

<b>Subject:</b>	<b>Sports Facilities Investment Plan 2021-31</b>		
<b>Date of Meeting:</b>	<b>1<sup>st</sup> July 2021</b>		
<b>Report of:</b>	<b>Executive Director, Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Ian Shurrock</b>	<b>Tel: 01273 292084</b>
		<b>Kerry Taylor</b>	<b>01273 292701</b>
	<b>Email:</b>	<a href="mailto:ian.shurrock@brighton-hove.gov.uk">ian.shurrock@brighton-hove.gov.uk</a>	
		<a href="mailto:kerry.taylor@brighton-hove.gov.uk">kerry.taylor@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

## FOR GENERAL RELEASE

### 1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 A Sports Facilities Investment Plan 2021-31 has been developed in order that the future provision of the council's indoor sports facilities can be considered strategically across the city. The Plan is attached in Appendix 1. Sports facilities are very important and highly visible city assets where residents and visitors can participate in sport and physical activity at reasonable cost, to benefit their health and wellbeing.
- 1.2 The Brighton & Hove Health and Wellbeing Strategy 2019-2030 sets out the vision for improving the health and wellbeing of local people and reducing health inequalities. The high-level outcomes are: start, live, age and die well. Local neighbourhoods and city facilities (including indoor sports facilities) are important to achieving and contributing to those outcomes through sport, exercise and physical activity - especially in the first three of the key life stages of Starting Well, Living Well, and Ageing Well.
- 1.3 This report sets out the detailed work undertaken to develop the Sports Facilities Investment Plan including full condition surveys of the existing ageing facilities which identified continuing high maintenance costs. The investment plan was then developed to create a strategic city-wide approach to improve the provision of sports facilities. The plan outlines the capital investment required to create facilities which will increase participation in sport and physical activity across the city.
- 1.4 While the levels of participation in sport and physical activity in the city are encouraging (see p9 Appendix 1), improved provision of sports facilities in the city would assist in increasing those levels further. This will achieve even greater benefits in health and wellbeing, as well as enhancing the city's reputation in sports competition and excellence.

### 2. RECOMMENDATIONS:

That the Policy & Resources Committee:

- 2.1 Notes the significant costs identified by the condition surveys to retain the current facilities in their existing condition;
- 2.2 Agrees to the adoption of Sports Facilities Investment Plan 2021-31 attached in Appendix 1 to the report;
- 2.3 Agrees to the establishment of a cross-party project Member Working Group to implement the Sports Facilities Investment Plan for the city with draft Terms of Reference as attached in Appendix 2 to the report; and
- 2.4 Notes that the business case prepared for each sports facility will be subject to approval by the committee.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Tourism, Development & Culture Committee in June 2019 approved the development of a Sports Facilities Investment Plan (SFIP) for the council's indoor sports facilities, together with an Options Appraisal of the potential models for the future management of the council's indoor sports facilities. The latter will form the basis of a report to the Procurement Advisory Board in the first instance, prior to a further report to a future meeting of this Committee.

Sports Facilities included within the Sports Facilities Investment Plan (see p13 Appendix 1)

- 3.2 The facilities within the current Sports Facilities Contract operated by Freedom Leisure are:

- King Alfred Leisure Centre (including Kingsway Multiplay)
- Moulsecomb Community Leisure Centre
- Portslade Sports Centre
- Prince Regent Swimming Complex (including the Old Slipper Baths)
- Stanley Deason Leisure Centre
- St Luke's Swimming Pool
- Withdean Sports Complex
- Paddling Pools (Saunders Park, The Level Water Feature, Kings Road and Hove Lagoon)

- 3.3 In addition, following allocation of funding to undertake this work from the Corporate Modernisation Programme, the following additional facilities located on school sites were included within the scope of the Investment Plan:

- Surrenden Pool (Dorothy Stringer School)
- Longhill Sports Centre (Longhill School)

Local Authority Sports Provision

3.4 The importance of providing local authority sport and leisure services including sports facilities is set out in the Plan (see p10 Appendix 1). The above sports facilities attracted over 1.6 million visits in 2018/19 and 2019/20 to give a sense of scale of their importance including over 550,000 swims. In order to increase the equality of opportunity for participation in sport and physical activity, a range of initiatives take place in the council's sports facilities which include:

- "Pay and play" options to assist with affordability together with good value membership options
- A Leisure Card Scheme to give discounts for those eligible through a range of criteria.
- Free swimming for those aged under 16 which attracted over 45,000 swims per annum over the last three years (2018, 2019 and 2020).

3.5 However, the quality and quantity of the facilities are also key to encouraging participation hence the importance of the development of the Plan.

#### Development Process (see p4 Appendix 1)

3.6 A competitive procurement process was undertaken and FMG Consulting (FMG) a specialist sport and leisure consultancy were appointed to complete the following programme of work:

- Conduct full condition surveys of the sports facilities
- Complete lifecycle cost analysis of the sports facilities
- Initial Consultation with Internal and External Stakeholders
- Develop a draft Sports Facilities Investment Plan
- Public Consultation
- Complete a final draft Sports Facilities Investment Plan
- Produce an options appraisal of the potential future sports facilities delivery models

#### Key Principles for Investment (see p5 Appendix 1)

3.7 The key principles for investment into sports facilities in the city have been identified as:

- Provide sports facilities that are modern and well located to maximise catchment areas. This would provide opportunities, reduce barriers and encourage more people to be more active, more often.
- Improve financial viability and long-term sustainability.
- Provide facilities that are relevant and based on evidence and need.
- Enhance opportunities in areas of inactivity and social deprivation.
- Ensure that sport facilities are fully accessible and inclusive.
- Recognise the council's commitment to the climate emergency and improve environmental sustainability.

#### Key Finding of Condition Surveys (see p7 and p14 of Appendix 1)

- 3.8 The full stock condition surveys highlighted that circa £20million is required to maintain the existing stock of facilities for the next 15 years. This assumes that catastrophic failure does not occur, which is increasingly becoming a possibility due to the age of key facilities.
- 3.9 Undertaking this expenditure is not considered to provide best value in the long term, and the SFIP recommends that resources would be better spent on the provision of modern, efficient leisure buildings.

#### Key Investment Proposals (see p6 Appendix 1)

- 3.10 The review and analysis undertaken by FMG has led to the recommendation of a strategic vision of three larger sports facilities/hubs spread geographically to provide sports facilities across the city:
- West: a site to be identified in the west of the city
  - North: increased provision at Withdean Sports Complex
  - East: a site to be identified in the east of the city
- 3.11 This approach places equal emphasis on facilities across the city, recognising the current main sports centres serving the West (King Alfred Leisure Centre) and East (Prince Regent Swimming Complex) of the city require decisions to be made on their future.
- 3.12 In addition, it is important to maintain and invest in a small network of locally accessible community leisure centres to support the needs of residents.
- 3.13 Each sports facility has a catchment area from which the majority of the users will travel. The size of the catchment area is determined by a range of factors including the type of facility and accessibility whatever form of transport is used.
- 3.14 The recommended approach is therefore a “hub and spoke” model in which sports facility “hubs” and community facility “spokes” enable catchment areas to cover as much of the city as possible. This would enhance the accessibility and quality of sports facilities at a local level across the city.

#### Impact on existing sports facilities

- 3.15 The intention is for existing sports facilities to remain in operation prior to any new facilities being available. This presents a significant challenge and potential financial cost to the council to try and achieve continuity of provision. The desire is to avoid any reduction in participation in sport and physical activity and minimise the impact on existing users who are loyal to current facilities. In reality, the major sports facilities are approaching the end of their life expectancy so the council will have to make investment decisions which balance cost and access for residents.

#### Implementation – Cross Party Member Working Group

- 3.16 The SFIP forms part of the Sports Facilities Modernisation Programme, which is one strand of the overarching City-Wide Sport & Physical Activity Programme, the other strand being the development of the Sport & Physical Activity Strategy. Production of the SFIP has been overseen by the Sports Facilities Modernisation Programme Team, an officer group.
- 3.17 Subject to committee support for the key principles of the SFIP, the programme for investment will move from the strategy phase into business case development, followed by implementation and delivery phases. Each stage is subject to committee approval. This will result in a series of interrelated projects that will require strategic management and coordination. It is therefore considered an appropriate point at which to establish a cross-party Member Working Group. This is consistent with the approach adopted for other major city-wide initiatives.
- 3.18 The King Alfred Development Project Board was recreated in 2019 following closure of the previous project. In addition to its main role of overseeing the King Alfred Development project, the Board has been updated on progress with the SFIP and was advised of the emerging city-wide proposals. The changed context created through the formulation of the city-wide SFIP requires new governance arrangements.
- 3.19 It is therefore proposed that the King Alfred Project Board be superseded by a new cross-party Member Working Group with a wider remit. This new working group will have responsibility for the strategic management of the SFIP, and oversee its implementation, subject to committee approvals. In view of the city-wide nature of the project(s) it is considered appropriate to increase membership from 3 to 5. Membership would reflect political balance with nominations to be sought from Group Leaders. Draft Terms of Reference for the new working group are attached at Appendix 2.

#### Implementation – Potential Financial Investment (see p7 Appendix 1)

- 3.20 Indicative costs of the recommended investment proposals are estimated at £85 million to deliver the proposals, which would require a commitment to a significant financial investment by the council over a ten-year period. This is a high-level assessment and each element of the delivery plan will require detailed financial and business plans assessments to support the investment.
- 3.21 The work undertaken by consultants FMG highlights the potential for improved net revenue generated through the investment plan that could support the financing costs of long-term borrowing to fund the investment alongside other funding streams such as grants. Further information is provided in “Financial Implications” below.
- 3.22 An example of the impact of investment are the improvements to the Withean Sports Complex that took place in 2013. The £2.5 million improvement project has had a significant impact on the participation numbers, financial position and reputation of the facility. The health and fitness offer saw the memberships grow and double from approximately 1500 to in excess of 3000 in just over 2 years.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

### **4.1 Options Appraisal of Future Management Arrangements**

An appraisal of the future management for the sports facilities has been developed in conjunction with the SFIP. This appraisal of the management options will be included in a future report to the Committee, following the initial consideration by the Procurement Advisory Board. Freedom Leisure have held the Sports Facilities Contract for ten years and are currently working through a three-year extension which commenced in April 2021. Officers are working through a process to ensure new management arrangements are in place six months before the extension period ends.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

### **Public Consultation (see p15-p19 Appendix 1)**

5.1 The SFIP was informed by a major consultation exercise which tested the concept of three hubs in the city and sought the opinions of centre users and non-users on a range of topics connected to the existing council's sports facilities. The consultation took place between 16th November 2020 and 17th January 2021.

5.2 The 'Your Sport, Your Vision, Your City' residents online survey managed by FMG as part of their contract, resulted in almost 1500 responses, the headline findings of which are shown in the SFIP attached at Appendix 1.

### **Consultation with Local Stakeholders (see p15 & p20 Appendix 1)**

5.3 Consultation was also undertaken with local internal and external stakeholders along with sports clubs and associations through structured interviews to help inform the SFIP.

## **6. CONCLUSION**

6.1 Sports Facilities provided by local authorities remain a critical part of leisure services. They are managed and funded for the benefit of local residents, many of whom cannot afford subscriptions to private clubs or cannot get access to facilities for a number of reasons. The SFIP has provided detailed insights into the council's current sports facilities and recommended a ten-year plan for investment to create modern centres, improve environmental sustainability and increase participation in sports and physical activities.

6.2 Detailed condition surveys undertaken as part of the research phase have demonstrated the poor condition of the Council's major sports facilities. Therefore, the development of the SFIP has been essential as the first stage towards ensuring high quality of sports facilities are provided for all residents and that they are distributed to encourage greater local participation.

6.3 Production of the SFIP with external specialist consultants informs future decision making, assesses the level of investment needed and shapes strategic priorities for the growing city. However, it is just the start of a more detailed

process to develop individual projects which will be subject to future committee approvals.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The review of the current facilities includes an estimate of lifecycle costs of c£20m for the existing sports and leisure portfolio over the next 15 years and recommends that investment would be better utilised providing modern and efficient facilities. The investment plan is expected to be delivered over a number of years and therefore elements of the lifecycle costs will still be required to ensure the safe operation of the existing facilities whilst they remain open. Funding to cover these costs will need to be identified through the budget setting process and formulation of the capital investment programme.
- 7.2 The investment plan is expected to be delivered in phases and therefore full financial appraisals of each stage will be required including updated costs and the potential improved revenue streams alongside any grants. Capital investment net of grants would be funded through council borrowing with the borrowing costs funded from the improved revenue streams. As with all investments reliant on revenue income there is an inherent risk that estimates may not materialise creating a financial pressure on the council and these risks will need to be mitigated through robust business plans and any proposals for capital investment will require approval from Policy & Resources committee or Budget Council.
- 7.3 The consultancy costs for the development of the Sports Facilities Investment Plan were funded from corporate modernisation resources approved by budget council.

*Finance Officer Consulted: James Hengeveld*

*Date: 13/05/21*

### Legal Implications:

- 7.4 Policy & Resources is the appropriate committee to make the decisions set out in the recommendations above as there are corporate policy and budgetary implications to the proposals.
- 7.5 The Council's Constitution allows committees to establish member working groups. Permanent member groups (as opposed to 'task and finish' groups, set up on a time-limited basis) may only be established by the Policy & Resources Committee. The terms of reference of all permanent groups shall be approved by Policy & Resources and included in the Constitution.
- 7.6 Legal Services will work closely with the project team to advise on the implementation of the SFIP as the project progresses and the legal implications of decisions will be reported in future reports.

*Lawyer Consulted:*

*Alice Rowland*

*Date: 13/05/21*

### Equalities Implications:

- 7.7 The SFIP has equalities and accessibility at its heart. Modern facilities which are designed to be physically accessible, enable diverse communities to be accommodated easily and are priced to include the greatest number of people is something that Brighton and Hove can achieve. The ten-year plan in Appendix 1 will deliver this if the council can prioritise investment, as officers bring forward individual businesses cases for transformed sports facilities.
- 7.8 A requirement of the existing Sports Facilities Contract is the management of the sports centres to attract as diverse a range of users as possible. The operator Freedom Leisure is limited to some extent by the quality of current provision. The city's facilities currently meet the needs of the local community to some degree. However, improvements will enhance levels of participation and provide further opportunities to increase the diversity of the users.

#### Sustainability Implications:

- 7.9 Investment has taken place in the sports facilities in recent years to improve sustainability and reduce energy consumption. However, the age of the facilities makes the identification of lifecycle costs and the development of an investment plan important to understanding sustainability implications of the existing facilities.

#### Brexit Implications:

- 7.10 None identified

#### Risk and Opportunity Management Implications:

##### Sports Facilities Contract

- 7.11 The implementation of the SFIP could reduce the risk of the future operation of the facilities in the Sports Facilities Contract. A portfolio of improved sports facilities would have increased financial sustainability which would reduce that financial risk of operation.

##### Unintended Closure of Facilities

- 7.12 The existing major facilities are in general in poor condition because of their age. There is a risk that a major building or plant failure at a facility could lead to a permanent closure if the cost of repair was uneconomic. Given the age of major facilities, this is a possibility over the next five to ten years.

##### Lack of Sites

- 7.13 The SFIP proposes the development of new sports hubs that better serve local residents, both in terms of the facilities they offer and their location. Further work is needed on individual projects and business cases, but site availability is likely to prove a challenge and potential limiting factor. Officers are actively working on this and investigating options across the city.



### Financial Investment

- 7.14 The scale of capital investment proposed presents a financial risk, and this is covered within the financial implications.

### Public Health Implications:

- 7.15 Sports facilities provide an important setting for participation in sport and physical activity opportunities with the subsequent benefit to physical and mental health and wellbeing for users. A range of good quality facilities across the city is important to ensuring access to these opportunities for residents at affordable prices.

### Corporate / Citywide Implications:

- 7.16 A strategic approach to the implementation of the SFIP through the proposed establishment of a Cross Party Project Board, is intended to ensure that there is the appropriate provision of sports facilities across the city.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Sports Facilities Investment Plan 2021-31
2. New Member Working Group Draft Terms of Reference

### **Background Documents**

1. Report to Tourism, Development & Culture Committee June 2019

