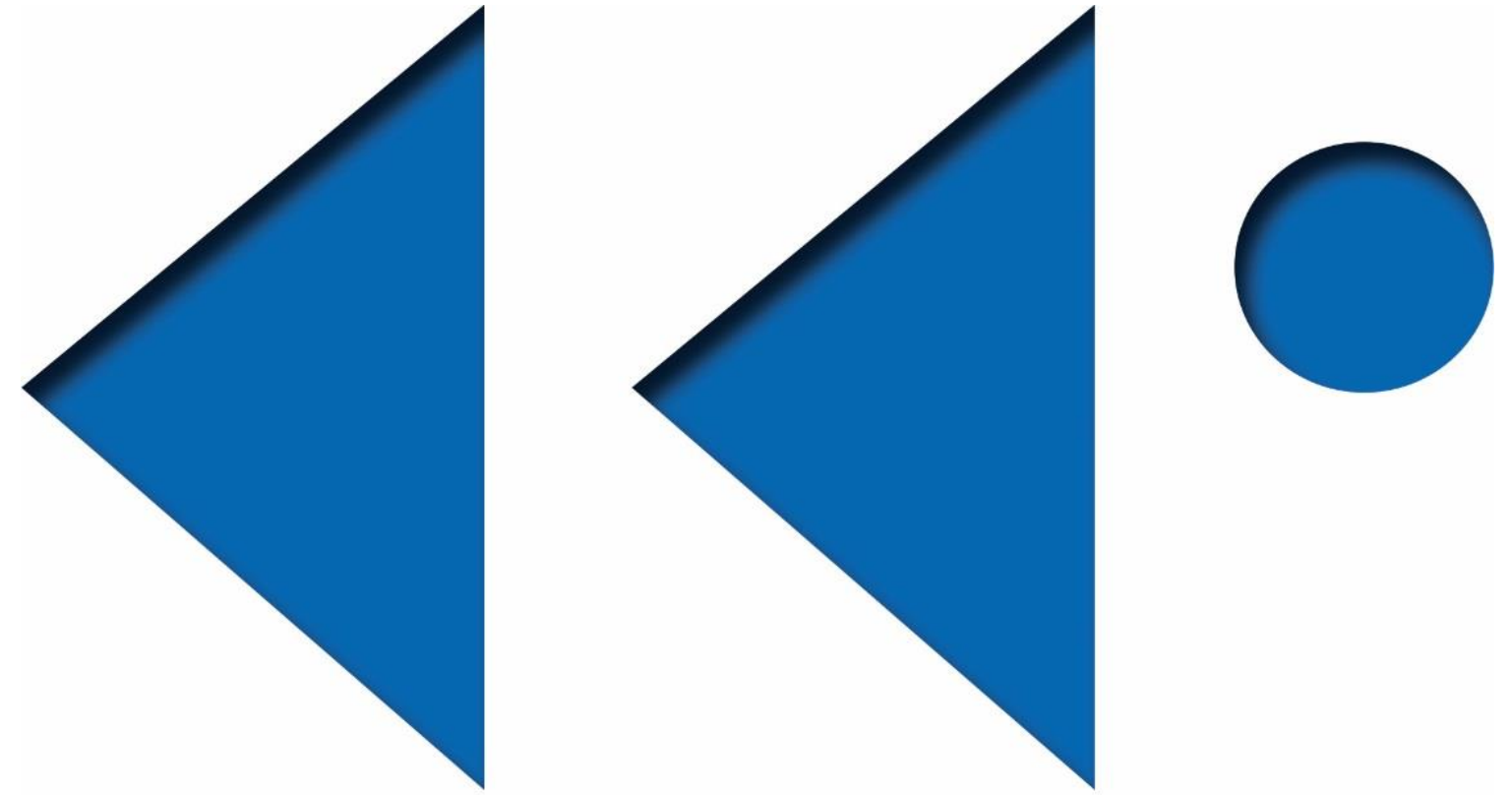




Topic 1

Learning from across the sector

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KNIGHT, KAVANAGH & PAGE



The Future of Public Leisure ..in Essex

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Introduction



“Learning from across the sector”.

- ◀ Strategic planning.....place making.
- ◀ Challenges facing the sector.
- ◀ The business case for investment.
- ◀ More than co-location.

A bit about KKP



- ◀ Specialists in sport and leisure
- ◀ Established 1990
- ◀ 25 FTE staff
- ◀ Sport England – Active Environment approved consultant
- ◀ 1,500 projects: 500+ clients
- ◀ Strategic planning
- ◀ Feasibilities/business planning
- ◀ Monitoring & evaluation
- ◀ Investment strategies
- ◀ Major NGB track record
- ◀ Health and wellbeing strategies
- ◀ Worked across all Essex authorities - LFFPs
- ◀ Active Essex – School facilities.
- ◀ Covid recovery support.
- ◀ South Essex Authorities.
- ◀ Thurrock
- ◀ Colchester and Tendring
- ◀ Chelmsford
- ◀ Basildon

Strategic planning



Rationale:

- ◀ Understand the outcomes for your area
- ◀ Understand current position
- ◀ Immediate interventions
- ◀ What you need for the future
- ◀ Population growth or decline
- ◀ Population change
- ◀ Health and physical inactivity challenges
- ◀ Access to funding
- ◀ Rationale for planning gain – CIL / Section 106
- ◀ Getting you on the radar for decision makers

Strategic planning



Place making....so what?

What does it mean for specific communities?

- ◀ What is the local strategic need?
- ◀ Gaps in provision and services
- ◀ What role can sport and physical activity play?
- ◀ Are there any major changes planned (e.g. urban extension, employment land)?
- ◀ Need for additional insight from local stakeholders and community.
- ◀ Is there a need/opportunity for a combined approach?
- ◀ Is it a facility intervention that is required....or service intervention?
- ◀ If facility....not always a multi service hub
- ◀ How should services be geared for specific communities?

Challenges facing the sector

- ◀ Covid recovery...better quality facilities recovered quicker than tired ones.
- ◀ Deficit funding required from local authorities.
- ◀ High demand for some services.....e.g. swimming lessons.
- ◀ Loss of staff to deliver key services.....e.g. swimming instructors.
- ◀ Flushed out 'sleeping customers'...some found other ways to be active....others just stopped.
- ◀ Cost of living...sport and physical activity not on some people's radar.
- ◀ Increased cost of utilities.....on energy hungry facilities.
- ◀ Increased burden on councils....operators requiring additional funds.
- ◀or looking to streamline what they offer!
- ◀ Increase in living wage....circa 10%

Challenges facing the sector



Climate emergency and utilities costs:

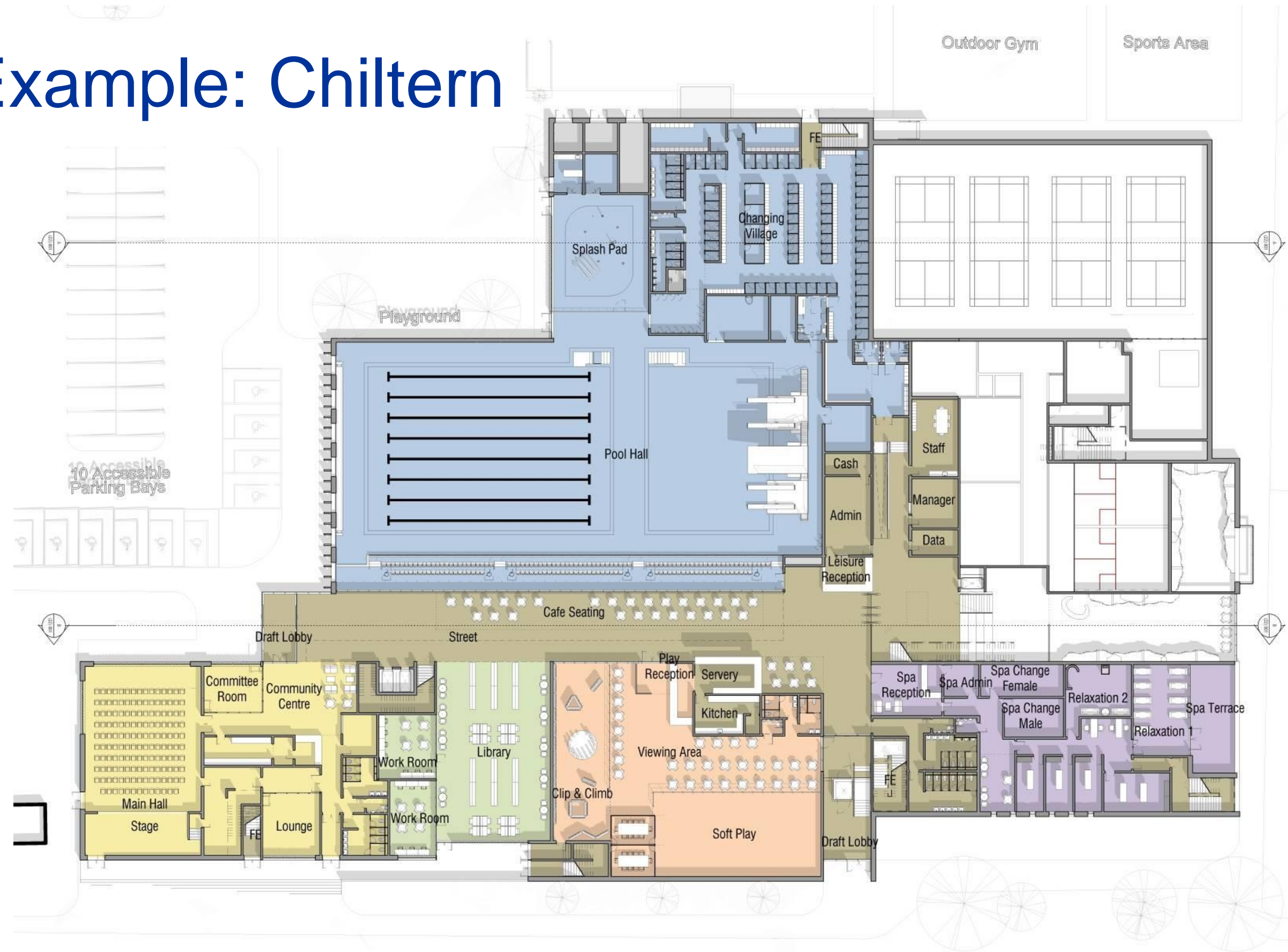
- ◀ Reducing energy consumption where possible
- ◀ Difficult within older buildings – 70s and 80s....
- ◀ Pools can be some councils' main contributor to carbon emissions
- ◀ Move towards reducing carbon emissions can be more costly

Business case for investment

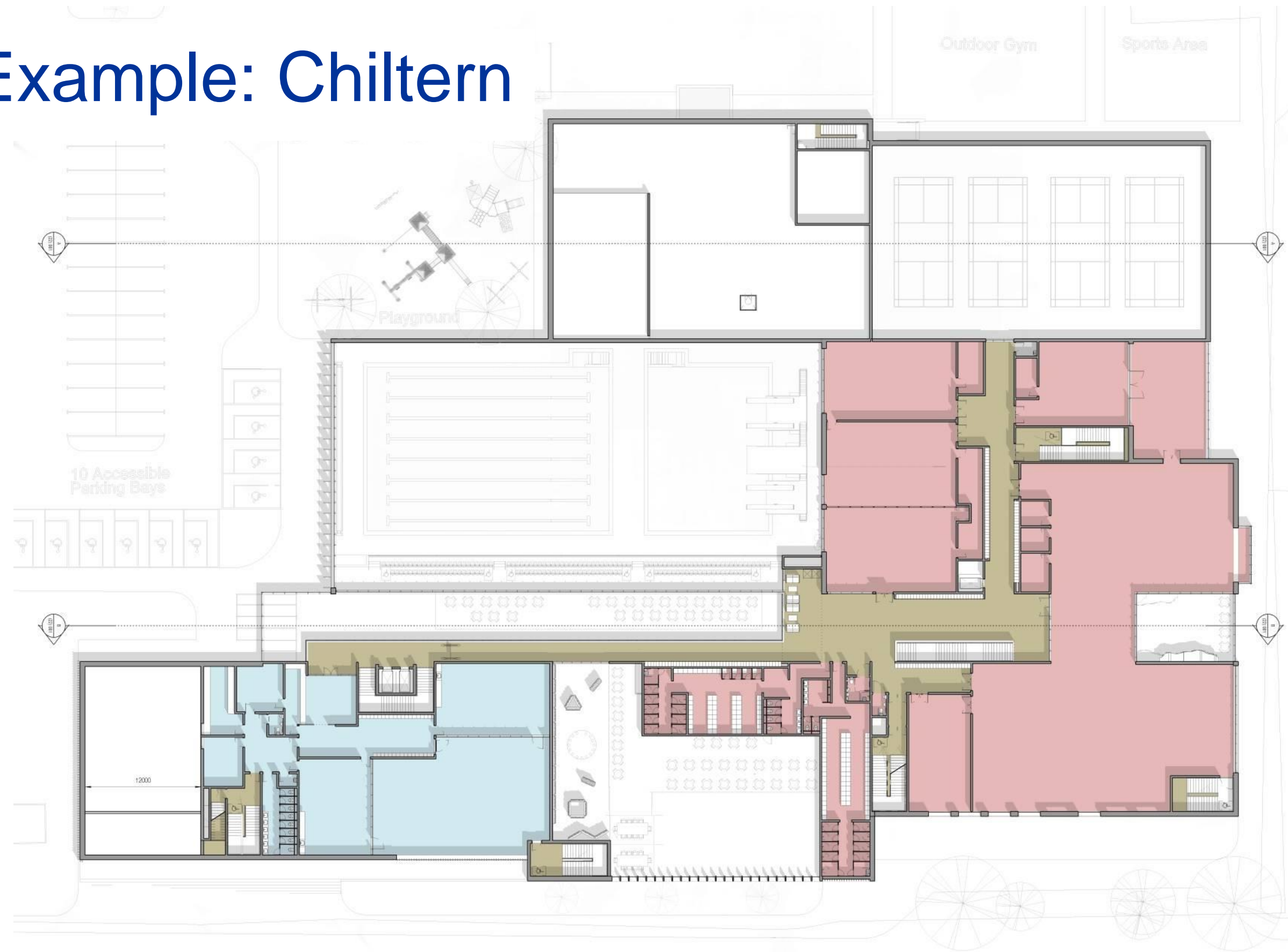
- ◀ New facility to replace old
- ◀ Larger fitness offer and new activity areas to increase income.
- ◀ Opportunity for co-location
- ◀ More efficient to operate
- ◀ Significantly improved energy efficiency.
- ◀ Move from operating deficit to a significant surplus
- ◀ Surplus income (operator management fee) sufficient to service all or part of prudential borrowing

- ◀ Chiltern Pools – 6 lane 25m pool, leisure pool, squash court conversion for fitness, climbing wall.
- ◀ 1970s built library, youth centre and community hall also replaced

Example: Chiltern



Example: Chiltern



Business case for investment



	Baseline	New Leisure Hub				
		Year 1	Year 2	Year 3	Year 4	Year 5
Income						
Sports hall	43,383	57,400	57,400	63,140	63,140	63,140
Swimming pool	875,961	773,931	910,507	978,795	978,795	978,795
Health and Fitness Membership	675,527	769,757	868,079	936,558	936,558	936,558
Activity-Dance Studios	11,317	9,100	10,010	10,010	10,010	10,010
5 a side	0	40,608	50,760	50,760	50,760	50,760
General Catering	129,119	146,698	161,368	161,368	161,368	161,368
Sales of goods	70,336	40,000	50,000	50,000	50,000	50,000
Other	18,788	0	0	0	0	0
Total Income	1,824,431	1,837,494	2,108,124	2,250,631	2,250,631	2,250,631
Cost of Sales						
Staff Related	110,531	93,349	105,684	105,684	105,684	105,684
Building Related	1,397,879	1,193,850	1,193,850	1,193,850	1,193,850	1,193,850
Supplies and Services	890,508	456,000	466,000	466,000	466,000	466,000
Financing/depreciation costs	123,821	208,250	183,250	183,250	183,250	183,250
Total Finance costs	33,940	2,500	2,500	2,500	2,500	2,500
Other - Agency & contracted services	0	0	0	0	0	0
Total Costs	2,559,200	1,953,949	1,951,284	1,951,284	1,951,284	1,951,284
Support services						
Trust reserve contribution		0	0	0	0	0
Total contract expenditure	2,559,200	1,953,949	1,951,284	1,951,284	1,951,284	1,951,284
Net Surplus / Deficit	-734,770	-116,455	156,841	299,347	299,347	299,347
Future sinking fund		-84,280	-84,280	-84,280	-84,280	-84,280
Outturn	-734,770	-200,735	72,561	215,067	215,067	215,067
	Variance from base	534,035	807,331	949,837	949,837	949,837



Business case for investment

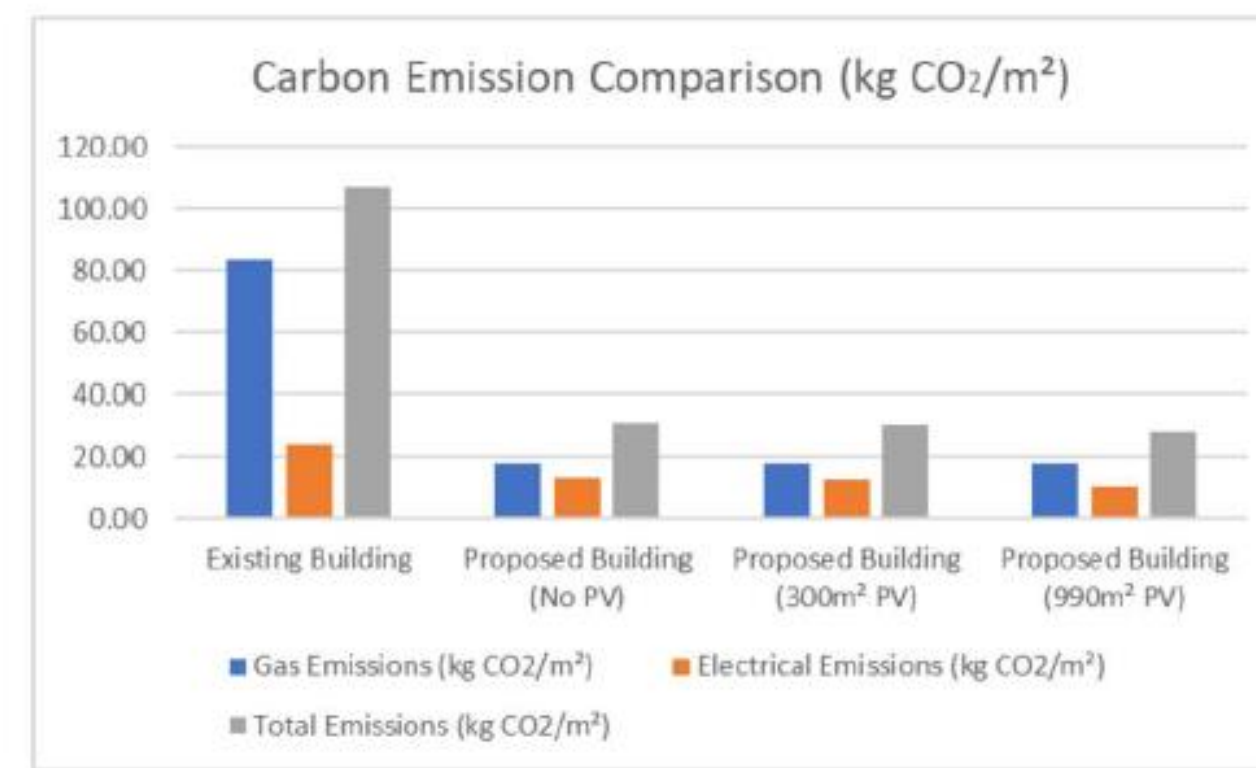
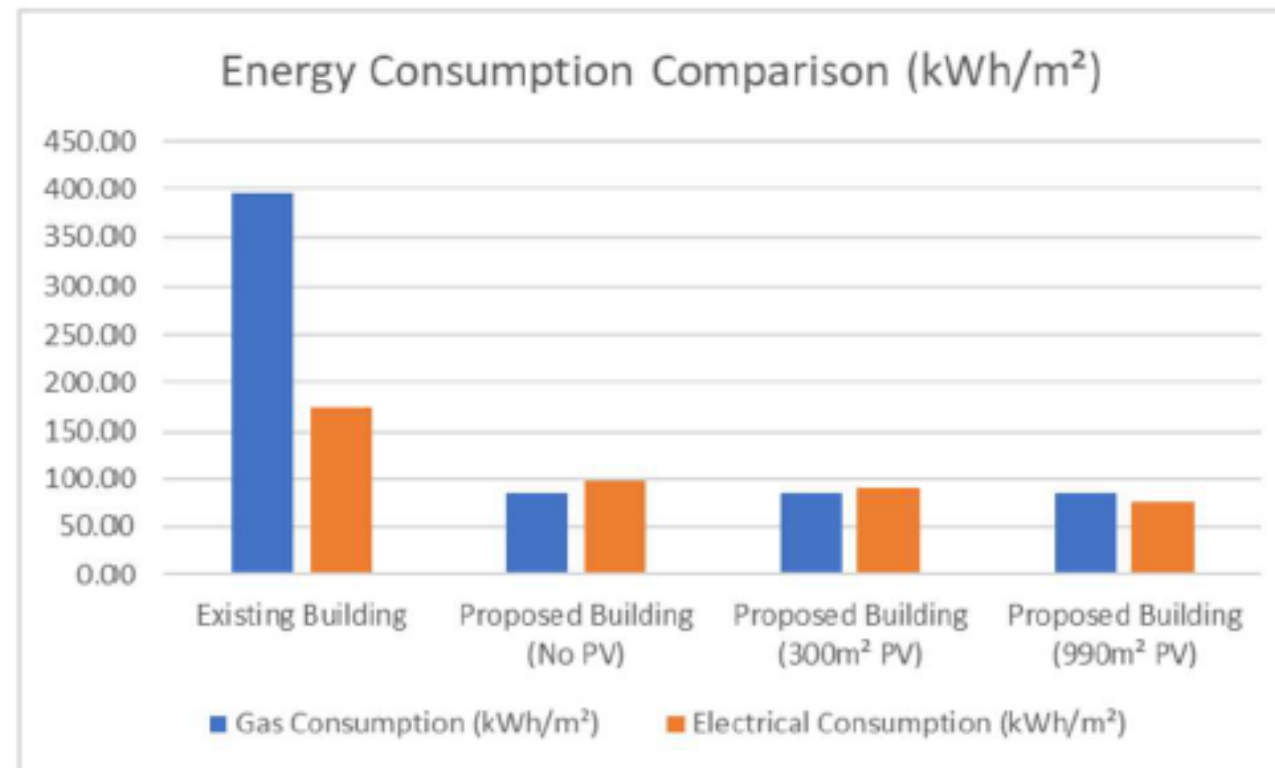
Cost of capital

- Prudential borrowing is not as cost effective as it used to be!

Chiltern Lifestyle	Existing new
Opened December 2021	Under development
Size 10,000 m ²	Size 7,000 m ²
Cost £36m	Cost £37.5m
£39,000	£59,500
Cost per £1m over 45 years	Cost per £1m over 45 years
£950k buys £24.3 million	£950k buys £16 million

- Needs to be more than just sport and leisure
- Potentially needs to be part of a funding bid – LUF, OPE.....

Environmental case for investment



Co-location



- ◀ Great examples of co-located facilities throughout the country.
 - ◀ Libraries
 - ◀ GP surgeries
 - ◀ Health centres
 - ◀ Community centres
 - ◀ Nursery facilities
- ◀ Works best where:
 - ◀ Services engage with one another
 - ◀ There is shared understanding....belief...objectives
 - ◀ Insight is shared.
 - ◀ Initiatives are joint
 - ◀ Specific issues (and/or client groups) are being addressed
 - ◀ Resources are (genuinely and openly) shared
- ◀ Focus has been on buildings

Co-location & commissioned services



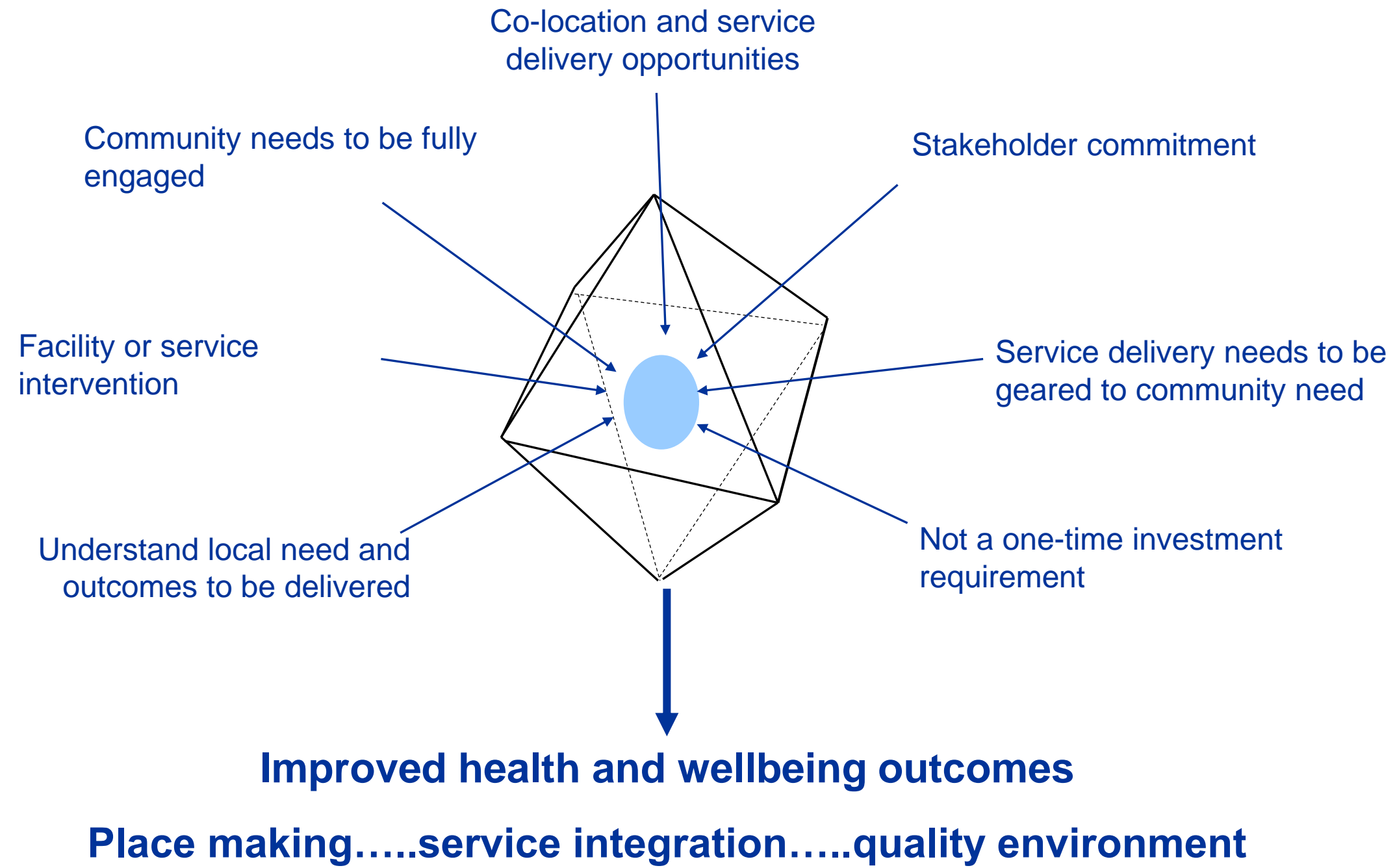
- ◀ Adult social care
 - ◀ Meeting place for participants and carers
 - ◀ Safe and secure environment
 - ◀ Proximity of disabled toilets....changing places
 - ◀ Activity programme delivered by operator throughout the day
 - ◀ Use of unused spaces
 - ◀ Commissioned to deliver instructed and recreational sessions
 - ◀ Focus on personal development
- ◀ Enables Council to review its Adult Social Care provision....deliver efficiencies where appropriate.
- ◀ Commercial relationship between operator and Council
- ◀ Council investment in infrastructure.
- ◀ Provides a commercial space for evenings and weekends.

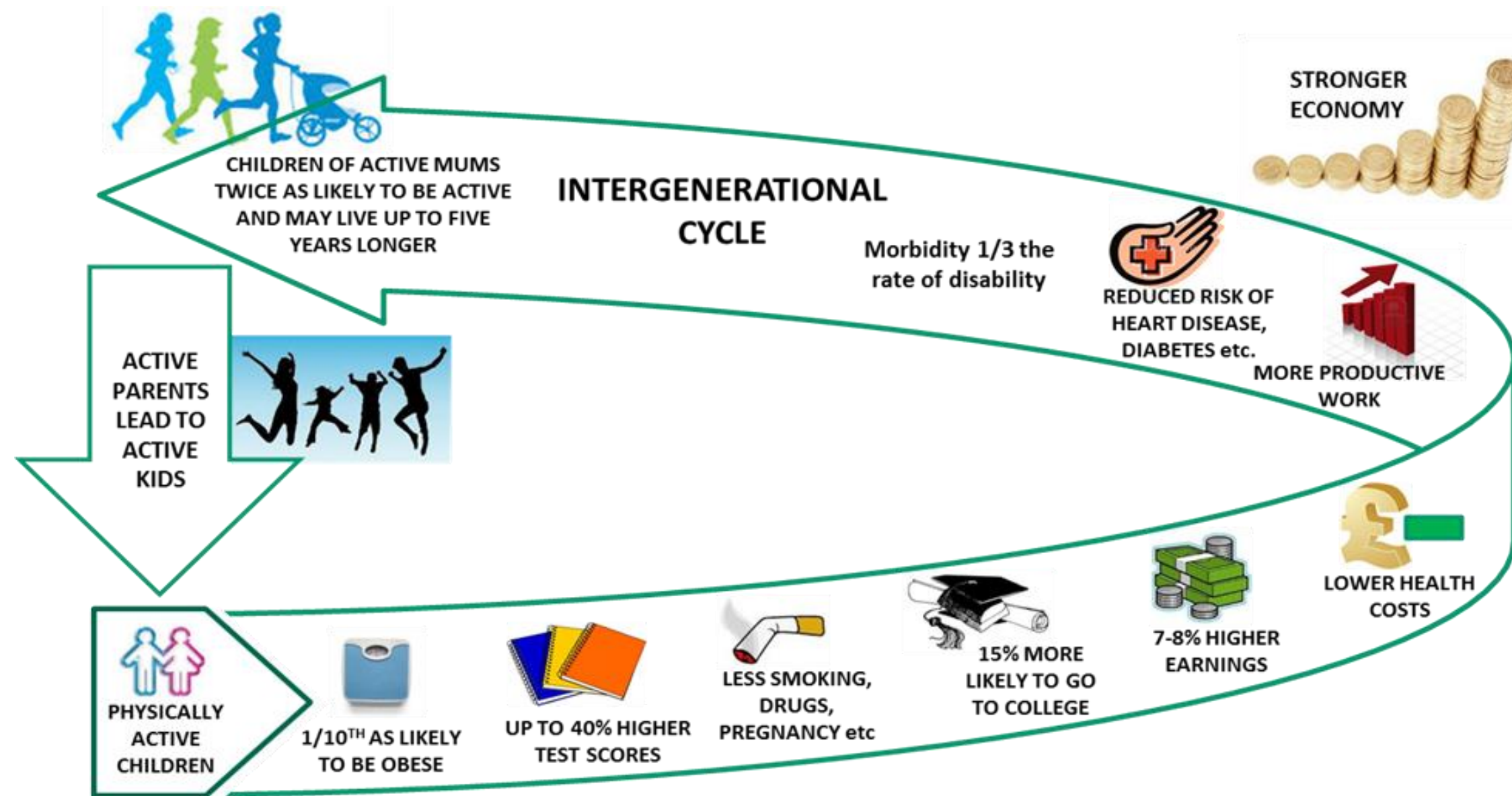
Co-location & commissioned services



- ◀ Health partnerships
 - ◀ Activity on Referral
 - ◀ Falls prevention classes.
 - ◀ Pulmonary Rehab – phase 2
 - ◀ Weight management
 - ◀ Chronic pain support
 - ◀ Diabetes support
 - ◀ Musculo skeletal rehab
 - ◀ HAF funding
- ◀ General Practice Alliance – Health Coaches
- ◀ Build a commercial relationship on 'social' values and outcome delivery

Developing places & partnerships





Based on 'Designed to move' © Nike Inc.