



# No investment? No future.

Toby Kingsbury

**Toby Kingsbury, Director at the Sport, Leisure and Culture Consultancy (SLC), highlights the huge challenges facing public leisure facilities and explains how those local authorities willing to invest can deliver successful and sustainable facilities that support wider strategic outcomes.**

We have a big problem with our leisure facilities. One that's been gaining momentum since the 1990s. We have too many old, poorly designed facilities that are costly to run, uninviting or inaccessible. They are failing to meet the needs of existing users let alone those less active groups that we should be trying to reach. It's not a new problem but *is* one that is too often ignored or filed under 'too difficult to deal with'!

Recognising that we have a problem is simple but the challenge of providing the right answers is not. SLC are working at the heart of this, supporting councils in finding sustainable solutions for their facilities and helping to defuse the 'ticking timebomb' of inactivity across the UK.

Figures from Sport England show that approximately 60% of public leisure facilities are now more than 20 years old and nearly a quarter of them have not been refurbished in 20 years. Many local authorities are working with facilities built in the 1970s and 80s that are operating well beyond



their intended lifespan. The best part of half a century later they are now all too obviously of their time, hampered by inflexible, purpose-built activity areas connected by endless blockwork corridors and wrapped in bland, windowless facades. At best they're suffering from dated design from a previous generation and at worst, they're downright hostile. It's no wonder national participation rates are stagnating and obesity levels increasing.

Add to the mix increasingly inefficient plant, eye-watering lifecycle costs and rising energy costs and it's little wonder that many local authorities are being forced to make some very difficult decisions about their leisure facilities. All over the UK the

traditional leisure centre, for generations the very public face of local leisure provision, is under threat.

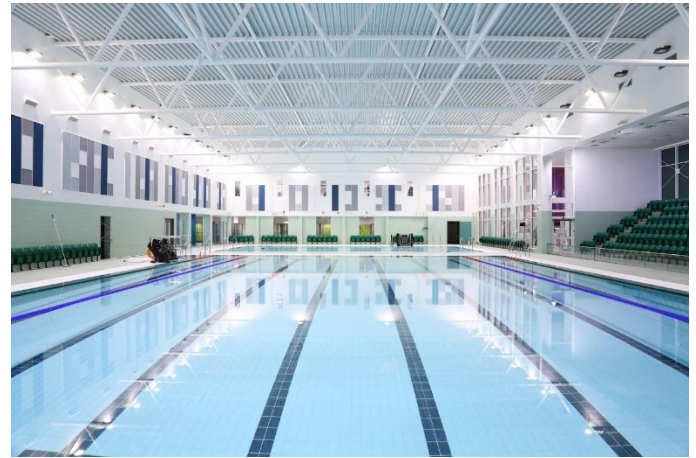
This all paints a gloomy picture but there is a glimpse of light at the end of the dark corridor that probably leads to the under-used squash courts...

In fact, in many respects the leisure landscape has never looked so positive. At long last the strong link between physical activity and health is properly recognised, accepted and understood. National government policy is finally reflecting that being active is good for the long-term wellbeing of communities and that tackling inactivity will have the greatest impact on health outcomes. Physical activity, the environments that enable it and the organisations that promote, develop and deliver it are recognised as part of the solution. Supporting this policy shift, the market for health and fitness facilities remains strong, with around 15% of the population being registered as gym members.

From a local authority's perspective, the heightened political profile of the physical activity agenda, coupled with a buoyant health and fitness market that has shown consistent, steady and sustainable growth, provides some real opportunities. Gym membership is now a fundamental part of the core offer of leisure operations, generating significant income from a market that is expanding in response to effective marketing, responsive programming and good quality design. Demand for (and revenue from), a good quality health and fitness offer remains a cornerstone of the modern leisure industry and while only 15% of the population might be gym members, they are often making up 50% of the income of a large wet and dry leisure centre. Add to the mix a well-managed swimming lesson programme, an innovative and exciting children's activity offer, good quality food and beverage offer and a diverse, flexible, well marketed and targeted programme of activities and the offer becomes not

only more financially sustainable but more likely to attract a wider audience.

Local authorities that get their investment strategy right often see an immediate shift from subsidy to surplus – helping to cover borrowing costs and still producing enough surplus to support wider concessions and outreach programmes.



So, the leisure centre model is actually thriving, but only if you get it **right!** With the **right** market conditions, investment in the **right** facilities in the **right** location can create valuable assets that generate strong and sustainable income streams. Often these improved assets can deliver a cost-neutral or positive revenue source to local authorities rather than being a financial burden and can unlock new cash to help deliver those targeted but costly interventions which contribute to longer term improvements to local health outcomes.

Of course, there are a whole host of variables and local conditions that influence any facility investment project but there are now plenty of examples which have been successful in moving leisure services from significant subsidy to surplus, enabling Councils to support more targeted programmes to tackle inactivity. In Slough, a major programme of facility investment is set to provide revenue savings of c.£13M over a 10-year period, allowing for the implementation of a new Active Communities programme to support the Council in

tackling severe levels of inactivity and health inequalities across the Borough.



In Worcester, a £12M investment into Perdiswell Leisure Centre has helped secure revenue savings of over £1M per year, some of which has been used to establish a new outreach programme to engage and activate those groups who don't visit traditional leisure facilities. This approach to securing additional income through investment and using this to support more costly, targeted interventions is how a truly modern sport and leisure service should be delivered.

Establishing strong and sustainable indoor provision is critical but what about the 80% of the population that don't use traditional leisure centres?

Forward-thinking councils are now also seeking ways to make their parks and open spaces more effective in supporting active communities. Combining free to access adventure play areas, outdoor gyms and trim trails with a good quality café can work. Link this to other commercial activities such as artificial turf pitches, adventure golf and high ropes courses and this can deliver a diverse offer which not only gets people more active but provides a financially sustainable solution for local authorities. SLC have recently led masterplanning projects in Barnet and Watford where underused and uninspiring parks and pavilions have been redesigned into vibrant,

engaging spaces that support local communities in getting out and getting active.

The idea of flourishing, financially sustainable leisure facilities is a very attractive proposition but at SLC we go into every feasibility project with caution. No two local markets, no two sites, no two facilities are the same. Our approach is always to base our business case and costings for any new leisure investment scheme on robust evidence and clear assumptions. This means that risk is kept to a minimum and there is clarity throughout regarding how the scheme can be successfully delivered.

Detailed feasibility studies are key to any successful facility development but the process of exploring the case for investment starts with a local authority's strategic vision. This vision must have political buy-in and should recognise the importance of leisure facility provision and the need for improvement over the long term in order to positively influence the health and quality of life of the community it serves.

SLC has been working with Sport England in developing the new Strategic Outcomes Planning Guidance which provides a roadmap for local authorities to develop a more strategic approach, which can, where appropriate, lead to more effective delivery of leisure services.

The approach to developing an effective feasibility study is bespoke to each project but should follow a logical and recognised methodology:

- **Take stock.** Understand the wider local landscape of existing provision and make sure you have a firm grasp of the specific facility(s) in scope. What works within the current provision? Where are the obvious weaknesses? To what extent are facilities meeting local needs? Where are they providing a return or attracting a subsidy? What are the whole life costs (asset maintenance and replacement) over the



medium term and are these set out within independent, costed condition surveys? Some local authorities really understand their portfolio of facilities; others do not. A clear understanding of the current state is critical to building the evidence base for investment.

- **Understand need.** What core facilities are required to meet current and future need linked to population growth? How is this assessment informed by local stakeholders and wider partners? How is need balanced between what's essential and what's desirable or even aspirational? How does this translate into an optimal facility mix?
- **Know your site.** Being clear on the constraints and opportunities of the proposed development site(s) will ensure that the required facility mix can be delivered. It's not just about footprint; location and access is also critical.
- **Keep the design simple.** Now is not the time to be spending time and resource on grand architectural drawings or getting bogged down with the minutiae of detailed designs. Feasibility stage is about getting the floor areas and adjacencies right and developing the site plan to illustrate the wider context and setting of the development.
- **Get the numbers right.** The capital cost estimates and revenue business plans require expert input and close scrutiny. Underestimating the total development costs (which must include professional fees, surveys and inflation costs) or overstating the revenue position can undermine the business case and expose officers and Members further down the line. The purpose of the feasibility study is not to be persuasive, overly ambitious or provide answers that clients *want* to hear. Rather it is to establish an independent, robust and evidence-based assessment which tells them what they *need* to hear.



We cannot underestimate the role that built facilities, either indoor or outdoor, play in developing, supporting and sustaining active communities. We should also not underestimate just how many of these facilities are currently failing to meet local needs and remain a black mark on the balance sheets of local authorities.

The age of austerity continues and non-statutory services like leisure needs to fight its corner hard...**only those local authorities willing to properly address their stock of facilities will stand a chance of retaining those facilities and commissioning services that can make an impact.**

The opportunities are there but we encourage local authorities to be increasingly bold in grasping them.

Just picture a future local newspaper headline of **'Council to close all leisure facilities'** versus **'Council secures a sustainable future for leisure, health and wellbeing'**.

Take your pick...

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