

Place and Resources Overview Committee

10 February 2022

QE Leisure Centre Future Management

For Recommendation to Cabinet

Portfolio Holder: Cllr L Miller, Customer and Community Services

Local Councillor(s):

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Public

Recommendation:

Place and Resources Overview Committee is asked to recommend to Cabinet:

1. That the Executive Director of Place is instructed to write to Queen Elizabeth School Foundation Trustees to give formal notice to withdraw from the dual use management agreement on the 31.3.24.
2. That officers continue to engage with the school during this transitional period and work with them to approach the Education and Skills Funding Agency to apply for exceptional circumstances funding in recognition of the change in contractual arrangements.
3. That officers work alongside Queen Elizabeth School in identifying ways to maximise the availability of leisure facilities for school and community use and provide advice to any displaced users who may need assistance in identifying opportunities to maintain their activity levels.
4. That a bid for one off capital funding (up to a max of £150,000) should be included in Dorset Councils 2023/24 capital budget process. If successful, this funding would be Dorset Council's contribution towards the replacement of the All-Weather Pitch.

Reason for Recommendation:

The existing dual use agreement permits the Council to give Queen Elizabeth School Foundation Trustees a 2-year notice to withdraw from managing the leisure centre.

There is a good level of alternative provision within the locality with seven public leisure facilities within a 20 min drive time of Queen Elizabeth Leisure Centre (QELC), three of which are owned by Dorset Council. Similarly, there are several large private and budget leisure clubs within a 10-mile radius.

A decision to withdraw would enable the Council to make a revenue saving of around £550,000 per annum.

The leisure centre is owned by the Foundation Trustees and any decisions around the future operation of the site would be for them as the land and property owner. The Council would be keen to support them during this transitional period with applications for exceptional factor funding as well as identifying ways to maximise school and community use of the facilities.

The all-weather pitch is a vital facility and one-off funding (up to £150k) could enable this to be replaced during 2023/24, benefitting both Queen Elizabeth School (QES) and the community. This would also allow QES to generate enough income to create a sinking fund for any future replacement.

1. Executive Summary

Dorset Council is currently subsidising the leisure centre facilities at Queen Elizabeth Leisure Centre (QELC) by around £550,000 pa, and this equates to 33.3% of the overall leisure centres budget. This is far higher than any of the leisure centres owned by the Council; and raises the question whether this provides best value for money. In 2019, future capital costs at QELC were estimated at £4.7m over the next 25 years, with the Council required to contribute £2.83m (60%) towards this.

The existing dual use agreement permits the Council to give Queen Elizabeth School Foundation Trustees a 2-year notice to withdraw from managing the leisure centre.

The leisure centre is owned by the Foundation Trustees and any decisions around the future operation of the site would be for them as the land and property owner. The school (QES) has previously indicated that it may be able to provide school and community use of its sports halls, tennis/netball courts and athletic facilities, and may be able to replace the all-weather pitch if they were to receive additional financial support.

There were 1799 responses to the consultation enabling the Council to consider the potential impact on users, clubs, and staff. Several key responses and impacts were highlighted and feedback to these are covered in the main body of the report.

Whilst QES have raised concerns of being able to maintain the swimming pool at QELC, Wimborne Multi Academy Trust already operate a pool at St Michaels Middle School in Colehill without any additional funding from Education and Skills Funding Agency (ESFA), and so there may be an opportunity to replicate this operating model.

The all-weather pitch is a vital facility and one-off funding (up to £150k) could enable this to be replaced during 2023/24, benefitting both QES and the community. This would also allow QES to generate enough income to create a sinking fund for any future replacement.

If the joint use agreement were to cease, then it fundamentally changes the exceptional circumstances historically agreed with the ESFA. As a result, to secure any funding through this route, the school would need to work with the Council to approach ESFA to apply for exceptional circumstances funding in recognition of the change in contractual arrangements.

It may be possible to transfer some staff to other leisure sites that the Council directly manages, and any redundant staff would be subject to the Council's redundancy process. A 2-year lead in time will provide an opportunity to identify ways to mitigate the impact on existing staff and minimise the costs of any redundancies.

2. Financial Implications

There is the potential to reduce the Council's revenue budget by circa. £550,000 pa were the Council to withdraw from the management agreement at QELC.

Condition surveys have identified estimated capital works of £952,000 that will need to be completed by 31/03/24. Dorset Council's contribution will be £571,200 (60%). With project management, a 10% contingency budget and consultancy fees the total cost is £730,567. The council are legally required to leave the facilities in a good condition and complete these capital works prior to exit. A capital bid has been made for these works and this will be considered separately by Cabinet and Full Council.

Capital funding (up to £150k) could enable the all-weather pitch to be replaced, benefitting both QES and the community. This would allow QES to generate enough income to create a sinking fund for any future replacement. The bid for funding will be included in Dorset Councils 2023/24 budget setting process.

The staff at the leisure centre are employed by the Council so the TUPE regulations will apply if the service is transferred to another employer.

It may be possible to transfer some staff to other leisure sites that the Council directly manages, and any redundant staff would be subject to the Council's redundancy process. A 2-year lead in time will provide an opportunity to identify ways to mitigate the impact on existing staff and minimise the costs of any redundancies.

3. Well-being and Health Implications

As reflected by the Government and Sport England strategies and recognised by local authorities and Public Health England for some time, 'sport' is no longer delivered solely for 'sport's' sake. Increasing participation in sport and physical activity and reducing levels of inactivity are key to both local and national Government achieving outcomes in public health (physical and mental), adult social care and education.

This is further reflected in the Council Plan, where a key priority is to help create strong, healthy communities. The council's aims are to support communities to be active, to increase people's healthy life expectancy and reduce differences between areas. Leisure facilities play a significant role in providing opportunities for all ages to lead a more physically active lifestyle.

The Council currently provides a good range of leisure facilities across the East Dorset area, and this is further enhanced by an additional 5 public leisure facilities within a 20 min drive time of QELC.

4. Climate implications

Having declared a climate emergency, Dorset Council is committed to reducing its carbon footprint by developing energy efficiency and renewable energy projects in council buildings. Leisure centres owned by the council are large buildings with high energy consumption.

Any future investment in existing leisure buildings, or decisions around future uses and viability of buildings, will need to take account of the ability of the building to incorporate low carbon technologies such as LED lighting, efficient pool ventilation, solar PV, biomass heating or air/ground source heat pumps etc.

The Council has recently received funding from the Public Sector Decarbonisation Scheme and is currently looking at the option to upgrade lighting to LED and install solar panels at QELC.

5. Other implications

None

6. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Medium

Residual Risk: Medium

7. Equalities Impact Assessment

It is difficult at this stage to consider the full impact of the Council withdrawing from its management role, as the leisure centre is owned by Queen Elizabeth School Foundation Trustees and any decisions around the future operation of the site would be for them as the land and property owner.

QES has previously indicated that it may be able to provide school and community use of its sports halls, tennis courts and athletic facilities, however it has been suggested that the school may be unable to operate a swimming pool or replace the all-weather pitch in the future without additional financial support. There are also 7 public leisure facilities within a 20 min drive time of QELC, three of which are owned by Dorset Council.

No changes would take effect prior to April 2024 and this gives time for the Council to work with the school to identify future impacts and look for ways to mitigate against these. Appendix 1 provides an overview of the current assessment, but this would be reviewed and updated as decisions are made, and more information becomes available.

8. Appendices

Appendix 1 – Equalities Impact Assessment

Appendix 2 - Consultation Response Report

9. Background Papers

<https://www.dorsetcouncil.gov.uk/documents/35024/282089/QE+Appendix+3+The+future+role+of+Dorset+Council+in+Queen+Elizabeth+Leisure+Centre+-+comments.pdf/c71c1141-b78c-2cb4-440a-32e6de4360dc?t=1643208048100>

10. Background

10.1 As stated in the summary above the land and leisure centre at QELC are under the ownership of the Queen Elizabeth School Foundation Trustees,

with QES managed under the umbrella of Wimborne Multi Academy Trust (WAT). Dorset Council, who currently manage the leisure facilities on the school site, have the option to give a 2-year notice to withdraw from the dual use management agreement.

- 10.2 The Council's revenue costs at QELC are circa. £550,000 pa, however this is not unexpected given the number of public leisure facilities within a 20 min drive time of QELC, three of which are owned by Dorset Council. In addition to the public facilities, there are several large private and budget leisure clubs within a 10-mile radius and this high level of competition continues to have a negative impact on the centre's trading. The BH Live leisure centre in Corfe Mullen has had a detrimental impact on usage numbers and income at a time when costs continue to rise.
- 10.3 In 2019, future capital costs at the centre were estimated at £4.7m over the next 25 years, with the Council required to contribute £2.83m (60%) towards this.
- 10.4 At the 6 April 2020 Cabinet meeting, members agreed to undertake a public consultation to consider the implications of the Council withdrawing from the dual use management agreement.

11. Consultation Process

- 11.1 The aim of the consultation was to enable the Council to fully understand the future impact on users, clubs, and staff should they decide to no longer manage the leisure centre.
- 11.2. QES was given the opportunity to provide feedback prior to the consultation questionnaire being finalised. It was agreed to include a detailed introduction at the start of the questionnaire to explain the complexities around the management arrangements as well as a number of questions and answers to help provide further clarity.
- 11.3 It should be noted that on some of the question's respondents were able to provide multiple responses and therefore some totals have exceeded 100%.
- 11.4 The consultation period ran from 10th September 2021 to 7th November 2021. The consultation was well publicised throughout the duration and involved an online and paper consultation survey

12. Consultation responses

- 12.1 Overall, 1799 responses were received. The highest number of responses (64.6%) were received from users of the leisure centre. In addition to this

22.1% were also/either a parent/carer (19%) or pupil of the QE school (3.1%), 17% were residents but non- users, 3.4% were organisations or clubs, and 12.7% reported being members of a club that uses the centre.

- 12.2 Representation was also made by organisations such as Active Dorset, Wimborne Minster Town Council, Pamphill Parish Council, England Netball, and user groups such as Wimborne Wayfarers Hockey Club, Wimborne Athletics Club, Wimborne Wagtails, Poole Netball League and the Wimborne Manta Rays Swimming Club. In addition to this there were two petitions submitted with one of them exceeding 300 signatures.
- 12.3 The response details are set out in Appendix 2 - Consultation Response Report and the individual comments given in response to the narrative questions are set out in Appendix 3 which can be accessed via the link at Section 9. The Executive Summary on pages 5 and 6 provides a clear overview of the feedback received.

13. Consideration of the key responses and impacts

- 13.1 There was overwhelming support for the continuation of the existing operating model which would result in no change and no impact to residents, QES and those that use QELC.
- 13.2 The consultation is only one part of the decision process, but in terms of outcomes, the Council was keen to fully understand the future impact on users, clubs, and staff if they decided to withdraw from managing the leisure centre and if necessary, consider what could be done to mitigate this.
- 13.3 The response rate for this consultation was good and it is positive that so many have taken the time to contribute and share their thoughts and feedback. Appendix 2 and 3 provide all the information received through the consultation and whilst it is not possible to provide a response to every comment, each response has made a valuable contribution and has been considered as part of the overall evaluation.
- 13.4 As previously mentioned, it is difficult to fully understand the implications of the Council not managing the leisure centre, given that it would be for QES to decide how the facilities are operated in the future. However, it is likely that many of the facilities will still be available for school use as well as community groups and this needs to be considered alongside the feedback provided in 13.5 – 13.15.
- 13.5 Housing
- There was a high number of responses (269) that highlighted the need for local leisure facilities to support housing growth in Wimborne. There are currently three large housing developments around Wimborne which will

bring about 757 new dwellings. Whilst it is recognised that some of these future residents could become users of QELC they are unlikely to have much impact on reducing the overall subsidy and in terms of available leisure provision there are several alternative facilities close by.

13.6 Travel

A key barrier to going to other sites was that of increased travel and congestion and the environmental impact this would have. Others raised issues such as practical reasons or convenience e.g., travel time and impact, other commitments, parking, prefer to walk etc. The responses do however show that 83% of users currently travel to QELC by car and whilst the travel distance to other local centres may be a little more this is no different to many other areas across Dorset.

13.7 QE School

Concerns were raised about the potential impact on the QES children. The school would still be able to apply for funding from ESFA for any exceptional factors that would apply, and they have already indicated that they would still be able to operate the sports hall, tennis/netball courts, athletic facilities as well as the sports pitches that are not within the dual use agreement.

Whilst QES have raised concerns of being able to maintain the swimming pool at QELC, WAT already operate a pool at St Michaels Middle School in Colehill without any additional funding from ESFA, and so there may be an opportunity to replicate this operating model.

13.8 Health and Wellbeing

The value of health and wellbeing is understandably raised by many respondents as an important factor and given that the Council operates 3 other leisure facilities in the East Dorset area as well as 2 country parks, there is clear evidence that it is supporting the community to be physically active. Many other areas of Dorset are less fortunate and don't have access to the same level of leisure facilities and so equity of provision needs to be a wider consideration.

13.9 Use of other leisure facilities

The consultation has clearly highlighted the strong sense of place and loyalty that users have with many emphasising the value and quality of facilities on offer at QELC. It is therefore to be expected that many users will not have had a need to look at alternative centres. Of those responding however, 51.1% have indicated that they use or have used other local sports facilities by selecting one or more other sites.

13.10 Future activity levels

It is clear from the feedback and responses that although the question was based on QELC not continuing as it is now, many of responses were clearly provided with the thinking that facilities would not be available. Overall, a loss of provision would mostly reduce (57.4%), as opposed to cease (24.0%) sporting/fitness activities engaged with by individual users and 19.4% would look to use other facilities in the local area.

As previously stated, if some facilities are available and alternative provision was identified then this would mitigate a significant part of any identified impact.

13.11 Swimming

The most popular activity at QELC is swimming with 860 respondents saying they use the pool and 85.4% of disabled users who visit the centre use the pool. Wimborne Wagtails which is a swimming group for the disabled, has been based at the centre for many years and they have understandably raised concerns about their ability to continue if the pool at QELC was unavailable. There is also a newly established swim club that utilises the pool and several GP referral specific aqua therapy classes. The centre also provides a learn to swim programme for children.

QES have raised concerns around their ability to financially maintain a swimming pool, although as previously mentioned WAT does already do this at one of their other schools; opening it up to community groups and several external swim schools who deliver learn to swim programmes.

Some of the condition works funding would be allocated to swimming pool facility improvements, ensuring that it is left in a good useable condition.

There are several public pools in the local area most of which provide disability specific equipment and changing facilities, and many provide specific sessions for disabled swimmers. Most local facilities provide GP referral programmes and aqua classes and would no doubt be keen to welcome individuals or larger groups.

13.12 Hockey

There is unquestionably a lack of all-weather hockey pitches in the local area with most new artificial pitches primarily catering for football. Wimborne will soon have two new 3G pitches funded from housing developer contributions. Concerns raised by the hockey users and club members around alternative provision are valid. The school also fully utilise this pitch as it is a fundamental part of their sporting facilities.

However, the pitch is coming to the end of its useable life and the school have highlighted that they would not have the funds to replace it. Whilst this does not fall within the condition survey works identified prior to 2024, the Council could look to provide transformational funding (60% of costs) to ensure the continuity of this facility. The income generated from community use would allow the school to build a sinking fund so it could replace the hockey pitch when required in future years.

13.13 Netball

Responses were received from England Netball, the league organisers, local clubs, and players all highlighting the concern around a lack of alternative provision. The income from community netball is around £18k pa. and this would be an invaluable source of income to the school who have previously indicated that they would continue to maintain these facilities for school use.

13.14 Climbing

A few local dual use leisure centres have in the past operated climbing walls, although many of these have been decommissioned. There are other local climbing centres although these offer bouldering facilities as opposed to rope climbing. Whilst the school would look to retain the sports hall it is unlikely that they would want to have the responsibility of maintaining a climbing wall.

13.15 Athletics

The athletics facilities are used by the school and the local athletics club. The annual maintenance costs of this are relatively low and could be covered by the £8k pa. income received by the athletics club. This would enable continued use by the school and club.

14. Condition survey works

Condition surveys have identified estimated capital works of £952,000 that will need to be completed by 31/03/24. Dorset Council's contribution will be £571,200 (60%). With project management, a 10% contingency budget and consultancy fees the total cost is £730,567. The council are legally required to leave the facilities in a good condition and complete these capital works prior to exit. A capital bid has been made for these works and this will be considered separately by Cabinet and Full Council.

Most of the schedule relates to mechanical and engineering works and electrical and roofing replacements, so there will still be a requirement to carry out these works irrespective of how the site is operated in the future.

15. Exceptional Factor Funding

QES is currently in receipt of Exceptional Factor Funding from the Education and Skills Funding Agency (ESFA). This is for exceptional circumstances relating to school premises. For example, these may be for rents or in QES's case, for joint-use sports facilities. For 21/22 QES received £279,500 in funding from the ESFA to support the revenue and capital costs at the leisure centre. If the school were to operate the facilities without full community access, then this would effectively end the joint use agreement.

If this were to happen, it fundamentally changes the exceptional circumstances historically agreed with the ESFA. As a result, to secure any funding through this route, the school would need to work with the Council to approach ESFA to apply for exceptional circumstances funding in recognition of the change in contractual arrangements. The Council would only be able to support this if there was a clear rationale and justification for this funding application. The final decision would rest with the ESFA. Each application is considered on its own merits and it should not be assumed that a future application would be successful just because it falls into one of the categories for exceptional circumstances funding.

It is also worth noting that school funding is largely determined through the National Funding Formula (NFF) which forms the basis for the funding guide produced by ESFA. This currently is a 'soft' NFF. This means that most of the formula that determines school funding is determined at a national level with some flexibility, albeit limited, to change things at a local level. This is about to change.

The DfE has made it clear that it intends to move towards a 'hard' national funding formula, and this will happen over the next couple of years. This will remove all local changes to the formula and the criteria for exceptional funding are likely to be determined nationally. The implications regarding joint use funding are likely to be significant. By April 2024, the hard NFF is likely to be fully implemented. Whether or not QE, along with all other Dorset schools, will be entitled to this funding is likely to be determined nationally at this time.

16. Staff Implications

The staff at the leisure centre are employees of the Council. The TUPE regulations will apply to service changes and staff and unions will be consulted as required.

If not retained by QES some staff may transfer to other leisure sites that the Council directly manages. Any remaining staff would be subject to the Council's redundancy process, at the Council's cost.

However, with a potential 2-year lead in time, there should be an opportunity to identify ways to mitigate any adverse impact on existing staff.

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.