

## Rother District Council

<b>Report to:</b>	Cabinet
<b>Date:</b>	11 December 2023
<b>Title:</b>	Bexhill Leisure Centre and Bexhill Leisure Pool Freedom Leisure Contract 2024-2026
<b>Report of:</b>	Deborah Kenneally, Head of Neighbourhood Services
<b>Cabinet Member:</b>	Councillor Timpe
<b>Ward(s):</b>	ALL
<b>Purpose of Report:</b>	To propose a new contract for the management of Bexhill Leisure Centre and Bexhill Leisure Pool.
<b>Decision Type:</b>	Key
<b>Officer</b>	
<b>Recommendation(s):</b>	It be <b>RESOLVED</b> : That a proposed new contract with Freedom Leisure for the management of Bexhill Leisure Centre and Leisure Pool for 2024-26 be agreed on the same terms as existing contract and at nil revenue cost to the Council.
<b>Reasons for Recommendations:</b>	To ensure that the Council continues to offer a sustainable level of leisure activities to the community for the next two years whilst options are considered for future leisure provision in Rother.

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### Introduction

1. The current Bexhill Leisure Centre (BLC) and Bexhill Leisure Pool (BLP) operating contract with Freedom Leisure (FL) ends on 31 March 2024. Both sites in Bexhill are aging in both building structure and in plant and machinery. According to a recent survey completed in 2023, BLC and BLP would require minimum investment of approximately £1.2m and £0.9m respectively in building, plant and machinery alone, without any improvements to the outfitting and internal décor. To continue operating these sites, as they are, without significant future investment to improve the quality of the service, reduce carbon emissions and operating costs will significantly impact the Council's ability to procure a contract of meaningful length and risks increasing costs and poor service provision. In addition to the cost of replacing end-of-life plant and machinery, aging facilities tend to be less attractive to customers and so the risk is a reduction in revenue generation.
2. Rye Sports Centre operates under a separate management contract with FL and runs until 2026. The site and buildings are owned by East Sussex County Council (ESCC) and leased on licence to Rother District Council (RDC). The facility is popular and well used by the local community. RDC's Health and

Wellbeing: Leisure Facilities Strategy (HWLFS) sets out enabling delivery of leisure facilities by working in partnership with local community groups. In agreement with FL, the Council has been working closely with Rye Town Council, a Rye 'working group' and ESCC to support with establishing a Charitable Incorporated Organisation (CIO) to take over the management and operation of the Sports Centre in 2024. The support of Rye Town Council and the local community will ensure the future sustainability of the sports facility in Rye.

### **New Leisure Operator Contract until 2026**

3. The Council adopted the HWLFS 2023 to 2033 in February 2023 which sets out the direction of travel for the district in terms of Vision, Objectives and Key Principles. The strategy highlights the need for the provision of improved facilities including a laned swimming and teaching pool.
4. The key action arising from the adoption of HWLFS was to investigate options for the future delivery of leisure facilities across Rother, and in particular to seek a way forward with the two sites in Bexhill.
5. A soft market test was completed in February 2023 inviting leisure facility operators to identify their potential interest in a new contract. Seven responses were received of which six operate at national level. Most of the contractors would only consider a 10 to 15 year contract period, and better terms for the Council may be achieved if the facilities were new or refurbished to a good standard.
6. In light of the above findings and to allow sufficient time for the Council to consider the future options regarding BLC and BLP, it is proposed a new FL contract be agreed until 2026 on the same terms and specification as the existing contract. In recognition of the short-term nature of this arrangement and as aspects of internal fixtures and fittings are aging it has been previously agreed (CB23/40 refers) that £60,000 would be added to the Capital Programme to support minor improvements to enhance the facilities during the new contract period.
7. Members should note that a two-year contract is very short by industry standards and so does not allow for new operational specifications to be built in without incurring additional costs to the Council. This approach has been taken to ensure the new arrangement is affordable and allows, as far as possible, for increasing requirements for any repairs and maintenance costs during the two years. Members should note that in addition to the modest programme of investment recommended the centres are ageing and will require increasing repair and maintenance, at a cost to the Council. The maintenance and repair costs across the two sites for 2022/2023 was £32,500.
8. The long-term future of leisure facilities and their management will be the subject of a future paper. This will detail the options available to the Council for the provision of leisure facilities from the 1 April 2026. It must be noted that a revenue neutral position is unlikely to continue beyond that date without significant capital investment from the Council, either into refurbishing the existing centres or the development of new facilities.

## Conclusion

9. A short-term two-year contract with FL would allow the Council time to consider the future of these two sites and if required procure a sustainable long term leisure operator to manage the Councils leisure facilities.

## Financial Implications

10. The repair costs relating to the fabric of the buildings remain the responsibility of the Council. The cost of repairs for the Bexhill centres in 2022/23 was £32,500 and is likely to increase given that the centres continue to age. The proposed contract includes a commitment of £60,000 to be included in the Capital Programme towards refurbishment of specific fixtures and fittings.

## Legal

11. Legal and procurement advice has been sought in relation to a new two-year contract with FL. An operator can be appointed on the basis of a two-year agreement whilst ensuring compliance with public procurement rules as the estimated value is under the threshold of the Concession Contracts Regulations 2016; and the Council's own Procurement Procedure Rules by the completion of an exemption report approved by the Chief Executive and the Chief Finance Officer. Comprehensive support and advice for this process will be provided by the legal and procurement services to ensure compliance.

## Environmental

12. The contract is short term and, therefore opportunities to improve on existing contract terms relating to carbon reduction are limited. The short nature of the contract and ageing nature of the buildings, plant and equipment means that longer-term refurbishment ambitions are not possible. Any significant ambition to reduce carbon would require long-term planning and investment in carbon reducing technologies, building refurbishment and new equipment. Where the repairing of existing plant and equipment is no longer viable replacement equipment will be obtained according to a balanced view between environmental and cost consideration, and in line with the Council's environment strategy.

## Risk Management

13. There is a risk that if a new contract is not in place by 31 March 2024 the BLC and BLP will not have a competent operator in place and the facilities would have to close.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	Yes		

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Appendices:	None
Relevant Previous Minutes:	None
Background Papers:	None
Reference Documents:	None

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