REPORT of
DIRECTOR OF STRATEGY AND IMPROVEMENT

to
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
17 SEPTEMBER 2026

LEISURE CONTRACT UPDATE

1. PURPOSE OF THE REPORT

1.1 To provide Members with an update on the performance and delivery of the Leisure Management Contract, which commenced in March 2025.

2. RECOMMENDATIONS

(i) That Members note the progress of the Leisure Management Contract, including the on-schedule refurbishment programme, stable membership performance, and the positive development of the social outreach programme;

(ii) That Members note that financial performance is being delivered as set out in the contract. This includes the fixed management fee which is monitored monthly at operational contract meetings and reported quarterly via the Leisure Contract Partnership Board.

3. SUMMARY OF KEY ISSUES

3.1 The Leisure Management Contract commenced in March 2025. The contract includes an investment of £5.8m across the Council's leisure estate, the operation of the Council's leisure centres, delivery of health and wellbeing programmes, and a strengthened social outreach to support active lifestyles within priority communities.

3.2 Maldon District Council (MDC) has appointed an Active Living and Leisure Officer to manage the Leisure Management Contract moving forward. This Officer sits within the Health Integration and Wellbeing Team, reflecting the strategic ambition of the contract to achieve positive health outcomes for residents.

3.3 In Quarter One (Q1) the Health Integration and Wellbeing Team has been working with the contractor to strengthen operational plans and reporting through refreshed monthly reporting arrangements. Performance and financial information are cascaded up to the MDC Senior Leadership Team (SLT) monthly and to the Leisure Contract Partnership Board consisting of Members, Officers and Places Leisure management team which continues to meet on a quarterly basis.

3.4 Refurbishment works across the leisure facilities, continue to progress on time and within budget. No risks to the development project have been reported that are expected to impact delivery schedules. Key milestones achieved to date include:

- **Phase 1** – installation of new fitness suite and adventure climb facilities - completed
- **Phase 2 –** formation of two new studios - completed

3.5 The remaining two phase are on track for completion in Quarter Three:

- **Phase 3** – construction of a health suite
- **Phase 4** – installation of a splash pad adjacent to the swimming pool to replace the river rapids feature.

3.6 Membership numbers across the leisure centres are performing in line with contract forecast. Membership numbers reduced slightly due to the swimming pool closure to accommodate Phase 4 demolition works at Blackwater Leisure Centre, but these are expected to increase again in line with the contract plan by the end of the year. Hot weather in Q1 has driven extremely high activity levels in the splash park in the Promenade Park.

3.7 With the contract now being managed within the Health Integration and Wellbeing Team, MDC and Places Leisure are collaborating on a Joint Strategic Needs Assessment (JSNA) to target priority neighbourhoods based on local demographics, deprivation levels, and specific health needs. A key outcome of this partnership is the strengthening of referral pathways to community initiatives, such as formal exercise referral schemes. This data-driven approach supports the Places Leisure enhanced social outreach programme that now includes a designated resource and has gained significant momentum in Q1. During this period, 71 referrals had been made from 17 unique clinical and non-clinical organisations. The support provides individuals, with long-term health conditions, a 12-week personalised programme (with regular touchpoint) with an Exercise Referral Specialist. Early feedback from participants and partners is highly positive, and the operator is currently developing further outreach initiatives for the year ahead. Further information on the success of these schemes can be found in **APPENDIX 1**.

3.8 There are currently no financial issues to report. The contract is delivering a fixed management fee to the Council which has the added security of a parent company guarantee. This has been incorporated within the Council's Medium-Term Financial Strategy (MTFS). This arrangement minimises the Council's exposure to financial risk and allows for better financial forecasting with the MTFS. The refurbishment programme remains within the approved budget, and contract performance is in accordance with expected financial projections with Year Two providing for an income to the Council. The finance model for the contract is shown at **APPENDIX 2**.

4. CONCLUSION

4.1 Governance arrangements for the Leisure Contract continue to operate effectively. Regular contract management meetings are being strengthened with the recruitment of the new Active Living and Leisure Officer, ensuring ongoing monitoring of performance, financial compliance, and progress against the refurbishment programme. In addition, the Leisure Contract Partnership Board, comprising representatives from Places Leisure management team, elected Members, and senior council officers, meets on a quarterly basis giving strategic direction, oversight and transparent reporting. This governance structure ensures strong accountability, supports early identification of any emerging issues, and reinforces the shared commitment across all parties to delivering high-quality leisure services and alignment with healthy outcomes for residents of the district.

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Supporting our communities

5.1.1 The Leisure Contract is already helping to strengthen local communities by maintaining access to high quality, affordable leisure opportunities throughout the refurbishment period. Despite some temporary building disruption, the contractor has ensured continuity of provision and has actively engaged with its members to understand their needs and minimise inconvenience. The investment in modernised, more accessible facilities will support long-term improvements in health, wellbeing, and social inclusion, helping residents of all ages to lead active lifestyles.

5.2 Investing in our District

5.2.1 The refurbishment programme, on-going maintenance and periodical re-investment throughout the contract term represents a significant investment in the district's public infrastructure, enhancing the quality and lifespan of key community assets. Once complete, the upgraded centres will provide modern, energy efficient environments that reflect the Council's commitment to investing and improving the amenities available to residents.

5.3 Growing our economy

5.3.1 The Leisure Contract contributes to local economic growth by supporting employment, generating footfall, and creating opportunities for local suppliers and service providers. Refurbished, high quality-quality leisure facilities help attract visitors and encourage greater participation, which in turn supports the wider local economy.

5.4 Protecting our environment

5.4.1 Environmental considerations are embedded within the refurbishment works, with a focus on improving energy efficiency, reducing carbon emissions, and modernising building systems. The contractor is working to ensure that the upgraded facilities operate more sustainably, supporting the council's environmental objectives.

5.5 Delivering good quality services

5.5.1 The contract is performing well in its first year, with no concerns or risks identified, demonstrating strong governance via the Leisure Contract Partnership Board. Despite the refurbishment works, the contractor has maintained service standards and communicate clearly with customers. The modernised facilities, once complete, will further enhance the quality, reliability, and value of leisure services available to residents, aligning with the council's ambition to deliver consistently high quality-quality public services.

6. IMPLICATIONS

(i) **<u>Impact on Customers</u>** – The refurbishment programme has inevitably resulted in some short-term disruption for customers, including temporary changes to facility access and adjusted timetables. These impacts have been proactively managed through clear communication, advance notice of changes, and the provision of alternative options wherever possible. Customer feedback continues to be monitored closely by Places Leisure, and early indications suggest that users understand the long-term benefits of the investment and remain broadly supportive of the improvements underway.

(ii) **Impact on Equalities** – Working collaboratively Places Leisure and Council officers have maintained a strong focus on equality considerations throughout the first year of delivery. Temporary arrangements introduced during refurbishment have been assessed to ensure they remain accessible and inclusive, with reasonable adjustments implemented where required. No adverse impacts on protected groups have been identified at this time, and the refurbishment works themselves will enhance accessibility options for exercise and activity.

(iii) **Impact on Risk (including Fraud implications)** –There are currently no identified risks or concerns relating to contract performance, compliance, or fraud. The contractor continues to operate within the agreed governance framework, with regular reporting and management meetings in place to ensure transparency and accountability. Risks are reviewed routinely, and any emerging issues linked to the refurbishment programme are being managed effectively.

(iv) **Impact on Resources (financial)** – The contract is performing within the expected financial parameters for Year 1 and represents a significant income to the Council over the 20-year contract term (c£500k per annum average). The refurbishment works are progressing in line with the approved budget, and no financial pressures or variances have been identified at this stage. Ongoing monitoring will continue to ensure that both operational costs and capital investment remain aligned with contractual commitments and support the Council's MTFS.

(v) **Impact on Resources (human)** – There are no significant human resource implications for the Council arising from the contract currently. Places Leisure has maintained appropriate staffing levels to support service continuity during refurbishment. Places Leisure currently employee 66% staff that reside within the district (c120-150 staff dependent on season). The addition of a designated community staff member as part of the contract is proving successful in the initial months of the contract. Council officer time continues to be required for contract monitoring, but this remains within anticipated.

(vi) **Impact on Devolution / Local Government Reorganisation** - There are no direct implications for local government reorganisation arising from the operation of the Leisure Contract in Year 1. The contract remains fully aligned with current governance structures.

Background Papers: None.

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