

TRAFFORD COUNCIL

Report to: Executive
Date: 13 December 2021
Report for: Decision
Report of: Executive Member for Culture and Leisure

Report Title

Leisure Strategy Review – Part I

Summary

The report sets out the updated Strategic Outcomes Planning Model (SOPM) including Stage 3, aligning the Physical Activity Strategy with the Council's Corporate Plan 2021/24 to inform decisions on leisure facilities and services. The report provides an update on the leisure investment strategy and refurbishment options for Altrincham, Sale and Stretford.

In addition, the report seeks approval to proceed to the next stage in the refurbishment process, RIBA stage 3 for Altrincham Leisure Centre to provide a greater level of cost confidence and a preferred management option for its delivery.

Recommendations

That the Executive.

- 1) Notes the Outcome of Stage 3 of the Strategic Outcomes Planning Model (SOPM).
- 2) Following the successful completion of RIBA stage 2 for Altrincham, Sale and Stretford, this report seeks approval to continue with the proposed capital investment into the design of the refurbishment for Altrincham in the first instance, up to the end of RIBA Stage 3.
- 3) Notes that the outcomes of the RIBA Stage 3 report for Altrincham will be presented to the March 2022 Executive.

- 4) Notes that in parallel a full business case review will be undertaken for Altrincham, Sale and Stretford Leisure Centres and these will be presented to the March 2022 Executive for approval to proceed to RIBA Stage 3 for Sale and Stretford.
- 5) Notes that Trafford has developed a refreshed Sport and Physical Activity strategy which informs our Leisure Investment Strategy and is being presented separately to December's Executive for approval to consult.
- 6) Notes that Trafford is developing an Active Travel Plan for 2021 that will include an integrated walking and cycling strategy and connectivity to the wider leisure estate including Altrincham, Sale and Stretford.
- 7) Notes the update on a new contract, operating agreement, and leases between Trafford Leisure CIC and Trafford Council.
- 8) Seeks approval to explore the Community Asset Transfer for Old Trafford Sports Barn through an Expression of Interest process.
- 9) Delegate authority to the Corporate Director of Place in consultation with the Corporate Director for Governance and Community Strategy to develop an approved EOI process for Old Trafford Sport Barn prior to a Community Asset Transfer.
- 10) Notes that prior to signing/sealing any CAT agreement for the Old Trafford Sports Barn Executive approval will be required.

Contact person for access to background papers and further information:

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Background Papers: Exec Report January 2021

Implications

Relationship to Policy Framework/Corporate Priorities	Contributes to and supports the revised (2021) Corporate Priorities: Reducing Health Inequalities and Addressing our Climate Crisis. It will also support the proposed Active Travel Strategy.
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	In February 2021 Executive approved £9m into the capital programme to cover essential works across the Council's leisure estate, and to cover costs of developing a business case for the refurbishment

	<p>of Altrincham, Sale and Stretford Leisure Centres. The recommendation in this report is spend c£300k of the approved capital budget to progress the refurbishment proposal to the end of RIBA stage 3 for Altrincham. This will provide greater cost and risk certainty and inform the business case for the inclusion of any further capital expenditure into the capital programme for 2022/25. This will form part of the Executive approval in February 2022.</p> <p>This spend will be at risk and will be a revenue budget pressure should no refurbishment programme be undertaken.</p> <p>As part of the budget setting report for the Council and overall reserves strategy, consideration needs to be given to the ability of the Council to continue to support the full range of leisure provision over the next few years. Operating losses in the region of £1.7m in 2021/22 are currently being supported from Council reserves and operating forecasts for 2022/23 and future years need to be developed so the extent of future support requirements can be considered as part of the overall budget process.</p>
Legal Implications:	There are no legal implications in this report
Equality/Diversity Implications	An Equality Impact Assessment is to be completed with each refurbishment design at RIBA Stage 3.
Sustainability Implications	<p>The redevelopments designs include the replacement of the fossil fuel (gas) heating system with Air Sourced Heat Pumps and Solar Panels which are both significantly more sustainable options than those within the existing facilities.</p> <p>The refurbishment option will reduce the carbon omissions compared to a new build development</p>
Carbon Reduction	<p>The redevelopment designs include the replacement of the fossil fuel (gas) heating system with Air Sourced Heat Pumps and Solar Panels which are both significantly more sustainable options than those within the existing facilities.</p> <p>The refurbishment option will reduce the carbon omissions compared to a new build development.</p> <p>Increased cycle storage provision and links to the existing Active Travel network are to be incorporated into the designs.</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 reduced and as can be seen from the Move Urmston project, a refurbishment can still have a significant impact on user numbers. The refurbishment option remains a lower financial risk.</p> <p>Detailed surveys including condition, structural, mechanical, and electrical surveys have been completed that provide a level of cost detail however a greater degree of confidence in overall costs will be gained at completion of costed designs at RIBA stage 3.</p> <p>Lessons have been learnt from the Move Urmston project to mitigate risk and provide greater cost certainty.</p> <p>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 has commissioned independent due diligence of the business plans as part of our risk mitigation.</p> <p>There is a risk associated with inflation, market conditions i.e., suppliers and therefore the time lag associated with getting the projects to construction commencement.</p> <p>There are several risks and mitigation options to be considered with any potential phasing of the construction works across the 3 leisure centres. Not least this will include the financial impact on Trafford Leisure and the ability to maintain business continuity of service provision during the works.</p> <p>Costs associated with getting the projects to the Executive approval and then 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	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.
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 The Strategic Outcomes Planning Model (SOPM) Stage 3 report provides an in-depth analysis of the needs and gaps across the borough and in each location in relation to sports facilities. Following the Executive approval of Stages 1 & 2 of the (SOPM) in the January 2021 Executive the council commissioned industry specialist Max Associates to complete Stage 3 of the SOPM. This can be found as an appendix in the Part II report – SOPM Stage 3.
- 1.2 Alliance Leisure were procured via the UK Leisure Framework to lead on the design, in conjunction with Sport England, and development of Altrincham Sale and Stretford refurbishments to provide some cost confidence for the three centres particularly mindful of the impact of the pandemic and in turn the impact on construction costs and general market conditions.
- 1.3 The analysis on the facility mix needed across the leisure centre estate included both evidence base, via commissioned reports, in terms of supply and demand for swimming pools and sports halls across the borough, as well as preliminary

consultation with both users and non-users as to what would encourage them to use leisure centres more.

1.4 The proposed facility mix aims to give us the best outcomes for residents whilst providing the commercial outcomes required for the business case to fund the capital investment and reduce existing ongoing budget pressures.

1.5 In addition, Alliance Leisure were briefed to complete surveys to identify any conditional works that could be avoided over the next 3-5 years to reduce any unnecessary or duplicated costs.

1.6 Aligned with the work being undertaken in relation to the SOPM and the proposed redevelopment of the leisure centres, the Trafford Physical Activity Strategy has also been refreshed and awaiting approval to consult stakeholders and Trafford residents.

2 Physical Activity Strategy

2.1 The Council is in the process of refreshing its comprehensive and ambitious Physical Activity Strategy - 'Trafford Moving.' The original 'Trafford Moving' physical activity strategy was approved by the Council in 2018.

2.2 The refreshed strategy is more closely aligned to the wider determinants of health and wellbeing and the benefits that physical activity can bring to individuals and local communities. The refreshed 'Trafford Moving' will be a targeted approach developed around both communities and localities, to support local people to be more active in their communities and feel the benefits that physical activity can bring.

2.3 The refurbishment of the borough's key Leisure facilities directly supports the delivery of the key objectives from 'Trafford Moving.' The investment in local leisure centres will play a vital role in underpinning a community place-based approach, working with stakeholders to tackle inactivity and health inequalities across the borough.

3 Future Facility Options

3.1 As part of the refurbishments, Trafford Council have an ambition to improve the access of the leisure centres for all in terms of the customer journey from accessing the buildings to designing the facilities to be as accessible as possible. All 3 sites will also specifically benefit from the introduction of Changing Places facilities. There will also be options in terms of changing spaces to improve access to the facilities.

3.2 The proposed facility mixes within the individual leisure centres are listed below and have been informed by stage 3 of the SOPM. These will be further reviewed once the RIBA stage 3 costs are available and the business case for the capital investment finalised.

3.3 Altrincham - The proposed facility mix includes:

- 25m swimming pool – Five lanes and storage
- 20m leaner pool
- Pool pod to improve accessibility
- Combined lobby area with pool viewing and café
- Wet village change including individual, group change and a Changing Places accessible facility
- Health and Wellbeing facility
- Wellness assessment room
- Enlarged fitness suite
- Fitness change and dry change
- Two studio spaces
- Immersive spin studio
- Four court sports hall and storage
- Gymnastics hub and storage
- Staff rooms and offices

3.3.1 The key observations and facility mix rational to draw from the suggested Altrincham refurbishments are as follows:

3.3.2 The modernisation of the building will appropriately cater for staff welfare and the storage needs of a modern flexible leisure centre.

3.3.3 The Altrincham site has specific access issues resulting from the changing and challenging topography of the site. These issues will be addressed in terms of accessing the building. Access will also be improved within the building in terms of using the facilities as well as the journeys within the building.

3.3.4 The increase in studio space and introduction of a dedicated immersive spin studio will increase the potential participation levels.

3.3.5 The fixed Gymnastics offer will mean that the current gymnastics programme at Altrincham leisure centre can grow further and increase physical activity participation levels, especially in school aged children.

3.3.6 The proposal will incorporate active travel elements and will link with the proposed strategy that is currently being developed by Council officers and partners.

3.3.7 The proposed Spa facility at Altrincham Leisure centre will provide support in relation to Altrincham leisure centre's position in the local fitness market with commercial opportunities.

3.3.8 Maintaining the two swimming pools will also build on the programme's strengths and meet the demand of the locality.

3.4 Sale – The proposed facility mix includes:

- 25m swimming pool – Six lanes
- 12.5m learner pool
- 22.9m club pool
- Pool pod to improve accessibility
- Combined lobby area with pool viewing and cafe
- Sauna and steam facilities with direct access to the pool side
- Wet village change including individual, group change and a Changing Places accessible facility
- Dry change
- Main pool viewing gallery on the first floor
- Four court sports hall
- Enlarged fitness suite
- Wellness assessment room
- Functional studio and storage
- Immersive spin studio
- Two studio spaces
- Staff rooms and offices

3.4.1 The key observations and facility mix rationale to draw from the suggested Sale refurbishment are as follows:-

3.4.2 Maximise the space available across the three floors on the site whilst also catering appropriately for staff welfare and the storage needs of a modern flexible leisure centre.

3.4.3 Build on the strengths of Sale leisure centre's community programmes, classes and studio space.

3.4.4 Support a diverse and varied swimming offer unique to Trafford.

3.4.5 Incorporate active travel elements and will link with the proposed strategy that is currently being developed by Council officers and partners.

3.4.6 Enable commercial opportunities to be maximised alongside improving health and wellbeing outcomes for the locality.

3.4.7 A redevelopment of Sale leisure centre will support town centre connectivity and maximise the opportunities around active travel.

3.5 Stretford - The proposed facility mix includes:

- 25m swimming pool – Six lanes
- 20m learner pool
- Pool pod to improve accessibility
- Combined lobby area and cafe without pool viewing

- Wet village change including individual, group change and a Changing Places accessible facility
- Sauna and steam facilities with direct access to the pool side
- Dry change on the ground and first floor
- Space for Health and Wellbeing / GP services to be delivered from
- Two multi activity rooms with a moveable partition
- One community room
- Eight court sports hall
- Enlarged fitness suite
- Ladies only fitness suite
- One spin studio
- One dance / studio space
- Staff room and offices

3.5.1 Stretford – the key observations and facility mix rationale to draw from the suggested Stretford refurbishments are as follows:-

3.5.2 Improve the Health and Wellbeing offer to the residents and visitors to the locality by ensuring that the flexible space can respond to the community programmes whilst also catering appropriately for staff welfare and the storage needs of a modern flexible leisure centre.

3.5.3 The eight-court sports hall will support community led group activity and allow for further development as appropriate to increase levels of participation in physical activity.

3.5.4 The proposal will incorporate active travel elements and will link with the proposed strategy that is currently being developed by Council officers and partners.

3.5.5 The facility will support bespoke community led programming including women's only areas as well as gender specific activities.

3.5.6 The proposal will dovetail with the physical activity offer from the adjoining site on Talbot Road.

4 Next stages

4.1 To fully understand the costs associated with each of the refurbishment and the proposed facility mix, we will now need to move to the next stage of the refurbishment process whilst reducing our risks.

4.2 Progressing to RIBA stage 3 will build on the structural and building survey work completed to date and provide a costed design for Altrincham and subject to further Executive approval in March 2022 it is the intention to move to RIBA Stage 3 for Stretford and Sale.

4.3 In addition, Max Associates will have finalised an independent review of the business cases for all three leisure centres refurbishments at Altrincham, Sale and Stretford.

4.4 Drawing on the detailed analysis provided through the SOPM process, the costed designs at RIBA stage 3, and the individual business cases will provide a greater level of understanding of cost and assurance of affordability of the refurbishment programme. This may also result in changes to the facility mix currently proposed at the sites. The Council and Trafford Leisure will also continue to seek external funding to support the affordability of the business cases for refurbishment.

4.5 In addition, the costed designs and business case will inform any phasing of the refurbishment programme, assessed against the following key factors:-

- Business continuity
- Maintaining a leisure offer
- Capital costs
- Life expectancy of assets
- Income and revenue loss
- Displacement of sport and physical activity
- Staff moral and retention

5 Other Options

5.1 Do nothing - Doing nothing means ultimate closure of the leisure centres as usage continues to decline due to the extremely poor condition of the existing facilities. During the decline the Council will incur increasing annual revenue costs to subsidise Trafford Leisure CIC as a going concern over several years and will still need to undertake significant essential health and safety capital works during the same period. Strategic outcomes will not be delivered.

5.2 Undertake short term ongoing maintenance works with associated costs required to ensure the centres can remain open. However, this wouldn't drive key outcomes such as health and wellbeing or provide a revenue opportunity but would provide some maintenance cover for a zero-to-five-year lifespan. This has the same financial pressures as above and lead to ultimate closure as capital and revenue costs escalate.

5.3 Rationalise the leisure centre estate to reduce the cost of the redevelopments, and ongoing maintenance as well as release capital to fund the redevelopments.

6 Risks

6.1 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 has commissioned independent due diligence of the business plans as part of our risk mitigation.

6.2 There is a risk associated with inflation and the market conditions of the construction industry i.e., suppliers. Therefore, the time lag associated with getting the projects to construction commencement will increase the costs. Phasing of works needs to be balanced against cost inflation risk versus business continuity.

6.3 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 are completed.

6.4 Some indication of cost now exists with the refurbishment options as several detailed surveys including condition, structural, mechanical and electrical surveys have been completed. Cost confidence will be gained through the detailed costed designs on completion of RIBA stage 3.

6.5 Lessons have been learnt from the Move Urmston project to mitigate risk and provide greater cost certainty.

7 Walking and Cycling

7.1 The Council is currently developing an Active Travel Plan for 2021 that will include integrated walking and cycling strategy and connectivity to the leisure estate.

7.2 Trafford has recently benefitted from national and regional funding to develop a walking and cycling strategy that will promote participation in walking and cycling through improved access and infrastructure.

7.3 The Walking and Cycling strategy is a comprehensive approach to supporting active travel and contributes to the Council's strategic priority for a green and connected borough.

7.4 A key component of the strategy will be to ensure that our Leisure Centres are easily accessible to local communities and provide facilities that encourage active travel such as improved secure cycling and changing areas.

8 Old Trafford Sports Barn

8.1 The Old Trafford Sports Barn situated in Old Trafford was opened in 2006. The site includes a large indoor sports hall, changing rooms and an outdoor 3G small sided football pitch.

8.2 The site is currently operated by Trafford Leisure as part of the current operating agreement. A recent review of usage highlighted that the site isn't well used and its facilities need investment.

8.3 Cost of Improvements works valued at £111,914 (2012 Visual Condition Survey)

8.4 Given the age of the facility and the costs of improvements, alternative models for investment and management should be considered as part of the Leisure Investment Strategy.

8.5 As it stands there is no intention for the site to receive investment under the current leisure strategy, other than essential health and safety works. We are therefore considering a Community Asset Transfer (CAT) to help increase usage of the site as well as offset the current subsidisation of Trafford Leisure and attract capital investment.

8.6 Through this report officers are seeking permission to begin the development of a proposal to seek Expressions of Interest for a CAT.

8.7 The council has already received some interest from the community to manage the site for the benefit of the community.

8.8 The review of our CAT process will be informed by the learning taken from the recent successful CAT of George H Carnell Leisure Centre to the George Carnall Community Group CIC.

8.9 With approval and for the benefit of all stakeholders the review will help ensure...

- Clearer aspirations and objectives for any future CATs
- Clearer financial arrangements of any CAT including building conditions and maintenance and ongoing contractual agreements and performance monitoring.
- A community-based process and assessment that's open and transparent.
- For the benefit of all stakeholders a clear transparent process for this and any future CATs

9 Partington Leisure Centre

9.1 Part of the Leisure Investment Strategy is to consider alternate options for addressing sport, physical activity and health inequalities that remain in the Partington locality, while improving the state of the leisure facilities on offer.

9.2 Trafford Council is currently working with the Football Foundation to secure investment into the 3G pitch at the Leisure Centre. If secured the investment will see the site double in size providing 2 full size 3G pitches.

9.3 The government's Levelling Up Fund is being considered as a funding source for a wider scheme in the Partington and Carrington area which includes an improvement of the leisure facilities.

9.4 The Council is seeking to apply for round 2 of the National Levelling Up Fund with Partington identified as a location of priority. Our aspirations for the locality align with 2 of the priorities of the Levelling Up Fund which are regeneration and transport.

9.5 The aspiration would be to develop a health and wellbeing centre that provides a coherent collection of services that reflect the needs of local communities while complimenting existing assets. This would be within a geography and infrastructure that support active travel connecting Partington on a neighbourhood level and with wider opportunities in Trafford.

10 Management and Delivery Update

10.1 Utilising Sport England's leisure service delivery documentation new governance arrangements will be developed between Trafford Council and Trafford Leisure. This will involve a new operating agreement which will include a services specification and funding document that formalises the commercial agreement between Trafford Leisure and Trafford Council. The services specification will set out the scope of service, the minimum delivery requirements and outcomes Trafford Leisure must deliver. The outcomes will align to the strategic outcomes within the SOPM.

10.2 Trafford Council have appointed a Head of Leisure 'client-side' to manage the partnership with Trafford Leisure effectively.

10.3 A new performance monitoring system is currently being developed which sets out agreed KPI which Trafford Leisure will report back to the Trafford Council on a monthly, quarterly, and annual basis. Reporting will focus on financial, facilities, service, and outcomes performance. In addition, the budget process is also being aligned.

10.4 Included within the revised contractual arrangements with Trafford Leisure new leases for each of the leisure centres are being developed which will be put in place for managing the Council's leisure assets and supporting the Council's wider sport and leisure outcomes.

10.5 The contractual arrangements with Trafford Leisure will be further developed to reflect the work detailed in the SOPM and the revised Physical Activity Strategy so people only doing a limited amount of physical activity for whatever reason will have the opportunity to increase their physical activity levels. Also, outdoor provision for physical activity to be managed through a mixed model of provision and delivered through commissioned projects e.g., Local Delivery Pilot.

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.

The RIBA Stage 1&2 Designs will be shared as part of RIBA Stage 3 detailed design process and will take place with users (members, as well as those who 'pay and

play') and non-users from across the local community to finalise the design of facilities and programmes of activities within their local leisure center and inform opportunities for external programmes. This will take place before statutory Planning consultation.

Consultation for the Old Trafford Sports Barn will initially take place in the form of an Expression of Interest to understand the appetite for this option.

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

In recent years the declining asset base is leading to a loss of market share by Trafford Leisure and will also negatively impact on the ability to recover usage back to at least pre-COVID levels. Trafford Leisure were making annual and increasing losses prior the pandemic and a loan was agreed in 2019 by the Council to support Trafford Leisure cash flows. The Council is currently subsidising Trafford Leisure losses from its revenue resources, estimated to be £700k+ in 2022/23 as a post-COVID estimate. This is expected to rise as the assets decline. Capital maintenance of £8+m has already been approved for essential statutory works and these will also increase over time. This is effectively the "do nothing" or minimal maintenance scenario as above. The recent refurbishment of Urmston has delivered improved facilities and improved usage and financial returns which pays back borrowing and reduced the subsidy the Council is making against Trafford Leisure's overall losses.

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.

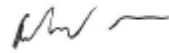
Key Decision: yes

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

Finance Officer Clearance: GB

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 I –

Appendix 1 – Alliance RIBA Stage 2 Summary Report

Appendix 2 - RIBA Stage 2 Designs