

Report of:	Meeting	Date
Marianne Hesketh, Corporate Director Communities and Clare James, Corporate Director Resources	Delegated to Chief Executive under emergency powers	10 July 2020

Contract variation for Fylde Coast YMCA to facilitate the recovery of leisure centre facilities
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1. Purpose of report

- 1.1 To approve a contract variation by way of additional funding (£488,845) in 2020/21 above the current agreed subsidy level (£147,500) for Fylde Coast YMCA in order to ensure the recovery of leisure centre provision once COVID-19 restrictions are lifted.

2. Outcomes

- 2.1 Supporting the economic recovery of leisure centre facilities within Wyre 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 £488,845 in 2020/21 for Fylde Coast YMCA to initially support the reopening of fitness gyms and classes at Thornton, Garstang, Poulton and Fleetwood Leisure Centres once COVID-19 restrictions are lifted. The reopening of the pools to be reviewed once guidance allows and it is financially viable.
- 3.2 To utilise Sport England funding in order to engage consultants to help the Fylde Coast YMCA ensure that the leisure centres can open safely and that operations are financially sustainable.

4. Background

- 4.1 COVID-19 has had a profound impact on the operation of businesses and other organisations across the borough and this includes the leisure sector. On 23 March 2020, Wyre's leisure centres in Fleetwood, Thornton, Poulton and Garstang (including the separate Swimming Pool

facility) had to shut to the public in line with Government guidance. Our leisure centre operator, Fylde Coast YMCA, like so many other providers are now at crisis point as a result of loss of income and limited cash reserves. Whilst they have benefited from job retention schemes, they have not as yet benefited from other government support packages.

- 4.2** The YMCA initiated the furloughing of the majority of their staff and their Chief Executive contacted the council to request an urgent decision on additional funding for quarter one 2020/21. This request was for an estimated additional £125,000, based on the expectation that all centres would be forced to close until at least 1 July 2020. This funding would then allow them time to draw up some options for the council to consider. The additional funding was agreed in principle as a contractual variation to facilitate this work, funded from COVID-19 grant.
- 4.3** The council has invested significantly in the leisure centres over the years and has continued to provide a subsidy to help maintain the leisure provision. Improving the health and wellbeing of our communities has always been a key priority in the Council's business plan. Prior to the impact of COVID-19, the financial performance of the YMCA for 2019/20 was already a concern and was suffering as a result of competition from JD Leisure, Rossall School swimming pool and a number of pop-up gyms, particularly in Fleetwood. The additional subsidy requested by the YMCA for 2019/20 was incorporated into the Revenue Estimates reported to Cabinet in February. An action plan had been put in place to remedy the falling financial performance and to improve membership and usage figures. The YMCA were optimistic that a subsidy of £147,500 could be achieved for 2020/21 and this had been agreed.
- 4.4** Memberships (Table 1) and Usage (Table 2) had been indicating a declining trend as shown below:-

Table 1	Jan-'18	Jan-'19	Jan-'20
Fleetwood	2,090	2,043	1,766
Garstang	545	517	504
Garstang Pool	415	433	414
Poulton	1,795	1,719	1,652
Thornton	2,400	2,344	1,905

Table 2	2017/18	2018/19	2019/20
	Usage – Full Yr	Usage – Full Yr	Usage – up to end of Jan*
Fleetwood L.C.	240,046	238,503	175,708
Garstang L.C.	59,808	58,056	52,101
Garstang Pool	53,298	58,661	47,034
Poulton L.C.	138,189	158,803	114,713
Thornton L.C.	376,238	341,913	247,127
Your Move	0	36,523	61,188
TOTAL	867,579	892,459	697,871

** Feb/Mar data not available due to furlough of staff*

5.

Key issues and proposals

- 5.1** The YMCA provided options based on an expected worst case scenario of all leisure centres being closed for the first three months of 2020/21 and the centres achieving only 60% of their target income. It is now felt that both assumptions are likely to be optimistic and the YMCA will need to continue to revise their forecasts accordingly. However, these were the best forecasts at the time and have been used to make the recommendations.
- 5.2** In order to re-open all four leisure centres and all three pools from 1 August the YMCA have estimated that this would require an additional subsidy from the council of around £3 million. Given the impact of the pandemic on other income streams to the council this was considered to be unsustainable and therefore a phased approach was requested which would allow the YMCA to gauge public demand for leisure centres in 2020/21, given the health and safety concerns.
- 5.3** Government have made an announcement that Leisure Centres and Pools can re-open from the 25th July, however, due to the requirement to meet current social distance guidelines capacity will be significantly reduced and this will have a greater impact on capacity of Pools than on dry side use. The recommended proposal is therefore to allow for a phased approach and to focus initially on reopening the gym and fitness classes at each of the leisure centres with the aspiration to reopen the pools once guidance allows and it is financially viable to do so. Utilising each of the sites effectively should enable the YMCA to offer gym capacity which is not far short of what would be the case under normal operating conditions and classes. The additional subsidy required for this option is just under £0.489m.
- 5.4** This is seen as the first step to recovery of our leisure centres and a key factor will be the general public's appetite to return to the YMCA or begin new memberships in these unprecedented times. If considerable numbers of members cancel their memberships and users do not return to the facilities then we may need to review the decision to re-open all four leisure centres. The council will closely monitor the situation and the position will be reviewed regularly.
- 5.5** To help with the leisure centre recovery process and fully assess the impact of the closure of leisure services, we have been awarded Sport England funding to engage consultants, Knight, Kavanagh, Page (KKP), to act as a critical friend. KKP are supporting the council and the YMCA to review the short-term impact, risks and mitigations. They are also helping us to consider broader issues in respect of the scale and extent of the council's leisure facility stock, how it functions in the context of income generation and financial return plus its affordable social impact and contribution. They will provide advice around the longer term re-

mobilisation and recovery plan over the coming weeks. KKP have also recommended that a gym and class approach be adopted to re-opening.

- 5.6** An Equality Impact Assessment (EIA) has been prepared to focus on the implications of the phased reopening of our leisure centres and pools. This has highlighted that there may be negative impacts on protected characteristic groups, namely disability and age. Having considered all available options, the EIA concludes that the phased reopening is the most appropriate, proportionate and equitable way to achieve the aim of the proposals i.e. to secure the financial viability and sustainability of Wyre leisure centres and swimming pools whilst safeguarding the interests of our most disadvantaged communities and groups.

Financial and legal implications	
Finance	The additional subsidy of £0.489m will be met from non-ring-fenced COVID-19 funding provided by the government in May 2020 as a one-off increase to the 2020/21 subsidy.
Legal	The delegation in this report ensures that the council can continue to carry out its functions during the coronavirus pandemic.

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	x
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.

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

List of appendices

None