

**REPORT OF: INTERIM CHIEF EXECUTIVE**

**TO: POLICY AND RESOURCES COMMITTEE**

**DATES: 16th SEPTEMBER 2021**

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## **INVESTMENT IN LEISURE FACILITIES**

### **PURPOSE OF REPORT**

1. This report seeks the Policy and Resources Committee's approval for investment in the Council's Leisure facilities.

### **RECOMMENDATIONS**

2. It is recommended that the Committee:-
  - a) note that the Pendle Leisure Trust will be financing the undertaking of a further detailed study on the provision of leisure facilities in Pendle, as set out in the report;
  - b) that the outcome of the study is reported to a subsequent meeting of this Committee once it is completed;
  - c) agree to allocate £482k from the Pendle Leisure Trust reserve for investment in priority capital repairs to Leisure facilities as detailed in the report.

### **REASONS FOR RECOMMENDATION**

3. To recommend to Council a programme of investment in the Council's Leisure Facilities.

### **ISSUE**

#### **Background**

4. During 2019, the Council commissioned a Strategic Review of delivery of Sports and Leisure Service provision from Max Associates. The Review focused on the possible delivery models for the three core leisure facilities – Pendle Leisure Centre, Colne, Wavelengths (and Inside Spa), Nelson and West Craven Sports Centre, Barnoldswick. It was overseen by the Leisure Services Working Group which received the final report at its meeting in October 2019. The conclusions and recommendations arising from the report were reported to the Policy and Resources Committee in January 2020 and are reproduced at **Appendix A**.

5. The Review concluded that whilst the subsidy paid to the Leisure Trust appeared high for the management of three Leisure Centres when compared to the leisure market in general, this was mainly for two reasons:-
  - a) the population of Pendle is such that it is not sufficient to support three separate swimming pool buildings in the Borough (particularly when two of the Leisure Centres – Wavelengths in Nelson and Pendle Leisure Centre in Colne – are in such close proximity with each other);
  - b) the buildings are aging so that utility and repairs and maintenance costs are high for each of the Centres, with the latter particularly the case for West Craven Sports Centre and Pendle Wavelengths.

## **Review of Leisure Centre Provision**

6. One of the key recommendations of the review, necessary to make a significant impact on the revenue cost of the service and therefore the subsidy payable by the Council, was that a further strategic review of provision in Nelson and Colne should be undertaken with a view to exploring further the scope to develop a new Leisure Centre to replace both sites. Such a review would be undertaken within a framework developed by Sport England (the Strategic Outcomes Planning Guidance) given that investment on this scale would inevitably require their support.
7. Further discussions have taken place with Max Associates about conducting this review and they have provided a proposal to do this. The detailed proposed is provided at **Appendix A**.
8. The cost of this work is estimated at £40k. Sport England have indicated that they would contribute £10k towards this cost. The Leisure Trust has agreed to provide the additional £30k towards the cost of this study.

## **Capital Repairs**

9. In the meantime, acknowledging that any such strategic review is likely to take some time to development and that the potential provision of new Leisure facilities will be dependent on a range of matters not least how to fund the delivery of such a scheme, there is a need for the Council to consider investment in the existing facilities.
10. Indeed, one of the key findings from the Review was that the age and condition of the three leisure facilities and, with that, the need for constant repair and maintenance, makes the facilities expensive to operate. Equally, the state of repair of the facilities is such that it is likely to impact on the patronage of the Centres

### Condition Surveys

11. In view of this and the general deterioration in the condition of the sites, the Council commissioned condition surveys for each of the facilities (and the other facilities managed by the Pendle Leisure Trust) to establish the likely investment required on the Centres. These surveys have considered the future investment requirements for each facilities and a summary is set out below (this support is supported by detail lists of capital repairs necessary):-

Year	Pendle Leisure Centre	Wavelengths	West Craven	Municipal Hall	Marsden Golf Course	Seedhill Athletics Track	Total
	£000	£000	£000	£000	£000	£000	£000
Year 1	189	104	32	40	11	16	392
Year 2	176	70	186	73	41	12	556
Year 3	71	55	65	87	20	15	313
Year 4	83	89	78	66	21	24	360
Year 5	137	160	240	80	54	28	699
<b>Total</b>	<b>656</b>	<b>478</b>	<b>600</b>	<b>345</b>	<b>146</b>	<b>96</b>	<b>2,321</b>

12. At this stage, subject to the proposals for priority capital repairs below, Councillors are asked to note the outcome of the condition surveys. Further work is required to refine these estimates of work required and to consider how this level of investment can be delivered accepting that the Council does not, at this point, have sufficient funding to do so.

### Priority Capital Repairs

13. The condition surveys reflect a range of work required at the Leisure Centres. The Property Services Team has identified a number of priority projects and these are set out at **Appendix B**. It is recommended that, subject to the Committee's agreement to the proposed funding strategy below, it is agreed to undertake these works. The costs shown are estimates at this stage given all works would be subject to tender.
14. Of these proposed works, the most significant is the replacement of the roof at Pendle Leisure Centre, Colne which, as Councillors are aware, has been a constant issue for a number of years. On inspection, the roof is at the end of its useful life and needs to be replaced hence its inclusion here.

### **Proposed Funding Strategy**

15. As Councillors will be aware, the Council set an additional £1m to fund the Leisure Trust in 2020/21 recognising that the impact on leisure services due to the Covid-19 Pandemic was expected to be significant. A further £170k was also obtained from Sport England's Leisure Recovery Fund as a contribution.
16. At the end of the financial year, having taken advantage of all of the funding support made available by the Government, the Leisure Trust's call on the additional funding was £343k leaving a balance of £827k which is currently held in the Council's Reserves. This position was reported to the Policy and Resources Committee on 15<sup>th</sup> July 2021.
17. In the current financial year, an amount of £403k has been earmarked for the Trust in the Council's Revenue Account, again recognising that the impact of the Pandemic continues to act as a drag on the Trust's income streams. In particular, the number of Active Memberships was significantly impacted by the Pandemic and whilst the number of memberships is gradually increasing, it may take some time to achieve pre-pandemic levels. Although it is early in the financial year, the Trust estimate that the deficit funding they will require for 2021/22 is £390k. This is over and above the annual grant of £1.357m and assumes no further closures of the Centres due to lockdown.
18. Assuming this to be the case, this would leave funding of £840k. However, at this stage, it is not possible to say whether there will be any further disruption to the Trust's activities due to Covid-19 or how long it will take to recover from the Pandemic. Equally, some of the capital repairs required may impact on the Trust's activities thereby affecting income generation. As a consequence, it is considered prudent to retain £340k for both 2021/22 and 2022/23 as

potential support to the Trust. This leaves a residual balance of £500k for investment in the facilities and which can be used to meet the priority capital repairs set out at **Appendix B**.

## **IMPLICATIONS**

### **Policy**

19. There are no policy implications arising from the contents of this report.

### **Financial**

20. The financial implications are generally as provided in the report.

### **Legal**

21. There are no legal implications arising directly from the contents of this report.

### **Risk Management**

22. There are no risk management implications arising from the contents of this report.

### **Health and Safety:**

23. There are no health and safety implications arising from the contents of this report.

### **Climate Change:**

24. There are no climate change implications arising directly from the contents of this report.

### **Community Safety:**

25. There are no community safety issues arising directly from the contents of this report.

### **Equality and Diversity:**

26. There are no equality and diversity issues arising from the contents of this report.

## **APPENDICES**

Appendix A – Draft Proposal from Max Associates – Strategic Outcomes Planning Model

Appendix B – Priority Capital Repairs