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Coming of age: a new vision for leisure management

Twenty years after the foundation of Greenwich Leisure Limited, *The Leisure Review* spoke to GLL managing director Mark Sesnan about the origins, the development and the future of one of leisure's success stories.

If a week has traditionally been held to be a long time in politics two decades involved in leisure management in the pursuit of public service must feel like a lifetime. However, although Mark Sesnan has been at the helm of GLL since its foundation, after 20 years he is still able to talk about the achievements of the organisation and the business of leisure with enthusiasm and no little passion.

Then known as Greenwich Leisure Limited, GLL was created in 1993 to manage the leisure facilities of the London Borough of Greenwich. Established in the context of the inclusion of leisure services within the early tranches of compulsory competitive tendering (CCT), GLL took the council's seven leisure centres as assets into a charitable trust and began to manage the facilities on behalf of the local community. While a number of local authorities had taken, and were taking, the decision to create leisure trusts, the success of Greenwich Leisure quickly established it as an exemplar of how leisure facilities could be managed and be made to thrive in the most uncertain of political and economic circumstances.

Sesnan has no problem recalling the original aspiration for GLL. "I remember it vividly," he said. "It was a straightforward issue then. 1993 and 2013 are very similar in that there is a fairly hostile government and massive budget cuts with local authorities looking at different ways of doing things trying to protect and preserve services. Alongside that, of course, we in leisure management had been dumped in the marketplace with CCT by the government and we were forced to ask: are we serious? Do we want to privatise all the leisure centres in the UK or is there a better way of doing things? And I suppose it was from those kind of thoughts and the happenstance that Greenwich council itself – they had major budget cuts and it was basically taking decisions to close services all round – was open to considering alternative options.

"The leisure trust idea was born at that point. That's not to say that GLL was the first – there had been leisure trusts in places like Basingstoke and the new towns – but the issue was about local authority services going from the local authority to trusts rather than a trust being set up independently and acquiring the assets on its own. It was a case of whether we could come up with an alternative to either privatisation or cuts and closures. And because of various changes to taxation laws, particularly business rates, setting up a leisure trust seemed to make absolute sense."

At a time when local authorities were coming under what some termed close scrutiny and others saw as an ongoing attack by a post-Thatcher government continuing its neo-liberal economic experiment the creation of charitable trusts to provide public services at arm's length from the council was controversial. However, Sesnan remembers the necessity rather than the controversy.

"It was a political expediency," he said. "We expected it to be challenged by the competition unit of the department for local www.theleisurereview.co.uk

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government but in fact they signed it off and said it was a good thing. Indeed, now the government now calls this a 'mutual spin-out to a social enterprise company' and I advise the cabinet on mutual spin-outs to work with other organisations looking to do this. So the language has changed but the principle is really the same. Working in a much freer environment but as part of the public sector we can arguably do a better job than we would do if we'd just stayed as a council department. We're able to bring more depth and value to the service than just running it by private commercial companies for financial ends."

The obvious question is, of course, why? Or rather, what is it in the culture or management of this organisation that means that it is able to thrive more readily than its previous incarnation within a local authority structure?

"The straightforward issue is that if you were asking what is good about what the public sector does and what's good about what the private sector does you would say the public sector has good values, a good ethos, it looks after its staff, they are quite stable organisations, they try to do the right thing for the community. The private sector are good at understanding the customer, they are quick to act and react, to invest and to make things happen. But the public sector is slow to react, it's bureaucratic, it has multiple priorities and often leisure is not going to be a high priority, while the private sector are profit-focused so they are not necessarily going to be as keen on developing their staff or prioritising community needs and dealing with disadvantaged and poorer people because they like to drive shareholder value.

"So what you are trying to do is take the good things about the public sector and the good things about the private sector into a social enterprise company in the middle – or leisure trust or whatever you want to call it. The key – and the simple answer to your question really – is that local authorities are pretty cumbersome, bureaucratic, slow-to-act-and-react organisations that would never be able to fully understand the leisure market. They started off having swimming pools as services under the Public Health Act and they are not really capable of fully adapting to a situation in which these are high-street activities in the marketplace that have to compete against the private sector and have to meet continuously upward-shifting public expectations."

Many would, and have, argued that such market-place competition should not be the role of local government and Sesnan concurs: "Not when there's a hole in the school roof."

GLL quickly proved itself adept at balancing such private and public sector concerns, skills that over the last 20 years have brought the organisation significant success. From the initial seven centres and 7,000 members within Greenwich, GLL's management remit now extends across and beyond London with responsibility for more than 115 leisure centres, 6,000 staff and more than 450,000 users with memberships; the London 2012 pool and the Copper Box on the Olympic Park site are the latest additions to its facilities list. Sesnan admits that size can bring problems but is adamant that GLL can overcome such challenges. He explained that maintaining a focus on the values and ambitions of the organisation is crucial, as are the empowerment of frontline staff, keeping the decision-making as close as possible to the customer and providing a high-quality back-office support in areas such as finance, human resources, marketing, product design and branding. In addition the organisation works hard to make sure that each of its leisure centres is embedded in the local community, with an outreach programme and a positive image among the people who use it.

"We've got to be good at it to make it happen but hopefully GLL is," he said. "Size brings disadvantages but it also brings a huge load of benefits, not least stability because if GLL didn't grow we would have

lost all our good managers. The reality is that the leadership team at GLL is that same as it was 20 years ago and the reason people have stayed is that we've grown the business and it's our business; not because we've been able to make massive shareholder value or sell on the things that the private sector does but just because we've gone from having a good job in the public sector to having an even better job in the social enterprise sector."

Another benefit of an organisation's growth, Sesnan explained, is the expansion of opportunities for staff, enabling people's jobs to grow along with their experience and skills. By growing, GLL is able to keep providing the right opportunities for the right people and so these people stay within the organisation.

While GLL has grown, so has the leisure trust sector. More than 120 leisure trusts now operate in the UK, managing around a third of all public leisure centres in the country. It is a market that has provided GLL with competition but also opportunities. It has also, Sesnan suggested, created problems for leisure managers wanting to provide high-quality services to the public.

"We've created a market for the government in that there is now a clear choice between running it in-house, privatising it or having a social enterprise business running it, either your own or a bigger one like GLL, Fusion or one of the others," Sesnan said. "The market has grown, it works and it possibly works too well in that it is doing CCT's job for it. There is also a load of consultants hanging on the coat tails of all this making money out of convincing councils that getting it as cheaply as possible is the best thing they can do, which to me is utterly brainless.

"You can't provide good services to people cheaply. You can't: somebody has to pay for it. If it were education they wouldn't be going to government saying, give us as little as possible and we'll provide you a better service. The same with health. They would say, if you want a good service then you have got to pay for it. The biggest bugbear that I've got at the moment is that the market is being treated as a down-market street market where people are trying to run things as cheaply as possible. It's a spiral of decline, taking all the value out of the business. It is making people think that it is something you should do on the cheap and that's a race to the bottom.

"GLL would never do that because our values are different. We are not just in it for the money or to do it as cheaply as possible. If that is what councils want, or that is what consultants are persuading them to do, they can go on and suffer the consequences. What I do know is that a lot of the business GLL has is clearing up the mess after people have failed to run it properly."

Nor does Sesnan have much truck with the claim of leisure operators within the private sector that the beneficial tax entitlements of charitable trusts gives the trusts an unfair advantage in a highly competitive market. It is a controversy that is still aired regularly wherever operators gather.

"It's not a controversy for us," Sesnan said, with a wry laugh. "It's a straight-forward issue: if you're running something for profit then you should pay tax. If you are not running it for profit why would you be paying tax on it because tax is in effect a community benefit. Government taxes are designed to make people who are making money contribute to the wider society. The argument is that trusts are already contributing to the wider society and nobody is taking any profit out of it anyway. I know they won't see it like that but then... who cares."

Anyone who is familiar with the Sesnan style – one part dour Scot, one part hard-nosed business operator, three parts passionate leisure advocate – will recognise this as a characteristically forthright defence

of GLL's position within the market and the communities it serves. However, it is a position that proved persuasive with those responsible for securing the future of the Olympic Park. The awarding of the contract to manage the Olympic pool and the Copper Box arena represents one of the biggest plaudits and one of the biggest challenges for GLL since the company's inception. Sesnan admits that these are exciting times for GLL.

"We beat Serco to get the contract on the Olympic Park primarily because the legacy company that runs the park on behalf of the mayor of London's office wanted to make sure that those centres were embedded in the east London communities in about ten different dimensions. So it wasn't just [a question of] how cheaply can you run it, how many swims are you going to sell? It was about, how are you going to create new jobs, how are you going to get young people in east London more active, how are you going to work these centres into the wider fabric of the sporting community, how are you going to do the whole sports development pyramid from participation through to excellence, how are you going to make it all work and blend?"

"GLL set out on a mission. First of all we helped get the Olympic Games to London with petitions and things but we had a 'before, during and after' policy in which we were clear that we wanted to run those facilities because we believe that if we're building what is probably the most expensive swimming pool in Europe and in the Copper Box probably one of the best indoor venues in Europe, we don't want them sitting like Wembley Arena or Earls Court locked up and used only for big events. We need to get the community in there, we need to get local young people working in there. We need to work them into the fabric of the east London communities."

To this end GLL have employed and trained 60 young people to work on the Olympic Park facilities, 90% of whom live in the local boroughs. The anniversary of the opening of the London 2012 Games brought people back into the stadium and back into the Copper Box, a reminder of how captivating the Games had been, and while the Olympic Park is still some way off full public access as building work continues around the site, GLL is signing contracts with promoters for a range of major sports events at the Copper Box and preparing for the opening of the pool next Easter.

As for the next 20 years, Sesnan is clear that GLL must continue to diversify its business if it is to compete against the other organisations within the leisure management market. It is an ongoing process that sees GLL running two borough's library services, a number of stand-alone facilities, such as Gym Bexleyheath and Charlton Lido, and establishing partnerships with organisations such as the Jubilee Halls Trust at the Columbo Centre, the Black Prince Trust, Freedom Leisure and Halo Leisure. By not ruling out any aspect of the leisure and culture arena Sesnan is confident that there will be no shortage of business for which to compete.

It has, he agreed, been a great pleasure to be part of a significant success story for leisure services, a sector that has so often been so hard pressed. "The whole success of the social enterprise model is the Robin Hood bit. We've got 130,000 direct debit members in London and the money that comes in from that we can then use to run our sports foundation, our legacy projects, the free swimming for kids, the free activities for the over-60s – or whatever the age is; I keep tripping over it as I'm 57 now. But the point is that you can get the money moving, because in reality people will pay for some things; so let them pay so that we can then subsidise the things that people can't afford to pay for. Generally, while there is a climate of cuts and retrenchment, there are actually more people using leisure centres and gyms now than there ever was, ergo there's more money in the system and we just have to be clever about making it work properly. All these budget gyms are

fantastic in a sense because they are getting people taking their health and activity seriously. It brings more people into the marketplace and gives us more of an opportunity when they all go bust!”

It was a line delivered with a laugh but it served to illustrate the realities of success in a modern leisure environment. We look forward to the next 20 years.

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