

Public Document Pack



SUPPLEMENTARY AGENDA 1

Dear Councillor

COMMUNITY, HEALTH AND LEISURE COMMITTEE - MONDAY, 6TH MARCH, 2017

I am now able to enclose, for consideration at next Monday, 6th March, 2017 meeting of the Community, Health and Leisure Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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| 4. | <u>Leisure Strategy</u> (Pages 3 - 18) |
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Yours sincerely

Chief Executive

Encs

6 March 2017

Community, Health and Leisure Committee

Leisure Strategy

Report of: *Kim Anderson, Partnership, Leisure and Funding Manager*

Wards Affected: *All Brentwood Borough Wards*

This report is: *Public report*

1. Executive Summary

1.1. It was agreed by Members at the 5 December 2016, Community, Health and Leisure Committee (min ref.207) that the Council commissioned report undertaken by 4Global to review the Value for Money options and appraisal of the Council leisure facilities would come back to Community Health and Leisure Committee to discuss the recommendations and next steps. The leisure facilities include the Brentwood Centre, six community halls, Hartswood Golf Course and the Council's play areas.

1.2. As this is a large piece of work it is proposed that a cross party working group be established to go through the recommendations, explore the opportunities and report back to Committee. This will consist of the Chair of the Community, Health and Leisure Committee (Chair), 3 Members representing the administration, 2 Members representing the Liberal Democrats and 1 Member representing the Labour Party. Any members that are currently representatives on outside bodies that would be impacted by the Leisure Strategy work would need to be excluded from the cross party working group due to a conflict of interest.

2. Recommendations

2.1 That Members note the summary report and the proposed actions

2.2 That a cross party working group be established to go through the proposed actions, explore the opportunities and report back to Committee with recommendations.

2.3 That the group leaders put forward their nominations for the cross party working group to the Chair of Community Health and Leisure Committee.

3. Introduction and Background

- 3.1.** In March 2015 the Council commissioned Ploszajski Lynch Consulting to assist in the development of a Leisure Strategy for the Borough. This was primarily to support the Local Development Plan. The initial draft was completed and became a “needs analysis” (Phase 1 of a complete leisure strategy) of leisure requirements and provided an evidence base of facilities in the Borough. A cross party Member Working Group was established in January 2016 to identify the key priorities and to develop a work programme to deliver the Leisure Strategy. A key priority identified by the working group was to establish income and expenditure on the Council’s current leisure facilities to inform the next stages of the strategy.
- 3.2.** Working in conjunction with the Local Development Plan the Leisure Strategy will identify the future provision required in Brentwood to meet the needs of the residents.
- 3.3.** The Brentwood Leisure Trust is the largest leisure provider in the Borough and currently manages six of the borough’s community halls through its subsidiary Brentwood Leisure Trading Limited. These include Hutton Poplars Hall, Hutton Poplars Lodge, the Nightingale Centre, Willowbrook Hall, Bishops Hall and Merrymeade House.
- 3.4.** The Grant and Service Level Agreement with Brentwood Leisure Trust and Brentwood Leisure Trading Limited to manage these halls expires in June 2017 together with the individual leases for each of the halls.
- 3.5.** In order to ascertain the true running costs of these leisure facilities the Council commissioned a value for money review and options appraisal of the its Leisure facilities which included Brentwood Leisure Trust, the six community halls, Hartswood Golf Course and the Council’s play areas.
- 3.6.** 4Global were appointed in 2016 to undertake this piece of work and this was completed in November 2016. Officers have challenged, asked for more information and provided their comments back to the consultants and a summary report with the proposed actions that need to be made is before Members tonight.
- 3.7.** A subsequent soft market testing exercise was also undertaken to further inform the discussion, particularly around any decisions to re-procure operational management, which could potentially realize some capital investment into the Council’s leisure facilities.

4. Issues, Options and Analysis of Options

- 4.1.** The Leisure Strategy is one of the key strategies as set out in the Vision for Brentwood 2016-19 document. In order to deliver a successful Leisure Strategy, Members and officers need to have a complete picture of the cost of the current provision, how it measures in value for money terms, the future options available to them, together with any risk profiles associated with its leisure facilities.
- 4.2.** The draft report was received by officers in November and officers have analyzed and interrogated the recommendations within the report and their respective implications.
- 4.3.** The key decision for Brentwood Borough Council is how to best provide the level of leisure provision for both current and future Brentwood residents, bearing in mind that it has existing but ageing facilities and that there will be future development pressures.
- 4.4.** The consultant's report has set out a number of possible options in respect of the Brentwood Centre, the community halls, Hartswood Golf Course and the Council's play areas. It also set out other possible operational management and procurement options that could be available to the Council.
- 4.5.** The Council is the freehold and leasehold owner of the six community halls. There is current Grant and Service Level agreement in place dated 6 June 2011. The Council by various leases dated on 6 June 2011 and 16 February 2012 demised the Halls to the Trust for a term of 5 years or less. The Council on 4 July 2016 renewed the various Halls leases to the Trust, for a further term of 1 year. The current one year Grant and Service Level Agreement between Brentwood Borough Council, Brentwood Leisure Trust and Brentwood Leisure Trading Limited, together with the six leases for the community halls expires in June 2017.
- 4.6.** It is proposed that the existing lease arrangements between Brentwood Leisure Trust and Brentwood Leisure Trading Limited continue in relation to the Grant and Service Level agreement and the leases for the six community halls whilst officers explore other operational management options.

- 4.7. Officers have provided a summary report for Members to inform them of the initial decisions that need to be made in order to progress any subsequent work for the Leisure Strategy.
- 4.8. As this is a large and important piece of work it is proposed that a cross party working group be established to work through the proposed actions, develop the Leisure Strategy and an action plan that will progress the work. Recommendations from the cross party working group will subsequently be brought back to a future committee.

5. Reasons for Recommendation

- 5.1 As part of the Council's due diligence in delivering a successful Leisure Strategy, Members and officers need to have a complete picture of the current associated costs, risk profiles of the Borough's Leisure facilities and identify opportunities for income generation.
- 5.2 Comments received from Sport England as part of the Local Development Plan consultation, stated that a Leisure Strategy is required that assesses Council owned sports and leisure facilities in order that the Council can continue to work with partners to ensure that appropriate provision is made for the residents of Brentwood. The strategy should not only consider how the Council can provide services, but also how other partners can. The strategy should also use current sports facility evidence to identify strategic priorities to then inform what will be included in the Council's Infrastructure Delivery Plan. Following this feasibility work, the Council will then be able to determine which projects will be funded by the Community Infrastructure Levy (CIL) and those funded by planning obligations.
- 5.3 The Council's Asset Management Strategy also sets out the need to maximise income where possible from its asset portfolio.

6. References to Council Priorities

The Leisure Strategy sits under two main strands of the Vision for Brentwood 2016-19: Environment and Housing Management to develop a Leisure Strategy to provide strong and sustainable leisure facilities for residents and businesses; and Community and Health - to work with community and voluntary organisations to develop the priorities for community development. There are also strong links for the priorities of the Council's Health and Wellbeing Strategy 2014-2017, the Local Development Plan, Active Brentwood/Essex and the Council's Asset Management Strategy.

7. Implications

Financial Implications

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- 7.1 One of the key drivers for the Leisure Strategy is to reduce the Council's current revenue and capital costs on its leisure facilities and provide strong and sustainable leisure facilities for the future.
- 7.2 Once the feasibility studies have been undertaken then the Council will have a clearer picture on the associated costs of the relevant options that Members would like to examine more.

Legal Implications

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- 8.1 As part of the Council's due diligence a full and thorough options analysis will inform Members of the options available to them in the development of the Leisure Strategy priorities.
- 8.2 Members that are trustees on outside bodies must declare a pecuniary or non-pecuniary interest at Committee to highlight any potential conflict of interest.

9. Appendices

Appendix A – Leisure Strategy Summary Report

Background documents:

Local Development Plan

National Planning Policy framework

Fields in Trust - Guidance for Outdoor sport Play: Beyond the Six Acre Standard

PLC report

Sport England

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Leisure Strategy Summary Report

Value for Money Review and Options Appraisal for Brentwood Borough Council's Leisure and Cultural Services

Introduction and Scope

Brentwood Borough Council appointed 4Global, in partnership with Strategic Leisure Limited, Active Essex and Global to Local, to undertake a Value for Money Review and Options Appraisal of its Leisure and Cultural Services. This included the Brentwood Centre, six community halls which are currently managed by Brentwood Leisure Trust, Hartswood Golf Course and the Council's play areas.

This has followed on from previous work undertaken by Ploszajski Lynch Consulting (PLC) to identify current and future provision to meet the sport facility needs of Borough residents. Sport England provides a recommended approach to undertake a robust assessment of the need for indoor and outdoor sport facilities.

Desired Outcomes

This has been undertaken to provide an independent review of the Council's leisure and cultural services, the current financial position of the facilities, maintenance projections and to identify any further investment that would be required.

The review also identified possible alternative operating models and the associated risks and costs for each option. This was undertaken so that it will assist Members to make informed future decisions on its leisure and cultural services, but also that the desired outcomes are that there would be:

- Capital and Revenue reduction to the Council
- Capital investment in facilities
- Exploration of possible alternative operational management models
- A reduction in risk to the Council
- Increased participation in sport and leisure
- A robust and sustainable leisure provision for Brentwood

Current provision

Brentwood Centre

The Brentwood Centre currently is the only play and pay facility in the Borough and comprises:

- 6 lane x 25m pool plus learner pool
- 12 court sports hall with spectator seating – 2,000 seats
- 80 station fitness suite
- 5 activity studios
- 2 squash courts
- 3G artificial pitch
- Beach volleyball court (external)
- Dedicated space for martial arts, spinning and power lifting and extensive provision for people with disabilities

The Brentwood Centre also sits within a site that has football and rugby pitches and is home to Brentwood Town Football Club.

The Brentwood Centre is now 28 years old.

Community Halls

The scope of the consultant's report included the six community halls which are currently managed by Brentwood Leisure Trading Limited, Hutton Poplars Hall, Hutton Poplars Lodge, Merrymeade, Nightingale Centre, Willowbrook Hall and Bishops Hall.

Hartswood Golf Course

Brentwood Borough Council currently directly manages the 18 hole, par 70 municipal Hartswood Golf Course. It is the only play and pay facility in the Borough. The Golf course is located in King George's Playing Fields and the pavilion building built in 1970, contains a cafe, golf pro shop and Brentwood Golf Club. These are managed under separate agreements. The building also has toilet and changing room facilities for the football and rugby pitches in King George's Playing Fields.

Play areas

The Council currently manages 28 play areas across the Borough. 11 of these are located in Council housing estates. In addition there are 10 play areas owned and managed by the Parish Councils.

Needs Analysis

From a strategic point of view the Council needs to be clear what leisure provision is required and where that should be located in the Borough. They also need to identify what type of additional facility is required especially with the increased housing development pressures in the Borough by 2033.

As part of the Local Development Plan work a needs assessment was undertaken in to identify the current leisure provision and future requirements for the Borough. This was undertaken with Poszajski Lynch Consulting and the results of that report have been fed into this report that will inform the next stages of the Leisure Strategy.

A number of sport National Governing Bodies (NGB's) have provided feedback from their particular sports for their requirements to meet current unmet need and possible future demand.

An improvement in the Council's financial position is also required to enable it continue to provide high quality sustainable sport and leisure provision for the residents of Brentwood.

Alternative management models have been explored which could have the potential to provide income generating opportunities for the Council that could support future sport and leisure provision.

Identifying if investment in neighbouring authorities own leisure portfolio could impact on the usage of our own facilities now and in the future.

Current financial position

Brentwood Borough Council needs to save £1m per annum moving forward and sport and leisure are discretionary services so must demonstrate sustainability and value for money moving forward.

Brentwood Leisure Trust (BLT) was set up to enable Brentwood Borough Council to benefit from NNDR savings via the Trust model in common with a number of other local authorities.

The Council still remains responsible for the maintenance of the buildings, and pays an annual Halls Management fee to BLT to manage the six community halls on its behalf.

Hartwood Golf Course is providing an income stream to the Council, but without future investment in the pavilion building is it not able to maximise the potential for golf days, restaurant dining etc. The separate agreements with those organisations occupying the pavilion also creates some difficulty.

The Council needs to also explore private/public partnerships which could provide investment into key play areas.

Opportunities

There is new leisure operating models that see a nil subsidy service with a payback to the council, and in many cases transfer of risk to the operator of utility costs and consumption, plus lifecycle maintenance.

A soft market testing exercise was undertaken to ascertain whether there was appetite with other leisure providers to offer alternative operating models for the Brentwood Centre.

There may external funding opportunities from Sport England, Section 106/CIL contributions that need to be explored that could provide investment into facilities.

There are opportunities with the Community Halls to develop them further. The Council could bring them back in house, look at the community to take over the running of them or look an asset transfer for some of them.

Whilst Hartswood Golf Course is currently managed and maintained by Brentwood Borough Council, the pavilion in King George's Playing Fields has separate arrangements in place for the cafe, the Golf Club, and the Golf Pro Shop.

The Golf Course provides an income stream to the Council, but there are potential opportunities to increase income by improvements to the pavilion and the surrounding area by working in partnership with an external operator. This could include the development of Splash Park and indoor play area provision as part of the improvement works to King George's Playing Fields as a whole.

The Council doesn't have the resources to maintain the 28 play areas and associated ongoing maintenance and repair costs. In addition, there is a need to ensure the facilities are in the correct place to meet the community's need. Therefore, it is necessary to look strategically at where there are the best opportunities to provide additional investment, whilst ensuring the play areas support the needs of future development.

Risks

There are a number of decisions that need to be made in relation to the Leisure Strategy and following sets out some of the indentified risks with the various options.

Brentwood Centre		
Development Option	Pro	Cons
Status Quo – Make do and Mend – Do Nothing	<ul style="list-style-type: none">• Affordable in short time	<ul style="list-style-type: none">• Some expenditure quite significant• Risk of unpredicted closure periods• Running costs may increase disproportionately• Continuing customer dissatisfaction• Failure to meet needs of growing population

		<ul style="list-style-type: none"> Eventually new centre will still be required Delay could cost more, as less opportunity to procure investment and management together
Planned refurbishment	<ul style="list-style-type: none"> Affordable (but still relatively expensive) Will address some investment issues Reduced risk of unpredicted closure Some visible customer benefits but significant expenditure needed behind the scenes 	<ul style="list-style-type: none"> Refurbishment will not address the design and layout of the building which is inefficient Unforeseen issues may arise once refurbishment works start which could result in more cost/longer closure period etc. Limited longevity of quality – possibly 10 years? Still fundamentally the same facilities afterwards Eventually new facilities will be required
New Build facility	<ul style="list-style-type: none"> Strategic financial commitment Would meet current and future needs for 40years+ Opportunity to provide fit for purpose facilities more efficiently Flagship to promote participation/events/Brentwood Energy efficient Lower running costs Low interest rates Opportunity for external capital investment Attractive to external operators 	<ul style="list-style-type: none"> Major project – delivery risk Debate over facilities and site Programme and cost risks can be more easily managed on a new build project Anticipate a greater level of competition from building contractors (and operators) when the project is tendered, which will be beneficial to both capital cost and longer term revenue costs. Greater certainty over the capital costs and business case as the project moves forward

Community Halls		
Options	Pros	Cons
Status Quo – Halls Management arrangement with BLT	<ul style="list-style-type: none"> Existing lease arrangement and less potential disruption to customers 	<ul style="list-style-type: none"> Current cost to BBC Objective of BBC for nil cost service not achieved
Halls Management arrangement with new	<ul style="list-style-type: none"> Revised hall management 	<ul style="list-style-type: none"> Time for tender process, existing and

provider	arrangement <ul style="list-style-type: none"> • Opportunity to develop a programme of informal physical activity delivered through Community Halls – linked to Brentwood Centre 	interim lease arrangements to be agreed
Bring back in house	<ul style="list-style-type: none"> • Potential income from halls hire • Use of some of the halls for the relocation of staff during Town Hall transformation 	<ul style="list-style-type: none"> • Increased NNDR costs • Additional staff costs to manage booking/bar staff and caretakers
Asset disposal/development opportunities	<ul style="list-style-type: none"> • Income opportunities • Reduced Repair and Maintenance costs 	<ul style="list-style-type: none"> • Disposal of community asset

Hartswood Golf Course		
Options	Pros	Cons
Status Quo – Direct management of the Golf Course and separate agreements with the occupiers of the pavilion	<ul style="list-style-type: none"> • Affordable in short term • Direct management of golf course and maintenance (wider ground maintenance) 	<ul style="list-style-type: none"> • Continuing customer dissatisfaction • Eventually new pavilion would need to be developed • Complicated existing arrangements
Refurbishment of pavilion and review of the current operational arrangements and agreements	<ul style="list-style-type: none"> • Affordable (but still relatively expensive) • Will address some investment issues • Reduced risk of unpredicted closure • Review existing arrangements and explore other operating models 	<ul style="list-style-type: none"> • Refurbishment will not address the design and layout of the building which is inefficient and not DDA compliant • Unforeseen issues may arise once refurbishment works start which could result in more cost/longer closure period etc.
New build facility	<ul style="list-style-type: none"> • Energy efficient 	<ul style="list-style-type: none"> • Major project –

	<ul style="list-style-type: none"> • Lower running costs • Low interest rates • Opportunity for external capital investment • Attractive to external operators • Private /Public partnership could additional indoor play facility • Link to strategic improvements to KGPF 	<p>delivery risk</p> <ul style="list-style-type: none"> • Debate over facilities and site • Programme and cost risks can be more easily managed on a new build project • Anticipate a greater level of competition from building contractors (and operators) when the project is tendered, which will be beneficial to both capital cost and longer term revenue costs.
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Play areas		
Options	Pros	Cons
Status Quo – Do nothing	<ul style="list-style-type: none"> • Adequate number of sites • Access to capital • Popularity of open spaces • Most areas of the Borough provided for 	<ul style="list-style-type: none"> • Unsustainable with current budget • More stringent health and safety compliance • Random site distribution • Reputational risk • Increased insurance
Rationalisation	<ul style="list-style-type: none"> • Development of destination play areas • Use of capital to spend and save • Investment in facilities, S106/CIL • Consultation with residents • Agreed quantity and accessibility standards 	<ul style="list-style-type: none"> • Phased reduction in play areas • Negative reaction
Development opportunities	<ul style="list-style-type: none"> • Strategic financial commitment • External funding with 	<ul style="list-style-type: none"> • Anticipate a greater level of competition from building

	<p>private/public partnership</p> <ul style="list-style-type: none"> • Meeting the needs of new housing development 	<p>contractors (and operators) when the project is tendered, which will be beneficial to both capital cost and longer term revenue costs.</p>
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A full feasibility study would be required dependent on the options that Members want to consider.

Conclusions and Recommendations

General questions that need to be answered before further work can be progressed

1. What provision is needed in the future (nature, scale and type), and where should this be located?
2. Is the Brentwood Centre needed in its current form, or is there potential to refurbish/rebuild? If the latter does the sports hall need to be 12 courts?
3. The Council needs to be clear as to the purpose of the Brentwood Centre – is it about sport or is the focus on events? This is critical in terms of future facility scale, capital investment, and potentially who is in a position to provide this capital.
4. If the Brentwood Centre is rebuilt, should it be on the same site? Where should other provision be located?
5. Is there potential to operate the Brentwood Centre most cost effectively, and reduce the subsidy paid by the Council? If so, how can it be achieved?
6. Is there potential to operate the community halls more cost effectively, and/or have alternative models been explored?
7. What is the best way to fund capital investment required in facilities?
8. What is the optimum procurement route for construction?
9. What are options for future operational management of facilities?

Brentwood Centre and BLT

1. Explore other operational management options for the Brentwood Centre and undertake a feasibility study.
2. Pursue the responses received from the soft marketing exercise to see if there is interest from other providers.

3. Agreement on the future provision to be provided at the Brentwood Centre or elsewhere in the Borough.

Community Halls

1. Explore other operational management options for the halls and associated cost implications.
2. Identify sites for possible asset transfer to the community or commercial organisations.

Hartwood Golf Course and King George's Playing Fields

1. A feasibility study is undertaken to look at the options for the Golf Course, the Pavilion building and the play areas in King George's Playing Fields, and explore the opportunities for public/private partnerships to introduce new play attractions and potential increase income.

Play areas

1. Explore options available to the Council such as the rationalisation of play areas and the investment and improvement opportunities that are available.

The Council will also need to consider the other strands that will also inform the Leisure Strategy such as the Open space assessment work that has already been undertaken and the Local Development Plan.

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