

This Executive Decision Report is part exempt under the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended. The exemption sought is by virtue of:

Paragraph 3 - Information relating to the financial or business affairs of any particular person including the authority holding that information; and

It is in the public interest to withhold the information as the public interest in maintaining the exemption outweighs the public interest in disclosing the information as disclosing the information could prejudice the Council's position and this is not in the public interest.

CABINET

Subject Heading:

Leisure Finance

Cabinet Member:

Councillor Gillian Ford

ELT Lead:

Kathy Freeman

Report Author and contact details:

Guy Selfe, Head of Culture, Leisure, Heritage and Libraries

Policy context:

People – things that matter to residents

Financial summary:

The financial summary is included within the exempt section of this report

Is this a Key Decision?

Indicate grounds for decision being Key:
(a) Expenditure or saving (including anticipated income) of £500,000 or more

When should this matter be reviewed?

February 2026

Reviewing OSC:

Place Overview and Scrutiny Sub-committee

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well X

Place - A great place to live, work and enjoy X

Resources - Enabling a resident-focused and resilient Council X

SUMMARY

The Council's leisure centres are managed and operated by Sport and Leisure Management Limited (SLM) under a leisure management contract.

The contract provides for index-linked price uplifts. The parties have been negotiating to agree the sums resulting from the indexation. The parties recently undertook mediation to reach a settlement.

The mediation agreed a mechanism by which the dispute might be resolved.

This report seeks Cabinet's agreement to continue these discussions on the agreed basis as set out in this report.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note the basis on which SLM and the Council have agreed to continue discussions regarding negotiation on contractual uplifts to the leisure management contract as set out in the exempt part of this report.
2. Agree in principle to conclude the negotiation on the above basis.
3. Delegate the further negotiation referred to at 1 above and agreement on final terms to the Strategic Director of Resources in consultation with the Leader and Deputy Leader of the Council and Cabinet Member for Adults and Wellbeing.
4. Note the Council is taking further specialist advice regarding the detail of the negotiation and if the parties are unable to agree terms (which may include as a result of such advice), a further report will be brought to Cabinet.
5. Subject to 3 and 4 above, authorise the Director of Resources to finalise and enter into all documentation to give effect to the agreed terms.

REPORT DETAIL

Background

1. The Council's leisure centres are managed and operated by Sport and Leisure Management Limited (SLM) under a leisure management contract. The contract commenced on 1 October 2016 and runs until 30 September

2036. This is a concession style contract where over the life of the contract SLM pay the Council to manage and operate the leisure centres.

2. The Council and Sports and Leisure Management Ltd (SLM) have been negotiating on contractual uplifts to the leisure management contract.
3. The detail of the negotiation, that is commercially sensitive, is included within the exempt section of this report.

REASONS AND OPTIONS

The reasons and options are contained within the exempt section of this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial implications and risks are included within the exempt section of this report due to commercial sensitivity.

Legal implications and risks:

The legal implications and risks are included within the exempt section of this report.

Human Resources implications and risks:

There are no human resource implications or risks associated with the recommendations of this report.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

Health and Wellbeing implications and Risks

There are no health and wellbeing implications and risks associated with the recommendations of this report.

However, should the negotiation on contractual uplifts to the leisure management Contract fail, this could have an impact on the services provided by the leisure centres that might have an adverse impact on health and wellbeing.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environment and climate change implications and risks associated with the recommendations of this report.

BACKGROUND PAPERS

None