



Report to Environmental Wellbeing Scrutiny & Policy Development Committee 8th September 2020

Report of: Executive Director - Resources

Subject: Leisure re-opening subsidy – SCT/Places Leisure

Author of Report: Lisa Firth, Director of Culture, Parks & Leisure

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Summary:

This report provides an update on the package of funding support in order to begin re-opening a number of leisure facilities operated by Sheffield City Trust (SCT) and Places Leisure (PL). The Covid-19 pandemic has had a significant impact on the facilities ability to generate income and without additional funding from SCC it would not be possible for SCT or PL to open any leisure provision in the city. SCT and PL therefore required urgent funding, by way of grant and contract payment, respectively, to meet additional costs and lost revenue caused by the Covid-19 pandemic.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	✓
Other	

The Scrutiny Committee is being asked to:

The Scrutiny Committee is asked to note the content of the report.

Background Papers:

None

Category of Report: OPEN

Report of the Executive Director of Resources

Leisure re-opening subsidy – SCT/Places Leisure

1. Introduction/Context

Officers and members are currently working to develop the future vision for Sport, Leisure and Entertainment in the city. Working collaboratively with Sheffield City Trust and supported by Turner Townsend and Sport and Leisure Consultancy (SLC). This work had progressed significantly and a series of workshops had been held before lockdown.

Sheffield City Trust was set up in 1987 as an independent charity to oversee the running of the City's sport and leisure facilities, linked to the Major Sporting Facilities (Ponds Forge, Hillsborough Leisure Centre and the Arena) that were built for the 1991 World Student Games. The Council's existing contractual relationships with the Trust for the management of Major Sporting Facilities is due to come to an end in 2024.

In October 2019 a report was presented to this Committee to provide an update on the current financial position of Sheffield City Trust (SCT). The report identified a number of financial issues for SCT that have arisen as a result of difficult trading conditions and a long period of austerity, together with some of the assets being quite dated and maintenance costs are increasing.

Prior to Covid-19, the Council agreed a package of financial support for SCT that has stabilised their financial position. This included up to £2.8m revenue subsidy and up to £3.5m contribution for essential maintenance and repairs to buildings within the SCT Leisure and Entertainment estate.

On March 20th 2020 the UK Government took the decision to close all public leisure centres in response to the COVID-19 pandemic. As a consequence, the facilities in Sheffield stopped trading and a number of fixed costs have to date been met by the Council to ensure the buildings are safe and secure and can be activated for any civil emergency response.

The funding package identified within this report for the 2020/21 period will support the re-opening of a reduced number of venues across the city. Additional funding is required to remobilise services as some facilities remain closed and even where opened income is expected to be significantly reduced whilst social distancing measures are in place and impacting on capacity levels and the speed at which services can rebuild and recover.

Whilst the Council does not have a legal duty to provide leisure services there are a number of statutory duties related to leisure facilities, which includes the statutory youth provision and the need to ensure children in primary schools can learn to swim. Over and above this, the Council has received significant external capital funding over the last 20 years to modernise the leisure estate and there is a requirement for these facilities to operate in order to avoid the capital investment potentially being clawed back by funders (e.g. Ice Sheffield, EIS Sheffield, Graves Health and Sports Centre, Thorncliffe Health and Sports Centre).

2. Re-opening of Facilities

2.1 Rationale for re-opening

2.1.1 As a condition of the council providing additional emergency funding to SCT, the Trust was asked to provide a plan for re-opening facilities that the Trust believed would provide the best socio-geographic range of leisure provision for the city, along with the associated subsidy ask of the council to support their re-opening proposal. The phased reopening of facilities identified within this report provides a good geographical spread of provision across the city, considering the demographic of communities.

2.1.2 Sheffield City Trust Facilities

Concord Sports Centre: The catchment is predominantly S5, but also takes in regular customers from neighbouring S6, S9 and S35. The venue has a large floorplan with easy separation of wet and dry side customers. There is also a lot of sports hall space and outdoor activity area, leading onto a public park. This means that it should be relatively easy to enforce social distancing in the venue and to hold group activities in a well-spaced environment. The location of the venue fits well with newer, cost-effective sites operated by Places to give a good coverage across the city and include communities in the north-east. The venue is also a key base for a lot of the partner activity in the local community by organisations such as Street Leagues and the city's football clubs. Concord Sports Centre is one of the NCSEM bases, providing a critical link for Exercise Referral programmes for vulnerable individuals

English Institute of Sport Sheffield (EISS): Has a regular fitness membership from S9 and neighbouring S5, S2 and S13. With specialist activities in athletics, EISS draws from all Sheffield postcodes. The return to work of athletes (initially from British Boxing) training for Tokyo 2021 means that the venue is open and earning income and the addition of public fitness, school usage and other activities would be available at net income. The facility also provides administrative and training centres for National Governing Bodies; all of whom are working on their athletes' road to Tokyo 2021. EISS also provides the school physical education provision for the neighbouring Oasis Academy Don Valley for their pupils, currently 120 rising to c.600 pupils.

Ice Sheffield: Provides unique activities having specific appeal for teens & younger adults with the general skating sessions being popular with teenage girls, a group that's difficult to engage in physical activity. Calculations show that the venue can be operated to generate a financial contribution to the other activities of the trust. Ice Sheffield provides administrative and training centres for National Governing Bodies; all of whom are working on their athletes' road to Winter Olympic 2022. This venue will be opened as soon as Government guidance permits.

Tinsley, Beauchief and Birley Golf Courses: These sites are already operational following an earlier phase of easing of lockdown restrictions. All 3 courses are seeing buoyant demand, across all days of the week. The required operational restrictions have reduced playing capacities, but greater flexibility in players' lives means greater uptake than normal for 'off-peak' playing times. As the season comes to a close and demand reduces it is proposed that one course will close from November 2020. Further detailed work and consultation on which course to close will take place over coming weeks and prior to any decision.

Heeley Pool: It is proposed that Heeley Pool is used to serve as a convenient central location to offer dedicated water space for School Swimming programmes, Learn to Swim and for elite swimming clubs' use in relocating from Ponds Forge. The option provides a cost-effective way of replacing some of the lost capacity from Ponds Forge.

Springs Leisure Centre: Adds to a very strong community and swimming-focused approach widening access for a geographically tightly defined audience in the S12, S2 and S13 postcodes. The venue has a fitness membership of c.500 appealing to the oldest demographic amongst the SCT venues (36% aged over 45 years old) and a coached programme attracting 675 children each week across swimming, football and gymnastics and trampolining. As well as the general public, Springs provides services for specific community groups; offering autism-specific sessions and 'Walking' sports (Walking Football, Walking Cricket) for older adults as well as joint working with Spire Community Centre, Manor & Castle Development Trust and Sheffield United Community Foundation to engage a wide cross section of the local community. These will be re-introduced as soon as the social distancing regulations make them feasible. In addition, the venue focuses on specific health-recovery work with Exercise Referral programmes with NHS activity for individuals living with acute health conditions.

Hillsborough Leisure Centre: Has a large fitness membership with the highest attended fitness class programme in the city, alongside offering additional water space for school swimming, coached swimming for learners and lane swimming for general public usage. The gym has recently been re-designed with the latest equipment and the large space will allow a large capacity for users throughout the day. The extensive group exercise programme can be delivered in a well-spaced atmosphere in the sports hall. Wet and dry side attenders can be easily separated to maximise distancing

2.1.3 Places Leisure Facilities

Graves Health and Sports Centre: provides fitness memberships and physical activity options including specialist indoor tennis, gymnastics & trampoline facilities, with modern and welcoming Gym, studio's and pool hall to compliment. The centre is also provides clinical services via the NCSEM, providing a critical link for Exercise Referral programmes for vulnerable individuals. Graves serves the people of Sheffield within its immediate catchment area and neighbouring postcodes S8, S12, S17 and S18, this ranges from the Norton, Jordanthorpe & Batemoor area's to Westfield, Woodhouse, Greystones and Sharrow Vale.

Thorncliffe Health & Leisure Centre: provides fitness memberships and physical activity options with its modern and welcoming Gym, studios and pool hall to compliment. The centre is also provides clinical services via the NCSEM, providing a critical link for Exercise Referral programmes for vulnerable individuals. Thorncliffe serves the people of Sheffield within its immediate catchment area and neighbouring postcodes S35, S36 and S61.

Wisewood Sports Centre: Provides fitness memberships and physical activity options with its modern and welcoming Gym, studio and Sports Hall, the Centre is equipped with a recently upgraded gym, fitness studios, and football pitches. Wisewood serves the people of Sheffield within its immediate catchment area and neighbouring postcodes S6 and S35.

2.1.4 Ponds Forge

It is not proposed to re-open Ponds Forge ISC at this time. Ponds Forge is a major international swimming pool and regional conferencing and banqueting centre and is home to Sheffield's main swimming, diving and water polo squads as well as Sheffield Sharks Basketball teams. In keeping with the entertainment and theatre venues in the city, it isn't currently possible to open up Ponds Forge as restrictions still apply and the significant lost income would lead to the net cost of the venue being unaffordable and disproportionate compared with other facilities in the city. The proposal is to temporarily keep Ponds Forge closed and re-open it when regulations permit commercial activity to operate.

Sheffield City Trust is currently in discussion with all the clubs and tenants based at Ponds Forge to discuss alternative solutions in the short and medium term, and also alternative provision at non SCT/council venues in the city, particularly:

- City of Sheffield Swim Squad
- City of Sheffield Diving Club
- City of Sheffield Water Polo
- Sheffield Sharks
- Sheffield Hallam University

Both SCT and SCC understand the importance of these clubs to the city and it is a difficult decision to keep the facility closed. From discussions with SCT and information from Swim England, we believe that Sheffield all clubs have been temporarily accommodated in other facilities.

2.2 Budget implications

2.2.1 SCC Budget

SCT has seen a significant financial impact from the loss of income from the entertainment venues – the cost of the Arena and City Hall this year will be c£2m, however, a normal year would see them make a positive contribution to subsidising leisure operations of about £1m. This loss of income shows the leisure operations in financial deficit just from the loss of live event / entertainment.

The Council has committed £15m in this current financial year to support SCT with its facility re-opening plans (whilst accepting that Arena and City Hall cannot re-open for the foreseeable future). However, £10m of this money is not in the budget and is just one part of the council's £56m of increased costs so far as a result of the global pandemic. Government support totals £44m to date, but no government support has been made available to cover cost increases for leisure trusts like SCT.

Supporting SCT to open Ponds Forge in its current format would cost the council an additional £1.5m in revenue subsidy up to the end of March 2021 and at least £3m in revenue subsidy for 2021/22. This is more than the total budget for SCT revenue subsidy of £2.8m for all leisure and entertainments facilities for 2021/22.

The cost of not re-opening any SCT venues at all this year and ceasing operations would have been around £11m in 2020/21, of which Ponds Forge accounts for £1.5m, still significantly above the council's budget. However, the council's commitment to improving health and wellbeing and equality of access to leisure facilities for residents meant that not opening facilities was not an option. Tough decisions have had to be made about how much money could be set aside to support SCT with their re-opening programme and the council has supported SCT's plan to open the facilities that provide the best mix of community facilities and school swimming. Unfortunately, in its current state and extremely high costs, it has not been possible to provide enough additional support to open Ponds Forge and to do so would have meant that other community facilities might not have been able to open.

2.2.2 Government Relief Support

We are supporting UK Active and Sport England, in highlighting the need for urgent financial support for the public leisure sector from the

Government, to ensure that reopening of public facilities in Sheffield is financially viable. Whilst there is some support available to the council to cover lost revenue as a result of the pandemic, the support package identified to date does not currently allow for losses where councils, such as Sheffield, subsidise leisure services either directly or through a management charge. The Ministry for Housing, Communities and Local Government (MHCLG), is aware of this and is continuing to review the details of the support package currently available to councils. We also continue to work closely with the Department of Digital, Culture, Media and Sport (DCMS) to consider what more can be done to support the unplanned expenditure pressures which councils are incurring in relation to local leisure provision.

We are in regular contact with Sport England and are awaiting details of any further support available from central government. In the meantime we are working with other core cities to prepare a letter to DCMS and regarding this relief.

3.0 Future Strategy for the provision of Sport, Leisure & Entertainment

- 3.1 This work provides a real opportunity to explore the services currently on offer and assess whether they are fit for purpose, delivering the right outcomes and fulfilling the needs of Sheffield's residents.

Officers are currently working with Turner Townsend and Sport Leisure Consultancy (SLC) together with SCT to develop a range of options for the future delivery of Sport, Leisure and Entertainment. This work will build on the successes of the recent investment model developed for the Graves and Thorncliffe Leisure Centre developments.

3.2 Evidence and Insight

- 3.2.1 The future strategy will be informed by insight from Sport England's Facility Planning Model (FPM) for swimming provision. This will provide the Council and SCT with an evidence base for swimming pool provision and will help to inform the Council's strategic planning for the future provision of swimming pools across the city. The overall aim of the FPM work is to:

- Assess the extent to which the existing supply of swimming pools meets current levels of demand (2019) across the council area.
- Assess the extent to which the existing supply of swimming pools would meet future demand, taking into account population increases across the council area and the projected scale and location of residential development within the city.

- 3.2.2 Turner Townsend and SLC are also undertaking feasibility work to explore the latest facility mix options (e.g. health and wellbeing, youth and family activities and flexible use areas). This will help the Council ensure that any future developments are informed by industry insight and offer an up to date and attractive offer for residents.

- 3.2.3 The Council and SCT are keen to ensure that any future investment into Sport Leisure and Entertainment supports the health and wellbeing of residents. The review will compliment SCC and Public Health strategies for physical activity, obesity and health inequality.
- 3.2.4 Once complete the insight work will support the Council to develop the vision for Sport, Leisure and Entertainment, and develop a sustainable pathway for the future transformation of facilities and services.
- 3.2.5 The review also provides an opportunity for the Council to ensure that facilities and services on offer meet the needs of the people of Sheffield and align to the revised contractual arrangements required for Sport, Leisure and Entertainment from 2024 onwards.
- 3.2.6 The future strategy will enable the Council to make positive steps to support the transformation of the portfolio, ensuring that any future investment is used to provide an up to date facility mix, located in fit for purpose buildings that, where appropriate, can support the development of co-located services.

3.3 Future timeline and decisions

- 3.3.1 Turner Townsend and SLC were due to conclude their work in June 2020 and provide Councillors with a range of options, intelligence and costings needed to inform the future strategy and provide the expected cost of implementation. Unfortunately, this work has been delayed by the CV-19 lockdown but is now underway again. Alternative options can then be considered alongside the known costs of maintaining the status quo. A revised timetable is being developed that should see conclusions presented in October 2020.
- 3.3.2 A subsequent programme of partner and public consultation will be developed to take place, delivered in a range of community facilities (where possible) as well as on-line. This will ensure that the views of residents are captured and fed into the future decision making process.
- 3.3.3 The insight and feasibility work along with the outcomes from the consultation, will inform a report to Cabinet early next year. The report will set out the Council's future vision and strategy for Sport, Leisure and Entertainment and will enable any financial implications arising from the strategy to be considered and fed into the budget setting process.

4 What does this mean for the people of Sheffield?

- 4.1 The facilities provided through SCT form a key part of the City's Sport, Leisure and Entertainment infrastructure. The work being done to stabilise the financial position of SCT and the work to develop a longer term strategy for Sport, Leisure and Entertainment in the city will ensure that high quality facilities continue to be available long into the future.

5. Recommendation

- 5.1 The Committee are asked to note the content of this report.

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