

**CABINET
21 DECEMBER 2021**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: LEISURE COVID RECOVERY UPDATE

REPORT OF: THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER ENVIRONMENT & LEISURE: CLLR STEVE JARVIS

COUNCIL PRIORITY: RESPOND TO CHALLENGES TO THE ENVIRONMENT

1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide a general update on the recovery of our major leisure facilities from COVID-19.

2. RECOMMENDATIONS

2.1. That Cabinet notes the recovery progress of our leisure facilities across the district.

3. REASONS FOR RECOMMENDATIONS

3.1. To ensure the Council continues to deliver leisure services that support the health and wellbeing of our residents throughout the Coronavirus pandemic.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. None

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. Consultation was undertaken with our Executive Member Environment and Leisure, Cllr Steve Jarvis, deputy Cllr Adem Ruggiero-Cakir and Executive Member for Finance & IT, Cllr Ian Albert. In addition, monthly recovery meetings are held to review previous month usage and finance data.

6. FORWARD PLAN

6.1. This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. On 21 January 2021 Full Council agreed to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The following minute details the resolution;

RESOLVED:

- (1) That financial support is provided on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow. The support provided will reimburse any losses. The support to SLL in 2020/21 is forecast to be £2.45m (assuming the leisure facilities will now remain closed until the 31 March 2021). Future levels of support will depend on any further restrictions and the speed of recovery. It is assumed to be an additional £2m in 2021/22, but realistic scenarios show that it could be as low as £1.3m in 2021/22 (no further restrictions), or as much as £4.4m across 2021/22 (£3.1m) and 2022/23 (£1.3m).*
- (2) That Council notes that the cost of not supporting SLL and closing the facilities could be as high as the cost of providing support.*
- (3) That (following an initial payment to cover losses to date) payments to SLL are made on a monthly basis following submission of management accounts showing the extent of any losses. These accounts will be reviewed by the Service Director: Place in consultation with the Service Director: Resources, Executive Member for Environment and Leisure and Executive Member for Finance and IT. The affordability of payments will be kept under constant review by the Service Director: Resources, in consultation with the Executive Member for Finance and IT. (4) That Council notes that, in the event of higher levels of support being provided, budget savings in future years (2022/23 onwards) will need to be delivered more quickly than currently forecast.*

REASON FOR DECISIONS: To seek approval to provide financial support on an open-book basis to SLL to enable the leisure facilities to be open when Covid-19 restrictions allow.

- 7.2. Roadmap out of lockdown - On 12 April 2021 indoor leisure facilities reopened to the public with social distancing measures in place. Government then lifted mandatory restrictions on 19 July 2021 which enabled the leisure facilities to remove restricted sessions and phase out social distancing measures.
- 7.3. On 16 March 2021, Cabinet supported both Letchworth and Hitchin outdoor pools opening for the 2021 season. In addition, delegated authority was given to the Service Director Place to take decisions regarding the extension period of the outdoor pools, in consultation with the Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT. The following minute details the resolution;

14 UPDATE ON OUR MAJOR LEISURE FACILITIES

RESOLVED:

- (1) That the decision to open both Letchworth and Hitchin outdoor pools this summer season be supported:*
- (2) That, subject to usage, Covid-19 restrictions and affordability. the extension of the*

*opening season and the extension of opening hours by 2 hours on one evening a week
for a period of 2 months for each outdoor pool be supported;*

(3) That Cabinet delegate authority to the Service Director Place to take decisions regarding the extension period of the outdoor pools, which will be dependent upon Covid-19 restrictions and affordability, in consultation with the Executive Member for Environment and Leisure, the Service Director Resources and Executive Member for Finance and IT so that a timely decision can be made.

REASON FOR DECISIONS: To ensure the Council continues to deliver leisure services that support the health and wellbeing of our residents throughout the Coronavirus pandemic.

- 7.4. The outdoor pools opened on Saturday 29 May, at the start of the school May half term holiday. Covid secure measures were in place at the start of the season, including online booking, one-way systems, queuing systems for busy times and ongoing monitoring of numbers. These measures were removed on the 19 July when Government lifted restrictions.

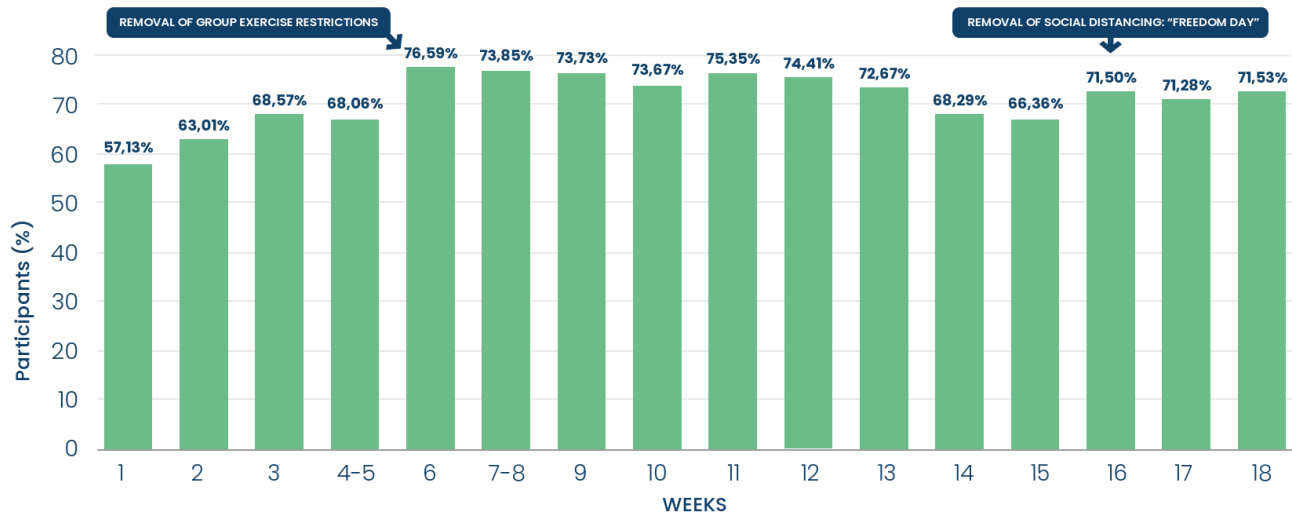
8. RELEVANT CONSIDERATIONS

- 8.1. The leisure centres have shown a steady rate of recovery since reopening, however there are former participants still choosing not to return to facilities. While mandatory capacity restrictions have been removed, there appear to be factors holding back the final tranche of customers and limiting overall recovery. One factor is likely to be the ongoing presence of COVID-19 and the effect that this has on consumer confidence in using the facilities and taking part in activities.

- 8.2. National data shows that the public leisure sector is also showing a steady rate of recovery since reopening in March, with recovery rates settling at around 72% and North Herts recovery is broadly in line with this.

Moving Communities are measuring the impact of the recovery fund and publish a quarterly, comprehensive overview of the nation's public leisure services. Moving Communities data shows participation rates at 875 sites across England increased quickly during the first six weeks since reopening - up to a high of 77% - but has varied since then. Key milestones such as the lifting of group exercise restrictions and the removal of all restrictions on 'Freedom Day' both led to immediate increases in comparison with the previous weeks.

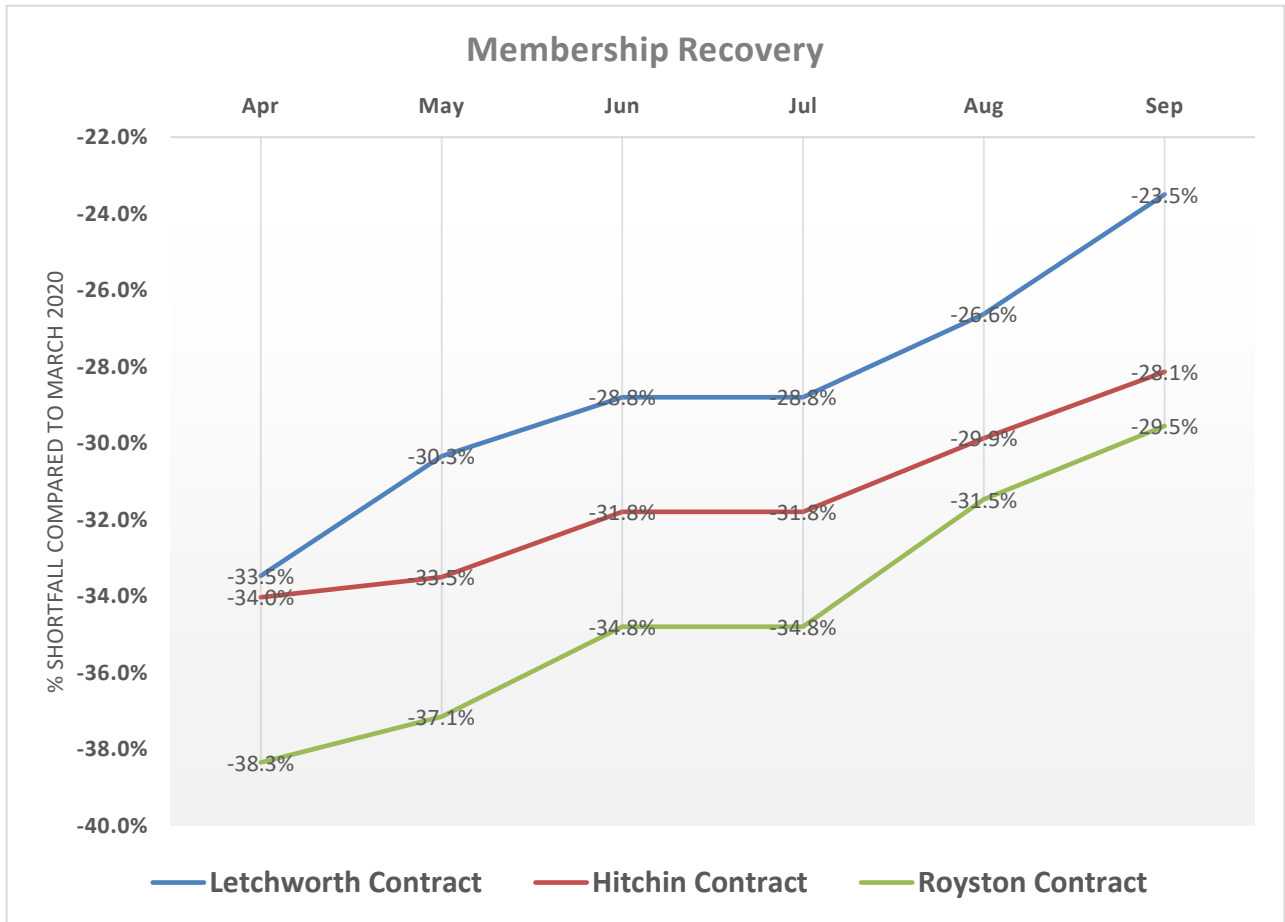
PARTICIPATION RECOVERY GRAPH 2021 VS 2019



It should be noted that as the data is a 2021 vs 2019 comparison (week by week), the data will allow for seasonality. For instance, a week in mid-August 2021 will be compared to mid-August 2019, allowing for lower visit numbers during summer holidays. Weeks 4-5 and 7-8 have been grouped to allow for the May Bank Holidays which changed weeks between 2019 and 2021.

- 8.3. Current usage data shows that across all three North Herts sites casual swimming and Aqua Ed are performing very well with swimming lessons now exceeding pre-pandemic levels. Gym attendance is good with members using the facility 2-3 visits a week. Workout classes are well attended, however the class programme is still reduced compared to pre-Covid.
- 8.4. Between April-October 2021 there were a total of 483,870 visits across all facilities against a profiled target of 258,526 (based on the Recovery Plan forecasts). In comparison between April-October 2019 this figure was 928,353 visits. This shows that although we are performing well against the Recovery Plan forecasts, visits are still well short of the pre-Covid position. Usage at all facilities is significantly down compared with 2019, apart from Letchworth Outdoor Pool, which is only approximately down by 1,000.
- 8.5. In normal years the leisure facilities would perform well during July-August, which capture the summer holiday period, and then see a slow decline until December, this being the quietest month. The data from this year also follows this trend, although due to the pandemic recovery figures are lower than previous years.
- 8.6. To reach customers that may not feel comfortable visiting the facilities SLL continue to provide members access to over 100 on demand classes via their MyWellness App / Platform. Within the sites SLL continue to provide hand sanitizer, screens in reception and an additional Covid cleaning regime.

8.7. Sales for fitness and swim memberships are good with targets being met. The following graph demonstrates the percentage shortfall in memberships compared to March 2020.



The most recent membership recovery statistics are an average of 28.6% behind for the three sites, which is in line with the % recovery stated for the sector overall mentioned in point 8.2.

8.8 Outdoor Pools

Letchworth Outdoor Pool is a stand-alone facility and therefore provides true usage data compared to Hitchin Outdoor Pool which has an indoor and outdoor pool. The following table shows usage data for Letchworth Outdoor Pool.

Year	Number of visits
2021	32,187
2020	CLOSED
2019	33,263
2018	48,165
2017	28,696

8.9 Usage data for Letchworth Outdoor Pool is 1076 below 2019 figures, however taking into consideration the low number of hot days throughout the season this figure is positive and could support the assumption that residents feel more comfortable with outdoor swimming due to the pandemic.

- 8.10 Under delegated authority a decision was made to extend the season at Hitchin Outdoor Pool by one week. The pool remained open until 19 September rather than closing on 12 September. The weather was warm during the extension period and usage was good with 561 users visiting the pool. Due to the facility having both an indoor and outdoor pool usage, data is based on physical counts of swimmers using the outdoor pool. Income generated through the extension week was £3,500 and this figure includes both indoor and outdoor casual swimming. Despite the good usage, the Council made a significant loss on the week extension.
- 8.11 This year Skate Letchworth returns to Letchworth Outdoor Pool from Saturday 20 November to Sunday 2 January. It is hoped that the attraction will be a great success, well received by the community and contribute to the recovery of leisure.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet's terms of reference include at section 5.6.15 of the Constitution, the power, "to oversee the provision of all the Council's services other than those functions reserved to the Council."
- 9.2 The Council has wide ranging powers of general competence under the provisions of section 1 of the Localism Act 2011 which enables it to take action to the benefit of its area. Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to provide recreational facilities for the benefit of the community.
- 9.3 Following government advice, the outdoor pools opened in May 2021 and covid secure measures were removed on 19 July 2021. The Council has responsibility to ensure compliance with all legal requirements in relation to the leisure facilities and will continue to do so.
- 9.4 The Procurement Policy Notes (PPN 02/20 and PPN 04/20) issued by the Cabinet office in 2020 advised contracting authorities to aim to work with suppliers and provide relief to maintain business and service continuity.
- 9.5 PPN 04/20 advised contracting authorities and their suppliers to work in partnership to plan an eventual exit from any relief and transition to a new, sustainable operating model taking into account strategic and reprioritisation needs. It was recommended that any transition plan be implemented as soon as possible on or before the end of October 2020. However, the leisure centres are currently still facing the impact of covid-19 and the Council's approach, as set out in this report and reported previously, is consistent with the PPNs.

10. FINANCIAL IMPLICATIONS

- 10.1. The financial support to SLL in 2020/21 was £2.1m which included the agreed non payment of the management fee. This year, the Council set a budget based on £2m of additional support. The latest forecast produced by SLL indicates the level of support required at year end will be circa £920k, which includes non-payment of the management fee, and around £100k of additional support. This is around £1,080k less than the budgeted level of support. These forecasts are based on there not being any new Covid-19 restrictions being introduced.

10.2. It is too early to forecast the support that SLL may require during 2022/23. Whilst it is hoped that usage and income can move back towards pre-pandemic levels, the time taken to achieve this is very uncertain. As detailed in the Medium Term Financial Strategy, the Council has assumed a general budget provision of just over £1m for the continuing impact of Covid-19 during 2022/23.

11. RISK IMPLICATIONS

11.1. The impact of Covid-19 on the Council's leisure facilities is a corporate risk, alongside the general impact of Covid-19 on the Council. The main risks in relation to recovery are likely to be:

- Customer willingness to return to using indoor leisure facilities.
- Attractiveness of alternative leisure alternatives, and alternative fitness facilities.
- If there are any future restrictions that are put in place, either directly affecting leisure centres or having an impact on customer confidence.

11.2 SLL are trying to address the first two of these risks by putting in Covid-19 safety measures (as detailed in paragraph 8.6) and promoting the leisure facilities. The third one will continue to be a risk that has to be tolerated, as there are no actions that can be taken.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no direct equality implications attached to this general update. The reopening of the SLL facilities provides support to those potentially vulnerable staff (on low or zero hour contracts) and may also provide support to those in the community that rely on accessing these services for their wellbeing. Section 8.5 also outlines the protective measures that are in place to support customers who use the facilities.

13. SOCIAL VALUE IMPLICATIONS

13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

14.1. Due to the pandemic, the demand on the boilers has been low, while the recently installed new CHP (Combined Heat and Power unit) continues to reduce pressure on the boilers. The forthcoming project regarding the installation of solar thermal at the Royston Leisure Centre will aim to reduce the environmental impacts of the SLL facilities.

15. HUMAN RESOURCE IMPLICATIONS

15.1. There are no direct human resource implications relating to this report.

16. APPENDICES

16.1. None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1. None