

STROUD DISTRICT COUNCIL
COMMUNITY SERVICES & LICENSING COMMITTEE

**AGENDA
ITEM NO**

23 JANUARY 2020

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Report Title	THE FUTURE OF LEISURE PROVISION IN STROUD DISTRICT AND THE PROPOSED EXTENSION OF THE STRATFORD PARK LEISURE CONTRACT
Purpose of Report	To make available the necessary budget and set in train the work that needs to be carried out, in addition to existing evidence-based studies, to understand the future leisure provision requirements and options for the district, including the future of the Stratford Park Leisure Centre which is approaching fifty years old. To allow time for this work to be carried out, the Committee is asked to consider the extension of the management contract at Stratford Park Leisure Centre for the further three year period to 31 October 2024, for which provision is made in the current contract.
Decision(s)	<p>The Committee RESOLVES:</p> <p>a) subject to the approval of the Strategy and Resources Committee on the previous recommendation of this Committee to ring fence the Culture and Leisure reserve, to APPROVE the use of this reserve to commission studies from leisure industry experts to:</p> <ul style="list-style-type: none"> • advise on the future provision of community leisure centre facilities in the district; • create an overarching vision and plan for the future of the leisure, recreation, cultural, health and wellbeing uses in Stratford Park; and • advise on options for the future of the current Stratford Park Leisure Centre; <p>b) to DELEGATE authority to the Strategic Director of Communities and/or Head of Community Services, in consultation with the Chair of Community Services and Licensing, to oversee the preparation of a brief for the above studies and bring it to Committee for approval;</p> <p>c) to allow time for the above studies to be completed and action plans formulated, in accordance with the extension option in the current Stratford Park Leisure Centre contract, to APPROVE an extension to Sports and Leisure Management (SLM) to continue running Stratford</p>

	<p>Park Leisure Centre for the specified additional period of 3 years up to 31 October 2024; and</p> <p>d) to DELEGATE authority to the Strategic Director of Communities and /or Head of Community Services and the Strategic Director of Resources and S151 Officer, in consultation with the Chairs of the Community Services and Licensing and Strategy and Resources Committees, to negotiate and agree the terms of the contract extension.</p>
Consultation and Feedback	<p>Sports Leisure Management Officers Members Benchmarking with other Local Authorities</p>
Financial Implication and Risk Assessment	<p>The use of the reserve to commission studies and the estimated £80k cost of the living wage implementation are included within the budget report to Strategy and Resources Committee. Subject to their approval by Committee and Council there is funding in place for all recommendations of this report.</p> <p>Funding for the extension of the SLM contract is included within existing MTFP budgets.</p> <p>Andrew Cummings, Strategic Director of Resources & S151 Officer Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk</p>
Legal Implications	<p>The Contract Procedure Rules (Para 32) permit a contract to be extended before the expiry date where it is expressly in accordance with its terms and such as extension does not compromise the basis upon which the contract was originally procured. The contract in question does not expressly allow for an extension.</p> <p>The procurement of consultants will be carried out in compliance with the Council's Contract Procedure Rules.</p> <p>Patrick Arran, Interim Head of Legal Services & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk</p>
Report Author	<p>Mike Hammond, Head of Community Services Tel: 01453 75447 Email: mike.hammond@stroud.gov.uk</p>
Options	<p>The preparation of studies on the future of leisure provision in the district and more specifically, the future of Stratford Park, is optional. However, a better understanding of the wider context will allow better-informed decision-making, and in particular, agreeing a long term investment and management plan for Stratford Park with partners and contractors is a Corporate Delivery Plan action. Another CPD action is to make a decision on extending the current Stratford Park Leisure Centre management contract. While</p>

	the extension of the contract is optional, it is provided for within the existing contract which otherwise would end on 31 October 2021. This earlier end to the contract would not allow sufficient time to complete the necessary studies, consider the options open to the Council and implement the resulting action plans for future leisure provision, including any procurement processes required.
Performance Management Follow Up	In respect of any studies commissioned, performance management will be set out in the study brief and subsequent contracts. In respect of the Stratford Park Leisure Centre, contract management meetings are held on a monthly basis and strategic client meetings are held on a quarterly basis. Annual Health & Safety reports are submitted to the Joint Safety Committee and an annual report is presented to the Community Services and Licensing Committee.

1. INTRODUCTION

- 1.1 The Council currently owns two leisure centres, one at The Pulse in Dursley, which we manage ourselves, and the other at Stratford Park in Stroud, which is managed by Sport Leisure Management (SLM) on our behalf.
- 1.2 Stratford Park Leisure Centre was built in 1974 and is now approaching fifty years old. The Council needs to establish whether the whole centre or elements of it are approaching end of life and need to be replaced, in the context of how far existing facilities at both Stratford Park and The Pulse meet the leisure and wellbeing needs of the district's growing population. In addition, Stratford Park is home to The Museum in the Park, which has ambitions to expand, the lido, for which a Heritage Lottery bid is to be submitted for its renovation and improvement, and a number of other sports and leisure facilities, with potential plans for further provision within the park. The Council's Corporate Delivery Plan includes an action to agree a long term investment and management plan for Stratford Park with partners and contractors, and provision needs to be made for the plan's preparation within the context of the wider leisure, culture, health and wellbeing needs of the District.
- 1.3 The Council's contract with SLM is approaching the point at which a decision needs to be made on whether or not to extend it, which is also a Corporate Delivery Plan action. The contract was agreed on 1 November 2011 for the 10

year period to 31 October 2021, and included the option to extend it for a further period of 3 years to 31 October 2024, subject to further approval. The contract also included a break clause after 7 years in 2018, which was not exercised due to the continued high levels of customer satisfaction and standards of service reported annually to this Committee by SLM.

2. THE FUTURE OF LEISURE PROVISION IN THE DISTRICT

- 2.1 This Committee has already recommended to the Strategy and Resources Committee that the Culture and Leisure reserve should be ring fenced. Subject to approval of that by the Strategy and Resources Committee, it is recommended that this Committee approve the use of this reserve to commission further studies from leisure industry experts to advise on the future provision of community leisure centre facilities in the district, create an overarching vision and plan for the future of the leisure, recreation, arts and culture, health and wellbeing uses in Stratford Park, and advise on options for the future of the current Stratford Park Leisure Centre.
- 2.2 There is already significant background information to build upon. The Open Space, Green Infrastructure, Sport and Recreation Study (2019) forms part of the evidence base to inform the Local Plan Review, which seeks to deliver at least 638 new homes per year in the period to 2040. The study looks at the current and projected needs for open space, green infrastructure, sport and recreation in Stroud District, in the context of understanding that healthy environments and communities require open space and associated facilities to be of an appropriate quantity, quality and location. Specifically, the report covers:
- Publicly accessible open space, including amenity and natural space, parks and recreation grounds, play space, allotments;
 - Green Infrastructure, which may include both public and private land in such strategic designations;
 - Outdoor sports space (especially sports pitches); and
 - Indoor/built sports and recreation facilities.

- 2.3 The output of the study will inform not only the Council's Local Plan Review and the Council's decision-making process up to 2040, but will link with and inform the preparation of other Council documents and strategies, including those for leisure centre provision in the district and for a Stratford Park investment and management plan.
- 2.4 The study makes a number of key findings and recommendations. In respect of General Leisure and Leisure Centres, the report observes that leisure trends and demands change, and so too should local authority-controlled leisure provision, if the offer is to be sufficiently attractive to get more people to take part in beneficial physical activity. The study sets out that the scale of growth anticipated by 2040 will generate substantial demands for new leisure centre facilities, and that major funding opportunities arising out of developer contributions should allow for a review of the way in which leisure centres are provided and run in the district. The right mix of facilities at leisure centres is important, and the study notes that Health & Fitness and studio provision are now integral to the successful operation of the best leisure centres rather than just supporting features to the more traditional main components of pools and sports halls.
- 2.5 It is recommended that a brief should be drawn up to set out the further study work needed to help inform the Council's approach to the future of leisure centre provision in the district, and more specifically, also to look at the condition of the current Stratford Park Leisure Centre and options for its future in the context of an overall investment and management plan for Stratford Park that encompasses the future of The Museum in the Park, the lido, the existing skatepark, bowling green, outdoor sports courts, playground, bandstand, informal open space in the park and any potential future provision of facilities. It should be emphasised that the brief for the study work will need to set out appropriate and wide consultation with users and communities. The study work will also be set within the context of the Council's existing policies, plans and strategies, including those for climate change and social value, the Local Plan and the Health and Wellbeing Plan.
- 2.6 Although Stratford Park Leisure Centre was built in 1974 and is ageing, it must be stressed that risks associated with this are well managed. Regular condition

surveys are completed and there is a programme of planned maintenance work to ensure that it remains fit for use.

- 2.7 Options for the future may need to encompass building new leisure centre facilities, depending on the findings of the further study work to be carried out, and will need to look at the different ways in which the Council does and could run its leisure centres, including in house, contracted out and Leisure Trust options.
- 2.8 The Committee is asked to delegate responsibility for the preparation of the study brief to the Strategic Director of Communities / Head of Community Services, in consultation with the Chair of the Community Services and Licensing Committee, noting that the intention is to bring the brief back to this Committee for approval prior to any procurement process.

3. THE STRATFORD PARK LEISURE CENTRE CONTRACT

- 3.1 As set out in paragraph 1.3 above, the Council's contract with SLM is approaching the point at which a decision needs to be made on whether or not to extend it. The contract was agreed on 1 November 2011 for the 10 year period to 31 October 2021, and included the option to extend it for a further period of 3 years to 31 October 2024, subject to further approval.
- 3.2 As set out in section 2 above, to allow time for the further study work needed to be completed and action plans formulated, it is recommended that an extension is granted to Sports and Leisure Management (SLM) to continue running Stratford Park Leisure Centre for the specified additional period of 3 years up to 31 October 2024.
- 3.3 Formed in 1987, Sport Leisure Management (SLM) has become one of the country's largest leisure providers. It operates under the Everyone Active brand and currently manages over 190 leisure and cultural centres on behalf of 60 local authorities all over the country.

- 3.4 As part of the current contract, SLM is responsible for the repair and maintenance of non-fixed items within the centre, such as gym equipment. The Council has responsibility for various elements of the centre. Broadly these are fixed assets, such as the sports hall floor and pool plant equipment. While there is a programme for planned maintenance, there are occasions when there are unforeseen one off capital costs, for example, the replacement of the pool hall floor tiling due to health and safety concerns.

Options

- 3.5 If the recommendation of granting the contractor a 3 year extension is approved this will be the final period of extension that the current contract will allow. In order to consider the future options with regards to the running of the centre an options appraisal will need to be started imminently in order for any outcomes to be implemented in time for the cessation of the contract in 2024.
- 3.6 Should an extension not be granted, work to investigate options will need to be expedited in order to meet the contract end date in 2021.
- 3.7 Both options will require the input of consultants and will require resource from the Medium Term Financial Plan (MTFP) to undertake. The MTFP for consideration by Strategy and Resources on 30 January includes a proposal for the full use of the £130,000 Culture, Arts and Leisure Reserve for this purpose. Either option will need to understand the way in which the centre is currently used and the possibilities for its future use. This will also require consideration on how the centre itself fits within the whole park facility.

Negotiating a contract extension

- 3.8 While SLM have expressed a wish to extend the contract, and a contract extension will provide certainty for staff currently employed at the centre, there are some important matters for the Council to consider in negotiating it, including those relating to our social value and pay policies.
- 3.9 Perhaps the most important issue centres on the 'real living wage'. The Council's own pay policy statement mandates that Stroud District Council pay grades,

outside of the apprenticeship scheme, will be no less than the living wage as calculated by the Living Wage Foundation. This has been set at £9.30 per hour for the year ahead beginning on 1 April 2020.

- 3.10 Pay scales within SLM do not currently take account of the work of the Living Wage Foundation and are based on the National Living Wage, which is lower than the Living Wage Foundation's recommended rate. It is considered that any process of agreeing a contract extension with SLM must be based on a change in pay structure at Stratford Park Leisure Centre to ensure that all eligible staff are receiving at least the Living Wage Foundation rate, in line with the Council's own pay policy.
- 3.11 This would be a change in contract conditions required by the Council and as such, the extra cost created by it necessarily would fall on Council budgets. Officers have worked with SLM to establish the true additional cost of such a change, which would be approximately £80,000 per year. It may be possible to reduce that cost to some extent through flexibility in charging rates and management fees subject to the contract negotiations. However, this additional cost has been included in the Council's Medium Term Financial Plan. Subject to the approval of the MTFP in February 2020, officers will have the resources required to ensure that the Living Wage Foundation rate becomes part of the contract arrangements. It is anticipated that this would be in place from 1 April 2020 and that the 'real living wage' would be paid from that date.
- 3.12 Another consideration for the Council in negotiating the contract is the capital investment that SLM have indicated that they wish to make in upgrading the equipment at the Leisure Centre, which would benefit users of the centre.
- 3.13 It is recommended that authority is delegated to the Strategic Director of Communities / Head of Community Services and the Strategic Director of Resources and S151 Officer, in consultation with the Chairs of the Community Services and Licensing and Strategy and Resources Committees to negotiate a contract extension to 31 October 2024 on the basis set out in the paragraphs above.

4. CONCLUSION

4.1 For all the reasons set out above, it is concluded that it is important to make available the necessary budget and set in train the work that needs to be carried out, to augment existing evidence-based studies, to understand the future leisure provision requirements and options for the district. This will need to include the future of the Stratford Park Leisure Centre which is approaching fifty years old. To allow time for this work to be carried out, the Committee is asked to consider the extension of the management contract at Stratford Park Leisure Centre for the further three year period to 31 October 2024, for which provision is made in the current contract.