

Overview and Scrutiny

3 November 2020



Leisure Centres Update		
Purpose of the report	To note	
Report Author	Claire Moore	
Cabinet Member	Cllr Chandler	Confidential Yes
Corporate Priority	Clean and Safe Environment Financial Sustainability	
Recommendations	Committee is asked to: Note the update on how the leisure centres are performing since they re-opened following the Covid-19 lockdown	
Reason for Recommendation	Not applicable	

1. Key issues

- 1.1 The Borough's leisure centres re-opened on 1st August 2020 following a period of closure since 23rd March due to lockdown restrictions imposed because of the Coronavirus (Covid-19) epidemic.
- 1.2 Since re-opening the leisure centres have had to put in place a lot of changes to be Covid-19 compliant. This includes having a booking system for all activities. Members and casual users must book into the sessions they want to attend.
- 1.3 Other changes include extending the gym at Sunbury into the studio to accommodate social distancing requirements and maximise capacity, operating one-way systems, having socially distanced queue lines so people only enter the centre 5 minutes before their activity and undertaking extra cleaning/sanitising between sessions.
- 1.4 When the centres initially re-opened not all facilities and sports could be offered due to Covid-19 restrictions. Gradually further facilities have been opened and more activities have been added to the programme. At present gym sessions, including junior sessions and fitness classes are on offer at both centres along with some sports sessions such as badminton. Squash is also available at Spelthorne. The café remains closed at Spelthorne and certain activities such as GP referral are yet to fully resume. Lane swimming, family swim sessions and swimming lessons are now all on offer at Spelthorne only. This is due to the ongoing issues with the Sunbury Pool.

- 1.5 The pools at Sunbury remain closed. During lockdown there was significant structural damage to the both the main pool and the teaching pool, the cause of which is still under investigation. At present the Council is working with a specialist company to determine the extend of the damage and what caused the issue. Core samples have been taken from the pool tanks and we are awaiting a report on the outcome of the investigations. Due to Covid restrictions and limited technicians in the lab this is taking longer than it usually would. The Council have been told to expect the report in November. The position with insurance is unknown at present until the cause can be determined. Once the cause has been determined we will need to establish our legal position. The likely cost for repairs is currently estimated at between £250,000 and £500,000. Everyone Active are keen to get the pool open as soon as possible and have identified further work which will be needed to the pool plant due to the long period of inactivity. They are looking to undertake some of this work, the work to the filters, while awaiting the outcome of investigations. Local Councillors and the Cabinet member have been kept up to date with the situation. It should be noted that the Council have a lease on the leisure centre site until 2038 and prior to Covid it was a very well used site and a great asset to local residents. It is fully intended that the pools will re-open once work is complete. However, this will be dependent on the report findings and possible approval for spend.
- 1.6 Spelthorne Borough Council have been receiving weekly performance updates from the leisure centres since they re-opened. The weekly updates include booking numbers and attendance figures for the main activities at the centres including the gym, fitness classes, lane/fitness swimming and swimming lessons. Customer comments are also sent through.
- 1.7 The feedback received from customers since re-opening has on the whole been very positive with many users delighted to have the centres open again and saying that the procedures in place make them feel safe.
- 1.8 When the centres first opened the attendances for the gym and classes were low, but they have gradually picked up as consumer confidence increases. Bookings for the gym and fitness classes are currently at the highest they have been since re-opening. They have risen consecutively for the last 2 weeks at both sites following a small dip which corresponded with a rise in Covid cases locally and the Borough being placed on the government's watchlist, which we have since come off.
- 1.9 Attendance at swimming sessions initially started higher than they are presently which may partly be due to the warm weather in the summer. The numbers dropped slightly after the first few weeks but have been rising slowly for the last 3 weeks.
- 1.10 Swimming lessons were not available for the first couple of weeks of the re-opening and when they did re-start the 1st weeks attendance was low but then attendance picked up considerably for a few weeks before falling. Attendance has been rising slowly again over the last few weeks but for the week ending 12th October there were only 993 attendees despite 1793 being booked on meaning there were 800 no shows.
- 1.11 Graphs showing the attendance for the gym, fitness classes, lane swimming and swimming lessons can be seen in appendix A.

- 1.12 The overall attendance figures for August 2020 were 27,020 for Spelthorne and 4,635 for Sunbury. For the same month in 2019 the figures were 42661 for Spelthorne and 26,950 for Sunbury. This means that across the 2 sites there were over 37,000 less visits in August 2020 compared to August 2019. As a contract Spelthorne was operating at 45% of last year.
- 1.13 The overall attendance figures for September 2020 were 40,995 for Spelthorne and 5,354 for Sunbury. In September 2019 the figures were 42274 for Spelthorne and 27085 for Sunbury meaning that although Spelthorne's figures are not too dissimilar, across the 2 sites there were 23,000 less visits in September 2020 than in September 2019. The contract was operating at 67% of last year's figures with the majority of the deficit sitting with Sunbury.
- 1.14 Pre-Covid the Spelthorne contract had a total of 4736 fitness members. At the end of August, the contract had 3982 fitness members which is a 16% loss from pre-covid levels. A further 400 fitness members left in September, but leaver figures have now stabilised, and new membership sales are going well.
- 1.15 The number of swimmers on the Spelthorne contracts learn to swim scheme pre-covid was 3488. At the end of August, the number of swimmers on the scheme was 1639, a loss of 53%, however sales are going up and the number of swimmers enrolled on the scheme is increasing.
- 1.16 The attendances at the centres in Spelthorne were compared with attendances at facilities and local authority contracts with similar capacities across the South East Region for the first week of October. It must be noted that when comparing facilities that although the capacity of the facilities may be similar there are many variables which are not taken into consideration including population figures, the centres other facilities and location.
- 1.17 For the gym the total capacity of the gyms in the Spelthorne contract is 9590 and combined the 2 sites are operating at about 30% capacity. Contracts with similar size gym capacity include Bracknell which is currently operating at 26% of capacity, Brent, currently operating at 22% capacity and East Herts, currently operating at 39% of capacity.
- 1.18 When looking at the centres individually Spelthorne has a gym capacity of 6,678 and is operating at about 34% of capacity. For comparison centres with a similar gym capacity include Abby Leisure Centre in Barking and Dagenham which is currently operating at 36% capacity, Basildon Sporting Village, currently operating at 31% of capacity, Seymour Leisure Centre in Westminster, currently operating at 27% of capacity and Westway Sport and Fitness in Westway which is currently operating at 32% capacity. Sunbury Leisure Centre currently has a gym capacity of 2912 and is operating at 21% of capacity. Centres with a similar size gym capacity include Eversley in Basildon which is currently operating at 31%, Little Venice in Westminster, currently operating at 45% and Watford Central, currently operating at 35% of capacity.
- 1.19 For Group exercise the capacity of the Spelthorne contract is 3,367 and bookings are currently at 44% of capacity with attendance at 36% of capacity. Looking at contracts with similar size capacity for group exercise

Havering has bookings of 81% of capacity with attendance at 63% and Sutton has bookings at 67% and attendance at 53% of capacity. It should be noted however that although the capacities are similar for the contracts the number of sites in the contract differs and there are 4 sites in each of these contracts while there are only 2 in Spelthorne. The more sites in a contract is likely to mean greater ability to put more classes on at peak times.

- 1.20 Looking at the centres individually for group exercise, Spelthorne Leisure Centre has a capacity of 2,213. Bookings for the first week of October were at 48% of capacity with attendance at 38% of capacity. Centres with a similar capacity for group exercise include Bracknell Leisure Centre which has bookings of 59% of capacity and attendance at 46%, and Watford Woodside with bookings at 70% of capacity and attendance at 55%. Sunbury Leisure Centre has a capacity of 1,154. For the first week in October it had bookings of 37% of capacity and attendance of 32%. Centres with a similar capacity for classes include Watford Central which had bookings of 70% and attendance of 55% and River Park in Winchester that had bookings of 52% capacity and attendance of 37%. As mentioned previously we need to be mindful when benchmarking against other centres that there are a lot of variables. For example, some centres have more studios, more flexible spaces or bigger studios/sports halls meaning more and/or bigger classes can be held at peak times. This means that they may have a higher capacity at peak times even though overall capacity may be similar. It has also been suggested that some of the centres with the highest footfalls have limited the classes they put on and therefore may have higher occupancy levels due to the naturally higher footfall for the centre even though the capacity of the classes look similar.
- 1.21 For lane/fitness swimming the current capacity for Spelthorne Leisure centre/the Spelthorne contract is 1,480. Bookings for the first week in October were at 64% of capacity with attendance at 47%. In comparison Seven Islands in Southwark has exactly the same capacity and had bookings of 65% of capacity and attendance of 42% for the same period. Watford Central has a similar capacity and had bookings at 50% and attendance at 33%.
- 1.22 The fact that the UK are encountering a second wave of Covid-19 infections and the possibility of a further lockdown is obviously having an impact on consumer confidence but Everyone Active are trying to counteract it as best they can. Both centres are working hard on building consumer confidence and are very proactive on social media advertising what they are doing to keep customers safe. Various promotions such as bring a guest for free and lower priced membership deals are being used to try and increase the usage of the centre.
- 1.23 At present it is unclear as to whether the centres would be forced to close if Spelthorne's position on the tier 1 medium alert level of the three-tier system was to change. Currently leisure facilities in high risk level 2 areas don't have to close however some of those in very high-risk level 3 areas have been forced to close. Currently gyms and leisure facilities are closed in Liverpool but not in Lancashire even though they are both in tier 3. Those in Lancashire are however subject to some restrictions which will certainly impact attendance at these centres. UK Active, a not-for-profit

industry association, promoting the interests of commercial fitness gyms and community leisure centres, are currently trying to clarify the situation for the different tiers and what would happen in the event of a second national lockdown.

2. Options analysis and proposal

2.1 No options available the report is to note

3. Financial implications

3.1 The cost of the financial support package provided to SLM is set out in the table below: -

SLM Support Package	Support Gross Cost	Government Support (SFC)	Support Net Cost
Cost impact in 2020/21	£	£	£
Waive Management Fee: Apr-June 2020*	66,390	(47,303)	19,087
Fixed Reopening Package July - Dec 2020**	350,000	(94,606)	255,394
Waive Management Fee: Jan-Mar 2021**	66,390	(47,303)	19,087
2020/21 Total Cost	482,780	(189,212)	293,569
Cost impact in 2021/22			
Reduction in Maintenance Costs budget in 2021/22**	(119,000)		(119,000)
Total Cost of Support Package	363,780	(189,212)	174,569

* Agreed prior to cabinet on 22nd July under force majeure clause in contract

** Agreed by Cabinet on 22nd July as part of support package to reopen the centres.

3.2 The fixed reopening support payments are being made to the operator monthly in arrears. We are following an open book approach with the operator.

3.3 SLM have provided the Council with details of the financial performance of the Spelthorne contract for 2020/21 up until August. The summary below sets out

the position at the end of August after application of the Council's support package to date.

Contract Period	Loss	Support	Net Loss
	£	£	£
April 2020	57,862	(22,130)	35,732
May 2020	62,936	(22,130)	40,806
June 2020	71,904	(22,130)	49,774
July 2020	81,130		81,130
Aug 2020	87,835	(70,000)*	17,835
Total to date	361,667	(136,390)	225,277

* The package to enable reopening has been profiled over 5 months by SLM from August to December.

The August figures show a £87,835 deficit, prior to the Council's £70,000 of support, compared to SLM's predicted deficit for August of £65,284. The predicted figures do however take into account the centres opening a week earlier than they actually did so this needs to be taken into consideration. The accounts for September are not yet available from SLM however they have advised these will be available shortly and that they will show an improvement in the income figures.

- 3.4. There are some potential risks which could impact on SLM's performance against future predictions. These include an assumption that the pool at Sunbury will re-open at the beginning of January which now looks unlikely. Other risks include the possibility of a nationwide lockdown or Spelthorne being moved to a higher tier on the alert level and the associated impact of that.

4. Other considerations

- 4.1 Non applicable, the report is to note.

5. Sustainability/Climate Change Implications

- 5.1 Non applicable, the report is to note.

6. Timetable for implementation

- 6.1 Non applicable, the report is to note.

Background papers:

Appendices:

Appendix A: Spelthorne and Sunbury Attendance graphs

Appendix B: Comparison of SLM sites in the South East Region