



Report of:	Meeting	Date
Councillor Lynne Bowen, Leisure, Health and Community Engagement Portfolio Holder and Marianne Hesketh, Corporate Director Communities	Cabinet	25 November 2020

<p>Additional contract variation for Fylde Coast YMCA to facilitate the recovery of leisure centre provision</p>

1. Purpose of report

- 1.1 To approve a further contract variation with the Fylde Coast YMCA by way of additional funding of £340,165 in 2020/21. This is in addition to the previously agreed £636,345 for Fylde Coast YMCA in order to ensure that they can continue to provide a leisure service provision in Wyre.

2. Outcomes

- 2.1 Supporting the sustainable economic recovery of leisure centre facilities within Wyre both during and following the COVID-19 pandemic.
- 2.2 Improving the health and wellbeing of our communities.

3. Recommendations

- 3.1 To approve an additional subsidy of £340,165 in 2020/21 for Fylde Coast YMCA to enable the reopening of fitness gyms and classes at Thornton and Garstang leisure centres and the reopening of Garstang pool to trial public appetite for a return to swimming, once COVID-19 restrictions are lifted. The reopening of Fleetwood and Poulton leisure centres to be kept under monthly review and to be reopened as soon as it is viable to do so.
- 3.2 To approve £30,000 to undertake a procurement exercise to bring in external support to help with the development of a longer term strategy for sustainable leisure provision in Wyre and to give delegated authority for this commission to the Corporate Director Communities.

4. Background

4.1 Whilst COVID-19 continues to have a profound impact on the operation of the leisure sector, the YMCA are and have for some time been operating in a very competitive market with private sector gyms, pools and the growth of on-line provision and this too has had an impact upon the financial performance. A contract variation was agreed under emergency powers on 10 July 2020. This report agreed an additional subsidy of £488,845 to Fylde Coast YMCA to facilitate the reopening of gyms and classes at Wyre's leisure centres in Fleetwood, Thornton, Poulton and Garstang. Thornton and Garstang leisure centres reopened on 25 July 2020 and Fleetwood and Poulton leisure centres reopened on 3 August 2020. The YMCA Bowl reopened on 15 August. All three swimming pools – Fleetwood, Poulton and Garstang have remained closed.

4.2 Unfortunately COVID-19 has significantly affected the usage of the leisure centres since they reopened. Income has been less than the 60% that was forecast by the YMCA and direct debit memberships have halved. The table below shows current paying members compared with the previous two years.

Paying members at end of the month	Sept-18	Sept-19	Sept-20
Fleetwood L.C.	2,207	1,818	862
Garstang L.C.	553	496	439
Garstang Pool	485	427	96
Poulton L.C.	1,816	1,710	810
Thornton L.C.	2,373	2,120	1,456
Total	7,434	6,571	3,663

A third of memberships are still frozen until January 2021 but there is no guarantee that these members will return.

The table below shows total usage figures.

	2017/18	2018/19	2019/20	2020/21
	Usage – Full Yr	Usage – Full Yr	(April – Feb only)	Usage (July-Sept only)
Fleetwood L.C.	240,046	238,503	192,754	6,081
Garstang L.C.	59,808	58,056	58,671	6,781
Garstang Pool	53,298	58,661	52,230	0
Poulton L.C.	138,189	158,803	128,753	7,446
Thornton L.C.	376,238	341,913	271,266	31,735
Your Move	0	36,523	61,188	0
TOTAL	867,579	892,459	764,862	52,043

4.3 The low usage of the centres and the further national restrictions during the period 5 November to 2 December 2020 has meant that the YMCA

will not be able to deliver the service within the additional agreed subsidy levels. Whilst the YMCA have sought to maximise the use of central government support such as the furlough scheme, this, coupled with the additional support from the council to date, is not sufficient to provide the service to the end of March 2021. £100m of government funding for leisure centres has been announced but no details on the application process or criteria have yet emerged. As such, an urgent decision is required on the funding position to the end of March 2021. Should the council be successful in obtaining external funding then this could be used to support and speed up the re-opening of any facilities that remain closed.

- 4.4** As was mentioned in the report approved on 10 July 2020, a key factor in the recovery of the leisure centres was the general public's appetite to return to the YMCA or begin new memberships in these unprecedented times. It was noted that if users did not return to the facilities then we may need to review the decision to re-open all four leisure centres. The council has been closely monitoring the situation and the position now needs to be reviewed urgently based on the weaker than expected financial performance of the centres and the impact of the second national lockdown. Proportionally usage at Fleetwood Leisure Centre has been far lower than expected. Thornton remains the busiest site by far. The Garstang and Poulton centres are both well-used though smaller in scale.

5. Key issues and proposals

- 5.1** The YMCA has provided a number of updated options that take into account the centres being closed until 2 December 2020. They have used a forecast 'worst case scenario' where all centres achieve only 40% of their target membership income and they have also assumed expenditure increases by a modest 2% per annum. Current income is below 50% of the target achieved in a typical year and so this assumption seems reasonable.
- 5.2** The table below sets out the options considered and the associated additional funding required over the next two years. This is on top of the £783,845 already committed in 2020/21 (£636,345) and 2021/22 (£147,500).

Option	2020/21 £	2021/22 £	Total £
1) All centres and all pools	367,885	1,031,040	1,398,925
2) Dry side only at all centres	364,775	733,080	1,097,855
3) Thornton and Garstang leisure centres and Garstang pool only	340,165	489,470	829,635
4) All permanently closed	379,930	1,360	381,290

- 5.3** The Government has confirmed an extension to the furlough scheme allowing time for a full and detailed evaluation of a range of options to be considered. Whilst the ideal position would be the re-opening of all centres, including pools, without a return to pre-covid levels of demand or the certainty of ongoing government funding it is not considered viable to open all facilities at this present time. The recommended short-term proposal is therefore to focus on two centres – one urban (Thornton) and one rural (Garstang) and to also reopen the swimming pool at Garstang costing a further £340,165 in 2020/21. Thornton Leisure Centre has the highest number of paying members and Garstang Leisure Centre has retained the highest proportion of its members since it reopened. Garstang Pool is Wyre's most cost effective pool based on size and scale and it will allow us to determine the public's appetite to return to swimming and that of schools returning to swimming lessons. Proactive marketing campaigns will be undertaken working with the YMCA to encourage more Wyre residents to make use of the available facilities. This short term proposal will ensure that we can continue to provide leisure services across the east and west of the borough whilst the pandemic runs its course. It will also provide the YMCA with a clear focus and reduce the financial risk to the council. It is advisable to reopen a limited number of facilities initially and build on any progress made in growing the demand over a period rather than return to full provision too quickly and simply split the same level of demand across more facilities.
- 5.4** In order to develop a longer term sustainable leisure service for Wyre, it is recommended that a procurement exercise is undertaken to bring in external support to help with the development of a longer term strategy. We need to ensure that Wyre's leisure centre facilities remain fit for purpose in the context of quality, capacity and demand. They also need to be affordable in terms of the authority's capital commitments and revenue contribution. It is proposed that the Corporate Director Communities be given delegated authority to commence this piece of work and to ensure that there is engagement with all key stakeholders.
- 5.5** The equality impact of the short term proposal to re-open Thornton and Garstang leisure centres and Garstang pool, whilst keeping Poulton and Fleetwood closed, has been reviewed and this has highlighted that there may be negative impacts on protected characteristic groups, namely those of disability and age. However, as stated in paragraph 4.1, a range of private leisure provision is available in both the urban and rural areas of the borough including pools. Given the situation and the available options the review concludes that the recommendations in this report appear to be the most appropriate way to achieve the financial viability and sustainability of Wyre's leisure facilities within the budgets identified, in the short term. In this short term, available facilities will not be as local for some residents as they were pre-covid but all residents will be able to access facilities within a reasonable travel distance.

Financial and legal implications	
Finance	<p>The further additional subsidy of £340,165 will be met from the Covid-19 emergency grant funding received in 2020/21 as one-off funding to help mitigate the financial impact of the pandemic. Further government funding to support the reopening of the all the leisure centres will be sought.</p> <p>This is in addition to the £147,500 subsidy originally budgeted in 2020/21 and the £488,845 extra funding agreed in July under emergency powers (£636,345). The YMCA have also committed to invest £100,000 in 2020/21 to help meet the budget gap.</p> <p>In addition £30,000 of the Covid-19 emergency grant will be allocated to commission external support for determining a longer term leisure strategy post-Covid.</p>
Legal	<p>The delegation in this report ensures that the council can continue to carry out its functions during the coronavirus pandemic.</p> <p>Owing to the significant sums involved and the duty to safeguard public money, the council will explore with the YMCA a contract variation which gives the additional council funding some protection should the YMCA terminate the contract early or cease trading.</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	✓
sustainability	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new

working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Marianne Hesketh	01253 887350	Marianne.hesketh@wyre.gov.uk	17 November 2020

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None