

## **Briefing Note for Call-In request for the decision – ‘Additional contract variation for Fylde Coast YMCA to facilitate the recovery of leisure centre provision’**

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**Issues raised highlighted in bold:**

**2.1 Determine whether options other than those at para 5.2 of the Cabinet report should have been formally considered and documented in the report, e.g. the option to re-open Fleetwood Pool instead of, or as well as, Garstang.**

As was highlighted in the Cabinet report, the COVID-19 pandemic has had a significant impact on the operation of the leisure centres. The income from all four leisure centres in Wyre is projected to be 90% down on the previous year. This means a drop in income of an estimated **£2.71m**. Even with the Council's original subsidy of £0.15m and additional subsidy of £0.83m financial support it still leaves the YMCA with an operational income deficit of **£1.73m**. To bridge the gap they have been reducing expenditure to a minimum which has sadly included some staff redundancies. We all recognise how important leisure provision and swimming is to the health and wellbeing of our residents but the pandemic has left the YMCA with a huge financial challenge and one that it needs to address now in order to develop a sustainable future for the leisure centres. Throughout the pandemic, officers have been meeting regularly with the Chief Executive of Fylde Coast YMCA to assess the situation and have been scrutinising the performance of the leisure centres, helping with promotion and marketing and providing cash flow support. External advice was brought in through consultants KKP who acted as a critical friend and made recommendations around reopening safely and helped set realistic performance targets. Cabinet members have been receiving regular updates on the situation and have considered the financial viability of all the centres. The YMCA were asked to put forward options and these were included in the Cabinet report for formal consideration. If we were unable to open everything, the YMCA were asked to provide an option which would give the best chance of achieving a sustainable financial recovery. The YMCA recommended the initial reopening of Thornton and Garstang Leisure Centres and Garstang Pool and the rationale is included in the report at para 5.3.

The table below shows the past financial performance of all the centres and the projected costs based upon the full opening of all sites (gyms, classes, bowls and pools) and is modelled on the achievement of 40% membership income for the current and following financial years. The YMCA are currently struggling to achieve the 40% income target and so this is felt to be a reasonable assumption, accepting that any improvement would reduce the deficit (and the opposite is also true).

	2018/19 Actual £	2019/20 Actual £	2020/21 Estimated £	2021/22 Estimated £
Fleetwood	-141,705	-282,871	-361,880	-368,812
Thornton	145,014	-110,964	-318,010	-270,420
Poulton	-52,341	-121,333	-249,202	-228,218
Garstang Leisure Centre	-22,633	-21,546	-99,073	-145,682
Garstang Pool	-21,843	-43,678	-76,063	-165,408
<b>Total Surplus/ Deficit (-)</b>	<b>-93,508</b>	<b>-580,392</b>	<b>-1,104,228</b>	<b>-1,178,540</b>

Note: The Actuals for 2018/19 and 2019/20 include the operation of the Spa and Splash Pad, both of which require a subsidy. The figures for 2020/21 include the cost of winding down the Spa including issuing refunds with no costs directly allocated in future years. The cost of the Splash Pad is not included in 2020/21 figures or ongoing. If these were re-opened and operated by the YMCA the costs would increase by an estimated £60,000 p.a. based on the 18/19 and 19/20 average deficit.

Thornton Leisure Centre has historically performed well (generated a surplus in 18/19) and is the council's largest centre with the best offer and has the potential to generate the most income.

Garstang Leisure Centre requires the lowest level of subsidy in 20/21, closely followed by Garstang Pool.

Although the difference between the option approved by Cabinet and the option to reopen all facilities for the remainder of 2020/21 appears to have only marginally increased cost of £28K, this rises sharply to £542K in 2021/22. This demonstrates that a broader and longer-term view is needed on financial sustainability. Managing the serious financial risks associated with the reopening of all the centres in one phase is necessary to mitigate the impact on the public purse. Regular reviews will allow the council and YMCA to work together to adjust the approach if the financial position improves or if funding is secured from Government from the £100m fund which we are still awaiting details of. The YMCA need to be allowed to concentrate their resources on growing and building the business back up and the most viable centres have been selected in order to do this for the betterment of all the centres long-term.

Underpinning this approach is the need to undertake a fundamental review of leisure facility provision across the borough in the post-covid environment. Ignoring the strategic requirement to obtain expert advice in this area in favour of a short-term reopening of all centres would be detrimental to the long term future of these facilities.

The short term option approved by Cabinet strikes a difficult but necessary balance to move the council closer to a solution that will be the right one for the borough and sustainable in the longer term.

**2.2 Using the information below, determine whether the statistics presented at para 4.2 of the Cabinet report were sound enough to make the decision that was actually taken. Note: Because of what was presented (see below), the reader of the Cabinet Report is not comparing like with like, with the result that this unfairly favours Thornton and Garstang. Despite bringing these issues to the attention of Cabinet at its meeting on 25 November, there was no attempt to address these concerns, with the lack of soundness issue simply ignored:-**

- The figures from all the centres and pool need to be levelled by taking into account: Thornton and Garstang reopening before Fleetwood and Poulton LC (dry side only) and adhoc closures, eg. Due to boiler problems**
- Fleetwood and Poulton Leisure Centres are heavily dependent on their swimming pool offer, yet the significantly adverse impact on usage figures, caused by the pools being closed, has not been qualified in the text accompanying the data.**

Thornton and Garstang Leisure Centres opened on Saturday 25 July 2020 and Fleetwood and Poulton Leisure Centres opened on Monday 3rd August. Fleetwood and Poulton Leisure Centres opened just nine days later than Thornton and Garstang. The usage figures during this period for Thornton and Garstang are: shown below:-

Thornton – 2,833

Garstang – 682

There have been occasional closures for boiler replacement, other occasional repairs and power outages at various times but the impact of these on overall usage figures between sites is considered marginal. The exception to this has been the closure of the 3G pitches at Thornton in 2019/20 for several months which will have impacted adversely on usage more significantly.

Whilst usage of the sites is an important consideration and ultimately impacts on memberships and income, a major consideration at the current time is the cost of the various sites and operations. We know our pools to be well used but we also know that they are very expensive to run at a time of reduced usage, reduced capacity due to social distancing measures and reduced income.

**In the report, Garstang LC and Garstang Pool are treated as separate entities, yet for Poulton and Fleetwood, the same isn't true. An argument was made based on the usage of Garstang LC compared to Poulton and Fleetwood, but**

that argument was not valid because the Garstang Pool figures (zero) were not incorporated with the LC, to put it on the same basis as Poulton and Fleetwood. Percentage comparisons should have been provided, and in this case the usage percentage for Garstang should have reflected the position for the LC and the pool (in line with Poulton and Fleetwood).

Garstang LC and pool are separate entities as they are two separately located buildings with different operations, e.g. each has a reception area unlike at Fleetwood and Poulton where it is all in the same building.

The table below has been amended to add together Garstang LC and pool.

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	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 and pool	113,106	116,717	110,901	6,781
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
<b>TOTAL</b>	<b>867,579</b>	<b>892,459</b>	<b>764,862</b>	<b>52,043</b>

We have re-worked the cost figures shown from the Table at 2.1 to show Garstang Leisure Centre and pool grouped together, as below:

	2018/19 Actual £	2019/20 Actual £	2020/21 Apr-Sept Actual £	2020/21 Projected £	2021/22 Projected £
Fleetwood	-141,705	-282,871	-412,275	- 361,880	-368,812
Thornton	145,014	-110,964	-347,410	-318,010	-270,420
Poulton	-52,341	-121,333	-249,890	-249,202	-228,218
Garstang Leisure Centre and Pool	-44,476	-65,224	-202,522	-175,136	-311,090
<b>Total Surplus/ Deficit (-)</b>	<b>-93,508</b>	<b>-580,392</b>	<b>-1,212,097</b>	<b>-1,104,228</b>	<b>-1,178,540</b>

Note: See above at 2.1.

Based on the 2020/21 performance since Covid, Garstang LC and Pool is the most cost effective option for 2020/21. When predicting the costs going forward this is not the case, Poulton leisure centre is lowest. However, as was set out at Para 5.3 of the report, initially reopening one urban and one rural centre was recommended in order to provide the optimal coverage across the borough and allow us to pilot reopening a pool.

**No attempt has been made to document or even recognise the reasons for the lower usage figures at Poulton and Fleetwood, ie Thornton's Leisure Centre has a superior offering.**

Paragraph 4.4 of the report refers to the smaller scale of the centres at Garstang and Poulton, thus reducing capacity. The recommendation in the report to re-open Thornton LC is in recognition of the increased scale of the facilities on offer, its proven track record of being able to generate a surplus and in the evidenced demand from members.

**2.3 Determine what is a reasonable travel distance and whether or not the population of Wyre is best served by this decision in terms of pool provision:-**

- **Step 1 - determine what is a reasonable travel distance / time**
- **Step 2 – determine what percentage of the population could be reasonably served by the various options (based on step 1)**

In reaching recommendations for the re-opening options, even though this is a decision regarding a short-term solution and, it must be emphasised, not permanent closures, we have considered reasonable travel distances for residents. We have used strategic assessments of leisure provision in Wyre produced by Sport England which highlight that almost 90% of all visits, both car borne or walking, are made within 20 minutes. Hence, 20 minutes is often used as a rule of thumb for catchments for sports halls and pools. Catchment profiles for Thornton Leisure Centre and the facilities in Garstang show that 83,741 (75%) of Wyre residents live within a 20 min drive of Thornton Leisure Centre and 21,163 (19%) live within 20 mins of Garstang Leisure Centre and 22,669 (20%) within 20 mins of Garstang Pool. This means that this short term proposal ensures that 94% of residents will have access to a Leisure Centre within a 20 minute drive.

There are also other facilities such as Moor Park Leisure Centre on the Wyre border, which show that 69,375 (63%) of Wyre residents can access within a 20 minute drive and at least one privately run facility in Poulton and one in Thornton which have reopened.

## **2.4 Factoring in the Committee's findings on para 2.3, determine whether or not the swimming requirements of the National Curriculum are being met**

The National Curriculum states that pupils should be taught to:

- Swim competently, confidently and proficiently over a distance of at least 25 metres
- Use a range of strokes effectively
- Perform safe self-rescue in different water-based situations.

Wyre Council does not have any statutory duty to provide swimming pools. The National curriculum obliges schools to meet the above requirements and the open market traditionally provides a range of competitive solutions. In finding a long term solution for the sustainability of swimming in Wyre, we hope to continue to support our schools in teaching our youngsters to swim. Curriculum swimming obligations can be met right up to the summer term by which time we plan for our pools to be re-opened and playing their part. The YMCA and the council have been contacting schools to gauge their appetite to return to swimming and there is still some uncertainty around this with some schools not looking to return to pools before Easter. The reopening of Garstang pool will help the YMCA to understand the appetite for schools to return to swimming. Garstang pool facilitates the most schools for Wyre and generates the most income from school swimming – in 19/20 this equated to £94,000 compared with £66,000 at Fleetwood and £64,000 at Poulton.

## **2.5 Determine whether the projected costs for 2021/22 were, or should have been, considered. Also determine how reliable the projections are and how Wyre intends to meet such a requirement.**

Paragraph 5.2 of the report projects the costs for the four options highlighted for 2021/22. The report is very clear in that the recommendation is focused on an initial short term solution to manage exposure to risk by opening a limited number of facilities to allow the YMCA to grow demand during the ongoing pandemic and operate in the most cost effective way. The report also recommends further work is done concurrently to determine the medium-long term approach. The projections are as accurate as possible at the point in time they were prepared and the underlying assumptions have been consistently applied. The national lockdowns and Tier 3 restrictions all create challenges and add to the lack of uncertainty around the level of income that the YMCA will be able to achieve. Accordingly the report references that regular reviews will take place. This will allow the council and YMCA to work together to adjust the approach if the financial position improves or if funding is secured from Government from the £100m fund to support the leisure sector. These reviews will monitor how well used Thornton and Garstang facilities are and consider the viability of opening up Fleetwood and Poulton leisure centres in due course.

It is clear we are not alone in the challenges we face. National figures released from Swim England last week have highlighted that there are 221 council operated swimming pools that have remained closed since 23 March. It is also very clear that the leisure sector urgently needs some financial support for the current and future years. We have written to the Secretary of State for MHCLG to emphasise that we urgently need details of how to bid for the £100m funding which was announced on 22 October for the leisure sector in order to plan what services can be reopened and that consideration is also given to support for the next financial year. Any additional support, either financial or technical, we can obtain will help to safeguard our facilities in these uncertain times.