

Leisure Trusts

A Personal Reflection

Jeff Hart – Managing Director, Freedom Leisure 2002-2013

In 2002 Wealden District Council transferred the management of its Leisure Service to Wealden Leisure Limited, a charitable Trust, trading as Freedom Leisure.

The build up to that transfer, however, was long and arduous, and challenging to all those involved. The Council had examined the Trust option for a number of years, as the effects of CCT, and the demands for cost reductions, loomed larger. As Wealden's Head of Leisure Services, I had been championing the Trust "route" since the late 1990's and seen one attempt aborted at the latest of stages. A change of Chief Executive, and Leader of the Council, had seen the Trust option re-emerge, but opposition, particularly amongst other Chief Officers and Senior Staff in other departments, was exceptionally strong. This made the process fraught with difficulties with constant hurdles and misinformation threatening to frustrate the Trusts formation.

The leisure view was that the quasi-commercial nature of the service was an increasingly difficult "fit" within the local authority and would be better served in the new type of organisation. Opponents questioned the nature of the taxable advantages, and were concerned about the ongoing relationship, and the effects on support services within the Council. In the end, Council members voted through the Trust formation and Freedom Leisure went live on the 1st April 2002. That history was important because it determined both the relationship between the Council and Freedom Leisure, and the Trusts development and strategy.

Other "new wave" leisure trusts had been established with a much closer relationship with the host authority, sharing support services and premises, and restricting opportunities outside the host contract.

Wealden District Council took the view that, on transfer, Freedom Leisure was a completely separate, stand-alone entity, operating as a contractor for the council's leisure service. That meant no "sunset" arrangements, new head office premises, recruitment for support functions, and financial independence from day one. With hindsight, that "clean break", whilst triggering a massive learning curve experience, was instrumental in determining Freedom Leisure's future strategy and level of success. Senior Management along with the Board of Trustees were able to determine a clear and coherent vision and direction for the organisation which addressed issues of balance of financial/social objectives, stakeholder involvement and relationships, governance and management, staff recruitment, training and engagement, and crucially, development and expansion.

The private sector response to the formation of new wave leisure trusts was firstly to complain about the taxable advantages and lack of level playing field, and later to set up their own "charitable" vehicles! All of which, changed the face of the local authority leisure market forever.

Freedom's Expansion Strategy was developed very early on post transfer, in response to the market changes, differing local authority priorities and approaches, and the need to survive in a challenging environment.

As more local authority contracts were put out to tender, Freedom began to bid, initially in the local Sussex area. Surpluses generated in the early years of operation gave the trust the platform of financial stability, which alongside a growing reputation for service delivery and partner relationships, helped win significant contracts across the South East Region. Size and scale was also aided by innovative partnerships with other existing trusts, and a range of other organisations, as well as the growing ability to offer investment opportunities into contract negotiations.

By 2012, Freedom Leisure had grown its turnover from £2M to over £25M, was operating over 30 sites and employed over 2000 staff. All made possible, by focussing exclusively on the business, reacting quickly and innovatively to changes in the market, forging strong partnerships, making key recruitment decisions, and effecting necessary organisational changes.

The difference between operating as a standalone leisure trust, and within the sometimes necessary, bureaucratic and risk adverse nature of the local authority was now widely acknowledged. Beyond 2013 it was clear that, just as the number of private sector contractors operating local authority services had significantly reduced, the same was going to happen in the trust market.

Already a few Leisure Trusts, including Freedom, were beginning to dominate and grow larger, and many smaller and single contract trusts were coming under financial pressure from host authorities. Although Freedom's stated objects always included operating across the UK, the defined expansion strategy to that point concentrated on the South East of England. It was clear, however, that given the nature of fixed term local authority contracts and procurement rules, and the increased competition from UK wide contractors, a defined geographical area was not likely to be dominated by one contractor in the future.

Freedom Leisure redefined its expansion strategy and began to bid for contracts across the UK. This move was inevitable, and proved timely, as in the period 2013 to 2019 the trust lost high profile contracts in its home area, but won significant new contracts in the Midlands, Wales, and other regions across the UK.

In 2019 Freedom Leisure continues to develop, grow, and change, in response to the changing market, and new challenges and opportunities. In terms of improved service provision, investment in facilities, and delivering financial and social objectives, it has an enviable track record. It has more than survived.

The "Trust Route" was never a panacea for public sector leisure provision. Merely externalising leisure departments into trusts did not guarantee better performance or service provision. The successful trusts constantly adapted and changed their organisation in response to the changing market, in a way not previously possible within the local authority. A clear vision and focus and strong team culture was aided by smart recruitment in areas such as finance, marketing, and human resources, which significantly enhanced existing leisure teams. Leadership from CEO's, senior management, and trust boards was the key to success.

The overall contribution of successful trusts to the changing face of local authority leisure provision should not be underestimated.

As for the Future?