

LEISURE TASK AND FINISH PANEL – 28TH SEPTEMBER 2006

REVIEW OF FUTURE MANAGEMENT OF WALTHAM ABBEY SPORTS CENTRE

BACKGROUND

Waltham Abbey Sports Centre is a Dual Use Sports Centre, located adjacent to King Harold Secondary School, in Broomstick Hall Road, Waltham Abbey. The Council enjoys the right to use the premise for the benefit of the wider community by virtue of a Joint Agreement entered into with the Education Authority i.e. Essex County Council. This Dual Use Agreement, (copy attached at Appendix 1) came into effect on the 1st October 1977, for a period of 30 years and is therefore due to expire on the 30th September 2007.

The Leisure Task and Finish Panel have been mandated to review future management options for the Sports Centre and recommend to Overview and Scrutiny Committee and Cabinet, accordingly.

THE SPORTS CENTRE

On the 18th July 2006, a Member Visit was arranged, which not only afforded Members the opportunity to view the facilities at Waltham Abbey Sports Centre and meet the General Manager, but also to visit Waltham Abbey Swimming Pool. At the pool Members were shown the proposals for the new extension and refurbishment works, being undertaken by the Council's Leisure Management Contractor, SLM. A floor plan of Waltham Abbey Sports Centre is attached at Appendix 2, giving an indicative layout of the facility.

SCHOOL USE

With the exception of the dance studio and the bar (which is closed during the day) the school has exclusive use of the Centre, Monday to Friday (8.30a.m. to 5.00p.m.) and priority use of the Centre, excluding the Squash Courts on Saturdays. In reality very little call is made by the school for facilities on Saturdays. This exclusive use arrangement covers the 40 weeks of the school terms. All the facilities are available to the District Council to organise holiday activities during the school holidays.

COMMUNITY USE

Historically, it has been difficult to achieve high levels of use and participation by the local community. This can largely be attributed to the relatively utilitarian nature of the changing/toilet facilities, whilst well maintained and cleaned to a good standard have been designed with school pupils in mind, rather than the more discerning modern leisure customer. This situation is also compounded by the irregular hours and the physical limitations of the facilities. In addition, there would appear to be a resistance, despite a range of promotional initiatives, from local young people to participate, who may have the impression that they are returning to school in their time off.

The current programme offered by the Centre, whilst still offering some coaching courses, instructed sessions and holiday schemes, particularly since budget savings, on staffing etc., in 2003/04, has tended to be on a club hire or letting hall basis. The bar still meets the needs of sports users such as the 5 – a – side football and cricket leagues as well as hosting functions such as birthday/anniversary parties. A list of current hirers and events is attached at Appendix 3. In total some 35,000 uses are made of the Centre per annum.

PREVIOUS REVIEWS OF THE CENTRE'S PERFORMANCE

A critical appraisal of the operating costs of the Sports Centre, was undertaken as part of the Best Value Service Review of Leisure Management. This highlighted that in comparison to the Council's other leisure facilities, in financial terms, the Centre was performing significantly poorer, with respect to subsidy per user and income generated per visit. Despite a number of cost reduction initiatives, undertaken as part of the Budget Process 2003/04, this position, largely due to the constraints of the Joint Use Agreement, age, design/quality of the facilities and other alternative leisure opportunities, still pertains.

In addition, the management of the Sports Centre was formally considered by the Ad Hoc Working Group on Leisure, as part of the alternative Management Review of all the Council's Leisure Facilities. The Working Group concluded, (which was subsequently endorsed by the Cabinet), that based on the Centre's potential and given that the Joint Use Agreement, at the time, had only two years left to run, that the Centre be excluded from the Tender Process. The Centre therefore has continued to be managed In-House, until any new arrangements are put in place at the expiry of the current Joint-Use Agreement.

STAFFING ISSUES

Staff are employed by Leisure Services to manage the building during all opening hours, to include the time allocated to the school. Staff take bookings, organise activities, promote the Centre, erect and dismantle equipment, oversee maintenance and ensure that the Centre is clean, safe and fit for purpose. The current staffing structure is attached at *Appendix 4*. Staffing levels are currently at the minimum level to cover the opening hours, therefore there is a risk of ad-hoc closure of the facilities, in the event of unanticipated staff absences.

As part of the externalisation process of the Council's other four Leisure Centres, all the staff at Waltham Abbey Sports Centre, were offered the opportunity to transfer to other Centres, to be managed in the future by SLM, the Council's Leisure Management Contractor. Despite the uncertainty and potential loss of job security as the end of the Joint Use Agreement draws closer, all the current staff declined the offer to transfer.

RESOURCE IMPLICATIONS

Under the requirements of the Joint Use Agreement, there is a share of responsibilities and cost liabilities. In general terms the District Council is responsible for largely meeting all costs with the exception of 20% of the General Manager's Salary and 50% of building maintenance costs and an apportionment of utilities costs in certain areas. The table at *Appendix 5*, illustrates the share of revenue responsibilities in their respective proportions.

For the Financial Year 2006/07 the total expenditure for the Centre is estimated to be £481,560 with total income estimated at £135,780, leaving a Net Expenditure on the general fund of £345,760. Details of Income and Expenditure are attached at Appendix 6.

CAPITAL INVESTMENT AND MAINTENANCE

Over time, the District Council has provided additional facilities to the original sports hall and changing rooms, with the construction of two squash courts, a dance studio and a bar area.

The Council under the current Agreement is responsible for 50% of the maintenance of the fabric and services of the Sports Centre generally and 100% of the costs in relation to the Bar. Over the length of the Agreement an annual planned maintenance programme has been mutually agreed and jointly funded.

However, in July 2005 the Cabinet received a report concerning the County Council's wish to receive a 50% contribution, (£75,000) towards the cost of a new roof for the Sports Centre and a 50% contribution (£15,000) towards the cost of new sports hall heating. In the event the Council declined to contribute to the roof replacement arguing that it was not maintenance but "betterment" through replacement. The Council had not made any provision, as the item had not appeared on the agreed planned maintenance schedule. The Council accepted the heating costs and duly paid the £15,000 contribution.

Members may also be aware that at the last Cabinet meeting in September, it was agreed to fund, at a cost of £10,000, the conversion of a largely redundant PE Staff Room in the Sports Centre, to provide accessible changing and toilet facilities. Importantly, this would allow the Centre to accommodate the "Sportability Club", a specialist club offering sports opportunities for young people with disabilities.

In 2003 an audit was undertaken by the Council's Surveyors, Ingleton Wood, who at the time estimated the cost of a number of access improvements to reach full Disability Discrimination Act compliance of £145,000. These are detailed at *Appendix 7*.

OPTIONS FOR ACTION

A. EXTEND THE CURRENT MANAGEMENT AGREEMENT ON LARGELY THE SAME TERMS

It would be possible if the school were willing to extend the current Agreement on largely the same Terms.

B. EXTEND THE CURRENT MANAGEMENT AGREEMENT BUT THE DISTRICT COUNCIL EMPLOY AN EXTERNAL MANAGEMENT CONTRACTOR TO UNDERTAKE THEIR OBLIGATIONS

In this scenario the Council would seek on a competitive basis, after some soft-market testing, a Contractor to deliver the service. This would be as per the Contract Arrangements with SLM, who manage the Council's other four Leisure Facilities. Leisure Services have obtained a legal view that as the

Centre was outside the scope of the original Leisure Management Contract, it would be anti-competitive and open to challenge, to simply negotiate a contract variation with SLM.

C. DECLINE TO ENTER INTO A FURTHER DUAL USE ARRANGEMENT WITH THE SCHOOL/CEASE THE DISTRICT COUNCIL'S FUTURE INVOLVEMENT.

There is no obligation within the current Dual Use Agreement for either party to extend or enter into any future arrangements. Indeed, there is no formal Exit Strategy in the Document.

Conversely, the school have the option that they may wish to manage the Sports Hall either directly, or utilising a Management Agent/Contractor that they appoint independently. The school would therefore have the ability to determine their own Programme of Use, the level of Community Use and their Financial commitment.

D. NEGOTIATE A NEW DUAL USE AGREEMENT, WHICH VARIES THE RESPECTIVE TERMS AND RESPONSIBILITIES, TO REFLECT EACH PARTY'S FUTURE OBJECTIVES.

It would be possible by mutual consent to negotiate New Dual Use Arrangements which could alter the balance of responsibilities and Financial Contribution, whilst still seeing to deliver the school's requirements for curricular use and guarantee a level of ongoing community access.

POINTS TO CONSIDER IN IDENTIFYING A PREFERRED OPTION

1. Since the time of the initial Joint Management Agreement in 1977, people now have a considerably greater range of alternative leisure opportunities available. The market for sport has changed with a decline in activities such as squash and an increasing focus on Health and Fitness.
2. The Council in previous reviews identified that the Centre in financial terms, is performing, less efficiently than its other facilities (net expenditure estimated at £345,760 for 2005/07) with Community Use of 35,000 per annum, equating to an approximate subsidy approaching £10 per visit. (£9.87).
3. Although the Centre is located in an area of need, despite considerable effort to promote use, participation from the Local Community is low.
4. The Council reached a judgement that the inclusion of the Centre within its Leisure Management Tender, was not desirable, largely due to the remaining two year term of the Dual Use Agreement. However, it was also acknowledged that the restricted times available and the type and quality of facilities, would in all likelihood not prove to be commercially attractive.
5. The Council's other Leisure Facility in Waltham Abbey, Waltham Abbey Swimming Pool, (located approximately 3 miles away) is undergoing extensive refurbishment with an improved Fitness Suite and an extension to provide a Movement Studio.

6. Despite low casual usage, the Centre hosts a number of successful club sessions and largely self-managed leagues in football and cricket. These provide valuable opportunities for local people to benefit from participation in Sport.
7. The Sports Hall is one of the largest in the District, capable of hosting a wide range of sports and would be a significant loss, if it was no longer available to the public.
8. The centre, particularly with the imminent provision of accessible changing and toilets, is one of the best facilities in the District for participation in Sport by people with Disabilities and should be a focus with the relocation of the Sportability Club.
9. Many of the other Secondary Schools in the District directly manage out of hours community use of their premises, generating a source of additional lettings income.
10. The Bar at the Centre does not have sufficient turnover to be self sustaining, although it provides a valued local facility for family celebrations and events.
11. The Council's staff at Waltham Abbey have shown a real commitment to the Centre and continue to manage the facility well within the existing constraints. Although they appreciated the potential loss of Job Security, they all elected not to transfer to other Centres and become employees of SLM. The Council would be responsible for meeting any future redundancy costs, in the event of the Centre no longer being operated by the Authority, (initial estimates place this in the region of £47,000) although there may be an argument for a contribution from the County Council, who currently meet 20% of the General Manager's salary.

CONCLUSION AND RECOMMENDATION

The Task and Finish Panel will have the opportunity to discuss the future management of the Sports centre with the Headteacher and Chairman of Governors of King Harold School. The Task and Finish Panel have no executive powers, rather a responsibility to make proposals to their parent Overview and Scrutiny Committee, after consideration of any issues.

It is recommended that the Panel try to identify a preferred option, subject to whatever necessary additional information or agreement from the School/County Council, in order to make a clear recommendation to Overview and Scrutiny. Based on their considerations, it will ultimately be the Cabinet who make any final decision. It is important, given the potential impact on the Council's Budget next year, that a definite course of action is proposed to Overview and Scrutiny at their meeting in December, for consideration by the Cabinet in January 2007.