

Independent Review of the Long-Term Operating Model for One Leisure



Interim Head of Leisure & Health Remit

1. Review of One Leisure's commercial sustainability and operation.
2. Implementation of a medium term financial and operational plan.
3. Facilitate an independent review of One Leisure and to gain approval for the long-term delivery model; in house, arm's length trust, LATC, or full commercial model*

Independent Review – Core Focus

1. Short Term Operating Models (2-3 years)
2. Built Facility & Playing Pitch Strategies
3. Medium (3-5 years) & Long-Term Operating Models (5+ years)

Short Term Operating Models (2-3 years)



- Pre-pandemic the leisure sector was buoyant.
- COVID-19 closed off income lines – during lockdowns.
- Strict re-opening rules – reduced capacity – increased cleaning – income down significantly.
- Some signs of market recovery – but market tension to create a competitive marketplace not rebalanced yet.
- Covid recovery remains a key factor + utility cost increases, inflation & cost of-living crisis.
- Some authorities currently reluctant to invest £££s in a major procurement exercise with outcome uncertain & may not improve current position.

Short Term Operating Models Appraisal



	Set Up & Transitional Costs	Level of Operational Risk Transfer	Asset Mngt. Transfer	Level of Council Control	Scope for community Involvement	Potential to increase participation	Access to capital and investment funds
Transformed In House – (Recommended Option)	Green	Red	Red	Green	Green	Green	Yellow
LATC	Yellow	Yellow	Red	Green	Green	Green	Yellow
Market Solution (Outsourced)	Red	Green	Yellow	Red	Yellow	Green	Green
Creation of a Trust or not-for-profit entity	Red	Green	Yellow	Red	Yellow	Green	Green

- Market Conditions, Head of Service contract extension = **Transformed In-House model** is considered to provide the best solution for the Council in the immediate short-term.
- Service and corporate capacity to implement an alternative delivery would severely stretch HDC – risk of resource diversion.
- Review market conditions through an Early Market Engagement exercise and reconsider LATC option
- Full Council control is maintained with the **Transformed In-House model**

Built Facility & Playing Pitch Strategies

- Strategies adopted by the Council in June 2023.

- Sport England 'gold standard' endorsed strategy - robust evidence base to support and enable improved sporting facilities for Huntingdonshire residents.

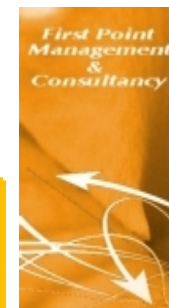
- Commission Phase 2 - Financial Appraisal to determine the scale of the investment need may help to both influence and clarify potential funding sources, developer contributions and deliverability of schemes.

- Financial Appraisal will require a focussed approach over a long period of time – the strategies span 2 decades and are for the entire district not just the Council.

- The Council has a lead role in supporting the delivery of these strategies and shortfall in provision but should not be the sole owner or funder.

- Key considerations: - sustainability of the current operating model; delivery models; capital investment to refurbish/develop new facilities to enhance the offer - essential to protect/increase revenues.

Built Facility & Playing Pitch Strategies



Action	Short Term 2-3 Years	Medium Term 3-5 years	Long Term 5+ years
Decarbonisation Feasibility (x3 sites)	X		
Deliver Decarbonisation Scheme (x3 sites)	X	X	
Produce an Aquatic Strategy	X		
Sawtry Swimming Pool Interim Arrangement	X	X	
Huntingdon Sports & Health Hub Feasibility	X		
Huntingdon Sports & Health Hub Delivery		X	X
St Neots Leisure Centre Feasibility	X		
St Neots Leisure Centre Delivery		X	X
St Ives Leisure Centre Pool Expansion Feasibility	X		
St Ives Leisure Centre Pool Expansion Delivery		X	X
Ramsey Leisure Centre Gym Expansion	X		
Sports Halls Feasibility	X		
Sports Halls Delivery		X	X
Fitness – Additional Stations	X	X	X
Dance Studios – Refurbishment Programme	X	X	
3G Pitches Feasibility	X		
3G Pitches Delivery	X	X	
Commercial Opportunities			
• Café Bar Refurbishment Design & Delivery	X		
• Feasibility of Commercial Opportunities	X	X	X
• Delivery of Commercial Project	X	X	X

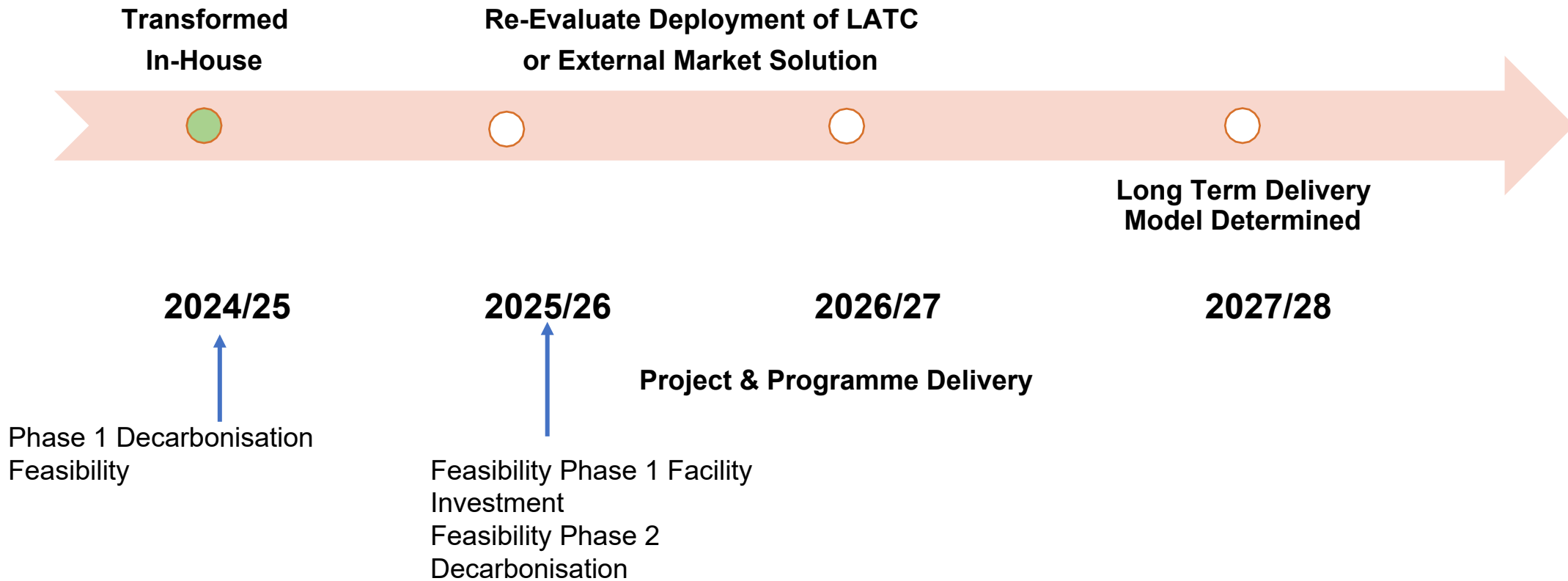
Creative Commercial Thinking – & Opportunities



Short Term Operating Models Timeline



The strategic direction for One Leisure



Medium (3-5 years)& Long-Term Operating Models (5+ years)



- One Leisure should operate as the **Transformed In-House** model, operating to optimum efficiency wherever possible, however that objective is reliant on adequate and continued investment in transformation & facilities.
- M/L Term operating models determined by assessing One Leisure performance, horizon scanning and testing the market through an Early Market Engagement exercise - potentially leading to a full procurement event.
- Assess market conditions.
- Key opportunity for One Leisure & future leisure provision is developing partnerships with the health sector, and particularly the relationship with a maturing ICB.
- The pivot to health requires & will allow the in-house team to develop a broader systems leadership role with partners and safeguard some of the financial risks in the leisure market.
- Prudent to review the operating model periodically, doing this on a 3–5-year cycle is considered to be reasonable approach.

Summary of Key Recommendations

- Resource the “Transformed In-House” One Leisure for future success
 1. Establish a set of Transformation Design Principles and an Outcomes Framework for the service
 2. Review and manage the delivery of the proposed 3-year Action Plan
- Engagement with the health sector and other wider health and wellbeing partners
- Commission decarbonisation feasibility studies
- Commence feasibility studies for potential capital investment schemes across the leisure estate

Any
Questions

