

# Abbeycroft Leisure Strategic Partnership Task and Finish Group- Findings and Recommendations

<b>Report number:</b>	<b>OAS/WS/23/019</b>	
<b>Report to and date(s):</b>	<b>Overview and Scrutiny Committee</b>	9 November 2023
	<b>Cabinet</b>	5 December 2023
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**Decisions Plan:** This item is included with the Cabinet’s Decisions Plan

**Wards impacted:** All

**Recommendation: That the Overview and Scrutiny Committee recommends to Cabinet:**

- 1.** Officers be instructed to update the Collaboration Agreement noting no fundamental revisions are required on the principals of the current agreement. However, the Group noted some technical changes may be required and the approach to health funding be clarified which is currently dealt with through side letters.
- 2.** Cabinet request Abbeycroft and West Suffolk Council to work collaboratively to promote the activities and programmes delivered at the Leisure Centres, ensuring residents are aware of what they deliver and provide (that can be reflected in further revisions to the Collaboration agreement).
- 3.** Cabinet and officers work with providers and partners to secure more long term and sustainable external funding streams (particularly on health improvement interventions).
- 4.** Cabinet ask Officers to explore further capital investment in the leisure offer and facility mix across the leisure centres site through business cases where appropriate to provide outcomes and financial benefits through invest to save/earn initiatives with Abbeycroft.
- 5.** Subject to the outcome of the condition surveys of each Leisure Centre, Cabinet to consider the extension of the Councils Net Zero Fund as part the 2024 to 2025 budget development, to include a programme of improvements (where appropriate and where they meet the outcomes of the fund) to upgrade and improve the facilities to maximise energy efficiency, support Net Zero and carbon reduction targets, and extend the life span of the facilities.
- 6.** As part of the 2024 to 2025 WSC budget development, consideration should also be given to whether the extraordinary utility support grant should be continued and phased out in the short term (linked to market expectations around utility costs).

## 1. Context to this report

- 1.1 The Collaboration and Funding Agreement between West Suffolk Council (WSC) and Abbeycroft Leisure (ACL) was signed on 11.12. 2019, with effect from 01. 05.2017. (Term 15 years with option to extend by 5 years and another 5 years). The agreement provides for the delivery of common objectives by reference to service outcomes and operates on an open book basis with quarterly reviews overseen by the Portfolio Holder for Leisure, Culture and Community Hubs.
- 1.2 Since commencement of that agreement, there have been a number of extraordinary factors that have impacted upon the leisure industry, from closures due to Covid, its role in recovery and the energy crisis and inflation. At the same time the core management fee that the Council has historically paid to Abbeycroft has reached zero from April 2023.
- 1.3 The Overview and Scrutiny Committee at its meeting on 20 July 2023 resolved to establish the Abbeycroft Leisure Strategic Partnership Task and Finish Group to:
  - Review the Council's partnership with Abbeycroft Leisure between 2019 and 2023 against the current Collaboration Agreement between the two organisations; and
  - Review the current Collaboration Agreement outcomes.
- 1.4 The task and finish group (the group) comprised five councillors, namely Councillors Peter Armitage, Sarah Broughton, Rowena Lindberg, Andy Neal and Marion Rushbrook.
- 1.5 The group met on two occasions. At its first meeting on 20 September 2023 the group elected Councillor Marion Rushbrook as the Chair and discussed and agreed the approach to the review and member leads on key lines of enquiry. The last meeting was held on the 24 October 2023 when the group considered its findings.
- 1.6 Between meetings, members of the group attended the Abbeycroft Leisure's launch of its annual report on 28 September and toured the Bury Leisure Centre; visited Haverhill Leisure Centre on 2 October 2023; and held various member led meetings during October with Abbeycroft Leisure's Chief Executive; senior staff and Trustees of the Abbeycroft Board; and the Deputy Director of Integration on health pathways and financial performance.
- 1.7 In support of the Council's commitment to reduce paper and mileage, meetings were minimised, were conducted hybrid and without papers being printed. Key documents been made available on the MS Teams Channel created for the group, whereby all documents were uploaded for

the group to access at any time to read; amend draft reports etc. including the use of the normal chat function available to the group.

## **2. Members approach to the review**

2.1 The Group agreed to focus on 6 key lines of enquiry in the review:

- a. To review the current Collaboration Agreement between Abbeycroft Leisure and West Suffolk Council and its shared objectives to ensure it optimises delivery, outcomes, efficiency and financial performance.
- b. To review the performance of Abbeycroft against the envisaged outcomes in the Agreement for the period 2019 to 2023.
- c. To review the financial performance of Abbeycroft against the agreed management fee reduction plan and examine the impact of the support West Suffolk Council (the Council) provided to Abbeycroft during and post-Covid.
- d. To review the health and community outcomes of Abbeycroft's work, and alignment to the Council's objectives and opportunities to develop this further.
- e. To consider the impact of the Council's Leisure Investment Fund against the approved business cases including its impact on the management fee which the Council paid to Abbeycroft (which has now reached zero).
- f. To consider a number of extraordinary factors which have impacted the leisure industry from closures due to Covid, its role in recovery and the energy crisis and inflation and the wider performance of public sector leisure in this time.

## **3. Key Findings**

### **3.1 Health: Programmes and pathways**

3.1.1 The review group considered the health and community outcomes of Abbeycroft's work, noting that this is an area of significant change for Abbeycroft over the last few years. The Group noted that Abbeycroft, through the Council's leisure estate deliver much more than what most residents think is being delivered from the leisure facilities i.e., swim, gym and participation in sport.

Abbeycroft, through its collaboration agreement with West Suffolk Council, deliver a wealth of health initiatives across the leisure sites. These fall into 3 categories:

### **Acute**

Programmes funded by health partners to prevent or support residents who are using acute health services.

### **Prevention**

A range of programmes funded through a range of health partners designed to improve wellbeing and health outcomes and reduce demand on health services.

### **Infrastructure/ Co-location**

Using the leisure estate to take opportunities to work in close partnership.

Examples of the programmes and interventions are set out below (Full details of these initiatives are set out in **Exempt Appendix 1**)

#### Acute

Frailty Pathways  
Care Home Support  
Waiting Well Programme  
Strength and Balance

#### Prevention

NHS Health Checks  
Stand Tall Mental Health Programme  
Active Mums

#### Infrastructure/ Co-location

Childrens Centre  
Community Midwifery Service  
Weight Management

Whilst not only do these programmes deliver health improvement outcomes they also deliver financial benefits to Abbeycroft, specially:

- A contribution to central overheads costs
- Income from use of studio space
- Direct income from pathways and exercise referrals were previously unfunded.
- 25% of customers accessing these initiatives also joined a paid activity or took out a membership.

This financial benefit is reflected back to West Suffolk Council through the open book arrangement in the Collaboration agreement.

- 3.1.2 The review group felt that the array of health and wellbeing programmes being delivered would benefit from more promotion by Abbeycroft (as being the facilitator of the services), the organisations funding and contracting the services to Abbeycroft, and West Suffolk Council. This has been recognised within the health improvement network in Suffolk whereby all health organisations need to communicate with each other and work collectively across West Suffolk.

The recent launch of the new healthy lifestyles service for Suffolk, Feel Good Suffolk (formally One Suffolk) is another development in this area. There is no doubt that Abbeycroft's track record of delivery in West Suffolk was fundamental in this new service evolving and created an all-important platform for future development and promotion. The approach to this service is unique in West Suffolk in that it is led by Abbeycroft, who have been recognised as the partner of choice to manage and deliver these prevention services in an economical and effective way, which will continue to grow over time as new income streams develop. Further information on Feel Good Suffolk can be found here [Home - Feel Good Suffolk](#).

3.1.3 The review group made the following observations and feedback to Abbeycroft as part of this review:

- Continue to improve access to facilities and programmes for those living in rural area and dealing with social isolation.
- Explore additional support for SEND (Special Educational Needs and Disabilities) children and young people through the development and promotion of activities.

## 3.2 **Financial**

3.2.1 Attendances/membership have recovered to 94% of their pre-covid levels, which was welcomed by the review group, in particular having regard to the rise in local competition in the "budget gym" sector and cost of living burdens. This recovery has helped stabilise the financial performance of Abbeycroft.

3.2.2 The core management fee paid by Abbeycroft to the Council has reduced from £1.829 million in 2009 to 2010 to £0.015 million in 2022/23; with a projected core management fee of zero in 2023 to 2024. With the exception of the current utility inflation pressures, no other significant challenges are foreseen in not sustaining the current position of zero management fee from West Suffolk Council. The continuing challenge of utilities costs will need to be kept under review (see para 3.2.4).

3.2.3 The reduction in the core management fee has been achieved through a commercial approach, capital investments, and a range of initiatives as well as facility developments over the last 15 years. The most recent of these being the £5 million capital investment made by West Suffolk Council in Haverhill, Newmarket and Brandon centres which has enabled the management fee reductions in the latter years whilst significantly improving the quality of facilities including health location as set out in 3.1.1.

3.2.4 Abbeycroft, like all organisations, have been impacted by the global changes in utilities pricing over the last 18 months. Their contract arrangements have meant that they have had some protection against this

but given the significant costs in running pools in particular, West Suffolk Council made a one-off extraordinary contribution of £0.3 million in 2023 to 2024 to Abbeycroft to offset the continuingly high utilities costs.

- 3.2.5 It is proposed that WSC and Abbeycroft collaborate in assessing future utilities costs; exploring immediate options to reduce utilities costs and future investment in more energy-efficient plant to reduce utilities assumption and therefore costs. As part of the 2024 to 2025 WSC budget development, consideration should also be given to whether the extraordinary utility support grant should be continued and phased out in the short term (linked to market expectations around utility costs).
- 3.2.6 The review group noted the age of some of the Council's Leisure Facilities, notably Haverhill and Bury St Edmunds both nearly 50 years old. Building condition surveys are currently being undertaken at the moment across all leisure sites and will identify structural and operational interventions needed to maintain the lifespan and efficiency of the buildings. The outcomes from the surveys will feed into the Council's Asset Management Plan and Abbeycroft's maintenance plans. The review group noted the £0.724 million per annum identified for essential maintenance works at Bury St Edmunds Leisure Centre and that Haverhill Leisure centre will require significant asset management investment in the medium term, particularly in its plant and machinery.
- 3.2.7 Generally, a thorough review of funding sources (e.g. from Health bodies, Sport England etc) should be explored to include what is available, bidding processes (both to minimise bidding and maximise grants), and possibilities of collaboration with those who bid – particularly health institutions so that certainty over funding streams can be provided to Abbeycroft to include it its business model and plans.
- 3.2.8 West Suffolk Council has invested £5 million in its leisure estate over the last few years (this is on top of the asset management investments that have also taken place) and that investment has been fundamental to Abbeycroft achieving a cumulative saving of over £15M since 2009 to 2010. The business cases for those individual investments have delivered both the financial and health outcomes and the opportunity to repeat the successful investments in Brandon, Haverhill and Newmarket should be explored again and at other centres in West Suffolk.
- 3.2.9 Current studies, particularly into the facility at Bury St Edmunds, should set out an investment programme that helps to repeat the success at Haverhill and Newmarket facilities.
- 3.2.10 The Review Group felt it was essential that West Suffolk Council work with providers/partners to secure more long-term external funding streams (particularly on health improvement interventions) to ensure greater certainty and sustainable budgeting. This is a particularly important as the traditional public sector leisure is under immense pressure, leading to Abbeycroft developing a business model to create alternative forms of

revenue from complimentary activities and services, largely drawn from external funding, which provides greater budgetary resilience.

### 3.3 **Leisure Centre condition and offers**

3.3.1 Members of the Task and Finish Group visited all West Suffolk Council Leisure Centres. Overall, the Group were very impressed with the range of offers, engagement with local communities and knowledge and understanding of staff. However, the Group noted a number of issues and opportunities some of which have been fed back to Abbeycroft:

- Abbeycroft share many of its facilities with schools that does cause timing/room availability considerations.
- The opportunity to offer more soft play sessions for SENDS should be explored.
- No specific disabled swimming is in the programme (look into more inclusivity of the swim academy).
- The Haverhill Friday night family event could be replicated at other sites.
- Look into promoting/exploring some form of Youth Provision in addition to Teen Chill.

## 4. **Proposed recommendations to Cabinet**

The review was asked to make recommendations to feed into the planned review of the current Collaboration and Funding Agreement between West Suffolk Council (WSC) and Abbeycroft Leisure (ACL) which was finalised in 2019 (and covers the period 2017 to 2032 with scope to extend for two further five-year periods). The agreement provides for the delivery of common objectives by reference to service outcomes and operates on an open book basis with quarterly reviews overseen by the Portfolio Holder for Leisure.

The Review Group felt that from their findings, Abbeycroft was strongly compliant with the existing Collaboration Agreement and demonstrated they had optimised delivery, outcomes, efficiency, and financial performance in challenging conditions.

### Recommendation 1

Officers be instructed to update the Collaboration Agreement noting no fundamental revisions are required on the principals of the current agreement. However, the Group noted some technical changes may be required and the approach to health funding be clarified which is currently dealt with through side letters.



### Recommendation 2

Cabinet request Abbeycroft and West Suffolk Council to work collaboratively to promote the activities and programmes delivered at the Leisure Centres, ensuring residents are aware of what they deliver and provide (that can be reflected in further revisions to the Collaboration agreement).

### Recommendation 3

Cabinet and officers work with providers and partners to secure more long term and sustainable external funding streams (particularly on health improvement interventions)

### Recommendation 4

Cabinet ask Officers to explore further capital investment in the leisure offer and facility mix across the leisure centres site through business cases where appropriate to provide outcomes and financial benefits through invest to save/earn initiatives with Abbeycroft.

### Recommendation 5

Subject to the outcome of the condition surveys of each Leisure Centre, Cabinet to consider the extension of the Councils Net Zero Fund as part the 2024 to 2025 budget development, to include a programme of improvements (where appropriate and where they meet the outcomes of the fund) to upgrade and improve the facilities to maximise energy efficiency, support Net Zero and carbon reduction targets, and extend the life span of the facilities.

### Recommendation 6

As part of the 2024 to 2025 WSC budget development, consideration should also be given to whether the extraordinary utility support grant should be continued and phased out in the short term (linked to market expectations around utility costs).

## **5. Alternative options that have been considered**

- 5.1 The Task and Finish Group were not asked to look at alternative delivery options other than changes to the Collaboration and Funding Agreements

## **6. Consultation and engagement undertaken**

- 6.1 The Review Group sought comments from Councillors and user consultation undertaken by Abbeycroft.

## **7. Risks associated with the proposals**

- 7.1 No identified risks associated with this proposal

## **8. Implications arising from the proposals**

- 8.1 Financial – No change to existing arrangement; any additional investment would be subject to separate business cases or reports.
- 8.2 Legal compliance – No legal compliance issues identified.
- 8.3 Personal data processing – No issues identified.
- 8.4 Equalities – Opportunities to increase access and additional programmes for SEND children and young people
- 8.5 Crime and disorder – No issues identified
- 8.6 Safeguarding – No issues identified
- 8.7 Environment or sustainability – No issues identified
- 8.8 HR or staffing– No issues identified
- 8.9 Changes to existing policies– None identified
- 8.10 External organisations (such as businesses, community groups) – No issues, only identification of the importance of partnership working.

## **9. Appendices referenced in this report**

- 9.1 **EXEMPT Appendix 1** – Abbeycroft Overview October 2023 - **Confidential**

## **10 Background documents associated with this report**

- 10.1 [Accounts and annual returns, ABBEYCROFT LEISURE - 1117138, Register of Charities - The Charity Commission](#)