

Community Committee	
Meeting Date	4 September 2024
Report Title	Swale Leisure Service - Future Options
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Jay Jenkins, Leisure & Technical Services Manager
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To appoint a Leisure Consultant via approved Framework agreement. 2. To proceed with Option 4. 3. To continue with the Members Leisure Working Group.

1 Purpose of Report and Executive Summary

- 1.1 This report is to update the Community Committee on the Future Swale Leisure Contract Options.
- 1.2 It makes recommendations for the next stage of finalising the long term leisure service provision.

2 Background

- 2.1 The existing leisure contract (covering Swallows & Sheppey sites) is due to expire on 31 March 2027, having recently been extended for 2 years. Faversham Pools Trust has a long-term lease which is linked to an annual grant agreement.
- 2.2 The next stage is to confirm the direction of travel for the delivery of the leisure service beyond March 2027. Members need to discuss the options on how the process will be resourced, which will enable the project plan and business cases to be worked up to inform the final decision on operating model and investment requirements.
- 2.3 We have recently worked with the leisure consultants Strategic Leisure and the Members working group as part of the contract extension discussions. Strategic Leisure were also selected by Sport England to support us during the Covid reviews, so they are a natural selection for reviewing the future leisure options. However, contract standing orders dictate that the work needs to be procured separately.

2.4 Colleagues in procurement have advised that there are framework options for the project, which would be used to directly appoint the consultant to undertake the process.

3 Proposals

3.1 We have requested a costed proposal from Strategic Leisure (with no obligation and may differ slightly from framework rates) to inform our conversations which is attached at Appendix 1. This is focussed on procuring the services of an external leisure provider and would need to be amended if a different operating model was decided. There are 4 potential options to consider which are attached at Appendix 2.

Options:

1. SBC does everything. (All in house resources?)
2. SBC leads and manages procurement process with identified support from consultants. (Circa £20k plus inhouse resources?)
3. Consultants lead process but SBC undertakes specific tasks/elements of work, agreed upfront. (Circa £25k to £30k plus inhouse resources?)
4. Consultants do everything (Circa £35k)

Estimated Costs:

Option	Consultancy Fee	SBC costs*	Total Costs
1	£0.00	£75k	£75k
2	£20k	£45k	£65k
3	£25 – 30k	£30K	£55 – 60k
4	£35k	£10K	£45k

**SBC Costs have been estimated on Lead Officer costs (Direct & Oncosts) plus additional staff costs for covering Lead Officer workload.*

As you will see, the costs of managing the project in-house outweigh the cost of bringing in consultant support and furthermore will take the Leisure and Technical Services Manager away from day-to-day operation of the team and focus on other key corporate plan/service plan projects such as review of grounds maintenance.

4 Alternative Options Considered and Rejected

- 4.1 To not appoint a consultant to undertake the project. This is not recommended as the contract procurement will require a significant amount of time and resources, none of which are currently available in-house.
- 4.2 To not continue with a Leisure Options working group. This is not recommended as it is a key service for the community and there needs to be time to work

through the options before the contract expiry date. Failure to do so would leave us without a leisure centre service.

5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with a range of key leisure stakeholders, including Swale Community Leisure, Serco Leisure Ltd & Faversham Pools Trust.
- 5.2 In addition, Strategic Leisure has undertaken a soft market testing consultation with the main operators in the industry to help inform current thinking about any future opportunities in Swale.
- 5.3 Once Members confirm the options that we will look at, public consultation will be required to help understand what residents want provided within the leisure service.

6 Implications

Issue	Implications
Corporate Plan	Community, to enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience.
Financial, Resource and Property	<p>The leisure service is a considerable cost to overall Council budget (circa £580,000 in 2023-24). The working group need to consider which options can contribute to reducing the cost of the service. The estimated cost for the current financial year is £630,672.</p> <p>Ongoing lifecycle costs have been estimated as follows:</p> <p>Sheppey:</p> <ul style="list-style-type: none"> • £150k - Mechanical & Electrical <p>Swallows:</p> <ul style="list-style-type: none"> • £702k total • £12k Energy saving initiatives (Projected ROI of £10k over 15 months) • £430k Mechanical & Electrical • £260k Building Fabric <p>Some of the ‘big-ticket’ investment items that need more feasibility work doing include:</p> <p>Swallows</p> <ul style="list-style-type: none"> • Air handling (Circa £60k) • New boilers (Circa £140k) • Boiler control panel (Circa £60k)

	<ul style="list-style-type: none"> • Pool plant (Circa £100k) • Ventilation in health & Fitness areas (Circa £97k) • Wet side changing village (Circa £80k) • Wyvern hall lift (Circa £30k) <p>Sheppey</p> <ul style="list-style-type: none"> • A replacement Sheppey pool (Circa £12m) • Existing Pool requires replacement filters on both pools (Circa £64k) <p>As well as annual running costs, the future investment requirements are a key consideration as the buildings are all circa 30 years old. Initial discussions have been held with Active Kent and Medway and Sport England on potential funding routes.</p>
Legal, Statutory and Procurement	The route to deliver the Leisure Service is dependent upon the decisions of the Committee but will require procurement/legal intervention throughout 2024.
Crime and Disorder	None identified.
Environment and Climate/Ecological Emergency	Any investment in the buildings need to consider reducing the carbon footprint of the service, due to their high energy usage.
Health and Wellbeing	Healthy & Wellbeing is a key output of any Leisure contract. Social impact outcomes are directly linked to the Borough's ability to offer a suitable and easily assessable leisure offering
Safeguarding of Children, Young People and Vulnerable Adults	None identified.
Risk Management and Health and Safety	There are several risks associated with the three facilities, namely condition of plant and fabric of all 4 buildings.
Equality and Diversity	Links with disability and mental health provision in the borough and a community impact assessment
Privacy and Data Protection	None identified.

7 Appendices

7.1 Appendix I - Proposal Letter – Swale Leisure Options Procurement

7.2 Appendix II – Procurement Resourcing Options.

8 Background Papers

8.1 [March 24\Final\Printed minutes 06032024 1900 Community and Leisure Committee.pdf](#)