

<b>REPORT TO:</b>	PERFORMANCE MONITORING PANEL
<b>DATE:</b>	14 MARCH 2023
<b>SUBJECT:</b>	SWIMMING POOL & LEISURE FACILITIES TASK GROUP UPDATE – QUARTER 2 & 3 - 2022/23
<b>PURPOSE:</b>	TO PROVIDE THE PANEL WITH AN UPDATE ON LEISURE PROVISION
<b>KEY DECISION:</b>	N/A
<b>PORTFOLIO HOLDER:</b>	CLLR GARY TAYLOR – PORTFOLIO HOLDER FOR COMMUNITIES & FACILITIES
<b>REPORT OF:</b>	ASSISTANT DIRECTOR - LEISURE AND CULTURE
<b>REPORT AUTHOR:</b>	PHIL PERRY – ASSISTANT DIRECTOR LEISURE & CULTURE
	ALL
<b>EXEMPT REPORT?</b>	NO

#### **SUMMARY**

This report provides Members of the Panel with an update on the 2022/23 Quarter 2 and Quarter 3 positions 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 2022/23 Quarter 2 and Quarter 3 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 16<sup>th</sup> May 2017 six monthly progress updates on the recommendations were given to Performance Monitoring Panel. The Panel received last update for the Quarter 1 position on 14<sup>th</sup> September 2022.
- 1.2 The COVID Pandemic has had a significant effect on the provision of leisure services nationally. 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 This report provides an update on performance reports on the current contractual position for Quarters 2 and 3, as services come out of the recovery phase and looks at prospective future provision of leisure facilities.

### 2. 2022/23 - QUARTER 2 PERFORMANCE

- 2.1 The usage across the leisure facilities continued to recover during Quarter 2:
  - The Castle Pool saw usage decreasing by 3,427 over the quarter, when compared to the same period in the 21/22 financial year, but during the quarter, the pools were closed between the 17<sup>th</sup> August and 20<sup>th</sup> September following significant flooding of the area, which left the Plant room inoperable for that period. General Swims were down by 2,088 swims, but swimming lessons were up by 1,401 users, over the quarter against the same period, despite the closure. The Castle Swimming Pool usage data is appended as **Appendix A**.
  - The Castle Sports Centre total usage is up by 2,907 visits against the same period in 2021/22. Gym usage has steadily increased with this quarter being 1,406 higher than last year's figure, Classes however, did not grow against the same period last year seeing a reduction of 106 users against last year, but Bowls increased by 1,347 over the 2021/22 total for the quarter, and the Main Hall and Studio usage saw marginal increase of 260. The Castle Sports Centre usage data is appended as **Appendix B**.

- The Peele Leisure Centre usage levels have decreased during the quarter, as it is down by 1,922 visits when compared to the same period last year. Gym usage is 13 visits lower than last year in quarter 2, the Astro turf pitch and Academy usage were also lower, but Classes saw an increase of 108 visits, and the Main Hall & Studio 57 visits. The Peele Leisure Centre usage data is appended as **Appendix C**.
- 2.2 Overall facilities Memberships continued to recover during Quarter 2 with swimming direct debits in September being 44% up on the Pre COVID March 2020 position. Swim lesson direct debits increased by 27%, but health & fitness, although improving, is 7% down on the March 2020 pre COVID position.
  - 2.3 Marketing, Programming, PR and Customer Communication is a priority for Parkwood Leisure and in Quarter 2, Facebook continues to be its main platform for targeting the current customer base and keeping them informed on facility development, removal of restrictions and additions to its programmes. The impact of the pool closures due to flooding, had a negative impact in the company's central marketed sales campaign for September.
  - 2.4 The quarter has generally been positive for sales for the Castle sites, exceeding targets set. During July, Castle fitness membership sales achieved 102% with 62 sales against a target of 61 and the pool 200% with 10 sales against a target of 5. The Peele LC achieved 90% with 18 sales against a target of 20. In August Castle fitness membership sales achieved 118% with 73 sales against a target of 62 and the pool 250% with 15 sales against a target of 6. The Peele LC achieved 120% with 24 sales against a target of 20. In September, Castle fitness membership sales achieved 112% with 104 sales against a target of 93 and the pool 129% with 9 sales against a target of 7. The Peele LC achieved 128% with 32 sales against a target of 25.
  - 2.5 During quarter 2, in early July, Parkwood Leisure had a single part day closure at the Castle Pool due to pool water quality readings being out of acceptable parameters. The closure resulted in 3 points being awarded against Parkwood, however with no further closures attributed to the company during the quarter, no adjustment to the management fee were made, in line with the terms of the contract.
  - 2.6 Parkwood Leisure continued to be on notice during this quarter, whilst the Council continued its investigation into the closures during Quarters 1, under the terms of the contract and through additional monitoring of management practices. The outcome was that of the 10 closures at the Peele LC and 19 at the Castle Pool, 8 of the closures at the Peele LC and 8 at also the Castle Pool were determined to be failures to deliver service by Parkwood Leisure and under the terms of the contract. As reported in Quarter 1, the remaining 2 closures at the Peele LC were due to a sewage pump failure, and the 11 at the Castle LC were due to an electrical surge and the installation of a new Building Management System by the Council. A total of 41 points have be awarded against Parkwood Leisure, to date, for this financial year. During the Quarter, the Contract Manager also resigned and left the company, and a new Manager started in post at the end of July. The Castle Pool complex did have to close again between the 17<sup>th</sup> August and 20<sup>th</sup> September 2022 due to flooding in Spalding. The challenges in getting the site operational and reopened again had a significant impact on the service, but this incident was outside the control of Parkwood Leisure.

### 3. 2022/23 - QUARTER 3 PERFORMANCE

3.1 The usage across the leisure facilities continued to recover during Quarter 3:

- The Castle Pool saw usage increasing again by 7,577 over the quarter, when compared to the same period in the 21/22 financial year. General Swims were down by 523 swims, but swimming lessons were up by 2,673 users, and school usage increased by 1,879 over the quarter against the same period last year. The Castle Swimming Pool usage data is appended as **Appendix A**.
- The Castle Sports Centre total usage is up by a small margin of 88 visits against the same period in 2021/22. Gym usage has increased marginally, with this quarter being 762 higher than last year's figure, Classes however, again did not grow against the same period last year seeing a reduction of 497 visits against last year, Bowls visits also decreased by 2,630 over the 2021/22 total for the quarter, but the Main Hall and Studio levels of usage saw an increase of 2,453. The Castle Sports Centre usage data is appended as **Appendix B**.
- The Peele Leisure Centre usage levels decreased again during the quarter, as it is down by 6,020 visits when compared to the same period last year. Gym usage is 265 visits lower than last year in quarter 3, the Astroturf pitch and Academy usage were also lower, but Classes saw a slight increase of 47 visits, and the Main Hall & Studio 232 visits. The Peele Leisure Centre usage data is appended as **Appendix C**.

3.2 Overall facilities Memberships also continued to recover during Quarter 3 with swimming direct debits in December being 42% up on the Pre COVID March 2020 position. Swim lesson direct debits increased by 18%, but health & fitness, although improving, remains 11% down on the March 2020 pre COVID position.

3.3 The quarter has generally had less success for sales at the Castle sites. During October, Castle fitness membership sales achieved 80% with 59 sales against a target of 74, but the pool achieved 233% with 14 sales against a target of 6. The Peele LC achieved 60% with 15 sales against a target of 25. In November Castle fitness membership sales achieved 92% with 67 sales against a target of 73 and the pool 171% with 12 sales against a target of 7. The Peele LC again achieved 60% with 15 sales against a target of 25. In December, Castle fitness membership sales achieved 87% with 39 sales against a target of 45 and the pool just 50% with 3 sales against a target of 6. The Peele LC however achieved 130% with 13 sales against a target of 10.

3.4 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.

3.5 In December, PSPS undertook a periodical Health & Safety inspection of the Castle facilities operated by Parkwood Leisure, and the Castle Pools received a very good 98% operational risk rating with actions required on some cracked glass panels. The Castle Dry Side received a 91% Operational Risk Rating, with action required on the fire panel, the sealing of an electrical cupboard, and the repair of an external fire door. Following receipt of the report the Assets Team are following up on the actions, during Quarter 4.

- 3.6 Utilities continues to be a concern for Parkwood Leisure as the volatility in the market continues. Section 4 of the report outlines the position for leisure nationally, which is not good news for the sector. Leisure Facilities were not classified within Energy & Trade Intensive Industries (ET11) classification for additional support, so the Parkwood's position from April is as follows:
- The risk of energy has changed from a cap of £211 per MWh to £302 per Mega Watt Hour.
  - The risk on gas has changed form a cap of £220 to £314 per Therm.

- 3.7 Essentially this position adds roughly a third increase in the cap (from 1st April 23). However, the market cost has seen a decline in recent weeks, whilst nowhere near historic levels and still a significant financial burden, recent trading has been below the cap so Parkwood has made advanced purchases as follows:
- Electricity summer, 2023 - 63% purchased.
  - Electricity winter, 2023 - 24% purchased.
  - Gas summer, 2023 - 60% purchased.
  - Gas winter, 2023 - 40% purchased.

Parkwood's aim is to lock out winter 2023 in Electricity and Gas at circa 60% leaving the rest on day ahead rates. This process is aimed at trying to limit the exposure to significant price increases as seen in 2022.

#### **4. CONTRACTUAL POSITION**

- 4.1 Leisure and Cultural provision both across the district and nationally was recently severely affected by the COVID-19 Pandemic. However, as the leisure industry recovered from the impact of the pandemic, the implications of the cost of living increases and utility market pressures, subsequently also became major risks, and continue to threaten the future sustainability of many venues and organisations delivering leisure and cultural provision.
- 4.2 Nationally the Local Government Association (LGA) and a coalition of leading bodies in the leisure sector continue to lobby central government on the ongoing recovery from the Pandemic and energy costs as its main concerns nationally. The most recent letter was sent to the Chancellor and Secretary of State for Levelling up, Housing & Communities on the 23<sup>rd</sup> January 2023, asking for urgent support for public sport and leisure through crisis and transformation. The letter argues that the benefits of leisure centres and swimming pools are more than a lifestyle choice and are vital to providing affordable opportunities for communities to be active and healthy, NHS performance relies on leisure facilities for referral, rehabilitation services and social prescribing initiatives, and pools are required for schools to be able to discharge their statutory responsibility for learn to swim and the water safety curriculum. Being physically active also prevents many serious physical and mental health conditions, resulting in £5.2 billion in health care savings and £1.7 billion in social care savings (Sport England), while a further £20 billion of value comes from stronger and safer communities. The industry provides an estimated 585,000 jobs in the UK. A response has yet to be publicised, but at this point the government's 'Energy Bills Discount Scheme' for businesses published on the 9<sup>th</sup> January 2023, does not include the leisure sector.

- 4.3 Currently Parkwood Leisure's position is outlined in section 3.6 of this report. The company has not raised the matter of utility prices formally with the Council at this point in time, but informally has expressed its continued concerns. The Council is monitoring the situation closely and this issue also impacts on Leisure provision across the Partnership, whether delivered through via a contractual arrangement or 'in house'. Officers are also monitoring and mitigating where possible against a number of other current impacts on Leisure Services, including supply chain and staffing challenges.

## **5. FUTURE LEISURE FACILITIES**

- 5.1 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 and this work will continue on this priority across the Partnership, to review the leisure and cultural facilities and their management and operation.

- 5.2 Since the last report to PMP, the council has received confirmation that its £20m funding bid to the Government's Levelling Up Fund to bring about the regeneration of the existing Castle Sports complex site has been successful. The project sought capital funds to deliver a new a Health & Wellbeing Hub, consisting of new leisure facilities along a sports, recreation, play and community wellbeing offer. The funding bid was one of 111 approved nationally, out of a pool of c530 applications. It was also the joint 13<sup>th</sup> highest award in terms of cash value from the fund. Activity has commenced in terms of taking forward the planning of the new project, with current focus being applied in four areas;

- Finalising grant award contract with government, including finalising key terms and conditions relating to timescales for spend. It is currently anticipated that this will be concluded in March 2023.
- Responding to post-award due diligence on the bid from government, principally in respect of 'subsidy control' legislation (legislation that governs public sector investment in major projects, the legislation for which has changed since the funding bid was submitted). It is currently anticipated that this will be concluded in March 2023.
- Developing a detailed project mobilisation plan, which will cover the matters of project resourcing, project governance, procurement strategy, alongside approach to stakeholder and resident engagement. It is currently anticipated that this mobilisation plan will be finalised in March 2023.
- Discussions with key potential funding partners, notably Lincolnshire FA and the Football Foundation (both of whom added formal support to the funding bid, as a future delivery partner).

## **6. CONCLUSION**

- 6.1 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.

## **7. EXPECTED BENEFITS TO THE PARTNERSHIP**

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

## **IMPLICATIONS**

### **8. SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

- 8.1 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.

### **9. CORPORATE PRIORITIES**

- 9.1 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.

### **10. STAFFING**

- 10.1 None.

### **11. CONSTITUTIONAL AND LEGAL IMPLICATIONS**

- 11.1 None.

### **12. DATA PROTECTION**

- 12.1 None.

### **13. FINANCIAL**

- 13.1 There are no financial implications relating directly to this report.

### **14. RISK MANAGEMENT**

- 14.1 None.

### **15. STAKEHOLDER / CONSULTATION / TIMESCALES**

15.1 None.

**16. REPUTATION**

16.1 None.

**17. CONTRACTS**

17.1 None.

**18. CRIME AND DISORDER**

18.1 None.

**19. EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

19.1 None.

**20. HEALTH AND WELL BEING**

20.1 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.

**21. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

21.1 None.

**22. ACRONYMS**

22.1 None.

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

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

<b>CHRONOLOGICAL HISTORY OF THIS REPORT</b>	
<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>	
<b>Name of body</b>	<b>Date</b>