



Healthy People



Healthy Economy



Healthy Environment



Healthy Organisation

Management Options for SpArC Leisure Centre at Bishop's Castle

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Cabinet Member (Portfolio Holder):	Cllr Rob Macey		

1. Synopsis

This report recommends transferring the management of SpArC Leisure Centre in Bishop's Castle to the Shropshire Community Leisure Trust, under their existing contract.

2. Executive Summary

2.1. Leisure provision is important to deliver the aspirations of the Shropshire Plan:

2.2. Healthy People

Provision of good quality indoor and outdoor leisure facilities enable people across Shropshire to take part in physical activity and to socialise more widely with other customers. This is particularly important in remote rural areas and helps underpin physical and mental health and wellbeing.

2.3. **Healthy Economy**

The SpArC centre provides employment for local people and helps draw people into the town of Bishop's Castle, bringing wider economic benefits.

2.4. Healthy Environment – the provision of the facility in this relatively isolated part of the county helps strengthen the local community and reduces the travel distances required by residents wishing to utilise leisure services.

2.5. This report sets out a proposed new approach to the management of SpArC Leisure Centre in Bishop's Castle. The centre is one of three currently managed directly by Shropshire Council staff.

2.6. As part of a wider review of the management options for Shropshire Council owned Leisure Centres, the proposal is that SpArC Leisure Centre should be included in the existing contract with Shropshire Community Leisure Trust ("SCLT"), with Serco as the managing agent. This contract currently includes the Leisure Centres at The Quarry, Shrewsbury Sports Village, Oswestry and Market Drayton, and will include the new centre at Whitchurch, once completed.

2.7. The benefits of this approach include:

- Improved marketing and development of the leisure offer at SpArC
- A more consistent approach across Shropshire, with the opportunity for a joint membership with other SCLT centres
- Increased training and development opportunities for staff
- Improved cover for staff, with a Shropshire-wide team
- Financial saving of around £23k/per annum, based on current projections, until the end of the current contract (31 July 2027)
- SpArC Leisure Centre would then be an integral part of the main leisure contract when it is tendered for August 2027

2.8. The opening hours, facilities, staff and activities would remain the same, and the building would remain in Council ownership.

2.9. Engagement with local Members, staff and the SpArC Trustees has proved positive, with enthusiasm for the Centre to be included in the main contract. Users of the centre have been informed of the potential for management of the centre to be changed and have not raised any objections.

2.10. If Cabinet is in agreement with the recommendation below, then transfer of management responsibilities is possible by February 2024.

3. Recommendations

3.1. Approve the transfer of the operation of SpArC Leisure Centre in Bishop's Castle to the Shropshire Community Leisure Trust, as part of the existing leisure contract, until 31 July 2027.

3.2. Delegate responsibility to the Executive Director of Place, in consultation with the Leader and the Portfolio Holder for Digital and Culture, for undertaking necessary due diligence and thereafter finalising negotiations and completing the transfer to

the current leisure management contract with Shropshire Community Leisure Trust.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The table below sets out the key risks and mitigations:

Risk	Mitigation
1. Lack of support for including SpArC Leisure Centre in the existing leisure management contract means the financial savings are not realised.	An engagement exercise has taken place with staff, Trustees, local ward councillors and members of the public. There has been considerable support for the proposed change in management arrangements.
2. Not including the facility means that the opportunity to provide a high quality, consistent Shropshire leisure offer to the local community is missed.	The engagement exercise has involved opportunities for trustees to meet with SCLT and Serco to provide examples of how they operate in other Shropshire facilities and how the local offer can be enhanced.
3. Continued management of the facility by Shropshire Council means that there is financial uncertainty, which is picked up through Council budgets.	Transferring management on a fixed management fee reduces the risk to the council of market volatilities, and any potential staffing issues, saving time with back-office support teams. However, the Council will still be liable for RPI/CPI increases to the contract price and any increases to energy unit inflation.
4. If the decision to include SpArC in the contract is agreed the deed of variation is not completed in a timely manner meaning that mobilization is delayed, and the financial and community leisure opportunities are negatively impacted.	Legal support has been commissioned to ensure the speedy preparation of the deed of variation and timely consultation with SCLT and Serco's legal representatives to finalise and sign the deed.
5. Not having sufficient resources to complete TUPE transfer and other contractual arrangements in a timely manner	CLT team supported by HR colleagues, SCLT and Serco in place to quickly commence the consultation with staff, subject to Cabinet agreement, and manage the transfer process.
6. Procurement challenge from not offering the management to another organisation	Specialist legal advice has been obtained to ensure that the inclusion of SpArC Leisure Centre in the existing contract can be modified without the need for a new procurement by reason of Regulation

5. Financial Implications

- 5.1. The contract offer is above what we have in the budget so will result in an ongoing pressure of £20,439. However, this is less than the current projected controllable pressure and will therefore result in a saving against current projections of circa £23k.
- 5.2. Subject to Cabinet agreeing that SpArC Leisure Centre is to be included in the leisure management contract, this will also provide a small additional one-off saving through a reduction in overheads across the wider contract from 1 February 2024 to 31 July 2025.
- 5.3. The cost of managing this contract should be seen in the context of the wider SCLT Leisure contract, which has been renegotiated to make a considerable saving from 1 August 2024.
- 5.4. The entire contract will be re-procured through a competitive tender process for 1 August 2027.

6. Climate Change Appraisal

- 6.1. Energy and fuel consumption – No effect, although potential to improve this is being considered separately through proposals to update the swimming pool and plant room.
- 6.2. Renewable energy generation - No effect, although potential to improve this is being considered separately through proposals to update the swimming pool and plant room.
- 6.3. Carbon offsetting or mitigation - There is no direct effect as a result of this proposal.
- 6.4. Climate change adaptation - There is no direct effect as a result of this proposal.

7. Background

- 7.1. Across Shropshire there are many different arrangements and delivery models for leisure facilities. Where agreements exist, they vary significantly to each other. It is resource intensive for the Council to manage these contracts. As a consequence of the number and nature of existing arrangements there is a lack of consistency in service delivery, and quality of experience varies for the customer across the County.
- 7.2. The management of Bishops Castle Leisure Centre (SpArc) and Church Stretton Sports Centre transferred to the Council in April 2020 following termination of the Teme Leisure agreements.

7.3. Consideration of the long-term management of other Leisure Centres not in the main leisure contract at Ludlow, Church Stretton, Cleobury Mortimer and Much Wenlock has yet to be undertaken.

7.4. The facilities provided and current management arrangements are as follows:

Facilities	Facilities Provided	Facility Description/comments
Bishops Castle Leisure Centre (SpArC), Brampton Road, Bishops Castle,	<ul style="list-style-type: none"> • 3G Floodlit pitch • 21 station gym • 3 court sports hall • 2 glass backed squash courts • 20m x 4 lane swimming pool • Theatre studio • Sauna 	<p>Management of facility was taken back in-house in April 2020. Previously operated by Teme Leisure.</p> <p>Local agreement for Community College to access facilities for educational use</p> <p>Outdoor pitches are on adjacent site across the road.</p> <p>Pool, squash courts and fitness suite available to the community during the school day but total availability limited.</p>

7.5. Recommendations from consultants, Strategic Leisure, on the management options for Shropshire Council Leisure Centres, clearly show that outsourcing the centres is the most cost-effective way of managing them going forward.

7.6. The following four facilities are currently managed under contract by Shropshire Community Leisure Trust, with Serco Leisure as their managing agent: The Quarry, Shrewsbury Sports Village, Oswestry Leisure Centre and Market Drayton Swimming Centre. There is a clause to include the new facilities at Whitchurch, once completed.

7.7. The contract, which was extended in August 2022 for 5 years, with a break clause after 2 years, commenced on 1 August 2012 and is for a period of 10 years. The contract is let to the Shropshire Community Leisure Trust which has appointed Serco to deliver operational management services.

7.8. Inclusion of SpArC Leisure Centre at Bishop's Castle can be legally included within the terms of the existing contract. The legal basis for modification of concession contracts during their term without the need for a new procurement is contained in Regulation 43 of the Concession Contracts Regulations 2016.

7.9. The opening hours, facilities, staff and activities would remain the same, and the building would remain in Council ownership.

7.10. The benefits of transferring the management of the centre include:

- Improved marketing and development of the leisure offer at SpArC
- A more consistent approach across Shropshire
- Increased training and development opportunities for staff
- Improved cover for staff, with a Shropshire-wide team
- Projected financial saving of £23k per annum, based on current projections, until the end of the current contract (31 July 2027)
- SpArC Leisure Centre would then be an integral part of the main leisure contract when it is tendered for August 2027

8. Additional Information

- 8.1. As there are no plans to change the facility offer, opening hours or staffing, it is not envisaged there will be any impacts on equalities, social inclusion or health. The principles of this would have been considered when the existing contract was let. A full Equality, Social Inclusion and Health Impact Assessment will be completed before the main contract is tendered in 2027.
- 8.2. The [Bishop's Castle Place Plan](#) area is the most sparsely populated area in Shropshire, with a population of around 11,000 residents and a population density of 0.2 persons per hectare. The population grew from 6,903 to 10,856 (2002 - 2020) a rise of 57.3%.
- 8.3. There are more people aged 65+ compared to Shropshire overall (2020):
- 13.8% aged 0-15, lower than 16.3% in Shropshire.
 - 55.5% of working age (16-64), lower than 58.7% in Shropshire
 - 30.7% aged 65+, higher than 25.0% in Shropshire
 - Average age of residents is 49 years old, higher than Shropshire (45 years old)
 - Has the 2nd highest overall deprivation score out of all 18 place plan areas, behind Craven Arms.
- 8.4. Bishop's Castle is rurally isolated with no other facilities within a 20-minute drive of the town. There is also no public transport provision in the evenings or on Sundays, so access to leisure facilities in the area is critical for the health and wellbeing of local people.

9. Conclusions

- 9.1. Transferring the management of SpArC Leisure Centre to Shropshire Community Leisure Trust is an important step in delivering a more cost-effective and consistent approach to leisure delivery across Shropshire. This will enable the centre to be considered in a cross-county approach to the delivery of our main leisure centres when the contract is retendered in 2027.
- 9.2. The benefits of doing this in the short-term include improved marketing and development of the centre for the local community, increased training and development opportunities for staff, a more consistent leisure offer across Shropshire, with the opportunity for joint memberships, reduced risk for Shropshire Council and overall financial savings.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: Engagement with local councillors has been completed:
Cllr Ruth Houghton
Cllr Heather Kidd
Cllr Nigel Hartin

Appendices

N/A