



Healthier Communities Select Committee

Report title: Leisure Contracts Performance

Date: 28 February 2023

Key decision: No.

Class: Part 1

Ward(s) affected: All

Contributors: Director of Communities, Partnership and Leisure; Leisure Services Manager

Outline and recommendations

This report updates the Healthier Communities Select Committee on the progress of both of the Council's leisure contracts.

The Committee is asked:

- To note, and comment on, the contents of the report.

1. Summary and Purpose of Report

1.1 This report updates the Healthier Communities Select Committee on the progress of both of the Council's leisure contracts

1.2 In summary, the report demonstrates that performance across the leisure services continues to improve steadily in line with the national picture and there has been a significant improvement in the quality of the local offer under the new contractual arrangements.

2. Recommendations

2.1 To note, and comment on, the contents of the report.

3. Background and History

3.1 The last report to the Healthier Communities Select Committee in February 2022 updated on the progress of the leisure service post the COVID-19 enforced closures.

3.2 The previous report also homed in on the transfer of the Leisure Management Agreement (LMA) to Greenwich Leisure Limited (GLL) from former operators Fusion Lifestyle (Fusion).

- 3.2 GLL were awarded a 2-year open book management contract that commenced on October 7, 2020. The Council maintained financial responsibility for the management of the leisure centres through that period.
- 3.3 The first priority for the Council and new contractors – GLL was the prepare each leisure centre to be re-opened to the public. Each leisure centre underwent a programme investment works to clean and upgrade the customer facing areas after a prolonged period of closure due to the COVID-19 pandemic.
- 3.4 The leisure centres re-opened under Government sanctioned social distancing protocols in April 2021. Leisure centre participation increased as the year progressed and confidence in public safety returned.
- 3.5 The Council retained an option to extend the LMA for a further 3 years in which the financial responsibility for the contract would transfer from the Council to GLL.
- 3.6 Downham Health and Leisure Centre has been managed by 1 Life (formerly Leisure Connections Ltd) since March 2007. 1 Life have a 32-year contract through a Private Finance Initiative (PFI). In addition to the leisure facilities the centre includes health care facilities, library, community hall and playing fields.

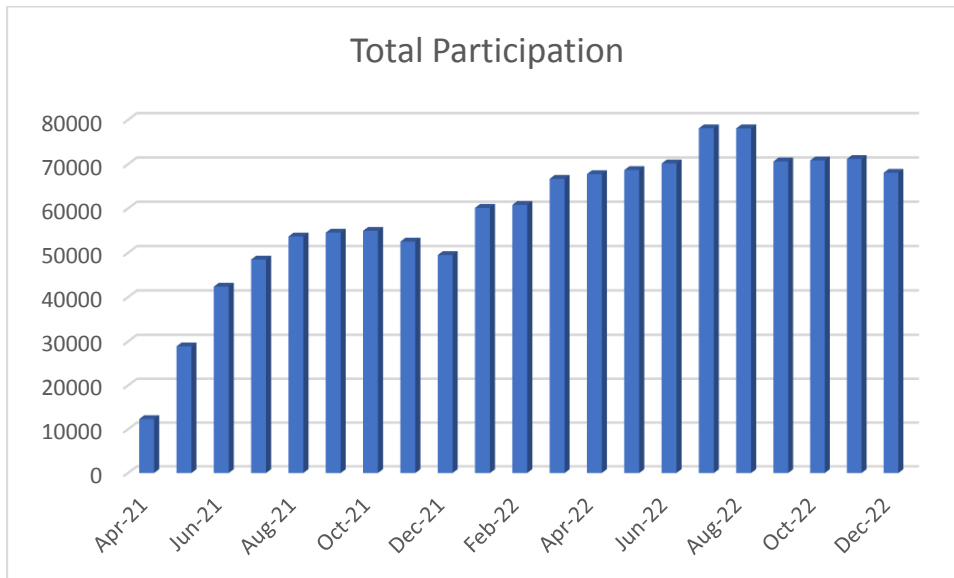
4 GLL Leisure Management Agreement Extension

- 4.1 The initial 2-year open book management contract concluded in October 2022. LBL had worked in close partnership with GLL over the course of the initial 2-year contract. During this period, the partnership successfully navigated through all the challenges brought on by the pandemic and the exiting operator.
- 4.2 According to Fusion's March 2020 report, there was a membership base of c5600 (accounting for the loss of the Bridge) members paying for either an annual or pre-paid monthly membership across the portfolio.
- 4.3 GLL's first report on monthly participation stated a membership base of c2,800 (both annual and pre-paid members). In contrast, GLL's most recent participation report (December 2022) states that pre-paid and annual member uptake has risen to c4300 members across the leisure portfolio. Factoring in the closure of The Bridge Leisure Centre, this represents 76% of Fusion's pre covid membership base.
- 4.4 Taking into account, the fact that the leisure centres in Lewisham remained closed between March 2020 and April 2021 (9 months after government announced that indoor gyms and Leisure Centres in England could re-open on the 25 July 2020 and 13 months after the initial closure); and the fact that The Bridge Leisure Centre has remained closed to the public (a decision approved in the 13 January Mayor and Cabinet report). GLL's first full year in operation of the leisure centres in Lewisham has been largely positive.
- 4.5 It is pertinent to note that although the Executive Director of Community Services retained delegated authority extend the LMA with GLL by three years. On June 15, 2022, Officers reverted back to Mayor and Cabinet for approval of the recommendation to extend this option by a further six months (to 3 ½ years), which would conclude the LMA in March 2026 rather than Oct 2025.
- 4.6 This decision ensured the LMA's end aligns with the end of the 25/26 financial year, allowing future agreements to run concurrently to LBL's financial year.
- 4.7 Alongside this decision were changes to the concession's arrangements on offer within the leisure centres. The offer allowed free gym, swim and athletics track access to all those over the age of 60 or those who are disabled.

- 4.8 However, the modification to the concessions programme would see the offer continued for those who are disabled, but with those over 60 paying the standard concessionary rates rather than retaining free access. This ensured that the services continue to be subsidised for Lewisham's older residents but will now entail a contribution to the financial viability of the services from these members of the community.
- 4.9 This saving was considered by Mayor and Cabinet on 2 February 2022 [Mayor and Cabinet - Wednesday, 2nd February, 2022 6.00 pm](#) agenda item 615 and included within the Council Budget (and appendix Y2) at [Budget, Mayor and Cabinet - Wednesday, 9th February, 2022 5.00 pm](#) agenda item 321.
- 4.10 The Equalities Assessment Analysis (EAA) regarding this recommendation concluded that the some of the impact of the removal of the free concession for residents over the age of 60 could be mitigated through increased and targeted marketing of leisure services alongside effective programme to the target audience.
- 4.11 Both GLL and 1Life introduced and enhanced programme of activities for older people in the borough. This included targeted:
- Aqua aerobics
 - Gym sessions
 - Zumba
 - Swim sessions
- 4.12 Lewisham residents over the age of 60 can also currently book a Badminton court for an hour for £10.90 on selected days at DHLC. This provision will expand to offer more days and times as demand dictates and there are also plans to introduce a short mat bowls session soon.
- 4.13 1Life are working with the GP doctors that inhabit the Health Centre onsite to ensure this offer is promoted to all practice users over 60 years of age.
- 4.14 This change to the concessions arrangement was implemented in October 2022. Although a there was a slight reduction in participation numbers form this demographic, numbers are increasing by the month.

5. Leisure Centre Participation

- 5.1 Leisure centre participation has shown steady growth since the centres re-opened in April 21. Figure 1 below displays total participation across the 5 sites GLL manage on behalf of the Council.
- 5.2 The first seven months show strong participation growth through a period where leisure centre services were coming back online and social distancing protocols were relaxed. Oct 21 saw the start of the Covid variant 'Omicron' which negatively affected participation through to December 21.
- 5.3 Participation has been steadily increasing since January 2022. Figure 1, also shows a spike in participation in July and August 2022, demonstrating the effectiveness of the holiday programmes on offer in the centres.
- 5.4 Due to the seasonality within leisure centre usage, there is a slight tail off in participation in the final months of each year. However, January tends to be a strong month for centre usage.

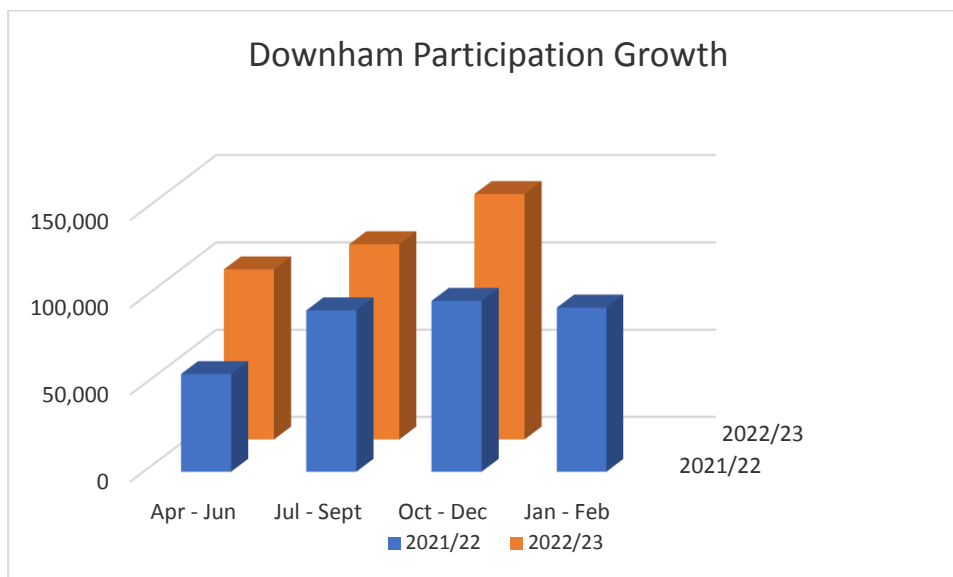


5.5 Figure 2 below compares participation data for 2021 and 2022 between April and December (January – March has not been included as the centres were not open through that period in 2021).

5.6 The average number of monthly visits to the leisure centres between April and December 2021 is c44k. The average number of visits to the centres through the same period a year later is c71k, a 60% increase on the previous year.



5.7 Similarly, participation at DHLC has shown positive growth since April 2021. Figure 3 below display the growth in participation each quarter.



- 5.8 Average participation at this site increase by 36% between 2021 and 2022. This demonstrates a slower rate of recovery than the GLL managed facilities. It is however, pertinent to note that the two operators are at very different stages within their contracts.
- 5.9 As detailed in last year's update, the GLL managed facilities benefitted from a programme of investment to ensure the centres were ready to re-open after the pandemic enforced closure. This investment included a re-branding / re-decoration of the facilities to accommodate the change of leisure contractor. This improved the look and feel of each site which had a positive effect on participation.
- 5.10 It has recently been announced that The Parkwood Group (a large Leisure operator) have acquired 1Life Management Solutions. Whilst 1Life will retain its trading identity, the acquisition will provide reinforcement to the head office function of the company as well as investment into the centres that 1Life operate.
- 5.11 Local investment will include an upgrade of the customer management systems which will enhance the customer journey, as well as re-branding / redecoration of the high footfall areas of the facility and refresh the wayfinding signage around the centre.
- 5.12 Further investment into the facility is on the horizon as the new ownership of 1Life matures.

6 Financial Information

- 6.1 The extension of the LMA with GLL is a traditional contract arrangement with the net cost of the service being borne by the leisure contractor. Year-end financial projections show that the contract will be within the Councils budgetary envelope.
- 6.2 Based on the performance of the contract to date, it is hoped that the GLL contract will return to surplus position, net of capital investment, by 2023/24 and inclusive of facility investments by the following financial year.
- 6.3 In line with the national picture, the uplift in the cost of utilities have had a significant impact on expenditure. The Council are in position to offer short term support to both contractors in line with contractual obligation.

7 The Bridge Leisure Centre

- 7.1 As stated in the previous update, the Bridge Leisure Centre did not re-open post Covid. This was due to the recognition of the considerable work and investment that would be

required to provide a safe, functional and energy efficient building. On the 13 January 21, Mayor and Cabinet approved Officers recommendations for the centre to remain closed for a period of time to allow for decisions on the facilities future to be made.

- 7.2 On the 3 November 2021, Mayor and Cabinet approved for a detailed feasibility study to be conducted, to consider options for future reprovision of a leisure facility in the south of the borough.
- 7.3 This study is nearing its conclusion, and public engagement will start once the study is complete.
- 7.4 The closure of the Bridge resulted in a loss of vital facilities such as pool water and sports hall space for the local community. The viability of re-providing these facilities in any new provision in the south of the borough being included in the facility mix of any new leisure centre would need to be considered.
- 7.5 Whilst a proportion of the users of the Bridge have migrated to the use of the swimming pools at Downham and Forest Hill Pools, the latent demand for other activities such as badminton has been more challenging to accommodate.
- 7.6 Local schools do provide sport hall facilities for community hire (outside of school hours), however the majority of schools prefer to take block bookings from constituted sports clubs rather than drop in pay and play sessions from individuals or small groups.
- 7.7 In addition to the above-mentioned provision at DHLC, the below facilities offer some alternative for keen badminton players:
- St Dunstan's- £12.50 ph- available Wednesdays 18.00 -21.00 [Badminton & Tennis - St Dunstan's College \(stdunstansenterprises.org.uk\)](http://stdunstansenterprises.org.uk)
 - Catford Wanderers Home page - Catford Wanderers Sports Club have 1 court. Annual membership is required however, a member can book anyone in to play badminton as long as they are able to provide them with access to the court. The court is, however, close to capacity in terms of usage
 - St. Laurence Church, Bromley Road, London, SE6 2TS has 2 courts and hosts St Laurence Badminton Club –St. Laurence Badminton Networking Group (London, United Kingdom) | Meetup This club trains in Lewisham but plays leagues outside Lewisham (Peckham).
 - Ladywell Centre- Sports hall- £20 per hour Lewisham Council - Ladywell Centre
- 7.8 To ensure the Bridge site stays secure while closed, the Council have installed property guardians to take residence in the centre. This measure ensures that incidence of trespassing or vandalism are mitigated.
- 7.9 In recent months, GLL have been working to repair and make good the 3G football pitch across the road from the Bridge Leisure Centre.
- 7.10 The pitch had been subject to numerous accounts of vandalism and anti-social misuse through the summer months in 2022.
- 7.11 Works were completed in January 2023, with GLL working with a local organisation who are offering community activities alongside structured bookings of the facility to ensure that the community have access to the site and incidence of anti-social behaviour are reduced.

8 Wider Participation and local improvements

Lewisham Shopping Centre CommUNITY Space

- 8.1 Working in conjunction with London Sport, Enable, Landsec and The Felix Project, we have transformed a vacant unit in Lewisham Shopping Centre into a health and wellbeing space.
- 8.2 The CommUNITY Space, has a multitude of uses, including being used as a “warm zone” and wellbeing space which provides free activity sessions, warm meals, and support and advice to the local community.
- 8.3 The initiative, will work with groups that are underrepresented in physical activity such as women and girls, older people and disabled people a safe space to be active, while also providing further services to nearby residents.
- 8.4 The sessions currently on offer include yoga, strength and balance sessions, dancing, Zumba, boxing and spin classes for all ages and abilities.
- 8.5 The new site in Lewisham will also host The Felix Project, a charity that will be providing hot refreshments and meals to local residents.

LTA Funding

- 8.6 We have been working with the Lawn Tennis Association to agree and deliver a programme of works to upgrade parks Tennis courts across the borough. Improvements to be delivered range from repainting/re-surfacing the courts, upgrading the fencing and installing the court access keypad systems which will enable the courts to be booked online.
- 8.7 Courts at the following park sites will be including in this programme of improvement:
- Ladywell fields (south)
 - Telegraph Hill
 - Hilly Fields
 - Chinbrook Meadows
- 8.8 This work will reflect the upgrade works completed at 4 park sites (Ladywell Fields, Mayow Park, Sydenham Wells and Manor House Gardens) in 2017.
- 8.9 We are in the final stages of agreeing the paperwork and contracts, with works planned to start shortly after that.

Physical Activity Strategy

- 8.9 A strategic framework and delivery plan for physical activity in Lewisham is in the final stages of development. This strategy has been informed by the insight available to us and what we have learned from consulting with local people.
- 8.10 The many focus of the strategy will be to increase borough wide physical activity rates by working in partnership with local stakeholders. The role of the Council will be as a deliverer, partner, enabler and facilitator working with local residents, the public, private, third and education sectors to ensure that the vision is delivered.
- 8.11 Whilst we know our physical infrastructure such as leisure centres play a big role in supporting our residents to engage and remain engaged with physical activity. The COVID-19 pandemic has shown that more emphasis towards place-based initiatives is needed as people value the ability to be active wherever they are.

8.13 Healthier Select Committee will have the opportunity to scrutinise the strategy before it goes to Mayor and Cabinet for sign off.