

OPEN

Environment and Communities Committee

9 November 2023

MTFS 90 Strategic Leisure Review - Update

Report of: Peter Skates, Acting Executive Director - Place

Report Reference No: EC/11/23-24

Ward(s) Affected: ALL

Purpose of Report

- 1 To update Members on the progress of the implementation of the Strategic Leisure Review following the approval of the Council's Medium Term Financial Strategy 2023-27 (MTFS) at Full Council on 22 February 2023.
- 2 The review supports the Corporate Plan priorities of:
 - **Open** - A sustainable financial future for the council, through service development, improvement and transformation and;
 - **Fair** - Work together with residents and partners to support people and communities to be strong and resilient, reducing health inequalities across the borough
- 3 The report sets out the current context to service provision and the outputs from the review, the first stage of which has been informed by a robust review of both site usage and targeted public health evidence bases.
- 4 The report provides a roadmap for the next steps in the review including seeking permissions to move forward with a public consultation exercise

on proposals for a future model for leisure commissioning, accompanied by a draft investment plan.

Executive Summary

- 5 At Full Council on 22 February 2023, Council adopted the council's updated Medium Term Financial Strategy for 2023 - 2027. This included approving the Strategic Leisure Review proposal, which was to be delivered in two stages.
- 6 The first stage of the Review which was based around the need to generate a £1.291m budget saving in 2023/24 is now secured.
- 7 The principal objective of the second stage of the Strategic Leisure Review is to consider how we address health inequalities and maximise health outcomes for the residents of Cheshire East, from the current value of Council funding towards the delivery of leisure services.
- 8 From a [policy context the report also briefly sets out how this review supports the emerging Cheshire East Plan priorities of addressing health inequalities.
- 9 Cheshire East Councils leisure centres are operated by its current delivery partner Everybody Health and Leisure (EHL), a charitable trust. The operating contract was entered into in May 2014 for an initial period of ten years with an option of a further fixed 5 years. The contract was then the subject of a Cabinet decision in 2019 to extend it taking the end date to May 2029, in total a contract period of 15 years.
- 10 The Council's leisure estate spans across a total of 15 sites located throughout the borough, a summary of each is included at Appendix B. The EHL operated sites at Alderley Park and Holmes Chapel Community Centre are private initiatives and hence are out of scope.
- 11 The development of the review has consisted of looking at a range of data from both a public health and site usage perspective. With the latter being provide to the Council by EHL some of which is contained as a Part 2 item due to its commercial sensitivity.
- 12 A weighted site assessment matrix included at Appendix C1 and C2 which shows how each site has been rated is included at Appendix B. the weightings applied have placed more onus on the public health elements of the scoring. This splits the sites into two groups, Group 1 being those sites where Council subsidy to leisure provision will continue unaffected and Group 2 being those sites where that subsidy will be removed.

- 13 Proposals for the future of the sites within Group 2 are then considered in the report, subject to consultation and a final committee decision.
- 14 Alongside the proposals related to the requirement for sites in specific locations an investment plan has been developed which looks at both revenue and capital aspects of the leisure commissioning function. This is considered in detail in Appendix D.

RECOMMENDATIONS

The Environment and Communities committee is recommended to:

1. Note the objectives of and progress to date of the work to bring forward the Strategic Leisure Review alongside its contribution to delivering the Council's Medium-Term Financial Strategy, as adopted at council on 22 February 2023;
2. Authorise the Interim Director of Environment and Neighbourhood Services to carry out public consultation based on the proposals contained within this report, which will inform future leisure commissioning activities and;
3. Note that following the consultation process, a report will be brought back to Committee setting out the final proposed delivery model and the financial implications of a proposed investment plan.

Background

- 15 At Full Council on 22 February 2023, Council adopted the council's updated Medium Term Financial Strategy for 2023 - 2027. This included approving the Strategic Leisure Review proposal, which was to be delivered in two stages.
- 16 The first stage of the Review which was based around the need to generate a £1.291m budget saving in 2023/24 is now secured, with the saving built up as follows;
 - A contribution from Public Health based on substantiated health outcomes - £625k
 - A reduction in the discount provided through the Options scheme which the Council pays for from 30% to 25% - £60k
 - The adjustment of a number of qualifying criteria to the Options scheme including shifting to state pension age of 66 from 60 - £22k

- The introduction of a 50 pence swimming surcharge to support the leisure estate in terms of significantly increased costs related to operating a large number of public swimming pools - £241k
 - The successful receipt of a one-off revenue grant from Sport England from the Swimming Pool Support Fund - £500k
 - A targeted reduction in energy uses through day-to-day operational interventions across the leisure estate - £82k
 - Giving a total achieved in year saving against the revenue leisure commissioning budget line of £1.53M.
- 17 There was also a proposal to review subsidised car parking provision at Crewe and Nantwich Leisure Centre sites, the £70k annual budget which has now been removed, with the implementation now aligned to the wider Parking Review, under Highways and Transport Committee.
- 18 In parallel with delivering these savings work has been undertaken to develop stage two of the review which looks at the medium term, the next 2-3 years from 1st April 2024.

Stage 2 Review Objectives

- 19 The principal objective of the Strategic Leisure Review is to consider how we address health inequalities and maximise health outcomes for the residents of Cheshire East, from the current value of Council funding towards the delivery of leisure services.
- 20 Aligned to the principal objective also considering options around;
- Alternative “commercial” delivery models for leisure sites where council subsidised funding provision cannot be justified on a combined public health and service demand basis.
 - In conjunction with the above promoting a managed approach to future capital investment in Council leisure sites, driven by public health need, service user demand and considering pinch points in capacity of existing sites.
- 21 The outcomes from the review are intended to implement a transitional change process towards a new Leisure operating model for post May 2029, accelerating the reduction in subsidies paid in support of Everybody Health and Leisure (EHL).
- 22 This transitional arrangement will be supported by a defined Investment Plan delivered over a period of 2-3 years, designed to enhance both

service provision specific to health-based outcomes and the fixed leisure asset.

Overview of Operation and Site Locations

- 23 Cheshire East Councils leisure centres are operated by its current delivery partner Everybody Health and Leisure, a charitable trust. The operating contract was entered into in May 2014 for an initial period of ten years with an option of a further fixed 5 years. The contract was then the subject of a Cabinet decision in 2019 to extend it taking the end date to May 2029, in total a contract period of 15 years.
- 24 As part of establishing the initial contract it was agreed that the Council would support the provision of leisure services in the following ways;
- The payment of an annual management fee which for 2023/24 was agreed at £ 1.291m. This includes a subsidy paid towards the delivery of a subsidised membership scheme titled “Options”.
 - That the Council would act as corporate landlord and as such fund all facilities management costs related to the leisure estate which includes minor maintenance and utility costs. For 2022/23 the actual costs associated equated to £ 3.765M, which was a significant increase from £2.136M actual expenditure in 2021/22. This is principally due to significant uplifts in energy costs but also planned and reactive maintenance which is a direct reflection of the age of a number of these facilities. It should be noted that the associated costs for the Congleton site are not included in these figures as it was undergoing redevelopment.
- 25 The Council’s leisure estate spans across a total of 15 sites located throughout the borough as shown at Figure 1. The EHL operated sites at Alderley Park and Holmes Chapel Community Centre are private initiatives and hence are out of scope, with the latter considered as part of mitigation to the proposals contained within the review.
- 26 The council also owns a leisure centre at Bollington which is also out of scope of this review as it is not currently funded by the Council and is leased to and operated by another charitable organisation Bollington Health and Leisure.

Leisure Centres in Cheshire East

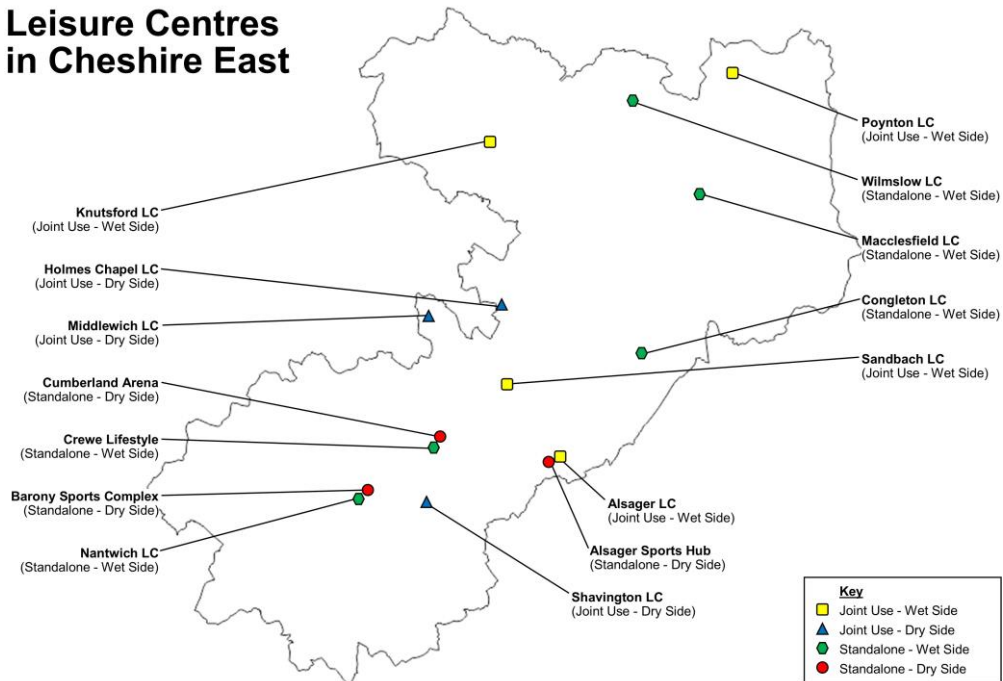


Figure 1: Map of Council funded leisure site locations

27 These sites vary in scale and scope of services offered, a detailed overview of which is included at Appendix B but in summary;

- 4 joint use wet sites (with swimming pools) – Alsager, Knutsford, Poynton and Sandbach Leisure Centres;
- 3 joint use dry sites at – Holmes Chapel, Middlewich and Shavington Leisure Centres;
- 5 standalone wet sites (with swimming pools) at – Congleton, Crewe, Macclesfield, Nantwich and Wilmslow Leisure Centres and;
- 3 standalone dry sites at – Alsager Sports Hub, Cumberland Arena and Barony Sports Complex.

Reference to standalone and joint use relates to whether the leisure site in question also has another purpose, generally these are attached to a secondary school site who also utilise the facilities during school hours.

28 In terms of core services, as a collective the sites provide the following:

- 13 purpose built gyms & studios with the relevant equipment
- 9 swimming pools, including one outdoor pool located at Nantwich
- 9 sports pitches – grass & artificial grass

- 2 athletics tracks

29 Site opening hours are shown in the information sheets at Appendix B.

Review development

30 Since the MTFFS was approved at Full Council in February 2023 a project team comprising of but not limited to officers from Neighbourhood Services, Public Health, Finance and Legal has been put in place to develop and deliver the review.

31 The review approach has been developed, utilising a review of a robust evidence base from both a site usage and public health data sets.

Site Usage Data

32 A summary of current site usage is contained at Table 1, including percentage comparators. All figures are taken over a 12 month period between August 2022 and 31st July 2023.

33 For the purposes of the review noting the complimentary offers, geographical proximity and the fact that operationally they work in tandem it is proposed to group the following sites together for assessment;

- Alsager Leisure Centre and Alsager Sports Hub
- Crewe Lifestyle Centre and Cumberland Arena
- Nantwich Leisure Centre and Barony Sports Complex

Leisure Site	Visits		Members		Options		LTS	
	No.	%	No.	%	No.	%	No.	%
Alsager		5.9		7.3		6.5		9.1
Alsager Sports Hub	LINKED TO ALSAGER LEISURE CENTRE - COMBINED OFFER							
Congleton		14.1		13		8.1		11.9
Crewe		14.4		17		20.7		17.0
Cumberland Arena	LINKED TO CREWE LIFESTYLE CENTRE - COMBINED OFFER							
Holmes Chapel		2.5		0.5		0.2	NA	\
Knutsford		5.2		5.4		6.1		7.2
Macclesfield		15.3		13.7		12.0		16.4
Middlewich		2.8		0.8		0.4	NA	\
Nantwich		10.1		13.7		13.4		12.4
Barony Sports Hub	LINKED TO NANTWICH LEISURE CENTRE - COMBINED OFFER							
Poynton		5.3		3.6		4.5		6.0
Sandbach		12.1		10.0		9.1		10.2
Shavington		5.9		7.2		8.3	NA	\
Wilmslow		6.5		7.5		10.8		10.0
Totals		100		100		100		100

Table 1: Site Usage Summary (full Table included as Part 2 item)

Note: due to redevelopment works Congleton site visits figures pro rata'd from 3 months (July – Sept 2023)

Participation in Leisure

- 34 As part of the initial data analysis a review of the levels of participation has been undertaken with results presented by ward within the respective public health areas.

35 Participation in leisure services has been calculated by comparing the total number of memberships of all grades against the population of each ward to give a percentage. This information is included in detail within Appendix B however Table 2 summarises. The notation (+1) references to sites with a combined offer as show in Table 1.

Public Health Area (Care Communities)	No of Wards	No of CEC leisure sites	Total Population (A)	Participation by ward %			A x B
				Ave. (B)	Low	High	
Congleton	3	2	39,900	10.2	9.8	11.1	4,070
Crewe	11	2 (+1)	88,000	8.2	6.3	11.4	7,216
Knutsford	3	1	22,900	8.3	1.8	11.4	1,901
Macclesfield	9	1	61,700	7.2	4.4	15.5	4,442
Nantwich	5	1 (+1)	35,300	9.3	4.1	14.2	3,283
Poynton	4	1	29,500	5.4	0.7	9.6	1,593
SMASH	9	3 (+1)	74,300	7.7	4.4	10.7	5,721
Wilmslow	8	1	48,200	7.1	3.4	11.2	3,422
Totals	52	12 (+3)	378,900	\			\

Table 2: Summary of participation in Leisure Services by Care Community

36 As a direct comparator the average level of participation in leisure services across all Cheshire East wards is 7.9%, hence only the Poynton area average falls significantly below this.

37 It can be seen from the column to the right in Table 2 that the individual sites at Knutsford and Poynton based on average percentages of participation in leisure services service a smaller proportion of the population of the wards in their respective public health (Care Community) areas.

38 This information has been used to inform thinking around how to increase participation levels in specific wards were this is currently lower than the average and there is a documented health inequality.

Participation Reach

- 39 A further data analysis was undertaken to understand whether any specific site was seeing attendances from leisure members registered at other sites. This is intended to determine whether sites are acting as a 'group' in servicing demand for a geographical area or essentially stand alone. The 12 month period of 1st August 2022 through to 31st July 2023 was used for this analysis utilising electronic access data available, specifically to the secure fitness suites located at each site.
- 40 A detailed summary of when and from which home destination these visits happened is included as part of the information in Appendix B and for the list of leisure sites in Table 3, which acts as a summary.
- 41 In summary the trends observed within Table 3 highlight the following;
- The sites at Holmes Chapel, Middlewich and Poynton attract the fewest visits from members registered at other sites and therefore a reasonable assumption could be that these sites operate more on a standalone basis.
 - Crewe and Nantwich attract 45.5% of the overall migration usage from members registered at other sites which would suggest that these sites at peak times are operating at capacity and hence users are diverting to alternative adjacent sites.
 - The site at Shavington provides for a disproportionately large migration of use for members registered at other sites, when compared to the site infrastructure. This is particularly evident for both Crewe and Nantwich sites and it could be concluded that these three sites operate as a collective in servicing the need of the wider geographical area.

Leisure Site	Other Members visits		Comments *all %'s quoted are rounded
	No.	%	
Alsager		4.5	A large proportion of use comes from members registered at Crewe LC (44%) however not in the same volumes as observed at either Shavington or Sandbach sites.
Barony Sports Complex		4.3	As expected the data evidences a large proportion of use from Nantwich LC (62%)
Congleton	No data available at present due to only recently opening		
Crewe		25.4	The three largest contributing sites are Shavington (35%), Sandbach (26%) and Nantwich (19%) of total visits
Holmes Chapel		1.1	A large proportion of the visiting members at this site originate at the adjacent Holmes Chapel Community Centre (80%), which is also operated by EHL.
Knutsford		3.7	The two largest contributing sites for visiting members are Macclesfield (28%) and Wilmslow (25%)
Macclesfield		8.0	The two largest contributing sites for visiting members are Alderley Park (32%) and Wilmslow (20%)
Middlewich		0.4	The largest visiting set of members came from Sandbach (51%)
Nantwich		20.1	The three largest contributing sites for visiting members are Crewe (36%), Shavington (36%) and The Barony Sports Complex (20%)
Poynton		1.3	The two largest contributing sites for visiting members are Macclesfield (39%) and Wilmslow (37%)
Sandbach		10.2	The majority of these visiting members originate from Crewe (46%)

Leisure Site	Other Members visits		Comments *all %'s quoted are rounded
	No.	%	
Shavington		17.7	Circa 85-90% of these visits are from members registered at the Crewe and Nantwich sites. It can be seen in November 2022 as Crewe site was undergoing refurbishment a large number of those members used Shavington as their alternative venue.
Wilmslow		3.3	The two largest contributing sites for visiting members are Alderley Park (36%) and Macclesfield (29%)
Totals		100	

Table 3: Summary of Membership Reach analysis (full table at Part 2)

Benchmarking

- 42 A basic benchmarking exercise has been undertaken against three neighbouring local authorities in relation to;
- The total number of sites operated v's population;
 - The total number of swimming pools operated v's population and;
 - The prices of various grades of memberships. This has included informing the review of the Options (concessionary) membership scheme which is covered later in this paper.
- 43 This information is contained at Appendix D in more detail however the key headlines are as follows;
- Currently Cheshire East has a higher number of facilities by head of population than all of the sample neighbouring local authorities.
 - Currently Cheshire East has a higher number of swimming pools by head of population than all but one of other neighbouring local authorities, with the review bringing this metric in line with the average.
 - The prices charged for various grades of membership where these can be directly compared are mid-range when compared with operators delivering public leisure services for neighbouring local authorities.

Site Assessment

- 44 Utilising the above site usage data combined with the various publicly available public health data sets a site assessment process has been undertaken. This has been summarised in the form of a weighted scoring matrix included at Appendix C. The scoring matrix as observed places a greater weighting on key public health metrics other than those of site usage.
- 45 Table 4 summarises the total scores for each site.

Leisure Site	Sub Total Site Usage	Sub Total Health	Total Score
Alsager (inc Sports Hub)	15	6	21
Congleton	21	11	32
Crewe (inc Cumberland Arena)	29	28	57
Holmes Chapel	6	0	6
Knutsford	12	4	16
Macclesfield	28	22	50
Middlewich	6	8	14
Nantwich (inc. Barony Sports Hub)	25	12	37
Poynton	13	2	15
Sandbach	19	12	31
Shavington	13	20	33
Wilmslow	18	8	26

Table 4: Summary of Site Assessment Scoring

46 Based on the score obtained the sites have then been grouped as follows;

- **Group 1** - Retain Council financial support at current levels through both Annual Management Fee and Corporate Landlord funding streams – **scores above 20 points**
- **Group 2** – Remove Council financial support specifically the Corporate Landlord funding with a view to these sites being either operated on a commercial basis, alternative funding sources being secured or being closed. These sites would also not be able to offer any discounted memberships which are currently subsidised by the Council – **scores below 20 points**

47 Therefore from the assessment process the following are lists of sites included in each of the two groups with respective scores (X) and where appropriate a brief supporting narrative.

Group 1 – Sites to continue to be subsidised

- Alsager Leisure Centre with Alsager Sports Hub (21) – combined offer providing one of the two swimming pools in the SMASH care community and also attracts a larger share of visits and memberships than other similar joint use sites.
- Congleton Leisure Centre (32) – despite being closed as a site for development works the levels of forecast annual visits and current memberships are amongst the highest across the estate.
- Crewe Lifestyle Centre with Cumberland Arena, Crewe (57) – combined offer which attracts the highest visits, memberships across all categories and services six of the most deprived wards in the borough. It is clear that this site at peak times is operating at capacity.
- Macclesfield Leisure Centre (50) – similar to Crewe attracts a high number of users across all membership categories and provides leisure and wellbeing services for Macclesfield's most deprived areas.
- Nantwich Leisure Centre with Barony Sports Complex (37) – combined offer with similar capacity issues as those seen at Crewe.
- Sandbach Leisure Centre (31) – attracts a high number of visiting members from particularly Crewe but also services Middlewich area for access to swimming.

- Shavington Leisure Centre (33) – as shown through the participation data this site acts as an ‘overspill’ to the larger sites Crewe and Nantwich sites during busier periods. It is therefore considered to be integral to the offer in the south of the borough.
- Wilmslow Leisure Centre (26) – provides coverage for this area of the borough in particular for access to swimming. Has the highest number of casual memberships across the leisure estate.

The operation of all Group 1 sites will be unaffected. Additional provision will be considered as per the Investment Plan.

Group 2 – Sites to have Council funding removed

- Holmes Chapel Leisure Centre (6) – this site has the lowest number of visits and registered memberships across all categories. Membership has decreased marginally since the start of the current operating contract. It does not feature in public health areas of need with Congleton offering a larger more well equipped offer.
- Knutsford Leisure Centre (16) – scores low on both usage and the public health assessments undertaken and site services the smallest population from a Care Community perspective with low participation from 2 of the 3 wards. Only a modest uplift (7.6%) in memberships seen since the start of the current operating contract in 2014.
- Middlewich Leisure Centre (14) – this site has the second smallest number of memberships across all categories with a large element of the registered members choosing to utilise other adjacent sites, primarily at Sandbach. Middlewich Ward sees only 4% participation from its population in leisure services. There are a number of other better equipped public leisure facilities within a short drive distance from the current site.
- Poynton Leisure Centre (15) – scores low on both site usage and public health factors, with a very small number of visiting members. Whilst not reflected in the scoring applied, the data mapping used to inform the assessment process has highlighted that there is significant use of this site by members registered outside of Cheshire East. There are a number of other public leisure facilities within a short drive distance from the current site.

Investment Plan

48 The Investment Plan is contained at Appendix D to this report and is currently split into two parts, revenue and capital.

Revenue

49 The revenue aspects will focus on the commissioning of additional but much more targeted health and wellbeing services delivered through the existing leisure centres or in the community via EHL, as the Councils delivery partner.

50 The revenue element of the Investment Plan has considered a series of amendments to the subsidised membership operated by EHL and funded directly by the Council known as the “Options” scheme. These amendments shift the focus of this funding to promoting the use of leisure services by those communities which currently have barriers to accessing it and where there is a clear need from a public health perspective. In developing this revised eligibility criteria we have benchmarked against neighbouring local authorities and considered the appropriateness of some eligibility criteria when set against a public health perspective.

51 The key proposal is to reduce the current 25% discount to a maximum of 20% and minimum of 15% with a one step differential pricing for multiple qualifying criteria.

52 The Options scheme will through the normal contract management process be reviewed by officers in partnership with EHL on an annual basis. This is to ensure it continues to provide the best use of this Council subsidy and on the following broad themes;

- The membership eligibility criteria remains current and relevant;
- To determine the targeted health services to be delivered over the next 12 month period also defining the outcomes against which these will be measured and;
- To review the applicability of the Options scheme across all sites, based on the use of the latest Public Health data

53 Any site in Group 2 will not be able to offer subsidised Options memberships.

54 There is also now a clear policy statement around not providing access to the subsidised Options membership scheme to anyone who's registered home address is outside of the Cheshire East boundary.

- 55 Further to the same the proposals will include a differential pricing policy for any residents accessing CEC subsidised sites who's home address is not in the borough. The pricing for these members will be aligned to that for the same grade of membership of the relevant neighbouring local authority operator.

Capital

- 56 The capital aspects of the Investment Plan will focus around targeting physical infrastructure improvements to enhance the leisure estate to enable their viability by creating capacity, creation of additional space to enable diversification of the health and wellbeing services offered. Any capital investment will be done on an invest to save basis and for Group 1 sites only.
- 57 Where appropriate this element of the investment plan will include schemes funded via secured S106 developer contributions and details of this will form part of the final recommendation presented back to committee in early 2024.

Group 2 Sites – Proposed Approach

- 58 Noting the above the following is a brief summary of the proposed approach to the Group 2 sites, assuming that alternative funding cannot be secured either from commercial operation or third parties;
- **Holmes Chapel Leisure Centre** – existing joint use site located at Holmes Chapel Comprehensive School to be closed and specific leisure functions transferred to EHL controlled facility at Holmes Chapel Community Centre – replacement facility in 2024/25 subject to notice period of joint access agreement.
 - **Knutsford Leisure Centre** – existing joint use site located at Knutsford Academy school site to be closed as leisure centre from 1st April 2024, full handover following any decommissioning activities in mid-2024/25
 - **Middlewich Leisure Centre** – existing joint use site located at Middlewich High School site to be closed as leisure centre from 1st April 2024, full handover following any decommissioning activities in mid-2024/25.
 - **Poynton Leisure Centre** – joint use site located adjacent to Poynton High School to be closed – closed as leisure centre from 1st April 2024, full handover following any decommissioning activities in mid-2024/25 subject to notice period of joint access agreement.

Group 2 Sites – Direct Impacts Mitigation

- 59 In the event of not securing alternative funding provision a series of detailed mitigations will be developed for these sites in terms of the following;
- Incentivising transfer of all grades of membership to other leisure sites within Cheshire East;
 - Making provision within other nearby leisure centres for Learn to Swim classes, where capacity exists and for Cheshire East residents;
 - Where practicable provision of alternative arrangements for community, sports and swimming clubs at other EHL operated centres. This will be undertaken in direct consultation with the relevant clubs and;
 - In initial discussions with EHL related to the review they have indicated that for those areas where sites are proposed to be closed without a direct replacement option then they may pursue the bringing forward of their own alternative service offer. This will be an EHL business decision as to whether to do so.

Group 2 Sites – Alternative Provision Mitigation

- 60 A mapping exercise has been undertaken to highlight the alternative provision within these areas for the Group 2 which is contained within Appendix B.

Programme

- 61 The following is the outline programme of work associated with this review;
- Committee paper (seek approvals to approach and consultation launch) – 9th November 2023
 - Public Consultation on proposals – late November 2023 – Jan 2024
 - Committee paper (final recommendation) – February 2024
 - Issue Contract change notice – February 2024
 - New leisure delivery model in place – including amended Options membership scheme – April 2024

- Delivery of Investment Plan – April 2024 onwards (assumed maximum of 3 years)

62 The report to Environment and Communities Committee planned for February 2024 will be accompanied by a detailed business plan which will consider in terms of the recommendation made both the feedback received through the public consultation and the affordability of the various options. The latter will be informed by confirmation of the final contract changes required with Everybody Health and Leisure.

Consultation and Engagement

63 The SLR was consulted upon in January of 2023 as part of the council's Medium Term Financial Strategy (MTFS) budget engagement. The consultation received 695 responses specific to the SLR. Overall, there was 4% net support to the proposal.

64 When invited to give reasons for their support or opposition comments were summarised in four main categories of oppose proposal (35 comments), current service insufficient (23 comments), concern for public health and wellbeing (19 comments) and further information required (11 comments), the specific details of which the review has considered in its development.

65 Extensive engagement on the proposals contained within has also been undertaken with Everybody Health and Leisure as a key stakeholder to any future delivery model. EHL have provided a number of data sets relating to site usage.

66 There is now a need to undertake a public consultation to seek views on the proposed approach prior to a final decision on implementation.

67 It is envisaged that the consultation will run from mid-November over a period of 6 weeks with final dates to be publicised in due course. The consultation will have its own communications plan attached to ensure residents are actively engaged. Part of the engagement will be;

- All Member briefings
- Engagement with Town and Parish Councils.
- Engagement with specific stakeholder groups in the form of sports, community and other user groups who may be directly affected by the proposals

68 Following consultation final proposals will be developed and brought back to committee for a decision on future leisure commissioning in Cheshire East. This is targeted at February 2024 meeting to allow the new delivery model to be in place for 1st April 2024 or as soon as possible thereafter.

Reasons for Recommendations

69 The recommendations have been made on the basis of the review work undertaken by the officer project group;

- The need to focus current levels of investment into leisure services to achieve the greatest outcomes for public health;
- Ensuring that the service continues to be delivered in an efficient and effective way both geographically and also in the provision of well equipped modern sites and;
- To ensure that the review process undertaken adequately considers all of the factors in making a decision, underpinned by a robust evidence base.

Other Options Considered

70 Consideration has been given through the review of operating the Group 2 sites on a commercial footing however this was deemed not a viable proposition due to the current infrastructure constraints, the overall operating costs of the facilities and the lack of any viable investment potential.

71 The outcome of the review as presented also considers the long term affordability of Council commissioned leisure services, in the context of the wider financial challenges that the Council currently faces.

72 At this stage based on the data evidence gathered to inform the review, and the mitigations proposed to offset any negative impacts where possible, there are no other options under consideration.

Implications and Comments

Monitoring Officer/Legal

Consultation

73 A public consultation exercise is to be proposed to be undertaken and as such the Council should ensure that it follows the Gunning Principles and to ensure that the following are met;

- (i) The proposals are still at a formative stage and no formal decision has been made or predetermined by the decision makers
- (ii) That sufficient information is provided to the consultees this needs to be available accessible and easily interpretable by the consultees to provide an informed response
- (iii) Sufficient opportunity should be given to consultees to participate in the consultation, the length of time given for the consultee to respond should depend upon the subject and the extent of the impact on the consultation.
- (iv) Conscientious consideration must be given to the consultation responses before a decision is made.

Property Implications

- 74 EHL occupies all of the sites under the terms of Lease a which is co-terminus with the operating contract and run until May 2029. If EHL no longer operate the Group 2 sites, then the leases will need to be terminated and the sites will revert to the Council.
- 75 All of the Group 2 sites are Academies. This means that there are separate leases with each school which deal with shared use of areas of common usage which facilitated operation and use of the leisure centre sites. In some cases, this allows the Council access to areas of the school for the purpose of movement between parts of the leisure centre, maintenance of shared equipment (such as boilers) and shared use of car parking. If the leases are terminated the land will not automatically pass to the schools. Any agreement to pass the sites to the adjacent schools will need to be negotiated with each individual school, alternatively the sites will close and remain vacant.
- 76 In order to facilitate use of the leisure centre sites by the schools there are Joint Use/Facilities Access agreements in place on each site. If the leisure facilities are closed and the school does not take them over, then the agreement will terminate on notice (or varying lengths).
- 77 Due diligence will need to be carried out on each site in order to determine the position depending on the outcome (closure or handover).

Changes to Leisure Operating Agreement

- 78 Once a new operating model is approved, the contact will need to be amended and this will be implemented through the normal change

control mechanism contained within the operating agreement in place with EHL.

- 79 Approvals required to advance specific elements of the Investment Plan, for instance letting of contracts, will need to be sought separately at the appropriate time.

Education Implications

- 80 Physical education is a compulsory part of the National Curriculum for children at Key Stages 1 – 4 (Reception – Year 11). Additionally, children at Key Stages 1 and 2 (Primary School) must have swimming as part of their physical education. Consideration must therefore be given to consultation with schools who use the leisure centres to deliver this part of the National Curriculum.

Section 151 Officer/Finance

Revenue

Annual Management Fee

- 81 At the point of establishing the contract the Annual Management Fee was set at c.£2M per annum, with a set contract default of a 3% reduction year on year until the end of the contract term.
- 82 The balance of revenue monies from savings against facilities management costs of the Group 2 sites will be a direct contribution to the Strategic Leisure Review MTFs budget savings target. These are summarised for 2022/23 full year spend actuals in Table 5.
- 83 As per the above the proposed changes to the subsidised Options (concessionary) membership scheme will also be considered as part of the budget savings required against the Review.

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

Table 5: Summary of 2022/23 actual Facilities Management Costs – Group 2 sites

- 84 It should be noted that the figures in Table 5;
- Will be their very nature vary from year to year;
 - Are actual spend for 2022/23 rather than the annual budgets for these facilities which in total considering recent savings targets applied equate to £302k for 2023/24 and;
 - Do not include any response maintenance costs which are held centrally and deployed across the wider Council property estate on a priority basis. For reference only in 2021/22 the total actual spend on response maintenance across these four sites amounted to an additional £89k increasing to £179k in 2022/23. This increase in response maintenance costs is relevant to the increasing age of these facilities, a trend which is likely to continue across the wider estate.

Capital

- 85 A Minor Works Investment Programme is proposed, included at Appendix D and as summarised below in Table 6 has a total capital cost of £3.4M.
- 86 This equates to an annual average borrowing cost of £306k assumed over 25 years and at the latest interest rates, however it is considered as an invest to save initiative, as it is forecast to generate when fully delivered £415k, hence a revenue surplus.
- 87 This programme of investment has been targeted at those sites where the data collated demonstrates a clear public health need, where service demand is greatest and there are issues around medium-term capacity to continue to service demand.
- 88 Integrated into the final Investment Plan funding mix for the purposes of clarity will be a series of S106 contributions which have been secured against specific deliverables and hence cannot be used to fund other investments.

Site and Brief Description	Investment Value	Ave. borrowing cost (£pa)	Minimum income to CEC (£pa)
Crewe LC – repurpose existing underused space	£ 250k	£ 17k	£ 30k
Macclesfield LC – expand gym and fitness suite offer	£ 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
TOTALS	£ 3.4M	£ 306k	£ 415k

Table 6: Summary of Minor Works Investment Programme financials

Policy

89 The proposal supports the following [Corporate Plan](#) priorities.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
<ul style="list-style-type: none">• Ensure that there is transparency in all aspects of council decision making.• Support a sustainable financial future for the council, through service development, improvement and transformation.• Promote and develop the services of the council through regular communication and engagement with all residents.	<ul style="list-style-type: none">• Work together with our residents and partners to support people and communities to be strong and resilient.• Reduce health inequalities across the borough.	<ul style="list-style-type: none">• A great place for people to live, work and visit.• To be carbon neutral by 2025.

90 The progress in delivering the replacement for the current Corporate Plan now titled the “Cheshire East Plan” was presented to Corporate Policy Committee on 5 October 2023. As part of the emerging key priorities for the borough addressing health inequalities has been clearly identified. The key objectives and proposed outcomes of this review, which are evidenced by data, directly support this priority.

Equality, Diversity and Inclusion

91 An Equality Impact Assessment has been completed in support of the project and is included at Appendix A.

92 This will be reviewed post the consultation closure and presented back to committee as part of the final recommendation.

Human Resources

93 There are no human resources implications for the Council as a result of this report.

94 All resources to manage the project will be obtained from within the current Council staffing establishment, supplemented by suitably

procured external legal, procurement and technical advice where needed.

Risk Management

- 95 Table 7 summarises the key risks associated with the various aspects of the review in a general sense, together with the mitigations which are or will be in place.

Risk	Mitigation
Current Operating Agreement with Everybody Health and Leisure – costs for change	Early and ongoing engagement with EHL to determine likely impacts of change and ensure adequate mitigations are built into emerging and the final proposal to be presented back to Committee, including any cost implications.
Impact on site users – Group 2 sites	<p>Proactive discussions ongoing with EHL to consider how to accommodate key user groups across these sites</p> <p>Consider incentivisation of membership retention at alternative sites by offering discounted period or similar promotion.</p> <p>It should however be noted that there will be some instances where a mutually agreed mitigation cannot be provided.</p>
Capital investments – current market conditions, inflation and increased costs	Undertake robust cost forecasting as part of review development process to ensure these factors are built into final business plan and hence any adjustment to the Council’s capital programme.
Decommissioning costs – Group 2 sites	There are likely to be modest one off costs associated with any site decommissioning activities which will be considered and included as part of the business plan for the final recommendation.

Table 7: General risks to review process

Rural Communities

- 96 There are no impacts on rural communities at this stage, which will be reviewed as part of the development of final recommendations.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 97 In developing the SLR there has been a specific consideration in relation to the impact that the provision of leisure services has on young people. It should be noted that there is a range of 3 – 11% with an average of 8% of total leisure memberships being held by persons 15 years of age or less.
- 98 Where through the use of Public Health data specific target interventions are needed to address identified needs for young people these will be considered alongside other initiatives to be commissioned via the leisure service provider annually.

Public Health

- 99 Understanding variation in health and wellbeing need across Cheshire East is an essential component of the strategic leisure services review to ensure that any changes in provision optimise health and wellbeing for residents and do not widen existing health inequalities.
- 100 The public health implications of changes to leisure service provision have been carefully, and pragmatically considered as part of this review through a process of consensus building. Consensus building has involved input from the Consultant Leads for: Health Intelligence and Children and Young People; Health Protection and Wider Determinants; and Health and Care Public Health and by the Corporate Manager for Health Improvement.
- 101 Underpinning the consensus building was analysis that considered variation of health and wellbeing need across wards and towns in Cheshire East.
- Health and wellbeing has been considered in context of public health across all ages, as outlined by the Tartan Rug 2021 (attached at Appendix E) and the Joint Outcomes Framework¹
 - In addition, more focussed implications in relation to poverty, children and young people, and older people have also been

¹ Office for Health Improvement & Disparities. Public Health Profiles. <https://fingertips.phe.org.uk> © Crown copyright 2023 (Accessed 24 May 2023).

considered through review of relevant indicators in the: Poverty JSNA² and the Office for Health Improvement and Disparities Local Health Profiles³.

- 102 Overall, this analysis identified that there were consistently higher levels of need in Crewe and Macclesfield. In addition, there were also multiple needs highlighted in Nantwich, Sandbach, Congleton and Handforth. There were multiple, but less intense needs (in the top 40% of need across England but not the top 20%) identified in Mobberley and Middlewich. In addition, the national curriculum requirement of ensuring children could swim 25m by the end of year 6 was recognised as an important public safety consideration⁴. Whilst the analysis considered need alone, it was also recognised that the impact of existing leisure provision on health and wellbeing and that service usage data should be considered in conjunction with the needs analysis.
- 103 Prior to a final proposal, it will also be important to understand variation in healthy lifestyles across Cheshire East in more detail and the factors that act as barriers to adopting healthy lifestyles. This information is planned to be available by the end of 2023 following a lifestyle survey.
- 104 Furthermore, there is a recognition that understanding the actions within the Local 'All Together Active' Plan will be another important consideration included as part of the final recommendation to committee. 'All Together Active' is a Cheshire and Merseyside Population Health Board initiative and each of the nine local authorities is now preparing local implementation plans. The Cheshire East Plan will be considered for approval at the Health and Wellbeing Board in March 2024.

Climate Change

- 105 At this stage of the process there are no specific impacts on climate change, however the proposals would directly generate a reduction in energy usage by the Council across its estate, lessening its carbon footprint.

² Cheshire East Council (2022) Poverty. Cheshire East Joint Strategic Needs Assessment. Available from: https://www.cheshireeast.gov.uk/council_and_democracy/council_information/jsna/healthier-places/poverty.aspx (Accessed 24 May 2023).

³ Office for Health Improvement & Disparities. Public Health Profiles-Local Health. <https://fingertips.phe.org.uk> © Crown copyright 2023 (Accessed 24 May 2023)

⁴ Swim England (2022) Swimming and Water Safety in Schools. Available from: <https://www.swimming.org/schools/swimming-national-curriculum/> (Accessed 14 June 2023).

Access to Information	
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Appendices:	Appendix A – Equality Impact Assessment (pre consultation) Appendix B – Leisure Sites Overview (redacted, full version included as Part 2 item) Appendix C1 – Site Assessment Matrix (redacted, full version included as Part 2 item) Appendix C2 – Site Assessment Matrix weightings Appendix D – Investment Plan Appendix E - Tartan Rug, 2021
Background Papers:	CEC Tartan Rug – please note that the analysis was based on the previous Tartan Rug attached at Appendix E, rather than the recently published version Tartan Rug (cheshireeast.gov.uk) due to the latest version not being available at the time of the analysis. However, the most recent version (Tartan Rug 2022) presents a similar picture of health inequality as presented in the Tartan Rug 2021. Poverty JSNA - JSNA Food and Fuel Poverty: Spotlight review (cheshireeast.gov.uk) CE Budget Engagement 2023 - 2027 - Full report (cheshireeast.gov.uk)