

REPORT TO:	PERFORMANCE MONITORING PANEL
DATE:	15 JUNE 2022
SUBJECT:	SWIMMING POOL & LEISURE FACILITIES TASK GROUP UPDATE – QUARTER 4 2021/22
PURPOSE:	TO PROVIDE THE PANEL WITH AN UPDATE ON LEISURE PROVISION
KEY DECISION:	N/A
PORTFOLIO HOLDER:	CLLR GARY TAYLOR – PORTFOLIO HOLDER FOR COMMUNITIES & FACILITIES
REPORT OF:	COMMUNITIES - LEISURE AND CULTURE
REPORT AUTHOR:	PHIL PERRY – ASSISTANT DIRECTOR LEISURE & CULTURE
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

This report provides Members of the Panel with an update on the 2021/22 Quarter 4 position for the provision of Leisure and the development of the future options and opportunities for leisure provision in South Holland.

RECOMMENDATIONS

It is recommended that:

- That Members note the 2021/22 Quarter 4 performance outcomes detailed within this report.
- That Members note the approach being taken to develop the future options and opportunities for leisure provision in South Holland.

REASONS FOR RECOMMENDATIONS

This report provides Members of the Panel with an update on the current position for the provision of Leisure and the development of the future options and opportunities for leisure provision in South Holland.

OTHER OPTIONS CONSIDERED

None

1. BACKGROUND

- 1.1 In November 2016 the recommendations from the Final Report of the Swimming Pool and Leisure Facilities Contract Task Group were approved by the Cabinet. Since 16th May 2017 six monthly progress updates on the recommendations were given to Performance Monitoring Panel. The Panel received last update three months ago on 16th March 2022.
- 1.2 The COVID Pandemic has had a significant effect on the provision of leisure services nationally with lockdowns, partial closures and the implementation of rules and regulations affecting usage and levels of income. Subsequently services entered into a phase of recovery that has continued to date, but recent events affecting the cost of living and utilities, are increasing the risk of the recovery stalling, if they continue unchecked.
- 1.3 At the Panel's 16th March 2022 update, Members were provided with the performance of the Council's Leisure facilities over Quarter 3 for the last financial year, where it was reported that overall facilities Memberships continued to recover, with swimming direct debits in December being 38% up on the Pre COVID March 2020 position. Swim lesson direct debits increased by 18%, but health & fitness, although improving, remains 12% down on the March 2020 pre COVID position. Members also received presentations from Parkwood Leisure on the contractual position for the company and Max Associates on the Council's ambition to improve its leisure facility provision in future years.
- 1.4 This report provides an update on performance reports on the current contractual position for Quarter 4, as services come out of the recovery phase and looks at prospective future provision of leisure facilities.

2. 2021/22 - QUARTER 4 PERFORMANCE

- 2.1 This report covers the Quarter 4 performance at the Castle Sports Centre, Castle Swimming Pool and Peele Leisure Centre. Following the lifting of all restrictions, some members of the general public have continued to remain cautious of the pandemic and to mitigate this position Parkwood Leisure has continued to retain certain control measures and adaptations, in order to maintain customer confidence and for the safety of both staff and customers. As a result lane swimming remains a bookable activity, cleaning regimes remain aligned to COVID operational plans etc.
- 2.2 The usage across the leisure facilities continued to recover during Quarter 4, however it should be noted that usage in March 2020 did see a decrease as the pandemic became prevalent across the UK and lockdown measures legally came into force on the 26th March:

- **The Castle Pool** saw usage increasing by 10,364 over the quarter, when compared to the same period in the 2019/20 financial year, with positive increases across all areas in March but classes, school usage and events are still down when compared across the 2019/20 quarter 4 period. The total Pool usage figures for the year was 155,526 against the 2019/20 total of 145,717, indicating that usage of the Pool has recovered strongly from the pandemic and overall the levels of swimming were comparable to pre-pandemic levels. The Castle Swimming Pool usage data is appended as **Appendix A**.
- The Castle Sports Centre usage increased by 1,574 users when compared to the same period in the 2019/20 financial year, with gym usage increasing by 3,502 over the 2019/20 quarter 4 position. All other activities are recovering more slowly with the total usage figures for the year totalled 110,252 against the 2019/20 total of 128,617, indicating that usage of the Sports Centre is still recovering from the pandemic, with only gym usage comparing favourably to pre-pandemic levels. The Castle Sports Centre usage data is appended as **Appendix B**.
- The Peele Leisure Centre usage increased during the quarter, it is up by 3,370 when compared to the same period in the 2019/20 financial year. The Leisure Centre is slowly recovering from the effects of the pandemic, with the total usage figures for the year at 47,524 against the 2019/20 total of 50,456. Encouragingly, Academy usage totalled 18,957 for the year compared to 7,592 for the 2019/20 financial year. The Peele Leisure Centre usage data is appended as **Appendix C**.

2.4 Overall facilities Memberships also continued to recover during Quarter 4 with swimming direct debits in March being 40% up on the Pre COVID March 2020 position. Swim lesson direct debits increased by 22%, but health & fitness, although improving, remains 5% down on the March 2020 pre COVID position.

2.5 Utilities is Parkwood Leisure's second largest cost as a leisure centre operator, and significant focus has been placed on this area following site closures, however during Quarter 4 there continues to be significant increased volatility and subsequent rising cost in Utility markets. As a sector and a business Parkwood Leisure have reported that it is not immune to these pressures and existing industry forecasts continue to suggest significant additional costs in Gas & Electricity from October.

2.6 Marketing, Programming, PR and Customer Communication is a priority for Parkwood Leisure as it moves through the post COVID recovery phase and Facebook remains to be its main platform for targeting our current customer base and keeping them informed on facility development, removal of restrictions and additions to its programmes. The most recent March Membership promotion was to sign up for a membership for free, between the 26th February and 27th March and a quarter 'Close out' offer of April for free between the 28th March and 31st March.

2.7 March was a positive month for sales for the Castle sites, exceeding targets set. It was a welcome change to earlier in the quarter, when fitness membership was 13% down on the 2019/20 position. During March, Castle fitness membership sales achieved 114% with 134 sales against a target of 118 and the pool 133% with 20 sales against a target of 15. The Peele LC however missed its target achieving 82% with 42 sales against a target of 51.

- 2.7 Monthly contract meetings continue to take place to review significant areas across the contract including health & safety, customer feedback, staffing, performance, corrective action and safeguarding. Regular site inspections also take place to monitor contract compliance and service standards.

3. CONTRACTUAL POSITION

- 3.1 In 2018 the Leisure Contract went through a competitive tender process. The Tender for a five-year contract was won by Parkwood Leisure who took over the Leisure Management Contract on 1st March 2019.
- 3.2 More recently Leisure and Cultural provision both across the district and nationally has been severely affected by the COVID-19 Pandemic. The Quarter 4 performance data shows that as services are entering the post COVID recovery phase and confidence to use leisure centres is starting to return to the general public. However, as the leisure industry recovers from the impact of the pandemic, the implications of the cost of living increases and utility market pressures, continue to threaten the future sustainability of many venues and organisations delivering leisure and cultural provision.
- 3.3 The Council is currently engaged in ongoing meetings with Parkwood Leisure, in order to discuss the contractual position as it moves out of the recovery phase, and the way forward as we enter the 2022/23 financial year.
- 3.4 The Panel at its 16th March meeting asked that an update come forward in 3 months to report on progress and respond to the question posed regarding non-enforcement of Schedule 1, Part 1C Service Performance Requirements – Section 1.13 of the contract. Section 1.13 details the requirements for the provision of catering and vending within the contract, however it should be noted that section 1.13.4 of Part 1C also states that ‘Where there is a catering offer at the Facilities, the Contractor shall demonstrate a clear understanding of the requirement for a quality and sustainable catering service that meets all its diverse User needs’, and Section 1.13.4 of Part 1C states that ‘a quality vending offer should be provided where a staffed café is not an option’.
- 3.5 Schedule 6 of the contract also sets out clauses concerning Excusing causes in section 8, for performance failures where, as described in 8.1.1, ‘there has been no negligence, default or breach of this Agreement by the Contractor or any Contractor Related Party which has caused the Performance Failure’. The COVID pandemic, in this case was beyond the control of the Contractor, who was subject to enforced periods of lockdown. The contract states that ‘Performance Deductions shall not be applied in the following circumstances;
- ‘Where the Performance Failure has been caused by a breach by the Authority or any Authority Related Party, of the performance of the Authority's obligations under this Agreement’.
- 3.6 The continued lack of demand for the provision of the catering traditionally provided at the Castle, once the centre reopened, resulted in the existing catering offer remaining unsustainable, and the catering sub-contractor withdrawing. The matter was subsequently debated fully at the 16 March Panel meeting. However, in order to mitigate against this position, Parkwood and the Council have continued to work with the Bowls Club to enable

it to continue to provide a sustainable catering offer that meets the needs of its competitions and general bowling activity. A vending option is also provided.

4. FUTURE LEISURE FACILITIES

- 4.1 The South and East Lincolnshire Councils Partnership Strategic Programme has prioritised the Health & Leisure offer across the Sub Region within its top ten priorities for the 2022/23 financial year. The South Holland District Council Leisure Facilities are included within this priority.
- 4.2 The Council is now currently engaged in developing a prospective project to improve the leisure facilities in the longer term, including associated cost estimates. Periods of consultation and briefings to Members will be included within the project plan at appropriate times in line with set milestones once these have been set out and agreed.

5. CONCLUSION

- 5.1 This report provides Members of the Panel with an update on the current position for the provision of Leisure and the development of the future options and opportunities for leisure provision in South Holland.

6. EXPECTED BENEFITS TO THE PARTNERSHIP

- 6.1 This report provides Members of the Panel with an update on the current position on the provision of Leisure.

IMPLICATIONS

7. SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

- 7.1 To achieve approved outcomes for the inequalities evident in our local communities the S&ELCP has identified 7 connected as outlined in the main body of this report, by taking this approach the Partnership will be able to improve outcomes at a strategic sub-regional level and a local level.

8. CORPORATE PRIORITIES

- 8.1 The provision of a Leisure offer contributes to the Council's Corporate Priorities of:

- **Your Place** – Lead, enable and embed the provision of a range of improved local community, cultural, arts, and newly contracted leisure facilities that support the enhanced wellbeing of South Holland's communities
- **Your Health & Wellbeing** – Target our leisure facilities to provide a programme of activities to tackle obesity and inactivity in South Holland.

9. STAFFING

9.1 None.

10. CONSTITUTIONAL AND LEGAL IMPLICATIONS

10.1 None.

11. DATA PROTECTION

11.1 None.

12. FINANCIAL

12.1 There are no financial implications relating directly to this report.

13. RISK MANAGEMENT

13.1 None.

14. STAKEHOLDER / CONSULTATION / TIMESCALES

14.1 None.

15. REPUTATION

15.1 None.

16. CONTRACTS

16.1 None.

17. CRIME AND DISORDER

17.1 None.

18. EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

18.1 None.

19. HEALTH AND WELL BEING

19.1 To achieve approved outcomes for the health and wellbeing inequalities evident in our local communities the S&ELCP has identified 7 connected as outlined in the main body of this

report, by taking this approach the Partnership will be able to improve outcomes at a strategic sub-regional level and a local level.

20. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

20.1 None.

21. ACRONYMS

21.1 None.

APPENDICES	
Appendices are listed below and attached to the back of the report: -	
APPENDIX A	The Castle Swimming Pool usage data
APPENDIX B	The Castle Sports Centre usage data
APPENDIX C	The Peele Leisure Centre usage data

BACKGROUND PAPERS	
Background papers used in the production of this report are listed below: -	
Document title	Where the document can be viewed

CHRONOLOGICAL HISTORY OF THIS REPORT	
<i>(If none then insert the wording 'A report on this item has not been previously considered by a Council body'. Also delete the below text/boxes.)</i>	
Name of body	Date