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**Title of meeting:** Culture, Leisure and Economic Development Decision Meeting

**Date of meeting:** 16 October 2020

**Subject:** Pyramids and Eastney Swimming Pool capital schemes update

**Report by:** Director of Culture, Leisure and Regulatory Services

**Wards affected:** St Jude, Eastney and Craneswater

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**1. Requested by**

1.1. The Cabinet Member for Culture, Leisure and Economic Development

**2. Purpose of report**

2.1. The purpose of this report is to provide the cabinet member with an update on developments and progress related to two items in the 2020/21 approved capital programme:

- Pyramids refurbishment (£1,400,000)
- Feasibility and Outline Planning for a New Eastney Swimming Pool (£100,000)

2.2. These two projects concern indoor facilities, and consequently the report will also discuss wider strategic considerations regarding Portsmouth's other swimming, and health and fitness facilities.

2.3. The decision referred to in this report is to reallocate money from some capital schemes that either will not now go ahead or will not do so for some time. This is a delegated decision, which has already been taken by The Cabinet Member for Culture, Leisure and Economic Development in consultation with the Section 151 Officer, to respond to the emerging priority of the Pyramids. This report is the mechanism for reporting on that decision. Consequently the report is being presented for information only. The Section 151 Officer has also advised that this falls within the Budget and Policy Framework because it does not exceed the budget.

2.4. Contents:

Section 3. Background and context  
Section 4. Indoor sports facilities in Portsmouth  
Section 5: The focus on swimming, and health and fitness (gyms)  
Section 6: The Pyramids

Section 7: Eastney Swimming Pool

**3. Background and context**

- 3.1. The delivery of the Pyramids has had a checkered history with a range of decisions being taken which have then been altered or amended. In summary the council decided to close the Pyramids at the end of February 2007, a decision that was rescinded in March 2008. Subsequent to this a marketing exercise was commenced to dispose of the Pyramids on a full repairing lease.
- 3.2. Negotiations with the initial bidder stalled and subsequently the second placed bidder, Southsea Leisure Ltd - SLL was pursued whilst Parkwood, the existing operator continued to manage the site. As a result a 25-year lease was signed on 30th March 2010 with Southsea Community Leisure Limited (SCLL) as a long-term lease disposal.
- 3.3. In November 2010 the Council was advised of a cash flow problem, caused because the original funder had withdrawn their offer several months previously which then also put into jeopardy a second loan of £2.1m over a 15-year period which they had arranged directly. SCLL were unable to meet their first loan repayment so an emergency payment was made by PCC of £28,000. The Authority agreed further financial support of up to £1.33 million to support the operation until September 2012 subject to a series of conditions which, with the application of a range of measures was extended to September 2013 in order to facilitate a further procurement process.
- 3.4. In October 2012 the City Council resolved to undertake a procurement process in relation to the delivery of services in the Pyramids by way of a competitive process to secure an operator in place as soon as practicable for 2013.
- 3.5. The formal process was undertaken and as a result BH Live were selected as the preferred operator in July 2013. They were issued with a contract, which commenced on 30th September 2013 for an initial 5-year period. Following the flooding incidents of winter 2014 and 2015 the extension period of a further two years was agreed which took the contract period up to 30th September 2019.
- 3.6. For the last 6 years BH Live have operated the centre at a loss with a cumulative deficit of c £1.8m over this period compared to the previous operators who received both a management fee and considerable support around the loan repayments. The Council however have had a maintenance obligation, which has been significant due to the requirement to meet the repair costs on the majority of areas since the flood incidents
- 3.7. ***Physical activity is an important element of a healthy lifestyle.*** The clear message from many agencies, national and local, is that people should try to be physically active as part of their ongoing lifestyle. Portsmouth is behind regional and national levels of physical activity, especially among children.



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- 3.8. Portsmouth's Health and Wellbeing Strategy<sup>1</sup> includes as a key priority the reduction of the harms from physical inactivity. The benefits of physical activity include<sup>2</sup>
- improvement to muscular and cardiorespiratory fitness
  - improvement to bone and functional health
  - reduction of the risk of hypertension, coronary heart disease, stroke, diabetes, breast and colon cancer and depression
  - reduction of the risk of falls, as well as hip or vertebral fractures
  - fundamental contribution to energy balance and weight control
- 3.9. The Government recommends that adults accumulate 150 minutes of physical activity per week and that children should engage in an average of at least 60 minutes per day across the week. Any activity is better than none, and more is better still.<sup>3</sup>
- 3.10. The council's priorities<sup>4</sup> include:
- Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives:
    - By supporting and encouraging healthy lifestyles in all our communities, reducing health inequalities in our city
      - By making sure children and young people have access to a wide range of cultural and sporting activities and facilities, enhancing their quality of life
      - By promoting positive physical health and encouraging physical activity.
- 3.11. The levels of physical activity among adults in Portsmouth broadly mirrors the national average (England) but is slightly less than the regional average and Hampshire.<sup>5</sup>

Adults	Portsmouth	Hampshire	South East	England
<b>Active (&gt;150 min/wk)</b>	63.8%	64.8%	65.9%	63.3%

<sup>1</sup> Portsmouth City Council (2018). Health and Wellbeing Strategy 2018-2021.

<https://www.portsmouth.gov.uk/ext/documents-external/cons-114.86-health-and-wellbeing-strategy-proof-2.pdf>

<sup>2</sup> World Health Organisation. Physical Activity Fact Sheet. <https://www.who.int/news-room/fact-sheets/detail/physical-activity>.

<sup>3</sup> Chief Medical Officer (2019). Physical Activity Guidelines.

<https://www.gov.uk/government/publications/physical-activity-guidelines-uk-chief-medical-officers-report>

<sup>4</sup> Portsmouth City Council. Our Priorities. <https://www.portsmouth.gov.uk/ext/documents-external/cou-councilpriorities2018.pdf>

<sup>5</sup> Sport England (2020). Active Lives Adults Survey Nov18-Nov19. <https://www.sportengland.org/know-your-audience/data/active-lives>



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<b>Fairly active (30-149 min/wk)</b>	12.2%	12.7%	12.1%	12.2%
<b>Inactive (&lt;30 min/wk)</b>	24.0%	22.4%	22.0%	24.6%

- 3.12. In children, however, Portsmouth is well below the Hampshire, regional and national averages.<sup>6</sup>

<b>Children</b>	<b>Portsmouth</b>	<b>Hampshire</b>	<b>South East</b>	<b>England</b>
<b>Active 60 min/day</b>	38.1%	43.4%	47.8%	46.8%
<b>Fairly active (30-59 min/day)</b>	30.8%	25.7%	23.5%	24.2%
<b>Less active (&lt;30 min/day)</b>	31.1%	31.0%	28.7%	29.0%

- 3.13. **Physical activity plays an important role in tackling obesity.** The importance of tackling obesity has received increased publicity in recent months, giving greater prominence to this long term public health issue. Physical activity plays a vital role in helping people lose weight.
- 3.14. In response to the evidence that obesity has a strong correlation with poor outcomes from Covid-19 the government in July 2020 introduced a new Tackling Obesity Strategy<sup>7</sup>. This is "a call to action for everyone who is overweight to take steps to move towards a healthier weight".
- 3.15. The strategy takes a broad, multi-pronged approach and much is centred on healthy eating (eg food labelling, kerbing the promotion of foods high in fat, sugar or salt, particularly to children). The campaign will signpost people to a 12-week NHS Weight Loss Plan app which will encourage them not only to eat healthily but also to get active and record their levels of physical activity.
- 3.16. Levels of obesity among adults in Portsmouth are higher than the national and regional averages.<sup>8</sup>

<b>Adults</b>	<b>Portsmouth</b>	<b>South East</b>	<b>England</b>
<b>Obese</b>	28.6%	21.4%	23.4%
<b>Excess weight (overweight or obese)</b>	64.4%	59.7%	62.0%

- 3.17. Levels of obesity among children in Portsmouth are higher than the national average at both year R and year 6 and higher than comparator Southampton in year R children.

<b>Children in year R (4-5 years old)</b>	<b>Portsmouth</b>	<b>Southampton</b>	<b>England</b>
<b>Obese</b>	12.5%	10.3%	9.7%
<b>Excess weight (overweight or obese)</b>	26.5%	22.3%	22.6%

<sup>6</sup> Sport England (2020). Active Lives Children and Young People Survey Academic Year 18/19.

<https://www.sportengland.org/know-your-audience/data/active-lives>

<sup>7</sup> Department of Health and Social Care (2020). Tackling obesity: government strategy.

<https://www.gov.uk/government/publications/tackling-obesity-government-strategy>

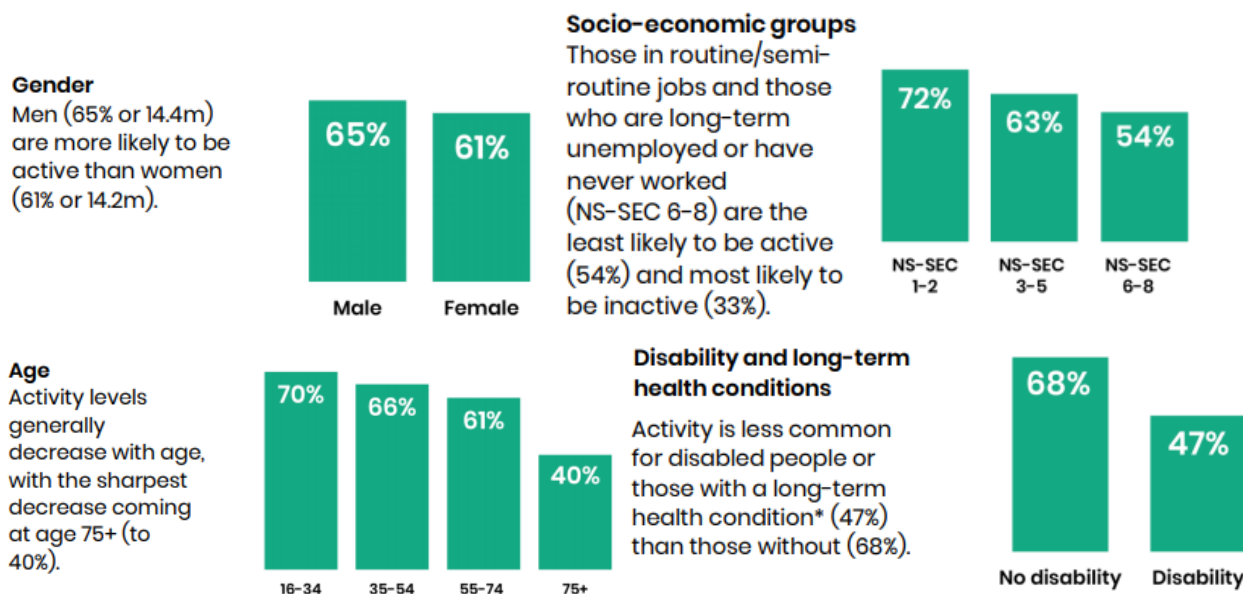
<sup>8</sup> Portsmouth CCG (2020). Joint Strategic Needs Assessment Healthy Weight Briefing Note.

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Children in year 6 (10-11 years old)	Portsmouth	Southampton	England
<b>Obese</b>	21.6%	23.3%	20.2%
<b>Excess weight (overweight or obese)</b>	36.6%	36.2%	34.3%

3.18. ***Demographic differences have an impact on levels of physical activity.***



3.19. Lower socio-economic groups are the most likely to be obese. It is clear that the very groups who would benefit most from physical activity are the ones who do not take part. Sport England's Towards an Active Nation<sup>9</sup> campaign aims to address the need for greater participation among under-represented groups. They acknowledge that "the answer for these people is unlikely to be a single great idea" so their focus is on those activities which have wide appeal and are relatively easy for people to fit into their busy lives (eg swimming, running, cycling, outdoor activities, gym and fitness). This report will focus on the indoor activities from this list, ie swimming, and gym and fitness.

3.20. ***The availability of quality facilities in places where people can access them easily is essential. This particularly includes co-located sports facilities and multi-sport facilities.***

3.21. The government's Sporting Future Strategy<sup>10</sup> acknowledges that good quality sporting infrastructure is essential to drive up participation. It suggests ways of achieving greater participation through quality facilities:

<sup>9</sup> Sport England (2016). Towards an Active Nation. <https://www.activehw.co.uk/uploads/sport-england-towards-an-active-nation.pdf>

<sup>10</sup> Cabinet Office (2015). Sporting Future: A new strategy for an active nation. <https://www.gov.uk/government/publications/sporting-future-a-new-strategy-for-an-active-nation>

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- Co-locating sporting facilities with other services that people use like libraries, doctors' surgeries or community centres
- Focusing on the customer and their experience
- Providing artificial pitches
- Improving outdoor infrastructure like footpaths, pavements and parks
- Making better use of school facilities (and other public sector facilities)

3.22. Sport England's Towards an Active Nation Strategy<sup>11</sup> states that building the right things in the right places makes taking part in sport and physical activity a realistic option for many more people and leads to a better experience for those who are already engaged.

3.23. Sport England has taken the decision to increase their investment in their Strategic Facilities Fund to support long-term investment decisions by local authorities. They prioritise co-located facilities integrated with other community services and favour multi-sport solutions.

#### **4. Indoor sports facilities in Portsmouth**

##### **4.1. The impact of BH Live on facilities**

- 4.1.1. In 2016/17 the council went through a re-procurement exercise for the leisure management contract (which does not include the Pyramids), having terminated the contract with the previous supplier Broadwater Leisure. The successful bidder BH Live's offer represented a significantly better deal for the council.
- 4.1.2. In February 2017 BH Live began managing all the council's leisure facilities. Over the course of the following three years their revised pricing model has driven up membership by 66% and as part of the new contract an additional £1.2 million has been invested into the facilities. Participation is up across all 'dry' activities (ie not swimming pools).
- 4.1.3. The contract was re-negotiated in 2018, due to issues with affordability and the fact that the plan to expand the gym at Wimbledon Park Sports Centre could not go ahead. This significantly reduced the revenue contribution to PCC over the period of the contract (around £2.4 million over the remaining 8 years). However, the investment programme of approximately £1.2 million still went ahead and included the following:
- upgraded gym (and gym equipment) at the Mountbatten Centre
  - reception redevelopment at the Mountbatten Centre
  - a new café, soft-play and Clip-n-Climb attraction at Mountbatten Centre

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<sup>11</sup> Sport England (2016). Towards an Active Nation. <https://www.activehw.co.uk/uploads/sport-england-towards-an-active-nation.pdf>

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- new gymnastics flooring at the Gymnastics Centre
- investment in Charter Community Sports Centre and Wimbledon Park Sports Centre gyms

4.1.4. BH Live reviewed the pricing model following competitor benchmarking and reduced the monthly gym membership fee by around £10 per month from the start of the contract which increased members from circa 2700 in February 2017 to around 5200 in February 2020.

4.1.5. Other initiatives have delivered greater participation across most of the facilities

- Gymnastics Centre increased participation from 646 children to 1069
- Tennis Centre increased participation from 240 to 384
- Swimming memberships have increased from 1386 to 1594
- The exercise referral scheme has grown from 204 to over 360
- New wellbeing initiatives (eg Nordic-walking, COPD classes, cardiac referral classes) have generated over £1,000 per week casual income

4.1.6. Other commercial activity has generated greater revenue across the contract

- Retail sales increased from £12,000 per year to £54,000 per year
- Children's parties implemented across 4 venues with approximately 10-15 parties per weekend

## **4.2. Overview of facilities in Portsmouth**

4.2.1. Portsmouth's Sports Facility Strategy identified two overarching principles that will guide decisions on future provision of sports facilities:

- Ensure all residents in all areas of Portsmouth have pay and play access to good quality local accessible and affordable provision
- Ensure that public money is invested strategically to ensure economic viability and sustainability of provision.

4.2.2. This will be achieved through:

- Ensuring that existing, and any new, sports facilities on education sites provide a balance of opportunities for community access - both pay and play and club use.
- Replacing and refurbishing ageing facilities where updated provision is required - and all new and refurbished provision should be designed and developed based on Sport England and NGB guidance and be fully inclusive
- Considering opportunities to rationalise provision where new, fit for purpose facilities can replace or improve existing buildings (but maintain at least current levels of provision in areas of undersupply)



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- Making better use of existing facilities
- Investing strategically in existing provision to improve quality
- Where possible, making facilities available closer to where people live, with a focus on improving access to multi-purpose halls

**4.3. Building condition surveys - specific areas of concern**

- 4.3.1. Structural surveys at Wimbledon Park Sports Centre since 2018 have concluded that the building is in poor condition due to corrosion to the steel frame and deterioration of the concrete panels. Without significant remedial work the building will have reached the end of its life by 2023. The estimated cost of the work required to extend the building's useful life is approximately £700,000.
- 4.3.2. Surveys of Eastney Swimming Pool reveal that the building is generally in poor condition with serious concerns about the roof. Significant works are required to extend the life of the building. The estimated cost of the required work is £850,000 (further investigations are underway and will report back soon).
- 4.3.3. A condition survey of the Pyramids in 2018 concluded that the building required £1.33 million of works to keep the building operating. These works are mostly related to the building fabric, and mechanical and electrical installations associated with the swimming pool.
- 4.3.4. The costs above (totalling £2,880,000) would, in the main, only address the structural or building fabric issues with the buildings to extend their lives. This would not contribute significantly to addressing the quality of the leisure offer or the customer experience which is generally not up to modern standards at these three sites.

**5. The focus on swimming, and health and fitness (gyms)**

**5.1. Having established that:**

- the availability of quality facilities in places where people can access them easily is essential (see 3.4); and also that
- we should focus is on activities which have wide appeal and are relatively easy for people to fit into their lives (see 3.3); and also that
- Portsmouth has some indoor facilities that are low quality and expensive to maintain (see 4.2)

this report will now focus on swimming pools and health and fitness centres (gyms).

**5.2. Swimming pools**

- 5.2.1. Portsmouth currently has sufficient swimming pool space, but access to it is an issue due to quality issues of older facilities and a lack of pay and play access. This can be addressed by improving or replacing older facilities and working with





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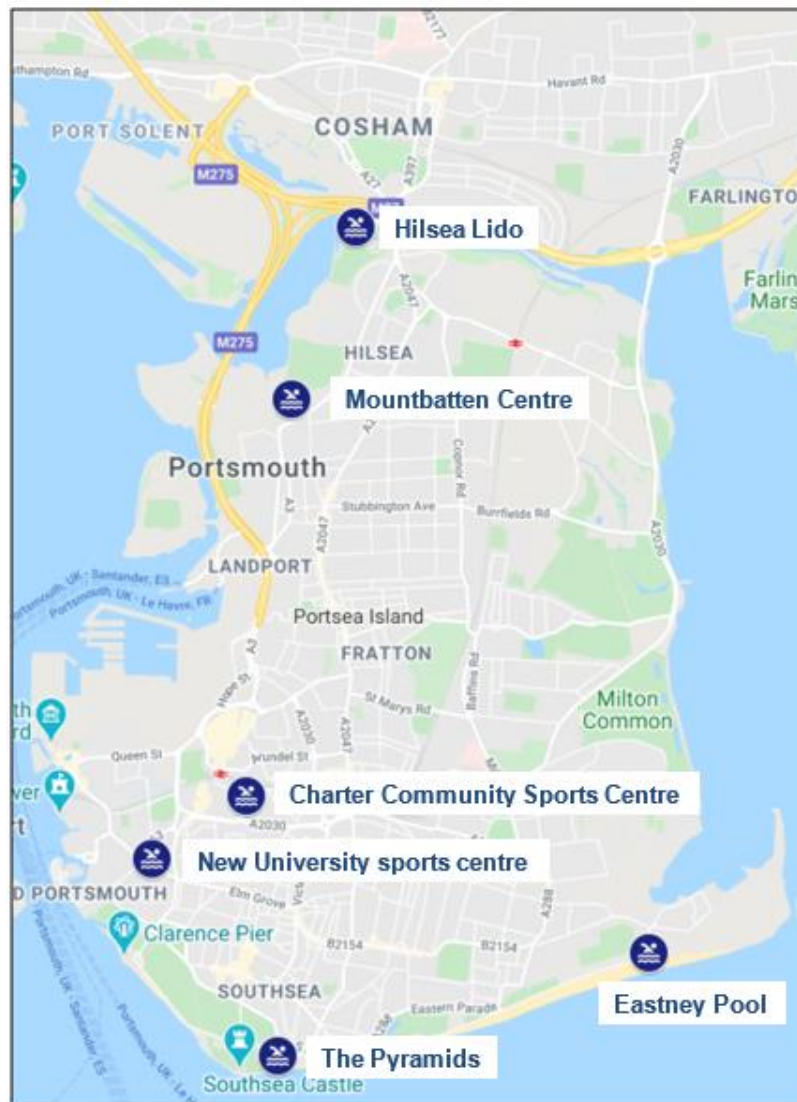
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other providers to increase community pay and play access. A citywide approach to swimming club timetabling will contribute to improving access.

- 5.2.2. Participation levels are in decline but the arrival in 2021 of the new University of Portsmouth sports centre is an opportunity to take a strategic look at the provision of swimming in Portsmouth.
- 5.2.3. There are 18 swimming facilities in Portsmouth, but currently only 5 are available for pay and play access. Of the 5, Charter Community Sports Centre is not open during school hours and Hilsea Lido does not open all year round. The Pyramids swimming pool is unlike the rest as it does not fulfil a formal health and fitness purpose (due to its shape, and no lanes) and is mainly a leisure pool (although it does accommodate some swim lessons, and aqua fitness).

<b>Pay and play access facilities</b>	<b>Education sites with access for clubs / swim lessons</b>	<b>Member / commercial facilities</b>	<b>MOD (limited access)</b>
Mountbatten Centre	Redwood Park School	David Lloyd	HMS Temeraire
Charter Community Sports Centre *	St Edmunds School	Marriott Hotel	
Eastney Swimming Pool	College Park School	ROKO	
The Pyramids *	Mary Rose Academy	Holiday Inn Southsea	
Hilsea Lido *	University of Portsmouth Ravelin facility *	Royal Maritime Club	
		Village Hotel	
		Nuffield Health	

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Map 1 Strategic sized pools in Portsmouth (>160 m2)

5.2.4. According to the Sports Facility Strategy, which used the Sport England Facility Planning Model (FPM), Portsmouth has sufficient pool space for its population when all the pools are taken into account. Access to a pool (and in particular of pay and play access) is more limited however. One factor is that due to the demographic profile of the city many residents are not able to afford to join commercial facilities. Another is that there are few formal community use agreements in place at, for example, educational facilities.

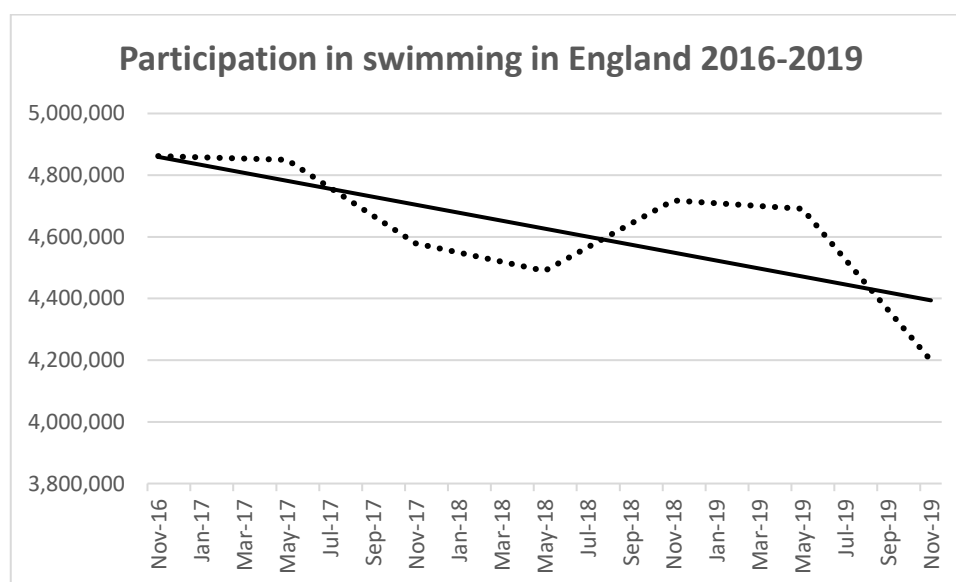
5.2.5. Recommendation R3 of the Sports Facility Strategy states that:

*"PCC and partners address the ... swimming pool provision in the city through a package of measures including considering options for replacement of older facilities; extension of community use agreements; widening pay and play access to commercial sites; and considering programming of current capacity to ensure it is used most effectively and with regard to needs of clubs."*

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- 5.2.6. Sport England's Swim Pilots Report<sup>12</sup> from 2018 found that participation increased by 14% and satisfaction increased by 10% when steps were taken to transform pools into 'community centres' by offering opportunities for people to be social, and by making staff more representative of the community and through volunteering opportunities. This approach also contributed to the delivery of local strategic priorities (eg health and wellbeing, community development). Increased revenues also followed.
- 5.2.7. The University of Portsmouth's new facility at Ravelin Park is due to open September 2021. The planning consent has a condition that a community use agreement with PCC must be agreed. It is expected that this will provide additional capacity for club use and lessons as well as opportunities for pay and play access, although this is still to be negotiated.
- 5.2.8. The arrival of the new University pool gives the opportunity for partnership working to take a new strategic look at the pool provision in the city and try to optimise access for clubs, swim lessons, exercise and casual use.
- 5.2.9. Participation in swimming nationally is in decline. Data from Sport England<sup>1314</sup> suggest declining participation year on year since 2005. The most recent data from the Active Lives Survey reveals approximately a 14% decrease in the 3 years to November 2019. The long term figures show a 24% decrease over the last 10 years.



<sup>12</sup> Sport England (2020), Transforming Swimming: What the swim pilots learnt.

[https://www.sportengland.org/know-your-audience/demographic-knowledge/popular-activities/swimming?section=research#what\\_works](https://www.sportengland.org/know-your-audience/demographic-knowledge/popular-activities/swimming?section=research#what_works)

<sup>13</sup> Sport England Active People Surveys 2005-2016. <https://activepeople.sportengland.org/>

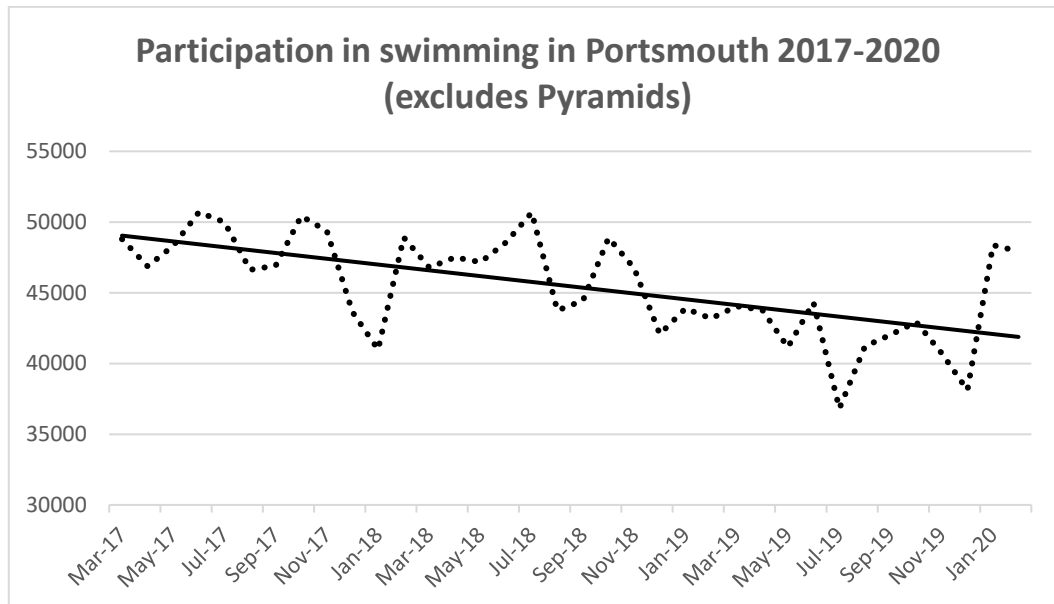
<sup>14</sup> Sport England Active Lives Surveys 2016-2019. <https://www.sportengland.org/know-your-audience/data/active-lives>



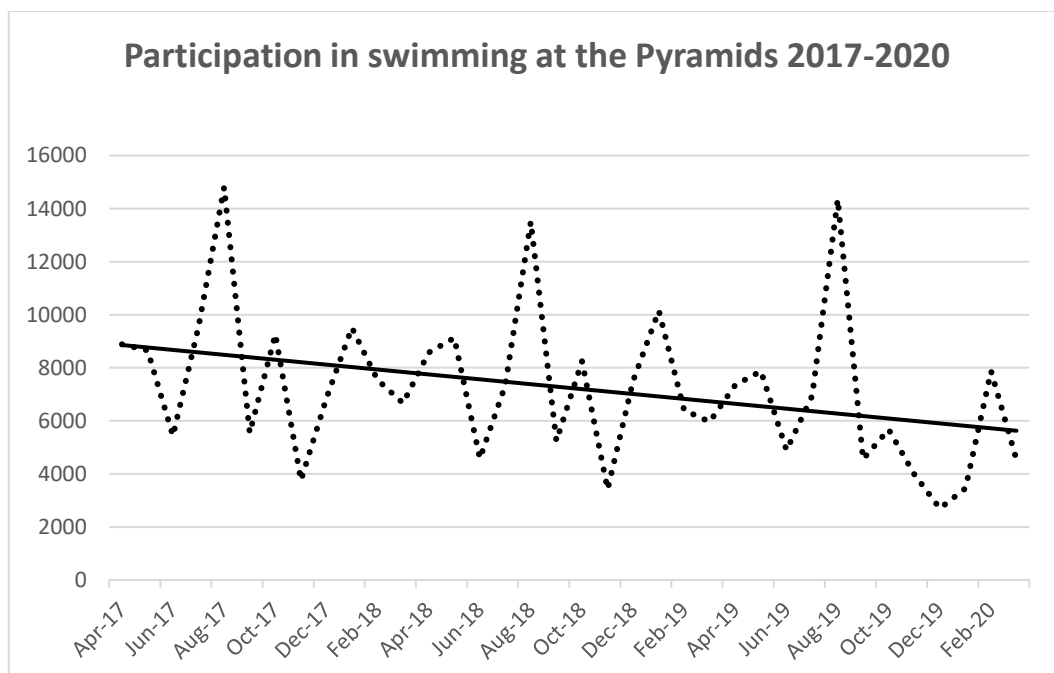
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5.2.10. This decline is also seen in Portsmouth over a similar timescale and to a similar degree. Approximately 14% over the 3 years to January 2020 excluding the Pyramids.



5.2.11. Participation data for the Pyramids show a steeper decline (roughly 33% over the 3 years to March 2020) at the Pyramids compared with the rest of the BH Live operated swimming pools in Portsmouth. A strong school holiday peak can be observed.



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- 5.2.12. Given the need to improve access, and in particular to the under-represented groups identified in section 3.3, this report will focus on the pay and play swimming pools as being the most likely to be able to address problems of access to opportunities for physical activity.

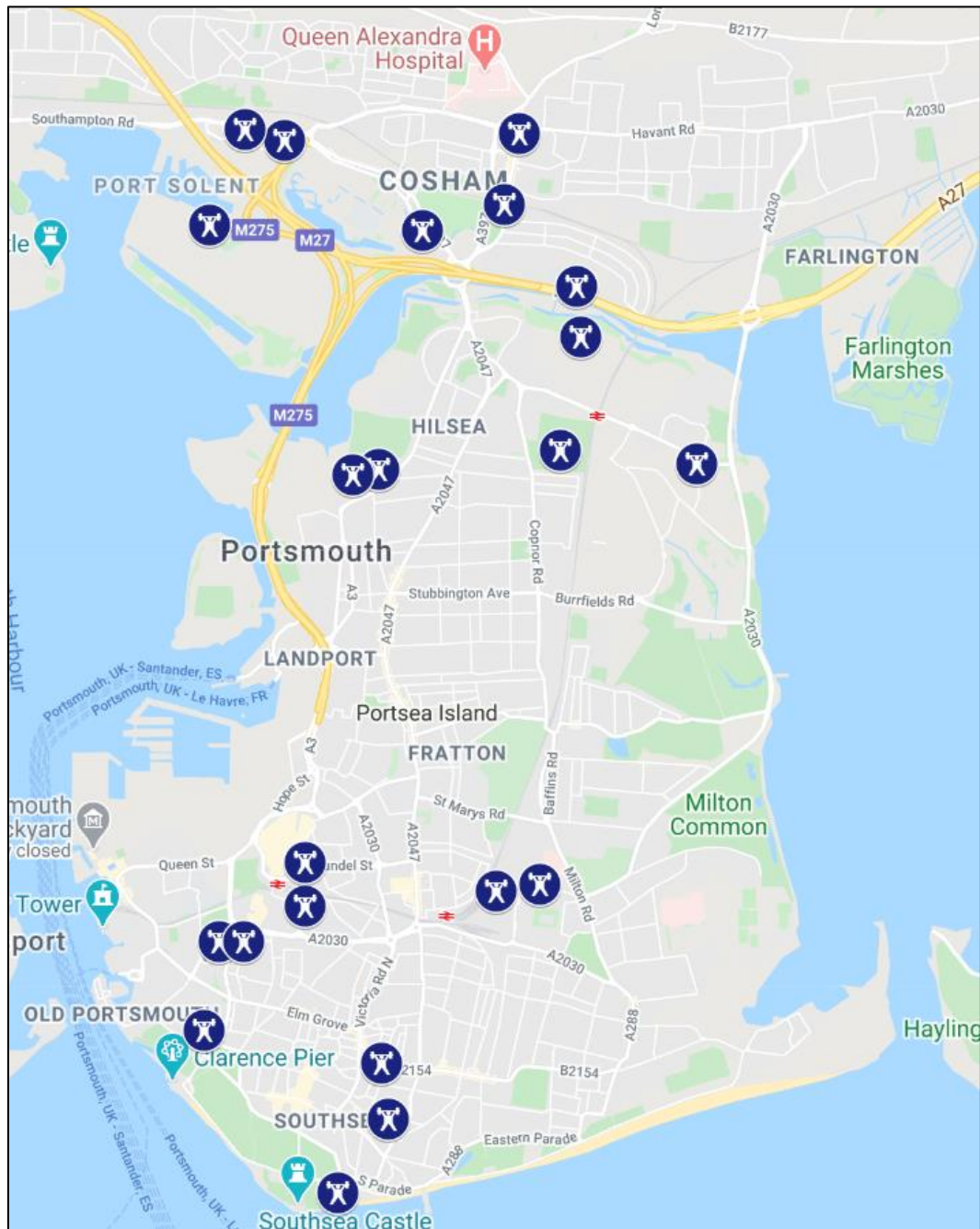
Pay and play pool	Notes
Mountbatten Centre	In good condition. Well used.
Charter Community Sports Centre	In good condition. Continues to provide community access. PCC not responsible for buildings maintenance.
Eastney Swimming Pool	In poor condition. Requires expensive repairs to continue operating (£850,000 estimated). Stable usage, but well under capacity. Disability access not compliant.
The Pyramids	Condition good but deteriorating. Requires £1.33 million of works to continue operating. Rapidly declining participation in leisure swimming.
Hilsea Lido	Average condition. Limited opening due to outdoor pool PCC not responsible for buildings maintenance

In section 6, this report will focus on The Pyramids and in section 7, Eastney Swimming Pool.

### 5.3. Health and Fitness Centres

- 5.3.1. Portsmouth has 23 general health and fitness suites (and several more specialist gyms - eg bodybuilding, dance focused etc). Most require some form of payment or membership. There are, however, some community access pay and play gyms at community centres (eg Fratton, John Pounds).

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Map 2 Non-specialist health and fitness suites in Portsmouth

- 5.3.2. The University of Portsmouth's new facility at Ravelin Park is due to open September 2021. The planning consent has a condition that a community use agreement with PCC must be agreed. The University expects that there will be a significant degree of community membership of the health and fitness suite. Community use needs to include the sports hall and swimming pool to be meaningful.
- 5.3.3. Along with swimming, health and fitness activities demand an indoor space to fully meet demand. Fitness activities are the fourth most popular form of exercise in

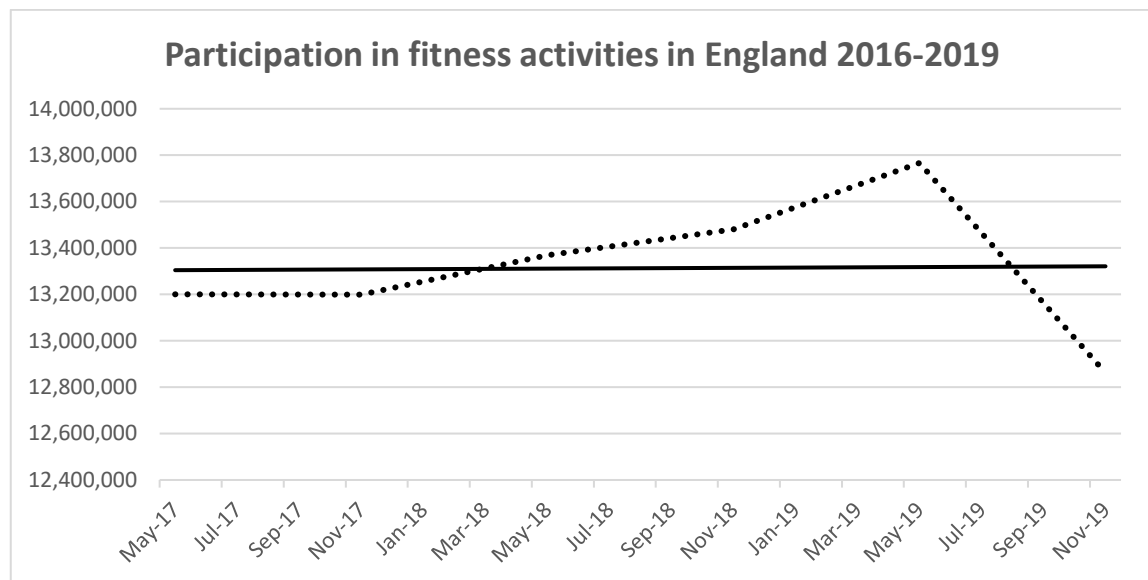


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England (1. walking, 2. cycling, 3. running, 4. fitness activities, 5. swimming and 6. football)<sup>15</sup>

- 5.3.4. Sport England records participation in fitness activities (exercise machines, fitness classes, interval sessions and weights sessions). Whilst the last survey (12 months to November 2019) shows a decline it is not known whether this is significant, and this was the last survey before the Covid-19 pandemic so subsequent surveys will look very different. Up to the last survey participation was reasonably stable (or even rising) in England.

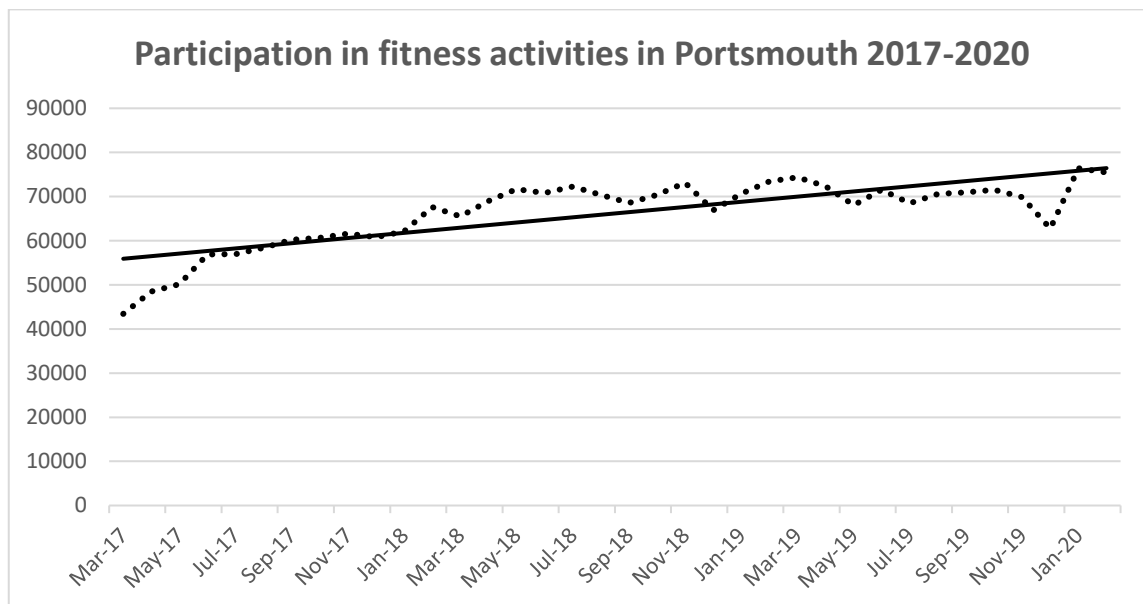


- 5.3.5. In Portsmouth participation levels are growing, bucking the national trend. Participation in Portsmouth (this data excludes the Pyramids) is driven by the gym at the Mountbatten Centre. The gyms at Charter Community Sports Centre and Wimbledon Park Sports Centre only contribute 1% to the total. The new pricing model introduced by BH Live has driven up participation levels.

<sup>15</sup> Sport England (2020). Popular Activities. <https://www.sportengland.org/know-your-audience/demographic-knowledge/popular-activities>



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#### **5.4. Strategic options appraisal of swimming, and health and fitness**

5.4.1. The pressing issues that are emerging from the work to date are, in summary:

- The Pyramids requires £1.33 million to continue operating, but that would not significantly change the customer experience of a tired leisure pool with steeply declining customers, a small gym and an underused event space.
- Eastney Swimming Pool requires an estimated £850,000 to continue operating, but that would not change the customer experience of an old facility in poor condition, with low numbers of users and which is non-compliant in terms of disability access and safeguarding of children. Further surveys have taken place and will report soon.
- Wimbledon Park Sports Centre requires an estimated £700,000 to continue operating, but that would not change the customer experience of an ageing building, with a gym that is too small to be an attractive offer to improve participation.

5.4.2. In 2019 Strategic Leisure Ltd were commissioned to produce a report that followed on from the 2017 Sports Facility Strategy and which looked at the options available to the council regarding its sports facilities.

5.4.3. The report made reference to the key issues affecting the city's sports facilities including age and condition of buildings, accessibility issues, declining participation levels (particularly at the Pyramids) and also the wider social and demographic factors at play in the health and physical activity agenda.

5.4.4. It concluded that:

*"It is clear that there is a consensus that the time is now opportune to consider all options for the future provision of the City's ageing sport and leisure facilities, and also that taking a pro-active approach to change now will be beneficial in*



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*the long term. Ensuring the right facilities are provided in the right place now will not only ensure operational sustainability but contribute to regeneration and economic agendas in the City"<sup>16</sup>*

5.4.5. The table below summarised the options that were considered:

1	2	3	4	5	6	7
Status Quo	1.Close Pyramids 2.Close Eastney 3.Close Wimbledon Park SC 4.Do not replace	1.Close Eastney and Pyramids 2.Develop one new facility – swim and fitness 3.Invest in Wimbledon Park SC	Retain Pyramids (leisure pool and venue) Close Eastney Close Wimbledon Park S C Develop one new small pool and dry facility- location to serve existing catchment areas of the above	Retain Pyramids (venue only) Close Eastney Close Wimbledon Park S C Develop one new wet and dry facility- location to serve existing catchment areas of the above	Close Pyramids Close Wimbledon Park S C Retain Eastney Develop one new wet and dry facility- location to serve existing catchment areas of the above	1.Close Eastney 2.Close Wimbledon Park S C 3.Close Pyramids 4.Develop one new wet and dry facility- location to serve existing catchment areas of the above

5.4.6. The options appraisal concluded that option 7 represented the best one for the council to pursue (ie close Pyramids, close Eastney Swimming Pool, close Wimbledon Park Sports Centre and develop a new 'wet and dry' facility in a similar location).

5.4.7. The report summarised the key issue for Portsmouth:

*"That replacing ageing facilities with more modern provision will have an impact in 5 key areas:*

- *Reduction in capital liability*
- *Increased throughput*
- *Increased revenue generation*
- *Ability to better address and deliver the health and well-being priorities in the city*
- *Deliver better long-term value from capital investment*

*"In addition, strategic replacement of ageing facilities is likely to create increased partnership opportunities with organisations in the city who also provide sports facilities, or who have the capacity, or aspiration, to do so."*

5.4.8. Wimbledon Park Sports Centre is not within the scope of this report as it does not have a capital allocation to provide an update on, but its closure is not a

<sup>16</sup> Strategic Leisure Ltd (2019). Leisure Facilities Options Appraisal.

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consideration at this point. Any decision on its future will be taken in consultation with its user groups. It is clear, however, that it will not be able to continue in the short term without significant investment.

## **6. The Pyramids**

### **6.1. Summary of recent issues**

- 6.1.1. BH Live took on the running of the Pyramids in September 2013. For the last six and a half years BH Live has operated the centre at a loss with a cumulative operating loss of around £1.8 million over this period.
- 6.1.2. The council is responsible for building maintenance, which has been significant due to the requirement to meet the repair costs on the majority of areas after the flood incidents of 2014 and 2015. The structure of the building remains in relatively good condition.
- 6.1.3. Since 2013 the council has spent a total of £2.2 million on maintenance at the Pyramids. This does not include the majority of the spend on works associated with the flood incidents as these were largely recovered by insurance claims.
- 6.1.4. Since 1 October 2019, under the open book agreement with BH Live following the end of their contract, the council has also been responsible for the trading deficit at the Pyramids. This is approximately £65,000 per month (due mainly to the swimming pool, and to some extent the events programme, however the gym remains profitable). The configuration of the pool (its shape and the waterslides) means that many more lifeguards are needed to operate it safely than at a standard swimming pool. This adds significantly to costs, as does the consumption of utilities and maintenance of plant and machinery required to heat the water and operate the wave pool and the waterslides. The level of subsidy needed to keep the Pyramids open as a leisure pool amounts to around £8 per swim.
- 6.1.5. The 2018 condition survey revealed £1.33 million would be required over the next 3-5 years to continue operating (and a further £621k over longer timescales giving a 10-year cost of £2 million). Of the £1.33 million only 8% was on structural issues. The bulk of the cost would be replacement or major refurbishment of mechanical plant and electrical installations (30%) and works needed to the fabric of the building such as relaying flooring extensively, and redecorating most areas (62%).
- 6.1.6. To this end £1.4 million was allocated for refurbishment of the Pyramids. However once complete the building would be essentially the same with little change to the customer experience aside from the redecoration. There is no evidence that swimming participation would rise to levels where it would be at a minimum operationally breakeven and from 1 April 2021 there is no budget provision for subsidising ongoing trading losses. Swimming continues to decline in popularity locally and nationally, and leisure pools (ie with no lane swimming) are declining more steeply.

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- 6.1.7. In this context even a full refurbishment of the Pyramids (ie a £4 million investment to renovate the customer facing elements as well as the essential works) is likely to see a 10-15% increase in swimming numbers. A doubling of swimming participation, even if this were conceivable, would only halve the subsidy required.
- 6.1.8. The conclusion therefore, is that retaining a leisure swimming pool at the Pyramids (either by addressing the essential building requirements to allow its reopening; or by a larger renovation project to improve the customer experience) does not represent a sufficient change to the Pyramids' offer to reverse the strong national trend away from leisure swimming and restore the centre to profitability. Alternative options must be considered.

## **6.2. Alternatives to renovation**

- 6.2.1. The gym at the Pyramids is profitable and performs well despite being relatively small (approximately 80 stations compared with 150 at the Mountbatten Centre, 220 at Pure Gym, 175 at ROKO). It suffers from a relative lack of space for group exercise, something that if addressed would have the potential to draw more members (and particularly female members<sup>17</sup>).
- 6.2.2. The situation in 2019/20 financial year was that the Pyramids made an operating loss of £700,000. With an increasingly unpopular swim offer, an under-utilised events space and a gym that is not large enough to compete effectively with others in the city, the centre has no likelihood of a return to profitability, unless the fundamental cause of the operational loss is addressed - the pool.
- 6.2.3. In response to this situation BH Live proposed a reconfiguration of the Pyramids which would remove the swimming pool and replace it with an indoor adventure centre (comprising a mix of soft play, trampolines, and climbing attractions) in the pool hall. Under the proposal the gym would be expanded and take over the plaza events space. The remaining events space in the glasshouse would be retained. This would allow each operation (indoor adventure, gym, events) to have its own separate entrance to improve the customer experience.
- 6.2.4. The pool hall would be segmented into various zones aimed at different age groups. Important to the overall provision is an appealing café with a seating and table area for at least 250. Party rooms are required with the opportunity to expand subject to need. The mix of elements (play, climb, trampoline) is presented as an optimal balance between commercial performance and maintaining an attractive offer for as wide a range of age groups as possible, to keep the Pyramids as a family attraction.
- 6.2.5. The new gym would include several zones incorporating cardio, strength, start up and functional areas and three dedicated studios (main impact studio, wellness

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<sup>17</sup> Sport England (2017) This Girl Can programme. <https://www.thisgirlcan.co.uk/activities/group-fitness/>



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mind and body studio, group cycling studio) and new male and female changing areas. The new gym is anticipated to drive memberships up by 400 to 600.

- 6.2.6. This proposal maintains the family offer at the Pyramids. The indoor adventure centre provides activities for a wide range of age groups up to 13/14 and beyond (the trampoline and ninja warrior elements appeal to older children). The Pyramids gym currently runs 14+ gym sessions every weekday evening and at weekends. These are currently well attended and these sessions would continue in the new fitness suite and additional more targeted group exercise sessions would be offered (junior cycle/circuits for example).
- 6.2.7. Crucially BH Live's proposal is projected to return the centre to an operating profit after its first year of operation. The council is not able to continue subsidising the facility in its existing configuration.
- 6.2.8. BH Live's proposal has been costed at £2.6 million. There is already £1.4 million in the capital budget for the renovation of the Pyramids meaning that an additional £1.2 million must be identified for the project.

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#### 6.2.9. Summary of options

Option	Pros	Cons	Costs	10 year cost
<b>BH Live's proposal.</b> Convert pool to indoor adventure centre plus convert Plaza to large gym.	Keeps building open for 10 more years. Affordable within existing capital budget Returns the centre to profitability (or break even) Maximises gym offer.	Loss of pool and events space.	£2.5 million Plus £400,000 per year maintenance (likely to be less) Plus potential for income to the council	£6.5 million
<b>Only do essential works</b> Re-open and proceed with £1.33 million essential works (mainly not customer facing) plus £620,000 works in year 5-10.	Keeps the building open for 10 more years	Does not address causes for trading deficit (ie failing pool offer) There is no budget for ongoing subsidy. Further capital bid required for years 5-10. Does not maximise profitable gym offer	£2 million Plus £400,000 per year maintenance Plus £780,000 per year trading deficit	£13.8 million
<b>Essential works plus full refurbish</b> As above, with renovation of customer facing elements	Keeps the building open for 10 years Improves the customer experience. Likely to attract customers back to the pool.	Not currently affordable. Likely 10-15% increase in swimming would not have a significant impact on the trading deficit.	£4.0 million Plus £400,000 per year maintenance Plus £680,000 per year trading deficit (estimate)	£14.8 million
<b>Close the Pyramids entirely</b>	Cheapest option	Total loss of the leisure centre. Doesn't	£500,000 (demolition)	£700,000

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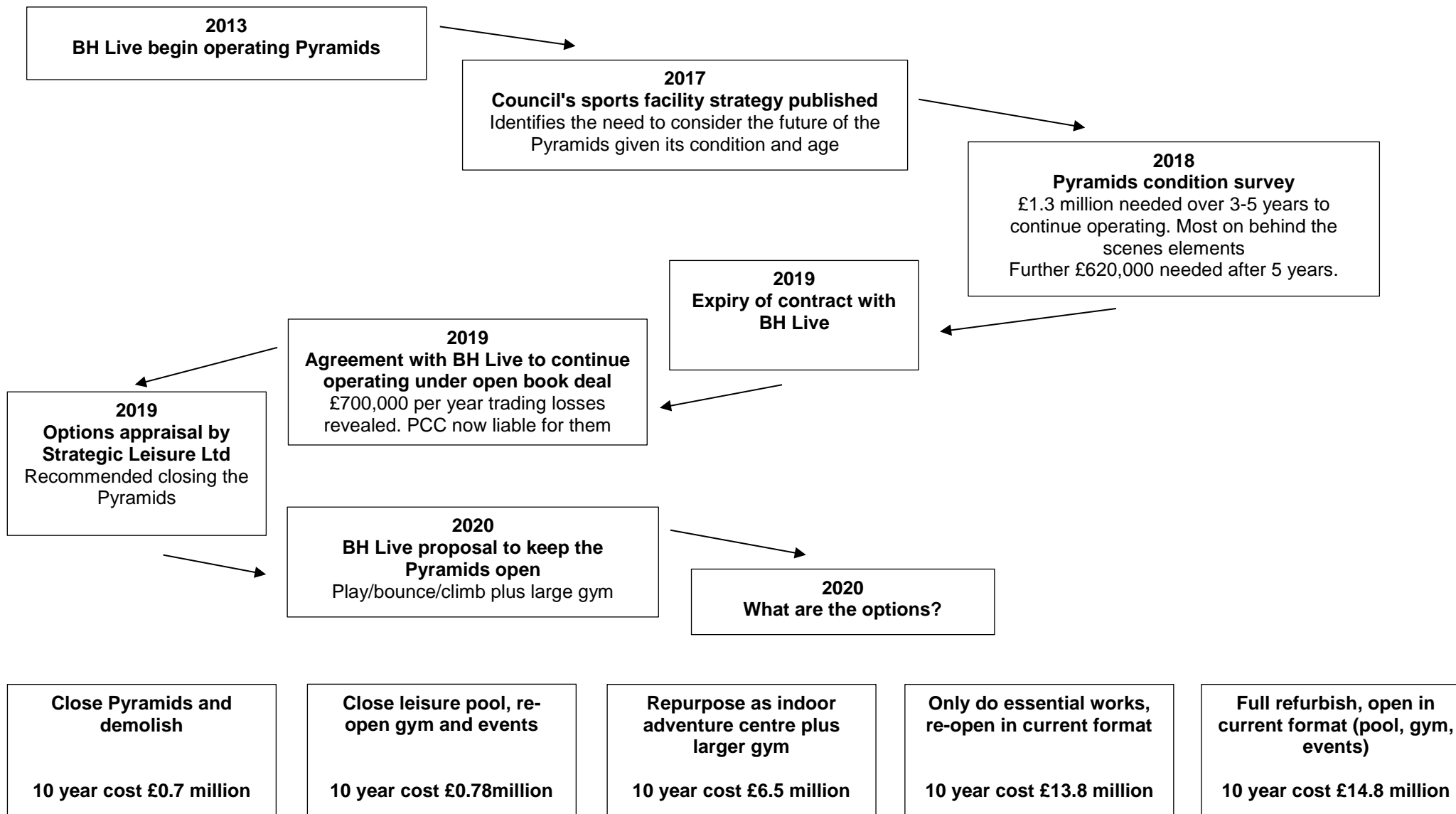


**Portsmouth**  
CITY COUNCIL

Demolish and return to open space		address strategic need for sports and leisure facilities.	Plus £20,000 per year grounds maintenance	
<b>Close the pool only</b> Retain the gym and events space	Cheapest option Eliminates the main cause of the trading deficit Keeps the building open (but only part)	Net loss of leisure facility to the city. Doesn't maximise the gym offer.	For the purposes of this appraisal a 60:40 split of the essential works is assumed (60% pool, 40% non-pool) £780,000 Assumes break even on remaining offer.	£780,000

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### 6.3. Summary of events from 2013



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#### **6.4. Market testing and financial appraisal**

- 6.4.1. Industry-level market analysis suggests that the bulk of growth in 2018/19 was on the 'dry side' expansion (ie not swimming pools). Market analysis also reveals that leisure centre revenues are increasingly driven by sports and fitness activities.<sup>18</sup>
- 6.4.2. The leisure industry began to consider its response to coronavirus pandemic early on and emerging strategies saw it as an opportunity to address underlying issues. In the words of one sport and leisure consultant: "Through a clear post COVID-19 strategy, some councils may not reopen some of those poorly-performing and ageing facilities, but instead use the crisis to reimagine a compelling, affordable locally co-produced alternative."<sup>19</sup>
- 6.4.3. A market testing exercise was conducted by council officers with specialist play and trampoline suppliers. This concluded that that the proposed facility mix in the play side of the proposal was an optimal one which would be likely to be successful (ie the right blend of trampolines, climbing activity, soft play, café and party rooms).
- 6.4.4. An initial financial assessment of the proposal to reconfigure and improve the Pyramids offer has been undertaken and a full financial appraisal of the proposed project is now taking place.
- 6.4.5. This will include an assessment of the capital costs for the reconfiguration and improvement works which will require additional capital resources of £1.2 million to those already approved (£1.4 million). This funding has been identified following a review of the existing capital programme.
- 6.4.6. In addition to this, a review of the revised operating costs and revenue projections provided by BH Live as part of their proposal is being carried out to assess whether the revised proposal will provide at least a breakeven position for the council in the short term.

#### **6.5. Wider implication of the repurposing of the Pyramids**

- 6.5.1. Investment in the Pyramids is likely to benefit the wider seafront offer and is consistent with the recent investment into the D-Day Story and the LCT landing craft nearby.
- 6.5.2. The seafront has seen a range of major investment and improvements in recent years with the opening of The D-Day Story, re-opening of South Parade Pier, the arrival of LCT 7074 (opening this autumn) and improvements to the public realm in the Brian Kidd Way area. In addition a range of new hospitality businesses have opened up including The Courtyard at Southsea Castle, The Briny and Watkins

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<sup>18</sup> Mintel (2019). Leisure Centres and Swimming Pools - UK - September 2019

<sup>19</sup> A New Future (April 2020). The Sport, Leisure and Culture Consultancy. <https://www.slc.uk.com/wp-content/uploads/A-New-Future-HCM.pdf>





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and Faux. Investment in the Pyramids will undoubtedly add to the wider seafront offer and help to extend the visitor season in this area into the shoulder months.

- 6.5.3. In its current format and condition (in the 12 months to February 2020, ie pre-Covid19) the Pyramids consumed over 6 million kWh of energy. Roughly 70% of this is from gas. Without a large pool of water to heat, gas consumption is likely to halve. This will mean that once repurposed the Pyramids is projected to reduce its carbon footprint by at least 30% from 1,300 tonnes of CO<sub>2</sub> to around 900 tonnes.

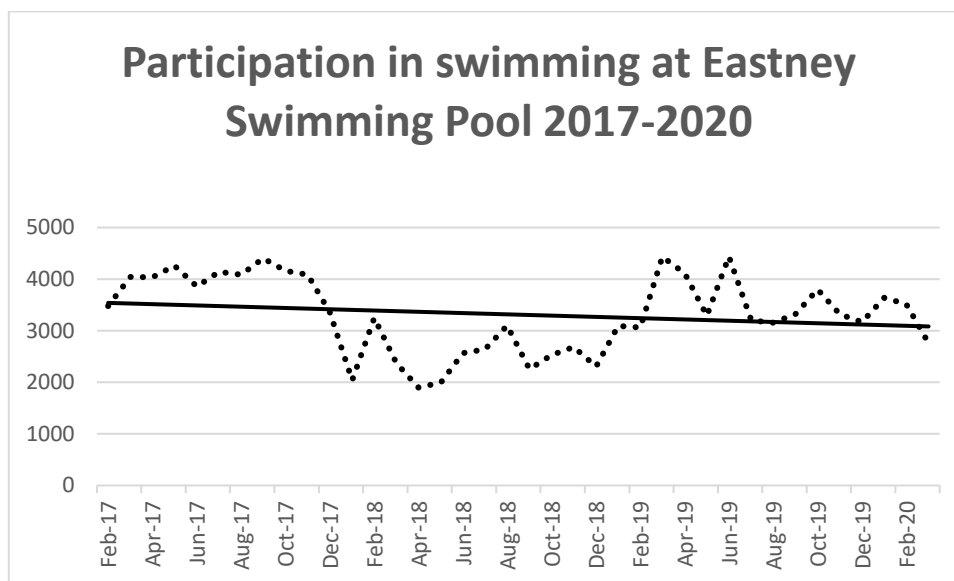
**6.6. Conclusion**

- 6.6.1. The current situation at the Pyramids results in a significant ongoing operational loss from the swimming pool and a gym that does not fully meet the latent demand in the area in order to compete with the market. The only affordable options available to the council are to accept BH Live's proposal or to close the leisure pool or the whole centre. BH Live's proposal is the only affordable option which retains the whole building in full use. Consequently officers are proceeding with the BH Live proposal.
- 6.6.2. Whilst this does represent a short term loss of swimming capacity in the city, the University pool due to open in September 2021 will help to redress the balance (a community use agreement is a planning condition). Swimming remains a key focus sport for the council. As part of the council's agreement with BH Live they are required to employ a swimming development officer to deliver a co-ordinated city wide learn to swim programme and to ensure close links with Portsmouth Northsea Swimming Club and other clubs.
- 6.6.3. The council continues to offer free swimming to children under 12, and has done since 2009. This helps to develop habits of physical activity at an early age, and provides an important life skill. State funded schools will continue to benefit from free swimming lessons at the Mountbatten Centre during term time, and discounts will continue to apply to under 18s and residents with a leisure card (those on means tested benefits are eligible).
- 6.6.4. The swimming pool at Charter Community Sports Centre has been available under a community use agreement since it was built in 2000. This agreement had been due to expire in 2020, but Ark Charter Academy have agreed to renew it to continue public access to the sports facility. This agreement will guarantee the availability of publically accessible swimming close to the city centre.

**7. Eastney Swimming Pool**

- 7.1.1. Eastney Swimming Pool is a small stand-alone community pool built in 1904. It is used for children's swimming lessons (32% of current use) and adult users (predominantly older people) (68%).
- 7.1.2. Usage at Eastney Swimming Pool is fairly stable, but is only around 50% of capacity. As a stand-alone site there is no wider provision to draw greater usage (eg a gym).

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- 7.1.3. The building is in poor condition. The operating costs of the building are increasing due to its design and condition, and levels of use. Disabled access is inadequate, changing provision does not address safeguarding guidance, the on-site car parking is very limited, and the site is not adequately served by public transport.
- 7.1.4. At present, forecasts due to the Covid-19 restriction identify that the facility potentially requires an ongoing operational subsidy of between £100,000 and £150,000 per year.
- 7.1.5. A recent condition survey estimated £850,000 of essential work required in the next 3-7 years including the need to undertake a detailed structural investigation of the roof structure which has been identified as being in a poor condition. External consultants have recently assessed the condition and a report is due shortly. This will allow a series of options to be considered, depending on the extent of any works required which may include renovation, rebuilding or even re-provision at an alternative site nearby (if available), depending on what the condition survey shows.
- 7.1.6. Officers may be able to provide a verbal update at the cabinet member's meeting when this report is considered on 16 October.

.....  
Signed by:  
**Stephen Bailly**  
**Director of Culture, Leisure and Regulatory Services**

**Appendices:**  
None

**Background list of documents: Section 100D of the Local Government Act 1972**

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The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Portsmouth City Council Sports Facility Strategy 2017-2034	<a href="https://bit.ly/3nhCfn1">https://bit.ly/3nhCfn1</a>

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Signed by:

**Cabinet Member for Culture, Leisure and Economic Development**