



**A VISION FOR LEISURE SERVICES AND IMPLEMENTATION OF
CHANGES IN THE SERVICE RESULTING FROM THE MARKETING
AND PRICING STRATEGY**

Jane Robinson, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of a vision for leisure services and the recommendations for changes to pricing, sales and marketing to help reduce the Council's financial contribution to Leisure Services and identify a sustainable business model for the future.
2. As part of the Fit for Future work stream 'Transformational Review of Leisure Services', the Council appointed Leisure-net Solutions and Max Associates to identify opportunities to help reduce the Council's financial contribution to Leisure Services.
3. Knight, Kavanagh and Page (KKP) were commissioned in September 2015 to carry out a full options appraisal for Leisure Services. This included a business review to identify how the service can operate more efficiently and sustainably. Work is ongoing and the attached report includes proposals arising from KKP's early findings.
4. The next stage of the work by KKP will identify options for delivery models for Leisure Services.
5. The proposed vision for leisure services is outlined in paragraphs 6 – 10 of the attached report.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATIONS

7. It is recommended that Council:
 - i) notes the progress on the Transformational Challenge Review of Leisure Services in paragraphs 2 – 6 of the attached report
 - ii) agrees to a new vision for leisure services as identified in paragraph 7 of the attached report, which is based on customers, financial and business objectives and which in the period of the Council Plan (2020) is no longer directly subsidised by Gateshead Council, and is returning income to the Council to invest in Gateshead priorities

iii) agrees to the revisions in the pricing policy as set out at paragraph 10(i) – (vi) of the attached report

iv) agrees to a revised business development strategy as referenced in paragraph 10 (vii) – (ix) to increase income for the service

v) authorises the Strategic Director of Communities and Environment (in consultation with the Strategic Director of Corporate Finance and Strategic Director Corporate Services and Governance) to implement flexible pricing arrangements to increase income, as appropriate