

# Community Wellbeing & Housing Committee

11 March 2025



<b>Title</b>	Leisure Operating Contract Reporting
<b>Purpose of the report</b>	To provide information on the arrangements for leisure centre contract monitoring.
<b>Report Author</b>	Kamal Mehmood – Strategic Lead for Leisure & Community Development
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Services
<b>Recommendations</b>	<b>Committee is asked to:</b> To consider the information contained in this report.
<b>Reason for Recommendation</b>	To comply with contract monitoring arrangements.

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>The Leisure operating contract sets out the governance arrangements and reporting mechanisms for the contract, however, it doesn't elaborate on how this information is reported back to members.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that procedures are in place to report back on progress of the contract monitoring to members.</li> </ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>Whilst the leisure operator is required to produce an annual plan as well as monthly and quarterly monitoring reports we would like to present a report to CWHC in June 2025 to highlight challenges and successes experienced in the first six months of the contract covering both Sunbury Leisure Centre and Eclipse Leisure Centre and annually in June each year thereafter. This is intended to provide the</li> </ul>	<ul style="list-style-type: none"> <li>A report covering the first six months will be produced and presented to CWHC in June 2025.</li> <li>Further annual reports will be produced on an annual basis and presented to the CWHC in June each year.</li> </ul>

members with confidence that the contract is being well managed and to give members an opportunity to provide feedback on achievements.	
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- 1.1 The report provides the Committee with an overview of the governance arrangements and reporting mechanisms set out in the Leisure Operating Contract.
  - 1.2 Separate extracts from the contract relating to governance arrangements and reporting, section 2 and section 5, have been attached in Appendix A for the Committee's reference.
- 2. Key issues**
- 2.1 With regard to formal monitoring of the Leisure Operating Contract (LOC), there are requirements which have been built into the contract. These include the provision of an annual report by the operator to include performance against Key Performance Indicators. In addition the following requirements are in place;
    - Contract monitoring group who meet on a monthly basis to consider monthly data. These meetings take place between the operator and the Council and consider statistics and KPI's within the contract
    - A quarterly Strategic Partnership Board including senior representatives from both organisations and elected members from the Community Wellbeing and Housing Committee, (The Chair of the Committee or substitute.)
    - A joint liaison group to monitor the Sunbury Leisure Centre arrangements
  - 2.2 The contract does not stipulate how this information is fed back to the committee and as such it is intended that annual reports are presented to the Community Wellbeing and Housing Committee at the first meeting of each municipal year in June.
  - 2.3 Financial performance will be monitored on a monthly basis by the contract monitoring group as well as quarterly basis by the Strategic Partnership Board. Performance indicators are included within Table 3 of the attached extract of Schedule1, Appendix A and include income and expenditure broken down by facility and to correspond to categories set out in the LOBTA (e.g. swimming, health and fitness etc).
  - 2.4 It should be noted that 2.11.4 of Schedule1 of the LOC (included in appendix A) states that year 1 of the contract is a baselining exercise and subsequent years will involve setting targets through a collaborative annual service planning process in partnership with the Local Authority.
  - 2.5 As such it is intended that in June 2025 a report covering the first six months of operation will be presented to the CWHC with annual reports presented each year in June thereafter.

2.6 Arrangements will be reviewed and subject to change in light of the recent announcement of local government reorganisation.

### **3. Options analysis and proposal**

3.1 Option 1: Consider the proposal that the annual report to be presented to the Community Wellbeing Housing Committee at their first meeting each municipal year in June.

3.2 Option 2: To recommend an alternative approach.

### **4. Financial management comments**

4.1 N/A

### **5. Risk management comments**

5.1 Unless annual reporting mechanisms are established to keep members updated the Council are at risk of leaving themselves open to further criticism from external auditors.

5.2 Regular monitoring allows for the council to hold the leisure operator to account and to ensure that the standards that we expect, as set out in the contract, are maintained. Without regular monitoring there is a risk to the council's reputation is standards slip.

5.3 If the leisure operator under-perform over a sustained period this could impact on the profit share that the council could benefit from over and above the agreed management fee. As such regular monitoring will enable the council to hold the operator to account and monitor their performance against the deliverables set out in the contract.

### **6. Procurement comments**

6.1 N/A

### **7. Legal comments**

7.1 Any relevant legal implications are contained within the body of this report.

### **8. Other considerations**

8.1 There are none

### **9. Equality and Diversity**

9.1 The decision has no bearing on equality and diversity.

### **10. Sustainability/Climate Change Implications**

10.1 The annual report will provide an opportunity for the impact that Passivhaus measures have had on utility costs to be considered and reviewed.

### **11. Timetable for implementation**

11.1 If approved, an initial report focusing on the first six months of operation would be produced in advance of the CWHC meeting in June 2025. Subsequent reports would be presented on an annual basis in June each year.

### **12. Contact**

12.1 Kamal Mehmood – [k.mehmood@spelthorne.gov.uk](mailto:k.mehmood@spelthorne.gov.uk)

**Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.**

**Background papers:** *(These are unpublished papers upon which you have relied in preparing this report). If none state, Leisure Operating Contract (LOC)*

**Appendices:**

**Appendix A – Sections of Schedule 1, Service Specification, of the LOC related to reporting requirements.**