

Report sponsor: Deputy Chief Executive and
Strategic Director for Communities and Place
Report author: Area Leisure Centre Manager

Future of Queen's Leisure Centre

Purpose

- 1.1 To provide information to determine the future of Queens Leisure Centre (QLC).
- 1.2 Two previous Cabinet reports in November 2017 and February 2019, both detailed the expectation that QLC will close when Moorways Sports Village (MSV) opens. This report provides a summary of key information (including consultation) for Cabinet to enable the future of the Queens Leisure Centre to be determined.

Recommendation(s)

- 2.1 To consider the outcome of the public consultation, which collates information from the public consultation that took place between 22 July and 14 October 2021, responses to which are contained in the report in paragraphs 4.22 to 4.25.
- 2.2 To note and consider the Strategic Assessment for Provision of Swimming Pools carried out in September 2021.
- 2.3 To note and consider the information collated by FMG consultancy detailed in paragraphs from 4.27 regarding the Built Leisure Facilities Strategy (LFS).
- 2.4 To note and consider the Equality Impact Assessment (EIA), Appendix 1.
- 2.5 To approve the cessation of the current leisure operation at Queen's Leisure Centre by DCC, and delegate to the Strategic Director for Communities and Place all necessary actions linked to this decision
- 2.6 To delegate approval to the Strategic Director of Communities and Place in consultation with the Cabinet Member for Wellbeing, Leisure, Culture and Tourism in to agree the exact closure date aligned with the opening of Moorways Sports Village and the transfer of activities therein.

Reason(s)

- 3.1 A Strategic Assessment for Provision of Swimming Pools was carried out by Sport England in the Facilities Planning Model in September 2021 concluded that the location and scale of Moorways Sports Village, with its very extensive swimming activities offer, can meet the projected demand for swimming by Derby residents, without the current services being delivered at QLC.
(Summary information on the strategic assessment is detailed in paragraphs 4.4 to 4.14).

- 3.2 The EIA demonstrates that the new provision at MSV with its very extensive swimming, health and fitness and sport and physical activity offer ensures a positive impact for residents.
- 3.3 The information collated by FMG consultancy regarding the LFS includes benchmarking analysis of the performance of QLC and a quality audit. Overall, the information demonstrates significant underperformance of QLC against key Leisure metrics.
- 3.4 The age and design of QLC is not suitable for modern leisure use
- It delivers poor quality services to customers.
 - There is an overall under performance of the facility as detailed in paragraph's 4.35 – 4.45 and would worsen further once MSV opens in spring 2022.
 - There are current closures within QLC of the teaching pool, the teaching pool changing rooms and the gym due to ongoing maintenance and health and safety issues.
 - Future investment would not represent Value for Money
- 3.5 MSV is due to open in spring 2022 as planned. This new £42m leisure facility provides extensive swimming and health and fitness facilities for Derby. MSV provides a 50m swimming pool, teaching pool and a water park as well as large health and fitness facility, spa, studios, soft play areas and cafe. When proposals for MSV were approved in 2017, there was an expectation that services at QLC would cease when MSV opened. This was due to the significant benefits the new facility would bring to the city and to it being able to meet demands and deliver the strategic outcomes for the city.
- 3.6 MSV will help citizens to have active and healthy lifestyles and improved quality of life because of the range of leisure activities available. It will give children, young people, students, and employees access to high quality sporting provision and will help to address the needs of local clubs and sports participants, specifically making facilities more accessible and inclusive for all. It will provide high quality facilities and pathways from beginner to excellence and will help build and enhance a national reputation for the City for excellence of its clubs and facilities around access to facilities to support better health.

Supporting information

- 4.1 Queen Street Swimming Baths was opened in 1932 to replace the swimming baths on Full Street; a children's pool was added in 1962. Between 1989 and 1992 extensive refurbishments took place on the building and it was renamed in 1992 to Queen's Leisure Centre. It is the only Council swimming facility in the city. It has three swimming pools; one is closed due to maintenance and health and safety issues.

- 4.2 Sport England produced a report for the Council showing that by 2028, much of the city's existing swimming pool stock would reach the end of its active life without significant investment. This included Queen's Leisure Centre, which, by then, would be 96 years old. To prolong the life of Queen's Leisure Centre, a decision was made to undertake maintenance works to the Family Pool roof. This work was completed in June 2017 allowing the Family Pool to reopen. The work aimed to extend the life of Queen's Leisure Centre by up to five years until 2021.
- 4.3 During 2020, several further building condition and structural surveys took place on the Centre. This resulted in the teaching pool, teaching pool changing rooms and gym being closed until further notice due to concerns over the structural condition of these areas. Based on the structural surveys that have been commissioned for QLC, repairs and maintenance for all three pools as well as a significant large-scale refurbishment would be required to keep the facility open in the longer-term.

Strategic Assessment for Provision of Swimming Pools – Sport England Facilities Planning Model September 2021

- 4.4 The Council commissioned Sport England to undertake their Facilities Planning Model (FPM) assessment on the Strategic Assessment for Provision of Swimming Pools in Derby. The assessment was undertaken in June 2021 and the final Report issued to the Council in September 2021.
- 4.5 The FPM assessment for Derby focused on the need for swimming pool provision over the period 2021 to 2028 considering the current and expected future supply and location of swimming facilities, current and expected future demand for swimming as well as changes in population, housing growth in and bordering the City, accessibility and changes in adjacent local authority provision. This demonstrated in the period up to 2028 the Moorways Sports Village provision meets the needs of the City for swimming capacity
- 4.6 The total demand for swimming by Derby residents is projected to be almost unchanged between 2021 and 2028. The reason for this is that although the population is expected to increase by 1.6% over the period, there are fewer residents in the main age band for swimming, creating a slightly lower demand.

Equality Impact Assessment

- 4.7 An Equality Impact Assessment (EIA) has been completed. Under the specific public sector duties introduced by the Equality Act 2010 public bodies must have due regard for the need to take account of the general duties when making key decisions.
- These duties relate to the protected characteristic groups as listed below:
- Age.
 - Disability.
 - Gender identity.
 - Marriage and Civil Partnership.

- Race.
 - Religion or belief or none.
 - Sex.
 - Sexual orientation.
- 4.8 An assessment of QLC current activities, clubs and groups who use the Centre has taken place to assess the impact of the proposal and, also to any mitigation that is possible linked to the opening of MSV or other venues across the city.
- 4.9 Meetings have been held with a number of the Council's equality forums, Race Equality hub, Access hub and the Voices in Action Youth Council and Children in Care Council. A session was also held with QLC colleagues and Trade Union representatives. The information from these sessions have been fed into the EIA.
- 4.10 The outcome of the EIA is that no major changes are required, as MSV with its very extensive swimming, health and fitness and sport and physical activity offer ensures a net positive impact for residents.
- 4.11 The EIA, however, identified a potential negative impact for those customers who access QLC either via public transport or walking. In order to address these the Council is meeting with the passenger transport providers regarding increased public transport opportunities for MSV. Officers will also work with the new partner operator to promote Active Travel such as walking, running, and cycling routes to MSV.
- 4.12 The specification for the new partner operator for Moorways Sports Village includes targets to improve accessibility and to promote physical activity across the whole city.

Public Consultation

- 4.13 A public consultation exercise was undertaken on the proposals between 22 July 2021 and 14 October 2021.
- 4.14 An online questionnaire was available on the Council's website for feedback. Paper copies of the questionnaire were also available from the Leisure Centres, Derby Arena and Libraires. A link to the questionnaire was sent to QLC colleagues, clubs and schools. The consultation was also promoted through Derby Active social media platforms, and the Cathedral Quarter newsletter. Despite this there were only 1,537 respondents in total.
- 4.15 In addition to the survey, meetings were held with a number of the Council's different stakeholder forums: including the Race Equality hub, Access hub, and Voices in Action Youth Council and Children in Care Council as well as a session with QLC colleagues and Trade Union representatives. The information from all of these sessions have been fed into the consultation report.

- 4.16 The main responses from the consultation related to:
- a) The distance/time/cost that would be needed to travel to use another venue and inconvenience or disruption to swimming or exercise
 - b) Access to space and affordable prices at the new venue
 - c) Comments about the reduction in pools within in the city
 - d) The future/impact on the building/city centre
- 4.17 Based on respondent feedback the main impact relates to travel and access to MSV, particularly for people living close to QLC, and especially for those who do not have access to a car. As such these people currently walk or cycle to QLC or use public transport. Where respondents access QLC by walking or cycling, they felt that accessing MSV would be difficult, as such this could reduce their level of physical activity.
- 4.18 The impact on the city centre was a concern raised by some, and that by ceasing the leisure offer QLC, would lead to a reduction in footfall, and thus impact on local businesses.
- 4.19 There were also some comments about needing access to facilities and affordable prices to use MSV, otherwise it may exclude some people.
- 4.20 Some respondents also raised concerns about the impact of the proposal on the city's heritage and the potential loss of another historic building, with a number keen to preserve the main building.
- 4.21 The feedback from the majority of the 1,537 respondents to the public consultation is that QLC should not be closed from their perspective, however there was recognition, that the facility in its current format would need to change.

Response to Consultation Feedback

- 4.22 In response the comments on distance/time/cost that would be needed to travel to use another venue:
- a) Active travel is already a council priority across the city and a range of smarter travel options will be encouraged, for people to choose a range of easily accessible and integrated lower carbon travel choices, when travelling to the site.
 - b) The partner operator will introduce promotions and packages for frequent users.
- 4.23 In response to the comments raised regarding affordability
- a) The arrangement with the successful partner operator will enable the Council to set and approve prices in some core activities such as casual swimming, water park sessions, learn to swim and health and fitness membership, thus maintaining fair access
 - b) The partner operator will be required to offer a concessionary pricing scheme for the same target groups that are in place currently so there will be no detriment.
 - c) The partner operator will introduce promotions & packages for key activities

- 4.24 In response to the comments about access & the reduction in pools in the city:
- a) There is 706 sqm more water space once MSV opens, if QLC closes.
 - b) It is possible to programme activities in the swimming pools more flexibly due to the state-of-the-art design incorporating movable booms and floors.
 - c) There is recommendation in the Strategic Assessment for Provision of Swimming Pools that the Council undertakes a further strategic review of swimming provision in three years' time to consider the impact of MSV opening.
- 4.25 In response to the comments about the future/impact on the building/city centre
- a) The Council is at an early stage of assessing potential development options for the Northern Gateway, which incorporates this site.
 - b) There is an emerging city centre plan, which is focused on informing the vision of a repurposed and vibrant city centre accommodating a balanced mix of cultural, residential, workspace and retail uses.
 - c) Adjacent to the QLC site is a key cultural organisation. The regeneration proposals will embrace and support such cultural activity, which is vital the aspirations for a vibrant city centre.
- 4.26 In conclusion despite the low level of response to the consultation process the Council is confident that each concern, which has been raised, can be effectively mitigated.

FMG benchmarking analysis of the performance of QLC

- 4.27 In 2017, the Council appointed FMG Consulting Ltd. (FMG) to undertake a refresh of the Built Leisure Facilities Strategy (LFS). This included a 'benchmarking analysis of the current performance of Leisure Facilities operated by the Council in Derby. The aim of this assessment is to provide an insight into the potential future performance of facilities from a use and revenue perspective.
- 4.28 Overall, the benchmarking analysis represents a poor picture for QLC with low-income levels for health and fitness, with swimming income at the lower end of the benchmark. Staffing costs as a % of income is some of the highest FMG have experienced in recent years.
- 4.29 The information for QLC has been updated in the LFS report to 2019/20, the last full year of operation pre-COVOD-19 pandemic.
- 4.30 The number of members per station was only circa 7, which is significantly below the benchmark of 20-25 members (whilst some experienced leisure operators will also operate at circa 30 members per station). There has also been a dramatic fall in memberships at the facility. Memberships have fallen from 719 in 204/15 to 272 in 2019/20
- 4.31 Swimming performance at the centre is at the lower end of the benchmark range of £759/m2.

- 4.32 In addition to the benchmarking analysis, FMG also undertook a quality audit for facilities following site visits in accordance with Assessing Needs and Opportunities Guide (ANOG), best practise guidance. ANOG the methodology for assessing indoor sports needs developed by Sport England.

The outcome of the QLC quality audit is detailed below

Audit Criteria		Score
Pool Design and Dimensions	Score out of five	3
Dry Changing		2
Wet Changing		1
Dry Disabled Access and Changing		4
Wet Disabled Access and Changing		4
Car Parking and Access		3
Total		17
Max score		30
%		57%

The quality audit shows that QLC requires investment to upgrade changing facilities, however this also must be taken in the context of the age of the facilities.

- 4.33 The key issues raised from the performance benchmarking and quality audit in relation to QLC are:
- To consider the future viability of QLC in the context of increasing costs, reducing use and income and the age of the facility and lifecycle repair implications.
 - Investment in improved changing provision is needed at QLC but there is also a need for this to be considered against the wider outcomes of this LFS.
- 4.34 As well as the FMG data above, over the period 2019-20 – 2021-22, there has also been a 40% decline in attendances at QLC. The impacts of Covid-19 and the closure of the teaching pool, and gym have reduced the attendances at the centre over the period from 218,160, to a forecasted year-end attendance of 130,000.

Moorways Sports Village

- 4.35 At Cabinet meeting, 8 November 2017, approval was given for the RIBA stage 3 developed design for the proposed new Swimming Pool Complex at Moorways based on the proposed enhanced facility mix to develop a more commercial leisure offer and to approve progressing the detailed designs for the new Swimming Pool Complex.
- 4.36 At Cabinet meeting, 13 February 2019, approval was given to progress with submission of a new planning application which is needed to construct the new Swimming Pool Complex with enhanced leisure water.

- 4.37 The facility mix for the new Moorways Sports Village is of a significantly higher quality and capacity than that offered at QLC and includes:
- 50m x 10 lane (25m) pool with two moveable floors and walls, creating the opportunity to have three regional pools in operation at the same time. There is spectate seating for circa 450 people as well a competitor seating for circa 250 swimmers, on poolside.
 - 17m x four lane (8m) teaching pool.
 - Water Park with wave pool, Wow Ball, two flumes, racer slides, water play elevation and Wave Rider.
 - 120 station gym and three fitness/activity studios.
 - Large Soft Play.
 - Café, with small soft paly.
 - Four meeting rooms.

In addition to the above, MSV will also incorporate the nationally recognised the Moorways Stadium to create a sport and family activity destination venue in the heart of England.

- 4.38 In January 2021, the Council announced that it would be seeking to appoint a partner operator to manage MSV. Following the tender process, the Council is on track to appoint a successful tenderer early in 2022 as planned.

Public/stakeholder engagement

- 5.1 The following consultation has been undertaken with public and stakeholders and feedback considered for the report:
- QLC colleagues through the public consultation.
 - QLC and Trade Union representative's consultation session in October 2021.
 - QLC customers, sports clubs and hirers through the public consultation.
 - City and non-city residents through the public consultation.
 - Derby City Sports Forum meeting held in August 2021.
 - Race Equality hub meeting held in September 2021.
 - Access hub meeting held in September 2021.
 - Voices in Action and Children in Care Councils held in September 2021.

Other options

- 6.1 To keep QLC open will enable the Council to continue to deliver a limited leisure offer from the Centre. However, this will require the significant financial and safety implications referred to in this report, to be resolved. Indicative costs to allow the continued operation of the QLC is estimated to be in excess of £10 million. In addition, the operation of both the MSV and continued operation of the QLC would require increased subsidy.

Financial and value for money issues

- 7.1 Provision of Leisure and physical opportunities is an integral part of the Council's contribution to addressing health inequalities and promoting wellbeing across the City and all its residents. As a discretionary service the Council needs to consider the relative financial priority in respect to the provision of subsidy to encourage access and use of Council Leisure facilities. In addition, the provision of leisure facilities is complemented by private sector provision within the City.
- 7.2 Analysis of the subsidy and investment over the past three years demonstrates significant subsidy for an underutilised QLC and reduced attendances. A summary of estimated revenue costs is shown below for between April 19 – Mar 22:
- a) £525,000 - £725,000 on the property maintenance
 - b) £1,900,000 - £2,000,000 on the leisure subsidy

The FMG benchmarking detailed in this report indicates relatively poor VFM in the continued operation of the QLC.

- 7.3 The development of Moorways Sports village will allow the City to provide a 21st century leisure provision operated by an external leisure provider within the £400k subsidy provision contained within the MTFP. In addition, the anticipated attendance for the MSV is expected to be significantly higher compared to 130,000 attendees at the QLC. As such, the best VFM for the Council is achieved through the closure of the QLC and transfer of provision to the QLC
- 7.4 A summary of estimated revenue costs is shown below, if QLC, was to remain open for an additional 5-years:
- a) £1,476,000 is the estimated costs of reactive maintenance, and planned servicing,
 - b) £3,730,500 is the estimated leisure subsidy
- 7.5 There are £635,000 of efficiency savings identified as part of the Council's 2021-22 Medium Term Financial Plan (MTFP) for property and leisure services. This report requests approval to cease the leisure offer at QLC which will support the achievement of these savings.
- 7.6 A summary of capital investment considerations is below:

Historic under investment within the QLC means that the current centre is not fit from purpose as an asset and/or user experiences. The QLC if retained needs major capital investment to make it fit for purpose as a modern-day facility. A condition survey undertaken in 2018 identified high level budget costs for lifecycle replacements to be in the region of £8,000,000 with significant investment in replacing roof coverings and electrical and mechanical services. Further deterioration of the asset has taken place since then, including closure of a number of areas of the Centre. The Capital Investment requirement is likely to have increased since then. If the Council was to retain the QLC it would require the facility to close resulting in revenue implications, cessation of services to customers and jobs whilst the capital works are carried out

Legal implication

- 8.1 Transfer of Undertakings (Protection of Employment) regulations (TUPE) does not apply to the QLC staff, as the two facilities are not linked

However, as part of the negotiation stage of the tender process the Council has discussed the QLC proposal with the potential bidders. As part of these negotiation, bidders have been asked to consider the transfer of staff from QLC to MSV as if TUPE applies, should the decision be to cease the leisure operation at QLC. All bidders have confirmed they would accept the transfer of the QLC staff as this would help with their recruitment process and mobilisation to open MSV. They recognised the skills, knowledge and experience the QLC staff have and how that will help deliver services going forward.

Climate implications

- 9.1 There are no significant climate implications for the Council in relation to implementation of the recommendation, though the new MSV facilities will be more energy efficient than QLC as the equipment that has been installed will incorporate the latest technology.

Other significant implications

HR

- 10.1 There are currently 55 people who work at QLC; 22 are contracted employees and 33 are relief workers. Subject to agreement of the recommendation to close the QLC when MSV opens in spring 2022, the Transfer of Undertakings (Protection of Employment) regulations (TUPE) and pension implications for the colleagues will be progressed as a priority.
- 10.2 If the decision is to keep QLC open, then QLC colleagues will remain at the Centre, however, there may be some who are recruited by the successful tenderer to work at MSV, this may in the short term have an impact on the QLC operation and ability to delivery services.

Economic/City Centre Growth

- 10.3 The QLC site is located within a key strategic area of the city, known as the "Northern Gateway". The area comprises a mix of Council owned sites including Chapel Street multi storey car park and privately owned assets.
- 10.4 The Council is at an early stage of assessing potential development options in the context of the emerging city centre plan, which is focused on informing the vision of a repurposed and vibrant city centre, accommodating a balanced mix of cultural, residential, workspace and retail uses. Adjacent to the QLC site is DEDA, one of the key cultural organisations in Derby and one of the Arts Council England's National Portfolio Organisations. The regeneration proposals will embrace and support such cultural activity, which is vital the aspirations for a vibrant city centre.

- 10.5 It is proposed that the QLC site will be incorporated within the scope of the Northern Quarter development should a decision to cease the service and close the facility be made.
- 10.6 The QLC site represents a key regeneration opportunity in the context of the wider regeneration and repurposing of the city centre, a critical agenda for the Council. The Council is progressing a new city centre plan, which will enable the realisation of a city centre fit for the 21st century, contributing to the wider city economic diversification and growth, and the attraction and retention of talent for the city and region. Significant sites owned by the Council, such as the QLC site, clearly offer opportunities to accelerate this repurposing and revitalisation of the city centre. The economic benefits of a wider regeneration scheme would clearly outweigh the benefits of bringing forward Derby City Council owned sites in isolation.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	15 November 2021
	Paul McMahon	18 November 2021
Finance	Janice Hadfield	17 November 2021
HR	Liz Moore	18 November 2021
Equalities	Ann Webster	
Service Director(s)	Claire Davenport, Director of Leisure, Culture & Tourism Steve Caplan	29 November 2021
Report sponsor	Rachel North	
Other(s)	Simon Riley	

Background papers:

1. Queen's Leisure Centre consultation 2021.
2. Strategic Assessment for Provision of Swimming Pools – September 2021.

Appendices:

1. Equality impact assessment

