

CABINET

14 JANUARY 2025

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: LEISURE AND ACTIVE COMMUNITIES AGENCY MODEL

REPORT OF: SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: LEISURE, ENVIRONMENT AND GREEN SPACE

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

For Cabinet to consider the benefits and risks of the Council changing its current contractual arrangements into an Agency Agreement with SLM (Everyone Active) for the operation of our leisure facilities.

2. RECOMMENDATIONS

2.1. To confirm the recommendations passed following the Part 2 discussions

3. REASONS FOR RECOMMENDATIONS

3.1. See and confirm from Part 2 report.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. See Part 2 report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The Executive Member for Leisure, Environment and Green Spaces has been consulted on the proposal, along with the Executive Member for Finance and IT.

6. FORWARD PLAN

6.1 This report contains a recommendation on a key Executive decision that was first notified to the public in the Forward Plan on the 15 November 2024.

7. BACKGROUND

7.1. In March 2023, HMRC announced a significant change to the VAT treatment of local authority leisure services, which means that most supplies of leisure services by a local

authority can now be treated as “non-business”. In essence this means that when a local authority sells a leisure service, for example a gym membership, it no longer needs to charge VAT on that sale. As it is treated as non-business, the local authority is also able to recover all the VAT it incurs on providing that service.

- 7.2. Several leisure operators (including Everyone Active) who manage leisure centres on behalf of local authorities, are now considering how the change could also improve the VAT position between the operator and the local authority.
- 7.3. In September 2024, SLM (Everyone Active) sent a proposal to North Herts Council for consideration regarding the creation of an Agency Model, whereby they would act as our agent for delivering leisure services.
- 7.4. The details of the proposal can be found in the Part 2 report.

8. RELEVANT CONSIDERATIONS

- 8.1. See Part 2 report

9. LEGAL IMPLICATIONS

- 9.1. See Part 2 report

10. FINANCIAL IMPLICATIONS

- 10.1. See Part 2 report

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2. See Part 2 Report

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications as a result of this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. As the recommendations in the report relate to a contract above £50,000, Social Value has been considered as part of our existing contract with SLM. If we move to the Agency

model, SLM's Social Value method statement will remain part of how they deliver the agency services – and will remain part of their contractual obligations.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no known HR impacts that apply to this report.

16. APPENDICES

16.1 None

17. CONTACT OFFICERS

17.1 Sarah Kingsley, Service Director Place sarah.kingsley@north-herts.gov.uk Ext 4552

17.2 Ian Couper, Service Director Resources ian.couper@north-herts.gov.uk Ext 4243

17.3 Jeanette Thompson, Service Director Legal & Community jeanette.thompson@north-herts.gov.uk

17.4 Reuben Ayavoo, Policy and Communities Manager reuben.ayavoo@north-herts.gov.uk
Ext 4212

18. BACKGROUND PAPERS

18.1 None