

# Strategic Leisure Review

## Appendix D Investment Plan

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October 2023

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## Introduction

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1. This document sets out an Investment Plan (the 'Plan') the into leisure services, produced in order to inform the proposed public consultation. It has been produced via initial consultation with Everybody Health and Leisure (EHL) as the Council's nominated leisure services delivery partner.
2. The Plan is split into two distinct parts as follows;

### **Part 1 Revenue**

3. This section of the plan considers the following matters;
  - How the Council subsidised Options membership scheme currently operates in terms of qualifying criteria and proposals around changes to those criteria to make this focussed around achieving key public health outcomes. This is also with a view to providing specific funding to enable the promotion of use of leisure services as a way of improving health and wellbeing in specific communities, based on a clear public health evidence base.
  - Sets out the overall subsidy provided by the Council to those sites proposed to be included in Group 2 under the "corporate landlord" approach in terms of facilities management costs which includes planned maintenance, repairs and utilities costs.

## Part 2 – Capital Portfolio Investment

4. This section sets out a range of proposed capital investments, delivered on a portfolio based approach to secure maximum benefit.
5. Alongside the forecast investment £values this part of the Plan outlines the respective site specific benefits and implementation timescales of these capital investments, which have been developed to;
  - Provide modern fit for purpose leisure facilities which will provide a long-term asset to the communities which they serve;
  - Creation of additional or re-purposing of existing spaces together with new or amended infrastructure at specific locations to enable diversification of the health and wellbeing services offered and;
  - Drive an increase in memberships at these sites which will wholly or partially enable them to become financially self-sustaining, noting for the Group 2 sites the absence of a Council subsidy in the future.
6. In the final version of the plan this section will also encapsulate the current secured S106 developer contributions, setting out the £value and detail of any specific obligations that these monies have been secured to deliver.

### Benchmarking

7. A basic benchmarking exercise has been undertaken against neighbouring local authorities in relation to;
  - The number of publicly funded sites operated v's population
  - The number of publicly funded swimming pools operated v's population
  - The prices of various grades of memberships,
  - To inform the review of the Options membership scheme what are the corresponding eligibility criteria
8. Population data is derived from census 2021 first results data set, (Office of National Statistics)
9. The providers for each local authority selected are as follows;
  - **Cheshire East** – Everybody Health and Leisure - [Everybody Health & Leisure | Join Online Today](#)
  - **Cheshire West and Chester** – Brio Leisure - [Brio Leisure - Gyms and Entertainment in Cheshire](#)

- **Warrington** – LiveWire - [LiveWire Warrington • Health & Fitness, Culture and Community Hub](#)
- **Stockport** – Life Leisure - [Leisure Facilities & Classes Stockport | Life Leisure](#)

### Total Provision by Population

Table 1 sets out a basic comparison of number of leisure sites, which are supported with public funding, by head of population and provides a variance to the average as a simple method of comparison.

The last row illustrates the change in the position as a result of the review proposals.

Local Authority	Total Public funded sites	Population	Sites per 100,000 people	Difference from sample average (3.06)
<b>Current position as at 5 October 2023</b>				
Cheshire East	15	398,800	3.76	+ 0.70
Cheshire West and Chester	8	357,200	2.24	- 0.82
Warrington	6	210,900	2.84	- 0.22
Stockport	10	294,800	3.39	+ 0.33
<b>Post review position</b>				
Cheshire East	11	398,800	2.76	- 0.30

Table 1: Summary breakdown of overall public leisure site provision by total population

### Swimming Provision

Table 2 sets out a basic comparison of number of swimming pools which are publicly available by head of population.

The last row illustrates the change in the position as a result of the review proposals.

Local Authority	Sites with Pools (1 or more)	Total Pools (Main + Learner)	Population	Pools per 100,000 people	Difference from sample average (2.95)
<b>Current position as at 5 October 2023</b>					
Cheshire East	9	14	398,800	3.51	+0.56
Cheshire West and Chester	6	10	357,200	2.80	- 0.15
Warrington	4	8	210,900	3.79	+ 0.84
Stockport	5	5	294,800	1.70	- 1.25
<b>Post review position</b>					
Cheshire East	7	12	398,800	3.01	+0.06

Table 2: Summary breakdown of overall public swimming provision by local authority

The result of the review brings swimming pool provision per 100,000 population head more in line with the average observed across these four neighbouring authorities, and directly comparable with that provision in Cheshire West and Chester.

### Membership Pricing

Table 3 sets out a summary of membership pricing across the publicly funded leisure estates in each of the four local authorities in the sample. It should be noted that these are as a guide as there are slight differences between the detailed terms and conditions.

Local Authority	Standard (£ per month)	Concession (£ per month)	Youth (£ per month)	Junior (£ per month)
Cheshire East	£ 35.99	£ 26.00	£ 26.00	£ 26.00
Cheshire West and Chester	£ 34.00	£ 27.50	£ 17.00	£ 13.00
Warrington	£ 33.50	Not Available	£ 15.00	£ 10.00
Stockport	£ 38.00	£36.00	£ 26.50	£ 16.00

Table 3: Summary of membership pricing by category

### Concessionary Eligibility Criteria

#### *Cheshire West & Chester – Brio Leisure*

20% discount offered from standard membership prices

- Employment & Support Allowance
- Job Seekers Allowance
- Child Tax Credit & Working Tax Credit
- Disabled Living Allowance, Disabled Benefit & Registered Disabled
- Senior Citizen (66+)
- Full Time Student
- Ex-Member of Armed Forces - this membership is available to those who have left the forces in the last five years. The five year period commences from their official discharge date and not from start of membership date.
- Serving Members of Armed Forces - a complimentary off-peak membership for the serving members of the British Army, Royal Navy and Royal Air Force.

- Medically Discharged from Armed Forces - a free one year off-peak membership for armed forces who have been medically discharged with an option for a further 4 years of discounted membership thereafter.

#### *Warrington – LiveWire*

Percentage discount offered from standard membership prices not available at time of writing.

- Universal Credit
- Income Support
- Employment and Support Allowance
- Housing Benefit
- Working Tax Credit
- Council Tax Support Scheme
- Personal Independence Payment (adults only, 16+)
- Disability Living Allowance (adults only, 16+)
- Carers Allowance
- Student 16+ years in full time education
- 65+ years
- Ante/Post Natal
- Armed Forces – Armed Forces personnel in active service are eligible to claim 2-weeks free membership at LiveWire, twice per year.

#### *Stockport – Life Leisure*

No specific concessionary scheme. Additional grade of membership as follows;

- 60 years + - £36.00 per month direct debit

# Strategic Leisure Review

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## Investment Plan – Revenue

## Options Membership Scheme

10. Table 4 sets out the current criteria, how many people hold these memberships (as at 26<sup>th</sup> September 2023) and the estimated total financial value of the subsidy paid.

Ref	Qualifying Criteria	Number Members by criteria	% of total Options Members	Approx. CEC Subsidy £value
E1	Senior Citizen (Aged 66 and over)	1,585	33.7	£ 171,180
E2	Full Time Student (Aged 17 and over)	737	15.7%	£ 79,596
E3	Young Person (Aged 16 and under)	1,608	34.1%	£ 173,664
E4	Serving Armed Services Personnel	101	2.1%	£ 10,908
E5	Jobseekers Allowance (Income and Contribution Based)	52	1.1%	£ 5,616
E6	Income Support	143	3.0%	£ 15,444
E7	Housing Benefit or Council Tax Support	146	3.1%	£ 15,768
E8	Disability Living Allowance, Personal Independence Payment, Armed Forces Independence Payment or Severe Disablement Allowance	205	4.3%	£ 22,140
E9	Attendance Allowance	6	0.1%	£ 648
E10	Incapacity Benefit	0	0%	£nil
E11	War Disablement Pension with Mobility Supplement	0	0%	£ nil
E12	Carers Allowance	123	2.6%	£ 13,284
E13	War Disablement Pension without Mobility Supplement	0	0%	£ nil
E14	Concessionary Travel Scheme for people with Disabilities	0	0%	£ nil
<b>Totals</b>		<b>4,706</b>	<b>100%</b>	<b>£ 508,356</b>

*Table 4: Summary breakdown of current subsidised memberships by qualifying criteria.*

11. The table includes an estimate of the total financial support that the Council is providing to the delivery of each of the Options scheme eligibility criteria, based on the current 25% discount from a standard price membership, paid monthly over a set 12 month period. This is for guidance only, relative to the order of magnitude of overall financial support to providing this membership scheme.



12. Having given due consideration to the benchmarking undertaken and in terms of continued affordability of the scheme for the Council Table 5 therefore sets out the proposed revised criteria for the Options Membership, which forms part of the public consultation. It also sets out the evidence required to be resubmitted every 12 months in order to continue to access the discount.

Ref	Proposed Qualifying Criteria	Discount %	Fixed subsidy £value	Evidence required
NE1(a)	Senior Citizen (Aged 66 and over)	15%	£ 117,000	Valid photo ID with date of birth
NE1(b)	NE1(a) plus Pension Credit	20%	£ 25,000	Allowance Book
NE2(a)	Young Person (Aged 18 and under)	15%	£ 175,000	Valid photo ID with date of birth
NE2(b)	NE2(a) plus full time education	20%	£ 30,000	Letter from relevant educational establishment
NE3	Jobseekers Allowance	20%	£ 5,000	Job Seekers Allowance Book
NE4	Child Tax Credit	20%	£ 5,000	Award Notice Letter
NE5	Working Tax Credit	20%	£ 12,000	Award Notice Letter
NE6	Disabled Living Allowance, Disabled Benefit or Registered Disabled	20%	£ 18,000	Award Notice or Allowance Book
NE7	Serving armed forces personnel	20%	£ 9,000	Copy of valid warrant card.
NE8	Ex member of armed forces	20%	£ 4,000	Available for a period of 5 years from date of discharge. Official copy of discharge papers.
NE9	Targeted health outcomes	NA	£ 20,000	NA
NE10	Targeted promotions	NA	£ 20,000	NA
<b>Total</b>			<b>£ 440,000</b>	

Table 5: Summary breakdown of proposed subsidised memberships by qualifying criteria.

13. The revised approach to the Options scheme moves to a fixed subsidy £value payable to EHL annually for each of the qualifying criteria proposed, irrelevant of the number of memberships which have been taken out.

14. It should also be noted that the proposed new approach considers making financial allowances under NE9 and NE10 for the following;

- Targeted promotions within known areas of deprivation to encourage those residents to take up subsidised leisure memberships, as one way of accessing health based services. Promotions could include a period of free of charge 'trial' memberships for instance or reduced priced activities over a fixed 12 month period, such as causal swimming or fitness classes.
- The geographical areas to be targeted would be reviewed on an annual basis and agreed as part of the normal contract management process with EHL. The method through which such a targeted scheme would be administered would be designed by EHL as the appointed operator and approved by the leisure commissioning team in consultation with public health.
- A fixed sum of money each year to deliver targeted health outcome based services through one or more leisure centres. These would be agreed on an annual basis as part of the setting of the Annual Management Fee and the performance of EHL in delivering the outcomes would be managed through the established contract processes.

15. Options memberships will run for a set 12 month period from the start of subscription, after which there will be a requirement to re-provide evidence of continued eligibility prior to the commencement of each subsequent 12 month period.

16. Through the review it has become apparent that there could be Options scheme members who's registered home address falls outside the Cheshire East Council boundary. As such it is proposed to make a clear policy decision relating to ensuring only Cheshire East residents can access this scheme. This would commence from 1st April 2024.

17. Only sites included in Group 1 would be able to offer Options scheme memberships, with this subsidy re-invested into other areas of greatest need.

#### Group 2 Sites Subsidy

18. Table 6 sets out the current values of financial support provided to EHL in relation to the general running costs (energy, compliance testing and cyclical and responsive maintenance) of those sites proposed to be included in Group 2, where this support will be removed.

Site	Planned Maintenance	Statutory Compliance	Utilities	Total
Holmes Chapel	£ 11,207	£ 4,015	£ 67,036	<b>£ 82,258</b>
Knutsford	£ 14,107	£ 4,143	£ 245,291	<b>£ 263,541</b>
Middlewich	£ 978	£ 5,112	£ 33,737	<b>£ 39,827</b>
Poynton	£ 12,121	£ 3,447	£ 94,187	<b>£ 109,755</b>
<b>Total</b>	<b>£ 38,413</b>	<b>£ 16,717</b>	<b>£ 440,251</b>	<b>£ 495,381</b>

*Table 6: Summary breakdown of current site operation financial support*

# Strategic Leisure Review

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## Investment Plan – Capital

Leisure Minor Works Investment Programme

19. Table 4 sets out the proposed capital investments which have been considered on a portfolio based approach rather than a standalone basis.

20. It is intended that these investments will be considered on an invest to save basis, as they generate a revenue return for the Council.

Site and Brief Description	Investment Value	Average borrowing cost (£pa)	Minimum income to CEC (£pa)
Crewe LC – repurpose existing underused space	£ 250k	£ 17k	£ 30k
Macclesfield LC – convert squash court to gym	£ 250k	£ 17k	£ 30k
Macclesfield LC – new fitness equipment 2024	£ 450k	£ 105k (5yr)	£ 95k
Nantwich LC – extension to gym	£ 1M	£ 68k	£ 100k
Nantwich LC – convert old changing area to additional usable space	£ 400k	£ 27k	£ 40k
Shavington LC – replace end of life with new 4G pitch	£ 250k	£ 17k	£ 30k
Shavington LC – internal repurpose / upgrade	£ 100k	£ 7k	£ 10k
Wilmslow LC - convert squash court 3 to 2 flr gym	£ 250k	£ 17k	£ 30k
Wilmslow LC – new changing facilities	£ 450k	£ 31k	£ 50k
<b>TOTALS</b>	<b>£ 3.4M</b>	<b>£ 306k</b>	<b>£ 415k</b>

*Table 4: Summary of proposed capital investments*

21. Investment values have taken into consideration the following factors the larger values of which have been the subject of a formal feasibility study;

- All professional fees including the requirement for any consents
- Current forecast inflation rates applied to base costs
- Risk and contingency allowances.

Where possible costs are based on recent similar works or supplier quotations.

22. Capital borrowing annual repayments have been calculated on the basis of a 25 year payback period, unless otherwise stated.

23. In terms of delivery timescales for these investments Table 5 sets out some target dates for implementation, these dates are inclusive of any design or feasibility work that will be required.

<b>Investment</b>	<b>Works Start</b>	<b>Works Complete</b>
Crewe LC – repurpose existing underused space	Apr 24	Nov 24
Macclesfield LC – convert squash court to gym	Apr 24	Dec 24
Macclesfield LC – new fitness equipment 2024	Dec 24	Jan 25
Nantwich LC – extension to gym	Apr 24	Oct 25
Nantwich LC – convert old changing area to additional usable space	Apr 24	Jan 26
Shavington LC – replace end of life with new 4G pitch	Apr 24	Sept 24
Shavington LC – internal repurpose / upgrade	Apr 24	Mar 25
Wilmslow LC - convert squash court 3 to 2 floor gym	Apr 24	June 25
Wilmslow LC – new changing facilities	Apr 24	Apr 25

*Table 5: Summary of Minor Works Investment Programme target timescales*

24. It should be noted that the Council's current MTFS contains £4.189M of capital borrowing related to investment in leisure at Poynton Leisure Centre, which is unfunded. Poynton has now been categorised as a Group 2 site. It is therefore proposed to remove this budget line from the programme as this investment no longer has a valid business case.