

TRAFFORD COUNCIL

Report to: Executive
Date: 25 January 2021
Report for: Decision
Report of: Executive Member for Culture and Leisure

Report Title

Leisure Strategy Review – Part I

Summary

The report sets out a new Strategic Outcomes Planning Model (SOPM), aligning the leisure strategy with the Council's corporate plan to inform decisions on leisure facilities and services. The report revises the leisure investment strategy to take account of current financial challenges faced by the Council and Trafford Leisure and confirms the preferred management option for its delivery.

Due to significant budget pressures the investment strategy has been reviewed to provide an affordable option that would improve the leisure centre facilities and continue to meet the objective improving health and wellbeing outcomes for a greater number of Trafford residents through increasing levels of physical activity.

Recommendations

That the Executive;

- 1) Notes the outcome of stage 1 and stage 2 of the SOPM and approves the undertaking of stages 3 and 4.
- 2) Notes a proposed revised leisure strategy in line with a refurbishment programme for the three leisure centres of Altrincham, Sale and Stretford, subject to completion of the SOPM stages 3 and 4 which will be submitted to the Executive in 2021.
- 3) Notes that Trafford is developing an Active Travel Plan for 2021 that will include integrated walking and cycling strategy and connectivity to the leisure estate.
- 4) Note that as part of the formulation of the capital programme for 2021/24 this will include for the development and delivery of the business case for three Leisure Centre refurbishments, along with essential maintenance works across the leisure estate.

- 5) Approve that Trafford Leisure CIC continue the role of managing Council owned leisure facilities within new Governance arrangements based on a new contract and operating agreement.
- 6) Delegate authority to the Corporate Director of Place in consultation with the Corporate Director for Governance and Community Strategy to negotiate and agree the terms of new agreements and leases with Trafford Leisure CIC Limited in relation to the use and operation of the facilities.
- 7) Delegate authority to the Corporate Director for Governance and Community Strategy to enter into and sign and/or seal the said agreements and leases on behalf of the Council.

Contact person for access to background papers and further information:

Name: Chris Jennings – Senior Business Change Manager

Contact: 07890 599557

Background Papers: None

Implications

Relationship to Policy Framework/Corporate Priorities	Contributes to the Corporate Priorities: Health and Wellbeing, Successful & Thriving Places, Children & Young People and Green & Connected.
Relationship to GM Policy or Strategy Framework	The decision relates to the GM Moving strategy in terms of the aim to increase physical activity levels.
Financial	As part of the formulation of the capital programme for 2021/24 this will include for the development and delivery of the business case for three Leisure Centre refurbishments (the full programme will be approved by Executive in February 2021) as well as essential maintenance works across the leisure estate. It is proposed to start advanced design work on the refurbishment option during this financial year and this will be funded from within the existing approved capital programme for 2020/21.
Legal Implications:	Early steps will be required in relation to the approval of these recommendations in terms of negotiation and finalisation of a new operating agreement and contract to be entered into between the Council and Trafford Leisure CIC.
Equality/Diversity Implications	The redevelopments will be DDA compliant and accessible. A revised Equality Impact Assessment to be submitted with each refurbishment design at RIBA Stage 3.

Sustainability Implications	The redevelopments will be more sustainable than current facilities.
Carbon Reduction	<p>There is no impact on the carbon footprint of the Council in relation to Strategic Outcomes Planning Model.</p> <p>The proposal to redevelop Altrincham, Sale and Stretford leisure centres could result in a reduction of carbon emissions due to more efficient buildings.</p> <p>The refurbishment of an existing building has the potential to reduce the potential carbon cost associated with redevelopment, though a new building may be more efficient in operation.</p> <p>Carbon reduction will be considered as part of the assessment of the refurbishment works.</p>
Resource Implications e.g. Staffing / ICT / Assets	No direct implications
Risk Management Implications	<p>The Executive Report in October 2018 proposed new build leisure centres in Altrincham and Stretford at a cost of circa £46m. This capital investment posed a significant financial risk as repayment was based on increased income and profit of the centres. As a refurbishment, the capital required is significantly reduced and as can be seen from the Move Urmston project, a refurbishment can still have a significant impact on user numbers. Therefore, there is a lower financial risk with the refurbishment option.</p> <p>The risk with refurbishments is potential unknown costs of redeveloping an older building such as the structural, mechanical and electrical elements. Therefore lessons have been learnt from the Move Urmston project to mitigate this risk and provide greater cost certainty.</p> <p>Even with the reduced capital required to undertake the refurbishments, the capital will need to be paid back by increased income and profits generated by the centres. To mitigate the risk around this, the Council will commissioning independent due diligence of the business plans as part of our risk mitigation.</p>

	<p>There is a risk associated with inflation and therefore the time lag associated with getting the projects to construction commencement.</p> <p>Costs associated with getting the projects to the planning stage are a risk to the Council until a successful planning decision, judicial review period and procurement of contractors.</p>
Health & Wellbeing Implications	<p>Investment into the Leisure Centres will provide facilities that encourage physical activity which is a key component to improve the immediate and long term Health and Wellbeing, including mental health for the residents of Trafford. This will be achieved by providing facilities and programmes of engagement that target the inequalities in Trafford, and provide opportunities to reduce the levels of inactivity.</p>
Health and Safety Implications	<p>A “do nothing option” would result in the leisure centres being closed in part due to health and safety concerns as there are health and safety risks that are being managed in the centres.</p> <p>The leisure centres could continue to be patched up, but the longer that this continues, the higher the risks become in terms of health and safety.</p>

1 Background

1.1 In October 2018 the Executive approved proposals for the development of new leisure centres in Stretford and Altrincham. Following that approval work was undertaken to develop design proposals for both locations. Subsequent to this, reports to the Executive in September 2019 and Council in July 2020 set out the financial challenge faced by Trafford Leisure CIC and the requirement for the Council to provide financial support by way of loan and grant. The report in September 2020 noted that the Council would be carrying out a full review of the leisure strategy, and this report provides an update on the outcomes of that review.

1.2 Max Associates were commissioned to undertake this review to:

- 1.2.1 Develop a Strategic Outcomes Planning Model (SOPM) to ensure that there is an evidence base to support the decision making process, including the current and anticipated areas of demand and commercial opportunities within the leisure market, as well as what outcomes are needed for the residents of Trafford to improve health outcomes;

- 1.2.2 Consider options for the delivery of leisure services;
 - 1.2.3 Review the investment approach and consider alternative affordable options given both the condition of the current leisure centres and the financial challenge faced by both Trafford Leisure and the Council.
- 1.3 Within the context of increasing cost pressures on the health and social care system and the emergence of COVID related financial pressures on both Trafford Council and Trafford Leisure, the Strategy was reviewed, to provide an affordable option that would continue to meet the objective to improve the wellbeing and health outcomes for a greater number of Trafford residents through increasing levels of physical activity.

2.0 Strategic Outcomes Planning Model (SOPM)

- 2.1 The Strategic Outcomes Planning Model (SOPM) and strategic options appraisal / framework is needed to develop a clear approach (determined by local priorities and outcomes) to provide effective and sustainable physical activity and sport opportunities for local communities via investment in its stock of leisure facilities and other place-based interventions.
- 2.2 It is recognised nationally and locally that the impact of sport and leisure is not simply for sports sake, but that strategically directed services and facilities can have a significant impact on physical and mental health and well-being, economic regeneration, educational attainment and social cohesion.
- 2.3 The SOPM is based on Sport England guidance, which has been published to assist local authorities to take a clear strategic approach to leisure investment decisions, that is strategically connected to the Council's priorities.
- 2.4 The SOPM helps develop a clear approach to providing effective and sustainable physical activity and sport opportunities for local communities via investment in its stock of leisure facilities and other place-based interventions.
- 2.5 Trafford along with other Local Authorities are under increasing pressure to meet the growing needs of communities with changing demographics, financial pressures and increasing demands on services such as health, mental health, adult social care and education. The commitment from local authorities to the provision of physical activity and sport opportunities for local communities is an important contributor to delivering an active environment.
- 2.6 Post pandemic it will become increasingly important to understand the changes in consumer behaviours that have developed and ensure any opportunities to engage in physical activity are maximised to assist with the Covid Recovery Plan.
- 2.7 The long term effect on leisure services are difficult to predict at this stage, but it is clear that going forward the benefits of being physically active will need to be closely aligned with local priorities to show how physical activity can be an

integral element of a really effective means of helping the recovery from Covid19.

2.8 Sport England’s guidance shows that having a clear, strategic, and sustainable approach to sport and physical activity is essential to making effective investment into provision – both facilities and services. The below info graphic shows a summary of what the SOPM provides.

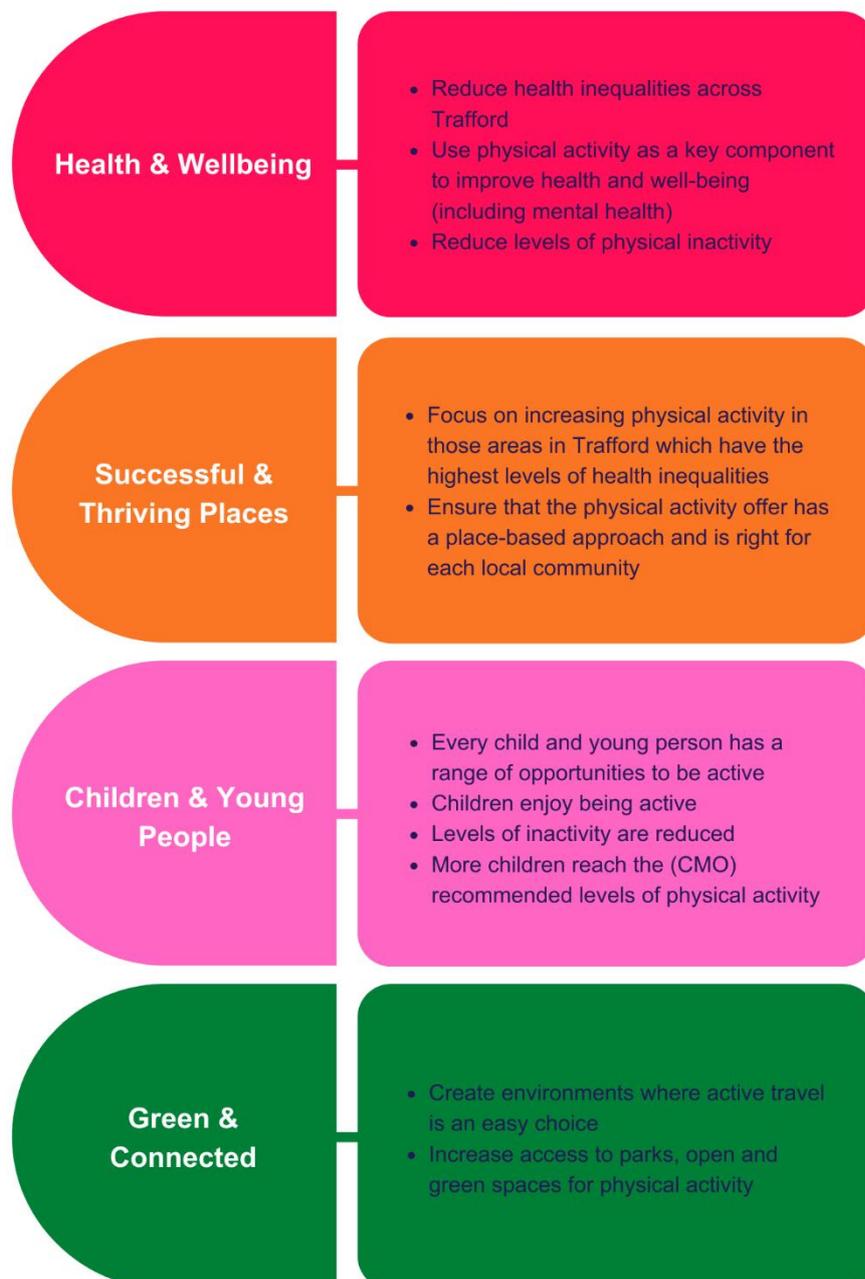
2.9 Stages 1 and 2 of the SOPM have been completed and the results feed into this report and the recommendations being sought. Stage 3 (identifies how the outcomes can be delivered sustainably) and Stage 4 (secures investment and commitment to the delivery of the outcomes) are still in progress and will be submitted in full to the Executive in 2021 for approval. Part of Stage 3 is detailed in part II of this report.



3.0 SOPM Stage 1 - Outcomes

3.1 The outcomes have been developed from reviewing the national, regional and local strategies that demonstrate where increasing sport and physical activity can impact. These have been split across the relevant themes and outlined below to be implemented as the strategic objectives for Trafford.

- 3.2 Consultation during Stage 1 included local and national organisations and individuals who enabled an understanding of the sustainable and effective interventions that should be put in place to meet the needs and priorities locally.
- 3.3 Stakeholder consultations undertaken locally included Council wide, Public Health, CCG, Trafford Leisure and also in the specific area of Partington (as part of the Local Delivery Pilot to develop the local outcomes. (Additional Consultation was undertaken during Stage 2)
- 3.4 The graphic below shows how the Council’s current leisure strategy aligns with the corporate strategies.



4.0 SOPM Stage 2 – Insight

- 4.1 Stage 2 of the SOPM focused on understanding the Local Community and Place. This stage considered the barriers, as well as the opportunities for changes in behaviour to highlight where future interventions will make the biggest sustainable impact.
- 4.2 Consultation was undertaken specifically with members and non-members of Trafford Leisure, including focused disability workshops, who were specifically located within the catchment area for Altrincham Leisure Centre.
- 4.3 Further consultation has been identified to be undertaken borough wide as part of the revised Physical Activity Strategy to understand further barriers that exist to residents from any form of Physical Activity.
- 4.4 Specific consultation will take place in the catchment areas for Sale and Stretford with members and non-members to inform the facility mix.
- 4.5 This stage also covered the wider physical environment and infrastructure in place to understand how people can be more active through ‘active design’ i.e. design and layouts of towns and neighbourhoods, buildings, streets and open spaces that promote participation in sport, physical activity and active lifestyles.
- 4.6 A new Active Travel Plan for Trafford is being currently being developed that will ensure there is an integrated walking and cycling strategy that includes improved connectivity across the leisure estate.
- 4.7 Stage 2 of the SOPM identified areas of inequalities including levels of obesity, deprivation and also considers local demographics and population density against current leisure centre use to inform opportunities for future focus.
- 4.8 The active lives survey undertaken by Sport England provided key information in relation to the current physical activity position in Trafford. In summary, physical activity levels in Trafford are greater than the GM region as a whole. However, 52.5% of children are not meeting the national guidelines and therefore not having the benefits that increased physical activity has on both mental and physical health.
- 4.9 The cost of inactivity to the NHS in the UK is around £1 billion per year and to Trafford the cost is estimated at £4.8 million. Therefore encouraging residents to be more active is a key objective for Trafford.
- 4.10 Bringing all these elements together helps to identify the ‘current state position’ for Trafford which then forms a needs analysis that can be used by the Council to identify where it wants to be in the future.

4.11 Tangible objectives listed below have been identified that will contribute towards the wider local strategic outcomes in Trafford and provide the foundation to support the development of future interventions.

4.12 Following the insight work detailed the info graphics below show the current situation as well as where Trafford want to be in the future.

Health and Wellbeing

Outcome	Where we are now	Where do we want to be?
Reduce health inequalities across Trafford	23.1% of adults are inactive	20% of adults are inactive
Use physical activity as a key component to improve health and well-being (including mental health)	10.9% fairly active	5% of adults are fairly active
Reduce levels of physical inactivity	66.0% active	75% of adults are active

**Successful and Thriving
Places**

Outcome	Where we are now	Where do we want to be?
<p>Focus on increasing physical activity in those areas in Trafford which have the highest levels of health inequalities</p> <p>Ensure that the physical activity offer has a place-based approach and is right for each local community</p>	<p>Life expectancy is 9.3 years lower for men and 7.4 lower for women in most deprived areas of Trafford than least deprived areas.</p> <p>The Health and Wellbeing Board (HWBB) is focused on increasing the number of years people spend in good health, which is measured by health life expectancy (HLE). Trafford has a 16-year inequality or difference gap between the most affluent or deprived communities.</p>	<p>Reduce the life expectancy discrepancy for the most deprived wards in Trafford</p> <p>Improve the HLE</p> <p>Reduce the HLE inequality gap across Trafford</p>

**Children and Young
People**

Outcome	Where we are now	Where do we want to be?
<p>Every child and young person has a range of opportunities to be active</p> <p>Children enjoy being active</p> <p>Levels of inactivity are reduced</p> <p>More children reach the (CMO) recommended levels of physical activity</p>	<p>47.5% children active everyday</p> <p>23.4% children fairly active</p> <p>29.1% children are less active</p>	<p>60% children active everyday</p> <p>20% children fairly active</p> <p>20% children are less active</p>

	Outcome	Where we are now	Where do we want to be?
Green and Connected	Create environments where active travel is an easy choice	Any Walking - 5 times a week: 30.7%	Any Walking - 5 times a week: 40%
	Increase access to parks, open and green spaces for physical activity	Walking for travel - 3 times a week: 24.1%	Walking for travel - 3 times a week: 30%
		Any Cycling - once a week: 10.1%	Any Cycling - once a week: 20%
		Cycling for travel - once a week: 6.4%	Cycling for travel - once a week: 10%

5.0 Leisure Centres

- 5.1** The Council's current approved capital programme includes new build options for Altrincham and Stretford Leisure Centres. This includes significant capital investment from the Council, along with associated financial risks, especially in terms of the financing of the prudential borrowing required to undertake the projects, the realisation of capital receipts, and the development risk from potentially including land in third party ownership. In relation to the proposed new build for Stretford Leisure Centre, various sites have been highlighted as possible solution and the Council have considered acquiring the old B&Q site through Lancashire County Cricket Club.
- 5.2** At the same time, the Executive approved to undertake a refurbishment of Urmston Leisure Centre which was completed in March 2020. The feedback and performance (including financial performance) of the now rebranded "Move Urmston" centre has been praised by industry, Council officers, users and Councillors especially in light of the unforeseen challenges from the Covid-19 pandemic.
- 5.3** Since the October 2018 Executive approval to seek to provide new leisure centres in Altrincham and Stretford the financial position of the Council and leisure industry in general has changed significantly.
- 5.4** The work carried out on the business case and feasibility studies for the redevelopment of Altrincham Leisure Centre to provide a new facility since the October 2018 Executive has also highlighted possible increased costs and difficulty in providing a new build within the vicinity of the current location.
- 5.5** The option to now refurbish the two leisure centres will result in costs for abortive work which will be reported in the revenue budget monitoring reports to Executive accordingly.

- 5.6** During 2020, two national lockdowns have been imposed in order to stop the spread of coronavirus. Leisure centres have been required to fully close during both these lockdowns, which has posed a significant financial challenge to Trafford Leisure CIC. Whilst Trafford Leisure has been working closely with the Council to take action to minimise the losses, they have required additional financial support from the Council, as highlighted in previous reports. At the time of writing this report, the Government has announced a national fund of £100m for leisure companies, however no details have been released on how this funding will be distributed, (applications for bidding opens 1st December) and if any will be available to support Trafford Leisure and offset currently predicted losses.
- 5.7** In light of the financial uncertainty for Trafford Leisure and the Council, the potential escalating costs and development risks, plus the long term effects of the pandemic on the leisure economy, the previous re-build options for Stretford and Altrincham Leisure Centres are no longer considered financially viable. It is therefore proposed to develop proposals for the refurbishment of Altrincham and Stretford Leisure Centres, along with the addition of Sale Leisure Centre, with the aim of replicating the success of Move Urmston.
- 5.8** The existing leisure centres do though suffer from a long period of under investment, and have a significant backlog of condition and other essential works. The formulation of the capital programme for 2021/22 will include a review of priorities to identify the short term condition works which need to be addressed in order for all Trafford Leisure facilities to remain open and functional, along with refining the design and costs of the refurbishment of Stretford, Sale and Altrincham. There is £600k included in the current programme for 2021/22 for leisure estate improvement works and this will be further reviewed as part of the current bidding round for capital expenditure accordingly. The full programme will then be approved by Executive in February 2021. It is proposed to start advanced design work on the refurbishment option during this financial year and this will be funded from within the existing approved capital programme for 2020/21.
- 5.9** It is also important to note that the leisure centres are identified as reception centres in case of an emergency, and therefore have a dual role.
- 5.10** It is proposed to carry out a further detailed assessment in three parts, and also evaluate any cross overs between them;
- the short term works and associated costs required to ensure the centres can remain open and operational for the short term;
 - the works and costs required to address condition issues over the next five years, which will give the centres a further lifespan of at least 25 years;
 - the scope of works and facilities mix for major refurbishments in Altrincham, Sale and Stretford to be carried out in a phased way.

- 5.11** In line with evidence from the SOPM, the design and revenue business plans for the overall affordability to deliver each facility is to be developed and reported to the Executive during 2020/21 with works to be undertaken from 2021/22, subject to the affordability of the whole capital programme. Through the work undertaken to adopt the SOPM Sport England have identified Trafford as one of their locations to potentially support with capital investment and this will also be taken into consideration of the financing options.
- 5.12** Following stage 1 and 2 of the SOPM, the Council has set out its strategic outcomes for leisure and is currently undertaking a detailed analysis on which facility mix is needed for its leisure centre estate. This will include both the evidence base in terms of demand for sports halls and swimming pools, as well as consultation from both users and non-users as to what would encourage them to increase their use of leisure centres.
- 5.13** A key requirement is that in the long term, the provision of leisure must be at a cost neutral position for the Council, for example that the cost of any prudential borrowing must be able to be paid back through leisure revenue trading.

6 Management and delivery options

See Part 2.

Other options

In terms of the assets:

- Do nothing - Doing nothing ultimately means closure of the leisure centres as usage continues to decline due to the extremely poor condition of the existing facilities as well as ongoing costs in relation to ongoing maintenance until closure.
- Carry on with current approval to build new sites from the previous Executive decision.
- Have a mix of refurbishments and new builds across the leisure estate.

Consultation

- The Strategic Outcome Planning Model Stages 1 and 2 details the significant consultation that has already taken place across Trafford. This included a large number of key stakeholders from Public Health, Trafford Leisure, Clinical Commissioning Group and the representatives of the third sector but also existing members and non-members including focused disability workshops who live specifically within the locality of the Altrincham Leisure Centre.
-
- Additional consultation will take place with users (members, as well as those who 'pay and play') and non-users from across the local communities of

Stretford and Sale to assist with design of the facilities and programmes of activities within their local leisure centres.

Reasons for Recommendation(s)

We know that physical exercise plays an important part in improving the health and wellbeing of the general population helping people to live longer and in better health. This has a direct impact on reducing the growing burden upon the health and social care system. Research suggests that the proximity and access of a leisure centre to where you live has a bearing upon the amount of exercise taken and leisure centres play an important role within the local community.

Trafford has one of the biggest swimming programmes in the country that is enjoyed by many young school children from an early age and it is considered to be of vital importance to the future health of children in Trafford that these programmes are able to continue. Pools in their own right are not commercially viable when you take account of the capital costs associated so any loss in provision would likely not be met commercially through private sector operators. This would push residents towards more expensive options available in the market and swimming is an important part of maintaining a healthy lifestyle and encouraging young people from an early age to use their local leisure facilities which has been so successful in Trafford through school swimming programmes and family swimming sessions and lessons.

With the facilities in decline the strategic importance of this to the Council's aims and corporate priorities is paramount.

Exempt Information

By virtue of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order, the following information has been excluded from Part 1 of this report and included in Part 2 of the report:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Key Decision: yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance: PC

Legal Officer Clearance: TR

CORPORATE DIRECTOR'S SIGNATURE:



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Appendix

Part 1 – Trafford Strategic Outcomes Planning Model (SOPM)
Stages 1 and 2 – November 20