

Draft Leisure Resources Strategy 2021-2025

Draft for consultation



A person wearing a white short-sleeved shirt and dark shorts is standing on a tennis court, holding a tennis racket with both hands. The racket is positioned horizontally in front of them. The background shows a tennis court with a net and some blurred structures. The lighting is somewhat dim, suggesting an indoor or evening setting.

This **Leisure Resources Strategy** is an update of the 2014 Leisure Resources Strategy. It aims to set out a framework against which the Council can make decisions about the future of leisure resources and provide clarity about the Council's future plans.

Contents

- 04 Foreword**
- 06 Introduction**
- 08 Understanding the context for leisure services in Cornwall**
 - Local profile
 - The importance of physical activity
 - Deprivation
 - The current provision of leisure centres
- 15 Future leisure facilities provision**
- 18 Leisure issues that concern Cornwall Council**
- 24 GLL's proposed contract changes**
- 28 Next steps**



Foreword

It goes without saying that as a new administration we believe that leisure is vitally important to making our communities healthier, positively contributing to our economy and improving community cohesion. No one could argue with this.

Unfortunately, like many Councils we now face some very difficult decisions about the future of our leisure provision in Cornwall. Had we not had a pandemic I suspect we would be writing a different set of recommendations in this consultation document.

It hasn't been all bad though. We learnt that in the early stages of the pandemic leisure activity was a lifeline for people. Residents found solace in parks and open spaces. The expansion of informal leisure opportunities in our amazing green places became priceless in preserving people's mental and physical wellbeing. We saw how people used leisure to connect and take care of each other. We want through this strategy to build on the best of what we learnt through the pandemic.

However, it is undeniable that this has also been a really challenging time. Our Council budgets are under even greater strain coming out of the crisis. This is also true of the leisure operators. Whilst we remain optimistic the sector is going to recover it is not as resilient as it was before the pandemic even with the significant support that the Council and Government has provided.

We hope this consultation enables us to have a conversation with you. We want to share with you the constraints and challenges and our suggestions for what we do about them. We want to listen to your ideas before we bring back a final version of this Leisure Resources Strategy to the Cabinet of the Council in December 2021.

Solutions to these challenges can be found across the partnerships and the efforts of everyone involved in leisure in Cornwall. Help us find the solution to these challenges. We look forward to hearing from you.

We hope this consultation enables us to have a conversation with you. We want to share with you the constraints and challenges and our suggestions for what we do about them





Introduction

This Leisure Resources Strategy is an update of the 2014 Leisure Resources Strategy. It aims to set out a framework against which the Council can make decisions about the future of leisure resources and provide clarity about the Council's future plans.

The earlier 2014 Strategy set out an ambitious plan for the future of leisure provision in Cornwall through the development of a network of leisure facilities and activities. These would be available to residents and visitors across Cornwall and were accompanied by an ambitious intention to move to a financial model that was at no cost to the Council.

The Council realised its ambition of a 'no cost model' through the transfer of the provision of the majority of its leisure facilities to an outside organisation. This resulted in the award of a long-term contract between the Council and 'Greenwich Leisure Limited' (GLL) which operates under the brand of 'Better'. They are the largest operator of leisure centres in the UK operating over 270 facilities across 40 council areas.

The difficult decisions made by Cornwall Council to reduce the ongoing revenue budget for leisure centres in its entirety were made because unlike many other services, the Council has no legal statutory obligation to provide sport, leisure or recreation services and facilities unlike demand driven mandated services such as adult social care, children's services and housing which we have a duty to provide.

Since the 2014 Leisure Resources Strategy no one could have predicted that we would experience a global pandemic. This has had profound implications on the demand for services, the way they are delivered and their financial impact for

the Council. **The leisure sector has been significantly impacted by Covid-19** and the national lockdowns when operators were obliged to close their doors to the public, which resulted in an immediate loss of income. When facilities re-opened there were significant restrictions about how they operated to remain Covid-19 secure.

Last year the pressures arising from Covid-19 were largely offset by local and national government support. However, there are now ongoing sustainability issues beyond this period. And whilst Covid-19 has worsened the financial viability across a number of centres, many of these issues pre-date Covid-19; it was just that operators were more resilient to manage them.

The previous Leader of the Council agreed in partnership with Sport England and experts in the sector that the Council would undertake a Strategic Leisure Review in 2021. The outputs of that review have informed a number of the issues and emerging proposals in this Draft Leisure Resources Strategy.

This document sets out the key issues that the Council would like to address with regard to its leisure provision into the future. Unfortunately, there are some very difficult decisions that have to be made in order to support the recovery and ongoing sustainability of the provision in the medium to longer term. Whilst it absolutely remains the Council's ambition to continue to provide a network



of leisure centres for both residents and visitors to Cornwall it does so in a very different climate to that when the original 2014 Leisure Resource Strategy was prepared.

Cornwall is not alone in having to make difficult decisions about the future of Leisure Provision. A recent **District Councils Network survey** suggests that it was extremely likely that more than one in three or the equivalent of up to 117 leisure centres are at risk of closure.

We want to use this Draft Leisure Resources Strategy to have an honest dialogue with the residents of Cornwall about the issues faced locally to find the best possible solutions.

Understanding the context for leisure services in Cornwall

Local Profile

Cornwall is located in the most south westerly tip of England and shares a boundary with Devon. It covers an area of 3,559 sq. km and has a population of 573,299 (ONS, mid-year estimates, 2020). It has remote rural, coastal and environmentally sensitive areas interspersed with villages and historic market towns. There are currently only six towns/city with a population of over 20,000, with the remainder having smaller populations of between 1,500 residents up to 20,000 residents. These small towns support numerous surrounding villages and hamlets. The number of dispersed settlements and diversity of communities with their own rich economic and cultural history and identity make the development of a future model of leisure particularly challenging.

A model for a rural coastal area such as ours will look very different to an urban model serving communities with significant population density in smaller geographical areas. In addition, being a peninsula surrounded by sea on three sides means that we cannot rely on demand or supply from neighbouring areas. This does not mean a service should not be provided, simply that it may need to be delivered in a different way.

Cornwall is a major tourist destination. It commonly sees at least a fourfold increase in its population size during the summer months. This generates additional demand which helps the viability of leisure provision, but this is seasonal with demand then dropping back. It is also impacted by the weather; wet summers mean demand for indoor swimming, whilst a good summer means the beaches are busy.

Our first priority as a Council under this Leisure Resources Strategy is to ensure that the future leisure offer in Cornwall meets residents needs as well as those of our tourist economy. The demographic profile of Cornwall is changing, and the population is increasing. Cornwall's population is getting older as average life expectancy continues to rise. **However, a high proportion of residents in Cornwall spend less of their lives in good health with 21% having limiting long-term illness.**

Historically Cornwall has experienced high levels of outward migration of those between the ages of 16-29. However, the expansion in the higher education infrastructure and better employment prospects locally has led to a decline in this trend of younger people leaving Cornwall. This is translating into more demand for



school places as the population grows. Learning to swim is a compulsory part of the National Curriculum at Key Stage 2 of primary school. Ensuring young people learn to swim is a key priority for Cornwall Council given our proximity to the sea and other bodies of water. At the moment circa 64% of our 256 primary schools in Cornwall use Cornwall Council facilities managed by GLL for swimming lessons.

Therefore, the leisure offer that Cornwall is likely to want will change over time. It will need to cater for a larger ageing population; increases in the younger population and in seasonal tourism.

The importance of physical activity

The evidence around the benefits of being physical active is compelling. In children of all ages regular physical activity is associated with improved learning, good mental health & wellbeing, improved fitness levels and contributes towards achieving a healthy weight. For working age adults physical activity can reduce the risk of many non-communicable diseases such as coronary heart disease, diabetes, a number of cancers and hypertension. People who are active regularly also tend to have better mental health & wellbeing and be less socially isolated. As we move into older age being active can help to maintain independence, reduce the risk of falls and reduce social isolation.

Such is the power of physical activity that it is often described as a miracle cure for the prevention of a range of illnesses. However, around 1 in 3 adults do not achieve the recommended levels of activity of 150 minutes per week and around 1 in 5 adults are inactive and achieve less than 30 minutes of physical activity per week. Only about half of children and young people achieve their recommended levels of physical activity of 60 minutes per day.

Time, cost and availability are often cited as the main barriers to being active. We want to create opportunities for all people to be active every day, whether that be weaving incidental activity into our daily lives, taking the opportunity for short trips on foot, by bicycle or on public transport, or doing whatever exercise, dance, leisure or sport we enjoy.

Our physical activity strategy 2016-21 outlined our challenges and vision for a more active Cornwall and whilst many of these challenges remain, the pandemic provides us with clear public support to create more active environments and communities to keep us well and moving more. A new physical activity strategy is under development and will be co-produced with partners to ensure it meets the needs of people in Cornwall.

Deprivation

The areas of affluence of some parts of Cornwall mask areas of poverty in others. The Index of Multiple Deprivation released by the Office for National Statistics last year (which is updated every four years) showed that **43 neighbourhoods in Cornwall are among the most 20% deprived areas in the country and 17 neighbourhoods are among the most 10% deprived.**

We know that there are differences in the levels of physical activity across Cornwall and this is an important determinant of health inequalities. We do not want affordability to be a barrier to accessing leisure provision for residents who would arguably benefit most from becoming more physically active. We need to have an attractive offer in our leisure centres for maximizing memberships for full price payers in order to support concessionary rates for those on lower incomes.

There is a huge social and economic value of being active. For every £1 spent on community sport and physical activity it is estimated that there is £3.91 worth of social and economic impacts. These include improvements in mental wellbeing through levels of life satisfaction and rates of participation; through improvements to individual development including better educational attainment and increased earnings and through improved social and community development; through reduced crime and enhanced social capital.

The demographic profile of Cornwall is changing and the population is increasing. Cornwall's population is getting older as average life expectancy continues to rise.

The current provision of leisure centres

There are many leisure providers in Cornwall both formal and informal. The main public leisure centre provider operating thirteen leisure centres is Greenwich Leisure Limited (GLL) through a contract with Cornwall Council. In addition to operating the centres, GLL also provides a range of community-based outreach services working in partnership with Active Cornwall and the Public Health Team.

The Council would like to see the expansion of the outreach activities into the future, for example:

- **Targeted health programmes** - Public Health and GPs working with providers to deliver programmes such as healthy weight and exercise referral.
- **BeActive Club** – for people aged 60 plus in Bodmin and Wadebridge.
- **Social Prescribing.**
- **Autism Strategy Group** – assessment of leisure centre sites to improve access for people with autism. Autism identified as a priority by Cornwall Council.
- **Walking for Health schemes** – expansion of walking for health type schemes set up by GLL.
- **Tempo Time Credits** – e.g Newquay Orchard, whereby volunteers earn credits which they could redeem at Newquay Leisure Centre.
- **GLL Sports Foundation** – supporting talented athletes by providing free access to Cornwall's and other GLL facilities and support of up to £1200 per athlete. Active Cornwall run a Cornwall Talented Athlete Scheme and the two schemes are linked together.

Since Cornwall Council entered into the agreement with GLL in 2016 there have been changes to the portfolio:

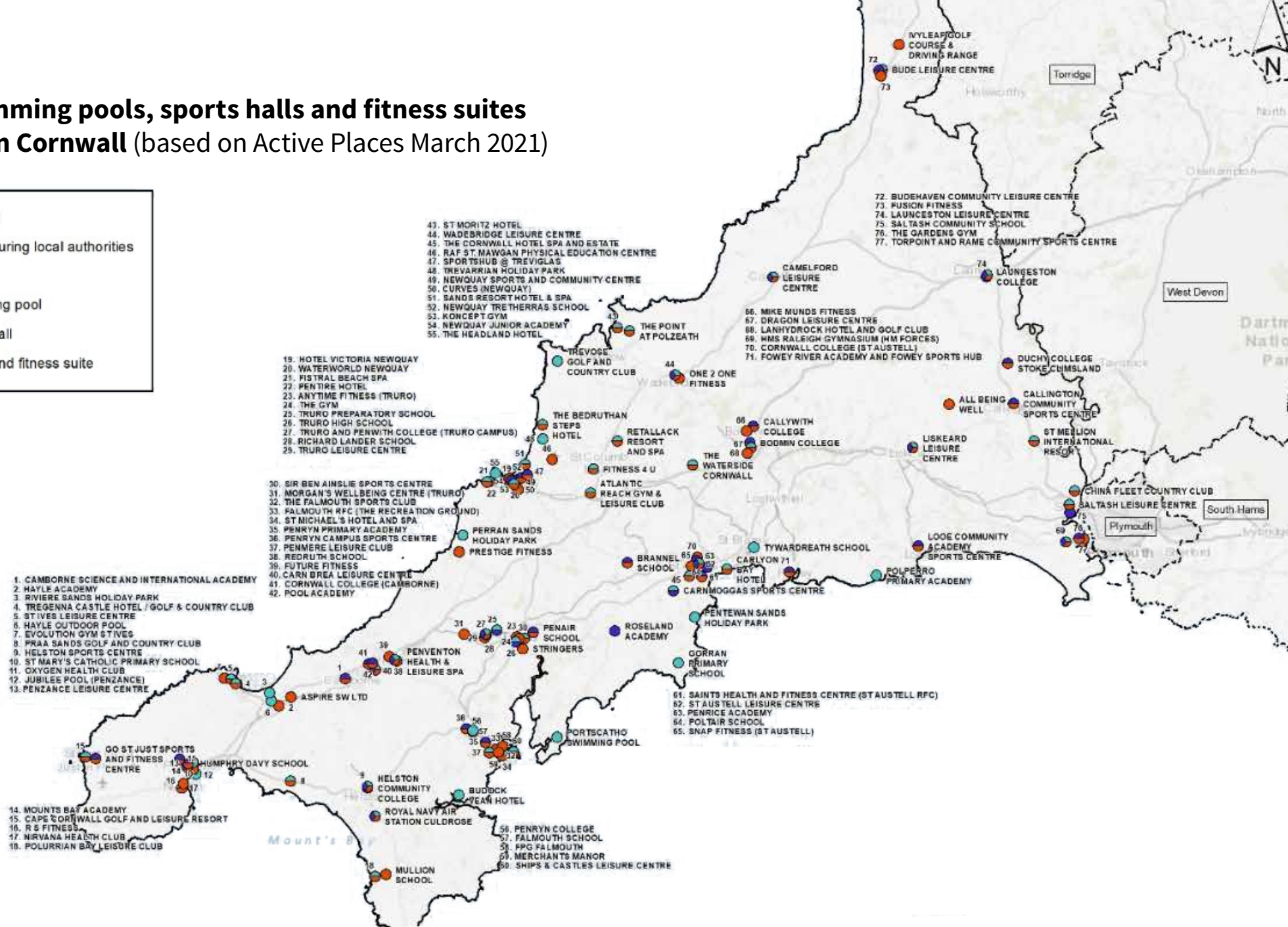
- **The devolution of the freehold of Princess Pavilions, Gyllyngdune Gardens and the Garden Rooms to Falmouth Town Council.** The focus of this provision was to provide heritage and cultural activities, so it never fitted with the rest of the leisure centre portfolio.
- **The removal of the operation of Par Running Track from the GLL contract.** Cornwall Council devolved this asset to the local community on a leasehold basis with the Council remaining the owner of the freehold.
- **The development of Newquay Trampoline Park and Play Park.** This is situated behind Better Waterworld on Trenance Park, catering for children from 18 months.
- **A change to the operator of Newquay Sports Centre,** which is owned by the Duchy, from GLL to Cornwall Education Learning Trust.
- **Significant capital investment into the leisure centres to deal with maintenance backlogs** alongside larger projects to modernize facilities and replace health and fitness equipment.

There are three other leisure centre facilities outside of the GLL contract where the Council has entered into long term arrangements. Carn Brea Leisure Trust operate Carn Brea Leisure Centre and the Council has leased the site to Carn Brea Leisure Trust until 2099. This is an important provision serving one of largest and most densely populated catchments of Cornwall across Camborne, Pool and Redruth. Cornwall Council has a PFI agreement with Parkwood Leisure Ltd until 2035 for the Penzance Leisure Centre whilst the freehold and operations of Camelford Leisure Centre were transferred from Cornwall Council to an independent community leisure trust in 2012.

There is significant additional leisure provision across Cornwall in addition to these leisure centres. As well as the natural environment which is used extensively for a range of outdoor activities, there is also a significant private sector provision of fitness facilities, holiday parks, spas and hotels. However, the major national fitness chains do not have a significant presence in Cornwall, which we believe is due to smaller population levels in Cornish towns. The map below shows the existing schools (variable access), swimming pools, sports halls and fitness suite facilities in Cornwall. **One of the key questions for this strategy is how we optimise all of this supply for residents?**

Map: Swimming pools, sports halls and fitness suites facilities in Cornwall (based on Active Places March 2021)

- Cornwall
- Neighbouring local authorities
- Facility type**
- Swimming pool
- Sports hall
- Health and fitness suite




0 2.5 5 Miles

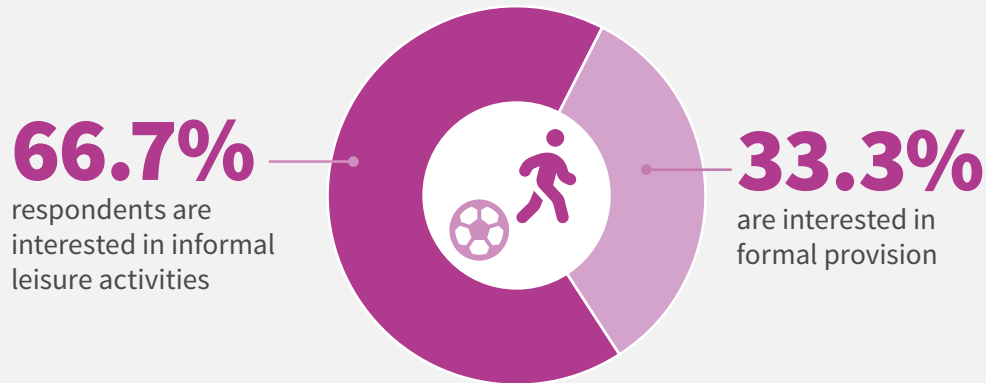
2021 Community Engagement Survey

A Cornwall-wide survey on participation in physical activity was undertaken in August 2021 to inform this draft Strategy. There were 525 responses to a structured on-line survey. The majority of responses were received from people aged 55-79 and from those people attending existing GLL operated centres.


The key points identified through the survey:


76.9% of respondents think physical activity is very important 


 **4.2%** of respondents are inactive and **42.9%** are fairly active
Responses were equally split on whether individuals undertake enough physical activity



In the last 7 days **52.7%** of respondents did more than **150 mins of walking**
Cycling levels were much lower

Most popular reason for taking part in physical activity was **'release from life'**, followed by **weight management**, followed by **health** 

38.7% of respondents take part in activity in the morning 

27.9% take part in activity in the weekday evening 

Main barriers to being more physically active

 **32%** said finding people to **attend with/play against**
Followed by **injury/health reasons**, followed by **family commitments/childcare**

Prior to the pandemic

56% of respondents used a leisure centre as part of their exercise routine



Those who didn't use a leisure centre said that **the main reason was the high cost** (47.3%) followed by **nothing of interest offered** at the leisure centre (32.4%)



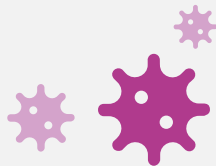
69.4% of respondents said that they also walked, ran and cycled prior to the pandemic, followed by **54.5% said they used beaches, rivers and lakes**

61.7% of respondents participated in a physical activity alone

85.1% of respondents participated in walking during the month **before the first lockdown...**



92.1% walked during the subsequent lockdown periods, **followed by at home workouts (47.8%)**



Gardening was **also popular for 42.4% of respondents**

Has Covid-19 influenced your type of activity?



No:
40%



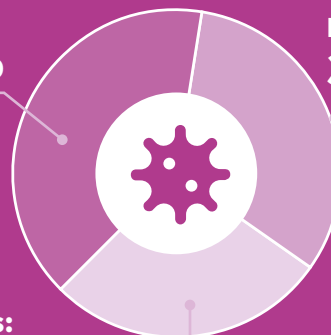
Perhaps:
32.3%



Will this be a permanent change

36.3% of respondents said yes, **51%** maybe and **12.7%** no

Yes:
27.7%



12.5% of respondents feel that the pandemic **has influenced the amount of activity** they now undertake **by a lot,**

17.7% of respondents a bit less and... **38%** of respondents about the same amount.

41% of respondents feel that this will be a **permanent change**

71.6% of people who use a leisure centre use the swimming pool



39.7% use the gym

29.1% use the exercise studio



Car is the main mode of transport (77.5%) followed by 18.7% of respondents **walking**

Length of journey – 30.3% of respondents take 6 – 10 minutes. 9.5% take over 30 minutes



Some of the other key themes from the engagement include:

- perceived lack of safe cycle/walking routes.
- need for the development of low-cost activities for children and younger adults.
- lack of knowledge of what is available.
- need for multi-venue membership schemes
- shortage of 3G pitches
- poor quality leisure facilities
- swimming facilities are not fit purpose.

One of the key reflections is the scale of interest in informal leisure provision and the high numbers of people who take advantage of the beautiful Cornish natural environment to be physically active. These findings have informed our thoughts on our future leisure offer.





Future leisure facilities provision

Our plans for the next four years and beyond

Fundamentally leisure facility provision in Cornwall will continue to be defined by a mixed and varied provision delivered by different operators. These will include village halls, independent fitness providers, schools, community and public leisure centres.

Going forward our vision is:

“Every resident has equitable access to good quality, fit for purpose, sustainable leisure offer, enabling our communities to be more active and benefit from improved health and wellbeing”

The vision is underpinned by a proposed set of design principles for the offer including:

1. A network of public leisure centre facilities along the spine of Cornwall that will provide access within thirty minutes (by car) to the vast majority of the residents in Cornwall.
2. The rural nature of many of our communities means that we cannot rely solely on these public leisure centres but need to maximise the potential of our open spaces, playing fields, community centres and schools. The need to enable our community groups, sports clubs and volunteers to bring local opportunities to life for people of all ages and abilities is a fundamental challenge and one to which we are committed to responding.
3. As far as possible all Cornish residents should have reasonable access to as a minimum:
 - **Sports Halls** – badminton, indoor football, basketball, cricket, netball, volleyball
 - **Swimming pools** – recreational and learn to swimming programmes and swimming clubs
 - **Health and Fitness** – gyms and group exercise classes.
4. That in order for these public leisure centres to continue to be viable, as a minimum achieving a cost neutral position, they need to be used. Sadly, if they are not used there is the potential risk of further closures. This would be subject to a separate consultation and decision.
5. It is expected that all facilities in the future within the context of local circumstances have a balance between:
 - Pay and play activities
 - Membership
 - Programmed courses and activities
 - Club use – programmes to include the provision of coached sessions and co-ordination and links with sport development programmes elsewhere
 - Targeted activities for young children
 - Targeted activities for older people and those with a disability

- Targeted activities for those who are inactive
- Targeted activities for families
- Events and competitions
- Social prescribing and GP referral offer as part of this

6. With regards to pricing the Council expects that the operators of these facilities will provide a comprehensive concessionary pricing regime to support participation amongst the vulnerable and most disadvantaged. This should also be accompanied by targeted outreach and marketing to those communities who are most deprived or are not traditional users of leisure centres.
7. There will be at least one public leisure centre (hub or community leisure facility) in each of the previous District Council areas (Penwith, Kerrier, Carrick, Restormel, North Cornwall and Caradon).
8. To harness the capacity and capability in local communities to innovate and develop financially sustainable delivery models.

The proposed model going forward will consist of a hierarchy of leisure provision and describes how the Council could meet the recreational and sporting needs of Cornwall residents based on the principles above:

Tier 1: Leisure Hubs

- These will be characterised by destination facilities in Cornwall's larger towns and catchments that provide a wide range of facilities and leisure opportunities. These have the potential to be integrated with other buildings and services.

Tier 2: Community Leisure Facilities

- These are 'local' facilities within smaller towns and catchments potentially providing a more limited range of leisure opportunities that the local community can access. Some of these will be in stand-alone leisure buildings or in college / university provision eg community access to Penryn Campus Sports Centre but could still be integrated at local level.

Tier 3: Informal Leisure Opportunities

- This is about bringing leisure opportunities into the heart of every community through the expansion of informal leisure networks.

Tier 1: Leisure Hubs

Serving larger urban areas and surrounding catchments (up to a thirty-minute radius by car)

- Redruth / Camborne / Pool
- Truro / Langarth & localities
- St Austell and localities
- Bodmin and localities
- Liskeard and localities
- Newquay and localities
- Penzance and localities

Characteristics

- Multi-facility leisure hubs in main population areas or larger rural catchments.
- Destinations that provide a wide range of activities either in the same venue or a network of linked venues.
- A defined minimum offer that all hubs should achieve:
 - > Swimming Pool, 25m x 4 lanes
 - > Indoor hall space, min 4 court
 - > Fitness min 35-40 station provision, min 1 studio space
 - > Inclusive access to an active environment both indoors and outdoors i.e. disability friendly, gender neutral, dementia friendly
 - > Available daytime access
 - > Adequate parking provision and disability parking close to facility
- Good quality, attractive and fit for purpose environment
- Used for recreation, tourists, school, competition and club use

- More likely to be multifunctional spaces, gateway to a range of other services and where possible co-located with partners services
- Proactive approach to outreach community activity within the surrounding catchment
- Potentially could support the more localised community facilities or devolved arrangements.

Tier 2: Community Leisure Facilities

Serving smaller towns and surrounding catchments (up to 20-30 minute journey by car)

- St Ives & localities
- Helston & localities
- Bude & localities
- Camelford & localities
- Falmouth / Penryn

Characteristics

- Flexible provision that responds to local circumstances
- Minimum offer of a sports hall and fitness provision and other complementary activities including swimming
- Recreational and club use
- Flexible opening hours and activity programmes responding to local circumstances and site location.

Tier 3: Leisure Activity and Recreation

Play, physical activity opportunities and recreation in local communities. Examples include:-

- Country Parks – Tehidy, Mount Edgcumbe
- Skateparks – Redruth, Newquay
- Cycling Trails – Camel Valley, Saints Trails, Mounts Bay
- Outdoor gyms in public parks
- Walking trails – eg SW Coastal Path and Saints Way
- Community owned facilities – Par Running Track and Jubilee Pool

Characteristics

This tier includes sport and physical activity opportunities that might be used spontaneously such as children's play areas, multi-use games areas, skate park, parks and gardens, natural green spaces and public spaces. These also include the incorporation of places where people spend most of their day and the linkages between them e.g. workspaces, community facilities and the creation of active travel routes like walking, running or cycling. This will be delivered and shaped in partnership between Cornwall Council, Town and Parish Councils and local communities.

Leisure issues that concern Cornwall Council

Various issues have been identified during the development of this draft Leisure Resources Strategy. Cornwall Council would like to consider and address with its partners issues around the viability and sustainability of leisure in Cornwall as we move to implement the proposed new model set out earlier in this strategy.

Buildings

Most of the leisure centres are stock inherited from the former District Councils and were built in the 1980s and 1990s. Many centres therefore are old and are reaching or have exceeded their expected life span. Older buildings are more inefficient to run and heat and have a higher carbon footprint as a result. This position is not unique to Cornwall with the Local Government Association / Sports England in January 2020 stating that nearly two thirds of leisure centres nationally are in need of urgent investment, updating and refurbishment.

A number of one-off loans have been made available from Cornwall Council to a number of the operators to address the historic and future lifecycle maintenance, improve leisure equipment and make buildings more fit for purpose. The repayment of these loans form part of the obligations of the operators. These loans were never intended to address the more fundamental issue that a large number of leisure centres are reaching the end of their useful life and may need to be decommissioned or replaced.

Operating leisure centres from aged assets is more expensive than operating from a new, purpose built energy efficient facility. Across the industry there is a general rule that if a refurbishment is going to cost more than 70% of the cost of a new build it is better to invest in a new facility. Under the current contract between the Council and the operators, maintenance obligations rest with the operator until the contract ends which in many cases is long after the end of assets useful life. This is likely to increase the maintenance costs for the operator, which in turn will impact on financial viability.



The experts have advised that the useful life expectancy of a Leisure Centre is between 35-40 years.



However a new replacement leisure centre is expensive. Sport England have indicated that even with an affordable design the cost could be up to £2,879 per square metre. This would deliver a new typical leisure centre and would provide up to a 4-lane 25m swimming pool, a four-court hall, a 50-station health and fitness gym and studio with an estimated cost of £8.35m based on 2021 facility cost updates from Sport England.

As an illustration, thirteen GLL operated leisure centres will reach the end of their useful life before 2042. If the Council was to borrow the redevelopment costs for these centres tomorrow, it would be £108 million. Assuming all centres were replaced at the same time, the annual costs of borrowing to repay this would be around £5m per year over a forty-year period.

The financing of the development of a new leisure centre is not straightforward. It can be achieved through the application of capital receipts i.e. the sale of an existing site, s106 monies and grants or a decision could be taken to borrow capital or indeed a combination of both. Where there is a need to borrow there is always a cost of repaying the borrowing which as we have seen can be significant and will need to be funded.

As a local planning authority, the Council through its policy frameworks for developer contributions can fund investment into leisure centres as community infrastructure. Developer contributions are used to support the delivery of affordable housing, schools, roads as well as leisure and recreational infrastructure. Through the Local Plan refresh process, there is an opportunity for Cornwall Council to make more explicit reference through its planning documentation for the future need and evidence base for leisure provision supported by both a new Playing Pitch Strategy (PPS) and Built Facility Strategy (BFS) linked to this Leisure Resources Strategy.

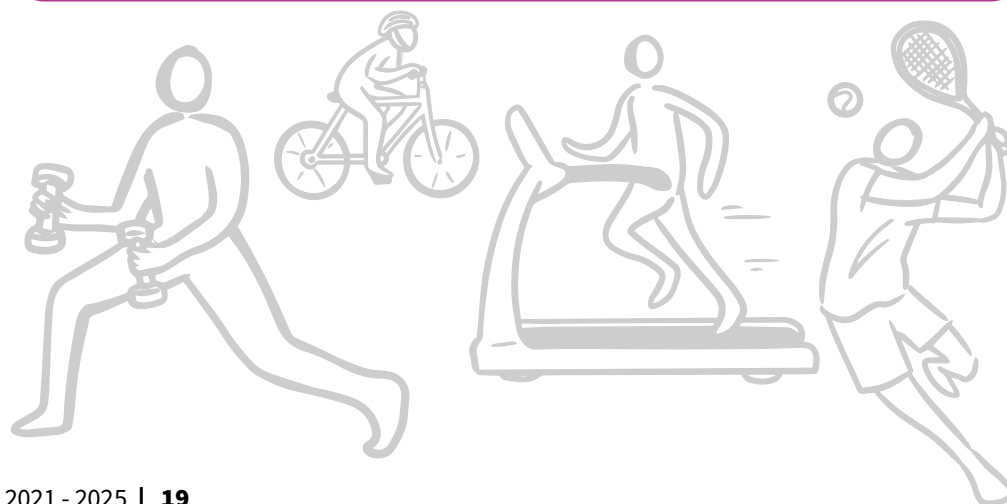
Drawing on what works from elsewhere and in the absence of the Council having capital monies available for new leisure centre buildings we believe any replacement new leisure centres will need to be based on a feasibility assessment and the completion of a Facility Planning Model (FPM) in order to secure funding through a partnership approach with public sector bodies in Cornwall, central government, the operators and Sport England and other partners. We will need to work together to secure other sources of grant funding, income and investment to assist with the replacement of new centres.

It is very unlikely that the future of the leisure sector is about returning to the old arrangement of a traditional formal stand-alone building dedicated to swimming and fitness. The vision is to join up services and making design more inclusive both in terms of actual building and context. We need to develop facilities which encourage people in, rather than simply servicing those that have been previously engaged with leisure facilities. In the future the assets will need to cleverly linked and co-located with other activities such as libraries, life-long learning opportunities, housing and extra care, health provision or integrated into a park setting. This would allow for a more varied leisure experience with broader appeal and generate increases in footfall for people who would not traditionally use leisure centres. This in turn is more likely to support viability.

Summary

The likely direction of travel will mean reducing the number of old inefficient buildings and investing in fewer, but better fit for purpose, more efficient leisure centres. These will form part mixed use developments rather than a stand alone offer. The number and range of services will be increased under one roof to support increased foot fall.

Securing investment for the development of these new Centres will need a concerted effort by partners to come together to find creative commercially viable solutions to secure their futures. The solutions are likely to be integrated into mixed developments.



Getting the right balance between supply and demand

The last Leisure Resource Strategy 2014 set out proposals for a new leisure arrangement which resulted in the removal of the ongoing costs of delivering leisure services to the Council. Through the award of a new contract to GLL, ongoing revenue subsidy for leisure centres was removed from the Council's budget. This means that all leisure centres with the exception of the Penzance which is subject to a separate PFI agreement now operate on a commercial basis with no recurrent funding from the Council.

The Council's new contractual model for leisure centres, (those that are now operated by GLL) resulted in the Council no-longer paying the annual £3.5m subsidy per year. To enable this to happen, the Council moved away from a service contract where it contributed annually towards the cost of delivery, to a Concession Contract which is an agreement where the commercial and operating risk was passed to the operator. In turn the Council loaned the operator money for works to enable it to improve the operation of the centres to drive improved footfall and generate more income.

As a result of the new arrangement, financial sustainability is a critical factor in the success of the new model. The two key factors driving financial sustainability are the levels of income that can be generated and whether this income can cover the costs of operating the leisure centres. Both are influenced by patterns of supply and demand in Cornwall.

The key considerations



We have seen significant changes in the way people think about fitness and leisure. It has evolved rapidly, and Covid-19 has accelerated this. There has been real shift towards digital fitness and the leisure sector needs to embrace the potential of the digital age. Evidence from the sector indicates that the 'at home workouts' which were hugely popular during the pandemic will not disappear overnight. The key question is whether consumer confidence will return to the leisure sector. There has been a net increase in expenditure on gyms in quarter two compared to quarter one of 2021/22. There are green shoots of recovery with national data telling us that more people are returning to use leisure centres, with new people using facilities and visiting for longer which is positive. However, it is too soon to tell when or if confidence will return and if demand will increase to the pre Covid-19 levels.



The pandemic has had a devastating impact. Despite significant Government support, many operators have had to take on extra borrowing to cope. This is adding substantial repayment costs to their annual bill for running the centres, while income is not forecast to recover to pre-pandemic levels for around another year. It will therefore take much longer than originally planned for the network of leisure centres to break even if at all.



One particular area of vulnerability is in relation to what is referred to as the 'sleeper category' of fitness users. These are people who have historically paid their monthly fee but generally do not attend the gym. It is possible these users will be lost or will have defected to other services as memberships were frozen to support customers during the pandemic.



The fitness side of leisure centres is far more likely to pay its way than swimming. However, we have seen an increase in the expansion of independent gym competition locally which is attracting demand away from the larger centres which helps to subsidise the swimming offer.



Interestingly whilst we have seen the expansion of smaller independent gyms, **we have not seen the same expansion of large commercial facilities.**



One of the challenges in Cornwall are the relatively small population sizes each leisure centre is serving. Traditionally the Cornish model which dates back to the old District Councils has tended to be based on one centre in each town serving the local surrounding communities. The key question is whether the existing model can generate sufficient demand to make centres viable going forward?

The attendance at leisure centres is diluted further because a number are sharing population catchments. Our experts have told us that there are overlapping catchment especially for the following Centres:



- Bodmin and Wadebridge
- Truro and Carn Brea
- Bodmin and St Austell
- Bodmin and Liskeard
- Falmouth and Carn Brea
- Falmouth and Helston

As we have highlighted prior to 2016 leisure was subsidised by the Council to the tune of £3.5m per year.

The Council made available a grant to support the transition to a new and a non-subsidised model. For commercial reasons we cannot provide the actual profit and loss performance for each centre, but where centres were making a loss GLL have improved operating efficiency and income and significantly reduced the losses.



During the pandemic year the cost the of leisure centres has resulted in losses of millions of pounds in revenue to the sector per week. The main leisure contract for Cornwall for example lost £6m during the pandemic through reduced income. The impact on the main contractor resulted in.



The reduction in income was offset during the pandemic year through **a combination of the operators themselves combined with Government and Council loans and grants** as part of a significant Covid-19 support package.

However the Council and the Government cannot continue to provide this level of support for the following reasons:

- The Council does not have a budget to make additional grant payments. Any decision to fund additional support would need to come from other Council budgets so it becomes a question of priorities.
- Any additional loan facility over and above what has been awarded already puts further pressure on the financial sustainability of the operators if this has to be repaid.
- The government’s policy framework for providing financial support to operators because of COVID (PPN04/20) requires us to develop transition plans to exit from any relief as soon as is reasonably possible.

We have touched on how income is essential to drive the sustainability of the operators. The other key is cost of operating the facilities. The operators in Cornwall have taken action to ensure that the Centres are as efficient as they can be. This has included a number of changes:

- **Changing opening hours** to optimise levels of demand
- **Reshaping fitness programmes** to increase class sizes.
- **Improving digitalisation** through online booking, cashless payment and online memberships to reduce staff time.
- **Reducing staff in reception** through scan and entry and the creation of a concierge service.
- Simple **targeted pricing** that improves membership but remains competitive.
- Some efficiencies with regard to the purchasing of utilities
- **Income from other funding sources** such as exercise on prescription.

Staff costs are by far the largest item at 60% of the overall budget, with the remaining 40% of the expenditure linked to the costs of operating the buildings. As we have discussed the age, design and condition of the buildings means the portfolio is less efficient than new facilities.

Table 3. High level Overview of Cost Areas of Operating Leisure Centres.

Cost Area	Wet and dry average
Total staff cost	56.86%
Energy cost	11.83%
Water and sewerage	2.31%
Other premises costs	8.65%
Suppliers and service cost	6.29%
Admin	3.11%
Central establishment chargers	5.21%
Other general expenditure	5.74%

Note: This is taken from a model leisure centre rather than a specific site because of commercial sensitivities.

Summary

The Council no-longer contributes annually towards the cost of delivery of leisure services as a non-statutory service. The commercial and operating risk has passed to the operators. The centres rely entirely on income from customers to cover all of their costs. There are still lots of factors creating uncertainty around the future demand. Cornwall's main contractor is not predicting to get back to pre Covid-19 levels until mid-2022. The current portfolio of leisure centres if unchanged are never predicted to break even over the duration of the contract. Without changes, this situation puts at risk the viability of the contract.



GLL's proposed contract changes

The main operator GLL has approached the Council seeking agreement to make changes to the leisure portfolio in order to address operating a deficit position.

The Council provided a Supplier Relief package during the pandemic to support the main contractors providing leisure services in Cornwall. This is set out in detail in the Leader Decision of September 2020.

Four key things have happened since that relief was agreed in 2020:

- The Government has launched the National Leisure Recovery Fund. The Council bid for this funding and received £1.24m to be allocated to four providers to support them.
- The Council's relief package was based on the financial projections following the first lockdown only. We had two further national lockdowns following the Leader's Decision in September and significant subsequent restrictions on how the Centres operate.
- Our experts have been taking a more strategic look at our Leisure Provision to support us to develop a sustainable offer into the future; the key findings are presented to you in this Strategy.
- The main contractor has approached the Council seeking approval to some changes to support its ongoing financial viability in line with the contract.

In regard to this last point the main leisure contract enables the operator to approach the Council to seek approval to formal changes. This is essentially an evidenced based request to change the contract with the Council. After discussions with the Council and at the Council's request GLL has submitted a formal 'Change Request' for consideration. The nature and scale of these changes means that we want to consult with you about what is being proposed.

GLL has set out two options for the future in respect of the portfolio. In both options GLL has requested a deferral of the concession repayment for a number of years to enable them to repay the Covid-19 loan first. Supporting this will have

a negative impact on the Council's overall budget of just over £1m per year for at least the next five years but we think it is important to support the overall viability of leisure service in Cornwall.

Some of the key elements of the request will impact on the customer service offer because of the potential withdrawal of services. **Those are summarised below:**

OPTION 1

This would see GLL ceasing to operate the following leisure centres. Launceston, Saltash, Falmouth and Wadebridge and not reopening the hydrotherapy pool at St Austell.

OPTION 2

GLL has requested that the Council funds the overall budgeted shortfall which would keep all centres open.



In both options GLL have requested a deferral of the Concession repayments to enable them to repay the Covid – loan first. **Supporting this will have an impact on the Council's budgeted income.**

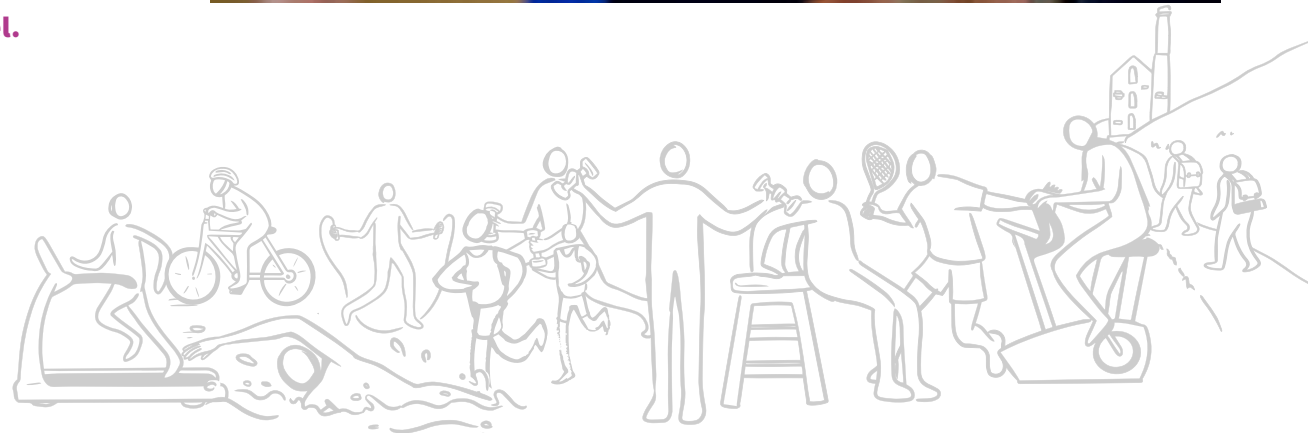
Operators are required to discharge their legal responsibilities by regularly assessing and monitoring the overall financial position of their organisations and by taking steps to ensure that they are financially sustainable. It means organisations are required by law to be aware of financial changes and make tough financial and commercial decisions early in the interest of their organisation.

Proposed changes to the current arrangements

The Council is recommending that we support the operators Option 1 proposal. This would result in the cessation of the provision of leisure services by GLL at four centres- Launceston, Saltash, Falmouth (Ships and Castles) and Wadebridge. GLL will cease operations at Saltash, Falmouth and Wadebridge by April 2022, and at Launceston Leisure Centre by January 2023 when the lease for the building expires between Cornwall Council and the Coronation Parks Trust.

There are some general overarching reasons for supporting adopting Option 1. These include:

- **There is insufficient demand to sustain the operation of viable centres in these locations** which is likely to be the case now and also into the future. These are the poorest performing centres in the contract.
- **Demand released through closure should help improve the viability of other centres** through reducing overlapping catchment areas.
- **Closest fit to the current budgetary and commercial policy** position of the Council for leisure.
- **Better supports the overall financial and commercial viability of the operator** across the contract and portfolio.
- Reduction of the assets **allows for the possibility of a more targeted replacement programme.**
- **Consistent with the proposed leisure resource strategy model.**



Why these Centres?

Falmouth

A leisure pool is an expensive commitment in terms of the ongoing investment in flumes, rides, and other features and the associated operating costs especially in staffing to ensure a safe environment. Very few stand-alone leisure pools are now built in the UK, the majority of new leisure water is incorporated in physical activity hubs.

Unlike the other two leisure pools in Bude and Newquay, Falmouth Ships and Castles provides very constrained physical water space for swimming and has a very limited school swim offer with only a handful of schools currently using the facility.

The centre is only profitable during the summer months and is predominantly serving Cornwall's tourist demand rather than resident's needs.

The health and fitness offer is compromised by a very small studio with only 34 stations. The operator has indicated that the centre has always made a loss and is predicted to continue to do so. There is significant competition in the area for gyms and swimming pools which are far more attractive and offer some very competitively priced memberships.

There is a continued need for a leisure facility in the Falmouth and Penryn area and we will be working with our partners to explore opportunities in the area. It is proposed that any existing demand would be relocated elsewhere either in Falmouth, Helston or Carn Brea. The Falmouth Ships and Castles site lends itself to redevelopment to support the delivery of other council priorities. However, opportunities will be explored to combine redevelopment and leisure facilities.

Launceston

There are a number of issues around the site in Launceston. One of the primary considerations is that the site is not owned by the Council but by a local charity called the Coronation Park Trust.

The lease between the Council and Coronation Park Trust expires in January 2023. The Council would hand back the site to the Trust given its age and condition at the end of the lease. The Coronation Park Trust could then determine how they want to use their site going forward given they own it. There are some significant outstanding maintenance issues particularly in relation to the roof that will need to be addressed between now and handing back the asset for which the Council has made budget provision.

There is a lot of competition between different local leisure providers that have moved into Launceston. This competition is particularly attractive to the 18-30 age group of users.

The operator has indicated that the centre has always made a loss and is predicted to continue to do so. It is possible that the Coronation Park Trust could make the centre viable into the future as they may not have the same overhead and liabilities that the current operator does.

It is proposed that any existing demand would either continue to be provided from the Launceston Centre by the Coronation Park Trust or would be relocated elsewhere either into other provision in Launceston or the centres at Liskeard and Bude.

Wadebridge

The centre is in reasonable condition compared to a number of the other centres although it is approaching the end of its useful life. The site is not central and is constrained by the school site and car parking particularly in the daytime.

The catchment served by the centre is small and overlaps with multiple other leisure provision. Bodmin Leisure Centre is eight miles away from Wadebridge and has a larger offer in slightly newer facilities with better parking arrangements.

The Wadebridge Leisure Centre has been unable to generate sufficient income through demand/memberships and makes the biggest loss of all centres in the GLL portfolio. This is largely due to the fact that the majority of daytime usage is by the adjacent school. The operator believes this is unlikely to change.

The Council is open to discussions about the future use of the site. Should an alternative model of delivery not be found, it is proposed that any existing demand would be absorbed by Bodmin Leisure Centre or the wider offer available in the catchment area including Camelford Leisure Centre.

Saltash

Saltash is on a site with other public sector services that have been devolved as part of Cornwall Council's localism agenda.

The Saltash Centre has been unable to generate sufficient income through demand/memberships and makes a loss which is unlikely to change. There has been a significant drop in Health and Fitness membership which is coupled with more expensive cost of operations linked to the nature of the swimming and the additional lifeguards required.

The Council is open to discussions about the future use of the site. Should an alternative model of delivery not be found, it is proposed that any existing demand would be absorbed by the leisure centre in Liskeard and Plymouth based provision.

Hydrotherapy at St Austell Centre

St Austell's hydrotherapy pool can only hold nine customers at a time and with most users requiring carers to support, means capacity is limited. The existing Hydrotherapy pool is a loss-making facility and is expected to remain so.

GLL has advised us that in their experience elsewhere it is very unusual for a leisure centre operator to operate such facilities without health funding. There is state of the art hydrotherapy pool very close by at the Merlin Centre in Hexaswater (4 miles away) which is a purpose-built facility in Cornwall which provides a range of services for people with neurological conditions.

It is proposed that the hydrotherapy pool at St Austell Leisure Centre will not re-open, whilst we are exploring if viable alternatives are available and work with user groups and the Merlin Centre to discuss transition arrangements.



Alternative models of delivery

The Council recognises the devolution of assets and services to local communities, parish and town councils makes a significant contribution to enabling local areas to be stronger, more resilient and sustainable. It also enables local residents to have greater ownership of local assets and a real say and influence in shaping their future. The Council has significant experience of a number of asset and service transfers to date. We have seen examples of devolution work elsewhere and would be open to considering this as an option going forward.

The Council is happy to explore with local communities the devolution of either assets or services for the leisure centres in Wadebridge and Saltash. Obviously, the Council cannot make this commitment for Launceston Leisure Centre as we do not own the site. The Falmouth Ships and Castles site lends itself to redevelopment to support the delivery of other council priorities. We remain open to considering other options for all these centres.

Summary

The Council has to consider the options put forward and the contract change request from the operator to make the portfolio viable into the future. The issues around viability and sustainability were there before Covid-19 but were being managed by the operator, but they have been exacerbated by the pandemic. Operators are much less resilient to be able to absorb some of the commercial risk.



Next steps

The Council's headline action plan for leisure provides a direction and a framework for leisure activity in Cornwall for the next 4 years and beyond.

Headline actions are identified to address the main leisure issues that are of concern to the Council. **The plan is intended to be flexible and allow room for new opportunities** that will increase the level of and add value to participation in leisure within Cornwall.

We also don't expect a one size fits all solution - different opportunities will arise in different communities and flexibility will be key. We will revise this action plan to take account of the feedback from consultation on this draft Leisure Resources Strategy which will be presented to the Cabinet of Cornwall Council in December 2021.

The consultation document has been prepared at a time of great uncertainty. It assumes that we will have no more national lock downs and that the restrictions on leisure will continue to be lifted. If this changes though we will have to work with partners to review the impact.

Timescales for the implementation of the strategy are difficult to predict, so a simple short, medium, and longer-term approach should be adopted:

- **Short term** is between 1 and 12 months
- **Medium term** to longer term (next four years)



The way forward

The following actions will support Cornwall Council to transform its current leisure provision.

Short term

Action: Collaborate with a wide range of partners including leisure, planning, transport, environment, health organisations and our communities to refresh Cornwall's Physical Activity Strategy and build physical activity and movement into our everyday lives.

Action: Establish an outcomes-based framework for the delivery of leisure provision in Cornwall with KPIs to understand how our leisure centres are performing and contributing to improved outcomes as they recover from the impact of Covid-19 linked to the proposed new Leisure Resources Strategy tiers.

Action: Establish through the realignment of Council resources a dedicated client-side capability to support the strategic direction of leisure into the future.

Action: Pending the outcome of this consultation make a determination about the future of Wadebridge, Launceston, Falmouth Ships and Castles and Saltash Leisure Centres and St Austell Hydrotherapy pool and enact the agreed recommendations arising from the consultation and GLL's contract change.

Action: Monitor closely the recovery of the leisure sector from the pandemic and negotiate and agree any ongoing package of support in relation to Covid-19.

Action: Improve the Council's capacity to secure developer contributions to support the development of new leisure facilities in response to the housing growth across Cornwall.

Action: To work with Department for Education and Schools to provide targeted support to address gaps in curriculum attainment in supporting children to learn to swim.

Medium to longer term

Action: To develop formal dual-use agreements with schools and suppliers which will allow for community facilities to use these out of school hours to expand the delivery of Tier 3 leisure, activity and recreation.

Action: Help to create and design healthy places to live by encouraging both formal and informal physical activity close to where people live, maximising the potential of green spaces and encouraging walking and cycling and building movement and play into our every day activities.

Action: To develop a new Playing Pitch Strategy for Cornwall.


Action: Working with the Government to establish statistics and evidence to aid the articulation of the value of public sport and leisure services both locally and nationally in line with Her Majesty's Treasury Green Book.

Action: To develop a Built Facilities Strategy including consideration of any investment requirements to support the modernisation of the leisure facilities. This is a longer-term strategy linked to the future of the buildings and locally we will need to work with Government and partners to develop a sustainable investment strategy in public sport and leisure.

Action: To make more transparent and enhance the availability of informal leisure resources to support the delivery of Tier 3, Leisure Activity & Recreation.

Action: Where possible embed the Council's Social Value Policy into the existing leisure contracts and any new procurement of leisure activity to maximise the economic, environmental and social impact.

Action: To improve the awareness and communication with health services of the opportunities that sport and leisure services make in preventing ill health. With the development of the Integrated Care Systems to expand opportunities for greater integration between leisure, public health, health services and wider Council services.



We believe that leisure is vitally important to making our communities healthier, positively contributing to our economy and improving community cohesion.





**Have
your
say...**

Tell us how this might affect you

Online: letstalk.cornwall.gov.uk/leisure

For general enquiries or comments about this consultation phone **0300 1234 100** or email **leisureconsultation@cornwall.gov.uk**

Public consultation: Please submit your views by midnight on Sunday 31 October 2021

If you would like this information in another format or language please contact us:

Cornwall Council, County Hall, Treyew Road, Truro TR1 3AY

Email: equality@cornwall.gov.uk www.cornwall.gov.uk

Telephone: 0300 1234 100