

Decision Pathway - Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 08 February 2022

TITLE	Leisure Facilities Investment and Procurement		
Ward(s)	Citywide		
Author: Guy Fishbourne	Job title: Sport & Physical Activity Development Manager		
Cabinet lead: Mayor	Executive Director lead: Hugh Evans		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: <ol style="list-style-type: none">1. To seek approval for the Leisure Facilities Investment Strategy (Appendix A) and Active Communities Leisure Services Procurement Strategy (Appendix A1).2. Seek approval to find an alternative operator for Kingsdown sports centre and enter a commercial lease and agree (on that basis) it will not be included in the main leisure services contract.3. To note that an expression of interest has been received, which will be considered by the CAT Group, and note that that the council is negotiating a 6-month extension of the Jubilee Pool leisure contract on its current terms, to allow sufficient time for any potential CAT process to conclude, and that the Pool is removed from the Leisure Services Portfolio by 30 September 2022 (the expiry date for the extended contract), if a CAT does not happen.			
Evidence Base: Background <ol style="list-style-type: none">1. On 3rd March 2020 cabinet made the decision to run a competitive procurement process, to procure new operators and take all steps necessary to procure and award a new contract. The procurement process has been unavoidably delayed due to the Covid-19 pandemic. The council's proposed options are intended to support a more cost-effective delivery of leisure services through a newly procured contract.2. The current leisure contract in relation to Bristol South Swimming Pool, Easton Leisure Centre, Henbury Leisure Centre, Horfield Leisure Centre, St Paul's Community Sports Academy, Kingsdown Sports Centre which expires 31st March 2022, will be extended for 12 months to facilitate the re-procurement of the leisure services.			

3. The Leisure Facilities Investment Strategy (**Appendix A**) and Procurement Strategy (**Appendix A1**) presented in this report has been informed by public consultation (**Appendix B**) and will inform future investment and procurement.
4. Separate consultation on the future of Jubilee Pool has already taken place in 2020 (**Appendix B1**). March 9th, 2021, cabinet noted the outcome of the public consultation on the future of Jubilee Pool, the interim financial position agreed with the operator, and that a decision on its longer-term future would be decided after public consultation on the wider strategy had taken place. The interim financial position agreed with the operator was to keep the pool viable to enable the outcome of engagement with the community on a longer-term solution which has resulted in expressions of interest being invited from interested parties for a CAT of the facility.
5. It was again reported to September 14th Cabinet that a final decision about the future of Jubilee Pool will be taken after the wider leisure facilities investment consultation process is complete and taking into account the outcomes.
6. Following approval of the leisure facilities investment strategy and procurement strategy, the procurement process will provide an opportunity for prospective bidders to propose their own creative and innovative solutions in addition to the investment options consulted on. The council cannot afford to do everything it might like to do, and the overall affordability of any of the options proposed for improvements will ultimately be determined by the preferred bidder and a final decision will be based on what delivers best value.
7. The consultation also asked how important respondents thought the council's investment in additional pool water space at Easton Leisure Centre would be, should funding become available. It is noted that further community engagement on design would need to be carried out should this opportunity be part of the procurement.
8. On 23rd November 2021 officers attended the Communities Scrutiny Commission (**Appendix C**)

Leisure Facilities Investment – Consultation

9. On 14 September 2021 Cabinet approved options to go out to consultation for an Investment Strategy which would be put forward to help inform the council's overall Procurement Strategy for new leisure management arrangements to be in place by April 2023.
10. The outcome of the consultation informed the final Investment Strategy and Procurement Strategy as summarised below. Within the overall Investment Strategy, the council consulted on options to make improvements at the following strategic sites. Views were sought from the public on the merits of a range of different options in relation to improvements at Easton Leisure Centre, Horfield Leisure Centre, and Bristol South Pool.
11. **OPTION 1:** Easton Leisure Centre - Remodel within the current building footprint and limiting this to dry-side areas only. There is no increase in the size of the current pool area and instead, a focus is placed on a remodelling of the dry-side areas of the centre (sports hall, gym, reception area). This option results in a new

and larger health and fitness suite, including a dedicated female-only area. The ground floor allows for additional community uses of the facility. This includes the proposal to stop operating Jubilee Swimming Pool and Kingsdown Sports Centre.

12. **OPTION 2:** Horfield Leisure Centre - 2-storey extension to fitness gym (up to 80 additional stations) and provision of 2 new group exercise studios. No other investment included in this option. This includes the proposal to stop operating Jubilee Swimming Pool and Kingsdown Sports Centre.
13. **OPTION 3:** Bristol South Pool - A basic refurbishment which would provide some plant improvement and replacement and general cosmetic and condition improvements to customer facing areas. This includes the proposal to stop operating Jubilee Swimming Pool and Kingsdown Sports Centre.
14. The public consultation on the Draft Leisure Facilities Investment Strategy ran from 17th Sept 2021 to 7th Nov 2021 and attracted 1988 responses. The postcode data provided by the respondents indicate that there was a distinct over-representation from the south of the city, reflecting the popular and organised 'Save Jubilee' campaign that ran alongside the public consultation.
15. Responses were under-represented in terms of population proportion from young people under 24 and Black and Minority Ethnic groups. Disabled people were proportionately represented.
16. The consultation illustrates that people are interested in their local facilities and that some communities are less likely to engage in public consultation meaning that the response is not fully representative of the whole population.
17. The postcode data shows us very clearly that people value investment in their own communities. For example, for the option to invest in Easton Leisure Centre, respondents in St George Central, St George West, Eastville, Trooper's Hill, and Easton all placed a high level of importance in this option. Similar local responses can be seen on the other two investment options and this localised response can also be seen in relation to the proposed transfer or closure of Jubilee and Kingsdown.
18. Although the highest number of respondents use Jubilee swimming pool and Kingsdown Sports Centre, we know from the data that we collect from the Leisure Operator that this does not reflect the actual usage proportions in our Leisure Facilities and, again, reflects the local interest in leisure facilities.
19. A number of organisations have expressed an early interest in running Kingsdown Sports Centre. We are therefore confident that given appropriate approvals we will be in a position to negotiate an alternative arrangement and retain it as sports provision.
20. An encouraging 62% of respondents indicated that it is important for exercise classes to take part in their local park, endorsing the 'Active Communities approach which will encourage the leisure operator appointed following the procurement exercise to provide activities in the local communities as well as in the leisure facilities.
21. Officers have considered the responses from the public consultation and are proposing that Investment will take place across the three strategic sites – welcomed by local community responses. Following public consultation, the Leisure Facilities Investment Strategy includes further supporting information which helps

illustrate more clearly membership distribution by ward and deprivation, from Easton and Horfield Leisure Centre and Kingsdown Sports Centre.

22. It is proposed that additional capital investment will be focussed on elements of all three strategic sites of Easton Leisure Centre, Horfield Leisure Centre, and Bristol South Pool, which were subject to the leisure facilities investment public consultation.

Leisure Facilities Investment Strategy and Leisure Services Procurement Strategy

Procurement portfolio

23. The following sites will be included in the procurement exercise and will remain in the new contract portfolio:
 - a. Bristol South Pool
 - b. Easton Leisure Centre
 - c. Henbury Leisure Centre
 - d. Horfield Leisure Centre
 - e. St Paul's Community Sports Academy

Vision and Outcomes

24. The Bristol Investment Strategy and Procurement Strategy will contribute towards the vision for Bristol's Sport and Physical Activity Strategy (2020-2025) which is 'To ensure that all Bristol citizens have the encouragement, opportunity and environment they need to lead active, healthy and fulfilling lives. By working collaboratively and cooperatively, as a whole system, we will seek to transform attitudes and behaviours and make it easier for residents to enjoy sport and physical activity and embed it into their everyday lives'
25. It will also contribute towards the following strategic outcomes identified in Bristol's Sport and Physical Activity Strategy:
 - Outcome 1: Through physical activity, reduce health inequalities and the Healthy Life Expectancy gap by 10% between the most affluent wards and deprived wards by 2025
 - Outcome 2: 50% more people living in wards where there are the greatest levels of socio-economic deprivation, are doing more than 30 minutes physical activity per week by 2025
 - Outcome 3: Halt the rise in levels of childhood and adult obesity by 2025
 - Outcome 4: Bristol will be the most active Core City in the country, with at least 65% of people in all parts of the city achieving the recommended amount of physical activity by 2025

Investment and Procurement Principles

26. Bristol will make improvements across strategic sites serving the highest number of users and areas of greatest deprivation.
27. These strategic leisure sites will be supported by a range of community owned and managed facilities.
28. The procurement will focus on increasing participation in physical activity for health and based on learning from operating during the pandemic will include elements of community in reach and community partnerships.
29. A key element of the Investment Strategy and Procurement Strategy is to avoid any public revenue payments/subsidy though exploration of best value combination of longer-term contract arrangements in conjunction with investment at the facilities identified in the consultation (Options 1 to 3 or mix), as may be expanded through bidder proposals.
30. Leisure facilities, and in particular swimming pools are high carbon emitters, bidders will be required to work with the council and city partners to identify external investment to move to clean, green energy.
31. All building and assets will remain in the ownership of the council.

Kingsdown Leisure Centre

32. Public consultation has generated a lot of interest around Kingsdown Sports Centre, through which five organisations have expressed an early interest in operating it in the future.
33. Alternative arrangements should therefore be explored with a view to the council to stop operating it on or before April 2023. Options for Kingsdown leisure centre will need to be considered in the context that an application has been submitted to the council which nominates it as an Asset of Community Value.
34. Options to be considered will include selling the freehold, a long leasehold disposal (above 25 years) or a more likely preferred option being a leasehold disposal of less than 25 years.

Jubilee Pool

35. Expressions of interest for a CAT of Jubilee pool closed on the 7th January 2022.
36. The Jubilee Pool contract expires 31st March 2022. A six-month extension of contract has been proposed and is being negotiated with Parkwood the current operators, at no cost to Bristol City Council, to allow sufficient time for any potential CAT process to conclude.
37. Jubilee Pool will be removed from the council's future management portfolio by or before 30 September 2022 (the extended contract expiry date).

Finance

38. Improvements and extension to the portfolio will impact positively on the potential revenue income generated.
39. There will be no revenue subsidy for the operations which will be procured on this basis.

40. To achieve the full list of improvements across the key estate, including extra pool space at Easton (included in the public consultation) an estimated £15 million will be required.
41. Options consulted upon included the potential initial Council investment of up to £8 million towards improvements in the estate.
42. Potential providers will be asked to bring forward additional investment as part of their bids to achieve the maximum benefits at the three sites.
43. Potential income from investments and the future running costs of delivering leisure services forms part of the strategy and will be considered as part of the procurement strategy and would be agreed with the council prior to initiation.
44. It is proposed that the council will utilise its capital contribution of up to £8m, at the site/s identified in the leisure facilities investment consultation, to achieve improvements where these will achieve greatest social value.
45. Providers will be encouraged to invest in the three strategic sites and in a manner which is most commercially attractive.
46. Investments in green energy will reduce utility costs.

Officer Recommendations:

That Cabinet:

1. Note the report on the outcome of the public consultation on leisure facility investment for Bristol.
2. Approve the Leisure Facilities Investment Strategy and the council's current investment contribution of up to £8m and the Active Communities Leisure Services Procurement Strategy.
3. Note that authority was given in March 2020 Cabinet to the Executive Director People in consultation with the Mayor, to take all steps necessary to competitively procure and award a new leisure management contract to a multi-site trust or hybrid trust and applies to the Investment Strategy, Procurement Strategy and funding envelope set out in this report.
4. Notes that approval to negotiate a contract extension for the current leisure services delivery with SLM was provided at June Cabinet 2021.
5. Approve the removal of Kingsdown Sports Centre from the council's leisure services contract portfolio before the beginning of the future leisure services contract.
6. Authorises the Executive Director People, in consultation with the Mayor, to take all steps necessary to find an alternative operator for Kingsdown Sports Centre and to enter a commercial lease and related documents to achieve this.
7. Notes that an expression of interest has been received in relation to a community asset transfer of Jubilee Pool, which will be considered by the CAT Group in due course.
8. Notes that the council is negotiating a 6-month extension of the Jubilee Pool leisure contract on its current terms to allow time for any potential CAT process to be completed at no cost to Bristol City Council.

9. Agrees that if a Community asset transfer for Jubilee Pool does not proceed, Jubilee Pool will close and be removed from the leisure services portfolio by 30 September 2022 (the expiry date for the extended contract).

Corporate Strategy alignment:

This proposal aligns with the Corporate Principles - developing people and places to improve outcomes, empower communities and reduce the need for council services: Maximise opportunities to work with partners and other stakeholders locally, nationally, and globally.

1. **Wellbeing:** is one of four themes in the corporate strategy and based upon creating healthier and more resilient communities where life expectancy is not determined by wealth or background.
2. One of the Mayor's seven key commitments in the corporate plan is that Bristol will be a leading cultural city, making culture and sport accessible to all.
3. Embed health in all our policies to improve physical & mental health and wellbeing and reduce health inequalities reducing future demand pressures on health and social care services and helping to reduce costs.
4. Supporting preventative interventions and opportunities for physical activity amongst children and adults and creating a resilient, sustainable, clean, and healthy city.
5. Promoting opportunity, attracting funding, and protecting investment in culture while also facilitating others
6. Continue to offer good quality services which attract visitors.
7. Achieving more cost-effective models for the delivery of service provision

City Benefits:

1. Working in partnership to maximise opportunity and resources to deliver Bristol's leisure services across in scope leisure centres and swimming pools.
2. The intended outcome will be enhanced leisure provision that is operated as cost effectively and efficiently as possible, balancing the needs of the local community and contributing towards the city's strategic outcomes.
3. The Council will work towards optimising future arrangements and through public consultation consider investment in facilities where sustainable business plans are agreed and will work in partnership to increase participation and realise maximum health and social benefits for residents
4. Supporting people to be more physically active will impact on a range of public health and adult social care outcomes such as:
 - Obesity levels in adults and children
 - Social and health inequalities, increased healthy life expectancy
 - The number of falls and injuries in over 65s
 - Early death from cardiovascular diseases, cancer, and respiratory diseases.

Consultation Details:

Public consultation on the future of Jubilee Pool has been undertaken (closed November 2020)

Public consultation on the leisure facilities investment strategy has been undertaken (closed November 2021)

Background Documents:

Assessment of Needs and Opportunities Bristol S&ARFS - www.bristolactivecity.org.uk
[A-Sport-and-Active-Recreation-Facility-Strategy-for-Bristol-SaARFS.pdf \(bristolactivecity.org.uk\)](#)
[BD12440-Bristol-Sports-Strategy-2020-25-1.pdf \(bristolactivecity.org.uk\)](#)

Revenue Cost	£60,000	Source of Revenue Funding	15250
Capital Cost	£ 8m	Source of Capital Funding	Corporate Capital Programme
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The Leisure Facilities Investment Strategy builds on the key findings and recommendations from the Sport and Physical Activity Strategy for Bristol addressing future needs and focusing on delivering cost effective and efficient leisure services. This recommends capital investment of £15.8m across three core facilities and the need to find alternative options for Jubilee Swimming Pool and Kingsdown Sports Centre.

Recognising the Council's current funding restrictions, a proposal was submitted and approved by the Capital Investment Board for £8m investment in the leisure portfolio. It is hoped that this would encourage additional investment from potential providers and attract grant funding from external bodies. Potential bidders will be asked to bring forward their own innovative investment solutions for bridging the gap of £7.8m.

The Active Communities Leisure Services Procurement Strategy evaluates the impact of investment on the affordability of the contract and sets a benchmark to evaluate providers bids, whilst recognising the minimum delivery of a break-even position in revenue budget terms. The impact of COVID 19 and increasing inflationary pressures (e.g., utility costs) have had a significant impact on the leisure industry and it is unclear how long it will take to fully recover. It is understood providers are seeking higher returns from new contracts to compensate for associated risks; or alternatively risk share arrangements to mitigate anticipated increases.

The tender process provides for a full evaluation of these risks, so the most cost-effective management arrangements can be ascertained over the life of the contract. The Council may also need to consider the option of additional capital investment during the life of the contract if the full capital requirement is not achieved.

The decision to exclude Jubilee Swimming Pool and Kingswood Sports Centre from the tender process means that alternative operators are now being considered. If this does not happen, for any reason, any contractual decommissioning or re-purposing costs would have to be met from within existing resources.

Finance Business Partner: David Tebbutt (Principal Accountant) 26/01/2022

2. Legal Advice:

Consultation on the proposals in the report has taken place and the process and outcomes are detailed in Appendix B. The consultation process communicated the authority's proposals to those with a potential interest, explained why those proposals were being considered, provided the consultees with sufficient information to make informed responses to the proposals and allowed the consultees sufficient time to submit their informed responses.

Cabinet must conscientiously take the responses into account when making the final decision.

Cabinet must also carefully consider the Equalities impact assessment at Appendix E which is designed to assist them in complying with the public sector equality duty (described in the impact assessment).

As Kingsdown Sports Centre is registered as “an asset of community value” any future lease of 25 years (or sale) will (in the absence of any exemption) be subject to moratoriums and a community right to bid in accordance with section 95 of the [Localism Act 2011](#). While the Act does not create a right for a ‘community interest group’ (as defined for the purposes of the Act) to buy or acquire any interest in the land or impose any obligation on the Council to dispose of the land to the community interest group on any terms, the moratorium will have the effect of delaying and restricting a relevant disposal during the relevant moratorium period. This could delay a disposal to a non-community interest group by 6 months from the date the Council notifies / publishes its intent.

It should be noted that the Council is under a duty by virtue of s123 of the Local Government Act 1972 to achieve best value for its assets and any disposal should be at the best price reasonably obtainable. The duty to seek best consideration is subject to certain exceptions, most notably s2 of the Local Government Act 2000 providing the Council with well-being powers to accept a disposal at undervalue within the £2 million threshold, where the authority considers the disposal will help it to secure the promotion or improvement of the economic, social, or environmental well-being of its citizens.

It is understood that the proposed CAT of Jubilee Pool will be in respect of the continued use of the facility as a community pool under a lease for 35 years or less, at a peppercorn rent, but with scope for operational surpluses to be shared above agreed levels. Any CAT will need to comply with the Council’s CAT policy and lease arrangements over 35 years require Cabinet approval. If the CAT process does not conclude with a transfer to a community group any disposal of the asset will be subject to the best value duty.

Legal Team Leader: Sarah Sharland and Andrew Jones – 26/01/22

3. Implications on IT: I can see no implications on IT in regard to this activity.

IT Team Leader: Gavin Arbuckle – 07/01/22

4. HR Advice: There are no significant HR implications arising for Bristol City Council employees from these proposals.

HR Partner: Lorna Laing – 24/01/22

EDM Sign-off	Hugh Evans	08/12/21
Cabinet Member sign-off	Mayor	20/01/21
For Key Decisions - Mayor’s Office sign-off	Mayor	31/01/22

Appendix A – Leisure Facilities Investment Strategy	YES
Appendix A1 – Active Communities Leisure Services Procurement Strategy	
Appendix B – Consultation Report (Leisure Facilities Investment Strategy)	YES
Appendix B1 – Consultation Report (Jubilee Pool 2020)	

Appendix C – Summary of any engagement with scrutiny	YES
Appendix D – Risk assessment	NO
Appendix E –Equality Impact Assessment	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	YES
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO