

Cabinet



Date of meeting:	10 August 2021
Title of Report:	Leisure Management Options Business Case
Lead Member:	Councillor Mark Deacon (Cabinet Member for Customer Services, Culture, Leisure and Sport)
Lead Strategic Director:	Craig McArdle (Strategic Director for People)
Author:	Liz Slater, Leisure Partnership Manager
Contact Email:	liz.slater@plymouth.gov.uk
Your Reference:	LM
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

To seek the agreement of Plymouth City Council Cabinet to the recommendations in the Leisure Management Options Business Case. The Business Case seeks approval to move to a Local Authority Trading Company when the current contract expires on 31st March 2022.

Recommendations and Reasons

It is recommended that Cabinet:

1. Approves the Business Case and in particular the creation of a Local Authority Trading Company for the delivery of leisure services for the following facilities; Plymouth Life Centre, Plympton Swimming Pool, Tinside Lido, Mount Wise Pools, and Brickfields Sports Centre, with effect 1 April 2022.
2. Delegate authority to Craig McArdle, Strategic Director for People to:
 - 2.1 Appoint council officers as Directors of the Local Authority Trading Company; and
 - 2.2 Appoint either himself or another senior council officer to act as member representative for the Local Authority Trading Company and to exercise all voting rights on behalf of the Council as member of the company subject to Key Decisions (as defined by the Council's Constitution) being reserved to the Leader/ Cabinet) and take any necessary action to protect, safeguard and effectively manage the Council's interest in the Local Authority Trading Company

Alternative options considered and rejected

5 other options were considered as follows:

- **Option 1 – Do Nothing** – High probability of closure / service continuity failure (partial failure) or increased costs through last minute negotiation with limited options

- **Option 2 – Extend with current provider** – Does not align strategically to achieving the aims of ‘Towards an Active Plymouth’ vision to make Plymouth the most active coastal city in England by 2034 and does not achieve Best Value.
- **Option 3 – Outsource** – not viable within the timeframe available and expectation that there is unlikely to be a competitive leisure market at this time
- **Option 4 - Alliance based contract or community asset transfer (CAT)** – Not viable within the timescale available, but the benefits can still be secured in the preferred option
- **Option 5 – In-house provision** – Not affordable as the Council does not benefit from VAT and NNDR concessions

Relevance to the Corporate Plan and/or the Plymouth Plan

We need to realign the way we run our leisure facilities to our new strategic priorities, defined in the Plymouth Plan 2014 to 2034 and Active Devon’s ‘Towards an Active Plymouth’ vision to make Plymouth the most active coastal city in England by 2034. The Plymouth Plan includes policies to enhance Plymouth’s sporting facilities and to optimise the health benefits of the natural environment. This report supports the Corporate Plan’s aim to unlock the city’s potential by making the most of the city’s built and natural assets, with strong community leadership, working with residents, communities and businesses to deliver our common ambition.

Implications for the Medium Term Financial Plan and Resource Implications:

We estimate moving to a LATC would bring a small net benefit of £12,000 over a five-year period (after covering start-up costs) but there is potential to generate a further saving of around £382,000 through service transformation and investment in facilities – which also means an improved service to customers.

Carbon Footprint (Environmental) Implications:

The LATC will provide opportunities to work with key partners in the city to reduce the carbon footprint of the facilities.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

Plymouth is generally an active city, but it has an underlying challenge: inactivity levels are higher than the Devon and national averages with more than one in four adults not active at all (i.e. sedentary). While this is a stark challenge, the city has good foundations from which to ‘level the playing field’. It has an established commitment to tackling inequality, some of the best green, blue and built assets in the UK, and the intent to ‘unlock’ them.

One of the main drivers for changing to a LATC model has been the requirement to realign the operation of the leisure centres to the new strategic priorities of the Council; including addressing health inequalities and targeting the most vulnerable members of the community. The LATC will adopt and monitor PCC’s Equality and Diversity Policy.

The nature of leisure services will require provision of risk management and robust health and safety operating procedures, which the LATC will have responsibility for.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Strategic Business Case							
B	Part II – Financial Modelling			X	X			

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
N/A							

Sign off:

Fin	djn.21 .22.75	Leg	MS/0 2.08.2 1/123 6	Mon Off	lt/371 19/05 0821	HR	03.08. 2021 KAB	Asset s	03.08. 2021 KAB	Strat Proc	PB/LM/00 7/CAB/BC /0821
Originating Senior Leadership Team member: Anna Coles (Service Director of Integrated Commissioning)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 27/07/2021											
Cabinet Member approval: Councillor Mark Deacon (Cabinet Member for Customer Services, Culture, Leisure and Sport) Date approved: 27/07/2021											