

Option analysis summary table

Each option has been given a raw score out of 5 for each criterion (with 5 being the highest providing significant benefits, and 0 the lowest score which is a disbenefit, for example high cost.

- 0 – is a disbenefit, for example, high cost
- 1 - A poor outcome and would not be satisfactory performance, e.g. high cost or poor outcome
- 2 - Lower than average performance
- 3 - Would deliver an average outcome when looking at the potential opportunities
- 4 - Higher than average performance, for example, higher risk transfer
- 5 - Provides significant benefits and the overall best outcome for the criteria

Area	Criteria	Weighting	Option 1 Include all leisure centres in the Managed Partnership		Option 2 Close down a number of leisure centres		Option3 Develop Community Asset Transfer for some sites		Option 4 Withdrawal of provision of leisure centres	
			Raw score	Weighted score	Raw score	Weighted score	Raw score	Weighted score	Raw score	Weighted score
Financial	Service Subsidy	40%	1	8	4	32	2	16	5	40
Financial	Financial Investment	5%	1	1	3	3	2	2	5	5
Financial	Financial implications of implementing change	5%	3	3	3	3	2	2	3	3
Non-Financial	Influence and Strategic Objectives	10%	4	8	4	8	3	6	0	0
Non-Financial	Positive Impact on users	10%	5	10	2	4	3	6	0	0
Non-Financial	Positive Impact on staff	10%	4	8	2	4	2	4	0	0
Non-Financial	Strategic risk approach	10%	2	4	3	6	1	2	2	4
Non-Financial	Service quality	5%	4	4	4	4	4	4	0	0
Non-Financial	Partnership and collaboration opportunities	5%	4	4	4	4	4	4	0	0
	Total Financial	50%	5	12	10	38	6	2	13	48
	Total non-Financial	50%	2	38	19	30	17	26	2	4
	Overall Total	100 %	50%		68%		46%		52%	

Detail of Options identified

Option 1 - Include all leisure centres (excluding Gateshead International Stadium) in the Managed Partnership

No of sites affected	All 6 leisure centres (excluding GIS)	Timescales	18-24 months
Impact on communities	Least impact as all leisure centres are likely to remain open	Impact on employees	All employees will be transferred to the partner organisation
Impact on budget	Negative impact as council will have to fund all of the sites until the partnership is in place. Possibly 18-24 months at least	Recommended Model	No

Description and assessment

This option would lead to the inclusion of all existing leisure centres (excluding Gateshead International Stadium) within the procurement process for an external partner. No leisure centres would close under this option and therefore there would be no impact on communities, however funding at current levels (including the overspend) would have to continue at least until the procurement process has completed and possibly for a couple of years afterwards and therefore this option is not financially viable without council agreeing to the budget increasing by approx. £2m per annum.

Typical advantages of including all sites in the Managed Partnership

- No disruption to existing service provision
- Maximum number of sites remain open to deliver the Health and Wellbeing Strategy

Typical disadvantages of including all sites in the Managed Partnership

- This option is not financially viable or financially sustainable
- The Council is likely to retain liability for the capital maintenance costs associated with the facilities and any capital funding requirements
- The Council is unlikely to achieve a zero subsidy position if all sites remain open and are included within the managed partnership and this option may mean that the managed partnership is not financially viable in the long term
- This option would not facilitate the delivery of the unachieved saving, nor would it enable the service to operate within its allocated budget

Proposal

The inclusion of all sites in the Managed Partnership is not recommended for the following reasons:

- It is not financially viable and the gap between cost and income is widening therefore requiring more Council resource;
- It is the least likely option to achieve the Council's aspiration to withdraw funding of Leisure Services;

Option 2 - Close a number of leisure centres

No of sites affected	2 sites, namely Gateshead Leisure Centre and Birtley Swimming Centre	Timescales	Operational closure by 31 March 2023
Impact on communities	Communities that use the centres selected for closure will be impacted	Impact on employees	Employees will be impacted but this will be minimised by transferring employees to centres that will remain open
Impact on budget	This will enable the service to operate within its allocated budget provision and deliver the unachieved saving	Recommended Model	Yes

Description and assessment

This option recommends the closure of sites based on the evaluation matrix (appendix 5). It will enable the service to deliver the unachieved savings, operate within its allocated budget provision and not overspend. The sites that will close include Gateshead Leisure Centre and Birtley Swimming Centre. Many permanent employees will be slotted into roles in the centres that are to remain open, and we are hopeful that there will be no compulsory redundancies but until the final staffing structure is developed this will not be known.

The timescales for closure would be 31 March 2023 and subject to the proposed exploration of the potential Community Asset Transfers and following closure of the sites the Council will determine what will happen to the sites and buildings.

Typical advantages of including all sites in the closure of a number of sites

- The savings are reasonably secure and can be delivered within a timely manner.
- The reduction in facilities will enable the remaining sites to be more sustainable as it is anticipated that some users of sites that close will go to sites that remain open.
- Employees will be reallocated to facilities that remain open thus minimising redundancies.
- The council has more opportunities to fully staff remaining sites and improve the service offer.

Typical disadvantages of including all sites in the closure of a number of sites

- There is a reduction in the number of leisure centres across the borough.
- There will be a shortage of swimming pool availability.
- There will be a cost in the region of £152k to terminate the contract to supply gym equipment from Gateshead Leisure Centre although we will first explore if any of the equipment is required at any of the other sites

Proposal

Closing a number of leisure centres is recommended because:

- It meets the objectives set out in Appendix 1, paragraph 9.
- This is the quickest and surest way to achieve the outstanding savings and to ensure that the service can operate within budget from 2023/24 onwards

Option 3 Develop a Community Asset Transfer for some sites

No of sites affected	Likely to be 2 or 3	Timescales	12 months
Impact on communities	Communities will be able to continue to use all leisure sites but without Council involvement	Impact on employees	Employees will be transferred to centres that remain open and under Council (or Partner) management
Impact on budget	This will enable the leisure service to operate within its allocated budget provision when the sites are transferred	Recommended Model	No
Implementation costs	There will be costs associated with working with the communities to ensure they are able to take on the buildings.	Timescales	Continue discussions until they come to a natural conclusion or until March 2024, which ever comes sooner.

Description and assessment

This option requires the Council to close the operational service of 2 of the leisure centres and asset transfer the buildings on a long lease to an appropriate community organisation which is often set up as a trust or other form of charitable organisation, for them to operate without input or funding from the Council. A business case would be required to ensure that the business venture is likely to succeed. Employees may not transfer to the organisation running the centres, as they may have already been redeployed where possible, although this would have to be clarified if a Community Asset Transfer looked likely. The operating risks of the sites and associated facilities and services would theoretically transfer to the new community organisation, however it is likely that they could access funding that is not available to the Council.

Typical advantages of developing a community asset transfer for a number of sites

- The Council no longer funds the operation of the leisure centres that are transferred, however the centres remain open and available for community use
- There is the potential for increased community, user and staff involvement in the management of the sites and services
- Operational risks are transferred to the Community Trust/charitable organisation
- Aligns with the Council's Community Wealth aspirations of keeping the wealth local and re-investing within Gateshead

Typical disadvantages of developing a community asset transfer for a number of sites

- The Council loses direct control of the facilities and services
- The social objectives being prioritised may lead to a lack of commercialism in terms of strategic decisions
- Can take up to 18 months+ to set up and transfer
- The new Trust may not be able to demonstrate track record of expertise to potential customers and investors and therefore this is a high risk option

Proposal

It is **recommended** to continue to explore the potential to develop a Community Asset Transfer until the discussions reach their natural conclusion or until 31 March 2024 (whichever is sooner) for the following reasons:

- This option could enable the facility to be provided by the community trust/charitable organisation but at no cost to the Council

Option 4 – Cease to deliver leisure centres

No of sites affected	All sites	Procurement Required	No
Impact on communities	There will be no council operated leisure facilities for local communities to use	Impact on employees	Employees will be made redundant
Impact on budget	This will enable the Council to cease funding the leisure centres in order to reduce the budget funding gap	Recommended Model	No
Implementation costs	There will be costs to exit a number of contracts	Timescales	Within 6 months

Description and assessment

This option would involve closing all of the council operated and contracted leisure centres and ceasing to provide leisure facilities via the Council.

Typical advantages of ceasing to deliver Leisure Services

- The outstanding savings would be achieved most quickly
- The Council would no longer have to fund the service and the funding that is currently used could be reallocated against other Council priorities

Typical disadvantages of ceasing to deliver Leisure Services

- This option would overturn the previous decision made by Cabinet in October 2022 to proceed with the procurement of a management partner
- This option would not support delivery of the Health and Wellbeing Strategy or any of its sports and leisure strategies
- There would be a lack of swimming provision in Gateshead that is unlikely to be filled by the private sector
- External funding that has previously been used to improve the service would likely have to be repaid to the funders

Proposal

It is **not recommended** that the Council ceases to deliver Leisure Services for the following reasons:

- It would not support delivery of the Council's strategies or priorities.