

Housing, Health and Communities Committee	
Meeting Date	3 July 2025
Report Title	Swale Leisure Contract
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Martyn Cassell, Head of Environment and Leisure
Lead Officer	Jay Jenkins, Leisure & Technical Services Manager
Classification	Open / Part Exempt
Recommendations	<ol style="list-style-type: none"> 1. Recommendation to reduce car parking refunds to a period of one hour only for all sports activities at Swallows and Sheppey leisure centres and to introduce a one-hour refund at Faversham Pools effective from 1 April 2027. 2. Recommendation to approve capital investment provision of £2 million and refer to Policy & Resources Committee for budget allocation approval.

1 Purpose of Report and Executive Summary

- 1.1 This report details the recent discussions with the cross-party Members Leisure Working Group (MWG) and Faversham Pools Trust (FPT) regarding the issue of car parking refunds and capital investment in the new leisure contract (the Contract) from April 2027.
- 1.2 The report confirms the views of the MWG regarding both items and provides two recommendations for Committee consideration.
- 1.3 The Committee are asked to discuss the implications (positive and negative) of adjusting the car parking refunds policy for the leisure centres and the issue of SBC funded capital investment into the contract.

2 Background

- 2.1 The existing leisure contract (covering Swallows and Sheppey) is due to expire on 31 March 2027.
- 2.2 On 21 January 2025, the Community Committee approved the MWG's recommendation to proceed to an external procurement process to agree the Contract on a 10 + 5-year basis from April 2027.

- 2.3 The FPT board met on 10 February 2025 and unanimously voted to be included into the leisure contract from April 2027 subject to final agreement on terms.
- 2.4 On 5 March 2025, the Community Committee approved the inclusion of Faversham Pools into the Contract (subject to agreement of final terms).
- 2.5 The current car parking refund arrangements are only applicable to Swallows and Sheppey leisure centres. Refunds were included in the existing contract but were not in Faversham pools lease arrangement.
- 2.6 Existing Swallows and Sheppey customers can get a refund of between 1 and 3 hours parking depending upon the activity they undertake. This only applies to sports and fitness activities and not play or commercial activities e.g. pool/hall hire or birthday parties/events.
- 2.7 The MWG has discussed a range of options for the new contract, including complete removal of car parking refunds, reducing the current arrangements by 50%, introducing a maximum of 1 hour refunds and only offering to concessionary members only. There is also an option to offer refunds at car parks further away from the centres to reduce overcrowding in key town centre car parks.
- 2.8 Competitor facilities in the Borough (in the private sector) all offer free parking at their facilities. There are a range of positions across other neighbouring Boroughs with some offering refunds and others not.
- 2.9 MWG has also discussed the implications of different car parking refund situations at Faversham and have all agreed that the new refund process should be the same for all the leisure centres in the Contract (all in or all out).
- 2.10 Having reviewed the pros and cons, the recommended option is to offer a maximum of a 1 hour refund across all three facilities from April 2027. This still gives an incentive for customers to use the facilities but caps the ongoing cost to the Council. The direct financial implications of this can be seen on Exempt Appendix 1.
- 2.11 By removing refunds or reducing them, it is likely that bidders will increase their tender price to cover the risk of existing members moving to alternative facilities.
- 2.12 Based upon recent and previous condition surveys and the age of the existing facilities, all three / facilities will require capital investment over the course of the new contract period. This is predominantly required in service areas, boilers, air handling, pool filtration systems, but the tender will also look to unlock capital investment from the contractor to try and add/improve the range of activities on offer. Evidence from previous tender processes suggests that capital investment helps to keep contract subsidy down.

- 2.13 Alongside other external funding streams such as government funding and developer contributions for improvements and increasing capacity to meet additional demand, the proposal is to utilise the SBC investment into these key areas of ‘behind the scenes’ service delivery, which will extend the longevity of the facilities.

3 Proposals

- 2.1 The Committee is requested to review the two recommendations in this report;
1. Recommendation to reduce car parking refunds to a period of one hour only for all sports activities at Swallows and Sheppey leisure centres and to introduce a one-hour refund at Faversham Pools effective from 1 April 2027.
 2. Recommendation to approve capital investment provision of £2 million and refer to Policy & Resources Committee for budget allocation approval.

4 Alternative Options Considered and Rejected

- 4.1 The Committee could decide not to approve the parking refund recommendation and completely remove it, keep it the same, or not extend the scheme to Faversham. None of these are advised as it will likely lose members and require additional subsidy by the council, the existing scheme is not affordable and means a high level of subsidy for a non-statutory service and MWG feel there should be parity across the three facilities.
- 4.2 The Committee could decide to approve a lower capital investment figure or no investment at all, this is not advised as the facilities require significant investment from SBC and the Contract leisure operator.

5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with Faversham Pools Trustees.
- 5.2 MWG has ensured cross party involvement in this project and have discussed the implications of car parking refunds and capital investment.

6 Implications

Issue	Implications
-------	--------------

Corporate Plan	Community, to enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience.
Financial, Resource and Property	<p>Members have previously reviewed the financial variances between insourcing compared with outsourcing and the financial modelling of two facilities compared with three.</p> <p>There is currently no additional budget provision for the inclusion of Faversham Pools over and above the £80,000 set aside for the annual grant within the Medium-Term Financial Plan. A more detailed summary can be found in the exempt appendices.</p> <p>Members have discussed the implications of Car Parking refunds as part of the leisure working group and have all agreed that the refund process should be the same across the contract.</p> <p>Members have suggested and discussed a range of options but have agreed on the recommendation of offering a maximum one-hour refund across all three facilities.</p> <p>Capital Investment:</p> <ul style="list-style-type: none"> • Four Investment values have been reviewed • Repayment rates can be seen at Exempt Appendix 2 • The Recommendation is to invest £2million. • The rate would be fixed at the point of taking out the loan • Impact on revenue budget would be referred to Policy & Resources Committee for their approval <p>In addition to the financial impacts, there are several community impacts.</p>
Legal, Statutory and Procurement	<p>The evaluation of capital investment offered by bidders is part of the procurement process.</p> <p>The provision of leisure centres is not a statutory service. So management of the service and cost is flexible for Members to decide.</p>
Crime and Disorder	The provisions delivered by the leisure centres act as diversionary activities for young people, likely contributing to reducing crime and/or ASB. Many activities for younger people are greatly being reduced due to funding issues by other agencies and therefore those that can be delivered by leisure centres are an important requirement.

Environment and Climate/Ecological Emergency	Any investment in the buildings needs to consider reducing the carbon footprint of the service, due to their high energy usage. Including Faversham in the contract will likely help to generate more investment interest from operators. Reducing car journeys to leisure centres will positively impact our carbon footprint.
Health and Wellbeing	<p>Health & Wellbeing is a key output of any leisure contract. Social impact outcomes are directly linked to the Council's ability to offer a suitable and easily accessible leisure offering.</p> <p>The new contract will be prescriptive regarding working with local Health Partnerships (e.g. Health & Care Partnerships, ICB etc) to engage in Social Regeneration Programs to tackle health inequalities.</p> <p>SBC are having conversations with the NHS about social conscience and are considering specification inclusions.</p>
Safeguarding of Children, Young People and Vulnerable Adults	<p>All target groups will be considered as part of the tender process.</p> <p>Clearly the leisure centre environment needs a certain level of assurance that operators understand the implications and can manage successfully. The tender will ensure we capture the capabilities and experience of operators in this field.</p>
Risk Management and Health and Safety	<p>The leisure contract procurement project has a risk log in place which currently has identified 21 risks, all identified risks have control measures in place.</p> <p>Health and safety is a core component of the contract specification that tenderers will be asked to submit plans to cover this key area. The proposed capital investment will inevitably reduce health and safety risks and also future proof the facilities to reduce the risk of future major investment being needed and what closure of the buildings would cause.</p>
Equality and Diversity	A full equalities impact assessment will be presented with the award of contract report following the tender process. The tender process will follow standard Sport England recommended processes which ensure equality of access/opportunity is at the heart of the decision.
Privacy and Data Protection	None identified.

7 Appendices

7.1 – Exempt Car Parking estimates

7.2 – Exempt Capital Investment estimates

8 Background Papers

8.1 [Printed Minutes 05032025 Community & Leisure Committee](#)

8.2 [Printed Minutes 21012025 Community & Leisure Committee](#)