

SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet
DATE:	18 th July 2022
SUBJECT:	Options to increase income from leisure contract
PORTFOLIO:	Leisure, Culture & Communities – Cllr Akram
CHIEF OFFICER:	Richard West – Executive Director (Place & Community)
CONTACT OFFICER:	Liz Jones – Group Manager (Localities & Neighbourhoods)
WARD(S):	All
KEY DECISION:	YES
EXEMPT:	NO except Appendix C as it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
DECISION SUBJECT TO CALL IN:	YES
APPENDICES:	Appendix A: Price comparisons Appendix B: Equality Impact Assessments Appendix C: Exempt legal advice

1 Summary and Recommendations

- 1.1 This report sets out operational changes to the delivery of the leisure services contract held by Sports & Leisure Management Ltd (SLM), trading as Everyone Active (EA) to optimise the management fee paid by SLM/EA to SBC. These operational changes have an impact on the range of facilities available to residents and the prices charged to users. The changes will enable SLM/EA to pay a higher management fee to the Council than would otherwise be the case.

Recommendations:

Cabinet is requested to approve:

- a. The negotiated management fee for 2021/22 of £673k, and the negotiated management fee for 2022/23 of a minimum of £1,060k.

- b. The continued suspension of the Everyone Active (EA) community-based activity programme during 2022/23.
- c. That Sports & Leisure Management Ltd/Everyone Active (SLM/EA) can introduce above inflation (as of April 2022) price increases in Quarter 3 2022/23.
- d. Delegating authority to the Executive Director (Place & Community), in consultation with the Lead Member for Leisure, Culture and Communities, the Leader of the Council - Council Recovery, Forward Strategy & Economic Development and the Lead Member for Financial Oversight & Council Assets, to assess future options for the use of Salt Hill Activity Centre and to report back to Cabinet on the recommended option.

Reason:

The Council's financial position means that every opportunity to increase income has to be robustly explored. The objective, following the impact of Covid-19 on leisure centre attendance, is to use the current contract to maximise the management fee to the Council. With this aim commercial negotiations between Slough Borough Council (SBC) and SLM/EA have taken place over the past nine months with finance and legal support to agree the annual management fee by SLM/EA to the Council for 2021/22 and 2022/23. Achievement of the 2022/23 management fee set out in Recommendation a. is dependent on agreement to Recommendation b. and Recommendation c.

Commissioner Review

“Given the status of the contract, the Commissioners agree with the recommendations in this report. The Council will have to consider carefully the longer term provision of services such as those mentioned in this report given its financial position.”

2 Report

The recommendations included in this report will support the Council to deliver of the following objective in the Corporate Plan 2022-2025 (Doing right by Slough).

A council that lives within our means, balances the budget, and delivers best value for taxpayers and service users. These recommendations will ensure that the Council receives the negotiated management fee from SLM/EA for 2021/22 and for 2022/23 set out in the recommendations.

2.1 Options considered

Ref	Option	Consideration
A	<p>Pursue in the courts the case that the full management fee (c£1.6m in 2022/23) intended at contract signature in May 2017 be paid by SLA/EA to SBC as if Covid had had no impact on the ability of the SLA/EA business case to generate forecasted profit.</p>	<p>Each party has taken legal advice and advice from Counsel. Taking this into account, along with the willingness of both parties to negotiate openly and fairly, we are of the view that a reasonable management fee has now been agreed and that this will not be bettered by pursuing Court action.</p> <p>This option is not recommended</p>
B	<p>Continue the suspension of the community-based programme for 2022/23.</p> <p>The programme last operated in 2019/20 and included seated exercise, green gym, and after-school football sessions.</p>	<p><u>Advantage</u> The programme has not been offered for the past two years (due to Covid restrictions) so there are no existing programmes that will require closing.</p> <p>Current programmes offered or supported by the council can mitigate the suspension of the SLM/EA community-based programme.</p> <p>Suspending the SLM/EA community-based programme will support SLM's ability to pay the management fee to the council.</p> <p>Everyone Active will continue to offer the Healthy Activity referral programme with local General Practice surgeries.</p> <p><u>Disadvantage</u> In theory this will reduce the level of community-based leisure activity available in the borough.</p> <p>This option is recommended.</p>
C	<p>Re-start community-based programme in 2022/23.</p>	<p><u>Advantage</u> Any community-based activity programme will supplement existing community activity across the borough.</p>

		<p>Community activity programmes delivered by SLM/EA may be able to directly increase memberships and/or casual use of leisure centres.</p> <p><u>Disadvantage</u></p> <p>Re-starting the community-based programme will reduce the surplus profit available to SLM/EA to make the full annual management fee payment to the Council.</p> <p>This option is not recommended</p>
<p>D</p>	<p>Additional above inflation price rise in September/October 2022/23</p>	<p><u>Advantage</u></p> <p>Allowing an above inflation price rise in the autumn will support SLM's ability to pay the management fee to the Council.</p> <p>The price rises proposed will still mean the price of Slough leisure centre offers are still comparable to the prices charged by our near neighbours.</p> <p>Community-based leisure and activity programmes provided or supported by the Council will be able to mitigate the financial pressure the additional price rise could have on poorer households by offering and promoting free activities.</p> <p><u>Disadvantage</u></p> <p>Above inflation price rises could reduce the take-up of memberships and the casual use of leisure centres, especially by poorest households.</p> <p>Proposed price increases will be implemented at around the same time as CPI is predicted to reach 10%.</p> <p>This option is recommended</p>

<p>E</p>	<p>Re-open Salt Hill Activity Centre with a reduced range of activity and reduced opening hours in January 2023.</p>	<p><u>Advantage</u> This option would require minimal contractual changes between the council and SLM/EA.</p> <p>Slough's leisure offer at all SLM/EA managed sites returns as it was pre-March 2019 (note: Salt Hill Activity Centre has already removed the original indoor caving offer as this was very unprofitable even before the Covid restrictions).</p> <p>SLM/EA have confirmed that the current mix of activities available at Salt Hill Activity Centre (soft-play, ten-pin bowling, high ropes, café, and rooms for party hire) with the current opening hours makes this site unprofitable.</p> <p>If the opening times were reduced and high-ropes activity not re-opened, SLM/EA currently estimate that the site could generate a profit in the region of £100,000 pa.</p> <p><u>Disadvantage</u> Some activities will not be available at Salt Hill Activity Centre and there will be reduced opening hours for users.</p> <p>This option is recommended.</p>
<p>F</p>	<p>Re-open Salt Hill Activity Centre with an alternative new mix of activity in late 2023.</p>	<p><u>Advantage</u> An alternative new mix of activities on offer could make this site profitable in the final years of the current contract.</p> <p><u>Disadvantage</u> This option would require contractual changes between the Council and SLM/EA.</p> <p>Only limited building/reconfiguration work to introduce new activities could take place prior to January 2023 while the centre is being used as an NHS vaccination centre. This would mean a significant period of time</p>

		<p>when the centre would be closed for refurbishment work and not generating any income.</p> <p>Introducing new activities (such as Tag Active, larger soft play and/or more ten-pin bowling) would incur significant capital costs for the Council. For example, introducing Tag Active (similar to “paintball” but with laser lights) would require an investment of approximately £500,000.</p> <p>This option is not recommended.</p>
<p>G</p>	<p>Assess alternative future use of Salt Hill Activity Centre during 2022/23.</p>	<p><u>Advantage</u> The Council is currently undertaking an exercise to assess the future use of its physical assets. It is an efficient use of budget to include the un-profitable site within the SLM/EA contract into this assessment exercise.</p> <p>The assessment will include the advantages and disadvantages of alternative uses for the site. These alternative uses may generate additional income.</p> <p>If the assessment recommends that the site is sold this would generate a capital receipt to the Council.</p> <p><u>Disadvantage</u> Removing Salt Hill Activity Centre from the existing contract will require legal advice and contractual changes.</p> <p>Alternative options for the site may be restricted due to the site being surrounded by land owned by the Salt Hill Trust, parking and access issues and potential loss of recreation/activity space in the borough.</p> <p>This option is recommended</p>

H	Close all leisure centres and sell the buildings/land as assets	<p>This option will be assessed as part of our Asset Disposal Strategy and a decision will be brought to a future Cabinet in due course but, meanwhile, we have a responsibility to maximise the income to the Council through receipt of the best practicable management fee due from SLA/EA.</p> <p>The costs to negotiate withdrawal from our contract with SLA/EA may need to be taken from any future proceeds from the sale of our Leisure assets and we would forfeit receipt of the management fees receivable should we sell these assets before the end of the leisure contract and any staff severance costs.</p>
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Background

- 2.1 In May 2017 SBC, following a full tender process, entered into a legal agreement with SLM/EA which allowed SLM/EA to manage four leisure activity sites across the borough and deliver an outreach community-based activity programme. The contract would be in operation for 10 years until May 2027 with the option to increase the length of the contract by a further 5 years to 2032 subject to agreement from SLM/EA.
- 2.2 Prior to May 2017, leisure centres across Slough were managed by Slough Community Leisure. The Council invested significantly in leisure centre provision during 2015/16 and 2016/17. As a result of this investment Montem Leisure Centre was demolished, ICE Arena (Montem Lane), Langley Leisure Centre (Parlaunt Road) and Salt Hill Activity Centre (Bath Road) were all refurbished, and The Centre (Farnham Road) was rebuilt.
- 2.3 Under the 2017 contract, SLM/EA would pay SBC (to the General Fund) an annual management fee after the leisure facilities has been operational for a number of years. In 2022/23 the management fee was predicted to be c£1.6m (including CPI inflation increases).
- 2.4 In March 2020 the United Kingdom entered into a period of lockdown restrictions due to Covid-19. Part of these national measures were the closing of indoor leisure facilities. This included the closing of all four sites managed by SLM/EA. Community-based outreach activity programme was also suspended.

- 2.5 SBC and SLM/EA entered into a series of interim legal agreements which recognised the impact the change of law had on the operation of the contract. One feature of the interim agreements was an acceptance by SBC that SLM/EA would not be obliged to pay a management fee during that time and that SBC would pay SLM/EA a financial support package to the end of June 2021 (totalling £978,935 from March 2020 to June 2021).
- 2.6 Since lockdown restrictions ended in July 2021 negotiations around the management fee payment to be made from July 2021 have been taking place between SBC and SLM/EA. SLM/EA were of the view that no management fee should be payable since there had been a fundamental change to the intended business model and pointed to a range of clauses within the contract to support this case. SBC were of the view that the full management fee should be paid from the date at which Covid restrictions were lifted and pointed to a range of clauses within the contract to support this opposite case. Each party sought independent Counsel advice. The advice received by SBC and SLM/EA is provided as Appendix C. Both parties remained willing to negotiate openly and fairly. Both parties are of the view that a reasonable management fee has now been negotiated and that this will not be bettered by pursuing Court action. The negotiations and the associated amounts are set out in the paragraphs below.
- 2.7 It was negotiated that the payment of the management fee between August 2021 and 31 March 2022 would be based on the surplus achieved in this period as evidenced by the financial information provided to SBC from SLA/EA.
- 2.8 It has been identified on the basis of SLM/EA's client accounts and supporting evidence for the 2021/22 year that SLM/EA will pay SBC a total of £673,077 covering their operation between August 2021 and 31 March 2022. A net payment by SLM/EA of £50,812 has already been made and the balance of £622,265 will be arranged for billing and collection.
- 2.9 During the majority of the lockdown period and up until December 2022, Public Health England have used (and will continue to use) the Salt Hill Activity Centre as a vaccination centre (all other activity at this site has stopped while the vaccination centre is operational). Public Health England have paid SLM/EA for the use of this site.

Management Fee 2022/23

- 2.10 Negotiations between SLM/EA and SBC have resulted in an opportunity for SBC to accept a management fee payment of £1,060k for 2022/23 with, if one is generated, the next £110k of surplus being retained by SLM/EA. Any surplus above this would be split 90% to the Council and 10% to SLM/EA up to £1,500k when the surplus above this would be split 50/50. This is below the original contractual amount because the amount stipulated in the contract assumed a year-on-year growth of business. This trajectory has been broken by the 18-month lockdown and suspension of operation.

- 2.11 The proposed 2022/23 management fee to be paid by SLM/EA to SBC is based on the following assumptions by SLM/EA:
- 2.11.1 **Continued temporary suspension of community programme:** SLM/EA will not re-start the community-based activity programme which means they will not employ a member of staff to deliver this work strand. This will generate a cost saving to SLM/EA of £50,000 which will be passed onto SBC.
- 2.11.2 **Raising prices above inflation (as in April 2022) in September 2022:** The contract allows SLM/EA to bring in price increases each year up to inflation. SLM/EA have requested above inflation price increases to generate additional income. Prices have increased by inflation at the start of 2022/23. If the above inflation (as in April 2022) price increases are brought in and made live in September 2022 this will generate an additional income to SLM/EA of £50,000 (for the part-year 2022/23) which will contribute towards the 2022/23 management fee payable to SBC.
- 2.12 Community programme: there is a risk that without this element of the contract being delivered it will reduce the community-based physical activity opportunities in the borough. In mitigation SBC already successfully deliver a number of community-based sports and leisure programmes using SBC staff and have invested in providing free “green gyms” in many locations across the borough. Negotiations with Sport England have resulted in agreement to expand the delivery of the “Family Programme” that originally only operated in Chalvey (branded locally as “Chalvey Can” to more Wards in the borough to strengthen the SBC delivery of community-based programmes. In addition, SLM/EA will continue to deliver the GP Exercise referral programme in conjunction with local General Practitioners. This programme delivers a 12-week programme of supervised aerobic exercise and promotion of healthy lifestyles and in the last 6-month period has worked with 130 local residents with specific health issues. See the Equality Impact Assessment at Appendix B for more details about these proposals.
- 2.13 Over inflation price increases: see Appendix A. The increases proposed by SLM/EA take market factors into account and commercially the company has to maintain prices at a level the local market can stand. The prices after the proposed mid-year increase would still mean many of the prices for activities at Slough leisure centres are comparable with those charged by our near-neighbours and in some cases the new prices would remain lower than those charged in other centres offering the same activities. See the Equality Impact Assessment at Appendix B for more details about the impact of these proposals.
- 2.14 The total price increases proposed also include an element to mitigate the rising energy costs experienced by all leisure centre providers across the UK. The recent letter from Chief Culture & Leisure Officers Associations and others to Government about this issue is included as a background paper to this report. Price increases are just one aspect of the SLM/EA plan to manage this issue, in addition there will be a small reduction in the temperature of the pools, not using air-conditioning at off-peak times, reducing

the hours of sauna/steam room operation outside peak hours and SLM/EA are investing in providing a pool cover at The Centre.

- 2.15 **Salt Hill Activity Centre:** the recommendation is to delegate authority to the Executive Director in consultation with the Lead Member to explore the contractual, financial and community impact of closing Salt Hill Activity Centre. There are 4 options that will be assessed:
- Re-open Salt Hill in 2023/24 with broadly the current mix of activity as part of the current SLM/EA contract.
 - Re-open Salt Hill in 2023/24 with a new mix of activity as part of the current SLM/EA contract.
 - SBC to remove Salt Hill Activity Centre from the current SLM/EA contract, retain ownership of the centre and introduce a different use of the site.
 - SBC to remove Salt Hill Activity Centre from the current SLM/EA contract and dispose of the building.

- 2.15.1 **Re-open Salt Hill in 2023/24 with broadly the current mix of activity as part of the current SLM/EA contract:** During recent commercial negotiations between SLM/EA and the Council, SLM/EA confirmed that the current mix of activity offers at the site do not make a significant profit to the contract. This is unlikely to change over the course of the contract. Re-opening the site with its current mix will incur costs (utility, insurance, staff costs etc.) but is unlikely to generate a surplus which becomes part of the management fee to the Council.

However, SLM/EA have estimated that if the site opening times are reduced to the most popular times (10am to 7pm weekdays and 10am to 8pm on weekends, a reduction by 30 hours per week) and the costliest activity (high ropes) are not re-opened the activity centre could generate an annual profit of £100,000.

- 2.15.2 **Re-open Salt Hill in 2023/24 with a new mix of activity as part of the current SLM/EA contract:** During the commercial negotiations between both parties, SLM/EA have confirmed that with the right mix of activities on offer, this site could become more profitable. However, the activities offered would require significant additional capital investment by the Council to re-configure, re-furbish and refit the Centre. Early estimates indicate that the level of investment needed would be in the region of £500,000.

- 2.15.3 **SBC to remove Salt Hill Activity Centre from the current SLM/EA contract, retain ownership and introduce a different use of the site:** If Salt Hill Activity Centre was removed from the current SLM/EA contract and became managed by the Council, there may be an opportunity for the Council to use the site for a different activity or to lease it for a different use. Any other uses would need to support local planning policies and there will be a presumption to retain leisure and recreation resources in the borough. Any alternative use would need to be considered in light of detailed planning guidance, costs to refurbish and re-model the building, access issues,

proximity to Bath Road and the interests of near neighbours, particularly Salt Hill Trust.

- 2.15.4 **SBC to remove Salt Hill Activity Centre from the current SLM/EA contract and dispose of the site:** If Salt Hill Activity Centre was taken out of the current SLM/EA contract it may be more advantageous for the Council to dispose of the site to realise capital receipt. The value of the site would take into account issues such as local planning policies, the bordering of Salt Hill Trust land, proximity to Bath Road and the cost of changing/removing existing buildings.

A further report to Cabinet will be made once these options have been assessed.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 The Council budgeted for a management fee of £1,600k in 2022/23. The proposed settlement following negotiations is that SBC will receive a management fee of at least £1,060k. Profit share provisions allow the opportunity for this to increase but if profit share does not materialise then there will be a maximum shortfall of £540k which will need to be mitigated by alternative savings. 2022/23 Quarter 1 out-turns are being prepared at the time of writing this report and this will provide a firm basis on which to determine the detail of how this will be achieved.

The calculations in relation to profit share are based on certain criteria's being met by SLM. This is stated below and are also shown in the table:

Loss made by SLM – SBC receive £1,060k in full
Profit up to £1,060k – SBC receive £1,060k in full
Profit up to £1,170k – SLM keep the increment of £110k
Profit up to £1,500k – SBC receive 90% of the amount above £1,170k (£330k x 90% = £297k + £1,060k = £1,357k)
Above £1,500k – 50/50 share split between SBC & SLM

In order for SBC to achieve the budget target of £1,600k in 2022/23, SLM would need to generate a profit of £1,986k.

- 3.1.2 If the recommendations in this report are not accepted then it is highly probable that the shortfall will be higher than £540k.
- 3.1.3. If the Everyone Active (EA) community-based activity programme is re-introduced during 2022/23 it would reduce the guaranteed management fee of £1,060k by £50k and all the other figures in the table above by this amount.
Recommendation b.

- 3.1.4. If SLM/EA do not introduce above inflation (as of April 2022) price increases in Quarter 3 2022/23 it would reduce the guaranteed management fee of £1,060k by £50k and all the other figures in the table above by this amount. Recommendation c.
- 3.1.5. If the community based programme is re-introduced and SLM/EA do not introduce above inflation (as of April 2022) price increases it would reduce the guaranteed management fee of £1,060k by £100k and all the other figures in the table above by this amount.

3.2 Legal implications

- 3.2.1 Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 provides a broad general power for local authorities to provide such recreational facilities as they think fit within or outside their area, and also gives local authorities specific power to provide identified facilities such as buildings, equipment, supplies and assistance.
- 3.2.2 Under the Health and Social Care Act 2012 and the Local Government and Public Involvement in Health Act 2007, the council and the clinical commissioning groups are responsible for ensuring integration in the approach to health and social care provision, producing a Joint Strategic Needs Assessment (JSNA), and a joint health and wellbeing strategy (JHWS), and the council and commissioners must have regard to the JSNA and the JHWS when exercising any relevant functions
- 3.2.3 The Council and SLM/EA can agree changes to the contract by agreement under the change control provisions of the contract.
- 3.2.4 The Council has carried out Equality Impact Assessments of the effects of continuing to suspend the community-based programmes, and increasing activity prices above inflation, on protected category groups to comply with Section 149 of the Equality Act 2010 to have due regard to the Public Sector Equality Duty. The Equality Impact Assessments show minimal impact on protected groups arising from the proposed price increases, and minimal impact from the continued closure of the community-outreach activity programme (that will be at least partially mitigated by the expansion of the community programme provided directly by the Council (funded through Sport England and General Fund) and the continuation of SLM/EA GP Exercise Referral), and for Salt Hill the impact will be mainly to younger people and families and is substantially mitigated by the fact the Salt Hill Activity Centre will stay open with some restrictions only. An Equality Impact Assessment will be completed if there are proposals to permanently close Salt Hill.
- 3.2.5 The contract will need to be amended to reflect any decisions made. The contract provides for changes to the contract during the contract term and so there is not breach of public procurement rules in making the changes proposed in this report.

3.2.6 The Council has sought legal advice throughout on changes to the leisure contract, and specifically in relation to renegotiation of the management fee payable by SLM to the council under the contract. Detailed legal advice is included in the exempt Appendix C.

3.2.7 In summary, public legal advice is that the government restrictions imposed as a result of the pandemic constituted qualifying changes in law under the contract and therefore the parties were obliged to meet to discuss and agree the financial impact of the qualifying changes in law and what changes should be agreed to mitigate the impact, including any financial adjustments, including to the management fee payable, taking account of reasonable economic assumptions prevailing at the time.

3.3 Risk management implications

<i>Risk description</i>	<i>Mitigation</i>
<i>Continued suspension of community-based activity will reduce access to leisure services for users who cannot afford to pay for leisure centre activities.</i>	<p>An Equality Impact Assessment has been completed (see Appendix B). This EIA demonstrated that no particular group will be disproportionately impacted by the continued suspension of this programme.</p> <p>The SLM/EA community programme has not been operational for almost 3 years so there are no current activities to be wound-down.</p> <p>SBC delivers and manages a number of community activity programmes, and these ensure that residents have access to free or low-cost sessions.</p> <p>Everyone Active continues to deliver GP Exercise referral programme.</p>
<i>Reduction in management fee paid to SBC will further negatively impact on the Council's overall financial pressure.</i>	<p>Robust commercial negotiations have taken place over the past 9-months and the proposed reduction in management fee has been kept to the minimum possible.</p> <p>Potential legal and arbitration costs have been avoided.</p>

	<p>The proposed management fee for 2022/23 plus the payment received for 2021/22 will minimise the additional negative pressure in the Place and Community budget and savings plans.</p>
<p><i>Payment of management fee by SLM/EA will make this contract uneconomical.</i></p>	<p>Robust commercial negotiations have taken place over the past 9-months and the proposed reduction in management fee will mitigate this immediate risk to SLM/EA and to the continued operation of the contract.</p>
<p><i>Mid-year price increases will make leisure centre activity unaffordable for lower income households.</i></p>	<p>An Equality Impact Assessment has been completed (see Appendix B). This EIA demonstrated that no particular group will be disproportionately impacted by the price increases.</p> <p>The proposed price increases will still leave prices competitive with neighbouring and similar facilities.</p>
<p><i>Significant price increases will encourage current leisure centre users to use other facilities.</i></p>	<p>The proposed price increases will still leave prices competitive with neighbouring and similar facilities.</p> <p>Although the proposed price increases will be implemented at the same time as CPI is predicted to peak at 10%, significant elements of this increase is linked to rising electricity costs which are mitigated somewhat by a number of financial measures introduced by Government.</p>

3.4 Environmental implications

- 3.4.1 The proposals outlined will ensure that well managed, good quality and competitively priced leisure centres and activities are available to large numbers of residents either within walking distance of their home, school, or place of work, or they are easily accessible by public transport. Closing The Centre, Langley Leisure Centre, or ICE Arena and/or increasing prices to a

level that is unsustainable in the local market could encourage residents to drive to alternative sites.

3.4.2 Any proposals for alternative uses of the Salt Hill Activity Centre would take planning policies such as the need to protect green space, into consideration.

3.4.3 Proposals put forward by SLM/EA to reduce energy usage across the estate will reduce the overall carbon footprint of these centres.

3.5 Equality implications

3.5.1 The general equality duty is set out in section 149 of the Equality Act 2010. Under this Act, the Council has a duty to have due regard to eliminating unlawful discrimination, advancing equality of opportunity between people sharing a protected characteristic and those who do not, and to foster good relations between people sharing a protected characteristic and those who do not. To comply with the Equality Act 2010, Equality Impact Assessments have been carried out in relation to the suspension of the community-based activity programme and price increases.

3.5.2 Price increases (Appendix Bi): the impact of proposed price increases will not specifically affect particular groups sharing a protected characteristic. However, any increase in prices will affect households on low incomes and tend to include households with disabled members, single parent households (which tend to be headed by women) and elderly households. The impact will be seen across all age groups, all ethnicities and across both sexes. There is no specific data on any other protected characteristic group. It should be noted that one area with a significant price rise is the women-only gym sessions (increase of 28% to bring these sessions in-line with other gym sessions). There is no evidence of other local providers offering this session which indicates a low level of demand. The action plan at Appendix Bi confirms that complaints about the price increase (plus any additional demand for women-only activity will be monitored).

3.5.3 The pricing structure retains discounts (concessions) for adults aged over 65, those in receipt of certain welfare benefits and those registered disabled (and their carers). The prices also retain discounts (concessions) for children whose parents/carers are in receipt of certain welfare benefits.

3.5.4 Price increases to support the payment of the management fee and to take into account the increase utility costs is the best way to ensure services are delivered whilst achieving best value to the Council.

3.5.5 Community programme (Appendix Bii): the impact of continuing to suspend the community-outreach activity programme will impact residents with a disability which restricts their mobility as 4 out of 6 sessions per week were “seated exercise”. However, the expansion of the community programme provided directly by the Council (funded through Sport England and General Fund) and

the continuation of SLM/EA GP Exercise Referral Scheme mitigates this impact. It is EA/SLM intention to re-start this programme as soon as is practicable.

3.5.6 Continued suspension of the community programme will support the payment of the management fee to the Council.

3.5.7 Salt Hill Activity Centre: An Equality Impact Assessment will be completed if there are proposals to permanently close the Centre.

3.6 Procurement implications

3.6.1 There are no procurement implications arising from this report.

3.7 Workforce implications

3.7.1 There would be no direct workforce implications as a result of this report.

3.8 Property implications

3.8.1 The future status of the Council-owned ICE Arena (Montem Lane), Langley Leisure Centre (Parlaunt Road), Salt Hill Activity Centre (Bath Road) and The Centre (Farnham Road) may be impacted by the results of the asset disposal assessment and subsequent delivery programme. Further detailed reports will be brought to Cabinet to consider in detail.

4. **Background Papers**

Letter to Secretary of States for DHLUC and DCMS from Chief Cultural & Leisure Officers Association (COLA) and others in relation to cost of utility supplies.