

Present: Councillor Naomi Tweddle (*in the Chair*),
Councillor Bob Bushell, Councillor Rebecca Longbottom
and Councillor Joshua Wells

Apologies for Absence: Councillor Donald Nannestad

110. Declarations of Interest

No declarations of interest were received.

111. Leisure Centre Services - Urgent Appointment of an Interim Provider

(Councillor Donald Nannestad viewed the meeting remotely as an observer via video link. He was not permitted to take part in discussions at the meeting or vote on the matter to be determined, due to his absence in person, according to Constitutional Procedure Rules.)

Purpose of Report

Following the announcement that Active Nation ceased trading on Thursday 3 April 2025, to seek authority to urgently procure a new leisure provider for Yarborough Leisure Centre and Birchwood Leisure Centre, utilising emergency provisions contained within the public procurement regulations governing public sector contracting.

As reported in the January 2025 report to committee, the charity was finding it increasingly difficult to maintain a positive trading position due to the double impact of both dramatically increased energy costs and a client base affected by the cost-of-living crises, necessitating the offer of a support package from the City Council at that time. This package was unfortunately turned down by Active Nation and a series of related events ensued that ultimately led to the charity ceasing to trade. This had left the City Council with no leisure provider and the centres closed.

This report therefore sought urgent approval to commence the procurement of an interim provider for the City Council's outdoor and indoor leisure centre provision at Yarborough Leisure Centre and Birchwood Leisure Centre for a two-year period whilst longer term options were more fully developed and appraised.

Decision

1. That the urgent commencement of the procurement process for a new leisure operator for the indoor and outdoor facilities at both Yarborough Leisure centre and Birchwood Leisure centre for a two-year period be approved.
2. That the outcome of that process prior to entering into the contract and to set out the cost implications and funding package be reported back to Executive.

Alternative Options Considered and Rejected

Various options had been considered including:

- A. Urgent procurement of an interim leisure provider for up to two years to replace Active Nation and use this period to pause and reflect on the future of leisure provision
- B. Urgent procurement of an interim leisure provider for up to two years to replace Active Nation and then straight after that, start the process of procuring a long-term provider
- C. To consider the Council's role in direct provision of leisure facilities in the city and the role of other providers in the City to see if the mix could change
- D. To bring the service 'in house.'

Reasons for the Decision

The City Council was supported by a very experienced consultancy firm in the leisure industry (Max Associates). They had provided support, advice and financial modelling to help officers navigate the way forward.

A full appraisal of all the options by both Max Associates (financial business case assessment) and officers (high level strategic case) had been undertaken, driven by a very strong desire to see the leisure centres re-opened as quickly as possible. It was noted that the centres played a vital role in supporting the physical and mental health of residents of the city and beyond. Therefore, Option A was considered the most appropriate route to follow. This option offered the best balance as it:

- Offered the fastest route to re-opening the two centres
- Would enable a leisure provider to take control who had the necessary experience, expertise, knowledge and resources to make it a success
- Gave Members and officers the time and space to carefully consider the changing local government landscape and leisure industry itself before committing to a longer-term contract. That did not need to happen now and could be developed over the months ahead.

Option A supported the Council's strategic aims which included the importance of maintaining access to leisure facilities as soon as possible to help both physical and mental well-being within our local communities.

Further details of the challenging financial implications included within this evaluation were covered in the separate report within Part B of this agenda.

Max Associates had developed a specification for delivery of the service. This was designed to offer a range of indoor and outdoor facilities which would be retained at both Yarborough Leisure Centre and Birchwood Leisure Centre. It was further anticipated that any new provider would use their knowledge of the industry to introduce new initiatives as well.

The authority had already been approached by a number of national operators of leisure centres, many with numerous facilities around the country. It was

anticipated that a contract to deliver services from these two centres will be popular.

The Procurement Act 2023 under section 41 allowed for the appointment of a supplier by direct award in special cases. The Council would still be required to demonstrate that this direct award met one of the justifications as set out within the Act and that a Transparency Notice was published (as detailed in section 44) prior to the award of a public contract.

Officers had explored options that could bring some limited facilities back sooner i.e. prior to the new provider taking over. Officers had secured a temporary contract for three months with partners in the Lincoln City Foundation, to make facilities available sooner for clubs who had competitions to deliver or who had members in training or who provided vital diversionary services to young people in the city.

Members gave heartfelt thanks to officers at the Council for their speedy intervention and hard work in seeking a resolution to current leisure facility issues in our City which had been forced upon them and to Lincoln City Foundation for their support to our communities and excellent partnership working.

112. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

113. Leisure Centre Services - Urgent Appointment of an Interim Provider

Purpose of Report

As detailed in the exempt report to the Executive.

Decision

That the recommendation to the Executive, as set out in the exempt report, be approved.

Alternative Options Considered and Rejected

As detailed in the exempt report to the Executive.

Reasons for the Decision

As detailed in the exempt report to the Executive.