

Exploring funding options to sustain Pendle's leisure provision.

As highlighted in Pendle's three Strategic Leisure reviews to date, Pendle Council faces a significant challenge in sustaining Pendle's existing 3 leisure centres.

As considered in the latest Leisure Review (Facility Options Appraisal), refurbishing/extending the three wet and dry leisure facilities is likely to cost a total of £30,337,726. This includes all preventative planned maintenance (PPM) (the cost alone of which is £7,061,860, the minimum investment required across the three facilities in the short to medium term to maintain the current facilities and extend their lifespan), and the proposed project costs which will increase income, throughput, membership and extend the lifespan of the facilities.

Other than an earmarked £1.7m for Pendle Wavelengths, the Sport England Swimming Pool Support Fund (SPSF) Revenue Grant of £353,009 and the Sport England SPSF Capital Grant of £342,126, no other external funding has been secured to date to help plug the funding shortfall needed in the medium and longer term.

The funding secured to date for Pendle Leisure Centres is:

Centre	Funding secured	Source
Wavelengths	233,973	SPSF revenue
	£342,126	SPSF Capital
	1,700,000	Nelson Town Deal
Pendle Leisure Centre	0	
West Craven	119,036	SPSF revenue
TOTAL	2,395,135	

As part of the Leisure Review process, a funding assessment was requested by Members to identify any external funding streams that could potentially help contribute to the identified capital and revenue needs of the three centres. This is identified in the Table below.

NB The Table excludes service delivery grants already secured for PLT activities such as the Healthy Weight Programme and the Sport England Local Delivery Pilot (Together an Active Future) as these are ringfenced for specific projects. Nor does it include an analysis of PBC reserves, potential Local Authority Prudential Borrowing, capital from leisure operators as part of a procurement process or alternative funding models based on private equity sources. It focusses solely on the external grants that offer the best scope for sustaining / developing leisure provision.

Table 1

Funding source	Funding details	Is this funding secured?	Notes
Sport England Swimming Pool Fund (Phase 1)	To support facilities with swimming pools with increased cost pressures, leaving them most vulnerable to closure or significant service reduction.	Yes: £353,009 Wavelengths £233,973 West Craven £119,036	Delivery Oct 23- Oct 26.
Sport England Swimming Pool Fund (Phase 2)	To contribute to capital investment to improve the energy efficiency of public facilities with pools in the medium to long term.	Yes: £342,126 secured for Wavelengths	3 applications were submitted totalling £2.4 m PLC- £920k Wavelengths- £800k West Craven- £700k Some of the work outlined in the PSDS section is included in the SPSF applications.
Nelson Town Deal Funding	Town Deal funding 2022- 2026 Initially secured for the extension of Wavelengths	£1.7 committed	Unlikely to cover operational costs. The capital funding has been earmarked for Wavelengths.
S106/ The Community Infrastructure Levy (CIL) (capital)	S106 contributions are negotiated between the local authority and the developer and can pay for anything from	No	Very limited scope to access S106 capital for leisure infrastructure as very little development on the horizon.

	<p>new schools or clinics to roads and affordable housing.</p> <p>CIL is different to S106 payments in that it is levied on a much wider range of developments and according to a published tariff schedule. This spreads the cost of funding infrastructure over more developers and provides certainty as to how much developers will have to pay. It is simpler and more transparent.</p> <p>CIL is now the preferred method for collecting pooled contributions to fund infrastructure.</p>		<p>We do not have a CIL levy but Government has signalled its intention to make it mandatory. That will take several years though so we won't be in a position to access CIL any time soon.</p>
Public Sector Decarbonisation Programme (PSDS)	<p>The programmes provide funding to enable the delivery of capital energy efficiency and heat decarbonisation projects within public sector non-domestic buildings, including central government departments and non-departmental public bodies in England.</p>	Currently preparing for next PSDS round	<p>We are preparing for the next PSDS round. We have had Heat Decarbonisation Plans done for the 3 main sites. These have identified around £6.5m worth of improvements.</p> <p>West Craven sports centre wouldn't be applicable for DPSP as boilers are not end of life.</p> <p>There would be a minimum of 12% match required plus an equation based on the total carbon saved. We would also need to</p>

			<p>have Distribution Network Operator (DNO) surveys done and if improvements were required to the energy infrastructure to supply the new kit this is likely to be anything between £20K and £250K. Based on current rates this would provide an estimated saving of £57K a year on energy.</p> <p>Further funding has now been agreed to progress this work: to prepare an application to the DNO so we can determine how much improvements to the infrastructure is needed and to part fill out a PSDS application to determine exactly what match would be required.</p> <p>The next PSDS funding round likely to be announced in Autumn 2024, with applications opening in Nov 2024. Successful applicants likely to be notified in Jan 2025 for project delivery in 2025/26.</p>
Long Term Plan for Towns	<p>£20 million of endowment style support over 10 years. The 3 priority themes are:</p> <ul style="list-style-type: none"> - Transport & connectivity - High Streets, Heritage and Regeneration - Safety and Security 	No	<p>A prioritised investment plan needs to be submitted to government by 01/08/24. This will be prepared over the Spring/Summer period. No decision has yet been made about the priorities in this plan. Any leisure proposal would need to be aligned to priority theme(s). The funding would have to be directed at a Nelson leisure centre.</p>

<u>Community Ownership Fund</u>	<p>The Community Ownership Fund is a £150 million fund over 4 years to support community groups to take ownership of assets which are at risk of being lost to the community.</p> <p>Grants of up to £2 million available (although £250k tends to be typical grant value)</p>	No	<p>Only applicable should leisure undergo an asset transfer model</p> <p>Closing date: 31 March 2025</p>
<u>UK Fund</u>	<p>This fund is to help communities come together and help make us a better-connected society.</p> <p>Projects will need to :</p> <ul style="list-style-type: none"> strengthen relationships between people whose experiences of life have not been the same. create connections between online and offline worlds help make sure people from all backgrounds can shape the future of their communities. <p>It aims to fund ambitious projects that aim to create longer-term, transformational change. It takes an equity-</p>	No	<p>Although the fund can cover operational costs, only a small element can be directed to capital.</p> <p>This appears to be one of the largest funding sources available. It will not fund statutory activities and activities that replace government funding though. Additionally, it's unlikely that the fund can be used to sustain traditional leisure centres. We would need to be creative in our approach should we want to pursue this funding source.</p>

	<p>based approach to tackle inequality, investing in areas of greatest need.</p> <p>Funding size: £500,000 to £5m</p> <p>Length of grants: 2 to 5 years although may consider funding for up to 10 years.</p>		
Sport England investment	<p>Sport England was contacted about their funding position. The Strategic Lead – Major Capital Investment Projects at Sport England and Place Relationship Manager provided the following statement:</p> <p><i>Should any future funding be available we will prioritise places that have utilised our strategic approach to capital investment i.e. that have provided a robust evidence base that support recommendations. This is an essential part of developing an understanding of the needs of communities, inequalities and the barriers which need to be overcome to deliver co-created solutions which help to create more active, healthier, and happier communities.</i></p>	No	<p>Any future requests for Sport England finance would need to demonstrate alignment with Sport England's strategic approach to leisure and follow the recommendations from the three recent leisure reviews including the initial review which followed Sport England's Strategic Outcomes Planning Model framework.</p> <p>Any Sport England investment would be considered on a case-by-case basis. Capital funding of up to £2m could potentially be accessed for programmes aligned to their strategic approach.</p>

	<p>Furthermore, our Future of Public Sector Leisure work is re-focusing the purpose of public leisure investment and a rethinking of the approach to infrastructure and services provided in the areas in which we invest and work. This will help to stimulate and underpin investment in Places to provide facilities and services which are tailored to the needs of communities Future of public leisure Sport England</p>		
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The funding assessment highlighted the scarce resources available to sustain and grow leisure provision. Pendle Council is already accessing/ preparing for the main funding streams:

SPSF: we have secured £695,135 SPSF from a total of £2,948,709 requested.

PSDS: Details of the 2025/26 DPSP budget will be announced in Autumn 2024. Although this has potential to deliver on some of the PPM, any successful application will be subject to match funding. Also, given boiler eligibility criteria, it's unlikely that West Craven Sports Centre would be a PSDP contender.

It seems there's limited scope to access the other external funding sources outlined above. The UK Fund offers the biggest grant potential but the criteria isn't obviously aligned to PBC's needs. Any leisure proposal would need to be reconfigured to meet the funding criteria.

It's suggested that, given the limited scope arising from this initial assessment, the funding routes outlined in the Facility Options Appraisal, are explored.

- Local authority Prudential Borrowing

- Capital from leisure operators as part of a procurement process (could be a specified amount or project, or secured through an approach where an operator puts together a consortium to design, fund and operate a new facility over a long-term contract) but likely to be less than £3m
- Alternative funding models based on private equity sources (yet to be successfully implemented in the UK leisure market)

These will require specialist knowledge and expertise, as well as time, to work up the options above. It's unlikely this could be done in-house and a specialist consultancy is probably best placed to undertake such an analysis.