

## **MINUTES OF MEETING Cabinet HELD ON Tuesday, 5th December, 2023, 6.30pm**

### **PRESENT:**

**Councillors: Peray Ahmet (Chair), Mike Hakata, Emily Arkell, Zena Brabazon, Dana Carlin, Seema Chandwani, Lucia das Neves, Ruth Gordon and Sarah Williams**

**ALSO ATTENDING: Cllr Cawley- Harrison and Cllr White**

### **35. DEPUTATIONS/PETITIONS/QUESTIONS**

The Leader of the Council had accepted a deputation request from Park Road Lido User Group in relation to agenda Item 9 - Leisure Management.

Sharon Louth addressed the Cabinet and set out the deputation on behalf of Park Road Lido User Group.

#### **NOTED:**

- Park Road Lido User Group is a group of over 1000 swimmers passionate about the Lido. The group emphasised the positive impact it had on Haringey residents. The group expressed concerns for the Lido's future and explained that this was a vital part of Haringey's leisure offer. They wanted to be reassured that the Lido was sufficiently considered in future plans and closure during the winter period was a particular worry for residents. They contended that the report on leisure services lacked vision and clarity and that there was no specific mention of swimming.
- The deputation party felt that the report spoke of reputational risk to the Council if it were to contract out to another failing leisure provider and believed it didn't give similar weight to the Council failing due to a lack of expertise or financial backing or had sufficient information to truly assess the risks.
- The leisure services report recommended Council delivery; however, in the deputation's view, the contents of the report did not make convincing arguments for this. The group thought it was important for members to consider whether without any current resident consultation, the right information was provided to make an effective decision at this meeting.

There were questions from Cllr Hakata and Cllr Chandwani to the deputation party and they responded as follows:

- Historically, the Council had not kept the Lido open effectively. The group recognised the pressures on the Council budget, and due to this it was viewed as at a higher risk being a Council managed facility than an external contracted

facility. The deputation felt that an external provider would have more experience in running the Lido as a business.

- There were examples given of where the running of services by a private company had worked well, for example the London Fields Lido. The group questioned whether there had been discussion of how private companies worked on services in other local authorities.

The Cabinet Member for Culture, Communities & Leisure responded to the deputation. She reaffirmed that the Council would be looking carefully at how leisure services were run and would be listening to resident's views and concerns. She also provided reassurance that indoor and outdoor swimming would be a consideration in the long-term vision planned for the leisure provision across the borough. The cost of keeping the Lido open had been included in budget estimates and officers had also included the estimates for energy saving measures. The plan would be to keep the Lido open all year round, the Council wanted to invest in the Lido to reduce the running costs and improve the income generating potential. In terms of running the service, the Council have in house knowledge to effectively do this. It was estimated that Fusion was understaffed and lacked financial resources. However, both elements would be addressed under the Council's management of the service, and the Council were committed to carrying out a consultation exercise to make sure that the service reflected lives and embodied values and operational priorities.

## **37. LEISURE MANAGEMENT**

The Cabinet Member for Culture, Communities & Leisure introduced the report, which considered the arrangements for the future provision of leisure services in the borough and recommended bringing this service in-house.

The Cabinet Member outlined that the three key sites providing leisure facilities: Tottenham Green, Park Road and Broadwater Farm. This report followed the July Cabinet decision to review the leisure provision and subsequent termination of the Leisure Services Contract with Fusion.

The Cabinet Member underlined the key focus of the administration on enabling residents to live healthy lives, through ending social isolation and providing access to leisure services. This was central to the health and wellbeing of residents and helping them lead healthy lives. This was the underpinning objective when considering future leisure arrangements.

The Cabinet Member continued that by ending the contract with Fusion, the Council would bring leisure services in-house, democratising and taking full control over the running of the leisure centres at Tottenham Green, Park Road and Broadwater Farm. The Council aimed to build on the success of New River Sport & Fitness, which was brought in-house in August 2021 and was now delivering better and more inclusive services to residents and communities.

In response to questions from Councillors: Hakata, das Neves, Chandwani, White and Cawley - Harrison the following information was provided:

- In relation to engaging with residents on the insourced provision, the Council had spent time engaging with residents, as a whole, and were also encouraging those which had not used the service to also participate in the engagement process. Thought was being given to future provision which was responsive to the leisure services wanted by residents and how and when the engagement would take place. This would likely be in phases to ensure that the Council were listening and hearing as many residents as possible.
- With regards to tackling health inequalities in the borough and having better health outcomes for residents in later life, the service would be looking at: what issues there were that preventing some groups accessing the service, co-locating services and looking to work with partners like the NHS and public health to provide those wrap around services, ensuring there was a holistic approach and providing the activities to improve approach to fitness.
- Regarding the proposed insourcing model offering equity of provision in both the east and west of the borough, the service had spent a lot of time considering the service offer across the three leisure sites and it was recognised that the provision at Broadwater Farm Centre can be overlooked. There would be engagement with residents on the new service offer at Broadwater Farm. They would be looking to understand the enablers to increase usage and the type of wrap around services needed to support a wellbeing offer.
- Achievements highlighted at the New River Sport & Fitness centre were the successful links made with the Autism Hub and after school activities, in key time slots between 3:00 and 6:00pm, and development of an older person's activities, including those with dementia.
- Noted that the report responded to Overview and Scrutiny Committee's recent queries and concerns about the democratic oversight of the service and provided assurance on the engagement with users on the service provision going forward.
- In response to Overview and Scrutiny Committee's concerns about provision in the next 12 months given the notice of termination of the contract had been served, there were contract monitoring meetings taking place between the provider and Council on a weekly basis and performance would be closely monitored. The consistency of meetings would be maintained over the coming 12 months.
- The key focus was on reopening the pool at Tottenham Green Leisure Centre. This relied upon a sequence of works, starting with the high voltage distribution panel which had been successfully installed and there was now testing of the pumps and various other pieces of work that needed to be completed. It was expected that the teaching pool would be re-opened first, followed by the main pool. A date for re-opening would be provided in the next few weeks.

- The Council was committed to consulting with residents on the future leisure provision. The Council had been progressing with a sensitive contractual termination process over the last 5 months together with a review of the provision and option appraisals set out in the report. During this sensitive contractual negotiation period, public consultation activities could not realistically have taken place.
- There had been a significant piece of detailed work completed by officers with independent leisure specialists, FMG Sport and Leisure Consultancy, to design and cost various options that included insourcing or awarding a new contract. As this was reliant on information provided by Fusion and from a soft market testing process, this information could not be shared as it was contractually and commercially sensitive.
- With regards to the financial appraisals, the independent leisure specialists, FMG Sport and Leisure Consultancy had conducted some modelling on the options available for leisure service delivery. They had modelled a whole variety of different scenarios and eventualities in terms of both income expectation and commercialisation of the assets as well as looking at the options as they were described in the report. The key finding was that, given the current inflation and energy costs, there was going to be a requirement around investment whether it was an insourced or outsourced provision.
- The recommended Insourcing option provided the Council with better control of the service offer and less issues with change management. This was part of the decision-making process in terms of the officer recommendation.
- The scoring methodology for the 5 options was not available as commercially sensitive.

In further response to how the recommendation in the report to insource the leisure provision had been reached, the Leader of the Council underlined that the Council was fully committed to co-production and collaboration. This was a decision report about who delivered the service and as detailed in the report, and during the meeting, the Council, over the course of the next year, would looking at how to develop that service together with users and residents across the board.

The Leader of the Council continued to highlight that this was a pivotal moment in Council decision making and the Council were looking forward to working with user groups and working through the detail of how the service would be delivered.

## **RESOLVED**

1. Having considered the available options presented, to agree that Haringey Council's leisure services shall be brought back inhouse as described in Option

- 5 (section 6.32), for the reasons set out in this report, including the TUPE process for Fusion's Haringey workforce.
2. That following the serving of the 12 months' voluntary termination notice on Fusion Lifestyle on 3rd October 2023, inhouse leisure service provision shall commence no later than 2nd October 2024.
  3. That the revenue budget and capital programme implications of the decision to insource be included in the draft Medium Term Financial Strategy for 2024/25.
  4. That the decision to novate any or all the related contracts (including those considered as key decisions) from the existing service provider to the Council be delegated to the Director of Environment and Resident Experience.

### **Reasons for decision**

Cabinet decided to end the Leisure Management Contract with Fusion on 11<sup>th</sup> July 2023, and committed to reviewing the options for running the service in the future. Officers have since continued to work with independent leisure specialists, FMG Sport and Leisure Consultancy, to design and cost various options that include insourcing or awarding a new contract.

Insourcing the leisure service gives the Council an opportunity to take full control of leisure management, to achieve broader health and wellbeing outcomes, and to design services that are targeted to the needs of our diverse communities.

### **Alternative options considered.**

**Procure a new leisure service provider:** Although this option could benefit the Council by assigning financial, legal, and other risks to a third party, a new contract would be potentially restrictive. It would limit the Council's ability to dynamically adjust the service to meet emerging health and wellbeing demands, make it harder to integrate / co-ordinate with other Council and partner services. Despite taking all precautionary measures through the procurement process, it also has the potential to ultimately replicate the current level of service provision, albeit most likely with a different provider.

**Close the leisure centres and mothball the sites:** Although this option would bring a clean end to the contract, the existing assets would require ongoing maintenance of the buildings and deprive local residents of locations to pursue healthy activity and wellbeing for an indeterminate period of time.

**Lease the leisure centres to a new provider:** This option would mean the Council losing a significant opportunity to influence the provision of leisure services in the borough for decades to come, whilst nevertheless retaining ultimately responsibility for the assets.

**Close the leisure centres and sell/redevelop the sites:** Although this option might bring some financial benefit to the Council by way of a capital receipt, it would take

time (and cost) to develop but equally deprive local residents of locations where they could readily pursue healthy activity and wellbeing.

All four alternative options were discounted in favour of insourcing.