning Guidance (SOPG). The SOPG guidance (a summary of which is shown below) has a clear, strategic and sustainable approach to making effective investment into sport and physical activity provision – both facilities and services.



8.5 For each for the four sections of the SOGP is a checklist which will be utilised to ensure that the key areas for consideration have been met and any potential gaps have been addressed.

8.6 The proposed timetable for delivery of this next stage of consultancy work is summarised in the table below:

Stage	Date
Member approval for consultancy support	December 2019
Tender for consultancy support advertised	Winter 2019/20
Appointment of consultant	Spring 2020/21
Consultancy work undertaken	Spring-Summer 2020/21
Recommendations reported back to Members	Winter 2020/21

- 8.7 It is recognised that wider aspirations for the Council involving regeneration, housing and health should feed into this work so as to ensure a holistic approach is taken to addressing physical inactivity and health inequalities in the broadest sense.
- 8.8 The Council has appointed consultants Cushman and Wakefield to develop a Cheadle Town Centre Master Plan over the coming months. An integrated leisure/health hub is being considered as part of this work. Further scoping works are being undertaken by consultants Cushman and Wakefield to establish high level feasibility for this option. Officers from Service Commissioning have been engaged with this process in order that leisure facility needs for Cheadle can be fully considered.
- 8.9 The consultancy support for the future leisure centre options will continue to feed into this masterplan project and will explore the feasibility of this option in greater detail.

9. Future Operating Model - Options

- 9.1 There are a number of different delivery options available for the Council to consider for the future management arrangements when the contract with Parkwood Leisure comes to an end in March 2024. These options are as follows:
- In-house delivery;
 - Outsourcing to an existing trust or private contractor;
 - Establishing an alternative delivery vehicle, for example a new trust / mutual or other form of social enterprise or a wholly-owned subsidiary;
 - Asset transfer;
 - Establishing a Joint Venture.
- 9.2 It is proposed that the consultancy support to be procured will undertake an assessment of the various options available to the Council in order that a recommendation for future delivery can be identified.
- 9.3 As the leisure operating contracts in the Staffordshire Moorlands and High Peak have now been aligned in regards to the contract end date, any future provision can now be considered across both council areas. Especially as provision across the Alliance may generate additional benefits or issues not previously identified.