

TITLE	Leisure Management Contract
FOR CONSIDERATION BY	The Executive on 30 November 2017
WARD	None specific
DIRECTOR	Graham Ebers, Director of Corporate Services
LEAD MEMBER	Norman Jorgensen, Executive Member for Environment

OUTCOME / BENEFITS TO THE COMMUNITY

The Council's leisure centres provide access to affordable leisure activities which support the health and wellbeing agenda across the borough. The current leisure contract also delivers significant financial benefits for the Council.

Future delivery of the service aims to increase and improve the leisure offer for all our residents whilst strengthening the Council's financial position.

There is already a strong commitment to community and stakeholder consultation on all leisure centre schemes following those undertaken for planning and feasibility. As well as dealing with the issues around the new builds and the impacts on facilities mix, this gives us an opportunity to work with stakeholders to resolve the time tabling of demolition and building works, and to work with schools, sports clubs, and current and future centre users on access to facilities during the rebuild periods at affected sites.

RECOMMENDATION

The Executive is asked to:

- 1) note the recommended new leisure operator in Part 2 as well as the financial impact of this. The Leisure Operator will be officially informed after the 1st December 2017.
- 2) note the establishment of an equalisation fund to smooth the management fee income over the life of the contract.

SUMMARY OF REPORT

The main summary will be in Part 2 of the Executive paper, due to sensitive and confidential information.

The new leisure contract will bring in a significant financial return to the local authority and the following positive outcomes below:-

- A new Leisure Operator – one of the leading operators in the leisure industry
- New facilities – Arborfield and Ryeish Green, two new builds (Bulmershe and Carnival Pool)
- Additional capital investment by the Leisure Operator in all six leisure centres

- Enhanced facilities with all new state of the art gym equipment
- More opportunities for members of public to access high quality facilities
- Increased Public Health outcomes including;
 - More members of public physically active.
 - Reduction in cancers and cardiovascular disease.
 - Reductions in falls.
 - Reduction in obesity child and adults.
 - Reduction in isolation.
 - Increase health and wellbeing in the workforce (including WBC).

Background

The current contract for the management of the Council's leisure centres expires on the 30th of April 2018. There are real opportunities for our leisure centres to continue to generate a substantial income to the Council whilst providing an affordable universal offer to the Borough's residents.

The Council's leisure centres are currently managed by C-Salt (Community Sport and Leisure Trust) an independent charitable trust supported by the leisure operator, 1Life. The contract, which expires on 30th of April 2018, currently covers the management of the following facilities:

- Loddon Valley Leisure Centre in Earley (Including Chalfont Courts)
- Carnival Pool in Wokingham
- St. Crispins Leisure Centre in Wokingham
- Bulmershe Leisure Centre in Woodley

Two additional facilities will be added to the contract from the 1st May 2018

- Arborfield Leisure Centre – Including 3G pitch
- Ryeish Green Leisure Centre – Including 3G pitch

Key Performance Indicators:

A number of KPI's have been included in the contract; these are agreed annually between the Operator and the Council and set in line with the demographics of the local community at the time. The Operator shall support the Council in achievement of the following targets:

Below are a selection of KPI included in the contract:-

- Increase levels of participation in adults and children
- General throughput: residents, male, and female, age groups, ethnic groups, concessions, low income, disabled, looked after children.
- 60+ usage (as above)
- Young People – Preschool, 5 – 11 years, 11 – 18 yrs., low income, disabled
- BME groups – Activities for men, Activities for women
- Increase in number of participants completing the exercise referral programme
- Increase in numbers of participants competing in weight management courses
- Improving Quest scores
- Increased User satisfaction levels in National Benchmarking Scheme
- Increase workforce development opportunities – coach education, apprenticeship schemes
- Increase in use of local suppliers for catering provision and maintenance sub-contractors
- Reduction in annual CO2 emissions
- Reduction in annual energy use
- Increase recycling rates

The Leisure tender has been out to the market and full details are in Part 2 due to the confidentiality of the report.

A previous Executive paper 27th October 2017 delegated authority was given to the Director of Health and Wellbeing to approve the key contract terms, this has now fallen to the Director of Corporate Services following the restructure of council departments. The Executive Member Norman Jorgensen, (Executive Member for Environment) has worked with the Director of Corporate Services fully throughout the tendering process.

Finance information

The current leisure contract provides the council with income of c£680k pa, which is used to help fund other council services. Under the new leisure contract, an additional £200k income will be achieved per year to further help fund other council services.

In addition, the annual contract income will be able to fund all of the capital costs (including interest payments) of the new investments at all the leisure facilities.

Additional financial information regarding the new leisure contract can be found in Part 2 of the report.

Capital Investment

The table below shows the current and the proposed additional facilities available at each leisure centre:

Leisure Centres details:-

Carnival Pool & Fitness Centre	Loddon Valley Leisure Centre	St Crispin's Leisure Centre (Dual use)
<p>Current</p> <ul style="list-style-type: none"> • 25m x 6 lane pool • Teaching pool • Beach pool • 64 station gym • Dance studio • Sauna/ Jacuzzi <p>Expected Additions and changes from January 2022</p> <ul style="list-style-type: none"> • 4 court Sports hall • New changing rooms • New entrance • No beach pool • Café • 100 Station Gym 	<p>Current</p> <ul style="list-style-type: none"> • 25m x 6 lane pool • Teaching pool • 104 station Gym • Dance studio • 10 court Sports hall • 2 external Tennis Courts • 3 Squash courts • 2 Function rooms • Spa • Sauna • Café <p>Chalfont Courts 3 Multi sport macadam courts with floodlights</p>	<p>Current</p> <ul style="list-style-type: none"> • 50 station Gym • 4 court Sports hall • 2 Squash courts • 2 Function rooms • 1 x tiger turf Astro turf pitch

Arborfield Sports Centre (Dual use)	Bulmershe Leisure Centre (Dual use)	Ryeish Green Sports Centre (Dual use)
<p>Current</p> <ul style="list-style-type: none"> • 8 court Sports hall • 2 Dance studios • Climbing wall • 50 station Gym • Full size Artificial 3G pitch expected from September 2018 • 3 Outdoor Tennis Courts • 2 Outdoor Netball Courts <p>Expected Additions from 2026*</p> <ul style="list-style-type: none"> • 4 lane swimming pool • New changing rooms <p>*The expected additions above may be subject to change</p>	<p>Current</p> <ul style="list-style-type: none"> • 25m x 5 lane pool • 68 station Gym • Dance studio • 2 Consultation rooms • 4 court Sports hall <p>Facility expected to close 31st July 2018</p> <p>Expected New Facility from April 2020*</p> <ul style="list-style-type: none"> • 75 station Gym • 6 lane x 25m pool • Learner pool • 2 Studio • 4 court Sports hall • Café <p>*The expected new facility above may be subject to change</p>	<p>Current</p> <ul style="list-style-type: none"> • 45 station Gym • 4 court Sports hall • Full size Artificial 3G pitch • Changing rooms • Community room <p>Scheduled to open 31st July 2018</p>

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)18/19	(£876k)	n/a	Revenue
Next Financial Year (Year 2) 19/20	(£876k)	n/a	Revenue
Following Financial Year (Year 3) 20/21	(£876k)	n/a	Revenue

Other financial information relevant to the Recommendation/Decision

Please note that the income will be an additional £200k above the current £676k income base budget.

An equalisation fund will be established in the early years of the new leisure contract to ensure that revenue income is spread equally across the contract life. Further information regarding the equalisation fund is contained in part 2.

Please see Part 2 for further financial information.

Cross-Council Implications

None

Reasons for considering the report in Part 2

The Leisure Contract is due for renewal from 1st May 2018. The Leisure Operator will be informed of the award from 1st December 2017; therefore WBC cannot share this confidential information in the main Executive document.

List of Background Papers

Sport England Procurement Toolkit, May 2013.
FMG –Final Tender Evaluation Report, Oct 2017
Additional Finance Information, Oct 2017

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