

**REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND
NEIGHBOURHOOD SERVICES**

TO:	HOUSING AND NEIGHBOURHOODS COMMITTEE		
DATE:	9th November 2022	AGENDA ITEM:	
TITLE:	ANNUAL UPDATE ON THE OPERATION OF LEISURE FACILITIES BY GREENWICH LEISURE LIMITED AND ACCEPTANCE OF THE SPORT ENGLAND GRANT		
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1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide an update on the going delivery of Leisure Services and development of new facilities by Greenwich Leisure Ltd (GLL) and to inform committee of the Council's progress in securing a £1.5m grant from Sport England Strategic Facilities Fund.
- 1.2 The new leisure contract started on 1 July 2021; GLL commenced the operational management of the Council's leisure centres at Rivermead Leisure Centre, Palmer Park Sports Stadium, South Reading Leisure Centre and Meadway Sports Centre.
- 1.3 Refurbishment works have been undertaken to Meadway Sports Centre and South Reading Leisure Centre. A new centre is being built at Rivermead and a new swimming pool and fitness facilities are being built along with refurbishment of the existing elements of facilities at Palmer Park Sports Stadium being undertaken.
- 1.4 This report introduces a presentation by Greenwich Leisure Limited which will inform the committee in more detail of the services that are being delivered and progress of the works being undertaken described above.

2. RECOMMENDED ACTION

The Committee is recommended:

- 2.1 That Committee notes the contents of the presentation by GLL in respect of the operation of the leisure contract as detailed at paragraphs 4.1 to 4.4 of this report.
- 2.2 That Committee notes the progress made in respect of the Council's bid to Sport England's Strategic Facilities Fund for a £1.5m funding contribution towards the construction costs of the new leisure facilities at Rivermead and Palmer Park as detailed at paragraph 4.7 of this report.

3. POLICY CONTEXT

- 3.1 Since the commencement of the leisure contract in 2021, Reading's leisure facilities have started on a journey of transformation. South Reading and Meadway Sports centre have had significant investment in the last year to bring them to a good standard, whilst new facilities are being built at Rivermead and Palmer Park stadium. The Council recognises that the provision of suitable and readily accessible sports facilities underpins participation in sports and physical activity and supports the delivery of the social and economic benefits that can be attributed to an active community. With over 750,000 people using the Borough's sports and leisure facilities across the town each year, Reading needs a leisure offer that meets its needs and that aligns with the Council's wider policies and priorities, including public health objectives and tackling inequality.
- 3.2 An extensive procurement process to find a leisure partner to design, build, operate and maintain (DBOM) boroughwide leisure facilities culminated on 20 January 2020, with Policy Committee awarding a 25-year DBOM contract to Greenwich Leisure Limited (GLL). Officers were in the process of finalising the DBOM contract terms with GLL, when the Covid19 pandemic broke out in March 2020 delaying the contract terms. The DBOM contract was signed on the 1 July 2021.
- 3.3 The Policy Committee on 21 September 2022 delegated to the Executive Director for Economic Growth and Neighbourhood Services in consultation with the Director of Finance, the Assistant Director for Legal and Democratic Services and the Lead Councillor for Leisure and Culture to enter into Sport England funding agreements for £1.5m in two separate agreements one for Rivermead (£1m) and one at Palmer Park (£500k).

4. THE PROPOSAL

- 4.1 Greenwich Leisure Ltd have been operating the Council's Leisure Centres since 1st July 2021. Included within the contract is both the operation of existing facilities and the design, build and operation of a new centre and facilities at Rivermead and Palmer Park Sports Stadium respectively.
- 4.2 Nationally use of leisure centres has been recovering towards pre Covid 19 pandemic levels now having reached approximately 80% of pre-pandemic levels.
- 4.3 Growing use of centres back to and beyond pre-pandemic levels along with improving and building new facilities is part of work GLL are undertaking. Another key element of the contract is the introduction of effectively targeted activities to improve participation in physical activity and health for key groups of Reading's communities.
- 4.4 Greenwich Leisure Ltd will present to the committee progress made in the key streams of the leisure contract:
- Usage Levels
 - Programmes being run/facility availability
 - Customer Feedback
 - Targeted Activities
 - Improvements made at South Reading and Meadway Sports Centres
 - New Build Programme Update

- 4.5 The Council undertake a programme of regular contract monitoring and inspections of all four sites looking at but not limited to; cleanliness, service delivery, customer service and staffing. The team conduct ad-hoc inspections accompanied by a manager from GLL, this highlights any issues and areas for improvement. These issues are then formally reported to GLL who must rectify them within a specified timeframe.
- 4.6 The Council are regularly meeting with both GLL and Pellikaan to monitor the progress of the build programmes against both timetable and budget.
- 4.7 The application to and subsequent funding offer from the Sport England Strategic Facilities Fund has been budgeted for within the financial forecasts. It was also referred to in the June 2021 Council report, which outlined the increase in leisure spend. Without the funding the Council would have had a £1.5m shortfall in the budget. An additional £1.5m was added to the capital line agreed in June 2021 to reflect the expected funding.

4.8 Other Options Considered

- 4.8 Options relating to the how Leisure facilities are managed and works procured were considered through a feasibility study and procurement process culminating in Policy Committee awarding a 25 year DBOM contract to GLL.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 Healthy Environment

- 5.1.1 The Council is working with the leisure provider, GLL, to increase physical activity and transform the leisure offer in Reading to improve the health outcomes for residents. In addition to overarching targets specific health improvement programmes are being introduced.
- 5.1.2 The new leisure facilities will modernise facilities and create affordable and accessible services to improve the physical and mental health of residents of the Borough.
- 5.1.3 The new leisure facilities at Rivermead and Palmer Park contribute to tackling climate change by being BREAAAM excellent.

5.2 Thriving Communities

- 5.2.1 The Council will work with its new leisure partner, GLL, in the delivery of key national and local strategic policies. The investment undertaken across all local leisure centres and action is making a positive difference to people's lives on a local level and will to public health outcomes.
- 5.2.2 Whilst the town's culture and leisure opportunities are accessed by the vast majority of residents there are significant cohorts who face barriers to access. This can lead to increased levels of obesity and poorer health and well-being for both adults and children in respect of physical activity; and poorer quality of life, mental health, social isolation and well-being. Addressing these barriers and widening participation is a key outcome requirement.

5.3 Inclusive economy

- 5.3.1 The contracts relating to the building of new facilities includes employment of local people and offering local apprentice training. Leisure facilities are predominantly staffed by local people and will also be providing apprenticeships and training

opportunities. Provision of high quality and affordable cultural and leisure facilities are importing in ensuring Reading continues to be identified as a great place to live and work.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 GLL within their presentation will outline how they are engaging with key partners, users and clubs especially as services are disrupted during the improvements being undertaken.
- 6.2 The proposed new facilities at Rivermead and Palmer Park were subject to statutory public consultation as part of the planning approval process leading to planning consent on 31 March 2021.
- 6.3 No public consultation has been carried out on the proposal to apply for or accept the Sport England grant and this was not part of the grant process.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 In addition to the Human Rights Act 1998 the Council is required to comply with the Equalities Act 2010. Section 149 of the Equalities Act 2010 requires the Council to have due regard to the need to:
- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 An EIA was not relevant to the decision to apply for the Sport England Strategic Facilities Fund. However, part of the conditions of the Sport England grant is to ensure equality of access to services. There are no equality implications as a result of this decision to apply for or accept funding
- 7.3 Relating to the new leisure contract, an Equality Impact Assessment was undertaken on the proposals and recommendations as part of the Policy Committee decision taken in January 2020.

8. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 8.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers). The current leisure facilities are ageing and do not have the benefit of being built to modern standards including current energy efficiency standards. GLL has committed to developing the designs for Rivermead and Palmer Park to BREEAM Excellent standards, to use renewables where possible to achieve building control compliance and to help reduce carbon emissions and improve environmental efficiency.

9. LEGAL IMPLICATIONS

- 9.1 The Council has power under the Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as it thinks fit including the provision of buildings, equipment, supplies, and assistance of any kind. The Council may make such facilities available either without charge or on payment of such charges as it thinks fit.

Strategic Facilities Fund

- 9.2 To access funding from Sport England the Council will need to enter into a grant agreement with Sport England and comply with the conditions for the grant, which have been reviewed and assessed.

10. FINANCIAL IMPLICATIONS

- 10.1 Acceptance of the £1.5m Sport England Grant has been included within the capital budgets set for the building of facilities at Rivermead and Palmer Park.
- 10.2 There are no direct financial implications from this report, further financial modelling continues to be undertaken as part of the usual budget monitoring and the budget setting process for 2023/2024.

11. BACKGROUND PAPERS

None.