

Arun District Council

REPORT TO:	Housing and Wellbeing Committee
SUBJECT:	Leisure Contract Performance Report
LEAD OFFICERS:	Oliver Handson, Environmental Services & Strategy Manager Fraser Kidd, Leisure & Wellbeing Business Manager
LEAD MEMBER:	Councillor Carol Birch, Chair of Housing and Wellbeing Committee
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: <u>Overall Aims:</u> IMPROVING THE WELLBEING OF ARUN: <ul style="list-style-type: none">• Champion leisure, culture and the Arts in Arun and encourage our community to embrace healthy and active lifestyles• Work with partners to provide advice, support and activities that promote and deliver community wellbeing where it will have the greatest impact <u>How will we achieve this:</u> <ul style="list-style-type: none">• Work with key partners to ensure that we deliver council wellbeing services that are complementary to their own, rather than duplicate effort.• To plan services, resources, amenities, activities, and places to help our community thrive.	
DIRECTORATE POLICY CONTEXT: To regularly monitor and review the performance of contracts.	
FINANCIAL SUMMARY: The Leisure contract offers the council a secured income, with an annual index-linked management fee.	

1. PURPOSE OF REPORT

- 1.1 To inform members of the Housing and Wellbeing committee of Freedom Leisure's trading and performance (October 2023-September 2024). This period is a follow on from the previous 18-month report presented in January 2024.

2. RECOMMENDATIONS

- 2.1 That is recommended that the Housing & Wellbeing Committee considers the report and provides any observations to officers.

3. EXECUTIVE SUMMARY

- 3.1 The report will provide members of the Housing and Wellbeing Committee an update in respect of the Councils Leisure Operating Contract (hereafter referred to as the 'LOC') over the 12-month period of 1 October 2023 to 30 September 2024.
- 3.2 The Council's leisure operator, Freedom Leisure will attend the meeting to present their annual report and Healthy Communities update.

4. DETAIL

- 4.1 The current LOC 1 April 2016 – 31 March 2027 includes the operation of the Arun Leisure Centre, Bersted Community Centre, Littlehampton Wave and Windmill Entertainment Centre.
- 4.2 Cabinet approval was given on 14 September 2015 to award the leisure contract to Wealden Leisure Ltd, trading as Freedom Leisure for a period of 10 years from 1 April 2016. An extension of 1-year was granted in August 2020 due to the ceasing of trading during the coronavirus pandemic. The current contract is set to end on 31 March 2027.
- 4.3 On 21 November 2024's Housing & Wellbeing Committee, it was agreed by members that the leisure contract would be extended by five years until 31 March 2032. The report and minutes to this meeting are within these reports background documents.
- 4.4 This report covers a period which has seen increased participation, whilst adapting to challenges of energy price increases and rising inflation.
- 4.5 The contract is managed through formal monthly monitoring visits, ad-hoc monitoring visits, monthly contract meetings and quarterly strategic meetings. All monitoring is recorded with imagery, with a set document being sent to the respective centre managers within 24 hours of visit for response. Monitoring is supported by regular communication with the operational team at each facility.
- 4.6 Contract reporting is managed through a shared online client portal specifically created for this purpose. Freedom Leisure update the portal quarterly with a breakdown of participation and financial data.

4.7 A primary indicator for contract performance is the number of people attending our two leisure centres. The period of October 2022-September 2023 saw increases vs the previous two years. This was in part due to the centres reopening fully after Covid. The trend of increased use of the centres has continued through the period of October 2023 – September 2024 with a total combined increase of 6.28%, with c79,500 additional visits across the 12-month period. See below tables of participation numbers for this period:

Arun Leisure Centre

	Oct 2022-Sept 2023	Oct 2023-Sept 2024	Increase
Oct - Dec	125,539	135,599	10,060
Jan - March	124,582	139,822	15,240
April - June	117,874	128,682	10,808
July - Sept	130,695	134,636	3,941
Total	498,690	538,739	40,049
			8.00%

Littlehampton Wave

	Oct 2022-Sept 2023	Oct 2023-Sept 2024	Increase
Oct - Dec	181,734	182,771	1,037
Jan - March	188,721	198,951	10,230
April - June	196,727	213,720	16,993
July - Sept	198,422	209,602	11,180
Total	765,604	805,044	39,440
			5.15%

4.8 Freedom Leisure have continued to review and develop their programme of activities. In the past 12 months they have improved their popular gymnastics programme at Littlehampton Wave with an additional day of after school sessions due to having a long waiting list. Arun Leisure Centre has introduced the popular session Little Leapfrogs on Saturday and Sunday mornings, off the back of the continued success of these sessions at Wave.

4.9 The Council have worked in partnership with Freedom Leisure to achieve Sport England Swimming Pool Support Funding for 97 photovoltaic panels for Littlehampton Wave’s Swimming Pool Roof. In March 2024 Destratification Fans were also added to both pool halls and gyms. These fans work by continuously circulating a column of air from the ceiling to the floor, mixing the stratified air to create a comfortable environment.

- 4.10 The Dual Use officer group which oversees the dual use agreement for the Arun Leisure Centre and is chaired by the Council, meets termly (three times per year) and is attended by representatives from Freedom Leisure, West Sussex County Council and Felpham Community College. In early 2024, works were completed within the Bramber Studio which included new flooring and acoustics. In December 2024 there was investment to replace both wet and dry side electrical intakes which involved a 10-day closure of Arun Leisure Centre and new boilers for the swimming pool were fitted after failure. Freedom Leisure also completed sand, sealing and painting of the Squash Courts and over the summer holidays completed decoration works of the school changing areas.
- 4.11 The Windmill Entertainment Centre reopened its doors in April 2024, after being closed since August 2023 after the Harvester Fire. Works carried out during the closure included a new entrance hall, studio flooring and upgraded carpet within the auditorium. Windmill Cinema returned in July 2024, with a long run of screenings over the summer months. The 2025 calendar is fully booked up with hirers of the facility. The Council and Freedom Leisure worked proactively together to ensure regular and consistent updates were provided to key stakeholders and held a stakeholder meeting at the Wave to provide a face-to-face update and answer questions from those attending.
- 4.12 Bersted Park Community Centre continues to be a successful venue with a pre-school nursery hirer and variable activities available throughout the week including children's parties, badminton, table tennis, blood donors and cardiac rehab classes.
- 4.13 Freedom Leisure's Healthy Communities Team have been exceptionally busy over the past 12 months. The Active Play sessions in partnership with parish councils were oversubscribed in 2024, with a waiting list in 2025. The Active play sessions tackle social isolation for our residents from low-socio economic backgrounds. The sessions are 2-hours in length across the district and free of charge. They also partnered with Littlehampton Community Fridge, supporting families with free food provision.
- 4.14 Holiday activities within the centres included the continuation of day camps, with 640 spaces being offered for free in partnership with West Sussex County Council, after achieving Holiday Activity Funding).
- 4.15 Healthy Walks in Arun entered their 20th this year with a celebration in May which saw 78 walkers and 18 walk leaders attend. It is expected this will become an annual event, to compliment the 7 weekly walks.
- 4.16 Special Educational Needs and Disabilities (SEND) swimming started in February this year in partnership with Active Sussex. In the first 6 months, there were over 700 attendees.
- 4.17 In October, Freedom Leisure and the Council's Events team worked together to create 4 free spooktacular parties at our leisure centres for Halloween. These included a disco, decoration and arts and crafts. 240 children and their families attended these sessions, which were all sold out.

5. CONSULTATION

- 5.1 The Council have and will continue to consult on achieving best value for its leisure operations with industry experts. Where appropriate they will also consult with other Councils and representatives of Sport England and the Chief Cultural Leisure Officers Association (CLOA).

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1 None

7. COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

- 7.1 No direct financial implication relating to this report.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1 Without continued monitoring and regular communication with the leisure operator, with continued positive relations, there would be higher risk of contract failure.
- 8.2 Independent assessments from Quest was introduced in 2024 for Littlehampton Wave, with the centre being rated very good.
- 8.3 Business continuity plans and risk registers are reviewed regularly, through the Councils' corporate processes and good governance.
- 8.4 The Council's Leisure Facilities Contract Management Audit review dated 16 April 2024, prepared by Hampshire County Council was returned positively. The assurance opinion rated the contract as "reasonable" with a sound system of governance, risk management and control in place.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1 There are no direct legal implications associated with this report. Any future contract extension would be undertaken in accordance with contractual terms and the Council's Contract Standing Orders.

10. HUMAN RESOURCES IMPACT

- 10.1 None

11. HEALTH & SAFETY IMPACT

- 11.1 In accordance with the LOC's services specification, where an accident or incident requires emergency services presence, Freedom Leisure are required to report within two-hours, with a full report within 24-hours. Within monthly meetings, Freedom Leisure report on the number of accidents and incidents on each site over the previous month.

11.2 During the 12-months October 2023-September 2024, no incidents were RIDDOR (reporting of injuries, diseases, and dangerous occurrences regulations) reportable.

12. PROPERTY & ESTATES IMPACT

12.1 None

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1 The Council seeks to provide a range of opportunities for residents to participate in sport and community activities across the district. Sports facilities are fundamental to that provision. Freedom Leisure and its Active Communities are inclusive to all residents with a focus on sport, women & girls, low socio economic, older adults, special educational needs and disability, young people and ethnically diverse.

13.2 The social value generated by leisure centres has also seen a notable increase. In 2023/24, the 53 participant centres (within a Moving Communities study) contributed £890m in social value, up from £842m in the previous year, with social value per participant estimated to be an average of £119 per annum.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT

14.1 During the 23-24 FY the leisure centres were the Council's second largest single emitter, sitting at 6% of total emissions, equating to 1,045 tco2e. Freedom Leisure actively engage with emission reporting and freely share their scope 1 and 2 emissions, allowing for accurate measuring and monitoring for the Council.

14.2 1 tCo2e is equal to: using 5,171 kWh of electricity which could power the average mid-terrace house or flat for roughly a year and 10 months, 500 CO2 fire extinguishers or driving a small petrol car for 9,234km. In turn to remove just 1 tCo2e you would need 50 trees growing for a year (What is 1 Ton of Carbon Dioxide and how it relates to daily life? - EMSmastery)

14.2 Over the last few years, there has been a close working partnership with Freedom Leisure to support the Council's 2030 carbon neutral target and to improve emission reduction. Some projects include:

1. The installation of destratification fans for the gym and swimming pool areas at the Littlehampton Wave and Arun Leisure Centre. This supports emission reductions as it circulates air through these spaces more efficiently, helping to reduce the amount of energy needed to heat/cool the building.
2. The installation of PV on both the Littlehampton Wave and Arun Leisure Centre. For the Wave this included grant funding from Sports England to install a roof mounted array of just over 40 kWp. Arun Leisure centre also had a 49 kWp array installed to support the reduction of emissions and electricity bills.

3. As part of the annual update of the Council's Climate Change and Biodiversity Work Plan Freedom Leisure are asked to provide a high-level overview on emission actions to reduce their Scope 1, 2 and 3 emissions. This is included as an appendix in all published work plans.
 4. Support was also provided by Freedom Leisure during the 2023 and 2024 Low Carbon Skills Fund, which the Council was successful in for the 2023 application. Additionally, they also provided important import and information for the Public Sector Decarbonisation Scheme the Council was planning to take forward during Winter 2023. However, it was decided that this was to high risk to take forward.
 5. Support and guidance have also been provided for the Investment Readiness Grant being provided by the Greater Southeast Energy Hub. If awarded funding will be available to have PV and roof surveys undertaken on the Wave and Arun Leisure Centre.
- 14.3 Sustainability principles are embedded with the current contract specification and secondly will be externally assessed by Quest. There is a requirement for the operator to demonstrate that they have an active environmental policy operating all levels within their organisation, with providing current examples to carbon reduction, emission reduction, use of new technology to minimise environmental impact, reduction in use of natural resources and sustainable purchasing policies.

15. CRIME AND DISORDER REDUCTION IMPACT

- 15.1 Partnership work with the Council's Anti-Social Behaviour (ASB) team and Freedom Leisure led to the creation of behavioural orders for 11–15-year-olds to attend junior gym sessions.

16. HUMAN RIGHTS IMPACT

- 16.1 None

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

- 17.1 None

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BACKGROUND DOCUMENTS:

Item 14 - Leisure Contract Extension 2027 – 2032 Report
democracy.arun.gov.uk/documents/g1911/Public_reports_pack_21st-Nov-2024_18.00_Housing_and_Wellbeing_Committee.pdf?T=10

Appendices (to be circulated ahead of the meeting)

1. Freedom Leisure October 2023-September 2024 12-month Report
2. Healthy Communities update