

Central Bedfordshire Council

**Sustainable Communities Overview and
Scrutiny Committee**

24 November 2018

Leisure Management Contracts

Report of:

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Purpose of this report

1. To provide an update on the leisure management contracts and performance.

RECOMMENDATIONS

The Committee is asked to:

1. **Note the current leisure management contracts arrangements and performance.**

Background

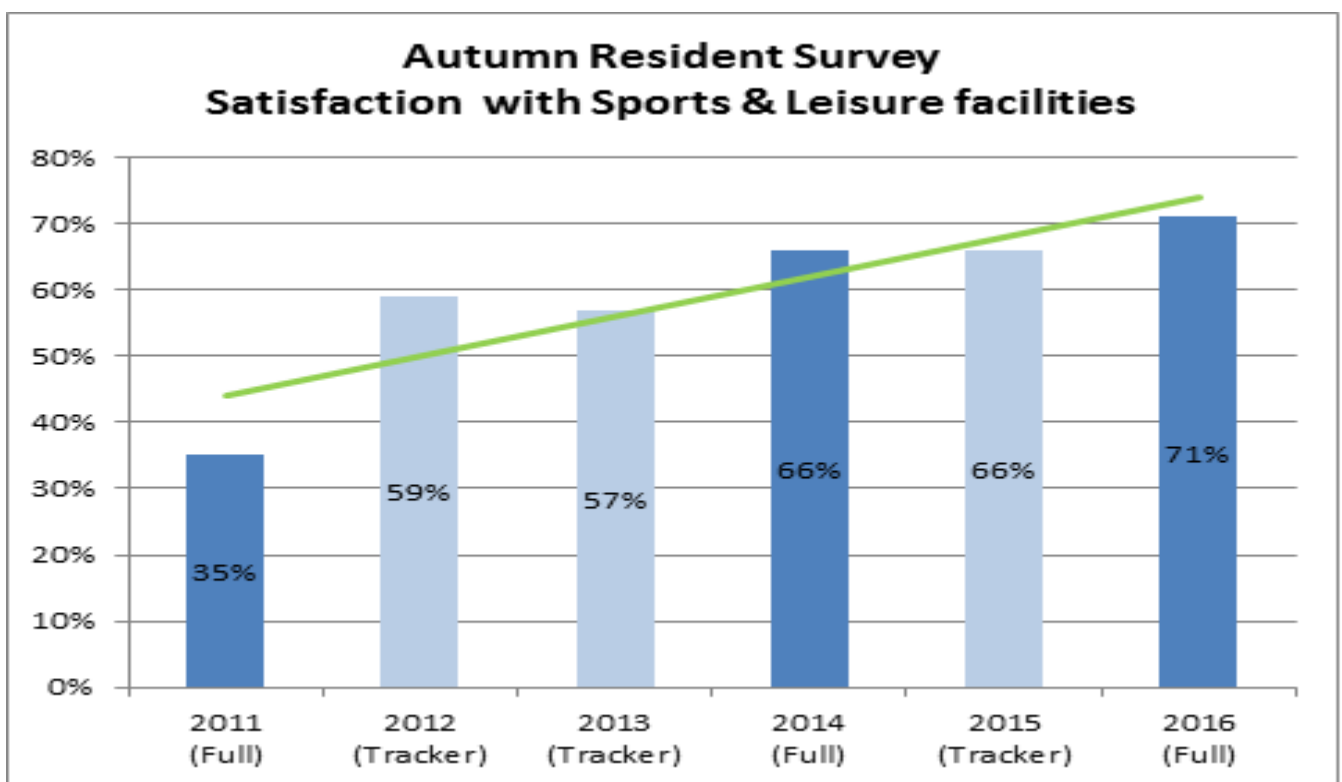
2. The Council has six leisure centres and The Grove Theatre managed and operated under two separate leisure management contracts by Stevenage Leisure Limited.
3. The 'north' leisure management contract, commenced 1 April 2014 and includes Flitwick Leisure Centre, Saxon Pool and Leisure Centre in Biggleswade, Sandy Sports and Community Centre and Houghton Regis Leisure Centre. The contract is for a period of 7 years with an option to extend for a further 7 years.
4. The 'south' leisure management contract commenced 1 September 2018 and includes Tiddenfoot Leisure Centre, Leighton Buzzard, The Grove Theatre, Dunstable and the new Dunstable Centre (leisure centre, library, day care and citizen's advice) opening in February/March 2019. The contract is for a period of 7 years 7 months with an option to extend for a further 7 years.
5. Both leisure contract specifications are outcomes focussed and have a number of key performance indicators related to the Council's objectives, and to the conditions of grants secured by the Council for £3m from Sport England's Strategic Facilities Fund for Flitwick Leisure Centre and The Dunstable Centre.
6. The 'south' contract specification also reflects recommendations of a review of The Grove Theatre, undertaken in consultation with Arts Council England over the summer and autumn of 2017. As a result, new commercial and artistic targets have been set to focus the new operator on developing new audiences, increasing secondary spend, and in supporting a more strategic approach to the provision of a joined up arts and culture offer for children and young people.

Leisure Facilities Strategy

7. The Council's Leisure Facilities Strategy adopted in February 2013 assessed the requirements for indoor sports and leisure centre facilities across Central Bedfordshire in relation to the planned housing growth. The Strategy directs investment across the leisure estate and has resulted in over £40m of Council investment since its adoption, and significant developer (Section 106) contributions and external partnership investment. The Sustainable Communities Overview and Scrutiny Committee considered implementation of the Strategy on 10 October 2013.
8. The Strategy will be reviewed and updated in 2019 when detailed research and consultation will be carried out to determine the indoor leisure facilities needed to serve residents for the next ten years and beyond. The review will model any new and changing demands for leisure facilities using the population growth forecast in the Local Plan Submission and will set policy requirements which will guide new or improved facility provision.
9. The leisure strategy directs where investment can have the most impact in meeting demand and expectations of customers. Key investment approved to date includes;

- A new Flitwick Leisure Centre, opened February 2016
- Tiddenfoot Leisure Centre, refurbishment of the café and health and fitness suite 2013/14
- Saxon Pool and Leisure Centre, new sports hall and reception 2013/4
- Houghton Regis Leisure Centre, refurbished changing rooms, July 2017, and at the same time SLL invested in a new studio and health and fitness suite.
- A new leisure centre and library in Dunstable, providing accommodation for adult day care and citizen's advice services. Opening in February/March 2019
- Saxon Pool and Leisure Centre, swimming pool changing rooms refurbishment 2018/9

10. The Council's residents survey results have shown an improvement in satisfaction with the Council's leisure and sports facilities.



Leisure Contract monitoring and performance

11. The Leisure Contracts include specifications and a range of performance standards and reporting requirements that the operator shall meet during the contract period for each facility and the services delivered. The specification also includes the requirement to carry out industry standard quality assessments and national benchmarking.
12. A key performance indicator of the leisure management contract is to promote wellbeing by encouraging uptake in sport and physical activity and is measured by participation.

13. Participation targets specifically for Flitwick Leisure Centre and The Dunstable Centre are agreed with Sport England as part of the Strategic Facilities Grant conditions and are included in the contracts with the leisure operator.
14. Participation targets for the first 5 years of operation and performance at Flitwick Leisure Centre are set out below. The centre opened on 29 February 2016.

	2015/6	2016/17	2017/8	2018/19	2019/20	2020/21
Target	-	496,453	551,434	578,198	578,831	581,612
Actual	304,706	600,564	634,612	297,215 (April - Sept)		
Variance	-	+295,858	+83,178			

15. Participation targets at The Dunstable Centre for the first five years of operation are set out below.

	2019/20	2020/21	2021/22	2022/23	2023/24
Target	676,301	739,540	784,308	815,190	842,276

16. For the remaining leisure centres, participation is set out below for the last 3 years, and for the first 6 months of 2018/9.

	2015/16	2016/17	2017/18	2018/19 (April- Sept)
Saxon	310,446	310,932	368,524	197,565
Sandy	105,008	105,812	108,743	43,312
Houghton Regis	126,628	133,491	189,637	104,720
Tiddenfoot	338,380	404,799	485,604	302,810

17. Other key indicators are included in the contract specification to support broader objectives of the Council. The operator is required to work in partnership with the Council, and provide space for community activities to support these objectives. The Council's Active Lifestyles Team work across departments to develop initiatives which help people who are less likely to be physically active to become more active, including for example adults and children with disabilities, children who are looked after by the local authority, and adults with a mental health diagnosis. Activities include, swimming, walking football, multi- sports, health walks and seated exercise.

These activities, delivered from the Council's leisure centre sites in the north contract, engaged the following numbers of adults and children.

	2015/16	2016/17	2017/18
Community Activity Programme	3,024	4,149	5,037

18. An Active Lifestyle Referral Programme, managed by the Council's Active Lifestyles Team, supports patients through lifestyle change for up to 12 months. Referrals are made by GP's for patients recovering from a cardiac event and cancer treatment and patients are supported in 7 stages throughout the year. An additional pilot service operating from Dunstable Leisure Centre increased participation in 2016/17. The scheme continued in 2017/18 from Houghton Regis Leisure Centre. A development of this service is a programme for patients with a mental health diagnosis referred from East London Foundation Trust to incorporate exercise into recovery pathways. A pilot started in November 2018 at Tiddenfoot Leisure Centre with roll out being planned in 2019. The chart below sets out participation in the programme to date.

	2015/16	2016/17	2017/18	18/19 April - Oct
Active lifestyle referral	324	493	381	314

19. A further a partnership with Circle MSK, commissioned by the Clinical Commissioning Group and funded by Public Health will deliver a falls prevention service which will provide a formal pathway into strength and balance classes for adults who are aged 65years+. Three leisure centres will be part of the pilot starting in January 2019 including Flitwick Leisure Centre, Tiddenfoot Leisure Centre and Houghton Regis Leisure Centre
20. In addition at The Dunstable Centre, a broader set of objectives have been agreed with Sport England as part of the investment and are included in the leisure management contract. A specific set of measures will be developed and progress recorded and reported as part of the leisure contract management monitoring.
- Supporting public health objectives to improve health outcomes in Dunstable, particularly the reduction of excess weight and obesity within the leisure centre catchment area.
 - Supporting cross-departmental Council objectives to improve outcomes for young people and their families, particularly those requiring early intervention by Children's Services
 - Positively impact on the regeneration of Dunstable town centre
 - Increasing community engagement through the creation of a centralised hub for 'healthy lifestyles'
 - Have a positive impact on the self-esteem and mental wellbeing of leisure centre users.

The Grove Theatre, Dunstable

21. The Grove Theatre is a mid scale 780 seated, 1100 standing receiving house, opened in 2007. As an important public venue, The Grove Theatre has a crucial place making role, promoting the town as a destination for high quality arts and entertainment, and supporting economic development by being an active player in the business community, drawing in footfall from across its catchment and across Central Bedfordshire. Audience numbers are set out below since 2015/16.

	2015/16	2016/17	2017/18	2018/19 (April- Sept)
The Grove Theatre	110,364	105,001	120,342	55,261

22. In the development of a broader strategic offer for arts and culture, the Council is developing relationships with Arts Council England and Royal Opera House Bridge. The Grove Theatre will play a central part in how broader programming across a range of Council venues can create a cohesive cultural offer, attract new audiences, and add value to the Council's corporate objectives.
23. Subsequently, the new contract is more ambitious for the theatre, focusing more on the need to make the theatre financially sustainable by developing its cultural role as a regional theatre, understand its catchment, widen and develop its audience base, diversify its programme for families and children and increase secondary spend.
24. As a result, the cost of the new leisure management contract to the Council will decline throughout the contract period. The Grove Theatre will also be expected to apply for Arts Council England's quality National Portfolio Organisation status within 5 years. It has already started to widen its network, and work in partnership to support the Council's music service and leisure and library service and is supporting a number of initiatives including the development of a Local Cultural Education Partnership and a stronger schools outreach programme.
25. A recent example includes a partnership with Arts Council England commissioned by the Council's Inspiring Music service and Orchestras Live, involving the City of London Sinfonia, to help children access orchestral music and to take up playing a musical instrument. 'The Wish', included workshops for 8 schools culminating in a large-scale, interactive live music collaboration at The Grove Theatre, engaging over 1000 primary school students.

Sandy Sports and Community Centre

26. The contracted leisure facilities in Sandy are an important part of the Council's Leisure Strategy. The facilities are at Sandy Secondary School where access to the sports hall, squash courts, studios, theatre, netball courts, dining areas and athletics track are available to the community outside of school hours. The facilities also include a separate health and fitness suite available throughout the day.

27. A community use agreement is in place to enable the public to access the school's sports and community facilities, and this allows the Council's leisure operator to hire these facilities directly to the local community.
28. The Council is considering options to help put the centre on a more sustainable financial footing, whilst limiting any impact on access and customer satisfaction. The aim is to help secure the provision in the medium term pending the leisure strategy review which will model the new and changing demands for leisure facilities and will set policy requirements which will guide new or improved facility provision.

Council Priorities

29. The leisure facilities and provision of universal leisure services contribute to each the Council's priorities;
 - Enhancing Central Bedfordshire
 - Great resident services
 - Improving education and skills
 - Protecting the vulnerable; improving wellbeing
 - Creating stronger communities
 - A more efficient and responsive Council.

Corporate Implications

Legal Implications

30. There are no direct or immediate legal implications arising from this report.

Financial and Risk Implications

31. There are a number of financial and risk implications related to leisure management contracts.
32. Council priorities; the six leisure centres and The Grove theatre in Dunstable operated under contract are significant contributors to the Council's leisure and cultural infrastructure helping deliver Great Universal Services, the promotion of Health and Wellbeing, as well as supporting town centre regeneration and transformation in Adult Social Care in Dunstable specifically.
33. Reputational risks; Investment delivered in the leisure estate and underway at The Dunstable Centre ensures the Council's facilities meet demand and customer expectations in high quality facilities. The Council's investment at Houghton Regis Leisure Centre, Flitwick Leisure Centre and Tiddenfoot Leisure Centre where there has been a significant increase in participation demonstrates this well. A refresh of

the Leisure Facilities Strategy in 2019 will guide any further investment to meet demands from future population growth.

34. Risk to customer satisfaction: Day to day operations are the responsibility of the leisure operator including; availability of the facilities, health and safety, customer service, planned building maintenance, reactive repairs, and planned and reactive cleaning, all of which are key to ensuring high levels of customer satisfaction. At Sandy Sports and Leisure Centre where the options to reduce operating costs are being considered, the aim is to have as little impact on the leisure offer and customer satisfaction as possible.
35. Financial risks. A significant proportion of the Council's capital investment in its leisure stock has been to 'invest to save' using any improvement in income generated at a facility through its operation to help cover the cost of borrowing. The decision made by Executive Committee on 6 December 2016 to procure a new leisure management contract aimed to secure best value from the redevelopment at The Dunstable Centre, and for services at The Grove Theatre and Tiddenfoot Leisure Centre. The Sustainable Communities Overview and Scrutiny Committee had considered the options for the redevelopment of Dunstable Leisure Centre on 22 January 2015 and recommended to Executive the inclusion of a budget in the Council's capital programme to undertake a comprehensive redevelopment of the leisure centre to create a new facility.
36. The recent investment and procurement decisions have resulted in a position where both leisure management contracts are now income generating for the Council over the respective contract periods, as set out in the Medium Term Financial Plan 2019-2023 to be considered by Council in February 2019. The financial performance of each of the leisure centres is regularly monitored. At Sandy Sports and Leisure Centre options to reduce operating costs are being considered. This is because the financial performance of the facility has been worsening over the past few years.
37. The financial implications of the leisure management contract are included in the Medium Term Financial Plan, set out below.

	19/20 000's	20/21 000's	21/22 000's	22/23 000's	Total 000's
Leisure Management Contract North	(62)	-	-	-	(62)
Leisure Management Contract South	(830)	(540)	(251)	(194)	(1,815)

38. The development of The Dunstable Centre is on track and whilst it is expected the investment will deliver a significant increase in participation over the contract period there are risks associated with overall performance including those related to Sport England's strategic facilities grant conditions and the significant contribution leisure contract income makes to the MTFP. Subsequently, two full time equivalent posts are included in the MTFP from April 2019 to support leisure contract management as set out below.

	19/20 000's	20/21 000's	21/22 000's	22/23 000's	Total 000's
Leisure Management Contract South	80	-	-	-	80

Public Health

39. Leisure facilities are key community health resources which provide safe civic space for people to take part in healthy and active lifestyles which support the Council's Health and Wellbeing objectives. The leisure management contracts ensure access to the leisure centre estate for customers to engage in regular physical activity to help prevent ill health, generate long term improvements in overall levels of health and wellbeing and thereby reducing the costs to society, particularly for the NHS and social care.

Equalities Implications

40. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The leisure facilities and the management contracts support the duty via the building design and access, programming and concessionary pricing schedules.

Conclusion

41. The leisure management contracts aim for the all the facilities to provide opportunities for our communities to make positive lifestyle choices and to participate in a varied range of leisure and cultural activities. The Council expects the operator to support the Five Year Plan and key national and local strategic policy, and to be able to demonstrate that investment and action is making a difference to people's lives; to be able to demonstrate the impact leisure, and cultural services is having on local individual and communities.

42. The Council's leisure estate has been the subject of significant capital investment since the Leisure Strategy was adopted in 2013. This investment, along with procurement decisions have enabled the authority to improve levels of participation in sport and physical activity, support the Council's broader public health objectives, as well as make a positive contribution to the Council's Medium Term Financial Plan. A refresh of the Leisure Strategy in 2019 will model any new and changing demands for leisure facilities using the population growth forecast in the Local Plan Submission and will set policy requirements which will guide new or improved facility investment.

Appendices - None

Background Papers – None

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