

OVERVIEW AND SCRUTINY COMMITTEE
11 November 2025

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: LEISURE AND ACTIVE COMMUNITIES CONTRACT YEAR ONE OVERVIEW

REPORT OF: Director - Environment

EXECUTIVE MEMBER: Environment, Leisure and Green Spaces

COUNCIL PRIORITY: THRIVING COMMUNITIES

1. EXECUTIVE SUMMARY

- 1.1 This report seeks to update Overview and Scrutiny on the first year of the Leisure and Active Communities contract, which commenced on 1 April 2024.

2. RECOMMENDATIONS

- 2.1 That Overview and Scrutiny note and comment on the Leisure and Active Communities Contract performance for 2024/2025.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To enable Overview and Scrutiny the opportunity to scrutinise year one of the Leisure and Active Communities contract.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 This report is an update and therefore does not require consultation. The Executive Member – Environment is kept up to date on the performance of the contract and regular Partnership Board meetings are held between the Council and Everyone Active.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 This report has been written to update Overview and Scrutiny on the first year of the Leisure and Active Communities contract, which commenced on 1 April 2024.
- 7.2 On 12 December 2023, Cabinet agreed to award the Leisure and Active Communities Contract to Sports and Leisure Management Ltd (Everyone Active). The contract length is 10 years with the option to extend by up to 5 years, the contract value is £150M.
- 7.3 The contract includes management of North Herts Leisure Centre (NHLC) in Letchworth, Hitchin Swimming and Fitness Centre (HSFC), Royston Leisure Centre (RLC), Letchworth Lido and the sports centre at Fearnhill School.

8. RELEVANT CONSIDERATIONS

- 8.1 During mobilisation of the contract we faced some challenges around the implementation of the new booking system and changes in operational policy, however these have subsided as users are more familiar with the new systems.
- 8.2 Everyone Active have carried out substantial capital investments over year one of the contract. These include the installation of pool drown detection systems at NHLC, HSFC and RLC. Gym refurbishments have been carried out at NHLC and HSC, new spin studios completed at RLC and HSFC, designated reformer Pilates studio at HSFC and café refurbishment at Letchworth Lido. There have also been capital investments made by the Council, which include refurbishment of the gym changing rooms at RLC and reception toilet refurbishment at HSFC. These investments ensure the leisure facilities are fit for purpose, continue to deliver high levels of customer satisfaction and drive membership growth.
- 8.3 Contract performance is monitored through a set of agreed performance indicators which are reviewed annually to ensure continuous improvement. The previous operator did not collect usage data in the same format as Everyone Active, and therefore we are unable to compare like for like. As a result, the first year of the new contract has been a baselining exercise. It should be noted that due to the decarbonisation project, and the multiple closures required, year two data will not be compared against year one data. Year three should provide a good comparison and this data will be used to set future performance indicator targets. Regular contract meetings are held with Everyone Active and any performance issues identified and rectified.
- 8.4 The following performance indicators were agreed for year one of the contract.
 - Total Members
 - Gender breakdown
 - Age breakdown
 - Accidents & Incidents
 - Booking statistics
 - Utility consumption
 - Total Casual Users
 - Total throughput broken down by specific activities
 - North Herts/ Non-North Herts Residents
 - Customer Feedback
 - Sales and retention

- 8.5 The following table details year one usage data. Appendix A – 2024.25 EA Y1 Overview provides detail of year one statistics.

2024/25	NHLC	Fearnhill	Letchworth Lido	HSFC	RLC	Total
April	54,435	2,526		35,523	24,534	117,018
May	54,709	4,030	1,763	45,124	28,231	133,857
June	48,502	4,416	14,029	55,791	25,651	148,389
July	52,568	4,530	18,324	61,572	28,973	165,967
August	52,235	1,281	17,471	59,636	27,338	157,961
September	53,823	2,816	2,663	49,793	28,455	137,550
October	56,005	2,129		51,713	30,002	139,849
November	53,590	1,818		37,235	34,872	127,515
December	79,114	1,373		54,111	43,106	177,704
January	58,281	1,137		50,360	29,372	139,150
February	58,895	1,825		51,713	26,094	138,527
March	56,199	1,835		54,114	28,417	140,565
Total	678,35	29,716	54,250	606,68	355,04	1,724,052

- 8.6 Skate Letchworth returned in November 2024, the rink was 20 per cent larger, providing even more space for skaters to enjoy the seasonal experience. To make the experience more inclusive, Everyone Active introduced a variety of new sessions. These included quiet sessions suitable for individuals with special educational needs and disabilities as well as dedicated sessions for seniors. The total usage figure for the three-month season was 15,683.
- 8.7 The contract requires Everyone Active to collate customer satisfaction feedback. During the first year of the contract, specific areas of repeat complaints were regarding poor hygiene, cancelled classes, price increases, and the booking system.
- 8.8 Everyone Active address complaints according to their complaints procedure, their aim is to provide a full response and resolution within 7 days. When the complaints are about new policy changes, they provide extra information to clarify. Complaints about cleanliness are investigated and responded to by the individual site management teams. In addition, officers from the Leisure and Active Communities team undertake unannounced inspections of the facilities monthly to monitor and review service delivery.
- 8.9 Monthly contract meetings are held to review operational and contract matters. Senior management attend quarterly contract meetings where a review of performance data takes place. Bi-annually Strategic Partnership Board meetings take place where finance, contract performance, service improvement opportunities and other strategic matters are discussed.
- 8.10 The Social Value Portal is used to quantify the social value benefits the Leisure and Active Communities contract delivers. On a regular basis, Everyone Active upload data that relates to key Themes, Outcomes and Measures (TOMs) which include.
- No. of local people (FTE) on contract employed through your supply chain
 - No. of staff hours spent on local school and college visits (inc. prep. Time)
 - No. of weeks of training opportunities on the contract - Level 2, 3 or 4+

- No. of weeks of apprenticeships on the contract - Level 2, 3 or 4+
- No. of hrs supporting unemployed people into work
- Total amount (£) spent with VCSEs within your supply chain
- Total amount (£) spent in local supply chain through the contract
- Equality, diversity and inclusion training for staff & supply chain (online core training for all staff completed annually)
- Initiatives in the supply chain to identify & manage risks of modern slavery
- Initiatives to engage the community in health or wellbeing initiatives
- Initiatives to support older, disabled and vulnerable with community networks
- Donations or in-kind contributions to local community projects (£ & materials)

8.11 The following table demonstrates that the Leisure and Active Communities contract has delivered £460,632 of social value to date, which relate to the TOMs above.

**Leisure and Active Communities Contract
Social Value**

Contract Value	£150,000,000
Committed Social Value	£3,461,725
Delivered Social Value	£460,632
% Progress	13.31%
% Social Value Add	0.31%

8.12 The new contract included a scope of services for an Active Communities Programme. During the first year of the Active Communities Programme, Everyone Active, in partnership with North Herts Council and various local partners, have delivered an activity and wellbeing service, supporting the Active North Herts Strategy. The programme has focused on increasing participation in physical activity, reducing health inequalities, and improving wellbeing through a varied programme of initiatives delivered both in leisure centres and within the community.

8.13 Key projects have included Walking Sports, Menopause Support Sessions, Quiet Swims, Pickleball, and targeted Community Health projects. Programmes such as Exercise on Referral, Men's Health Clubs, Parkinson's Memberships and Care Experienced Memberships have supported priority groups in working towards improved health and wellbeing. Sessions are provided at low or no cost to ensure inclusivity and accessibility. During the disruption of the Decarbonisation project, most activities have been maintained through outdoor and alternative venues. See Appendix B 2024/25 Active Communities Programme.

8.14 Key learnings have been to improve scheduling, strengthen marketing, and widening booking access through the introduction of a central booking line and the creation of outreach maps. Looking ahead, the programme will strive to increase participation, enhance community engagement, and build on the successes and learnings in the first year of creating opportunities for healthy, active lifestyles for residents across North Hertfordshire.

8.15 On 14 January 2025 Cabinet agreed to enter into an Agency Agreement with SLM (Everyone Active) whereby they now act as our agent for delivering leisure services, as a means of improving the VAT position between the operator and the council. The agency agreement commenced on 1 May 2025 and will see a guaranteed additional

annual surplus of £270k to the council (reduced for 2025/26 given the May start date). There have been no impacts to customers on the services provided at the facilities.

9. LEGAL IMPLICATIONS

- 9.1 This report is an update report and therefore does not have any legal implications.
- 9.2 However, as Members are reviewing performance under the new Agency Agreement, it is appropriate to note that the arrangement was entered into under the Council's powers in section 1 of the Localism Act 2011 (general power of competence) and section 19 of the Local Government (Miscellaneous Provisions) Act 1976, which enable the Council to provide leisure services either directly or through an appointed agent.
- 9.3 The Agency Agreement, implemented in May 2025, was designed to optimise the Council's VAT position following HMRC's revised guidance on the treatment of local authority leisure services. The legal framework requires that the parties continue to operate in accordance with the agreed agency principles—specifically that the relationship reflects the substance and reality of a true agency arrangement as recognised by HMRC.
- 9.4 Members' role through Overview and Scrutiny is to review whether the contract is performing as intended and that governance and reporting arrangements remain compliant with the agreed structure.

10. FINANCIAL IMPLICATIONS

- 10.1 The service is delivering income in line with the contract, including adjustments for the agency arrangement. Income in the current year will be affected by closures due to the decarbonisation works. These income reductions are in line with the contract, and have been detailed in financial monitoring reports and specific committee reports on the decarbonisation project.

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 This report does not include any risks to be considered. The Leisure and Active Communities contract determines the responsibilities of the contractor, and the risk that they take on from the Council.

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. The primary focus of the Active Communities programme is to engage individuals who are currently sedentary and inactive. These groups are typically most affected by health

inequalities. Therefore, when designing programmes, particular consideration is given to groups with protected characteristics who may face greater barriers to physical activity. These groups include but are not limited to, people with disabilities and long-term health conditions, older adults, black and minority ethnic groups, refugees and asylum seekers, pregnant and nursing mothers, LGBTQ+ and gender.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.
- 13.2 Social value on the Leisure and Active Communities contract is monitored through the Social Value Portal.

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 Appendix A 2024/25 EA Y1 Overview
- 16.2 Appendix B 2024/25 Active Communities Programme

17. CONTACT OFFICERS

- 17.1 Sarah Kingsley, Director - Environment, sarah.kingsley@north-herts.gov.uk
- 17.2 Louise Randall, Leisure and Active Communities Manager, louise.randall@north-herts.gov.uk
- 17.2 Ian Couper, Director – Resources ian.couper@north-herts.gov.uk
- 17.3 Isabelle Alajooz, Director - Governance isabellealajooz@north-herts.gov.uk
- 17.4 Reuben Ayavoo, Policy & Community Manager reuben.ayavoo@north-herts.gov.uk

18. BACKGROUND PAPERS