

Appendix 3 - Kendal Leisure Centre Sb lease to the NHS

Quality assurance	Name	Date
Report origination	Rachel Burke	17 th June 2021
Quality control	David McHendry	17 th June 2021
Client comments		
Final approval		

**SOUTH LAKELAND COUNCIL
KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT
FINAL REPORT**

JUNE 2021

Quality assurance	Name	Date
Report origination	Rachel Burke	17 th June 2021
Quality control	David McHendry	17 th June 2021
Client comments		
Final approval		

SOUTH LAKELAND COUNCIL KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

CONTENTS

INTRODUCTION	1
The context	1
The proposal	1
The challenge	1
The proposed solution.....	2
Review of the proposal.....	2
Impact on Council	3
Impact on the community	3
Impact on NHS.....	3
Industry overview	3
Conclusion	8

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

INTRODUCTION

This is the final report by Knight, Kavanagh & Page (KKP) to deliver a high-level assessment of the proposal by the NHS to lease facilities at Kendal Leisure Centre.

The context

South Lakeland District Council entered into a leisure management contract with North Country Leisure, novated to Greenwich Leisure Ltd to manage and operate the Council's leisure centres; the current contract expires in March 2024. There is an option to extend the contract for further 10 years (2x5 years). However, prior to this, the Council will go through a bench marking exercise to ensure best value before any decision to extend the contract with GLL.

The University Hospitals Morecambe Bay Trust (UHMBT) proposal is to lease space within the leisure centre in order to deliver musculoskeletal physiotherapy services away from the hospital environment. To do this, it requires a minimum of a 5-year lease.

The proposal

The UHMBT has a desire to move away from a hospital environment and the relocation to a Leisure Centre is highly desirable as a way of enhancing the role of physical activity as a viable treatment option in NHS care.

The UHMBT proposal is to modify the existing office space at Kendal Leisure Centre to create five treatment rooms.

GLL, as part of its response to Covid has digitised much of its service and the need for office space has somewhat reduced. A central office space can be shared between NHS and GLL colleagues and alternative space within the Leisure centre will be provided for staff room facilities.

As part of the proposal, no studio, gym, changing room or sports hall space will be taken up by the proposal. As such, no current income sources will be affected by the development. In addition, no income is currently generated by the current office space.

Consultation with GLL reports that there will be no negative impact on the current offer as a result of the changes.

The challenge

GLL has 3 years remaining on the current leisure management contract: therefore, it cannot enter into the 5-year agreement required. SLDC is unable to extend the current agreement without a formal tender process. The Council appears nervous that if it allows GLL to enter into a 5 year lease with UHMBT this in some way assumes that GLL's lease on the overall facility (and its leisure management contract) will be extended in line with this new arrangement. As such, the Council's proposed solution seeks to guard against this.

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

The proposed solution

The proposed solution identified by the Council is for GLL to enter into a lease with the UHMBT for Years 1-3, and SLDC to enter into lease from Years 4-5 on same terms. This will ensure that the UHMBT is able to secure the 5-year lease agreement required but ensures that the Council meets with its procurement policy.

Review of the proposal

If GLL sub-leased for Years 1-3, then SLDC leases for years 4 and 5, the Council will not fall foul of any procurement rules and regulations. When the re-tendering process takes place prior to the end of the contract if it is deemed that GLL is offering best value, the contract with UHMBT could be extended alongside the GLL contract. Following consultation with GLL, the company agrees and understands that the lease with the NHS does not constitute an extension to the existing contract.

The proposed agreement will provide an income of £24,000 per annum to GLL. In 2020/21, the Council agreed to support GLL up to a maximum of £240k due to the deficit and disruption caused by Covid-19. As part of the open book process with GLL, the Council expected GLL to adapt, streamline services, become more efficient and look at income generating opportunities to minimise the support needed from the Council moving forward as well as ensure that the level of service be maintained. This is an example of GLL being proactive and adapting to respond to these challenges and also to improving the service for residents.

Currently the office space is not an income generating area, this proposal changes this and provides a stable income to be generated over the next 5 years.

The Covid-19 pandemic has created a need for digitisation of many aspects of the leisure management operation (e.g. bookings and reception). There has been a need to become more digitised in how the world operates, which has resulted in a reduced need for office space. This is certainly the case for GLL, and specifically at Kendal Leisure Centre.

Impact on Kendal Leisure centre

This agreement has the opportunity to provide a pathway from NHS treatment to regular exercise on a clinical pathway programme. Musculoskeletal physiotherapy service has indicated the potential for c.700 annual referrals to GLL from this arrangement which could increase health and fitness and swimming membership.

There will be opportunities for GLL staff to be upskilled and funded to deliver group exercise classes to patients, which will increase the number of off-peak classes delivered. All of which will support generating additional income and therefore helping the service to re-bounce strongly after Covid and look to help GLL re-invest back into the service.

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

Impact on Council

This proposal fits with the SLDC current Council Plan (2021-2026) which aims to make South Lakeland the 'best place to live, work and explore'.

This proposal provides an opportunity to deliver local services embedded in the community.

This initiative has been driven as part of One Public Estate (OPE) a national programme jointly run by the Cabinet Office Government Property Unit and the Local Government Association (LGA). It supports joint working across central and local government to release land and property and boost economic growth, regeneration and integrated public services. It encourages public sector partners to share buildings, transform services, reduce running costs, and release surplus and under-used land for development.

It is clear that the proposal delivers against these aspirations.

Impact on the community

The proposal is a Cumbria wide initiative which looks to bring local authorities, the NHS and other key partners from the leisure sector together to deliver shared leisure and health services that will free up much-needed space in hospitals. The proposal will also help the public to access physiotherapy services in centres at the heart of the local community.

Impact on NHS

Patients are seen locally and are triaged, assessed and treated locally. It takes pressure off the orthopaedic teams which results in shorter waiting times for those patients that need surgery. The service improvements expected for the patients include:

- ◀ Patients are seen closer to home.
- ◀ Reduced travel times and costs for patients to access treatment and therefore improved attendance rates and fewer missed appointments.
- ◀ Treatment and management plans are implemented closer to home.

Industry overview

In 2016, World Health Organisation (WHO) developed a framework and a call to action to integrate healthcare services, which has the potential to improve health outcomes, tackle inequality and increase cost effectiveness.

The co-location of health and leisure is consistent with the principles of integration outlined by WHO and involves bringing together community health and leisure facilities into a single venue to facilitate behaviour change.

Recent developments of new community leisure facilities throughout the UK tend to evidence three key characteristics:

- ◀ Core facilities which meet local need and demand for sport and physical activity and enable the operator to deliver a cost effective service with minimal subsidy.
- ◀ Additional activity areas which provide a financial return by addressing a gap in the market or enhancing the core offer.

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

- ◀ Co-location with other services/service providers to enhance working relationships across 'civic' partners and improve delivery to the community.

The following table identifies the types of facilities and activity areas included within each and the wider benefits that this delivers for the community.

Table 1: Modern leisure facility considerations

Core facilities	Additional activity areas	Co-located services
<ul style="list-style-type: none"> • 6 lane 25 metre pool • Teaching pool • Sports hall (size based on demand and programming) • 80-150 station fitness suite • 1 large group fitness studio • 1 small group fitness studio • Catering hub 	<ul style="list-style-type: none"> • Floodlit 3G pitch • 5-a-side pitches. • Soft play • Spa facilities • Youth play (e.g. clip n' climb, interactive activity zones). • High ropes 	<ul style="list-style-type: none"> • Part of a school campus • Library • Health centre / GP surgery • Pharmacy • Police office • Council contact point • Meeting rooms
Benefits	Benefits	Benefits
<p>Enables operators to provide services at minimal subsidy by:</p> <ul style="list-style-type: none"> • Maximising income from health and fitness. • Maximising income from learn to swim. • Offering a range of community-based activity. <p>Enables operators to contribute to the wider physical activity and wellbeing agenda by:</p> <ul style="list-style-type: none"> • Offering health-based programmes within fitness suites & swimming pools • Being a meeting point and social venue for outdoor physical activities. 	<p>Enables operators to maximise income to underpin the cost of the operation by:</p> <ul style="list-style-type: none"> • Taking a more commercial approach to programming activity areas. • Capturing data on users (e.g. parents) and using this as a way of cross selling core services (e.g. learn to swim). • Providing a return on investment. 	<p>Creation of a community leisure hub enabling operators to link with other services to contribute to wider physical activity and wellbeing agenda:</p> <ul style="list-style-type: none"> • Offering a wider range of services under one roof. • Reaching residents who would not otherwise enter a sports facility. • Offering programmes and interventions for specific client groups with health and other partners. • Cross marketing and sharing of information to address local needs.

This has continued to be a key theme and features in Sport England's latest strategy and has continued to feature in Sport England's Active Design toolkit.

Sport England Strategy – Uniting the Movement 2021

Sport and physical activity has a key role in improving the physical and mental health of the nation, supporting the economy, reconnecting communities and rebuilding a stronger society for all following the global pandemic. Reflecting this, Sport England's 10-year strategy vision to transform lives and communities through sport and physical activity sets out to tackle the inequalities that it states are long seen and makes the point that 'providing opportunities to people and communities that have traditionally been left behind, and helping to remove the barriers to activity, has never been more important'. The three key Strategy objectives are:

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

1

Advocating for movement, sport and physical activity

2

Joining forces on five big issues

3

Creating the catalysts for change

As well as being an advocate for sport and physical activity, via the building of evidence and partnership development, the Strategy identifies five big issues which people and communities need to address by working together. Described as the major challenges to England being an active nation over the next decade and the greatest opportunities to make a lasting difference, each is designated as a building block that, on its own, would make a difference. However, the content is that delivered together they could change things profoundly. The issues are:

- ◀ *Recover and reinvent*: Recovering from the biggest crisis in a generation and reinventing as a vibrant, relevant and sustainable network of organisations providing sport and physical activity opportunities that meet the needs of different people.
- ◀ *Connecting communities*: Focusing on sport and physical activity's ability to make better places to live and bring people together.
- ◀ *Positive experiences for children and young people*: Unrelenting focus on positive experiences for all children and young people as the foundations for a long and healthy life.
- ◀ *Connecting with health and wellbeing*: Strengthening the connections between sport, physical activity, health and wellbeing, so more people can feel the benefits of, and advocate for, an active life.
- ◀ *Active environments*: Creating and protecting the places and spaces that make it easier for people to be active.

To address these five issues, the right conditions for change need to be created: across people, organisations and partnerships to help convert plans and ideas. This will include a range of actions, including development of effective investment models and applying innovation and digital technology to ensure sport and physical activity are more accessible.

There are many examples nationally of co-locating health and leisure and the benefits it brings. Here are a few case studies:

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

1. Co-location of NHS MSK physiotherapy services in local authority leisure centres - Cumbria

Co-location of NHS MSK physiotherapy services in local authority leisure centres – Cumbria

This project began with the co-location of NHS acute musculoskeletal (MSK) physio services in the [Sands Centre](#) in Carlisle in 2017. At this time, the Cumbria Partnership had also applied for funding to develop early One Public Estate (OPE) projects across the county and compile a services and assets delivery plan. This identified five key workstreams:

1. Health and communities.
2. Public sector reform and efficiency.
3. Town and city centre regeneration.
4. Housing delivery.
5. Economic growth.

Based on the development of early OPE projects, the Cumbria Partnership submitted a funding bid noting that agreements are already in place to co-locate in four out of the five districts in Cumbria. This project aligns with the identified OPE workstreams while also presenting some unique opportunities for new ways of working.

Opportunities

- **Co-location of health and leisure** creating community health and wellbeing hubs.
- **Integration of systems and pathways**, reducing delays in treatment.
- **Creation of new roles** and employment opportunities.
- **Shared improvement of screening** to ensure right place, right person, right time.
- **Sharing use of physical space**.
- **Releasing pressure on NHS** outpatient services.

Outcomes

- **Health is promoted in the correct environment** to sustain healthy behaviour change.
- **People live longer** with a better quality of life.
- **Communities are more resilient**.
- **Places are accessible** and more socially cohesive.
- **Local partnerships support** economic growth and improved health and wellbeing.

"Providing MSK physiotherapy services in a leisure facility brings service users into an environment which promotes healthy lifestyle choices, improving individual self-management and reducing unnecessary demand on NHS services."

Andrew Reilly, NHS MSK Transformation Lead, North Cumbria Integrated Care NHS Foundation Trust

This example featured in the 'Health on the High Street' report

<https://www.nhsconfed.org/publications/health-high-street>

Potential benefits highlighted in the report include:

- ◀ **Healthy travel** – high streets are more accessible.
- ◀ **Reducing health inequalities by improving access to services locally and at low travel cost.** – reduced travel times.
- ◀ **Unused high street space could be used to provide leisure and cultural facilities and public green space, potentially including social prescribing.**
- ◀ **Involving people in decisions about the future shape of their town centre**
- ◀ **Introducing health on to high streets filled with unhealthy options.** – locating next to a healthy place e.g health food shop/leisure centre is likely to help people to consider healthy choices.

SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

2. Orford Jubilee Park, Warrington

Orford Jubilee Park is a flagship community, leisure, health and education centre for Warrington. Opened in 2012, it is the first example of a sustainable wellness hub. The project was developed through a unique partnership involving over twenty national, regional and local funding partners from the public, private and voluntary sectors and the 25-year lifecycle costs will be met from the Community Investment Fund.

Situated on a former landfill site next to a Victorian park, this wellness hub co-locates a variety of high-quality indoor and outdoor leisure facilities with a range of additional community services. Outdoor leisure facilities include a full-size floodlit 3G pitch, an enclosed five-a-side centre, flat green bowls, a BMX and skateboard park and a campus-wide trim trail.

Indoor leisure facilities include an 8 lane 25 m competition pool, a 15 x 9 m teaching pool with movable floor, two dance studios, a 4 court sports hall, an activity hall and a 90 station health and fitness gym.

The community facilities comprise an education unit, a library, three GP surgeries, a Primary Care Trust lifestyles team and a central café area with views on to the rear sports fields. The centre promotes inclusive and social regeneration on a single site in line with Warrington's regeneration strategy.

The project is delivering well against key performance targets. Visitor numbers for the wellness hub are three times higher than the leisure centre it has replaced. Compared to the previous year, there has been a sevenfold increase in the numbers joining the library.



SOUTH LAKELAND COUNCIL

KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

3. The Graves Health & Sports Centre, Sheffield

The Graves Health and Sports Centre recently underwent a £16m transformation to become the headquarters of the National Centre for Sport and Exercise Medicine (NCSEM) combining fitness, swimming and sports facilities with on-site clinical facilities staffed by clinicians, allied health professionals and researchers. .

The project has a strong neighbourhood focus, and is strategically located to ensure that it is accessible for all of Sheffield's residents and families. It supports communities which have higher than average health inequalities in Sheffield– the life expectancy gap can be as high as 25 years. It also addresses the requirements of those people in Sheffield who are living with poor health and long-term conditions, including weight management and falls prevention.

The Graves Health and Sports Centre has a large swimming and training pool, a 100+ station gym, strength gym, spin studio, indoor and outdoor tennis courts, and a gymnastics and trampolining hall. It is also the headquarters of the National Centre for Exercise Sports Medicine, and has 19 consultation rooms, podiatry and biomechanics facilities. All areas of the centre are fully inclusive to disabled people.

This wellness hub has had a significant impact on public health, with an 82 per cent increase in visitors to the site. This is partly driven by a significant jump in the number of people being prescribed tailored exercise programmes under the Fit4Health Exercise Referral Scheme. Over 700 people attend exercise classes each month to manage the symptoms of conditions such as cancer, Parkinson's and heart disease. This wellness hub is also a dementia friendly centre.



Conclusion

In KKP's opinion, the proposal provides benefits for all parties involved. It is a tried and tested approach that is favoured by WHO, Sport England and Government; all of which are promoting the co-location of health and wellbeing services and the benefits it brings in tackling health inequalities and improving the health of residents. It also provides revenue for areas of the leisure centre that are not currently income generating and provides opportunity for new income streams by introducing users to the facility who would otherwise not access a leisure centre. GLL therefore, has the opportunity to integrate these patients into its wider offer and increase income generation, which was a key expectation of the Council as part of the Covid-19 pandemic recovery.

SOUTH LAKELAND COUNCIL KENDAL LEISURE CENTRE – NHS LEASE AGREEMENT

This initiative meets the Council Plan objective on rising to the social challenge of ensuring that growth benefits everyone whilst tackling health and other equalities.

GLL has no expectation that this arrangement will require the Council to extend its lease of the facilities and contract. There is, however, a commitment by the Council to retain the facility for 2 years after the GLL contract ends. If the Council enters into a new longer contract with GLL (or A N Other operator) following a re-tendering process the lease will novate to the new operator.

Consideration needs to be given to what happens when the NHS lease expires in 5 years' time. Ideally the UHMBT wants a longer-term contract, and all parties should consider how this might be delivered in the longer term once the benefits and outcome delivery from the project have been measured.

The proposed approach of combining health with leisure is becoming more standard across the country and is one which is expected when new developments take place. As such, leisure operators are used to dealing with this approach and it is not seen as a negative issue when tendering for contract opportunities. In fact, operators are likely to challenge why such initiatives have not taken place.

If the Council makes the decision to approve the lease in line with the proposal outlined in this paper, it will be important to measure the benefits and outcomes of the development to inform longer term strategy for Kendal LC as well as other centres in the Council's portfolio.