

NAME OF COMMITTEE	Community Services Committee
DATE	11th March 2014
REPORT TITLE	Strategic Leisure Review – Update
Report of	Natural Environment & Recreation Manager
WARDS AFFECTED	All

Summary of report:

Members have previously agreed to establish a Strategic Leisure Member Working Group to undertake preparatory work ahead of decisions on future delivery of Leisure Services. This item provides an update on the work of that group and highlights current work streams. This is presented for information but makes proposals for further immediate background work in anticipation of a new Olympic Legacy Pool in Tavistock.

Financial Implications

Up to £30,000 for professional support fees was agreed under Minute CM38 in 2012. To date £300 expenditure has taken place on some initial professional advice and the proposed retention of a Leisure Services consultant will need to come from this allocation. Further financial implications will arise from the response to the Olympic Legacy Pool project.

Recommendation

It is recommended that the Committee:

1. notes the progress on the Leisure Review and the update from the Strategic Leisure Member Working Group; and,
2. instructs Officers to undertake works as set out in Appendix 2

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1. BACKGROUND

- 1.1 West Devon Borough Council manages two Leisure Centres which are currently operated by *Leisure in the Community (LiTC)* operating as *Leisure Connection*. The background to the current leisure contract was considered in depth by Council at the meetings of 11th December 2012 and 16th April 2013 (Minute nos. CM63 and CM94) wherein issues relating to the timeframe and form of the current contract were explained in some detail.

- 1.2 In anticipation of a need to look at all options for future delivery for Leisure provision the Community Services and Resources Committees considered detailed papers on future Leisure delivery options on 26th June and 24th July 2012. These gave a comprehensive background (to which members are referred) and led to the establishment of a Strategic Leisure Member Officer group. To date the Member group (consisting of Councillors Ball, Oxborough, Marsh, Musgrave, Morgan and Sampson – under the chairmanship of Cllr Oxborough) has met regularly and overseen the following.
- An appraisal of the current status of the Leisure Centres and leisure contract.
 - A scoping exercise and assessment of the initial options for future delivery
 - Identification of likely key drivers for future delivery
 - Stakeholder meetings with interested parties.
 - Review of existing contract arrangements
- 1.3 The process is complicated both by the need to have addressed the current contract situation (as noted above) and by the complexity of distinctly differing pressures and issues at the two centres.

2. **UPDATE**

- 2.1. Under the guidance of the Strategic Leisure Group, officers are currently working to the project plan with the following being key forthcoming milestones:
- Mar 2014. Appointment of Leisure services specialist consultant
 - May/June 2014 Soft Market Test (or similar exercise)
 - July/Aug 2014 Interim options report and consultations as required
 - Nov 2014 Preferred Options Report
 - Dec 2014 Council consideration of options

The fully detailed plan can be provided on request. The following matters are brought to Members' attention.

- 2.2 Completion of stakeholder consultations with key interested parties relating to the existing delivery of the Leisure Centres and related work. These consultations are summarised at **Appendix 1** and detailed notes are available for members on request. This round of consultations has provided helpful background as we now move into the more detailed preparatory work for formal procurement of future services (or whatever approach members agree)
- 2.3 Securing suitable professional Leisure services specialist advice to support the process of options analysis and scoping. The contract for this work is out to tender at the time of compiling this report.
- 2.4. Undertaking a soft market test (or similar exercise) during Spring/early Summer in order to identify potential interested parties and options for consideration. Preparatory work has taken place and this exercise will be assisted by the Leisure specialist. The exercise will assist in scoping the range of options and likely benefits and challenges.

- 2.5 Continued work with the Strategic Leisure Member Groups. It is suggested by officers that these be run as joint meetings between West Devon and South Hams where common issues are dealt with by all members of the Strategic Leisure Groups and, if necessary, South Hams and West Devon specific issues separated out for detailed review. This will establish consistency on detail and timing and make best use of the leisure specialist support.
- 2.6 A key issue that has significant potential implications is the proposed Olympic Legacy 50m Pool at Kelly College. This project has Sport England support and a major fundraising effort is underway with indications that this may be closing in on the required target. Clearly the provision of the pool – and additional community use of the existing 25m pool at Kelly College - could have marked impacts on the overall swim provision in Tavistock with clear potential impacts on the existing Meadowlands Pool. Further meetings are planned with Kelly College to help shape different scenarios as, and if, the pool progresses. Given indications of progress on the fundraising it would be prudent for WDBC to consider how it might respond should the Legacy Pool rapidly advance. The Business Plan to support the Legacy Pool and 25m Pool at Kelly College is inevitably based on increased use by non college users. This is bound to have direct impacts upon the already publically subsidised swim provision at Meadowlands.
- 2.7 WDBC will need to carefully consider the potential impacts and contemplate that there may be merit in WDBC being a partner in the Legacy and 25m pools at Kelly. If not the potential overprovision of swim in the town could well undermine both the current and future viability of Meadowlands. The issues and inter-relationships are complex and members are asked to consider the issues set out in **Appendix 2** – and guide on whether these are a complete schedule of issues to be considered – and whether the proposed immediate actions are appropriate
- 2.8 Clearly there will be a need for full Council consideration of any proposal relating to any change at Meadowlands – but this may come rapidly and thus the preparatory work is important.
- 2.9 There is also a need to keep close contact with Tavistock Town Council, Okehampton Town Council and Devon County Council who between them hold the freehold interest in the land on which the leisure centres stand. Meetings will take place in the next few weeks

3. LEGAL IMPLICATIONS

- 3.1 The provision of leisure services is a discretionary activity. It is, therefore, up to the Council to decide the level of service to be provided. Members should note, however, that in the current economic climate there have been judicial reviews of council decisions to cut funding to local services. Many of the successful cases have focussed on the preparatory work undertaken before a decision to curtail a service is made; in particular highlighting that consultation should be carried out when proposals are at a formative stage. Decisions to cut services have been struck down by the courts due to inadequate or lack of consultation.

3.2 Other legal challenges have been mounted on the basis of the Public Sector Equality Duty, e.g. a lack of prior consideration by the Council of the impact of the proposed cuts on particular groups within society. These issues are factored into the preparatory work currently underway.

4. FINANCIAL IMPLICATIONS OF PROVIDING LEISURE SERVICES

4.1 The contract fee for providing the Leisure Centres, and capital and R&M implications have been previously reported as detailed in 1.1 and 1.2 above.

4.2 This report recognises the provision of up to £30,000 to procure external specialist advice to support the Council through the General Un-earmarked Revenue Reserves. Expenditure will take place in securing specialist leisure advice.

5. CONCLUSION

5.1 The initial work under the guidance of the member group has further assessed the wide range of options first reported in June and July 2012. The stakeholder consultation has refined the understanding of the views of a wide range of interested parties. Detailed options analysis now needs to be concluded and informed by the soft market test exercise with the assistance of specialist advice. The aim is to bring a preferred options report back to members later in 2014.

5.2 The potential for a rapid advancement of the Olympic Legacy Pool may require the need for early consideration of an amended approach in Tavistock. This may have fundamental impacts on overall swim provision in Tavistock and the review of the overall provision.

6. RISK MANAGEMENT

6.1 The risk management implications are appended to this report as **Appendix 3**.

7. OTHER CONSIDERATIONS

Corporate priorities engaged:	Community Life
Statutory powers:	S19 Local Government (Miscellaneous Provisions) Act 1976 - Leisure is a discretionary service
Considerations of equality and human rights:	The Council currently operates two main leisure facilities. While there are alternative leisure facilities available in surrounding areas, those with limited access to private transport will find travelling longer distances difficult.
Biodiversity considerations:	None
Sustainability considerations:	Access to local facilities may reduce travel
Crime and disorder implications:	Access to local affordable facilities may reduce elements of anti social behaviour
Background papers:	None

Appendices attached:

1. Stakeholder summary
2. Meadowlands Issues
3. Risk Assessment

**SOUTH HAMS AND WEST DEVON - STRATEGIC LEISURE REVIEW
STAKEHOLDER CONSULTATION FEEDBACK**

STAKEHOLDER	KEY COMMENTS / ISSUES
Sport England/Active Devon	<ul style="list-style-type: none"> • Support strategic review of leisure provision across both council areas. • Favour outcome based leisure management contracts with high level / strategic targets and to make use of new procurement toolkit. • Opportunity to use National Benchmarking Service to compare site performances.
WEST DEVON	
Leisure Connection	<ul style="list-style-type: none"> • Very happy with current contract performance and wish to maintain future management operation of leisure facilities in West Devon. • Keen to expand their new Trust model and develop positive community links and explore wider opportunities.
OKEHAMPTON;	
Okehampton Town Council	<ul style="list-style-type: none"> • Leisure centre key asset for town and support broader community partnership for its future management.
Okehampton College	<ul style="list-style-type: none"> • Current dual use agreement for college use of leisure centre and make good use of facilities. • Interested in possible future leisure partnership to manage local facilities.
OCRA – Okehampton Community Recreation Association	<ul style="list-style-type: none"> • Key local provider of community recreation activities, mainly of an outreach nature, but very interested in management of local facilities – including leisure centre. • Support a local community management partnership.
Leisure Centre User Group	<ul style="list-style-type: none"> • Key role to help with future management of centre, giving good customer feedback and helping with communications to centre management.
TAVISTOCK;	
Tavistock Town Council	<ul style="list-style-type: none"> • Provision of community swimming facilities is important for the town. • Welcomes working in partnership on future leisure provision and developing service innovation.
Tavistock College	<ul style="list-style-type: none"> • Key provider of local community leisure facilities on campus. • Community dual use agreement recognises current sports provision for public.

	<ul style="list-style-type: none"> • Already has an open air pool, potential long term plan to provide indoor provision with external funding.
Leisure Centre User Group	<ul style="list-style-type: none"> • Current leisure pool is a vital asset located in the centre of town. • More usage would take place pending future investment to provide a modern swimming pool facility.
Kelly College	<ul style="list-style-type: none"> • Offer accepted to provide an Olympic Legacy 50m new indoor pool at the cost of £3mil+ • Proposal to provide greater public swimming as part of a community partnership.
SOUTH HAMS	
Tone Leisure	<ul style="list-style-type: none"> • Very interested to remain involved in providing leisure management across South Hams and into West Devon if the opportunity was available. • Already provided significant savings to the Council on its current leisure centre provision and keen to explore further opportunities.
DARTMOUTH;	
Dartmouth Academy	<ul style="list-style-type: none"> • Current dual use agreement for college use of leisure centre to be clarified and resolved. • Interest in future management of leisure centre and partnership with other facilities. • New Academy Campus being built on site.
Dartmouth Town Council	<ul style="list-style-type: none"> • Leisure Centre is a key asset and with proposed new swimming pool, good opportunity to increase overall usage of site. • Can see benefits in joint management of leisure facilities.
Dartmouth & District Indoor Pool Trust	<ul style="list-style-type: none"> • £2.1mil funding secured to build new indoor 25m pool next to current leisure centre. • Potential interest in joint management of facilities.
IVYBRIDGE;	
Ivybridge Academy	<ul style="list-style-type: none"> • Large school, 2,500 students with extensive range of on-site sports facilities, inc 4 court hall. • College sports facilities available have strong community use. • Limited use of leisure centre due to distance / travel time.
Ivybridge Town Council	<ul style="list-style-type: none"> • Leisure provision key central town asset, important for attracting footfall for area. • Great potential to develop future leisure provision on current site and link in with other nearby land uses.
KINGSBRIDGE;	
Kingsbridge Town Council & College	<ul style="list-style-type: none"> • Town Council view leisure centre as a key town

	<p>asset, good use, and positive community links with current arrangements working well.</p> <ul style="list-style-type: none"> • Current dual use agreement with College, gives extensive use of sports hall and College make additional use of swimming pool.
South Hams Indoor Bowls Club	<ul style="list-style-type: none"> • Current lease and management agreements in place for club use of dedicated indoor bowls hall. • Club has its own maintenance obligations and current arrangements work well.
TOTNES;	
Totnes Town Council	<ul style="list-style-type: none"> • Leisure Centre and nearby Borough Park, both key sites for a central leisure hub. • Potential for local management provision of facilities and Town Council interested to support local options.
KEVICC College	<ul style="list-style-type: none"> • College has its own sports facilities which require significant upgrading / replacement, especially All Weather Pitch. • Reviewing approach to redevelopment to deliver sports hub. • Positive discussion on partnership opportunities to develop future town leisure facilities.
TADPOOL – Totnes & District Swimming Pool	<ul style="list-style-type: none"> • Interest to manage whole leisure centre and are developing their new trust arrangements. • Support need for ‘joined up’ approach for leisure provision across the town.

Meadowlands Future Delivery – issues for consideration and investigation

Issue	Action List	Action to date & plan
Meadowlands – Current Revenue Cost and R&M costs	Identify current cost of Meadowlands management fee and ancillary costs	Management fee and WDBC running costs of Meadowlands identified
Meadowlands – Projected Capital costs	Review projected costs to end of contract and beyond	Projected Capital costs of Meadowlands identified.
Legacy and 25m Pool. – Projected community use and revenue cost	Identify with Kelly College likely level of potential community use and likely level of subsidy	TBC with Kelly College by end of March 2014
Legacy and 25m Pool – Projected build and refurbishment costs	Identify with Kelly College likely level of build costs and refurbishment of 25m pool and changing	TBC with Kelly College by end of March 2014
Meadowlands – Decommissioning cost	Identify likely costs. Will need to consider impacts on lease with Tavistock Town Council as landlord	Estimated cost of decommissioning Meadowlands identified
Meadowlands – Alternative use options	Investigate potential alternative uses and business case models for these potential uses. Would need to consider with TTC. Could alternative use have better business model than exists to help cross subsidise swim provision elsewhere	Strategic Asset Review identified options.
Business Risk if Legacy and 25m Pool advance without WDBC involvement	What would be anticipated impact on Meadowlands if Legacy and 25m Pools open with competitive pricing against Meadowlands	TBC by end of March 2014 Potential for external review of swim provision levels
Impact on Landowner	Role and attitude of Tavistock Town Council	TBC by end of March 2014
Impact on existing contract and Leisure Connections	At what time are break points in existing contract and what are financial and contractual implications	Break clauses and financial and contractual obligations within contract extension documentation. Liasion with operator.
Impact on Wharf	Impact on operation of Wharf and any other facilities in vicinity	TBC
Impact on Parklands	Financial or contractual	TBC

and future contract /procurement options	impacts on Parklands and future viability of contract renewal. Does it impact on commercial or community options at Parklands.	
Loss of Service	Possibility of legal challenge if loss or alteration of service isn't fully and properly consulted upon.	Comms TBA
Accessibility of Kelly College	Perceptions of accessibility of Legacy Pool and 25m Pool. How do Kelly and Meadowlands compare for walkable and drivable catchments? Could a new, off road, path be created? Security of site given shared use with curriculum use. Day time access. Parking (charged or free). Could charged parking cover subsidy instead of WDBC subsidy – but needs to be set against likely income loss at Meadowlands	Part of business case process cost and benefit analysis
Reputational issues	Public perceptions of benefits and impacts. Need to explore how message of high level of swim supply, and impact of viability on all pools (including Community College) will play out	Comms TBA
Impact on parking income at Meadowlands car park	Level of loss of income from transfer of service to Kelly College	TBC from ES by end of Mach 2014
Role and impact on users group	Public perceptions	Comms TBA

STRATEGIC RISKS

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Future leisure service delivery costs greater than currently anticipated	Asset condition survey coupled with stakeholder engagement and detailed analysis of options will improve understanding of future cost pressures	4	3	12	↔	<p>Early engagement of Members in developing the future leisure offer, in particular establish a Member/Officer Working Group that can represent both 'community service' and 'resource management' drivers.</p> <p>Effective stakeholder consultation arrangements and use of external expertise to guide options analysis</p>	RK & HoA
2	Balancing future service provision and financial challenges	Conflicting Member ambitions to either improve the future leisure service or manage long term costs may create tension across the Council	4	3	12	↔	<p>Early engagement of Members in developing the future leisure offer</p>	RK & HoA
3	Internal capacity and expertise	Both SHDC and WDBC have externalised leisure provision and over time a range of internal corporate expertise is inevitably lost	4	2	8	↓	<p>Funds allocated to bring in external expertise</p>	RK & HoA
4	Managing the level of expectation of key existing stakeholders and potential future partners	Formulating an affordable leisure offer that is fit for purpose in the medium to longer term	4	4	16	↔	<p>Handle discussions sensitively, maintaining positive relationship with stakeholders and investing time developing relationship with potential providers to promote opportunities rather than have the future financial challenges perceived negatively.</p>	<p>Member/Officer Working Group</p> <p>RK & HoA</p>
5	Council reputation	Significant changes to future service delivery perceived to be solely driven by financial	5	4	20	↔	<p>Careful consideration of the strategic options with significant decisions linked to a communication</p>	Member/Officer Working Group

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
		pressures will need to be agreed within the context of a clear strategy for future use of current assets, and potential access to alternative facilities					strategy. Will be refined through preparatory work in 2014	
6	Legal challenge	Legal challenge could come from:(a) a potential provider who feels “unfairly” excluded from a bidding opportunity;(b) as a community right to challenge bid under the Localism Act (in force from 27.6.12) to enforce a procurement exercise; (c) a third party who, in the absence of consultation with interested parties and an assessment of the particular implications of service reduction on specific groups within the community by the Council, perceives any future decision to be solely driven by financial considerations.	(a) 4 (b) 3 (c) 4	1 1 2	4 3 8	↔	(a) Mitigation arises through being aware of all the options, not excluding any too early, and having clear reasons for all steps taken. (b) A Localism Act “challenge” is now possible and should be taken into account in the assessment of options and attendant risks in due course. (c) Before any decision is made to significantly reduce the future service, an appropriate consultation exercise is undertaken, as well as an assessment on the impact of the service reduction on particular groups within society.	Member/Officer Working Group RK & HoA

Risk Score 20-25: very high; 12-19: high;

8-12; medium;

<8: low

Direction of travel symbols = ↓ ↑ ↔