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COMMUNITY AND ENVIRONMENT
29 June 2022

Report of the Director of Community & Environmental Services

ANNUAL LEISURE REPORT 2021/22

PURPOSE OF REPORT

This is an annual report to provide an update on the performance of the four leisure centres within the district, from 1 April 2021 – 30 March 2022. These leisure centres are now operated by Freedom Leisure.

RECOMMENDATION

1. To note the annual report provided by Freedom Leisure for 2021/22
2. To approve a deviation from the leisure contract to allow Freedom Leisure to retain and carry forward the £28,910 surplus from 2021/22 to 2022/23.

WARDS AFFECTED

All

STRATEGIC LINK

The provision of leisure facilities links with climate change to improving Place and to improve the health and wellbeing of residents linking with all the Council's corporate priorities.

1 BACKGROUND

- 1.1 The District Council has four leisure centres. These are sited in Ashbourne, Bakewell, Matlock and Wirksworth.
- 1.2 Following a review and options appraisal, the management and development of the service was outsourced to Freedom Leisure, a not profit organisation, in August 2018.
- 1.3 The Community Development Manager manages the contract with Freedom Leisure to ensure the service is operating in line with the contract.
- 1.4 Freedom Leisure provides the District Council with a report every quarter that captures headline data and key outcomes during that period. These reports then form an annual report at the end of the financial year, see Appendix 1 for 2021/22 annual report.
- 1.5 The concept behind this report is to demonstrate the work that has taken place throughout the 2021/22 financial year and the performance of the four leisure centres.

1.6 This is the second annual report to be presented to committee since the start of the contract as during 2020/21 the centres were closed for the majority of the year due to covid-19. Therefore no report was completed for 2020/21.

2 REPORT

Contract Management

2.1 The Community Development Manager, who is responsible for managing the leisure contract, completes site visits across the four leisure centres every quarter and meets with each Leisure Centre Manager on a monthly basis. These site checks include a full site inspection, including:

- Cleanliness
- Health & Safety Management
- Customer Service
- Incident Reporting
- Environment & Energy Management

2.2 The above 5 areas are reviewed and reported in a monthly report, as detailed in the service specification, to identify any high risk areas that could ultimately result in penalty charges.

2.3 During 2021/22 financial year there were no penalty charges awarded to Freedom Leisure as performance was in line with the metrics set out in the contract and specification.

2.4 Quarterly meetings take place with Freedom Leisure and Derbyshire Dales District Council officers. These meetings give an opportunity for Freedom Leisure to present a report on the performance over the previous quarter and to address any issues from both Derbyshire Dales District Council and Freedom Leisure. Items on the agenda can include capital spend and leisure centre improvement works, the Active Communities Plan, consultation results and areas of concern.

2.5 The Community Development Manager works very closely with Freedom Leisure's Area Manager. This means there are very few issues within the contract as these get addressed through regular communication.

Participation

2.6 Freedom Leisure track participation through both total usage and active usage. Over the past year the total usage of our 4 leisure centres is **755,466** and active usage is **585,795**. With a full year of opening since covid-19 the contract has got back to the participation that it reached in the year 2018/19. Post covid activity levels have continued to rise month on month and participation is over 90% post covid levels.

2.7 Due to Covid-19 there are some areas that have taken longer to recover than others. There has been a significant uplift in aquatics. Participation for casual swimming is just 300 visits off 2019/20 full year performance. There is a huge rise in the Learn to Swim

programme with 2,372 children learning to swim, this is the highest number of children on the programme to date.

- 2.8 This data is very encouraging as it was very unclear what impact the pandemic would have on the leisure industry and how quickly it would bounce back.

Active Communities

- 2.9 Freedom Leisure appointed a new Active Communities Manager in September 2020 who has worked closely with Derbyshire Dales District Council's Physical Activity & Sport Development Team from the beginning, as well as with sports clubs who use the leisure facilities and with many local stakeholders.
- 2.10 Active Communities has worked in partnership with Derbyshire Dales District Council to host free swimming sessions during the school holidays for children from the Hurst Farm Holidays project. They have also supported the bid and operation of Holiday, Activities and Food programmes which ran during the Christmas holidays 2021/2022.
- 2.11 Active Communities have attended and supported the District Council's 3km events across the district to promote the centres to a wider audience and targeted specific groups to sign up to a free day pass at the centres.
- 2.12 A total of £1,757 has been secured by the Active Communities Manager between September 2021 and March 2022. The successful funding is for 2 projects; Ashbourne Pool Hoist and Autism project at Arc Leisure Matlock.
- 2.13 A successful project working alongside Matlock Water Polo Club supporting them with the recruitment of more junior members, through taster sessions being held at Bakewell Pool during Christmas holidays and February Half Term.
- 2.14 30+ staff have been trained in Dementia Awareness with Alzheimer's UK and 15 Staff trained in Autism Awareness with Autism East Midlands.

Capital Works

- 2.15 As part of the contract Derbyshire Dales District Council have pledged to invest just over £1.1M in capital refurbishment works across the 4 leisure centres.
- 2.16 Derbyshire Dales District Council funded capital refurbishment works include:
- Gladstone system upgrade to allow the launch of Go Learn, which is an in centre online portal that supports teachers in monitoring progress in swimming lessons. Go Learn also allows parents to log in at home to look at their child's progression.
 - 4 pool covers have been installed across the 3 pool sites to support the decrease in energy consumption. This supports the pools to not lose heat overnight or when not in use.
 - Upgraded bouldering mats at Wirksworth Climbing Wall

2.17 Future development works may include:

- Upgrade to the Ashbourne dryside vanity areas
- Upgrade Ashbourne minor hall with modernisation and redecoration
- Access control gates to the entrance at Arc.

Environment & Energy Management

2.18 Full responsibility for the procurement, management, cost and use of gas, water electricity and pool chemicals transferred to Freedom Leisure, who are required to operate the facilities in an environmentally sensitive and sustainable manner, to reduce energy consumption, minimise chemical usage, and recycle appropriate non-hazardous wastes.

2.19 The 2021/22 figures shown within the annual report (appendix 1) compare against 2019/20 as due to lockdown this year shows a more true comparison.

2.20 Collectively the contract has reduced both gas and electric usage across the 4 sites reducing electric consumption by circa 19% and reducing gas consumption by 7%.

2.21 There will be continued savings in the coming year due to the decarbonisation project at Ashbourne which is due to be finished late summer 2022.

2.22 The project was fully funded by a successful bid to the Public Sector Decarbonisation Scheme in partnership with Freedom Leisure. The total grant amount was £734,000 and has funded decarbonisation of the heating through replacement of the existing life expired boilers with air source heat pumps, the installation of 180 solar PV panels, battery storage to maximise use of energy generated on site, a building energy management system and new metering.

2.23 The project recently won a Commended Award at the East Midlands Energy Efficiency Awards for Large Project of the Year.

Operational Income & Expenditure

2.24 Over the 2021/22 financial year Freedom Leisure have generated £2,634,977 of income in comparison to the bid where income levels were expected to be £2,996,867 (excluding the management fee). The pandemic has had an impact on the income levels due to still operating at around 90% pre covid levels overall. Expenditure for this period is £2,953,837. The management fee for 2021/22 totalled £347,770, therefore the total income for the financial year is £2,982,747, resulting in a surplus of £28,910 on the contract.

2.25 Whilst the end of year surplus is £28,910 this was achieved by the help of grants:

- £72,000 NNDR restart grants
- £43,000 JRS grants
- £74,000 NLRG grant carried forward from 2020/21.

- 2.26 Due to the rise in the cost of living and the rise in utility bills nationally it is recommended that the £28,910 surplus remains with Freedom Leisure rather than a 50/50 surplus share as this will ease pressure throughout 2022/23 when utility bills increase significantly.

Officer's comments

- 2.27 Derbyshire Dales District Council will continue to work even closer with Freedom Leisure over this next financial year to monitor any further impact the pandemic has on the performance of the leisure centres. There has been clear communication throughout the pandemic and since the reopening of the sites over the past year and Derbyshire Dales District Council have supported Freedom Leisure throughout.

3 RISK ASSESSMENT

3.1 Legal

This Report is focused on the annual report providing an update on the performance of the four leisure centres within the district, from 1 April 2021 – 30 March 2022. This is in compliance with the contract. Therefore at this time the legal risk in connection with this report has been assessed as low.

3.2 Financial

The report indicates that the contract has resulted in a surplus of £28,910 for 2021/22.

Under the terms of the Council's contract with Freedom Leisure, this surplus would usually be shared 50:50 between the Council and Freedom Leisure. However, Freedom has requested that the surplus be carried forward into 2022/23 to offset any potential deficit for that year.

Such a deficit is likely for several reasons. The two main reasons are the increased costs for fuel and energy costs to heat, light and run the leisure centres and the risk of a reduction in customer income. Customer participation, and therefore income levels, could fall as a result of customers reducing their use of leisure facilities as they deal with the impact of the rising cost of living, including fuel costs.

Officers are of the view that it makes sense to carry forward the surplus from 2021/22, to offset any deficit in 2022/23, rather than to distribute it now. The Council's share of the 2021/22 surplus is £14,455, so the financial risk is assessed as low.

4 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

5 CONTACT INFORMATION

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6 BACKGROUND PAPERS

None

7 ATTACHMENTS

Appendix 1 – Annual Freedom Leisure Report