



## CABINET

13 March 2019

**Subject Heading:**

Chafford Sports Complex

**Cabinet Member:**

Councillor Viddy Persaud

**SLT Lead:**

Jane West, Chief Operating Officer

**Report Author and contact details:**

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**Policy context:**

Medium Term Financial Strategy

**Financial summary:**

The Councils budget only includes funding for the operation of Chafford Sports Complex until 31 March 2019. It is recommended that the cost of keeping Chafford Sports Complex open from 1 April 2019 until the end of the notice period is met from Business Risk Reserve. Based on a monthly cost of £19,357 if notice period ran until late May 2019 the estimated cost is £38,714.

Funding of up to £50,000 to be released from the Business Risk Reserve in order to develop a feasibility study into a Sports Centre in the South of the Borough.

**Is this a Key Decision?**

Yes - Expenditure or saving (including anticipated income) of £500,000 or more

**When should this matter be reviewed?**

March - July 2020

**Reviewing OSC:**

Towns and Communities Overview and Scrutiny Sub-Committee

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	X]
Connections making Havering	[]

**SUMMARY**

The report considers the outcome of the Chafford Sports Complex consultation that sought views of stakeholders on the option for Council funding for the community use of the Complex to cease.

Following careful analysis of all of the responses received during the consultation including the public survey, stakeholder feedback and correspondence received, the condition of the Complex, the Council's ability to invest capital and the £37.8m Council funding gap over the next four years it is considered that Council funding for the community use of the Complex should cease. This is likely to result in the consequential loss of service with the swimming pool and fitness gym likely to close.

The report also considers a number of options to mitigate the impact of the decision.

**RECOMMENDATIONS**

That Cabinet

1. Consider the results of the consultation on the future of Chafford Sports Complex.
2. Agree that funding for the community use of Chafford Sports Complex should cease, with effect from 1 June 2019.
3. Delegate authority to the Chief Operating Officer to end the current arrangement to give effect to the decision to cease funding for the community use of Chafford Sports Complex.
4. Agree that the cost of keeping Chafford Sports Complex open from 1 April 2019 until the end of the notice period is met from the Business Risk

Reserve. Based on a monthly cost of £19,357, if the notice period ran until late May 2019 the estimated cost is £38,714

5. Agree that the mitigating actions identified in section 6 are progressed.
6. Agree to investigate the feasibility to secure a site and funding to develop a new self-financing sports centre in the south of the borough, with a report on this to be submitted to Cabinet in the Autumn and agree that funding of up to £50,000 be released from the Business Risk reserve if required.

<b>REPORT DETAIL</b>
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## **1. Background**

1.1 Chafford Sports Complex was built in 1971 and is located at the site of Harris Academy Rainham, a secondary school. The Sports Complex is a dual use facility in that the Academy has use during school hours, and outside of this it is open for community use. Facilities include:

- 4 badminton court sports hall
- Small health and fitness suite
- 4 lane 25m swimming pool
- Sauna and steam

1.2 Chafford Sports Complex is owned by Harris Academy Rainham as part of the wider Harris Academy Federation. It is used by the Academy for school use. Community use provision is currently operated, outside of school hours, as part of the Council's Leisure Management Contract by SLM Ltd. Cabinet previously agreed at their meeting on 17 November 2017 to continue funding the management of the Complex until December 2018.

1.3 SLM's tender in 2016 for the current contract included a variant bid to operate and manage Chafford Sports Complex within the new Contract. Capital investment of £1m to improve the facilities at the Complex was factored into SLM's tender Price. The management fee alone is £224,000 per annum, including a sum for utilities and capital borrowing costs, an annual sum of over £240,000 would be required to include the Complex in the current Contract for a period up to 30th September 2026. Were this arrangement to start on 1 April 2019, over a seven and a half year period, £1.80m would need to be built in to the base budget to keep Chafford Sports Complex within the Leisure Management contract. There is a risk this figure could increase if utility costs rise.

1.4 The Sports Complex is now 47 years old and in need of significant capital investment if it is to continue to operate as a publicly accessible sports complex. Indeed, it could be said that the Complex is at the end of its life with ongoing investment being required just to keep it open due to the age of the buildings. The Complex would also require a significant ongoing revenue subsidy for a management fee to SLM since unlike other leisure centres it does not self fund and is highly unlikely to do so in the future under any circumstances while it is a dual use site and only available outside school hours. In a competitive market, the Complex does not meet with current expectations for the quality of facilities and the usage of this Sports Complex is significantly lower than the use of others.

<b>Sports Centre Attendances 2017/18</b>			
	<b>Dry Side (gym/sports hall)</b>	<b>Swimming</b>	<b>Total</b>
Chafford Sports Complex	8,501	31,820	40,321
Central Park Leisure Centre	134,726	258,160	392,886
Hornchurch Sports Centre	155,157	200,928	356,085
Sapphire Ice and Leisure (attendances from February 2018 to August 2018)	75,627 (Gym only)	113,784	189,411

1.5 A public consultation has been carried out on the future of Chafford Sports Complex to inform the decision making process.

1.6 SLM have provided the Council with indicative essential maintenance costs to keep Chafford Sports Complex open for a further one year and a further three years from June 2019. To keep the whole complex open for a further year, the investment required would be an estimated £456,000, and for a further three years an estimated £577,000. To just keep the swimming pool open for either one year or three years, the estimated cost is the same at £375,000.

## **2. Consultation Methodology**

2.1 The consultation period ran between 16 October 2018 and 10 December 2018 (eight weeks) and sought the views of key stakeholders including Chafford Sports Complex users, Borough residents, Harris Academy Rainham, Primary Schools that use the swimming pool, groups that are regular hirers of the Complex, Ward Members and SLM.

2.2 The comprehensive approach included:

- An online survey
- Hard copy surveys made available at a number of local public venues; Chafford Sports Complex, Harris Academy Rainham, Rainham Library and Romford Town Hall
- Contact with key stakeholders; Harris Academy Rainham, SLM, four local Primary Schools that are users of the Complex, clubs, groups and organisations that regularly use the Complex requesting their views and offering a meeting to explain the Council's position and discuss the issue
- Press release to launch the consultation- this was put out on all Council media platforms – website and on social media [Twitter/Facebook]. It was also sent out externally to media and received coverage.
- Continued messaging on social media to promote where residents can submit their views and to the consultation page and press release, was posted on a regular basis over the eight weeks – including targeting relevant ward audiences for Facebook groups.
- Promotion of the consultation was also included in twice-monthly Living newsletters, which are received by around 55,000 residents who subscribe to the newsletter. Also featured in the November print edition of Living Magazine.
- Consultation also included in internal communications which goes out to all council staff, many of whom are residents in the borough and/or would live in the ward (for Chafford)
- The consultation was also promoted via paid advertising in:  
Romford Recorder - 2 x quarter-page adverts promoting where residents can submit their views for the consultation in 16/11 and 30/11 print editions
- TimeFM Radio live reads – in the week commencing 3/12

2.3 The survey sought feedback about the impact of the Council withdrawing funding for the community use of the Sports Complex, plus details of centre use and the type and frequency of participation by respondents.

2.4 In addition, the survey asked for suggestions about how community leisure provision might be maintained in the area.

2.5A copy of the Consultation Paper is attached as Appendix A. The Paper includes the background to the consultation and four options that have been considered for the future of Chafford Sports Complex.

### **3. Consultation Response**

3.1A total of 470 survey returns were received during the consultation period. Of these, 259 (55.1%) were online and 211(44.9%) were paper surveys.

3.2Of the hard copy surveys, the vast majority of responses (202; 95.7%) were received from Chafford Sports Complex.

3.3The number of returns from the other public venues was Rainham Library (6; 2.8%), Romford Town Hall (3; 1.5%) and Harris Academy Rainham (0)

3.4 Two hundred and forty (51%) of the responses were from members of Chafford Sports Complex.

3.5Three hundred and nine (65.7%) of all respondents had used the Complex weekly. A further 28 (6%) of respondents use the Complex once every two weeks. 26 (5.5%) use the complex once a month and 33 (7%) less than once a month.

3.6The average distance that residents who responded to the consultation live from the Complex is 1.8km (excluding non-Havering residents and unrecognised non-standardised postcodes).

3.7Meetings were held with Harris Academy Rainham, Brady Primary School, Newtons Primary School, Rainham Village Primary School, Parsonage Farm Primary School, Havering Learning Disability Society (SE Lions Swimming Club) and Councillor David Durant (Ward Councillor). Telephone conversations were also held with Cridders Swimming School and Black Dragons Judo Club.

3.8Written stakeholder responses were received from Harris Academy Rainham, Rainham Village Primary School, Havering Learning Disability Society (SE Lions Swimming Club), Cridders Swim School and Councillor David Durant (Ward Councillor).

3.9A petition was submitted to Full Council to 'Save Our Swimming Pool' (Chafford Sports Complex) with the following 'motion': "We the undersigned agree the Council must resume ownership of the Chafford Sports Complex as the solution to keeping the Complex open until a new leisure centre is built in the south of the borough". The petition was signed by 1,095 people.

### **4. Consultation Analysis**

4.1 The full Consultation Survey Report is attached as Appendix B and a summary and analysis as Appendix C.

**Impact of ceasing Council funding of Chafford Sports Complex**

4.2 The survey asked for feedback on the impact of the Council ceasing management funding of Chafford Sports Complex. Officers undertook an analysis of the responses using standard consultation methodology and identified six key impact themes. These were:

<b>'Impact' Theme</b>	<b>Number of Comments</b>	<b>Nature of Impact</b>
Swimming	180	Loss of: Swimming; swim; pool; water; swimming lessons
Travel	141	Travel; journey; walk; car; bus; distance; transport; local
Health	99	Health; wellbeing; fit/fitness; mental health; lifestyle
Social	55	Social; community; crime; family
Disparity of Investment	47	Invest(ment); neglect; poor relation; funding; fair/unfair; upgrade
Asset	33	Repair/s; building; maintenance

4.3 A total of 625 comments were made, 555 of which mentioned one of the six key impact themes. Loss of swimming was the most commonly noted issue (180 comments). Particular concerns were the impact on swimming lessons, school swimming, the loss of public swimming and the importance of swimming as a health benefit.

4.4 The next most common issue was travel concerns (141 comments) including accessibility to other parts of the borough; the cost and inconvenience of travel; and the additional time required for travel, which would prevent people from participating in sport or physical activity.

4.5 Health concerns were noted 99 times with respondents commenting on the role of leisure facilities in improving the health and wellbeing (both physical and mental) of the community, and the negative impact on health and wellbeing if users could not use the centre.

4.6 In addition to the specific health impacts, respondents were concerned about the wider social impact with 55 references relating to the centre being a hub of the community; the wider social impact beyond that of health; and the impact on a family's ability to participate together.

**Suggestions to maintain community leisure provision**

4.7 When asked if respondents had any suggestions about how leisure provision could be maintained in the area a number of comments (33) were made in relation to the poor condition of the facility and the need for investment, either from the Council or through grants. Similarly, comments (47) were made about the perceived inequitable investment in Chafford Sports Complex compared to other borough leisure centres, and more generally comments about Romford and Hornchurch both having new sports centres, Central Park Leisure Centre having investment but there being no investment in the south of the borough.

## **5. Stakeholder Feedback**

5.1 Key stakeholders were contacted to seek their views on the future of Chafford Sports Complex. Of those, the following submitted written responses.

### **Harris Academy Rainham**

5.2 Harris Academy Rainham (HAR) noted the strength of feeling among some of the community about the Sports Complex. They reference the offer to transfer ownership of the site to the Council. HAR recognise the Sports Complex is in need of significant capital investment. They fully sympathise with community users of the site, but make it clear they are not equipped to run the Complex themselves nor can they divert their funds, which are intended for the education of their students, into keeping the Sports Complex open. They make it clear that HAR would prepare the swimming pool and the fitness suite for closure and ensure it is made secure. HAR would continue to use the sports hall.

### **Rainham Village Primary School**

5.3 The Headteacher is very concerned to read about the situation the Sports Complex finds itself in. Whilst welcoming development of other sports centres in the borough, there is a feeling that the south of the borough has been neglected. They note that historically local schools and the community have made good use of the Complex, especially the swimming facilities for schools. The school also recognise the debates about ownership of the Complex have resulted in the Complex falling into more of a state of disrepair. Pupils at the school have swum at the Complex for decades.

The national curriculum has clear expectations regarding swimming for all KS2 pupils and the school have a duty to work with Havering to ensure every pupil has had every opportunity to meet these expectations. The school have agreed a time slot at Sapphire Ice and Leisure for their pupils to swim should they not be able to swim at the Complex. However, the school note this will cost them an additional £4.4k per year, as well as pupils losing significant teaching time with the increased travel time required to swim at Sapphire Ice and Leisure. Finally, the school note that as an area of deprivation within the borough,



it is very concerning that a local facility may end. Sports and leisure facilities are a key need to support health, both physical and mental.

**Havering Learning Disability Society – S.E. Lions Swimming Club**

- 5.4 S.E. Lions Swimming Club has enjoyed use of Chafford Sports Complex since 1981. The club's members all have a learning disability ranging from the more able to those with some physical disability and some being on the autistic spectrum and others suffering from epilepsy.

The Club note that they have visited other facilities in the Borough as a possible alternative venue to Chafford Sports Complex, if the Complex is withdrawn from the leisure management contract. Out of the pools visited, Abbs Cross is the most appropriate for the Club. SLM also operate this facility and, should the Club need to move venue, SLM will provide sole access to the swimming pool just as the Club have at Chafford Sports Complex.

However, the club has expressed some concerns about using Abbs Cross; mixed changing facilities, no separate showering facilities, limited number of changing cubicles - only 18 when the club requires 25, no pool hoist, no changing facilities for the physically disabled e.g. changing bed, no grab rails or fold down shower chair for disabled people to use.

SLM have confirmed that if the Club relocated to Abbs Cross they would install a shower seat. The Club currently use the First Aid room at Chafford Sports Complex for a changing bed, this could also continue at Abbs Cross. The Club would also be offered the use of the dry side changing rooms to ensure that at the club's 'peak time' all of its members can get changed. A pool hoist will also be provided at Abbs Cross.

The consultation response concludes with a statement: Please refurbish Chafford Sports Complex and make it a state-of-the-art provision not only for the S.E. Lions Swimming Club but also for the people who live in the south of the borough.

The consultation responses identified that of all respondents, 56 identified themselves as having a disability. It is believed not all of these respondents will be members of S.E. Lions Swimming Club, so there could be a negative impact on those that are disabled and not members of the Club if they cannot access another sports centre to participate in sport and physical activity. The Equalities and Health Impact Assessment attached to this report as Appendix E acknowledges this.

**Cridders Swim School**

5.5 The Swim School has been at Chafford Sports Complex for eleven years and have built a swim for fitness club designed for young people who want to train and keep fit but not compete. Most of the swimmers are either preparing to move on to a competitive club or just swimming to keep fit with their peers or taking part in charity swims. There are

between 30-40 swimmers depending on the time of year. Should Chafford Sports Complex be removed from the leisure management contract the Swim School note the following:

- All 4 coaches/teachers would lose their position
- The Swim School would not be able to offer any other sessions to the swimmers
- None of the local swimming clubs could accommodate this number of swimmers
- No other swim school club offer this type of programme
- The financial impact on Cridders Swim School would put the rest of their programme under strain through less revenues
- The Swim School believe that all current swimmers would stop training

SLM might be able to accommodate some of the swimmers within their swim programme. However, as SLM run their own swimming lessons, it is very unlikely Cridders Swim School would be offered pool time in one of the other sports centres. At the time of this report going to print, the Swim School have indicated that they have reserved space in another pool, but would prefer to stay at Chafford Sports Complex.

### **Member Response**

5.6 Councillor Durant has submitted four written submissions that he has requested be included as part of the consultation. Harris Academy cooperated with the Council to expand Brady Primary School, Councillor Durant believes the Council should reciprocate this by keeping Chafford Sports Complex within the leisure management contract. This is covered in two of Councillor Durant's consultation responses.

A further response relates to an unsuccessful motion at Full Council on 21 November 2018 concerning the future of the Complex.

The final response was a copy of a statement made by Councillor Durant at the Towns and Communities Overview and Scrutiny Sub-Committee on 5 December 2018. The statement considers that Rainham and Wennington ward has contributed to the borough wide leisure contract and that the Council resume ownership of the Sports Complex and keep it open until a new Centre is built in the south of the borough, or at least until the new Hornchurch centre is open.

5.7 All the written consultation responses are attached as Appendix D.

## **6. Mitigating Factors**

6.1 Alternative sports centres are available both within the borough and in neighbouring boroughs as listed below. This includes the distance from Chafford Sports Complex as well as average travel times:

- Hornchurch Sports Centre – 4.9 miles from Chafford Sports Complex. Approximately a 16 minute drive, with it taking 32 minutes by bus
- Abbs Cross Health & Fitness Centre – 3.8 miles from Chafford Sports Complex. Approximately a 12 minute drive, 24 minutes by bus.
- Sapphire Ice and Leisure – 6.4 miles from Chafford Sports Complex. Approximately a 19 minute drive, 53 minutes by bus.
- Central Park Leisure Centre – 9.1 miles from Chafford Sports Complex. Approximately a 24 minute drive, 57 minutes by bus.
- Belhus Leisure Centre (Thurrock) – 3.4 miles from Chafford Sports Complex. Approximately a 10 minute drive, 30 minutes by bus including a 1 mile walk.
- Becontree Heath Leisure Centre (B&D) – 5.1 miles from Chafford Sports Complex. Approximately a 16 minute drive, 50 minutes by train and bus.

**Swimming; impact on schools' swimming lesson programme**

6.2 Harris Academy Rainham do not use the swimming pool for school lessons. Of the four primary schools that use the swimming pool, three have requested timeslots at Sapphire Ice and Leisure so their pupils can continue to have swimming lessons. Timeslots, agreed with the three primary schools, have been held or them pending the decision on the future of Chafford Sports Complex. One of these three primary schools has decided to switch from Chafford Sports Complex to Sapphire Ice and Leisure from January 2019 irrespective of the decision on Chafford Sports Complex remaining within the leisure management contract. The fourth primary school did not respond to an offer of a timeslot at other sports centres in the borough.

**Swimming; impact on community use programme**

6.3 SLM provides a programme of public swimming at the Sports Complex during community use hours. Initial discussions with SLM have indicated that it would be possible to accommodate Complex users in public sessions and swimming lessons at other facilities in the borough. This would be dependent on users of Chafford Sports Complex being willing, and able to travel to other facilities.

**Other (non-swimming) activities; impact on community use programme**

6.4 HAR has indicated that if the decision is for the Council to withdraw the Sports Complex from the leisure management contract, they would have no option but to close the swimming pool and gym. They would keep the sports hall open for school and community use. The clubs that currently use the sports hall would be able to continue to do so. Gym users would be able to use any of the sports centres listed in 6.1 above subject to being willing, and able, to travel to other facilities.

**Travel; accessibility, car ownership and public transport**

- 6.5 It is anticipated that some centre users would be unable to use alternative leisure facilities due to not owning a car, and based on comments made about public transport provision, plus the time and cost associated with travelling by public transport. This issue would be especially relevant for young people who are reliant on their parents/carers to transport them or who currently walk independently to the centre.

**Health**

- 6.6 Sports centre provision is but one, albeit important, way of encouraging active lifestyles and improving health. As has been highlighted in 6.1, there is alternative provision within a reasonable distance from Chafford Sports Complex. 33% of respondents stated they would use one or more of the alternative provision highlighted. 66% of respondents did not indicate they would use alternative sports centres, with a risk of future non-participation in sport and physical activity. The Council's Health and Sports Development Team and SLM will aim to provide non-sports centre based activity in the south of the borough should the decision be taken to remove the Sports Complex from the leisure management contract. This could include healthy walks led by volunteers and school holiday programmes as examples.

**Neighbouring Provision**

- 6.7 The Barking Riverside Development, across the border in Barking and Dagenham, will include a new leisure development although at the current time it is not clear what the facility mix will be as this is still being finalised. The existing Becontree Heath Leisure Centre in Barking and Dagenham opened a new 50m 4-lane swimming pool on 26 January 2019.

**7. Feasibility for New Sports Provision**

- 7.1 The strategic need for a new sports centre in the south of the borough has been documented in previous Sport and Recreation Strategies, the Facilities Strategy that accompanied the tendering documents for the current leisure management contract and the Indoor Sport and Leisure Facility Strategy 2016. At this stage, a stand-alone site is recommended in order to generate the revenue to help facilitate a self-financing sports centre.
- 7.2 Whilst there is not a stand-alone site identified currently, nor the funding for a new sports centre in the south of the borough, it is proposed that a feasibility is carried out on possible sites and funding options. Once concluded, a further report will be presented to Cabinet outlining the options available. The other recommendations in this report however are not linked to or dependent on this feasibility study.

7.3 Initial discussions with SLM about new sports provision have highlighted a relatively new approach to providing swimming pools. This approach is a modular build that has considerable cost advantages over a traditional build. Barking and Dagenham have recently built a modular swimming pool as an additional facility to the existing Becontree Health Leisure Centre. Officers are in active discussions with SLM about the modular facility above to actively pursue whether the build costs and ongoing revenue costs provide a sustainable and self-financing solution.

7.4 SLM are working on providing the Council with the financial information to help develop the business case for a new sports centre in the south of the borough on a stand-alone site. In terms of a new site, Officers are starting to look for a suitable site as part of the overall business case and feasibility of providing a new sports centre.

## **8. Conclusions**

8.1 When considering the decision as to whether Chafford Sports Complex continues to be managed by SLM within the leisure management contract, as well as the consultation response, the following are recommended to be taken into account.

8.2 Budget – there is currently no base budget for the continued operation of Chafford Sports Complex. To include Chafford Sports Complex in the leisure management contract going forward an annual sum of £240k will be required. Given the funding gap the Council has over the next four years, this sum will only be found by reducing funding to other services or from an additional increase in Council Tax. There are significant financial implications with this.

8.3 Capital – the Council does not own the Sports Complex so cannot invest capital in the facilities. Whilst Harris Academy Rainham have offered to transfer the site to the Council, in exchange for a long term lease on the school site and a joint use agreement for the Sports Complex, the Council would still need to invest approximately £1m in the facility. The £240k annual management fee includes capital loan repayment costs. SLM would not agree to operate the Complex without this capital investment as the facilities will deteriorate further and it can be reasonably expected that usage would decrease as a result.

8.4 It is also recommended to give consideration as to whether it is prudent to invest capital in a site and facility when there is a longer term aspiration to provide a new sports centre on a stand-alone site within the south of the borough. That capital investment is suggested to be better placed on a new facility.

8.5 Subsidy – there are currently 913 direct debit members at Chafford Sports Complex. Given the annual management fee that would need to be paid to SLM to include the Complex in the leisure management

contract, this equates to a subsidy of £260 per member per year. All the other sports/leisure centres currently managed by SLM on behalf of the Council result in a payment by SLM to the Council and therefore no subsidy per member.

8.6 Usage – in comparison with other sports centres in the borough attendances at Chafford Sports Complex are very low.

8.7 Site constraints – Chafford Sports Complex sits within the grounds of Harris Academy Rainham, with the sports hall being used to deliver the curriculum. This prevents use of the Complex by the public during school hours and therefore restricts the hours that revenue can be generated. If the Council is to invest in a new sports centre in the south of the borough following a feasibility study, it is recommended that this is on a stand-alone site that can be used by the public at all times during normal opening hours for such a facility e.g. 6am to 11pm.

8.8 Continuing to fund a leisure facility which requires significant capital repairs would not only be very expensive but the expense would not be an effective use of money or would not offer good value for money for all of the above reasons.

8.9 South of the borough – there has been feedback through the consultation that the south of the borough is the ‘poor relation’ with little or no investment. It should be noted that there are amenities in the south of the borough that have received investment, such as the new Rainham Library. This is a significant investment and an improvement on the old library provision. The Rainham Marshes as an area designated as a Site of Special Scientific Interest (SSSI) is on the doorstep and provides many opportunities for outdoor recreation. The RSPB centre on the Marshes is another ‘regional’ facility that can be explored and enjoyed by residents. There is also a long stretch of Thames river frontage that is accessible. Spring Farm Park has won awards in the prestigious London in Bloom competition for the past two years. Along with other parks in the borough, ball courts, new play equipment and outdoor gym equipment have been installed at Spring Farm Park and Rainham Recreation Ground.

8.10 If the recommendation to cease funding for the community use of Chafford Sports Complex, with effect from 1 June 2019 is agreed, Members are requested to note that SLM have already confirmed their willingness to bring the management arrangement to an end. HAR would be given formal notice which would bring the current arrangement to an end.



## **REASONS AND OPTIONS**

### **9. Reasons for the decision:**

9.1 Chafford Sports Complex is being funded from business risk reserves until February 2019. There is no identified funding to continue operating and managing the Sports Complex beyond this time. The Council do not own the Sports Complex or the land. A decision is required as to whether the Council seeks ownership of the land, in order to invest Capital in it, HAR have indicated that they are open to this approach subject to agreement from the Education and Skills Funding Agency (ESFA). A decision is also required as to whether to continue funding the operation and management of Chafford sports Complex as funding to achieve this has not been agreed beyond February 2019.

#### **Other options considered:**

9.2 The following options have been considered:

9.2.1 Continue with current arrangement – this will create a budget pressure of at least £232k per annum as the council does not have any funding in its base budget. That sum represents the cost the council has to pay SLM to manage the public use of the facilities, because unlike other facilities managed under the SLM contract, this requires financial support to continue to operate. Those costs may rise if public use falls as could be reasonably expected with no investment. The facilities are in need of updating if they are to continue to be used by the public and the estimated cost of this is approximately £1M, with the possibility of further future spend being required over time. However, the Council is not permitted by law to invest capital in a site it does not own and so any improvements would need to be met from revenue. The Council has a £37.8m funding gap over the next four years and has no revenue for this investment without making changes to other aspects of the budget. The Council would need to consider whether it is prudent to invest such large sums in a building it does not own, on a dual use site which will always require financial support for use by the public. This option has been rejected for the reasons set out.

9.2.2 Land and Asset Transfer – Harris Academy Rainham ('HAR') have offered to transfer ownership of the complete school site to LBH. HAR would need to seek agreement from the Education and Skills Funding Agency (ESFA) to do this as without their approval the transfer could not progress. The Council would then lease the school site on a long term arrangement to HAR, with a joint use agreement being agreed providing HAR access to the Sports Complex. Under this arrangement the necessary investment of

approximately £1m in the Sports Complex, required by the SLM contract, would again fall to the Council but could be funded from capital. The Council would also be responsible for the repair and maintenance of the Sports Complex. If at a future time the Council decided to remove Chafford Sports Complex from the SLM contract, the Complex would revert to HAR. As with the option above there are real financial questions about whether such high levels of investment are prudent or affordable in an asset which has an uncertain long term future. This option has been rejected on grounds of affordability.

- 9.2.3 When tendering for the current Leisure Management Contract, tenderers were asked to submit proposals for a new build on the school site. Considerable capital investment would be required – approximately £11m generating an ongoing revenue subsidy of approximately £500k per year inclusive of capital borrowing costs. Again, consideration would need to be given to whether a school site is the correct location for a new sports complex. However, more recent discussion has highlighted the option of a modular build facility as mentioned in 7.3 above. The early indications are that this is a less expensive alternative to that submitted as part of the tendering process based on a traditional build.
- 9.2.4 A stand-alone site would allow greater day time use of the facility and would be more likely to achieve a self-financing position. A new sports complex on the school site would require the demolition of the existing sports complex prior to building the new; it is expected that there would be no sports complex for a period of up to two years. The traditional build option has been rejected on grounds of affordability. As per Recommendation 6 of this report, it is recommended that a feasibility study is carried out to establish the business case on a new sports centre in the south of the borough on a stand-alone site, with consideration of the modular build option as part of that study.

## **IMPLICATIONS AND RISKS**

### **10. Financial implications and risks:**

- 10.1 The management and operation of Chafford Sports Complex currently requires a subsidy of over £240,000 covering a management fee and utility costs paid by the Council under the Leisure Management contract. Cabinet agreed at their meeting on 15 November 2017 to continue funding the operation and management of Chafford Sports Complex until December 2018. Additional funding has been approved



from the Business Risk Reserve to cover the costs of continued operation until the end of March 2019.

10.2 It is recommended that the cost of keeping Chafford Sports Complex open from 1 April 2019 until the end of the notice period is met from the Business Risk Reserve. Based on a monthly cost of £19,357 if notice period ran until late May 2019 the estimated cost is £38,714.

10.3 There are no significant financial implications envisaged for the Council as a result of the mitigating action referred to in section 6. Actions from SLM will be contained within the existing leisure management contract. The Council's Health and Sports Development Team and SLM will aim to provide non-sports centre based activity in the south of the borough and deliver this from their existing revenue budgets.

10.4 The initial feasibility study into a new Leisure Centre in the South of the Borough is expected to be delivered by existing Council and SLM colleagues working together. However, there may be a need to incur some external support and as such it is recommended that funding of up to £50,000 be released from the Business Risk reserve, if required.

## **11. Legal implications and risks:**

11.1 The Council has a legal power, but not duty, to provide recreational facilities. The Council also has a legal power to make arrangements within its locality to promote health and wellbeing. The legal and financial rationale, including the consultation response and equalities assessments, leading to the recommendation to cease funding is explained in the report. In the context of significant budget cuts and competing budget demands, it is no longer considered to be financially viable or cost effective to continue the funding for Chafford Sports Complex. The current arrangements with HAR and SLM in respect of Chafford Sports Complex can be brought to an end by the Council.

## **12. Human Resources implications and risks:**

12.1 All employees at Chafford Sports Complex are employees of SLM. Were Chafford Sports Complex to not continue within the Leisure Management Contract beyond May 2019, there are likely to be associated redundancies and SLM will need to manage this process. There are no implications for the Councils workforce.

## **13. Equalities implications and risks:**

13.1 Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have "due regard" to the need to eliminate discrimination, harassment and victimisation and any other

conduct prohibited under the Act and advance equality of opportunity and foster good relations between persons who share a protected characteristic and persons who do not. This is the public sector equality duty. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

13.2 “Due regard” is the regard that is appropriate in all the circumstances. The weight to be attached to each need is a matter for the council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged. Depending on the circumstances, regard should be had to the following:

- the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision;
- the need to remove or minimise disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic;
- the need to take steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. For example, meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons’ disabilities;
- the need to encourage persons who share a protected characteristic to participate in public life (or in any other activity in which participation by such persons is disproportionately low); and
- the need to tackle prejudice and promote understanding.

13.3 A completed Equalities and Health Impact Assessment is attached to this report as Appendix E.

<b>BACKGROUND PAPERS</b>
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