



OVERVIEW AND SCRUTINY COMMITTEE

MEETING : Monday, 30th October 2023

PRESENT : Cllrs. Field (Chair), Chambers-Dubus, Ackroyd, Campbell, Castle, Dee, Evans, Hilton, Kubaszczyk, Sawyer, Toleman and Wilson

Others in Attendance

Cabinet Member for Planning and Housing Strategy, Councillor
Stephanie Chambers

Cabinet Member for Culture and Leisure, Councillor Andrew Lewis

Corporate Director

Head of Culture

Democratic and Electoral Services Officer

APOLOGIES : Cllrs. Pullen, Hudson and Hyman

51. DECLARATIONS OF INTEREST

Councillors Castle and Toleman declared an interest in agenda item 7 (Leisure Provision Update) owing to their positions as trustees on the board of Aspire Leisure Trust.

52. DECLARATION OF PARTY WHIPPING

There were no declarations of party whipping.

53. MINUTES

RESOLVED – That the minutes of the meetings held on 25th September and 2nd October 2023 were approved and signed as a correct record by the Chair.

54. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

55. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions nor deputations.

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56. LEISURE PROVISION UPDATE

- 56.1 The Chair asked, on behalf of Councillor Hyman, whether the Cabinet Member for Culture and Leisure thought that outsourcing Aspire had led to the situation the City Council was in and whether it would be better to in-house leisure services. The Cabinet Member for Culture and Leisure, Councillor Lewis, advised that the advice from sector expert consultants, SLC, was that the Leisure Management market would be most effectively and economically delivered by third party operators rather than by the Council. He noted that this was the approach that Council has agreed to take as it procured a new provider, and that the options appraisal published in May 2022 demonstrated that the in-house option was costlier to taxpayers.
- 56.2 In response to a query from Councillor Hilton regarding the additional costs of in-housing the leisure service, Councillor Lewis reiterated that the options appraisal report commissioned by SLC showed that the most cost-effective option was for services to be delivered by an external provider.
- 56.3 In response to an additional question from Councillor Hilton regarding the background papers to the 2022 Cabinet Report, the Head of Culture and Leisure confirmed that the SLC executive summary was published as an appendix as part of the 2022 options appraisal.
- 56.4 Councillor Hilton asked for further information about the temporary leisure provider and the potential impact on the VAT shelter. Councillor Lewis confirmed that the Council had considered bids from 3 companies, and each had confirmed that they were content with the proposed support from the Council in the short term. He reiterated that in his view, the Council was not in a position to insource Leisure Services and that the providers being considered were well versed in running leisure facilities.
- 56.5 The Chair asked, on behalf of Councillor Hyman, what was meant by the statement made at the recent Extraordinary Council meeting that the Council did not have a statutory duty to provide leisure services, and whether it was the Cabinet Members' view that the Council ought to stop supporting these services. Councillor Lewis replied that the response given at the Council meeting was a factual one. He confirmed that the Council had no intention to cease providing leisure services and that he was committed to appoint a temporary provider as soon as possible so that residents could access leisure facilities again. Councillor Lewis further added that the Council had supported some clubs to return to the facilities in the intervening weeks immediately following the closure of the facilities by Aspire Leisure.
- 56.6 The Chair asked whether there was previously an aim of divorcing some leisure services from the Council through reducing the Aspire Management Fee. Councillor Lewis confirmed that this was the former model which the Council had been achieving before the Covid-19 pandemic.
- 56.7 Councillor Sawyer asked for clarification as to the oversight procedures in place between the Council and Aspire. The Head of Culture confirmed that

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senior Officers had met with Aspire monthly, and these meetings also included finance reconciliation.

- 56.8 In response to concerns raised by Councillor Chambers-Dubus regarding confidentiality and how trustees were able to feedback to Members, Councillor Lewis reminded Members that the Council representatives on the Board had been appointed by full Council and expressed the view that the trustees had worked well.
- 56.9 Councillor Hilton asked how much the SLC Leisure and Cultural Services Options Appraisal of 2022 had cost the Council to commission. Councillor Lewis confirmed that the Options Appraisal had cost £33,645 with an additional £2,896 for the development of the Performance Delivery Plan.
- 56.10 Councillor Hilton asked how much the Hazelwoods – Strategic Review of Aspire Sports and Cultural Trust of 2003 had cost the Council to commission. Councillor Lewis confirmed that this review had cost £15,000.
- 56.11 Councillor Hilton asked whether the Council had undertaken analysis to determine whether the GL1 building was fit for purpose and what efforts were being made to secure the long-term future of GL1. Councillor Lewis replied that detailed Condition Surveys of both GL1 and Oxstalls had provided a good indication of the investment needed to maintain and develop the facilities in the future. Councillor Lewis further added that SLC had advised that the Council should consider a negotiated process, where the Council would consider whether capital investment requirements into the facilities would be best spent in re-investment into the existing facilities or whether the provider would recommend modifications to the facilities and suggest other options for investment.
- 56.12 In response to a further question from Councillor Hilton regarding commissioning arrangements for bidders, the Head of Culture explained that the Council was in the process of trying to secure a 10-15 year contract and was looking at identifying capital investment opportunities to discuss with the incoming provider. He noted that this would all be part of a robust procurement exercise.
- 56.13 Councillor Hilton asked whether the Overview and Scrutiny Committee could have sight of the Condition Surveys. It was agreed that survey documents would be circulated to the Committee in due course.
- 56.14 In response to a follow-up query from Councillor Hilton regarding the leasehold arrangements for GL1 and whether there were leasehold restrictions on the wider site, Councillor Lewis confirmed that he was not aware of such restrictions but that he would seek clarification from Officers.
- 56.15 The Chair referred to the resolutions agreed at the recent Extraordinary Council meeting to periodically report to the Overview and Scrutiny Committee. He sought assurances that the Committee would be granted oversight of information requested by Members, including financial statements and accounts, information about energy efficiency and the state

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of the GL1 buildings. Councillor Lewis reminded Members that the resolution agreed by Council was to provide periodic updates to the Overview and Scrutiny Committee on the re-establishment of leisure services. He noted that once appointed, the Committee was welcome to invite the interim service provider to attend future meetings to answer questions, however inquiries into the finances and governance of Aspire Trust were matters for the Audit and Governance Committee.

- 56.16 In response to comments from Councillor Wilson, Councillor Lewis confirmed that he expected the new provider to have an open book policy with open and transparent records.
- 56.17 Councillor Wilson asked whether the Council's internal audit team would be able to have sight of the new provider's financial statements and accounts. The Corporate Director noted that Officers would not be able to dictate to the provider how to run their services, however they would encourage open and honest communication.
- 56.18 Referring to earlier comments made regarding cost-saving advantages to services being run by a provider, Councillor Hilton expressed the view that it was important to ensure that the contract had oversight and that the finances of the new provider were open and transparent. He also impressed the need for cost centres in each area. Councillor Lewis agreed that he would want transparency and that senior Council Officers would be meeting with the new provider on a monthly basis.
- 56.19 The Chair asked whether the Council was also considering whether to engage the new operator to run cultural venues in Gloucester. Councillor Lewis confirmed that the current approach was to procure a long-term multi-site operator of the leisure facilities alone. The Head of Culture further explained that the 2021-22 Leisure Services Options Appraisal conducted by SLC had advised that leisure operators were best placed to provide leisure services, but not necessarily cultural services.
- 56.20 In response to further queries from the Chair regarding plans to address the large energy costs of GL1, difficulties in generating a profit from swimming and car parking facilities, Councillor Lewis noted that swimming was the most profitable element of the leisure operation but also the most costly due to staffing requirements, energy use and pool maintenance. He confirmed that car parking was recognised to be an ongoing challenge, however a scheme was in place to refund GL1 users of the car park a proportion of the car parking. Councillor Lewis also noted that he expected efficiencies to be brought by the new contractor to ensure the business model was sustainable.
- 56.21 Councillor Sawyer asked whether the Cabinet Member or Officers wrote to Aspire Leisure's auditors confirming that they would not call in the £500k loan during the one-year extension of the leisure contract. Councillor Lewis stated that there was no loan agreement with Aspire Leisure for £500k. He noted that Aspire had debts for utility charges, and the Council had provided a letter of support as required by the Trust's auditors, as it had done in

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previous years. Councillor Lewis explained that the letter confirmed that any repayment of the debt to the Council would be in the context of the Trust's ability to accrue surpluses to make repayment over time, noting that the letter stated that the Council would continue ongoing support for 12 months on from the approval of the 31st March 2022 financial statement up to a maximum of £620k in 2023/24.

- 56.22 In response to a follow-up query from Councillor Sawyer regarding the timing of the letter, Councillor Lewis confirmed that at the time of sending the letter of support to Aspire Leisure's auditors, the Council was still in the process of supporting the Trust. The Head of Culture further confirmed that the letter of support was provided ahead of the board meeting.
- 56.23 Councillor Sawyer observed that there was some concern around Aspire Leisure's 2019 statement of accounts and asked whether these concerns were discussed during meetings. The Head of Culture replied that Aspire Leisure were not insolvent at the time, and were legally trading above deficit with support from the Council. Councillor Lewis added that the Council had been advised that it was feasible for Aspire to continue providing services for a further 12 months.
- 56.24 In response to a query from the Chair regarding the £500k utility charges, the Head of Culture explained that the Council procured and paid for utilities on behalf of Aspire, and subsequently recharged Aspire for the bills. He noted that during the Covid-19 pandemic, the Council agreed not to recharge for utilities and there was therefore a period of pause on collecting recharges.
- 56.25 In response to a further query from the Chair as to whether the Council should have held off collecting utility charges, the Head of Culture explained that the Council had not actively chased the Trust to reclaim the charges, however it was not in a position to write off the debt.
- 56.26 Councillor Kubaszczyk raised concerns that the purpose of the meeting was to look forward and obtain an update on future leisure services provision. The Chair emphasised the importance of good scrutiny so that providers did not repeat mistakes.
- 56.27 Councillor Sawyer asked when Officers and the Cabinet Member learned that Aspire Leisure could not renew their pension bond with Co-op after 30th September 2023. Councillor Lewis responded that on 24th July 2023, Aspire Leisure indicated that their bank may be unwilling to extend the pension bond further. Councillor Lewis advised that Officers had spoke to the Pension Board to find alternative bond providers, which were passed on to Aspire to follow-up.
- 56.28 In response to an additional query from Councillor Sawyer, the Head of Culture advised that it was not down to the City Council to step in and take liability for the loss of pension bonds as this was a matter for the Aspire Board, and the Council would have inherited risk.

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- 56.29 Councillor Sawyer asked why the Council was not ready to procure Leisure Services in 2021. Councillor Lewis explained that professional advice had been sought from SLC to conduct an options appraisal., which had identified a number of measures that the Council needed to implement in order to obtain the best possible outcome from a procurement process. He noted that Council could have continued to run a procurement process to complete within the two year period without implementing the recommendations from SLC, but this would have led to a sub-optimal outcome in the procurement for the Council and its residents.
- 56.30 The Chair asked that a further update on leisure provision be provided to the Overview and Scrutiny Committee in the new year, and it was agreed that this item would be added to the agenda for the Overview and Scrutiny Committee meeting on Monday 8th January.

RESOLVED – That the Overview and Scrutiny Committee **NOTE** the update.

57. TEMPORARY ACCOMMODATION ACQUISITION PROGRAMME

- 57.1 The Cabinet Member for Planning and Housing Strategy, Councillor S. Chambers, introduced the report and explained that it sought to set out a programme of capital investment to increase the Council's temporary accommodation portfolio to reduce the costs associated with using hotels and other buildings to provide temporary accommodation. She explained that where households were threatened with homelessness or made homeless, the Council had statutory obligations to safeguard those households, and in certain circumstances, to provide emergency temporary accommodation.
- 57.2 Councillor S. Chambers advised Members that the Council had seen a marked increase in the number of households being accommodated within temporary accommodation over the last 6 months. She explained that there was a significant challenge with accessing long-term accommodation due to high demand for rented accommodation in Gloucester.
- 57.3 The Chair expressed the view that the solution outlined in the report was sensible and noted that it was a shame that more support was not being provided to Councils from Central Government. He asked for clarification on what was meant by 'exempt accommodation' rates which Councillor S. Chambers provided.
- 57.4 The Chair asked for further information as to the buildings the Council was minded to acquire for the purposes of providing temporary accommodation. The Corporate Director confirmed that the Council was considering options, however accommodation was in short supply and that the recommendations in the report needed to be approved by Council before Officers could proceed with developing a programme.
- 57.5 Councillor Wilson expressed the view that the report was a good one and that he felt that the proposals were the right thing to do. He asked whether, even with increased interests rates, increasing the Council's temporary

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accommodation through capital investments was cheaper than the current approach. The Corporate Director replied that it was, and that the Housing Innovation Manager was working closely with the Finance Team. She further expressed the view that increasing temporary accommodation provision was also a better way of providing support to households faced with homelessness.

- 57.6 The Chair asked why the Council proposed not to exceed acquisitions over £5m. The Corporate Director explained that the initial suggestion was £3m, however the Council wanted to provide some flexibility and the £5m figure was considered to be pragmatic.
- 57.7 In response to a query from Councillor Hilton regarding whether the proposed buildings for acquisition included traditional housing or office space, Councillor S. Chambers confirmed that all options were being considered and encouraged Members who had any ideas for suitable buildings to pass their suggestions onto the Housing Innovation Manager. The Corporate Director added that larger accommodation schemes were not always the best way of managing residents' needs and smaller, varied schemes were the preferred option so that the right level of support could be provided to families.
- 57.8 Councillor Hilton observed that households seeking support from the Council had different needs, to which Councillor S. Chambers agreed. She referred to alternative schemes, such as Snow Capel, St Oswalds and Hill Farm, and expressed the view that the Council needed to work in tandem with developers on solutions.
- 57.9 Councillor Chambers-Dubus asked whether families who were made homeless were likely to be offered accommodation with their own bathroom facilities. Councillor S. Chambers confirmed that the Council was looking at all options and that she would like to see shared facilities among different households eradicated. This said, she noted that at the moment, there would be some accommodation with shared facilities however the best thing to do would be to increase temporary accommodation supply.

RESOLVED – That the Overview and Scrutiny Committee **NOTE** the report.

58. OVERVIEW AND SCRUTINY WORK PROGRAMME AND COUNCIL FORWARD PLAN

RESOLVED – That the Overview and Scrutiny Committee **NOTE** the Work Programme.

59. DATE OF NEXT MEETING

Monday 27th November 2023.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.55 pm hours

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Chair