

Report To:	CABINET	Date:	7th OCTOBER 2019
Heading:	LEISURE TRANSFORMATION PROGRAMME		
Portfolio Holder:	DEPUTY LEADER AND PORTFOLIO HOLDER FOR HEALTH AND LEISURE		
Ward/s:	ALL		
Key Decision:	YES		
Subject to Call-In:	YES		

Purpose of Report

To update Cabinet on the Leisure Transformation Programme in relation to Hucknall and Edgewood Leisure Centres.

This report seeks to inform Cabinet of the works undertaken to improve the facilities at Hucknall Leisure Centre and plans to consider further improvements as part of the re-tendering of the Leisure Operator contract.

The report also seeks delegated authority to consider the Council's withdrawal from the operational management contract for Edgewood Leisure Centre and the transfer back of the facility through mutual agreement to Edgewood School.

Recommendation(s)

Cabinet is asked:

- 1) To note and endorse the works undertaken to improve the facilities at Hucknall Leisure Centre and the plans to consider further improvements of a combined spend up to the value of £1.3m as part of the new Leisure Operator contract tender;
- 2) To grant delegated authority to the Director of Place and Communities, in consultation with the Leader of the Council, to enter into discussions with the Governing Body of Edgewood Primary and Nursery School to come to a mutual agreement regarding the Council withdrawing from the operational management agreement for Edgewood Leisure Centre; and
- 3) In accordance with Article 12 of the Constitution, to authorise the Director of Legal and Governance to complete, sign and serve, any documentation which is necessary as part of the mutually agreed withdrawal from the operational management agreement for Edgewood Leisure Centre on the instructions of the Director of Place and Communities and in consultation with the Leader of the Council.

Reasons for Recommendation(s)

A key project within the Ashfield District Council Corporate Plan (2019 to 2023) is to prioritise the health and wellbeing of the residents of Ashfield and to implement the agreed outcomes from the Leisure Transformation Programme by exploring and implementing options for the future of the Council's Leisure Centre stock.

Approval of the recommendations will enable the Leisure Transformation Programme to continue to be developed to the next stage, including capital investment into Hucknall's leisure offer and the delivery of revenue savings through an "invest to save" approach resulting in a reduction in revenue costs at the point where the Council retenders the leisure operator contract.

Alternative Options Considered

Maintaining the current operation does not allow the Authority to achieve the aims of the Corporate Plan through asset rationalisation as recommended in the Leisure Facilities Strategy.

Do nothing: Not recommended for a number of reasons. The Leisure Facilities Review has allowed the Council to understand the appropriateness of its current leisure stock and future requirements. The provision of an effective facility infrastructure will be central to the successful delivery of the health and wellbeing objectives within the Corporate Plan and to achieving savings through the leisure contract.

Detailed Information

The Council's Vision

The Council's vision is for local people to have access to modern leisure facilities to help lead healthier lifestyles. A clear approach to providing facilities has been identified, including investment

and rationalising the use of the Council's assets alongside coordinated provision from other sources.

To help sustain leisure provision into the future, the Council's Vision is *'to secure a districtwide network of quality, affordable, accessible and sustainable Leisure Centres and services for the benefit of all residents of Ashfield'*.

In order to achieve the Council's vision, key projects have been identified within the new Corporate Plan (2019–2023) under the Health and Happiness priority: to deliver the Leisure Transformation programme, maximising the wellbeing benefits whilst reducing costs.

Leisure Review

The Council recognises the need to invest in its sport and leisure infrastructure to meet the objectives of reducing inactivity and improving the health and wellbeing of its residents; as well as ensuring the most cost effective provision of leisure facilities. In order to address Corporate Plan priorities, an extensive Leisure Facilities Review was undertaken and Cabinet endorsed the findings on 14th July 2016.

In February 2016 the Council commissioned FMG Consulting to undertake a Leisure Facilities Strategy for the District leisure provision including the development of policy options:-

- based on the needs and evidence, the current levels of provision and access across the district need to be protected and enhanced;
- the importance of community/sporting facilities that are affordable, accessible and fit for purpose has been highlighted as an important element in creating sustainable communities.

The Leisure review for leisure centre provision has a clear approach to providing future facilities, including investment and rationalising the use of Council assets, alongside coordinated provision from other sources. The leisure review made clear recommendations in relation to the future provision to be provided in Hucknall, including Hucknall and Edgewood Leisure Centres:

Subsequent works led to the formulation of a Leisure Transformation Programme (LTP) embedded within the Authority's Corporate Plan. The investments are demonstrated below:

Hucknall Leisure Centre

Investment in Hucknall Leisure Centre has been a focus of the outcomes of the Leisure Transformation Programme and the annual maintenance programme for Council assets.

Consultant's reports identified that Hucknall Leisure Centre would benefit from capital investment in facilities. A number of recent investments have been undertaken which, combined with the future planned improvements, is expected to be in the region of up to a £1.3m of total spend.

Recent investments in the facility include:-

- Replacement of floors including squash court (£10.2k)
- Electrical installations (£11.9k)
- Enhanced CCTV system (£9k)
- Air Handling unit upgrades (Circa £24k)
- Extensive repairs to swimming pool tank leak (circa £64k)
- Future capital programme item to replace and upgrade the fire alarm system (circa £110k)

Future investments in the facility include up to £1m of spend:-

- Changing facilities: reconfiguration of separate male and female pool changing rooms to create a wet changing village. (Projected cost £400k)
- Fitness suite: Creation of a mezzanine floor approx. 320m² to extend the existing health and fitness suite to allow for membership growth. (Projected Costs £600k)

Edgewood Leisure Centre

As part of the Leisure Transformation process, the performance of Edgewood Leisure Centre was analysed against 12 key performance categories by FMG Consulting and scored outside the benchmark range in 10 of the 12 key indicators. The site's performance is generally poor and reflects the size and age of the facilities offered and indicate the Council should review whether this facility should be considered as part of the retendering of the new Leisure contract.

Edgewood Leisure Centre (ELC) is located within Edgewood Primary and Nursery School in Hucknall, Nottingham (EPNS). It has operated since 1975 under a joint use agreement between Ashfield District Council (ADC) and the building owners, Nottinghamshire County Council (NCC). Put simply, ADC operates part of the leisure facilities (currently through Sports and Leisure Management Ltd. (SLM)) under a management agreement; the School uses the leisure facilities at agreed times; NCC owns all the land and school buildings including the leisure facilities.

The agreement allowed for the payment of an annual contribution from NCC to ADC to operate a proportion of the school premises as a leisure centre outside of school hours. In 2011 the funding process was amended by NCC to a Locally Managed Scheme (LMS) and contributions are now paid to EPNS Governing Body who in turn passport the contribution to ADC.

In 2002 Ashfield District Council entered into an Agreement for the provision of Outsourced Leisure Services with Sports and Leisure Management Ltd., (SLM Ltd) which will terminate at the end of March 2021. SLM's brand operator name is Everyone Active.

Edgewood Leisure Centre's facility mix consists of a small, shallow teaching pool, a small multi use hall, both wet and dry male and female changing rooms, Activity Club room, and associated office and staff accommodation.

These facilities are shared with the resident school during school term time to service the curriculum with SLM running the facilities (on behalf of the Council) for two daytime parent and toddler swim sessions, weekday evenings, weekends and school holidays.

Leisure Centre activities include casual swimming, swimming lessons, badminton, martial arts, children's birthday parties and holiday activities. The main club use is from one local Martial arts group and one Swimming Club.

The consultants believe there is an opportunity for the Council to transfer the swimming lesson and activity programme to Hucknall Leisure Centre as analysis and consultation suggest there is capacity within the programme to accommodate the lower levels of instruction currently provided at Edgewood.

Public Consultation

Public consultation was carried out initially through an online survey and later as part of the 2016 budget setting process through a 'have your say' resident's survey. There was strong support for focusing resources on the larger leisure facilities, Lammas Leisure Centre in Sutton, Festival Hall in Kirkby and Hucknall Leisure Centre as they have 92.5% of the customer base.

Understandably due to its close proximity of 2.5 miles, Edgewood customers stated that should Edgewood be handed back to the school, their next preferred option would be to use Hucknall Leisure Centre.

Next steps

The current operator contract with SLM ceases in March 2021. Work has begun to produce a new contract and service specification with the support of FMG. The procurement process for the future contract operator will begin in November 2019, and we will decide and notify the successful operator in July 2020.

As part of this process the stock condition surveys are currently being refreshed, so the Council has a clear understanding of the condition of all the assets within Hucknall Leisure Centre. This process will be completed by the end of October 2019. From this, the Council will negotiate and agree with SLM the assets that they must improve or replace, those that Ashfield District Council will improve or replace, and those assets that will become part of the new contract and services specification. An update on the capital investment programme for Hucknall will come back to Cabinet later in the year.

As part of the procurement process, we will also be asking the potential operators to outline the improvements and developments they will make to both Hucknall Leisure Centre and Lammas Leisure Centre.

Discussions will commence with the Governing Body of Edgewood Primary and Nursery School to come to a mutual agreement regarding the Council withdrawing from the operational management agreement for the leisure facilities thus handing the facilities back to the school for them to operate.

Implications

Corporate Plan:

Aligned to Corporate Plan as follows:- Health and Happiness

Secure a district-wide network of quality, affordable, accessible and sustainable Leisure Centres and services for the benefit of all residents of Ashfield.

Ensure best use of our assets, exploring and supporting the development of shared assets across partner agencies and implementation of asset rationalisation.

Increased perception that the Council provides value for money services

Legal:

Legal advice and assistance will be provided as part of the procurement for the new leisure operator and as part of negotiations with EPNS for handing back the leisure facilities to the school to operate.

Finance:

Budget Area	Implication
General Fund – Revenue Budget	The current 2019/20 annual management fee for Edgewood Leisure Centre is £54,185. NCC Joint use contribution £34,510 - 50% (£17,255) ring fenced for maintenance. Handing back the facility to the school would result in a net annual management fee saving of £19,675 for the Council.

General Fund – Capital Programme	Details of the Capital costs of this project will be brought back to Cabinet/Council for approval once the stock condition surveys have been analysed and final costs and contributions have been determined.
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

Risk:

Risk	Mitigation
Increased costs, failure to secure match funding, planning permission, time delays.	Project risk registers to be maintained for both capital works and the retendering of leisure management contract to mitigate identified risks.

Human Resources:

No direct HR implications are contained within the report.

Equalities:

An Equalities Impact Assessment has been undertaken and recommendations will be implemented as part of the work outlined above.

Other Implications:

(if applicable)

None.

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Cabinet - 24 March 2016, Targeted Activities Programme.

Cabinet – 14 July 2016, Leisure Review Transformation Programme.

Cabinet – 13 October 2016, Leisure Review Transformation Programme.

Cabinet – 9 July 2018, Leisure Transformation Programme – Selston Leisure Centre.

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