

TITLE OF REPORT: Leisure Review: Future Service Delivery Options

REPORT OF: Alice Wiseman, Director of Public Health

Purpose of the Report

1. This report provides an update of the work carried out to review Leisure Services and presents an overview of the outcomes of the comprehensive consultation process that commenced 2 November 2022. Cabinet is asked to consider the report and to identify the options to be taken forward for the continued delivery of Leisure Services.

Background

2. On 25 October 2022 Cabinet considered a report advising that the existing delivery model for Leisure Services was no longer affordable and that the service was continuing to significantly overspend its allocated budget provision. The report proposed the procurement of an external delivery partner to manage the service in the future and Cabinet agreed to this recommendation. The report also advised that it would be 18-24 months before the Council could expect to reduce its funding of Leisure Services via this route, and Cabinet therefore agreed to commence a comprehensive consultation process to understand the impact of any leisure centre closures in order to influence the final evaluation exercise on which leisure centres should remain open and be included within the procurement process, and which should be considered for closure to enable the service to operate within its budget provision as soon as possible, especially as the budget forecast within the Medium Term Financial Strategy is showing an increasing funding gap over the medium term..
3. Cabinet members were reminded that in 2015, they had agreed that Leisure Services would achieve the position of no longer being directly funded by the Council and would return an income to enable investment in Council priorities by 2020. However, this had not been achieved and, despite the implementation of many initiatives to either increase income or reduce expenditure during the 5 years from 2015/16 to 2019/20, the Council continued to fund Leisure Services, spending £18m during the 5 year period with a further £5.5m funded through COVID Grants during 2020/21 and 2021/22.

4. For financial year 2022/23 the Council agreed a budget of £2.2m for Leisure Services, (including a Public Health grant of £0.98m) and there was an outstanding unachieved saving of £600k to be delivered, however the latest outturn for the Service reported to Cabinet in November 2022 projects an overspend of £1.9m, which will require the Council to fund Leisure Services to a value of £4.1m (including the approved budget, overspend and undelivered saving).
5. Cabinet agreed to explore the possibility of closure of 2 or more of the Leisure Centres and a comprehensive consultation process was conducted between 2 November 2022 and 20 December 2022. Details of the consultation process, responses and how the recommendations set out in this report are anticipated to impact Gateshead residents are set out in the attached appendices.
6. A detailed evaluation matrix setting out which leisure centres should close is attached as Appendix 5.

Proposal

7. The proposal is for the rationalisation of leisure centres to proceed in order to bring delivery of the service within its agreed budget, whilst taking account of the impact on the Gateshead Community as set out in Appendix 1.

Recommendations

8. It is recommended that:

- i. The Council proceeds with Option 2, the closure of Gateshead Leisure Centre and Birtley Swimming Centre on 31st March 2023; and
- ii. The Council continues to explore Option 3, potential Community Asset Transfers with community organisations that have identified an interest in Dunston Leisure Centre, Gateshead Leisure Centre and Birtley Leisure Centre, however this should not prevent or delay the closure of Gateshead Leisure Centre or Birtley Swimming Centre as recommended above.

For the following reasons:

- i. To achieve the objectives of the review as set out in Appendix 1, paragraph 9, and to enable the Council to procure a partner to operate and manage the remaining leisure centres at zero cost, or as close to zero as possible; and
- ii. To ensure that all viable alternatives have been fully explored to prevent the permanent closure of any leisure centres.

Policy context and background

1. The Council operates a comprehensive Leisure Service offer comprising sport, leisure and swimming facilities across 6 leisure centres within the borough (excluding Gateshead International Stadium which Cabinet agreed at their meeting in October 2022 is out of scope for this report and is subject to a separate review due to the leisure provision being only a part of the whole stadium facility) and delivers a range of support activities to other organisations, clubs and the community.
2. Physical activity, as described in the Physical Activity Strategy, has a very wide definition and is not limited to activity that takes place in sports and leisure facilities. It can also include walking, running, cycling and many other outdoor activities, however, most of the Council funding of physical activity is spent on operating leisure centres.
3. There is no evidence that the current leisure centre offer supports those in the greatest health need, or those who have lower levels of activity. It could, therefore, be argued that the current funding of Leisure Services does not fully support the Council's policy priority set out in Making Gateshead a Place Where Everyone Thrives ("the Thrive agenda"), and it could actually create inequality, as some of our residents are excluded as they are unable to pay to use the leisure centre facilities.
4. The Council's financial plan (Medium Term Financial Strategy) makes clear the massive pressures on resources the Council is facing and requires savings to be considered across all Council services and the current Leisure Services offer is no exception.
5. On 25 October 2022 Cabinet received a report advising that the existing model for delivery of Leisure Services is no longer deliverable within its budget and proposing the procurement of an external delivery partner to manage the leisure centres on behalf of the Council. The report also advised that it would be 18-24 months before the Council could expect to reduce its funding of Leisure Services via this route, and Cabinet therefore agreed to commence a comprehensive consultation process to understand the impact of any leisure centre closures in order to influence the final evaluation exercise on which leisure centres should remain open and be included within the procurement process, and which should be considered for closure to enable the service to operate within its budget provision as soon as possible.
6. In 2015, Cabinet had agreed that Leisure Services would achieve the position of no longer being directly funded by the Council and would return an income to enable investment in Council priorities by 2020. However, this had not been achieved and, despite the implementation of a range of initiatives to either increase income or reduce costs during the 5 years from 2015/16 to 2019/20, the Council continued to fund Leisure

Services, spending £18m with a further £5.5m funded through COVID Grants during 2020/21 and 2021/22.

Scope, Vision and Objectives

7. This report considers the Council owned centres and swimming pools, namely Birtley Leisure Centre, Birtley Swimming Centre, Blaydon Leisure Centre, Dunston Leisure Centre, Gateshead Leisure Centre and Heworth Leisure Centre. This report excludes consideration of the future of Gateshead International Stadium, which is the subject to a separate report on this meeting's agenda. The gym at Birtley is operated by a private company via a historical arrangement that was put in place initially when Birtley Town Council managed the site.

8. The vision for Leisure Services is the delivery of the Council's Physical Activity Strategy, but within the current financial restraints. Its mission is:

“Working with our communities and partners, to get Gateshead moving, to improve health and wellbeing. We want to make Gateshead a borough where every resident has access to a range of appropriate and affordable opportunities for physical activity that becomes part of their everyday life and improves health and wellbeing.”

9. The review as set out in this report has the following key objectives:
 - a. to deliver the unachieved savings and ensure that the service operates within its approved budget by the end of 2023/24;
 - b. to reduce the cost of provision of Leisure Services to as close to zero as possible in the longer term whilst at the same time understanding the impact this will have on Gateshead residents and other users of the service by balancing the contribution of leisure centre provision with the financial sustainability of the Council.

Update on the Leisure Centre Evaluation Matrix

10. The report considered by Cabinet in October 2022 contained an initial, desk top study evaluation matrix that was used to identify which Leisure Centres were most and least sustainable and it suggested the centres most likely to close would be Gateshead Leisure Centre, Dunston Leisure Centre and possibly the sports hall at Birtley Leisure Centre. The report was clear that following a consultation process this evaluation matrix would be subject to change. A number of amendments have been made to the evaluation matrix, many of which are in response to the feedback from the consultation process. A new version of the matrix is attached at Appendix 5 and the key changes are as follows:
 - a. The financial position has been updated to the end of September 2022 (the previous matrix provided projections as at the end of July 2022) as set out in paragraphs 11 to 17 of this report. Concerns were raised during the consultation process about the use of 2022/23 data and forecasts for individual leisure centres because not all of the facilities have been operational to the same degree and

most of the sites are still providing a reduced programme. In response to these concerns and to create a more equitable comparison, the 2019/20 data (illustrating the last year of trading before COVID impacted the service) has been used in the usage element and financial impact section of the evaluation matrix.

- b. Further work has been carried out on the cost of strategic maintenance as set out in paragraphs 13 to 17 of this report.
- c. The results of the Public Consultation (incorporating views from employees) have been included and the weighting has been amended to accommodate this as follows:
 - i. Strategic Impact 10%
 - ii. Financial Impact 40% (comprising Strategic Maintenance 15%
Running costs 20%
Energy Costs 5%)
 - iii. Usage 10%
 - iv. Consultation Responses 40%
- d. The impact on employees (which was low as the employees have peripatetic contracts) and performance benchmarking have been removed from the evaluation matrix to avoid double counting and to enable greater focus on the impacts of the recommendation based on the information gathered during the consultation process in order to inform the decision-making process.

Update on financial position

11. For financial year 2022/23 the Council agreed a budget of £2.2m for Leisure Services, (including a Public Health grant of £0.98m), and an unachieved budget saving of £600k, however the latest outturn for the Service as at the end of September 2022 (and reported to Cabinet in November 2022) projected a £1.9m overspend which will require the Council to fund Leisure Services to a value of £4.1m (including the approved budget, overspend and undelivered saving).
12. The financial forecasts have been updated for 2022/23 and the latest projections of cost by facility as at end of September 2022 are shown in table 1 below:

Table 1

Facility	Budget	Projected Outturn*	Variance
	£000	£000	£000
Birtley Leisure Centre	205	255	50
Birtley Swimming Centre	356	430	74
Blaydon Leisure Centre	57	409	352
Dunston Leisure Centre	304	388	84
Gateshead International Stadium	565	843	278
Gateshead Leisure Centre	296	674	378

Heworth Leisure Centre	330	446	116
Leisure Management and Support costs	705	678	-27
Leisure Public Health Funding	-977	-977	0
Savings (Undelivered)	-600	0	600
Net position	1,242	3,146	1,905
Net Position excluding GIS (after Savings)	677	2,303	1,627

1. Projected outturn as at end of September 2022

2. Leisure Management and support costs have been apportioned evenly across all 7 Leisure Facilities.

13. It was also reported in October that work had been carried out to project the cost of strategic maintenance, for essential work to the fabric of the existing buildings and their heating and lighting systems, and that the essential work costs were likely to be a minimum of £13.3m over the next 10 years (for the leisure centres excluding Gateshead International Stadium (GIS)).
14. Further work has been carried out on the estimated strategic maintenance costs of the buildings and the main changes are as follows:
- a. There is further work required at Blaydon Leisure Centre and Dunston Leisure Centre which was not identified in time to be included within the report in October 2022.
 - b. It is acknowledged that the timeframe for this work to be carried out was reported to be over the next 10 years, however, the individual site condition surveys from which the information was taken suggests that the work can be split into 2 phases, up to 5 years, and between 5 and 20 years and this has been set out in the 2 phases in the evaluation matrix.
 - c. Additional costs associated with the specialist plant and equipment have been identified and added to the evaluation matrix.

The above additional information increases the value of the estimated strategic maintenance cost to over £14.5m over the next 20 years with £2.3m being required within the next 5 years. This doesn't take account of likely refurbishment costs over the time periods.

15. It is important to note that the condition surveys provide a snapshot in time based on the current condition of the centres at the point they were surveyed. Additional work can be required at any time due to severe weather conditions damage to buildings or simply wear and tear. It is often difficult to predict exactly when work will become necessary, and as each year passes, the centres are likely to face further challenges predominantly due to their age. The actual cost for the essential maintenance is likely to be higher than the figures quoted in this report due to ongoing, year on year price rises within the construction sector and inflation.

16. The updated information has been included in the revised Leisure Centre Evaluation Matrix (Appendix 5.)

Overview of the public consultation process

17. Following approval at the October 2022 Cabinet meeting, a comprehensive public consultation process has been undertaken which started on 2 November 2022 and initially intended to close on 13 December 2022, however the closing date was extended to 20 December 2022 to allow more time for people to participate. There were a number of ways that stakeholders were able to share their views as set out in the Leisure Review Consultation Report, Appendix 2.

Overview of responses received

18. The following provides an overview of the responses received from a wide range of stakeholders:
- 7,419 responses to the main consultation questionnaire.
 - Over 100 emails, letters and comments received;
 - A set of letters from Save Leisure Gateshead, local campaign group.
 - A formal question asked at Council meeting on 24 November 2022 by Save Leisure Gateshead, local campaign group;
 - A letter from a local GP Glenpark Medical Practice, Dunston.
 - A letter and petition from St Philip Neri RC Primary School, Dunston;
 - Meeting held with local MPs;
 - Meetings held at request of stakeholders to discuss individual leisure centres – Gateshead and Whickham Amateur Swimming Club, Swim Fun swim school, Orthodox Jewish Community leaders, Save Leisure Gateshead, Gateshead Community Leisure and Competition line UK (who have an existing contract with the Council);
 - Letters received from 4 local MPs, Ian Mearns – Gateshead, Liz Twist – Blaydon, Kate Osborne – Jarrow, Richard Holden – North Durham;
 - 4 Petitions received;
 - 10 Freedom of Information requests related to the Leisure Review and Consultation.

Feedback from the Consultation Questionnaire

19. In total 7,419 responses were received to the Consultation Questionnaire. This includes paper responses received by post, submitted at leisure centres or returned to the Civic Centre. All paper responses were added manually to the online responses so they could be analysed as a single set. Not all respondents answered all questions in the survey and details about the number of responses to each question is available in the Leisure Review Consultation Report, Appendix 2.
20. In terms of responses:
- 85% of respondents identified themselves as Gateshead residents.
 - 73% said they were users of Council leisure centres, or their children were users.

- The vast majority of respondents (70%) understood but disagreed with the proposal to close some leisure centres. A smaller number (16%) did not understand the proposal but disagreed.

Impact of potential closure of centres

21. The full impacts of the potential leisure centre closures are set out in the Leisure Review Consultation Report, Appendix 2 and a summary is detailed below:
22. In the survey, nine questions were asked about each individual leisure centre. Responses to these questions were analysed to create a score for each centre that could be included in the overall evaluation matrix. In particular, the scores includes the impact on regular users; the facilities and activities used; the impact on sustainable travel methods or those without access to their own transport; the distance travelled; the possibility of having to use a non-Council centre or having to participate in leisure another way which may have financial and health impacts; the priority order of centres used; the impacts of having to use another Council leisure centre; and the reasons for not using another Council leisure centre.
23. Scores were attributed based on percentages for questions within each leisure centre. Use of percentages means that any differential in the number of responses received for each leisure centre does not impact on the score it receives. Scores for questions outlined above were attributed on the following basis: 0%=0; upto 25%=2; upto 50%=4, upto 75% =6; and upto 100%=8. However, combining scores means the final average score for each centre may be anywhere between 0 and 8. A higher score reflects a greater impact should that leisure centre close.
24. Because the facilities and activities offered in individual leisure centres can differ, scores for that question were weighted so that, for example, an activity that was only available in one centre received a higher score than an activity that was available in many. This weighting was applied in addition to the level of usage of those activities.
25. The final average scores for each centre based on the consultation survey questions are:
 - Birtley Leisure Centre scored 4
 - Birtley Swimming Centre scored 4
 - Blaydon Leisure Centre scored 4
 - Dunston Leisure Centre scored 5
 - Gateshead Leisure Centre scored 6
 - Heworth Leisure Centre scored 4
 The scores above were then weighted at 40%.
26. Coding Frameworks were used to help analyse verbatim responses to open questions within the survey. Participant responses were analysed for key points, and those points were assigned to a 'category' – a group of comments that are making a similar point. A participant's response to a single question can consist of several points. This enables us to quantify how many people are making a similar point.
27. Respondents were asked to indicate the impact that a potential closure would have on them, their family and their ability to access leisure services or facilities, and any possible

measures the Council could take to reduce any negative impact and make it easier for them to access leisure services and facilities. Open text answers were given and coded into themes, with answers including multiple themes allocated to each relevant response category. A much smaller number of respondents completed this question for each leisure centre.

Birtley Leisure Centre – 165
Birtley Swimming Centre - 254
Blaydon Leisure Centre - 571
Dunston Leisure Centre - 787
Gateshead Leisure Centre – 1,215
Heworth Leisure Centre – 249

28. With regards to impacts should a centre with a swimming pool close, respondents would be particularly concerned about their ability, or the ability of family members to go swimming, and for children and schools to access swimming lessons in order to learn a key skill. Those respondents that use the leisure centres for other reasons (non-swimming activities) are concerned they will not be able to do the same activities in other locations or use other facilities easily.
29. The majority of comments made reflect concerns about the impact the closure would have on people's health and wellbeing, including the impact on the wider health system. Others point to the impact closure would have on their or other people's ability to engage in social activities, including loss of access to a safe space to socialise, build confidence and participate in sports.
30. Various respondents point to the role leisure centres have as a community hub or indicate concerns about the wider impact on the community and local area if the facility were to close.
31. Many respondents indicate that closure of a leisure centre or swimming pool would lead to a reduction in exercise and physical fitness. Specific reasons for this include:
 - The cost of travel or the cost of using alternative facilities (including private local facilities) will impact them financially and/or would reduce their or others desire or ability to access leisure services;
 - The time or distance required to travel to alternative facilities (or lack of transport options) would reduce their or others desire or ability to access leisure services;
 - Concerns that alternative facilities would be less accessible (including for disabled users) or suitable for their needs.
32. Some respondents stated that they may or would stop undertaking leisure or physical activity if their local leisure centre were to close.
33. A smaller number of respondents stated specific concerns about their leisure centre being the only one with particular leisure activities/facilities for example:
 - soft play provision at Gateshead Leisure Centre;
 - the depth of the pool at Dunston Leisure Centre for specialist swimming activities, such as synchronised swimming and diving; and

- single sex swimming sessions at Gateshead Leisure Centre.

Minimising negative impacts

34. With regards to minimising the negative impact on people's ability to access leisure services in future, many respondents think or imply the negative impact can't be mitigated, other than by the centre staying open.
35. Many suggested effective mitigations would need to involve the provision of adequate alternative facilities in the local area or a complete replacement of the current facility.
36. Others suggested improving the quality and range of services offered by the remaining council leisure centres in Gateshead.
37. Various respondents suggested access would be improved by:
 - measures to reduce the costs to users of using alternative facilities, including fees, travel costs, membership etc
 - measures involving the provision of transportation to alternative facilities
 - extended centre opening times and fitness class times to maximise access
 - improved pool access through longer opening hours, including full access to the public at weekends, early morning and in the evenings.
38. For all centres comments were received that indicate responders are concerned the other leisure centres and facilities indicated in the consultation as alternative facilities do not have adequate capacity to deal with additional demand that closure of centres would bring.

Overview of other feedback received

39. Feedback was received via other channels, including the Leisure centre Consultation inbox, phone calls to the customer service centre and emails or letters to officers or councillors.
40. This feedback is consistent with the feedback received via the consultation questionnaire and is set out in the Consultation report together with information on consultation responses received from groups or organisations.
41. Consultation is a two-way process and questions received relating to the proposals or the consultation process were responded to directly and added to the Frequently Asked Questions page online.
42. Petitions were also received from:
 - Save Leisure Gateshead (Online) – 1,859 signatures
 - Michael Clark - Dunston Leisure Centre - 1,827 signatures
 - Dunston Leisure Centre (online) - 5,733 signatures
 - Pupils of St Phillip Neri Primary School Dunston – 131 signatures

Summary of the consultation report from Launchpad

43. Launchpad Research were engaged as an independent partner by the Council to facilitate drop-in sessions within all leisure centres across the borough as well as to hold focus group sessions with key stakeholder groups to understand more about how the proposed changes to the provision of Gateshead Leisure Services will affect all user groups of the facilities.
44. The sessions were held as part of the public consultation process that ran from Wednesday 2 November 2022 to Tuesday 20 December 2022. An independent and comprehensive report was produced representing stakeholder concerns and detailing the overall impact of the proposed leisure centre closures on Gateshead communities, including all feedback gathered at each of the drop-in and focus group sessions. The report is attached at appendix 3. The Executive Summary from the report produced by Launchpad Research is included below:

Executive Summary from Launchpad Research – Gateshead Council Leisure Services Report

The findings across both drop-in sessions and focus group discussions have revealed common themes:

- *There is a general feeling of mismanagement and lack of foresight from Gateshead Council's point of view, with little or no business or commercial planning to save the leisure centres within the Borough – too little too late*
- *Many residents have expressed their disappointment at the short notice and timeframe of the consultation period, and feel they have been let down by the process, sceptical that their opinions at this late stage will matter – just a tick box exercise, they never listen to the residents*
- *Regular leisure centre users, including organisations and clubs are sceptical about the footfall numbers outlined in the Cabinet report and would like to see this revisited and recounted – completely misrepresentative*
- *The impact of proposed closures has generated a lot of anger and disappointment, with the Gateshead people united in their concerns pertaining to the effect on:*
 - *Emotional and physical wellbeing for all*
 - *Loss of the 'heart of their community' & a lifeline for many*
 - *Loss of an essential public service*

- *Impact on other public services (short & long term) as a result of the closures*
 - *Social behaviour concerns, specifically the impact on antisocial behaviour moving forward*
 - *Overall impact on children and young people, developmentally and limiting their progression in sport and general life skills*
 - *How the remaining leisure centres will meet the demand to accommodate all schools, organisations, communities, and public sessions*
 - *Accessing alternative leisure centres, resulting in increased transportation costs, logistical issues, and safety concerns*
 - *Impact on lower income areas, the poor will become poorer with further loss of public services*
 - *Swim clubs will have no alternatives which will result in closure and in turn impact provision of essential life skills and competitive advantage for young people*
- *Gateshead and Dunston Leisure Centres have unique facilities in terms of pool size (both), depth (Dunston) and provision of amenities to service people with additional needs and non-public viewed sessions*
 - *Overall, the closure of the centres will have a detrimental effect on aspiring athletes and future generations within the Gateshead Borough which is viewed as a huge loss for the community and will result in lack of sporting representation from Gateshead in general, moving forward*

Employee Consultation

45. The Council has also undertaken consultation with employees and their Trade Union representatives.
46. Employees were kept updated about the review via employee newsletters and this process continued throughout the employee consultation period.
47. A number of employee consultation meetings were held at the following times and venues:

Facility	Date	Time
Birtley Swimming Centre (including employees from Birtley Leisure Centre)	14 th November 2022	11.00 am
Blaydon Leisure Centre	14 th November 2022	1.30pm
Dunston Leisure Centre	3 rd November 2022	2.30pm
Gateshead Leisure Centre	3 rd November 2022	4.00pm and repeated at 5.00pm
Heworth Leisure Centre	8 th November 2022	8.00am
Gateshead International Stadium	14 th November 2022	9.00am

48. The employee sessions were structured to explain the content of the Cabinet report and enable employees to put forward their views and ideas and to ask any questions they may have. To ensure that all employees received the same information in a timely manner, the sessions were followed up with a newsletter which included “frequently asked questions”.
49. Employees were also strongly encouraged to complete the public survey where there was a box for them to tick to inform the Council that the response was from a council leisure service employee. 147 surveys received were from leisure employees (2% of the overall number of responses received and 88% of the overall number of leisure employees who were covered by the Section 188 formal consultation process. These responses are captured in the Leisure Review Consultation Report in Appendix 2.
50. Regular meetings have also taken place with the Trade Unions to keep them updated with progress and to seek their ongoing views on the consultation process.

Health Impact Assessment

51. A comprehensive Health Impact Assessment has been undertaken (attached at Appendix 8) and has concluded that physical activity levels can impact a range of important physical and mental health outcomes. Inequalities persist, and physical activity levels remain lower among those in deprived areas and those with long-term conditions and disabilities. Increasing levels of physical activity can be achieved in a number of ways, as set out in the Physical Activity Strategy for Gateshead.

52. There are many factors which influence physical activity levels. These can include national and local policy and systems; the physical environment such as access to open and green spaces; organisations and institutions such as GP social prescribing or schools that integrate physical activity initiatives into the school day; the social environment –people are more likely to be active if their friends and peers are also active; and individual choice.
53. The vast majority of Gateshead residents get exercise through informal means such as walking, cycling and commuting and this shows the importance of a system wide approach to physical activity. Leisure centre use contributes to some people’s overall physical activity. Any closure of a leisure facility will have an impact on those people who use that building, and the community in which it is based.
54. Some users of leisure centres which are closed may switch to alternative venues or forms of physical activity and sustain current physical activity levels. Others may experience increased barriers to making a change such as cost, travel, convenience or access and may experience reduced levels of physical activity as a result. Work to ensure that the impact of changes, on those with low incomes and protected characteristics must be a priority.
55. The implementation of the new Physical Activity Strategy and the refocussing of service offers into community settings will be critical to mitigate the impacts of closures. Maintaining positive relationships with existing clubs, stakeholders and partners is essential.
56. The development of the new leisure facilities model will take time to implement and during that time work to develop community-based activities must move forward at speed and in parallel with other Council initiatives like place-based working, family hubs and promoting active travel.
57. It is essential that a communications plan is developed to ensure that all stakeholders and members of the public are aware of the changes and that they know how and where to access services in the future.
58. A number of recommended actions are set out in the Health Impact Assessment Appendix 8) to mitigate the health impact identified and they will be implemented by the service as appropriate.

Consultation with the Trade Unions

59. Consultation has taken place with the Trade Unions and their views are:

With reference to the Cabinet report regarding the review of the Leisure provision, GMB and Unison would wish to include our comments and concerns.

No-one wants to see leisure centres closing particularly the unions and our members working within Leisure. However we acknowledge the horrendous financial situation that the council faces over rising costs and the callous cuts to funding. Our concerns around this were documented in our submission to October Cabinet (attached).

We note that following comprehensive consultation and very detailed evaluations, the proposal is now recommending the closure of Gateshead Leisure Centre and Birtley Pool. The rationale behind this looks irrefutable. The council now needs to move on with this

without delay. We have seen an appalling proposal to postpone the decision for 12 months and use critical reserves to further procrastinate and delay the inevitable. We believe this ridiculous proposal is self-centred and should not be considered for the following reasons.

- *We currently have **166 employees sitting with 188 letters** (at risk of redundancy). They have had this hanging over their heads since October and these letters need to be withdrawn as a matter of urgency. It is inhumane to extend the acute anxiety for these council employees (people) unnecessarily. They desperately need this resolving.*
- *There are excellent employees sitting with 'at risk' letters that will look elsewhere for employment if this uncertainty and angst continues.*
- *We have employees on temporary contracts that cannot be made permanent whilst there are employees at risk of redundancy.*
- *There is currently not enough staff to effectively run the leisure centres. The closure of 2 sites would enable the service to fully staff the remaining centres and have a fully functioning leisure service. Only by having this provision can the council begin the process of looking for a suitable partner and offering an attractive and viable service to a partner. The current situation is running the service into the ground and we are in danger of having no service left.*
- *This delay will not protect jobs or the service, it actually threatens them.*

*Every day the decision is delayed costs money and takes much needed resources away from essential services. Morally, the council cannot continue to throw money at a failing service. The bold decisions need to be made to streamline the service enabling a credible future for leisure in Gateshead. There has been extensive work done to get to this position. The proposal to close Birtley Pool rather than Dunston Leisure Centre shows that the consultation process was worthwhile and that Gateshead Council **do listen** as part of the consultation process. To now take the timid approach would undermine the consultation process and damage the reputation of Gateshead Council.*

There is no proposal to immediately demolish either site so community involvement, asset transfer options can still be fully explored. The sites could actually be more attractive if vacant.

Whilst we acknowledge that jointly we are in a very difficult and unpleasant situation we desperately need to end the anxiety and uncertainty for 166 employees promptly and jointly build a leisure service that is viable and delivers to the residents of Gateshead.

UNISON has campaigned vigorously for many years against the cessation and closure of council services and will continue to do so. The council's historic forward thinking leisure investment was directly constructed to narrow Gateshead's vast health inequality gap.

This investment is being systematically trashed by continuing Conservatives cuts. However, the incessant deliberations around the Leisure and GIS reviews are causing significant operational issues. Unless timely decisions are made – this ongoing indecision will have a profound detrimental impact on those leisure facilities left in Gateshead.

In relation to GIS, for many years we have been advised extensive analysis is ongoing to determine the council's financial, licencing, and contractual commitments linked to the site

and stakeholders - unquestionably the council must now be in a position to share this information with the TU's.

Immediate Actions in Response to the Consultation

60. Many suggestions for improving the current Leisure Service provision were made during the consultation process by users, employees and other stakeholders. These suggestions together with advice from FMG Consulting, our technical adviser, have been considered and will result in the following actions as it is important to ensure that the service is performing at its optimum level before seeking a partner through the procurement process:

Leisure Service Pricing structure

61. A number of responders, particularly those who attended the drop-in sessions suggested that the pricing structure should be reviewed and indicated that they would be prepared to pay more than they were currently paying for Go membership. Cabinet members may recall that every time there has been a price increase proposed for leisure services, Cabinet have agreed that it should only apply to new members and not apply to existing Go members. This has led to a situation where many Go members have not had a price increase in their membership fees for several years while the costs of delivering the service have increased year on year, widening the budget gap. Whilst this approach is used elsewhere it is not a common approach to pricing within the leisure sector.

62. It is therefore proposed that the pricing structure for swimming lessons and Go membership is reviewed and revised from the next financial year with a view to increasing income whilst continuing to provide excellent value for money for users. It will apply to all members, including existing and new members as follows:

- Ensuring everyone who has a corporate membership is still entitled to that membership i.e they still work for that organisation or they will move to standard prices
- Changing the corporate membership offer to a group membership which must remain a minimum of 8 members, if the numbers fall below 8 then the members will be subject to standard prices
- Merging concession prices into one (older person and junior)
- Changing concession age from 65 years to 66 years
- Bring direct debit back in house and move to month-by-month memberships rather than fixing membership for a 12-month period
- Swim only memberships to be available in all facilities
- Change the swimming lessons packages - Increase swimming lesson price for those on standard fee more than inflation, add in free badges, allow adult to swim for free whilst the child is attending a lesson
- Move all current members onto the 2023 /2024 price for a GO member (no longer a price for life)
- Address gala hire fees (if Dunston pool remains open) and pool hire fees for clubs
- Review swimming lesson

Addressing Staff shortages

63. Work is continuing to update the staffing structure, job profiles and create new roles where necessary to enable staff rotas to be as flexible as possible to mitigate possible redundancies depending on the outcome of this phase of the review. Once this phase is completed it is intended that the vacant posts which have not been filled and are required to adequately staff the remaining leisure centres, will be filled on a permanent basis.

Opening Hours

64. New proposals for opening hours for leisure centres that are recommended to remain open are being developed (subject to approval of the recommendations in this report) to ensure that the remaining leisure centres have adequate staffing to accommodate demand from sites that may close. New and extended opening hours will be implemented from April 2023 onwards.

Improving marketing and communications

65. Plans to improve the marketing of Leisure Services and improve communications with users and non-users are being developed and will be implemented as soon as possible once a decision on closures has been made.

Alternate Options

66. Within the consultation process we asked, "Do you have any alternative suggestions on how to ensure that we could continue to provide a leisure service in Gateshead in the future?" Analysis of the 3,510 responses made to this question shows that the top themes of alternative suggestions reported were:

Suggestion	No of respondents	Council response
Expand or improve the existing offer at Go Gateshead Leisure Centres	878	The Council has expanded its offer by refurbishing all gyms, including soft play and Clip N Climb at Gateshead Leisure Centre and opening a Speedflex at Gateshead International Stadium, but this has not created sufficient income to enable the service to be financially sustainable.
Reprioritise Council expenditure – to support costs of the existing leisure service	655	The Council has reprioritised its expenditure over many years, however this can no longer continue as the funding gap is increasing and the service is no longer financially viable.

Improved advertising and promotion of Go Gateshead	341	The Council focused on improving and increasing advertising and promotional activity between 2015 and 2020, however this did not close the funding gap or enable the service to be financially viable.
Efficient Council – make efficiencies either across the Council and within Leisure services to support Go Gateshead	330	Efficiencies have been made both across the Council and also within Leisure Services to make savings of £179M since 2012. There are few efficiency savings left to make and efficiency savings within leisure services will be insufficient to make the service financially viable.
Increase Prices	294	This is picked up in paragraph 49 of this report
Seek External Funding	293	Letters have been sent to Government requesting additional funding for leisure services, however this is unlikely to be granted. We are not aware of any other current sources of external funding.
Remain as is/do not close centres	215	Unfortunately, this is no longer a financially viable option.
Invest in and refurbish or redevelop leisure provision	206	Investing in any building would require capital borrowing. Capital borrowing would need to be repaid with interest which would add to the revenue costs. Currently there isn't scope for there to be any increase in revenue spend.
Partner with a specialist leisure provider	184	The Council has already contracted with a specialist leisure consultant to provide advice and guidance on service provision, and it will procure a specialist leisure partner to manage the remaining leisure centres. A further option for consideration could be for all of the leisure centres to be included within the procurement for a management partner.
Work with the private sector	131	
Seek a partner to run the service	107	

67. Following from the report to Cabinet in October 2022 and taking into account feedback from the consultation process, the options available to Cabinet are:
- Option 1 - Include all leisure centres in the procured managed partnership (excluding Gateshead International Stadium)
 - Option 2 - Close a number of leisure centres
 - Option 3 - Develop community asset transfers for some centres
 - Option 4 - The complete withdrawal of the provision of leisure centres
68. The evaluation scores for each of the options and narrative are included in Appendix 4. Option 2 is considered the most viable option for the Council to achieve the objectives set out in paragraph 9 but with the continued exploration of Option 3. A brief summary of each of the options is included below:
69. **Option 1 – Include all leisure centres (excluding Gateshead International Stadium) in the Managed Partnership** - This option does not involve the rationalisation of leisure centres, as it proposes to include all of the existing leisure centres (excluding Gateshead International Stadium) within the procurement process to identify an external management partner. A number of responders to the consultation process proposed this as an option to be explored by the Council. This option would prevent the current level of funding being reduced until the partner has been identified and the contract implemented. This option would not enable the service to operate within its existing budget, nor would it facilitate delivery of the outstanding £600k savings target, therefore this option is not recommended.
70. **Option 2 – Close a number of leisure centres on 31 March 2023** – This option requires the Council to close the appropriate number of leisure centres to enable the service to operate within its budget and achieve the £600k savings target. The actual sites identified for closure include Gateshead Leisure Centre, and Birtley Swimming Centre, based on the results of the consultation process, financial appraisals and the revised matrix set out at Appendix 5. This is the only option that achieves the objectives of the review and therefore is the recommended option.
71. **Option 3 – Develop a Community Asset Transfer for some centres** – This option requires communities, possibly working in partnership with a commercial organisation, to create a suitable vehicle for a community asset transfer. The Council is experienced in transferring assets to community-based organisations and is conscious that it will take several months to develop a new community vehicle that has a suitably robust business plan capable of maintaining and operating the leisure centres sustainably. Currently the Council is talking to two potential community groups who are at the very early stages of exploring community asset transfers for Gateshead Leisure Centre and Dunston Leisure Centre. Discussions are also taking place with a commercial organisation who would like to explore the creation of a community trust or other delivery model for Birtley Leisure Centre. It is too early to know whether any of the community groups will be capable of taking on responsibility for the relevant leisure centres. The groups have indicated that it would be more financially viable for them to take over an ‘operational’ building, however, this would require the Council to continue to fund leisure services at the current level until such times as the community asset transfers were completed or were no longer to be

pursued. As this process is estimated to take at least 6 – 8 months it means that the Council would not be able to operate the services within the existing budget, nor deliver the outstanding savings immediately. It is therefore recommended that the leisure centres identified in option 2 proceed with closure on 31 March 2023, but also discussions continue with regard to potential community asset transfers until they reach their natural conclusion or until 31 March 2024, whichever comes sooner.

72. **Option 4 – The complete withdrawal of the provision of leisure centres** – This option would lead to the closure of all leisure centres on 31 March 2023 (or as soon as possible thereafter). The Council would no longer offer leisure centre provision, however in the interim, prior to a decision being made regarding the future of the site there would be holding costs to be considered. This option would ultimately end the need to fund leisure centres, however it would overturn the previous decision by Cabinet to procure a partner to manage the leisure centres, and it will not support the Health and Wellbeing agenda and therefore this option is not recommended.

Summary of recommendation

73. Despite the impact to users as set out in paragraphs 20 to 47, it is recommended that the Council progress with option 2, closure of Gateshead Leisure Centre and Birtley Swimming Centre and also continue to explore option 3, the potential for community asset transfers to community groups who have declared an interest pursuing this for the following reasons:
- To achieve the objectives as set out in paragraph 9;
 - Four leisure centres will remain available for Gateshead residents to use;
 - To enable the Council to procure a partner to manage and operate the remaining sites at zero cost or as close to zero cost as possible;
 - To enable the Council to continue to use the remaining leisure centres to deliver its health and wellbeing strategy;
 - It is understood that all schools would be able to offer pupils necessary pool time to meet their statutory obligations, albeit some at a different pool than they use currently;
 - To provide the optimum service within the current financial restraints as set out in the Leisure Review Evaluation Matrix (Appendix 5).

Implications of Recommended Option(s)

The implications of progressing with recommended options are as follows:

Resources:

74. **Financial implications** – The financial context is set out in the policy context (paragraphs 4-6) and within the Financial Context (paragraphs 10-17). The Strategic Director, Resources and Digital, confirms that recommended option 2 will help the Council to sustain a leisure offer and reduce the Council's financial contribution in the longer term and has the potential to provide a small income. It will also enable the

Council to meet the undelivered savings of £600k and enable the service to operate within its allocated budget. There will be a charge to terminate the equipment leases in the region of £152k, however the Council will explore whether or not any of the equipment can be used elsewhere.

75. **Human Resources implications** – the staffing implications per facility are reflected in the table below (the hours do not take into account the potential extended hours as referred to in paragraph 52):

Option 1 - Include all leisure centres in the procured managed partnership (excluding Gateshead International Stadium)

- Procuring a managed partnership will result in the transferring of all leisure services staff (excluding Gateshead International Stadium*) to the new provider. Staff terms and conditions will be protected under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

Option 2 - Close a number of leisure centres

- The Council continues to strive to avoid any compulsory redundancies from the rationalisation of leisure buildings. The service has continued to mitigate against any possibility of staff compulsory redundancies by appointing to vacancies on temporary basis to allow greater flexibility to redeploy substantive staff (permanent contracts) across facilities (as shown in table below)

Option 3 - Develop community asset transfers for some centres

- The community asset transfer of a centre may result in TUPE implications for staff. Further work would be required to be carried out.

Option 4 - The complete withdrawal of the provision of leisure centres

- The complete withdrawal of a leisure provision would result in the entire workforce being at risk of redundancy. Although support will be given to consider redeployment to other roles across the council, it is likely that we could not fully mitigate against a large-scale compulsory redundancy process.

*Leisure Services staff are currently peripatetic (ie can move around all leisure facilities including Gateshead International Stadium), however, as Gateshead International Stadium is being considered under a separate review, an exercise will be required to be undertaken to identify future HR implications of the combination of outcomes from both reviews

Table

	TOTAL REQUIRED HOURS PER BUILDING	TOTAL PERM HOURS CONTRACTED PER BUILDING	VACANT HOURS PER BUILDING
Gateshead International Stadium	397.25	328	69.25
Birtley Leisure Centre	193.25	150	43.25
Blaydon Leisure Centre	652.88	359.5	293.38
Dunston Leisure Centre	587.625	370.125	217.5
Birtley Swim Centre	503.17	271.5	231.67
Gateshead Leisure Centre	1051.79	574.205	477.585
Heworth Leisure Centre	520.365	405.49	114.875

76. **Property implications** – Recommended option 2 will lead to the closure of 2 leisure centres. The Council will consider whether it has any future use for the buildings and if not, a strategy will be developed around their disposal.

Risk management implications

77. The risk management implications are being managed as part of the overall project management, but to continue with the current delivery model leaves the Council exposed to the risk of having to continue to fund the Service, with an estimated £4.3m funding requirement forecast which is likely to increase further with the growing impact of inflation, rising energy costs and possible reduction in income due to the cost-of-living crisis.

Equality and diversity implications

78. There is evidence that the leisure service is used by specific protected groups, including young people, older residents and residents with disabilities.
79. Any change in current leisure service delivery including the closure of some leisure centres may have an impact on equality and diversity. An Integrated Impact Assessment looking at the proposed closure of each specific local leisure centre has been prepared and is attached at Appendix 6.

80. The consultation response analysis set out in the Leisure Review Consultation Report (appendix 2), and the Report from Launchpad Research (appendix 3) has helped the Council to define and understand the impact of closure on service users with protected characteristics and to consider the Public Sector Equality Duty.

Crime and disorder implications

81. Some of the leisure centres already attract anti-social behaviour and vandalism and closure of 2 of the buildings will increase the opportunities for crime and disorder at these buildings when they are vacated.

Climate Emergency and Sustainability Implications

82. A Sustainability Impact Assessment has been undertaken for the two sites recommended for closure and is attached at Appendix 7.

Health implications

83. The closure of any leisure centres will have a negative health impact as evidenced by a large number of responders to the consultation process who informed us that the biggest impact would be to their physical and mental health. A health impact assessment has been undertaken and is attached at Appendix 8.

Human Rights implications

84. There are no human rights implications resulting from the recommendations in the report.

Ward implications

85. Whilst it is acknowledged that the closure of any leisure centres may have an impact on residents from any ward as they may use any leisure centre, and all leisure centres will be impacted to a greater or lesser degree; there is a more direct impact on the wards where the leisure centres that are recommended for closure are located, namely Saltwell Ward (and surrounding wards) where Gateshead Leisure Centre is located and Birtley Ward (and surrounding wards), where Birtley Swimming Centre is located.

Background Information –key documents

- Report to Cabinet on 25 October 2022
- Report to Cabinet on 25 January 2022
- Report to Cabinet on 24 February 2015
- The Council's Indoor Built Facilities Strategy Refresh
- The Council's Physical Activity Strategy
- Medium Term Financial Strategy