

**Manchester City Council  
Report for Resolution**

**Report to:** Executive – 7 March 2018

**Subject:** Manchester Leisure Arrangements Update

**Report of:** Deputy Chief Executive, Growth and Neighbourhoods

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**Summary**

Following the conclusion of the Sport and Leisure Review in spring 2017, a report was agreed at Executive in July 2017, to progress: 1) The development of a revised Sport and Physical Activity Strategy for Manchester. 2) Development of new governance arrangements and a vehicle responsible for implementing the Strategy (Manchester Active). 3) Revised service delivery arrangements through the procurement of a new operating arrangement for the 20 large scale Council owned indoor leisure facilities. This report provides an update on the progress being made with each of these items. Additionally, following a number of considerations identified during the last 6 months, the report also seeks a resolution to extend the existing arrangements for up to a further 6 months to enable the procurement process to be concluded and to implement the transitional arrangements.

**Recommendations**

The Executive is recommended to:

- 1) Note the contents of this report and the progress being made with regards to the procurement process for a new Indoor Sport and Leisure facility operating contract (20 facilities), which will be presented to the Executive in May 2018 for determination .
  - 2) Note the detailed proposals for Manchester Active which will be presented to the Executive in May 2018 for determination.
  - 3) To approve the extension to the two existing Sport and Leisure facility operating contracts with the Eastlands Trust (for the National / Regional Sports Centres of Excellence) and GLL (for the Community Leisure Centres) for a minimum of a further 3 months and maximum of 6 months. This will be reviewed on a month by month basis.
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**Wards Affected**

All Wards

Our Manchester Strategy Spine	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Sport and Leisure is a key economic driver within the city not only as an employer, but also in attracting inward investment to underpin a wide range of key sectors in the city.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The Sport and Leisure sector provides significant opportunities for training, development, apprenticeship programmes and volunteering. This contributes meaningfully to employment within the Manchester economy.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Sport and Leisure services are at the core of neighbourhoods and they create significant opportunities for all communities within the city to engage actively and energetically.
A liveable and low carbon city: a destination of choice to live, visit, work	The Sport and Leisure provision has made a strong commitment to environmental sustainability through investment to modernise the estate. This is embedded within the management of the existing estate and the plans for the refurbished and replacement leisure facilities over the next five years.
A connected city: world class infrastructure and connectivity to drive growth	Sport and Leisure sector over the last twenty years have already invested significantly in new assets that have helped drive the city's growth agenda. The new Strategy seeks to deliver new high quality assets across the city that will continue to support our growth ambitions over the next decade.

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Financial Consequences – Revenue**

The revenue consequences associated with the Leisure Facility Operating contract are set out in the part B report.

### **Financial Consequences – Capital**

At this stage there are no capital consequences arising as a result of these proposals.

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### **Background documents (available for public inspection)**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Executive Report – Sport and Leisure Arrangements – 2018 onwards, 26 July 2017, item 6.
- Executive Report, Future Delivery of Indoor Leisure Services, 18 June 2014, Item 8.
- Neighbourhoods Scrutiny Committee Report – Indoor Leisure Contract, 4 March 2014, Item 7.
- Executive Report, Leisure Trust Governance and Management Review, 18 December 2013, Item 9.

## 1.0 Introduction

- 1.1 Work commenced in early 2017 to review the options for the future arrangements for sport, leisure and physical activity across Manchester. The review was undertaken with various stakeholders including colleagues in health, education, National Governing Bodies of Sport, Sport England and the voluntary sector. The review concluded the need to progress three key pieces of work: 1) Development of a revised Sport and Physical Activity Strategy for Manchester; 2) Development of revised governance arrangements and a vehicle responsible for implementing the Strategy (Manchester Active/ MCR Active); and, 3) Revised service delivery arrangements through the procurement of a new operating arrangement for the 20 large scale Council owned indoor leisure facilities.
- 1.2 The Executive considered the outcomes from the review in July 2017 and approved in principle the above proposals. This report provides an update on the progress that has been made since July, the work that is still outstanding and the need to continue with the existing arrangements until this work has been completed.

## 2.0 Background

- 2.1 In summary the three key areas which have been progressed since July 2017 are set out below.
- **Strategy** – Consultation on a new strategy for Sport and Physical Activity, overseen by the Council and partners including: Sport England, National Governing Bodies of Sport, the Universities, service providers, clubs and community voluntary sector organisations.
  - **MCR Active** – The development of MCR Active, which will be directly accountable to the Council and responsible for implementing the Sport and Physical Activity strategy on behalf of the Council. The role of MCR Active is to provide the leadership and a common narrative for sport and physical activity in Manchester. It will develop the plans which underpin the strategy and broker and facilitate relationships which will deliver it.
  - **Leisure Operator** – The new single leisure operating arrangement is being procured to share risk between the Council and the operator, whilst bringing to bear the expertise of a credible national operator who can drive the quality, efficiency and innovation, which is required to deliver the Strategy. The leisure operator's role is more streamlined than previously and focused on providing high quality facility management across the leisure facilities and underwriting financial and operating risk. The market based proposals received through the procurement process will be evaluated and presented for determination.

## 3.0 Strategy - Progress on the Development of the Strategy

- 3.1 Throughout the summer and autumn of 2017, the Council undertook extensive engagement with residents on the revised Strategy for Sport and Physical

Activity. A series of engagement events were held where we listened to residents and focused on the strengths of our communities. The engagement focused on how the Council and residents could work together to improve lives and remove barriers to participation. The response was staggering with over 2,266 people joining in on the conversation and providing overwhelming support (89.5%) for a revised Sport and Physical Activity vision and strategic themes.

3.2 By engaging residents in a different way rather than just consulting through a traditional survey and series of workshops we captured more detailed insights about what matters most to people. Residents told us that:

- Service provision needs to be much more locally led and promoted and available in every neighbourhood.
- The costs of some service provision remains a barrier to participation for some communities.
- Activities needs to be accessible and easy to find out about.
- The most popular activities people do are low cost and easy to participate in such as: Walking, Fitness and Gym, Swimming, Running and Cycling.
- Most common request for a specific activity was more “Park Runs”.
- Lack of time, lack of money and availability / timing of sessions are the biggest barriers to being active.
- Both the active and inactive want to get active and or be move active but sometimes other things in life get in the way of achieving this.
- Some specific BME communities said that the timing of provision and working hours are key barriers to participation. More family based activities are essential to their engagement, preferably at local community/ non sporting venues.
- People with disabilities are telling us they feel staff need training to better understand their needs to encourage greater participation.

3.3. The insight generated from the engagement and the feedback from the survey are currently being analysed to establish priorities which will inform the drafting of Strategy and the plan which underpins this. The guiding principle of the Strategy is to be more inclusive and widen access to sport and physical activity, this will be achieved by working with residents, focusing on the complex needs of people and understanding motivation and behaviour (both organisations and people). The Strategy will be presented and proposed for adoption by the Executive in May 2018.

#### **4.0 Manchester Active – Progress on the Development of MCR Active**

4.1 Since July 2017 the principles of the “Our Manchester” approach have been embraced with over 39 organisations and groups being engaged to help shape the role of MCR Active and the development of the new arrangements.

4.2 An early version of the MCR Active website has been launched to build momentum behind the approach. In addition, over £500k has been secured to develop the digital strategy and web presence over the next two years. The MCR Active card has been launched and over 22,000 people have signed up

in the first 6 months, this provides additional user data over and above the 30,000 people who are already members of Council gym facilities or the Swim School programme. The benefits of the card are that card holders can receive a 30% discount/ subsidy on the pay and play use of leisure facilities. The benefit to the Council is that we will have stronger data insight to help track participation and underrepresentation, which in turn help inform how the Council may promote incentives or targeted initiatives to grow participation levels in the future.

4.3 Whilst the Council is taking the lead role in developing MCR Active, the detailed work is being led in close collaboration with the Eastlands Trust (ET) and Wythenshawe Forum Trust (WFT), with the progress being overseen by the Council's Leisure Strategy Board. From the work undertaken to date a clear set of principles have been used to guide the detailed development of MCR Active. Based on the principles and the feedback received through the Sport and Physical Activity Strategy consultation, the following priority areas have emerged to inform the functions which MCR Active will be expected to fulfil, they include:

- **Single overarching strategic approach** – The implementation of the new strategy with the full buy-in of the partners and stakeholders.
- **Single commissioning framework** – a new commissioning framework to be established to channel investment in order to:
  - a) engage the inactive;
  - b) increase participation in regular sport and physical activity;
  - c) support talented athletes, develop coaches and volunteers; and,
  - d) promote events which support local, national and international objectives.
- **Building community strength** – Building resilient communities by supporting and growing the VCSE sector.
- **Single leisure operating contract** – The implementation and management of the leisure contract.
- **Single investment approach** - Developing the business cases to improve the quality of the offer and to build financial sustainability.
- **Campaigning & single communications platform** - An annual campaigns plan developed to target underrepresentation.
- **Single user account** – An account for customers to improve the customer journey across all sport and leisure facilities.
- **Quality assurance and performance management framework** – A new quality assurance framework and stronger performance management arrangements.
- **Sustainable financial model** – The streamlining of the current approach, removing duplication and creating a more sustainable system.

4.4 Work is currently underway to align existing resources to the priority areas identified above and to ascertain what other resources are available to accelerate the ambition. Once completed, this information will inform the final

proposal for MCR Active. It is proposed that the full implications arising from this will be considered at the May Executive.

## **5.0 Leisure Operator – Progress on Procuring Facility Arrangements**

- 5.1 The Council currently provides direct support to the operation of 20 indoor sport and leisure facilities. These are managed through separate arrangements with the Eastlands Trust (for the regional and national sports facilities) and Greenwich Leisure Limited (GLL) for the Community facilities. (These are set out in Appendix 1). In addition, GLL also are responsible for the Wythenshawe Forum and report directly to the Wythenshawe Forum Trust on this facility. The Council is also responsible for directly managing Debdale Sailing Centre and the Active Lifestyles Centre.
- 5.2 The future approach for the Council's indoor sport and leisure facilities will result in the management of the community, regional and national facilities being procured and coming together in a single arrangement. The tender documentation for this was developed collaboratively with the Wythenshawe Forum, the Eastlands Trust, Sport England and the Universities (who all have a stake in some of these venues) during August – October 2017. The process took longer than anticipated given the complexity of the arrangements and the need to ensure that the detail was accurate. Two contract lots were advertised during November for the national, regional and community facilities (lot 1) and the Wythenshawe Forum (lot 2). The contracts are from 1<sup>st</sup> July 2018 until 31<sup>st</sup> March 2028 (with a 5 year extension option). The closing date for submissions was advertised as 19<sup>th</sup> December 2017. Over 400 clarifications questions were raised by bidders during the clarification period and as a consequence the Council agreed to extend the closing date to the 22 January 2018 to provide bidders with more time to submit their strongest proposals.
- 5.3 Three bids were received by the Council by leading national facility operators and officers are currently assessing the submissions. Due to the complexity of the tender, largely relating to the National / Regional Sports Centres of Excellence, which have never been tendered before and the sheer size of the contract (the Manchester contract represents the largest leisure operating contract in the UK), some of the information provided as part of the submissions had a number of comments, which require more detailed consideration. Consequently, officers require more time to seek clarifications from all bidders which will ultimately assist the Council in reaching the most advantageous outcome.
- 5.4 Given the above, it is anticipated that officers will be in a stronger position to make a recommendation to award a contract at the start of the new financial year in April 2018. Therefore, it is anticipated that a full report assessing the full costs and benefits for the delivery of the 20 leisure facilities will be presented to Executive in May 2018. The business case evaluating the proposed approach will be presented for determination.
- 5.5 Dependant on outcome of the tender exercise, a ninety day transition period maybe required, therefore the contract start date, initially proposed for July 1<sup>st</sup>

is also potentially at risk. The Council has existing contractual arrangements with GLL and the Eastlands Trust which provide for extension period(s) beyond their initial term. To mitigate the impact of the risk (identified above) it is proposed that the Council seeks to extend the existing contracts with GLL and the Eastlands Trust to enable continuation of the service for up to a maximum of 6 months, from April 1<sup>st</sup> 2018. It is proposed that this is extended for a minimum of 3 months initially and thereafter continuing from month to month unless terminated by the Council giving a months' notice.

- 5.6 The financial implications to extend the current arrangements are set out in the part B report and the budget to fund the extension would be contained within the existing Sport and Leisure budget.

## **6 Conclusion and Next Steps**

- 6.1 This work being undertaken to transform sport and leisure provision across Manchester is one of the largest, most significant and complex change programmes undertaken by a Local Authority in recent years. The change is in the context of a new Our Manchester Strategy approach; a new Government (DCMS) Sports Strategy; a new Sport England Strategy; and a rapidly changing Manchester and Greater Manchester landscape in Health and Social Care. Strong progress is being made to respond to both the local challenges and strategic priorities. Over the next four months the following items will be completed.

- Complete the first draft of the Sport and Physical Activity Strategy (mid-March).
- Engage stakeholders in shaping the next draft of the Strategy (end March and early April).
- Final draft of strategy presented to Scrutiny and Executive (30<sup>th</sup> May) for comment and adoption.
- Conclude the assessment process of the Leisure contract and development of MCR Active (April).
- Report on the proposed Leisure Operator arrangements and MCR Active arrangements presented to Scrutiny and Executive (30<sup>th</sup> May) for comment and approval.

### **7.0 Key Polices and Considerations**

#### **(a) Equal Opportunities**

- 7.1 None at this juncture, these will be considered in May 2018.

#### **(b) Risk Management**

- 7.2 None at this juncture, these will be considered in May 2018.

#### **(c) Legal Considerations**



- 7.3 The Leisure contract bidders were issued with a form of contract which has been tendered against, this will be the basis of the contract with the successful tenderer.

## **Appendix 1 – Current Arrangements**

### **Eastlands Trust Managed Facilities**

1. National Cycling Centre (incorporating Clayton Vale Mountain Bike Trails)
2. National Squash Centre
3. Ten Acres Lane Sports Complex – National Taekwondo Centre
4. Regional Tennis and Football Centre
5. Belle Vue Sports Village – National Basketball Centre
6. Belle Vue Sports Village – National Speedway Centre
7. Regional Gymnastics Centre
8. Regional Athletics Arena
9. Platt Field BMX Track

### **GLL Managed Facilities**

10. Abraham Moss Leisure Centre
11. Northcity Family & Fitness Centre
12. East Manchester Leisure Centre
13. Moss Side Leisure Centre
14. Arcadia Leisure Centre
15. Ardwick Sports Centre
16. Manchester Aquatics Centre
17. Hough End Leisure Centre

### **Wythenshawe Forum Trust Managed Facilities (leisure managed by GLL)**

18. Wythenshawe Forum Leisure

### **Council Directly Managed Facilities**

19. Debdale Sailing Centre
20. Active Lifestyles Centre