

**STROUD DISTRICT COUNCIL**  
**COMMUNITY SERVICES AND LICENSING**  
**COMMITTEE**

**AGENDA**  
**ITEM NO**

**10**

**27 JUNE 2017**

<b>Report Title</b>	<b>JOINT USE SPORTS CENTRES</b>
<b>Purpose of Report</b>	To decide the future operation of the joint use sports centres at Maidenhill, Thomas Keble and Rednock Schools
<b>Decision(s)</b>	<b>The committee RESOLVES to not enter in to a new agreement with Rednock and to give the required 12 months notice for termination in August 2018 at Thomas Keble and Maidenhill.</b>
<b>Consultation and Feedback</b>	With schools and other stakeholders
<b>Financial Implications</b>	<p>The report outlines the financial performance of the Joint Use Sports Centres (JUSCs) over the last 5 years. Whilst there have been a number of initiatives to improve this, the effect has generally only been short-term. The JUSCs continue to receive a subsidy from the Council to operate.</p> <p>Members are presented with a number of options regarding the JUSCs within the report ranging from reducing operating hours to terminating the current joint use arrangements. It is also worth highlighting the significant capital investment in new equipment that may be required to continue operating the centres effectively. No budget provision has been made for this within the capital programme, with any potential bid for capital resources being backed-up by a robust business plan.</p> <p>The MTFP, as approved by Council in February 2017 highlighted a growing Core Deficit position on the General Fund and a need to generate additional budget savings to mitigate this.</p> <p>David Stanley – Accountancy Manager          Tel: (01453) 754100          Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>Depending upon the approved option there would be a need to comply with relevant termination requirements in the Joint Use Agreements and any affected employment contracts. Otherwise there are no legal implications arising from this report</p> <p>Alan Carr, Solicitor          Tel: 01453 754357 Email: <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a></p>

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<b>Options</b>	To continue to operate all three centres but rationalise opening hours. This would involve future capital investment of £90k alongside day to day running costs.
<b>Background Papers/</b>	Detailed background papers can be found in the Members Lounge

## 1. Background

- 1.1 Since 1997, Joint Use Service Agreements have been operational between Stroud District Council and School Governors at various schools. A management fee is paid to the respective school to cover hire and cleaning costs. Inflationary increases are permissible by negotiation, to cover utility and other increases.
- 1.2 The joint use sites at Maidenhill, Rednock and Thomas Keble schools remain in operation with the Pulse having management responsibility for Rednock Sports Centre and Community and Facilities managing Maidenhill Sports and Dance Centre and Thomas Keble Sports Centre.
- 1.3 In 2015 Wotton Sports Centre transferred to Sport Wotton Ltd, at the request of the associated school, this followed the handing back of Nailsworth Recreation Centre and Wotton Pool and the closing of Berkeley Vale Sports Centre after the school closed.
- 1.4 Since a Joint Use Sports Centre Phase Two report was presented to Cabinet on 8 September 2011, the centres at Thomas Keble and Maidenhill have tried various strategies to increase income and minimise costs. A long term marketing plan was undertaken and staff levels have been rationalised through natural wastage.
- 1.5 The centre at Rednock originally complemented the offer at Dursley Pool. However, with the recent £1.7m investment to create The Pulse, an element of necessity has been removed and therefore it seems logical to include the centre in this report.

## 2. Update

- 2.1 The long term Marketing Plan implemented to improve Thomas Keble and Maidenhill has failed to attract new users consistently. Some of the strategies have improved aspects in the short term but have not retained numbers over a longer period. New exercise classes such as Boxercise have been well attended initially, only to contract rapidly, whilst targeted leaflet drops have only had limited success.
- 2.2 Even with an increased emphasis on marketing and promotion, footfall has been on a downward trend since 2011. Incomes at both sites unsurprisingly reflect this trend even taking in to account the inflationary increases that have been added to prices over these years. Investment at Stratford Park Leisure Centre and the associated surge in popularity at this venue has undoubtedly

had an impact, with SPLC members now far more likely to come from further afield, including the catchment areas of both Maidenhill and Thomas Keble. In addition, new private venues such as Inside Football in Brimscombe and more recently Anytime Fitness in Stroud have also had an impact.

- 2.3 Thomas Keble and Maidenhill are now part of the 'Exercise on Referral' scheme, but neither venue has proved particularly popular since introduction in September 2015. Annually the two sites are inducting 12-15 individuals. Many people prefer the flexibility of comprehensive opening hours both during the working week and at weekends.
- 2.4 Basic research indicates that the joint use sports centres continue to offer local facilities at a reasonable price. The most comparable centre is that at Archway School, which does offer a number of facets at a slightly lower price. Although we currently offer good value, we are not the cheapest in the local market, which illustrates that price increases are unlikely to be the answer to income generation. Conversely the lack of footfall growth also illustrates that reducing prices will most likely only serve to reduce income; offering those that already use the centre discounted rates. Most other facilities do have higher prices, but when you factor in the advantages of increased opening hours and often wider facility choice, it is somewhat understandable.
- 2.5 A recent meeting at Thomas Keble School, with the Head Teacher and Business Manager, indicated that facility access to the public is likely to continue under a new operating model. This thought has been reciprocated at Rednock. Maidenhill have indicated that they do not have capacity to take over management responsibility, but ultimately the School Governors would decide.
- 2.6 Contractors at other leisure facilities have confirmed that they wouldn't consider taking on the running of the centres, on a non cost basis.
- 2.7 Precedents for successful school managed sports centres are numerous; a sentiment echoed by Active Gloucestershire at a recent meeting. Indeed Nailsworth Recreation Centre handed back in 2011 and operated by a community partnership initially, is now successfully operated by the associated school. Throughout Gloucestershire similar models exist.

### **3. Financial Status**

- 3.1 Over the last five years income and footfall has dropped at each of the centres. However, the lower income has been offset by a series of measures to reduce costs, including the use of freelance exercise class instructors and staff rationalisation.
- 3.2 Full financial details of each of the sites are illustrated in the Background Papers. Note: Figures for Rednock Sports Centre are only for one year due to the total change of operating model following the inception of The Pulse.

**4. 2015-2017 at Thomas Keble and Maidenhill and the past year at Rednock**

- 4.1 2015/16 was a poor year at Maidenhill with nearly every facet of the centre showing a downturn on 2014/15 figures. Sports hall use was particularly disappointing, with the loss of a booking from a prominent cricket club, due to funding, and a netball club due to location. This level of performance has remained stable in 2016/17.
- 4.2 Although the picture was slightly better at Thomas Keble in 2015/16, a blow was dealt to the centre in 2016/17 when a major basketball booking was lost; in part due to the disruption caused by school closures. As a result, overall user figures and income in 2016/17 are substantially down.
- 4.3 Rednock recently completed the first year of operating solely as a sports centre. It is still widely used and slots have been 90% full. A holiday programme for children operates during every school holiday and this attracts between 30 and 50 children daily.

**5. User Survey**

- 5.1 A short questionnaire was given to users at Thomas Keble and Maidenhill for completion in January 2017. As with most questionnaires, the return rate was low, but nonetheless the results are insightful (Background Papers).
- 5.2 At Maidenhill, of thirty-six responders, 42% acknowledged that Stratford Park Leisure Centre offers them convenient access. Of this 42%, half are already using SPLC.
- 5.3 At Thomas Keble, of thirty-two responders, 53% acknowledged that SPLC offers them convenient access. Of this 53%, a quarter are already using SPLC.
- 5.4 A similar questionnaire was distributed to users of Rednock in May 2017. However, the sample size was too low to draw any conclusions from the data.
- 5.5 It was recorded, the biggest restricting factor to the use of sites, were limited opening times, which for obvious reasons can't be overcome.
- 5.6 In summary, the results confirm that Stratford Park does offer a viable alternative to lots of existing Maidenhill and Thomas Keble attendees.

**6. Use Analysis by Location (Thomas Keble and Maidenhill only)**

- 6.1 From analysis undertaken to ascertain where existing users are coming from, it is clear that the vast majority of attendees visit the centres from the local communities in which they live the background papers plots users home post codes, which reflect this. Maidenhill attracts a higher percentage of visitors from further afield which is a reflection of the greater number of team sports that take place at the venue. Indeed anecdotally, up to 75% of users are associated with clubs rather than being individual users.

## **7. Capital Investment**

- 7.1 At the present time the fitness equipment at Maidenhill and Thomas Keble is of adequate quality. In comparison to the leading players, the equipment is older and less functional. In the short term it remains serviceable but within 3 years a replacement programme will be required to at least commence. To update each gym with good quality equipment will require an investment of circa. £40k.
- 7.2 The current software (booking system) may also require investment. The existing system has been in use for many years and was developed in house. Although functional, software support is restricted and no further development is possible. This would be especially useful in targeting particular health and wellbeing objectives for example. The current advice from IT colleagues is that alternatives should be sought and in particular the Gladstone system, which is in use elsewhere in the authority and particularly at The Pulse. Based on previous discussions with Gladstone, a capital cost of around £10k would be required, with ongoing annual support charges of £2k.
- 7.3 Neither of these investments are budgeted and additional monies would need to be made available for such projects. Lease arrangements are available for gym equipment but annual budgets would need to be created. This would further affect the financial ability of each of the centres.
- 7.4 Investment at Rednock is not as much of a consideration as the Gladstone booking system is already operational and the gym facility has been removed from public use.

## **8. Funding and Over Arching Bodies**

- 8.1 At the current time there is no identifiable Clinical Commissioning Group (CCG) funding available.
- 8.2 Likewise, although funding windows are opening with Sport England, local authorities are not best placed to bid for money.
- 8.3 Active Gloucestershire have also confirmed there is no identifiable funding available.

## **9. Summary**

- 9.1 Although some minor operational rationalisation is possible at Thomas Keble and Maidenhill, this would do little to reduce the overall deficit and there is a risk that minimising opening hours further, will only serve to proportionally reduce income. Full rationalisation of hours has already been implemented at Rednock Sports Centre to reflect user trends, which see busy early evenings and quiet late evenings.
- 9.2 To continue operating the centres, continued funding will be required. In addition, thought will need to be given to the future and how equipment replacement would be possible. Gym equipment and a booking system upgrade will almost certainly be required within three years at Thomas

Keble and Maidenhill. This equates to capital investment of £90k, in addition to the ongoing operating costs.

- 9.3 To emphasise the requirement, existing users have deemed improved equipment as one of the top three priorities at each of the sites presently.
- 9.4 The current joint use contract for Rednock School terminates on 14<sup>th</sup> August 2017. The centre can legally be handed back to the school without notice. At Thomas Keble and Maidenhill a 12 month notice period is required for termination.
- 9.5 Termination of the agreements could result in the closure of the centres, or alternative operating models, if the schools take over management. Annual savings of circa. £148K would be realised. In the short term this saving will be lessened by the severance packages payable to staff, most of whom work under 10 hours per week.
- 9.6 As was the case at Wotton Sports Centre, the fitness equipment that we own at Thomas Keble and Maidenhill, could be bequeathed to the school. Current quotes have illustrated a cash value for this equipment of around £4K per site. This would keep alive the possibility of the schools taking on the running of the centres. It would also lessen the impact on the schools that use the equipment in lesson time. Rednock have already acquired the fitness equipment under a separate arrangement.