

# HBC Resources & Scrutiny Committee

Date of Meeting: 19<sup>th</sup> July 2022

Report of: Lyndsey Sims

Title: Chief Executive Officer

## SUBJECT

Hyndburn Leisure Annual Review

## PURPOSE OF REPORT

To present to the Hyndburn BC Resources & Scrutiny Committee a progress report for Hyndburn Leisure, highlighting performance following capital investments and the Trust's recovery from COVID-19.

## RECOMMENDATIONS

- That the content of the report is noted

## **1.0 The journey to zero subsidy**

- 1.1 In 2009 the annual management grant from Hyndburn BC to the Leisure Trust was £1.28 million. At this time the Trust generated an annual income from charitable activities of £1.46 million and the overall turnover achieved by the charity was £2.74 million.
- 1.2 Around this time the Council and Trust agreed a 10-year grant reduction plan, with a view to the Leisure Trust receiving no grant to operate and manage the Leisure Estate from April 2021.
- 1.3 The year-on-year planned reductions to the management grant paid to the Trust by Hyndburn BC to operate the Leisure Estate has required the Trust to revise its business model to become far more commercially focused. In recent years a stronger emphasis has also been placed on the Trust's delivery of community focused, health and wellbeing services.
- 1.4 Since 2008/09, the management fee paid to the Trust by Hyndburn BC has reduced to zero. The year on year reductions to the management fee have provided cumulative savings for the Council of over £9 million.
- 1.5 2021/22 is the first financial year that the Trust will be operating without a management grant from Hyndburn BC. The Trust continues to work hard to maximise income and reduce expenditure, whilst delivering positive health outcomes for our community and providing paid employment for a large number of Hyndburn residents.
- 1.6 Despite the challenges that the pandemic has and is expected to continue to bring, the Trust are focused on recovering from the effects of COVID-19 and remain determined to impact positively on the health and wellbeing of our community.
- 1.7 The Leisure Trust's work remains rooted in local communities, providing bespoke opportunities and programmes to meet the needs of the local population, with a commitment to providing inclusive, supportive & welcoming environments for people from across the Borough and surrounding areas.

## **2.0 2021/22 performance and charity highlights**

- 2.1 Generating significant income from fees & charges is essential to operate the charity. Closures from December 2020 until April 2021 impacted on our ability to rebuild membership and participation levels. However, since reopening again from April 2021 our facilities and services have welcomed back good levels of members and customers. Some operational highlights are as follows:
  - Fitness Membership at Hyndburn Leisure Centre is at 90% of pre-Covid levels
  - Feel Good Membership at Hyndburn Leisure Centre and Mercer Hall Leisure Centre is at 44% and 35% of pre-Covid levels respectively
  - Super Gymnastics membership at Hyndburn Leisure Centre is performing very well and is above pre-Covid levels
  - Learn to Swim membership at Hyndburn Leisure Centre is performing very well and is above pre-Covid levels

- The Trust took on the operational management of community use of the Leisure, Sport & Culture facilities at Accrington Academy from January 2022. Membership and bookings are growing steadily.
- Accrington Town Hall is currently performing above pre-Covid levels, with regular hire bookings, private events and a growing programme of entertainment.
- Clayton Civic Hall was asset transferred to the Trust and over £250k of capital investment has been secured to carry out a broad programme of capital improvement. The site will re-launch this summer as Clayton Community Centre.

## 2.2 Our year in numbers:

- Over 1000 people engaged in the Community Champions health & wellbeing programme
- 42% growth in Fitness Membership at Hyndburn Leisure Centre
- 895 young people are taking part in learn to swim lessons every week
- 690 inactive people with at least one long term health condition engaged in the Lifestyle Hub
- 150 attendances every week at Cardiac Rehabilitation classes
- 390 bookings at Accrington Town Hall
- £350k invested into the maintenance, repairs and capital developments across all facilities
- £1.63 million of commissions, donations & external grants secured
- 3208 places provided on Fun with Food & Friends sessions for young people who are eligible for free school meals
- 64 School Swimming sessions every week during term time
- 436 young people taking part in Gymnastics every week
- £1.2 million increase in income from fees & charges and trading
- 4623 junior attendances at £1.50 school holiday swimming sessions
- Over £500k of funding distributed to residents, businesses, charities and groups across Hyndburn
- 2328 Fitness Member sign ups
- 76% of our employees live in Hyndburn
- 42% of employees age 25 or under
- 51 people have been supported to gain or maintain their National Pool Lifeguard Qualification

- 34 people have been supported to gain a First aid qualification
- 14 new volunteers recruited and trained to support across our facilities and services
- 80 sports clubs and groups hosted across our facilities
- Over 600 attendances at Frog & Bucket comedy nights
- £1.98 million invested in reducing carbon outputs at Hyndburn Leisure by up to 74%

2.3 The Leisure Trust's work continues to centre around improving health outcomes and reducing inequalities for our community. We are very pleased to welcome back new and existing participants across a range of services including:

- Cardiac Rehabilitation Phase 4
- Tier 2 Weight Management
- Community Champions programme
- Active Lifestyles Hub

2.4 We are also proud to lead and contribute to a range of projects on behalf of the Borough including:

- Hyndburn Hub
- National Lottery Healthier Communities Programme
- Business Health Matters
- Together an Active Future (known locally as Let's Move Hyndburn)
- Holiday Activities Food programme (known locally as Fun with Food & Friends)
- Play and Skills at Teatime Activities

2.5 Despite the level of progress that has been made, the Trust continues to be open to a number of risks which can negatively impact upon the sustainability of the organisation including:

- Uncontrollable budget pressures placed upon the Trust, including pandemic restrictions and significant increases to the cost of electricity and gas, will reduce the Trust's capability to plan and manage the business effectively
- The Trust is subject to elasticity in its demand income and a level of uncontrollable costs
- Delay in progressing any investment and capital development strategy will defer income opportunities

2.6 The Trust forecast a deficit operating budget of £52k in 2021/22.

2.7 Our half year position, forecast an operating profit of £143k, an improvement against budget of £195k. However additional costs for utilities from October 2021, a slow recovery rate at Mercer Hall Leisure Centre and facility closures to the 3G pitch, Sports hall and Soft Play centre at Hyndburn Leisure Centre reduced this improvement by £134.5k.

2.8 Our end of year operating profit, before depreciation for 2021/22 was £8.5k.

### **3.0 Hyndburn Leisure's future vision: Investing in the Health & Wellbeing of our communities**

- 3.1 The importance of physical and mental health and the contribution physical activity makes to individual and community health and well-being has been brought into sharp focus by COVID-19.
- 3.2 Recent evidence shows that physical inactivity is a significant, independent risk factor for a range of long term health conditions affecting society today.
- 3.3 By contrast, an active lifestyle shows clear benefits in the treatment, management or prevention of many long term health conditions. Physical activity also has benefits for mental health, quality of life and maintaining independent living in older age.
- 3.4 The greatest health benefits will be experienced by those residents who move from doing no physical activity to just a little.
- 3.5 The cost of inactivity to the Hyndburn economy is not sustainable - transformational and preventative approaches are needed. Increasing levels of physical activity will deliver on the Council's vision to 'drive growth and prosperity in Hyndburn'.
- 3.6 Hyndburn Leisure is currently in the process of developing a new strategy. The Trust's key focus over the coming years will be to build on its work to support more local residents to live healthy, active lifestyles. Included in our vision will be an ambition to attract and grow investment into physical activity programmes, facilities and networks.
- 3.7 The Trust also continues to prioritise the Leisure Transformation project, to develop a shared local strategic vision that is deliverable and distinctive whilst at the same time, creating the optimal mix of facility and service interventions with a strong sense of place and good connections with the wider area.
- 3.8 The current indoor and outdoor sport and leisure facilities in Hyndburn are ageing and require significant levels of investment to maintain the current service offer. The work of the Council and the Trust over the past three years has aimed to understand the potential to enhance the existing leisure offer to maximise positive outcomes for the local community.
- 3.9 During 2021/22 the Trust has played a key role in the following progress in phase one of the Leisure Transformation:
  - **Carry out capital developments at Clayton Civic Hall, developing a bespoke boxing facility that will be home to Clayton Amateur Boxing Club and improving energy efficiency.** Hyndburn Leisure was awarded £185,088 from the Community Ownership fund for capital improvements to Clayton Civic Hall. This new funding is being used alongside a £50k Sport England grant awarded to Clayton Amateur Boxing Club and a £30k grant from the Lancashire Environment Fund to develop the site, creating a new Community Wellbeing Hub. In total over £265k has been invested in this important facility.

- **Deliver a £2m Carbon reduction capital development at Hyndburn Leisure Centre.** A large-scale project has been completed to reduce carbon output at the facility by up to 74%. The scheme has received £1.98 million of external funding from the Public Sector Decarbonisation Scheme. We've removed outdated gas boilers and installed two air source heat pumps, 560 PV solar panels, a new air handling unit for the pool, new pool circulation pumps, a building energy management system and a new electricity substation for the site. This is a huge step in getting us on our way to our goal of hitting net-zero and 100% clean energy across all facilities by 2030.
- **Apply to the Sport England Strategic Facility Fund.** The Council has been invited to submit a combined Expression of Interest (EOI) to Sport England's Strategic Facilities Fund for £2 million: £1.5 million for a new facility to replace Mercer Hall Leisure Centre and £0.5 million for the Hyndburn Leisure Centre refurbishment. The EOI will be made in September 2022. Once we've received approval from Sport England, two separate applications will then be made for £1.5 million and £0.5 million in early 2023.
- **Work with the local community to develop a vision for the future of the Mercer Hall Leisure Centre site.** A full public consultation in March 2021 saw Hyndburn Council share detailed plans and proposals with residents to gather their input and opinions. 853 people participated in the consultation process and made a number of constructive and helpful responses. In the meantime, Mercer Hall continues to run, offering gym facilities, a feel good suite, exercise studio, sauna and steam room, and we're committed to keeping it open until a replacement site is complete and open. The swimming club and school swimming lessons have already been accommodated at Accrington Academy and we've received some very positive feedback about the change. We have recently joined a community-led steering group, to focus on the future of the site, to ensure that it remains a community asset.
- **Work with Hyndburn Academy to attract investment to further develop sport & leisure facilities at the Academy.** Since January 2022, we've been running Leisure and Cultural facilities at Accrington Academy, widening community swimming and sport provision and supporting the school in starting up school swimming lessons. We're also looking forward to working with Hyndburn Academy to introduce a community water sports programme after they secured funding from Super Slow Way to reinstate the jetty on the canal.

#### **4.0 Recommendations**

- That the content of the report is noted