

Gloucester City Council

Meeting:	Cabinet	Date:	6 March 2024
Subject:	Provision of Leisure Services Update		
Report Of:	Cabinet Member for Culture and Leisure		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	Yes
Contact Officer:	Philip Walker, Head of Culture		
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Appendices:	1. Freedom Leisure Operational Review February 2024		
	2. GCC Leisure Procurement timeline		

1.0 Purpose of Report

- 1.1 To update Cabinet on the current provision of leisure services and to demonstrate the procurement timeline for the future provision of leisure services.

2.0 Recommendations

- 2.1 Cabinet is asked to **NOTE**:

- (1) the provision of Leisure services since October 2023
- (2) the appointment of Freedom Leisure to deliver leisure services on behalf of the city council from 11 November 2023 to 1 January 2025

- 2.2 Cabinet is asked to **RESOLVE** that:

- (3) Authority is delegated to the Managing Director, in consultation with the Cabinet Member for Culture and Leisure and the Cabinet Member for Performance and Resources, to procure and award a contract for the longer-term provision of management of the facilities at GL1 and Oxstalls from 2 January 2025 following a full and robust tender process.

3.0 Background and Key Issues

- 3.1 Until September 2023 The Aspire Sports and Cultural Trust was contracted to provide sporting and leisure opportunities and to operate the Council-owned facilities at GL1 Leisure Centre and Oxstalls Sports Park. As noted in the council report in October 2023, Aspire Trust ceased to operate the facilities from 30th September. The Trust formally entered the liquidation process on 10 November 2023. Delegated authority to procure an interim provider was granted by council at an extraordinary meeting held on 19 October 2023.

- 3.2 Since 1 October 2023 the council took over the management of the council-owned leisure facilities and working with University of Gloucestershire, facilitated the temporary use of some of the pre-booked activities at Oxstalls Sports Park and the Arena. This enabled some of the regular clubs in the city to retain their training schedules with a minimal period of disruption. The council enabled one club access to the swimming pool for training at GL1. A regional swimming gala event took place over a weekend facilitated by the council events team and members of the club, with the support of contractors and partners. This ensured that a key event in the county's sporting calendar was honoured and the club was able to train in the lead up to the event.
- 3.3 Council officers and University colleagues were able to reopen their facilities to some of those regular clubs that required minimal external support to operate. Grass pitches at Oxstalls were reopened and made available to pre-booked clubs by the weekend 7 Oct 2023. 2G, 3G and 4G pitches were reopened by the following weekend to pre-existing bookings by regular clubs including hockey, football and rugby. The Council held meetings with representatives from many of the main sporting clubs using these facilities, including the swimming club, to identify ways in which those clubs could resume their use of the facilities (indoor and outdoors). The University was able to reopen its Arena facilities with immediate effect for its own internal teaching uses, to enable that educational provision to continue without disruption, and re-established some community usage of those facilities from 16 October 2023.
- 3.4 In parallel to this, Council Officers with the support of consultants The Sports Leisure Consultants (SLC), worked to appoint a leisure services provider on an interim basis, to bridge the 12–18 month gap until a longer-term provider is procured. Following an initial filtering stage, a small number of interested providers were invited to a tour of the facilities and then asked to submit written proposals. Their proposals were evaluated using the following criteria:
- The level of overhead and/or profit to be retained by the Operator
 - The level of service / customer offer the Operator proposes to provide within the Council's financial constraints
 - The speed, deliverability and robustness of the Operator's mobilisation plans
 - The Operator's track record of delivering high quality services
 - The Operator's overall capacity and resources to support with mobilisation and ongoing contract management
- 3.5 Following evaluation of the submissions Freedom Leisure was chosen to provide the interim management of the facilities from 11 November 2023. An agreement was drawn up and a letter of intent served as a guarantee to both parties until a contract could be agreed. The basis of the agreement was taken from the submission provided and the brief set by the council. The overall aim of the interim situation was to reopen the leisure facilities as soon as practicable and safe to do so in order to allow the public, clubs and users of the facilities to return.
- 3.6 An initial mobilisation meeting was held on Monday 30th October. This meeting identified a series of actions required and the council and the new operator, based upon their submission. Freedom Leisure mobilised extremely quickly. In line with the wishes of the council, within the first two weeks from the date of appointment their

team interviewed over 100 former Aspire staff, appointed 79 staff, provided training, inductions and contracts and were able to re-open the facilities to the public on Saturday 11th November for the majority of sports and leisure activities available. See Appendix 1 - Freedom Leisure Operational Review February 2024

- 3.7 To ensure that a strong working relationship was built between the council and the leisure provider, weekly meetings were established from 30th October. Since January, meetings have taken place on a fortnightly basis, alternating between a focus on Operational matters and Financial and Business performance. Monthly reports are presented and discussed and performance is monitored.
- 3.8 An interim contract has been drawn up based upon the Sport England standard contracts – based upon best practice for the leisure industry. This agrees the management fee that the council will pay to the operator and is capped at a level that is beneath the agreed budget approved by Cabinet.
- 3.9 Since operating the facilities Freedom Leisure have conducted visible marketing activity and offers. The town crier has been employed to promote and a series of public membership deals and offers have been issued, announced via the press and advertised using digital channels. Where possible, former members and regular users of the facilities have been contacted to encourage them to return.
- 3.10 The former Aspire Leisure Trust entered liquidation process on 10 November 2023 following a creditors agreement to formally appoint Crowe UK as the liquidators. The council as a creditor and is awaiting the outcome of the process to understand whether it will receive any recompense from this.
- 3.11 Appendix 2 shows the timeline for procurement of a longer-term leisure provider. An announcement was published in December to alert the leisure providers nationally that Gloucester is seeking a provider to take on the running of the leisure centres. The formal invitation to tender was issued in February 2024. A bidder's day on 5th March was conducted to allow interested operators to visit GL1 and Oxstalls and to better understand the opportunity to run the city's leisure facilities.
- 3.12 A funding bid to Sport England's Swimming Pool Support Fund (Phase II – Capital) was submitted in October with the announcement expected in Spring 2024.

4.0 Social Value Considerations

- 4.1 Sports and activity are closely linked to health and well-being. Due to the expedited procurement process necessary to reopen these leisure facilities as soon as possible, social value considerations were not evaluated as part of this procurement process for an interim provider. However, social value considerations does form part of the procurement process for the longer-term leisure services provider.
- 4.2 Council officers are working with the preferred interim service provider Freedom Leisure to ensure that as many social and well-being outcomes as possible can be re-established as part of that short-term contract, including the reinstatement of the Health Hub at GL1.

5.0 Environmental Implications

- 5.1 Leisure services are one of the Council's major contributors of greenhouse gas emissions. As such, reducing those emissions can play a significant role in the Council's climate emergency agenda. Coupled with rising energy prices there is a major incentive for both the Council and its leisure operator to invest in technology to reduce emissions.
- 5.2 The council will continue to seek innovative solutions to reduce and minimise the carbon emissions of its own facilities and encourage, through its partners, greater participation in active travel and physical activity to support its ambitions to become carbon neutral by 2030.
- 5.3 Should the bid to Swimming Pool Support Fund capital funding bid be approved measures to decrease the environmental impact of the GL1 Leisure Centre will be implemented.

6.0 Alternative Options Considered

- 6.1 None

7.0 Reasons for Recommendations

- 7.1 The procurement of an interim leisure provider to manage the Council's and University's leisure facilities for sports clubs, public and community use, was considered the best option to improve the social, physical, and mental well-being of the residents of Gloucester in the most economical way.
- 7.2 The procurement of a long-term leisure operator will deliver the best outcome for Gloucester residents in the current circumstances.

8.0 Future Work and Conclusions

- 8.1 Appendix 2 shows the timeline for procurement of a long-term leisure provider.
- 8.2 Subject to a successful outcome of the bid to Sport England for capital investment funds from the Swimming Pool Support Fund (Phase II), the council will invest into capital works on improvements to GL1 facilities to implement a series of energy saving measures. These will be delivered in 2024-25 with the benefits of these being seen in future years through reduction in operating costs and energy usage reductions. The measures will contribute towards the council's net-zero targets.
- 8.3 Discussions with swimming clubs and national sporting body Swim England will be held to consider upgrades to the swimming pool timing system to enable regional and national galas and competitions to be held in Gloucester at GL1.

9.0 Financial Implications

- 9.1 The creation of a leisure contingency fund of £260k was agreed at November council to finance the procurement of an interim leisure operator to reopen the facilities from November 2023 to end March 2024. This figure was provisionally earmarked as the additional sum that Aspire Trust indicated it needed to continue to trade beyond September to the end of the financial year. This has created an in-year financial pressure on the Council's finances that will be managed through other budgetary

corrective action or through the use of one-off reserves. The cost of this interim service provision into 2024/25 has been factored into budget proposals agreed by Council in February 2024.

- 9.2 As a creditor of the Aspire Leisure and Cultural Trust, the council can expect to be recompensed for some of the debt owing to the city council.
- 9.3 The council applied for funding from the Sport England Swimming Pool Support Fund 2 – Capital Phase. If successful, this will deliver funding into the city council to be spent on energy efficiency measures on GL1 over the course of 2024/25.
- 9.4 Some budget will be required to be spent on the facilities maintenance and monthly reconciliation with Freedom Leisure will be agreed at monthly financial performance meetings.

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

- 10.1 There are a number of legal implications arising from matters in this report and the proposed course of action, including but not limited to:
- Finalising the contract between the council and the interim operator Freedom Leisure
 - Development of contract for long-term procurement of leisure provider
- 10.2 The council will need to consider any terms or conditions imposed by grant funders and seek advice where required.

(One Legal are providing ongoing support on the above)

11.0 Risk & Opportunity Management Implications

- 11.1 The risks are principally financial and legal and are covered in more detail above.

12.0 People Impact Assessment (PIA) and Safeguarding:

- 12.1 The Council recognises that the provision of leisure facilities, including swimming and club activities, is an important aspect of wellbeing including mental health. Further, that such facilities do play an important role in the lives of some people with protected characteristics.
- 12.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact from implementing the recommendations in this report, therefore a full PIA was not required. If another provider were to be in place on an interim basis, there would be no adverse effect on those with protected characteristics as they would have the ability to access the facilities.
- 12.3 The Council when deciding about long-term provision, must ensure that they have had due regard to the Public Sector Equality Duty in assessing how such a provision should be provided for.

13.0 Community Safety Implications

13.1 None.

14.0 Staffing & Trade Union Implications

14.1 The interim provider Freedom Leisure guaranteed priority interviews for former members of staff of the Aspire Trust for equivalent roles in the new provision. Interviewed 100 staff and appointed 79 staff under their terms and conditions.

Background Documents:

1. [Sport and Physical Activity strategy 2023-2028](#)