

Report to: EXECUTIVE CABINET

Date: 25 August 2021

Executive Member: Councillor Allison Gwynne, Executive Member (Neighbourhoods, Community Safety and Environment)

Reporting Officer: Debbie Watson Assistant Director of Population Health
Paul Smith, Assistant Director of Strategic Property

Subject: **THE COUNCIL'S SPORT AND LEISURE FACILITIES – FINANCIAL SUSTAINABILITY PROPOSALS AND ASSET REVIEW**

Report Summary: The report updates on progress of the first phase of a review of the Council's Sport and Leisure assets and the financial sustainability of the provider Active Tameside.

The COVID-19 pandemic has had a significant detrimental impact on Active Tameside. Throughout 2021 enforced closure due to the pandemic meant that centres were open for business for only 40 out of a possible 52 weeks of the year. This led to operational losses of £1million per month.

A public consultation took place between 12 February 2021 and 26 March 2021 on the future plans of three facilities that had made a loss in recent years. This report shares the findings and analysis of that consultation, recommendations for operation of the buildings for the remaining financial year, and an update on the progress of the Sport and Leisure Asset Review included in the Councils Operational Estate and Portfolio review of council land and property holdings, which is due to report to Executive Cabinet in Autumn 2021.

Recommendations That Executive Cabinet be recommended to:

- (i) Consider the results and recommendations of the public consultation from 12 Feb 2021 to 26 March 2021.
- (ii) Agree the proposal outlined in section 6 of the report describing sustainable utilisation of facilities at Active Oxford Park, Adventure Longdendale and Active Etherow for the current financial year.
- (iii) Note the progress made against the Sport and Leisure asset review and agree to receive further recommendations following the Council's review of the operational estate commenced in late 2020 and will conclude with the "Worksmart" transformation strategy, which is anticipated in autumn 2021

Corporate Plan: Healthy Tameside

Policy Implications:

Local authorities have a central role to play when it comes to the provision of community sport and recreation facilities and are responsible for the health outcomes for their populations – specified in the as specified in the Public Health Outcomes Framework.

As part of the health reforms brought in by the Health and Social Care Act 2012, local authorities have a duty to take such steps as they consider appropriate for improving the health of the people in their area. The steps listed in legislation include:

- Providing information and advice
- Providing services or facilities designed to promote healthy living
- Providing services or facilities for the prevention, diagnosis or treatment of illness
- Providing assistance to help individuals to minimise any risks to health arising from their accommodation or environment
- Making any other services or facilities available

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Active Tameside's financial stability and sustainability is critical to the Council, given its role in our sports and leisure delivery, health and social care commissioning, 'place-making' role in economic development, and broader health and wellbeing benefits to the community.

The long-term aim has been for Active Tameside to achieve full sustainability without requiring external financial support, given the Council's limited capital and revenue resources. The impact of COVID was a severe setback in this respect, as was detailed in the March 2021 'Impact of COVID – Future Delivery of Sport and Leisure' paper to Cabinet. Whilst the original pre-lockdown business plan for 20/21 assumed an operating surplus, lockdown and loss of memberships slashed revenues by around £7m, and required a further loan (now repaid) from the Council over FY20/21.

Active continues to await the final outcome of its insurance claim for business interruption, although an initial claim of £2.5m has already been won and paid over. Judgement remains pending on whether the claim cap of £2.5m is aggregated to the entire business, or relates to individual sites; if the latter, Active will eventually recover a much larger sum.

Prudential borrowing by Active Tameside stood at £3.557m as of March 2020, but repayment remains on hold until the financial position has been stabilised. The Council remains at risk for the outstanding amount, and retains a provision in its accounts.

The Council's financial support in in FY21/22 includes the payment of the regular management fee of £927k. Per 5.2, and following a series of condition surveys, it has been identified that £5.948m in capital funding is required to maintain Active Tameside's estate. As noted in recent capital reports the Council has over £40m in earmarked capital schemes but unallocated funds of just over £8m, so ideally any such requirements would be funded from Active's own trading surpluses in future.

The Council has also supported a successful application to the National Leisure Recovery Fund (worth £550k) and allocated amounts from the Infection Control & Testing Fund, to support Active Tameside's safe re-opening after lockdown. As noted at 2.5 recent financial indicators are encouraging, but are dependent on sustained re-opening and recovery in customer numbers over the remainder of FY21/22.

The report seeks specific authorisation for 'next steps' at three sites, as set out at 6.1. Weekend opening at Adventure Longdendale is thought to be sustainable, and will contribute additional income. Options are under consideration for the utilisation of the Etherow Centre and Active Oxford Park, either for Council-commissioned services or group hire. These are interim measures pending the development of the Worksmart programme, but in the meantime should maximise income and utilisation of the estate, and avoid these three less profitable sites weighing on Active's overall financial position.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

This report details interim measures and ongoing works in relation to the delivery of sport and leisure facilities via Active Tameside with particular regard to the financial situation and the impact of covid.

The project offices have engaged with the public via a consultation exercise, which is detailed in this report. Both Members and officers should carefully consider the outcomes from this consultation when considering the recommendations being sought in this report and also when considering the future delivery of the service.

The proposals in this report provide some stop gap measures as set out in section 6 whilst longer term options are considered as part of the WorkSmart Programme. However, what is not clear from the report is the cost of the options set out in 6 either in the short term or going forward which are being met by the Council now they are no longer within the Tameside Active Portfolio and are now back within the Corporate landlord including business rates etc which previously the Sports Trust would have been exempt from going forward to assist members making any decisions these need to be addressed.

Local authorities have a central role to play in the provision of community sport and recreation facilities. We also have an important leadership role to play, bringing schools, voluntary sport clubs, National Governing Bodies of sport, health and the private sector together to forge partnerships, unblock barriers to participation and improve the local sport delivery system. Local authorities have also taken responsibility for the health outcomes and research shows that exercise is one of the key determinants of health along with the strength of personal social networks. Community sport contributes to both. Since the devolution of public health from the National Health Service to local authorities in 2013, we have taken the opportunity to integrate physical activity into public health policy as part of a fundamental shift from a system that treats ill- health to one that promotes wellbeing. We have highlighted physical inactivity as an issue that needs to be tackled and agreed approaches to tackling it.

As a result, Local authorities have, and will continue to have, an absolutely crucial role to play in delivering local community sport and physical activity opportunities. Yet despite local authorities

duty to promote healthy lifestyles, and the government's renewed commitment, in its cross-government strategy to tackle flat lining levels of sport participation and high levels of inactivity, to use sporting activity to achieve five key outcomes - physical wellbeing, mental wellbeing, individual development, social and community development and economic development -, there is no statutory provision for sport: there is no legal requirement for local authorities to provide facilities or sporting activity. Accordingly, any spend must demonstrate that it is delivering priority outcomes, ensures we are managing within a balanced budget and is value for money..

Risk Management:

Active Tameside have risk management and business continuity plans in place. Any additional risks identified as a result of the review will be noted and action taken to mitigate these.

Background Information:

For background papers relating to this report can be inspected by contacting

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1. INTRODUCTION

- 1.1 The commitment of the Council to deliver and commission services that help improve the borough's health and wellbeing remains as strong as ever but the drop in income and member demand as a result of the ongoing pandemic means Active Tameside and the Council are looking at new ways of delivering these services and review the current sport and leisure assets.
- 1.2 The management and operation of the Council's strategic leisure assets currently resides with Active Tameside. The partnership, established in 1999, is framed by a management fee agreement and facility leases both due to expire on 31 March 2024.
- 1.3 The COVID-19 pandemic has had a significant detrimental impact on Active Tameside. Throughout 2020/21 enforced closure due to the pandemic meant that centres were open for business for only 40 out of a possible 52 weeks of the year. This led to operational losses of £1million per month.
- 1.4 Active Tameside currently operate 10 centres including;
 - Tameside Wellness Centre
 - Active Ashton
 - Active Copley
 - Adventure Medlock
 - Hyde Leisure Pool/Active Hyde
 - Active iTrain
 - Active Ken Ward
 - Active Oxford Park
 - Active Etherow
 - Adventure Longdendale

Each centre represents an offer to the local community for physical activity, sport and recreation for people of all ages and abilities. This is through the provision of gym, swim and group exercise, as well as offering courts and pitches for team sports and group activities, and elements of social connectivity through the provision of cafes and meeting spaces. Several centres also host commissioned services for children and adults' social care, including the exercise on referral programme 'Live Active' and the offer for people with additional needs via the 'Everybody Can' programme.

- 1.5 Prior to COVID-19, several centres operated at a loss that was subsidised by profit making sites. This is a means of tackling health inequalities amongst our most disadvantaged and under-represented communities. Offering equitable access across the borough ensures that local, affordable provision is in place, irrespective of commerciality of the site, or the means of local people to participate.
- 1.6 In a report presented to Executive Cabinet on 10 Feb 2021, approval was given to implement a public consultation from 12 Feb 2021 to 26 March 2021, to seek views on the initial proposals outlined in the report, in particular regarding the future use of Active Oxford Park, Adventure Longdendale and Active Etherow, to inform the Council's future commissioning approach. Supporting information and demographic and facility information regarding the sites which accompanied the consultation can be found in **Appendix 1**. Executive Cabinet also recommended that a further review was carried out of all Sport and Leisure facilities in Tameside, including conditions surveys, aligned to the review of the Operational Estate and Portfolio of council land and property holdings.

2. ACTIVE TAMESIDE OPERATIONAL AND FINANCIAL UPDATE

- 2.1 Although the initial lockdown in March of 2020 precluded mainstream trading with facilities closed for 40 weeks out of 52, Active Tameside continued to support the most vulnerable within the borough and the children of key workers through its Everybody Can, Live Active and Active Education Services and the Sport and Physical Activity Network. This included:
- 220 Adult Day Services clients (weekly)
 - 26 coaches delivering PE across primary schools within the borough
 - Weekly remote support for clients with long term health conditions via both phone and digital content such as health walks filmed with GoPro
 - Local clubs assisted in securing over £100K of grant aid
 - 750 free meals delivered under the Great Christmas Takeaway banner
- 2.2 Recent developments include:
- Delivery of Fuel4Fun (Holiday Activity Fund)
 - 1400 families supported over Easter with community partners
 - Over 7000 families will be supported over the summer with community partners
 - Greenspace pilot project in Stamford and Hyde Parks
 - Initiation of expanded Tier 2 Weight Management programmes across cohorts including families, people with disabilities, 16-18 years and ethnic communities
 - SEND and Early Help Advocate offer with Children's Services within the context of a whole system approach to effectiveness and efficiency
- 2.3 During all 4 steps of the Lockdown Roadmap, Active Tameside has sought to balance the dynamics of staff/customer safety, equality of access and viability. However, although pre-pandemic membership levels were severely affected by COVID secure protocols, the recovery to date has been strong, comparing favourable with many similar organisations across Greater Manchester. The strength of the recovery is intrinsically linked with the extent to which customers have remained connected to the organisation throughout lockdown via digital communications/offers in particular:
- High quality digital/virtual content and regular video updates from 'familiar faces' along with diverse free classes
 - The Active Tameside app which to date has been downloaded by over 22,000 people (since February 2020).
- The positioning of Active Tameside as a clean, safe and ultimately not for profit organisation has strengthened its position within the community.
- 2.4 In the three weeks following 'reopening' on 12 April 2021, over 20,000 bookings had been made across the estate, largely via the app. By the end of June, Health and Fitness memberships (the primary commercial revenue stream) had recovered to 85% of pre-pandemic levels – a net movement of almost 2000 having reached a 'low' of 65%. Swimming lessons and gymnastics are also recovering well having been particularly badly affected by capacity restrictions with growth of 723 and 140 respectively.
- 2.5 The savings target of £150K for this financial year 20/21 has been met. Contract monitoring meetings have continued with the Provider on a weekly basis. Monitoring of finances continues to take place on an 'open book' basis. At Period 3 (June), trading revenue was £24K better than budget. Expenditure however was £612K lower than budget largely because of savings related to the changes in Lockdown Roadmap chronology. This is encouraging for the remainder of the financial year though the likely outturn will not be apparent until the conclusion of trading in the key months of Sept/Oct 2021 and more particularly, Jan/Feb 2022.
- 2.6 Active Tameside have also reached Finalist status in two key national UKActive award categories – Diversity and Inclusion/Developing and Supporting Communities during COVID-19.

3. CONSULTATION AND ENGAGEMENT

3.1 A public consultation ran for a period of 6 weeks from 12 February 2021 and 26 March 2021. 1,464 people responded to the online survey component of the survey including:

- 703 Active Tameside members
- 227 'Pay as you go' casual customers
- 83 Live Active scheme users

Not all respondents chose to answer the full survey or the sections regarding Active Etherow, Active Oxford Park and Adventure Longdendale.

3.2 53% of respondents answered that they visited an Active Tameside site two to three times a week. The remainder consisted of individuals and representatives who hire facilities. 13% of respondents had no existing relationship with Active Tameside. 9% of respondents represent a sports club or group, and 5% were Active Tameside staff. 76% of respondents live in Tameside. Of the 65% of respondents who chose to disclose their ethnicity 94% were white British and 1.6% Asian British/Indian.

3.3 Feedback was also gathered from a series of meetings held Directors and members of the Etherow Centre and Charitable Trust, with community organisations and individuals via the Partnership Engagement Network (PEN) and also collected through a group session with staff from Active Tameside. Concerted effort was made to gather feedback from under-represented and protected characteristic groups. The use of a mixed approach aimed to maximise opportunity for the public to take part in the consultation process.

3.4 Throughout all aspects of the consultation the following themes were recurring:

- Respondents highly valued the Active Tameside facilities.
- The importance of the role played by Active Tameside facilities in improving/maintaining people's physical health/wellbeing, mental health/wellbeing, community safety/reducing levels of antisocial behaviour, developing/maintaining a sense of community pride/ownership
- The importance of local places to meet and interact from other people within the community
- Many respondents were not direct users of Active Etherow, Active Oxford Park and Adventure Longdendale and so reported no direct impact to themselves from services being withdrawn, but many acknowledged the possible impact on others.
- A small percentage who responded (2%) were in favour of withdrawing the services from the centres completely
- 511 respondents gave alternative suggestions for the sustainable use of the facilities in the future are described below:

	Theme	%
1	Review and/or increase prices/fees	18
2	Change the offer over the centre/seasonal/broaden appeal	13
3	Hire our facilities to clubs/organisations to raise income	13
4	Link with other organisations/businesses to run the facility	12
5	Hand over to the community/volunteers to manage	9
6	Better advertising of the facilities	9
7	Review opening times*	6% or 2%
8	Run special offers	4
9	Fund via council savings	5
10	Charity events to raise funds	3
11	Agree with need to close	2
* 6% of respondents suggested shorter opening times to reduce costs whilst 2% suggested a move to 24 hour opening.		

- Other suggestions included appealing to a wider age range, looking at intergenerational projects, creating more spaces for children and young people/ adolescents, or offering sessions for older people. Otherwise improving or creating facilities such as cafes to attract more custom and revenue. Suggestions also included changing the offer seasonally to optimise usage, and offering specific activities, events, or facilities to attract new customers.
- A small number of suggestions included links to organisations who might wish to deliver services themselves from the centres.

3.5 ADVENTURE LONGDENDALE

- A quarter of respondents who answered the question felt that withdrawal of services from Adventure Longdendale would have a negative impact on children. Respondent reported possible negative impact on physical, mental and social wellbeing of children, citing the loss of specific activities such as trampolining, laser tag, soft play and birthday party provision.
- On the open section of the responses – some respondents agreed with the proposal to withdraw the facility. Others felt that Active Longdendale represented a ‘safe place’ in Hattersley for children to play, that there may be a negative impact on community cohesion, and some reported concern that there would be an increase in anti-social behaviour if younger people had less to do.

3.6 ACTIVE ETHEROW

- The general feeling of respondents was that the loss of services (bowling) in the centre would have a big negative impact, and in particular mentioned the impact on older people. They suggest that the physical, mental and social wellbeing of service users would be adversely affected.
- In total, 41 people felt that the facility was unique in Tameside and gave very detailed responses. With regards to usage of the centre, 19 people talked about the seasonal nature of the activities that take place there, in that it is in use mostly over the winter months. 11 people felt the facility was particularly important for older people post pandemic.

3.7 ACTIVE OXFORD PARK

- 35% of respondents were against withdrawal of services from Active Oxford Park and 1% were in favour. Those against withdrawal cited a negative impact on physical, mental and social wellbeing. Again, the importance of local facilities for communities was cited (13.6%), with 2.8% of people stating even more so post-COVID.
- Specific activities mentioned including badminton, Zumba and karate. 42 people stated they would need to travel further to access activity, 28 would require alternative provision and 14 said they would not be likely to attend anywhere else if activity in the centre ceased as many participants were accessing the Live Active scheme focused on residents with long term health conditions.

3.8 Therefore, the results of the public consultation and engagement support community activity being delivered from the facilities in a sustainable way, with some suggestions on how that may be achieved, targeting those that need the service most whilst ensuring access for all.

4 ASSET REVIEW AND CONDITIONS SURVEY

- 4.1 Tameside Council and Tameside and Glossop CCG recognises the inherent value in the effective and efficient direction and utilisation of all land and property assets in sustaining the provision of services and enabling the delivery of the Corporate Plan “Our People, Our Place, Our Plan” priorities. Through the effective management of these assets, the organisation can maximise the benefits they bring to the Borough, its communities and residents. To this end in 2020, the Council adopted the Strategic Asset Management Plan (SAMP) with the sole purpose of ensuring that land and property assets are managed in accordance with pre-determined and agreed priorities, whilst ensuring the flexibility to adapt should that be determined to be right for the Borough.
- 4.2 The Strategic Asset Management Plan identifies a numbers of key aims to ensure land and property decisions are aligned to corporate priorities and includes detailed proposals for ensuring cost effective delivery of services. The Strategic Asset Management Plan also recognises that in this ever-changing political, economic and social environment there is an increasing need to ensure the Council’s estates is safe, compliant and resilient enough to withstand external pressures. The plan acknowledges that each asset the Council or CCG own or occupy needs to be assessed to determine whether continued use or ownership is appropriate. Assets retained will need to be adaptable, fit for purpose, safe, compliant and financially viable.

5. ASSET CONDITION

- 5.1 In order to inform any facility rationalisation proposals and to ensure assets remain fit for purpose condition surveys have been undertaken at all Active Tameside managed facilities. Real-time information in relation to building condition will inform proposals for the leisure asset leases and management agreement beyond April 2024. In addition, the condition surveys have been used to inform capital funding requests currently being considered as part of the Councils Capital Programme reprioritisation process. The outcome of which will be known later this year.
- 5.2 The condition surveys have highlighted the need to invest capital over the next 5 years to resolve a build-up of backlog maintenance. The investment requirement is set out in Table 1:

TABLE 1

Asset	Investment Requirement £000m	Comments
Tameside Wellness Centre	£0m	New Build – no backlog investment required
Active Copley	£0.890m	
Active Medlock	£0.448m	
Active Ashton	£2.000m	
Active Hyde	£1.065m	
Active Oxford Park	£0.271m	Future use of the building is under review
Active Longdendale	£0.290m	Future use of the building is under review
Etherow Centre	£0.239m	Future use of the building under review. This is not the Council’s asset so liability could be reduced
Tameside Cycle Circuit	£0.025m	To be included in Active Tameside’s portfolio
ITRAIN	£0.420m	
Active Ken Ward	£0.300m	

Total Investment Requirement	£5.948m	
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5.3 Continued investment in the leisure assets by the Council over the next four years will support a proposed change from the current leasing arrangements where the Council has liability for structural repair and the replacement of mayor plant to a proposed full repairing obligation on the operator from the 1 April 2024.

6 NEXT STEPS

6.1 Considering the results of the consultation and engagement exercise and the current pandemic situation and step 4 of Lockdown Roadmap, progress has been made to repurpose the 3 assets in the short term as follows:

- **Adventure Longdendale** – Adventure Longdendale is currently closed to the general public. However, the centre is being used to provide day care services to adults with special educational needs. Active Tameside are developing a short term business proposal for the use of the centre and are currently investigating the feasibility of utilising the centre for commissioned services during the week, but maximising the potential for income at weekends by opening the attractions there on Friday evening and over the weekend for public use and private hire. Active Tameside are confident they are able to deliver this model in a financially sustainable way. A budget of £13m of Basic Need funding has been allocated to the expansion and relocation of Hawthorns School on the Longdendale Playing Field site adjacent to the site. Proposals to incorporate the Adventure Longdendale building in to the design of the new school is currently being explored and discussions are planned with the Newbridge Academy Trust.
- **Active Oxford Park** – Active Oxford Park is being fully utilised as a strategic COVID vaccination centre for the borough. It is expected that demand for the building to remain as a vaccination centre by the CCG/PCN will continue until at least the end of December 2021 by which time proposals for its longer-term use will have been fully explored. Again Active Tameside will continue to utilise the building for commissioned services and some community group hire therefore ensuring income is maximised. The building will be considered as part of the ‘worksmart’ project involving a comprehensive review of the Council’s operational estate and future service needs, maximising agile working across the workforce and identifying areas for rationalisation to realise revenue savings and capital receipts.
- **Etherow Centre** – The first floor of the Etherow Centre remains closed. Opportunities for a volunteer led solution to the future use of the space from September, and development as an Active Ageing community hub is being explored by the Council’s Public Health team, Active Tameside and the Etherow Trustees. Further community engagement events are planned for Sept 2021, and continued engagement and support from Active sports development team and the governing body, Bowls UK.

6.2 A review of the operational estate commenced in late 2020 and will conclude with the “Worksmart” transformation strategy, which is anticipated in autumn 2021 with implementation soon after. This project incorporates three key principles of people, place and technology to create organisational transformation and inform a rationalisation of the property portfolio. The asset review, conditions surveys and results of the consultation will be considered as part of this process.

6.3 Currently, the commissioning and administration of the management agreement with Active Tameside and the delivery of the leisure assets investment programme rests with the Director of Population Health. Work to establish proposals for the future management and operation of the Council’s leisure assets, to come in to effect from April 2024, has begun and will be

managed from this point forward by the Director of Growth. This shift in responsibility is required to ensure that all property decisions are aligned to corporate priorities and will ensure the cost effective delivery of services by the Council and its partners.

- 6.4 The longer term future of the sites will be included in the review of the operational estate which commenced in late 2020 and will conclude with the “Work smart” transformation strategy, which is anticipated in autumn 2021 with implementation soon after. The Population Health Directorate will work with Growth directorate to ensure that delivery from these sites continues to support the health needs of local people.

7 RECOMMENDATIONS

- 7.1 As set out at the front of the report.