

**Name of meeting: Overview and Scrutiny Management Committee**

**Date: 5<sup>th</sup> December 2023**

**Title of report: Leisure Centre Review Update**

**Purpose of report:** To brief the Overview and Scrutiny Management Committee about the early analysis of the Leisure Centre Consultation Programme and seek the views of the committee re the Cabinet report about the future Leisure Centre offer which will be published on 4<sup>th</sup> December 2023. The committee's views will be reported to the Cabinet when they meet to decide upon the future Leisure Centre offer to be delivered by Kirklees Active Leisure on 12<sup>th</sup> December 2023.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	<b>Yes</b>
<b>Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u></b>	<b>Yes</b> <b>Private Report/Private Appendix – No</b>
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	<b>Yes</b>
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>  <b>Is it also signed off by the Service Director for Finance?</b>  <b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	<b>Richard Parry – Adults and Health</b> <b>23.11.2023</b>  <b>Isabel Brittain</b> <b>23.11.23</b>  <b>Julie Muscroft</b> <b>24.11.23</b>
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Cllr Graham Turner – Regeneration and Finance</b>

**Electoral wards affected:** All

**Ward councillors consulted:** None

**Public or private:** Public

**Has GDPR been considered?** Yes - Not applicable

## 1. Background

Kirklees Active Leisure (KAL) delivers leisure services across 11 sites in Kirklees to over 65k registered customers. It received 2.5m customer visits during 2022/23. It also provided swimming lessons for over 136 schools in its 8 pools, as well as 2 pools located at Huddersfield school sites.

Leisure services throughout the UK are facing unprecedented financial challenges. In November 2022, ukactive stated that “three quarters (74%) of council areas are classified as ‘unsecure’, meaning there is risk of the closure of leisure centres and/or reduced services before 31 March 2024.” In particular, the operating costs of public swimming pools have increased significantly over the past few years.

KAL is mirroring the national picture. Due to a combination of salary cost pressures that have built up over time as National Living Wage has increased and more recent inflationary, energy and other operational costs, the challenge for Kirklees Active Leisure (KAL) to operate in a financially sustainable way has increased and even with the recovery of income and membership numbers to above pre-Covid levels, there continues to be a financial challenge. From 2021/22 to 2023/24, the council has provided additional financial support of £9.96m to support KAL through these difficult periods. This is in addition to the council’s core funding of £6.08m and a Sport England Grant of £1.175m across the same periods.

As part of the council’s need to balance its budgets during the current financial situation and the cessation of the additional Covid support funding, the council has indicated that it will make available a maximum grant/subsidy of £2.55m in 2024/25 as stated in the 2023 Budget Book and that it is unable to provide additional financial support.

KAL has replied that it cannot continue to maintain its operations at the same level as twelve months ago. After temporary closures in early 2023 as an emergency response to KAL’s financial challenges, there has been a transformation programme in place to collate information about finances, health inequalities, legal issues, benchmarking information and capital investment needs. KAL proposed options for what it could afford to deliver in late July 2023 which were considered and led to a proposal about which the council chose to consult citizens during 29<sup>th</sup> September to 12<sup>th</sup> November 2023.

Whilst the consultation has been undertaken, KAL and council officers have continued to work together to collate the information which the Cabinet will need to take a decision regarding the future offer. KAL has remodelled its finances to reduce expenditure and increase charges, where appropriate.

Leisure centres form one part of the infrastructure that enable local people to be active. Some elements of the provision of a leisure centre, such as gyms and fitness classes, can, potentially, be provided through the wider market and alternative providers, although often at a significantly higher cost. Should the KAL offer be reduced, the biggest impact will be in relation to water space as there is little publicly accessible water space being provided by other operators. If the reduction in the public leisure offer is confirmed, it is important that other aspects of our built and natural environment are optimised to ensure that alternative opportunities to be physically active are accessible to all our citizens. This will be particularly important in communities affected by proposed closures. The next phase of the Leisure Centre Review Programme will focus on the future vision of sport and physical activity in Kirklees to ensure our citizens have a wide choice of activities.

## 2. Consultation

The Council has carried out a comprehensive consultation for a period of six weeks on proposals for the future of all sites currently operated by Kirklees Active Leisure. The consultation was open to all including non-users of KAL centres. 17,860 respondents have completed the survey. Letters of support were also received from national, regional and local organisations, as well as from individuals (Please see Appendix 1 below). The qualitative findings are currently being analysed and will be available to support the decision making at cabinet. Although the consultation results are an important part of the decision making process, they are not the only information which will determine the final decision. Also to be taken into consideration is financial data, an Integrated Impact Assessment, capital investment needs, legal issues and health inequalities data.

A brief overview of initial data is available in *Appendix 2*. The full analysis will not be completed until 30<sup>th</sup> November 2023, after the publication of this report, and so the results may change.

For the consultation, the estate was split into three categories:

1. **The core offer** - the sites that it is proposed will stay open given that they are modern buildings with a comprehensive offer and limited capital investment is required compared to other sites.
  - i. Huddersfield Leisure Centre
  - ii. Spen Valley Leisure Centre
  
2. **Marginal sites** – the sites which it is currently considered are most likely to remain open in 2024 whilst other funding and management options are explored because they require a low financial contribution from the council and/or have fewer capital requirements and/or there are other factors that influence decision making in the short term. If they begin to require more financial investment from the council or factors influencing their long term future change, these sites could close at a later stage. These are:
  - i. Bradley Park Golf Club
  - ii. Deighton Sports Arena
  - iii. Holmfirth Pool & Fitness Centre
  - iv. Leeds Road Sports Complex
  - v. Stadium Health & Fitness Club
  
3. **Potential closures** – sites which it is currently considered are least likely to remain open in 2024 because they require significant financial investment from the council to operate and/or require significant capital investment and/or there are other factors that influence decision making. These are:
  - i. Batley Sports & Tennis Centre
  - ii. Colne Valley Leisure Centre
  - iii. Dewsbury Sports Centre

To ensure inclusivity, alongside accessing the consultation online, paper copies of the consultation and supporting booklet have been available at all the KAL sites and Huddersfield and Dewsbury Customer Service Centres. Facilitated drop-in sessions were held throughout the borough, both at leisure centres and other venues to support citizens who needed support to complete the survey.

A series of discussion groups with citizens who have protected characteristics were held to identify any potential impacts that any changes to the leisure offer may have on them plus there was targeted promotion of the consultation to community and voluntary sector groups especially those who work with young people and older people.

Alongside the consultation, an Integrated Impact Assessment is being completed, informed by the consultation, to assess the impact of proposed changes to the leisure offer. This considers the equality impact, covering the nine protected characteristics as set out in the Equality Act 2010. This will be available to support decision making by the Cabinet.

### 3. Implications for the Council

Due to the ongoing economic pressures, sustaining the leisure offer in its current format is not financially viable for KAL or the council. To ensure financial milestones are met, the Cabinet must take a decision on the leisure centre offer on 12<sup>th</sup> December 2023.

A decision will need to be made around the future of sites once the leisure offer which KAL will deliver has been agreed. A financial picture is being collated and key stakeholders have been working to ensure all details and complexities are considered.

The changes to the estate will impact significantly on KAL staff, with the charity having to reduce significantly in size to remain viable. In order to achieve this reduction prior to the 2024/25 financial year and due to the associated cash risk attributed to uncontrollable costs and potential drop in income, KAL has begun the legally required statutory redundancy process. As part of the funding

agreement between KAL and the council, KAL must mitigate against redundancies as far as possible but the council is financially liable for the costs.

#### **4.1 Working with People**

The consultation has been about listening to the views of our citizens which will be taken into account when the Cabinet takes the decision about the future leisure centre offer. It has successfully identified future partners who want to work with KAL to ensure the financial viability of certain sites, e.g. a group of campaigners in the Colne Valley who want to work with KAL to try to identify new sources of income and to fundraise to improve the centre.

Officers have been responding to ideas proposed by consultees to check their feasibility. For example, suggestions for mitigations for centres which KAL may withdraw from included the use of community transport to support citizens to access centres further away from their usual site. Initial scoping has been undertaken. Due to how people use leisure centres, footfall and locations, it would be difficult to meet the needs of users. There are also complexities in relation to licenses or permits needed. Further work is suggested to ascertain if this is a viable option.

#### **4.2 Working with Partners**

KAL has managed the leisure stock in Kirklees since 2002. Following any changes to the offer, it remains determined to re-grow and re-develop the local leisure offer. It has highlighted its determination to work with Kirklees Council to continue to provide high quality opportunities for local people to improve their physical and mental health and wellbeing.

School swimming is a particular area that the process has tried to consider. To deliver school swimming in its current model, a minimum of two pools are needed in North Kirklees and four in South Kirklees (this includes two school pools). KAL and the council will work with schools to mitigate the impact of any closure of pools.

#### **4.3 Place Based Working**

Other potential operating models could be asset transfers to the Community where there is interest and a viable business case can be made. This could provide opportunities for the centres to be run by the community, using their collective experience and information to allocate resources in the best possible way to achieve the best outcomes for residents. We will work with communities and Councillors to respond and support this interest if it happens at an appropriate pace.

Any such proposition, however, would have to be without financial support from the Council and, given the timescales for such a transfer to take place, would require an interim closure pending an asset transfer which would entail additional costs for the council and be only achievable if the Council has the resources to manage the process.

#### **4.4 Financial, HR, Communications issues (including value for money)**

A site by site analysis using the budget for 2023/24 of each of KAL's current facilities has been thoroughly reviewed which will support any decision made. A comparison of this budget to the pre-Covid budget for the same facilities in 2019/20 shows that reasonable assumptions have been used in constructing the latest budget (the key changes include staffing costs, which have been affected by the increase in the National Living Wage and Energy Costs which have been affected by the significant inflationary changes). Income is slightly above pre-Covid levels.

There is no statutory duty to provide swimming pool facilities, but the council has a discretionary duty to do so. However, the Council must exercise its functions with a view to securing the National Curriculum in maintained schools. Maintained schools must provide swimming instruction for pupils either in key stage 1 or key stage 2, with pupils required to be able to:

- Perform safe self-rescue in different water based situations
- Swim competently, confidently and proficiently over a distance of at least 25 metres

- Use a range of strokes effectively, for example, front crawl, backstroke and breaststroke.

Subject to the Council accepting that KAL will withdraw from some of the sites, consideration will need to be given to the future of these facilities. In the meantime, however, there will be holding costs for those sites which, inevitably, the Council will need to fund as KAL will be unable to cover these costs from their core grant.

In either case, there is no funding specifically earmarked to meet these costs at this stage. As this is the case, any decision to close the facilities needs to be supported with a clear strategy about the future of the sites so that any holding costs are minimised wherever possible.

If KAL withdraws from any sites, KAL will mitigate redundancies as far as possible but it is likely that there will need to be redundancies. In line with the funding agreement between the two parties, the council is liable for these redundancy costs. More work is required to provide a firm estimate of costs once there is clarity about which facilities will close and which staff will be affected.

## **5 Proposed approach:**

### ***Phase 1***

Using the consultation and key stakeholder feedback, financial analysis and all other information we have been collating, recommendations and options will be discussed by Cabinet on 12<sup>th</sup> December 2023. They will decide what the leisure centre offer will be from 1<sup>st</sup> April 2024 to be delivered by KAL.

### ***Phase 2***

Once the leisure centre offer has been agreed by the Cabinet, phase 2 will continue to move towards implementation of the changes to the estate in partnership with KAL. In relation to the sites which KAL is withdrawing from, a process for disposal will be agreed. Disposal can potentially involve Community Asset Transfers or inviting expressions of interest from 3<sup>rd</sup> party operators.

### ***Phase 3***

A strategic approach to sport and physical activity will be developed in 2024, with the local leisure centre offer as part of this. Time will be given to KAL to stabilise its operations after changes have been made and to continue exploring income generating and further cost saving measures.

## **6 Officer recommendations and reasons**

Officers recommend that the Committee notes the content of this report and the early findings of the consultation contained in Appendix 1 whilst accepting that these might change once the analysis has been completed.

The committee's views on the Cabinet report which will be published on 4<sup>th</sup> December 2023 are sought and these will be verbally communicated to the Cabinet at their meeting.

## **7 Contact officer**

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## **9. Background Papers**

Appendix 1 – Comments from Stakeholders  
Appendix 2 - Early results from the analysis of the consultation

## Appendix 1

### Key Stakeholder Feedback – Summary

Organisation	Summary
Swim England	<p>Expressed concerns at 'core offer' and potential closures of swimming pools across Kirklees.</p> <p>Provided various statistics on swimming in Kirklees which included the following:</p> <p>"Of the 309 local authorities in England with responsibility for provision of swimming pools, only 23 have a larger shortage of water than Kirklees.</p> <p>The closure of additional facilities across the area will almost certainly exacerbate these inequalities, making it harder for people to take part in aquatic activities and increasing the number of children leaving Kirklees schools without this potentially life-saving skill.</p> <p>Swim England's recent Value of Swimming report identified that across the Kirklees local authority area alone, swimming generates over £16.5 million of social value each year. This includes £2 million through improved physical and mental health, and £10 million in improved wellbeing."</p>
Sport England	<p>Offer of an opportunity for a discussion to investigate if there is any wider support that Sport England can provide as KAL and Kirklees Council consider the future leisure centre offer.</p>
ukactive	<p>The trade body for the physical activity sector states that KAL is a highly valued member and that now is the time when there should be investment in "...preventative measures, embracing true partnership between health and physical activity sectors to save more money."</p>
Yorkshire Sport Foundation	<p>Expressed their offer of support to Kirklees Council and reiterated that they have worked with the Council for over 20 years and that they have become increasingly aware that the strategic leadership for physical activity and sport within the Council has both reduced and become dispersed. This has resulted in a reduced capacity to bring in external resources and reduced time spent on long term visioning and planning. Further cemented their support in planning and decision making, especially in relation to using facility planning tools.</p>
Yorkshire Tennis Limited	<p>Letter of support to register appetite to support discussions on retaining the valued indoor courts at Batley Sports and Tennis Centre. YTL is keen to work with Kirklees Council to assess how they could contribute to BSTC to maintain provision</p>
Kirklees Active Schools	<p>Stressed the importance of the leisure centres to supporting schools to achieve aspects of the National Curriculum in relation to swimming.</p>
Third Sector Leaders	<p>Representing the views of their members working in the health and wellbeing field who are concerned that closure of leisure centres will impact on the delivery of their activities. They feel that the closures leading to short term savings will be at the cost of health and wellbeing in the district.</p>
University of Huddersfield	<p>Stated that the university has a partnership with KAL who support their students and staff to be physically active across the borough but also partner in various academic areas with KAL providing opportunities for applied practice, placements and research. Expressed concern that the reduction in provision will lead to increases to costs to other cost centres in the public realm such as health and crime prevention.</p>
Batley & Birstall Excellence in Schools Together	<p>Collectively voicing their strong opposition to the closure of Batley Sports &amp; Tennis Centre. Their schools have been inundated with concerns raised by worried parents regarding the fate of the centre, as many of their children and families use it for sport and leisure activities.</p> <p>Pledge of commitment to support the long term viability of BSTC through a variety of means which includes working closely with KAL, all schools and their network of 21 schools and 8000 households.</p>

West Riding County Football Association Ltd	Expressed concerns at the potential closure of BSTC and wished to start dialogue into the long term future of the site. Reinforced their previous investment of £508,987 investment made by the Football Foundation into the site towards new changing rooms, improvement of grass pitches and 3G artificial pitch, demonstrating the importance of the facility.
Batley Multi-Academy Trust	<p>Expressed concerns at the potential closure of BSTC. Batley Girls' High School use this site in the provision of their PE curriculum and extracurricular activities, as well as being an important community asset for their communities.</p> <p>If they were unable to deliver the PE curriculum from BSTC then 1300 girls would be affected. The extra costs of having to hire facilities, transport and the additional staff needed would exceed £117,000 p.a.</p> <p>Further practical consideration is the fact that utility supplies for BGHS come from BSTC building – all utilities are not separated.</p>
Howden Clough FC – Petition	<p>Howden Clough JFC alone has over 300 children using its facilities per week not to mention the other sporting clubs which include Yorkshire Elite, White Rose and Farsley Celtic. Local schools also use the site as well as the North Kirklees Schools Sports Partnership which delivers physical education to children using these facilities.</p> <p>The purpose of the petition was to tell KAL and Kirklees Council that the people of Birstall, Batley and beyond will not let a huge part of the community go without trying their hardest to save it.</p>
President, on behalf of the committee and members of Bradley Park Golf Club	<p>Submission of comments in support of keeping the golf course open for both the short and long term.</p> <p>Acknowledgment that their positive financial situation should continue in the future as the number of current annual users is maintained or even increased.</p>