

**REPORT FROM: DIRECTOR OF PLACE**

**TO: EXECUTIVE**

**DATE: 17<sup>th</sup> JULY 2024**

**Report Author: Phillip Spurr**  
**Tel. No: 07971 988636**  
**E-mail: [phillip.spurr@pendle.gov.uk](mailto:phillip.spurr@pendle.gov.uk)**

## **STRATEGIC LEISURE REVIEW - UPDATE**

### **RECOMMENDATIONS**

That Executive:

- (1) Notes the content of this report.
- (2) In light of the content of this report, and the presentation from Adam Pearson of PS Research, provides a steer on the way forward for the future provision of leisure facilities in the borough.

### **REASON FOR RECOMMENDATIONS**

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. Determining a clear way forward for leisure provision which is both financially and environmentally sustainable is a key issue for the authority.

### **BACKGROUND**

1. The Council operates three wet and dry leisure centres, located in Nelson, Colne and Barnoldswick.
2. Over recent years, the Council has commissioned a number of reviews of leisure provision, and undertaken a number of consultation exercise in order to determine a clear way forward.
3. In autumn 2021, the Council and Pendle Leisure Trust (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.

4. The review concluded that the 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 Pendle's 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.
5. In the spring of 2022, a mechanical and electrical (M&E) survey of Pendle Wavelengths was undertaken. This survey confirmed that the centre is of an age and will require significant spending on the roof structure, windows and energy system. Similar surveys have subsequently been undertaken for the other two centres, along with energy audits (to examine the potential for retrofitting to reduce energy usage/lower the centres' carbon footprint) of all three facilities.
6. In order to look at next steps in more depth, and to look at the detailed feasibility of a two-centre model, Knight, Kavanagh and Page (KKP) were commissioned by PLT later in 2022.
7. The KKP 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. 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. A report on this work was presented to Executive on 20<sup>th</sup> July 2023 setting out options for the future of Council leisure centre provision. In response to this report, Executive confirmed: that it was committed to retaining three accessible leisure facilities in Colne, Nelson, and West Craven; that M&E surveys of facilities be carried out as soon as possible; and that a review be undertaken by the Overview and Scrutiny Committee to examine how the three facilities could be made to be financially viable, with consultation to be undertaken with Town and Parish Councils and users of the facilities as part of the review process.

## **PENDLE LEISURE TRUST FACILITY OPTIONS APPRAISAL**

10. In order to inform Overview and Scrutiny's consideration, a consultancy team led by Alliance Leisure and Strategic Leisure, was appointed in September 2023 to undertake a further review, including consultation with key stakeholders.
11. The consultants' findings were presented to the Overview and Scrutiny Committee on 12<sup>th</sup> December, and subsequently to Full Council on 19<sup>th</sup> December 2023, with key findings being:
  - the three facilities operate at a financial deficit year-on-year. In the financial year 2022/23 this deficit was £385,000, with further increases expected
  - there will be significant investment required over the next ten years to keep the facilities operational. This figure is in the region of £7.1m, though it was highlighted that these refurbishments are unlikely to result in a significant financial return on investment due to the age of the facilities
  - to boost income, investment in improved/additional facilities could be undertaken to provide facilities such as new/enhanced fitness/studio/water facilities and, in the case of West Craven, a GP surgery, soft play area, and a café

- the consultants estimated that comprehensively refurbishing/extending the three facilities is likely to cost a total of c.£30.3m. This cost includes all preventative planned maintenance, energy efficiency ('decarbonisation') work, and the proposed remodelling/improvement costs to create the facilities detailed in the bullet point above
12. Other than an earmarked £1.7m Town Deal grant and £342,126 of capital Swimming Pool Support Funding (both for Pendle Wavelengths), and a possible bid to the government's Public Sector Decarbonisation Fund to support energy efficiency measures (bid to be submitted later this year; details to be confirmed), there are no other readily apparent sources of funding available, meaning that any investment would most likely have to be funded through prudential borrowing. Based on these figures, it was suggested that a full £30m refurbishment of all three facilities is unaffordable.

## **OVERVIEW AND SCRUTINY COMMITTEE**

13. In considering the findings of the Options Appraisal, Overview and Scrutiny Committee, at its meeting held on 12<sup>th</sup> December 2023, resolved:
- (i) to note that the findings of the review indicate that the retrofitting and renewal of the three leisure facilities in Colne, Nelson and West Craven would not be financially viable;
  - (ii) not to pursue the three-centre option and to instead consider other options that are affordable and sustainable;
  - (iii) to defer consideration of future operating models until a decision is reached on the long term future of the three facilities

## **EXECUTIVE RESOLUTION**

14. At its meeting on 19<sup>th</sup> December 2023 Executive subsequently resolved:
- (i) That the Pendle Leisure Trust Facility Options Appraisal report be noted.
  - (ii) That the recommendations from the Overview and Scrutiny Committee be noted.
  - (iii) That investigations be carried out to identify external funding sources which might be available to address some of the improvements reference to in the Options Appraisal report.
  - (iv) That a comprehensive consultation exercise be undertaken with representatives from the Town and Parish Councils, users of three facilities in West Craven, Colne and Nelson and local residents.
  - (v) That this issue be considered further at a future meeting of the Executive

## **POST-EXECUTIVE ACTIONS**

15. In line with the resolution of Executive, a comprehensive exercise has been undertaken to identify possible funding sources which may be available to address the improvements identified in the Options Appraisal report. The findings of this exercise are attached at Appendix 1. As highlighted at s.12, above, beyond the £1.7m Town Deal funding, the award of £342,126 of capital Swimming Pool Support Funding, and a possible bid for support to be made later in the year to the Public Sector Decarbonisation Fund, there are no other readily apparent sources of funding.
16. In parallel with this funding review, over the period 26<sup>th</sup> February - 25<sup>th</sup> March 2024 an engagement exercise was undertaken with facility users and residents to gather views on their use of the centres, and their views on future options. Online and paper-based surveys were used, with more than 2,300 responses received. The findings of this exercise will be presented by Adam Pearson of PS Research to Executive at this evening's meeting

## NEXT STEPS

17. Work is being progressed to develop plans to spend the £1.7m of Town Deal funding allocated to Pendle Wavelengths – proposals will be presented to Executive at a future meeting. Plans are underway to spend the c.£342,000 of Swimming Pool Support Fund funding also allocated to Wavelengths, while a Public Sector Decarbonisation Fund bid to support energy efficiency measures is in preparation for submission later in the year.
18. As highlighted above, however, leisure and leisure facilities are a key strategic issue, and leisure spend is a high proportion of the Council's stretched revenue budget. It must be noted that these facilities play a key part in providing opportunities to support the residents of Pendle to lead a healthy and active lifestyle whilst helping to reduce inactivity levels. However, the three existing facilities currently operate at a revenue deficit, and are of an age where very significant capital investment is required to maintain/enhance them and to continue to deliver this provision within the borough; there are no, 'no cost' options.
19. Taking on board the content of this report, a clear recommendation is therefore requested from Executive on the future of council leisure centre provision in the borough.

## IMPLICATIONS

**Policy:** Leisure provision, the well-being and connectedness of people and communities, and addressing climate change are all key policy areas for the Council.

**Financial:** The revenue and capital implications of the range of possible future options are set out above

**Legal:** None arising directly from this report.

**Risk Management:** The current facilities are at an age where capital investment is required on existing and/or potentially new stock to prevent failure, and to increase centre footfall and income.

**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 carbon emissions come from the 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 agreed forward strategy will require a community impact analysis.

## APPENDICES

Appendix 1: Possible Funding Options

## LIST OF BACKGROUND PAPERS

None.