

Guildford Borough Council

Report to:	Overview & Scrutiny Committee – Services
Date:	10 March 2025
Ward(s) affected:	All
Report of Strategic Director of:	Finance & Resources
Report Author:	Charlotte Brindley
Email:	charlotte.brindley@guildford.gov.uk
Lead Executive Member:	Cllr Catherine Houston
Email:	catherine.houston@guildford.gov.uk
Status:	Open
Key decision:	No

Operation of the Leisure Management Contract 2023-24

1.0 Executive Summary

- 1.1 The Council entered into a 10 year Leisure Partnership Agreement (LPA) with Greenwich Leisure Ltd (GLL) with effect from 1 November 2011, to deliver leisure services throughout the borough at Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre. GLL has subcontracted the service to Wealden Leisure Limited trading as Freedom Leisure (FL). A 2 year contract extension was granted in October 2021 and a further final 2 year extension was granted in October 2023.
- 1.2 The procurement is currently underway for the next leisure contract, commencing 1 November 2025.
- 1.3 Each year, Freedom Leisure prepares an Annual Report which summarises the performance of the Council's leisure facilities; Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre. This report gives a summary overview of the contractor's performance on its operation for the thirteenth contract period (from 1 April 2023 to 31 March 2024).

- 1.4 The performance of the contractor has been monitored across the sites against set criteria by the Council's Leisure Client team.
- 1.5 The Council's management fee for the operation of the venue for 2023/24 is £1,044,457. The declared position at the end of the financial year for the contract overall was a surplus of £247,728. This is under the Operator's bid and therefore no surplus is due.
- 1.6 Freedom Leisure's Annual Presentation for the contract period 2023/24 is shown at Appendix 1. The minutes of the meeting on 30/01/25 are shown at Appendix 2.

2.0 Recommendation to Committee

That the Overview and Scrutiny Committee considers and comments on:

The performance of Freedom Leisure in relation to the operation of Guildford Spectrum, Lido and Ash Manor sports Centre detailed in Appendix 1.

3.0 Reasons for Recommendations

The Overview and Scrutiny Committee's input into the review of the Operator's performance is an important addition to the current monitoring arrangements and is a valuable exercise to ensure the Council's leisure facilities continue to meet the needs of the community and LPA objectives set out under item 6.4. Any feedback generated as a result of this process will be considered in respect of the current arrangements, and will also feed into the leisure procurement process for the next contract.

4.0 Status of Report

- 4.1 No part of this report contains exempt material.

5.0 Strategic Priorities

- 5.1 The provision of the services detailed within this report support the Council's desired outcome of 'Everyone in the borough is inspired and encouraged to lead a healthy and active life' under the Council's key priority of 'a more inclusive borough'. The Leisure

Partnership Agreement recognises the investment needed into the leisure facilities in order to achieve the desired outcomes set out in the Council's Corporate Strategy.

- 5.2 Attracting around 1.7 million visitors each year, the Spectrum is considered a destination venue and continues to have a significant impact on the tourist/ visitor economy therefore contributing to the Council's commitment of 'a more prosperous borough'.
- 5.3 The Leisure facilities are also a large employer, with over 500 staff working across the Guildford contract and over 60% of which travel to work from Guildford. The majority of employees fall under the 18-24 age bracket. This aligns with the Council's desired outcome of 'ensuring residents having access to the jobs they need, along with training opportunities for lifelong learning'.

6.0 Background

- 6.1 The Council entered into a 10 year Leisure Partnership Agreement (LPA) with Greenwich Leisure Ltd (GLL) with effect from 1 November 2011, to deliver leisure services throughout the borough at Guildford Spectrum, Guildford Lido and Ash Manor Sports Centre. GLL has subcontracted the service to Wealden Leisure Limited trading as Freedom Leisure (FL). The contract has been extended twice, each for a period of 2 years, to 31 October 2025. The procurement process for the next leisure contract is currently underway.
- 6.2 A very detailed and complex contractual agreement, the Leisure Partnership Agreement (LPA), is in place between GLL and the Council. GLL and FL have a contractual agreement that mirrors the contents of the LPA.
- 6.3 The LPA is a substantial document which includes as one of its component elements a detailed service specification specific to each site covering all aspects of service delivery e.g. opening and closing hours, water and air temperatures, maintenance regimes, health and safety compliance requirements, staffing levels and qualifications.
- 6.4 The LPA sets out the following objectives for the service provision:

- to improve the health and well-being of their communities through increased participation
- to use sport and leisure to bring communities together
- to enable access to services by specific groups with identified needs
- to encourage and provide affordable and sustainable local facilities and services
- to explore partnerships with other organisations where these will benefit the community
- to work with clubs and voluntary organisations in the borough to develop their activities and skill levels
- The provision of the services detailed within this report support the principles of the Guildford Health and Wellbeing Strategy by supporting people to maintain physical activity whilst also contributing to its priorities;
- Improving children's health and wellbeing
- Developing a preventative approach
- Promoting emotional wellbeing and mental health
- Improving older adults' health and wellbeing
- Safeguarding the population

6.5 This report reviews the thirteenth contract period from 1 April 2023 to 31 March 2024. The performance of the contractor has been monitored across the sites over a number of criteria.

6.6 Whilst the operation of the catering offer at Guildford Spectrum is linked to, but does not fall directly within the LPA, it is treated by Freedom Leisure as if it is part of the LPA.

Overview of the existing monitoring arrangements

6.7 The Council's Leisure Client team monitor the LPA. Normal monitoring includes regular formal meetings and monthly asset meetings, daily discussions with key FL personnel and regular visits to site, specific walk rounds to monitor service delivery, assessment of information provided by FL, regular use of the facilities as a customer, and formal and informal discussion with customers, partners and FL staff.

Performance of the Contractor – Key Performance Indicators

6.8 The following tables below show a selection of the key performance indicators from the operator agreement relating to financial performance and operating performance.

6.9 Included here are comparisons against last year (2022/23).

KPI – Key Financial 'LY' = 2022/23	Spectrum	Lido	Ash	Contract	Notes
Income (£) *combined LPA and catering income	12,643,165 (LY) 12,266,265	602,592 (LY) 647,086	380,163 (LY) 322,415	13,625,920 (LY) 13,235,766	Spectrum and Lido income exceeds bid. Ash income is less than bid.
Expenditure (£) *combined LPA and catering expenditure	11,089,369 (LY) 11,022,462	925,414 (LY) 659,106	318,952 (LY) 290,528	12,333,735 (LY) 11,972,096	This includes central support charges Exc. management fee & repayments Spectrum and Lido expenditure exceeds bid. Ash expenditure is less than bid
Management fee & repayments* (£)	1,371,223 (LY) 1,059,820	(276,908) (LY) (158,851)	(49,858) (LY) (53,877)	1,044,457 (LY) 847,092	
Net contract surplus/ (deficit)	182,573 (LY) 183,983	(45,914) (LY) 146,831	111,069 (LY) 85,764	247,728 (LY) 416,578	Total contract surplus is less than bid surplus of £288,514.

KPI –Key Operational LY = 2022/23	Spectrum	Lido	Ash	Contract	Previous year(s)	Notes
Attendances	1,686,269 (LY) 1,705,952	86,322 (LY) 77,119	88,013 (LY) 62,224	1,860,604 (LY) 1,845,295		
Memberships	2708 (LY) 1901	36 (LY) 52	543 (LY) 520	3,287 (LY) 2473	(22/23) 2,473 (20/21) 2,107	
Active card*	n/a	n/a	n/a	43,468	(2022/23) 39,885	*Total Active card figure (including Green Active Card)
Green Active card (concessions)	n/a	n/a	n/a	4811	(2022/23) 4,499	
Overall customer satisfaction rating	-	-	-	n/a	n/a	Exercise not taken place.
Compliment	n/a	n/a	n/a	69		

				(LY) 203	
Complaint	n/a	n/a	n/a	434	
				(LY) 529	
Comment/ suggestion	n/a	n/a	n/a	151	
				(LY) 138	

Attendances

6.11 The contract saw record attendances this year, with 1,860,604 visiting the leisure facilities, of which Spectrum saw 1,686,269. The Leisure pool saw an overall reduction in attendance against last year due to a 3-week closure in November/ December to facilitate major refurbishment works. The Bowl also saw a reduction in attendances in the same period. Areas that saw the most growth was the Spectrum gym, exercise classes and spinning with a 24% increase in attendance in these areas against last year. Attendance to events also increased on last year, and the Learn To Swim programme has continued to maintain strong numbers with over 3,000 children per week attending lessons.

The Lido saw just over 9,000 more attendances than last year, the majority of which were made up of general/ casual swimming. This was predominantly down to the better weather which a venue of this nature relies upon to drive its success.

Ash Manor also saw an increase in attendance against last year, the main areas of growth being Group Exercise and Gym.

Customer feedback - compliments

6.12 The compliments received during the period were varied but there was a strong theme across all sites in relation to the brilliant customer service provided by staff across a number of different areas and activities.

6.12 Customers were very complimentary of the new changing and shower facilities at the Lido and many commented on the 90th birthday celebrations & aqua fit class. The feedback received

recognised excellent service by Lido staff, with particular emphasis on handling difficult situations as well as compliments over the lifeguarding.

- 6.13 Ash Manor Sports Centre received several compliments over the variety of classes offered, with many echoing each other's views over the friendly, social and welcoming feel of Ash Manor Sports Centre.
- 6.14 Whilst the compliments received at Spectrum covered all facilities and activities, customers frequently made reference to the quality of customer service provided by staff. High numbers of compliments were received over fitness classes, particularly the 'Power-House' class, as well the Ice Pantomime and Adult Skate Camp. The Leisure Pool also received several compliments throughout the period, with a number of compliments specifically relating to the toddler splash session provision. Parties, Events and Swimming Lessons were also areas that received positive feedback, with particular emphasis on the service provided by staff.

Customer feedback - suggestions and complaints

- 6.15 Several complaints were received over the website and booking systems being difficult to navigate and find certain information. The cleanliness of the Spectrum's pools changing rooms, as well as pool temperatures were a common theme of complaint. Some felt certain areas were 'too busy' which affected a small number of customers' overall enjoyment. General building upkeep was also a common theme of complaint.
- 6.16 The main topic of complaint received at Ash Manor Sports Centre related to busy car parking. This is an ongoing challenge that is a result of the facility being shared with the school. The facility also received several suggestions to the group exercise timetable and class cover.
- 6.17 The Lido received several requests for early morning lane swim sessions to be re-instated. Car parking was also a common complaint as well as cleanliness issues, both of which were found to be an issue during busy / peak times.

Investment

- 6.18 Ongoing investment into each of the venues is crucial in ensuring the facilities are safeguarded for years to come. Significant work on the 10 Year Plan (also known as the life cycle maintenance plan) has taken place. This plays an important part in reflecting the level of investment that is likely to be required for plant and equipment at each site. This is in addition to the condition surveys which have also taken place at each site.
- 6.19 During the period, a major project to upgrade the Lido changing facilities and replace the original 1940's drainage was undertaken. The new facilities are a significant improvement on the previous provision, with the Lido now being able to cater to the demand of the site, whilst being more accessible and user-friendly. A great amount of work was put into the design of these facilities to ensure that the upgrade was more environmentally friendly and also remained in keeping of a traditional Lido.

Health and safety

- 6.20 In the contract year, there were 908 accidents across the Guildford contract. This is well below the industry guideline of 1 accident per 1,000. There was one incident during the period at the Spectrum that required reporting to the Health & Safety Executive (HSE) under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). Freedom Leisure work with the Leisure Client team to closely monitor accident and incident trends, and conduct investigations where necessary to identify any improvements required and embed safe working practices.

Freedom Leisure presented to the Lead Councillor and members of the leisure team on 30 January 2025. Freedom Leisure's Annual Presentation for the contract period 2023/24 is shown at Appendix 1, with the minutes of Freedom's presentation on Thursday 30 January shown at Appendix 2.

7.0 Options

- 7.1 There are no further options to be considered.

8.0 Consultation

8.1 N/A

9.0 Key Risks

9.1 There are no direct risks arising from this report, however this process is a useful exercise to review the performance of the leisure operator and consider any resulting feedback that can then be fed into current monitoring arrangements and any future contract procurements.

10.0 Legal and Governance Implications

10.1 Section 3 of the Local Government Act 1999 requires that the Council as a best value authority “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Reviewing and, where required, monitoring the Council’s contractual approach is an important way in which that obligation can be fulfilled.

10.2 Any formal changes to the current contractual arrangements have to be agreed with GLL/Freedom Leisure and varied by agreement. The current contract with GLL/Freedom Leisure expires on 31 October 2025 and the Council is currently out to tender for the services. The current Contract was previously extended twice (subject to its terms) and its final expiry date is 31 October 2025. Procurement and legal advice has been sought, and is being provided throughout the process. The procurement is being conducted compliantly in accordance with the Contract Procedure Rules in place at this time and in accordance with relevant legislation. The submissions will be evaluated and a contract will be awarded to ensure continuity of the services. This will be a key decision as the value of the contract exceeds the £200,000 key decision financial threshold necessitating the approval from Executive to enter a new contract for a 10-year term.

10.3 As the Overview and Scrutiny Committee has no decision-making powers, any recommendations that may arise would need to be

referred to the relevant decision-making body of the Council for a decision.

11.0 Financial Implications

- 11.1 The contract management fee due to the council in the period is £1,044,457. This includes £90,000 (plus subsequent Retail Price Indices (RPI) increases) to reflect projected efficiency savings through the joint award of both the Guildford and Woking leisure contracts to the same contractor.
- 11.2 If FL exceeds the financial performance detailed within their bid, 100 per cent of any surplus comes to the Council with 50 per cent of the surplus ring-fenced for spending on the three venues in the contract and 50 per cent allocated by the council for any purpose of its choosing. The declared position at the end of the financial year for the contract overall was a surplus of £247,728. This is under the Operator's bid and therefore no surplus is due.

12.0 Human Resources Implications

- 12.1 There are no direct HR implications arising from this report.

13.0 Equality and Diversity Implications

- 13.1 Advice has been sought from the Equalities Officers and consideration has been given as to whether an Equalities Impact Assessment is required. It has been determined that there are no potential diverse impacts from an EDI perspective.

14.0 Climate Change and Sustainability Implications

- 14.1 The Spectrum makes up for over 40% of the Council's total utility consumption and is therefore a major source of our carbon emissions. During the period, the Council was successful in securing funding (circa. £86,000) from the Swimming Pool Support Fund (SPSF) towards the installation of air powered showers and pool blankets to 3 of the pools at Spectrum. These have now been installed and will help to reduce the Spectrum's energy consumption. Other schemes during the year included the

abovementioned major works at the Lido with many of the recommendations arising from an energy assessment of the site incorporated into the design. The role-out of the Beryl bike scheme to encourage travel via bike also took place during the period, of which the Spectrum now houses a 'bay' for these bikes.

- 14.2 The Council is continuously looking at ways to reduce consumption, and a large part of the procurement for the new contract is for prospective bidders to submit decarbonisation energy reduction initiatives as part of their tender. The Council will also continue to apply for grant funding where possible, and has recently secured funding (of circa. £145k) for the installation of pool covers at the Guildford Lido.

15.0 Next Steps

- 15.1 The procurement process for the next leisure contract commencing 1 November 2025 is currently underway. The leisure team is committed to learning from the existing contract and building upon the successes of the current leisure facilities. As the procurement process progresses, the leisure team will work closely with all relevant parties and stakeholders to ensure a smooth transition into the next contract.

16.0 Background Papers

- 16.1 None

17.0 Appendices

- 17.1 Appendix 1 – Freedom Leisure Annual Presentation 2023/24
- 17.2 Appendix 2 – Minutes of meeting 30/01/2025

Report clearance progress:

Finance	Mark Riley	25/02/2025
Legal & Governance	Heather Chaplin	14/02/2025

Human Resources	Ali Holman	14/02/2025
Equalities	Ali Holman	14/02/2025
Strategic Director	Richard Bates	26/02/2025