

REPORT FROM: CHIEF EXECUTIVE

TO: EXECUTIVE

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STRATEGIC LEISURE REVIEW

PURPOSE OF REPORT

The report updates the Executive on progress made on a borough wide strategic review of leisure, presents an external feasibility report on a potential model for future service delivery and outlines a set of 'next steps' which need to be undertaken.

RECOMMENDATIONS

- (1) To note progress made on the borough wide strategic review of leisure services.
- (2) To present an external feasibility report on a potential model for future service delivery.
- (3) To outline the 'next steps' which now need to be undertaken.

REASONS FOR RECOMMENDATIONS

- (1) Leisure and leisure facilities are a key issue for the Council and leisure spend is a high proportion of the Council's stretched revenue position. This level of spending is unaffordable in the medium-term and not sustainable into the future.
- (2) The current facilities are at an age where capital investment will be required on either existing and/or potentially new stock.
- (3) The Council declared a climate emergency in 2019. A recent study found that two-thirds of the council's emissions comes from the three leisure centres. Clearly, steps need to be taken to deal with this issue and significantly reduce carbon levels.
- (4) The year 2022 saw significant increases in the cost of energy. This placed further pressure on the Council's already high levels of revenue spend on supporting the service provided by the small, local independent provider, Pendle Leisure Trust.

ISSUE

1. The council operates three wet and dry leisure centres which are located in the towns of Nelson, Colne and Barnoldswick.
2. In the autumn of 2021, the Council and PLT commenced a strategic review of leisure. The review was commissioned as a result of requirements from Sport England in relation to being able to apply to them for funding. The review was overseen by a cross-party working group of members and delivered by leisure specialist Max Associates.
3. The review concluded that per capita provision of facilities by the Council was high and that some parts of the service (Nelson and Colne) were competing in close proximity. Max Associates also concluded that the size and scale of the population pointed to either a one-centre or two-centre model. Given the geographic spread of the borough it was felt that a two-centre model would be more appropriate for Pendle.
4. In the spring of 2022, a Mechanical and Engineering (M&E) Survey of Pendle Wavelengths was undertaken. It confirmed that the centre is of an age and will require significant spending on the roof structure, windows and energy system. Surveys have not yet been undertaken on the other two centres.
5. In order to look at next steps in more depth and look at the detailed feasibility of a two-centre model, Knight, Kavanagh and Page (KKP) were commissioned by PLT.
6. The feasibility study is attached at Appendix A. The study considered demand and supply, the potential development of the leisure market, and a number of sites, looking in turn at proximity to settlements, accessibility and transport.
7. The study concluded that the council should move to two sites through refurbishing and retrofitting West Craven Leisure Centre in Barnoldswick (with stronger links with health provision) and replacing Pendle Wavelengths in Nelson and Pendle Leisure Centre in Colne with a wholly new eco-centre on a new site.
8. The study identified Seed Hill as the favoured site for a new 'Passivhaus' eco-centre, given its proximity to Nelson and Colne, its accessibility to other parts of the borough, it being adjacent to the Nelson and Colne College and the outdoor facilities in Victoria Park and its perception as being a 'neutral' place.
9. There are a number of issues in relation to the outcome of the feasibility study:
 - a. The overall capital cost of replacing the two centres with one new eco-centre is high; this is compounded by the costs in relation to demolition, re-providing the Seed Hill running track elsewhere and viability problems for alternative uses on vacant sites due to low land values.
 - b. Applying the 'Passivhaus' standard can add up to 30% to the cost of a build. While this means it can open up additional decarbonisation funding opportunities, it is also possible to deliver a net-zero centre without building to the 'Passivhaus' standard.
 - c. While there would be a revenue saving on running costs with this model, the return in investment would have to be modelled over a 50-year period.
 - d. Locally there is a strong sense of identity in relation to the three towns and local members are concerned that communities would lose important local provision.
 - e. Locally there is a feeling that the future of Nelson needs to focus on enhancing leisure facilities in the town centre and bringing even more activities into the inner urban area.
 - f. There is a strong argument that it more sustainable and reduces carbon use and wasted resources to retro-fit existing buildings than demolish and build new ones.

- g. The Nelson Town Deal has committed £1.7m to extend Wavelengths to provide more facilities for young people. Clearly, this was going to pose a challenge on a model which would see the centre demolished. The funding provides scope to refocus this more closely on where it will make the biggest impact (on reducing running costs and increasing income), subject to national Town Deal 'change control' requirements.
10. At this point, there are four broad indicative options which could be confirmed once further work is undertaken:
- a. Do nothing – it is possible to continue with the current pattern of provision. However, as outlined above, the current revenue costs present difficulties in the medium-term and make it unlikely that the Council will be able to offer the level or standard of service it desires. The carbon footprint of the buildings is high and there will be a need to replace roof structures, windows and heating systems to avoid failure and potential danger to users.
 - b. Retro-fitting – it is possible to retrofit the centres with better insulated roof structures, thermally efficient windows, solar panels and air source heat pumps. There are local examples of this, including Salt Ayre Leisure Centre in Lancaster. The Council would need to explore grants for this and could also explore joint working on public estate with the NHS and other partners to join up services and increase capacity for solar generation. While this would solve some of the issues in relation to energy costs and carbon emissions, the staffing costs of running three centres would still present a potentially unaffordable revenue challenge.
 - c. Retro-fitting + service redesign – by adding a service redesign element to b, options could be identified which would improve the internal layout and leisure offer of centres in order to reduce the need for high numbers of staff and increase income from commercial activities. Any collaboration with NHS services would assist with this approach; co-location options are currently being explored.
 - d. Progress the two-centre model – the Executive could decide to progress the model identified as a result of the Max Associates review and KKP feasibility study.
11. There are two key pieces of work which are now being undertaken:
- a. M&E surveys on Pendle Leisure Centre and West Craven Leisure Centre – this will establish renewal requirements in relation to the lifespan of key parts of the buildings; and
 - b. An energy audit on all three centres which will identify the potential for retrofitting to improve energy usage and the carbon footprint of the buildings.
12. Clearly, once this further work is undertaken, the Executive might wish to engage the local community on the final options.

IMPLICATIONS

Policy: Leisure provision and the well-being and connectedness of people and communities is a key policy area for the Council.

Financial: There are significant revenue and capital implications with each of the options above. These will need to be set out in more detail in the next steps.

Legal: None arising directly from this report.

Risk Management: The current facilities are at an age where capital investment will be required on existing and/or potentially new stock to prevent failure.

Health and Safety: The current facilities are at an age where capital investment will be required on existing and/or potentially new stock to prevent failure.

Sustainability: Since two thirds of the Council's emissions come from its three leisure centres, there is clearly a need to consider their future.

Community Safety: Leisure provides an important role in reducing anti-social behaviour amongst young people.

Equality and Diversity: The future strategy will require a community impact analysis.

APPENDICES

Appendix A – Feasibility Study – Leisure Review

LIST OF BACKGROUND PAPERS