

Ref: CE:0050239  
Date: 07/05/2024

Dear Peter,

Thank you for your letter following the meeting of Economy & Culture Scrutiny Committee on the 23<sup>rd</sup> of April 2024, and I extend my thanks to you and all Committee Members for their continued consideration of these matters.

In respect of the requests for information set out in your letter, we will ensure that they are provided to you by the end of the month.

Members requested that the consultant's option appraisal report be shared with them so that they can see the full breadth of performance and financial information currently available, in line with R6 from the Wales Audit Office report. The Options Appraisal report of January 2024 is attached to this email. Please note, however, that the analysis has been undertaken on a high-level basis in order to inform options in principle at this stage.

Members also requested that an assurance be given that an updated consultant's report, other relevant performance and financial information, and the report to Cabinet be made available to Scrutiny Members to enable timely pre-decision scrutiny of any contingency decision, if and when this is required. This request is noted and should the Council be required to enact contingency measures, the Consultant's report will be updated to reflect the market conditions at that time and made available for Scrutiny.

During Chris Hadfield's presentation, he referred to the Options Appraisal, indicating that there is a difference between Option A and Option B of £600K. To clarify, should the Council be required to consider options in the future, this figure would be recalculated at the time. Given the positive progress being made through the partnership and, in particular, the positive financial projections, I would hope that such measures will not be necessary.

The request for an update of progress against all of the recommendations included within the Leisure Services Follow Up Review Report - Audit Wales (October 2022) has also been noted. It is pleasing to advise that of the six recommendations made by Audit Wales, four were closed in April 2023.

For clarification and for the purpose of the presentation made at the meeting, Officers reported on the two outstanding recommendations only:

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#### GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

#### WORKING FOR CARDIFF, WORKING FOR YOU

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Please find below the six recommendations along with a summary position :

**R1. Strengthen the application of the sustainable development principle (RECOMMENDATION CLOSED)**

***The Council should more fully apply the sustainable development principle by: Involving the diversity of its population in the design of future leisure service delivery; and maximising its contract management arrangements with GLL to formalise how the sustainable development principle fully drives the services provided by GLL.***

The sustainable development principle is now fully embedded in the Annual Service Plan, with key actions around targeted and underrepresented groups to achieve the aims and objectives of the Corporate Plan and the Wellbeing of Future Generations (Wales) Act 2015, as well as greater collaboration with key partners in the delivery of Health and Physical Activity.

**R2. Delivery and monitoring of the Physical Activity and Sport Strategy (RECOMMENDATION CLOSED)**

***Recognising the whole organisation approach needed to help deliver the strategy, the Council should ensure relevant future Directorate Delivery Plans incorporate key actions and measures. These should be monitored as part of the Council's routine performance management arrangements.***

The Physical Activity and Sport Strategy (PASS) is now fully operational with leadership and governance provided through the PASS Board, chaired by the Leader of the Council, and resources for delivery managed through the Joint Venture with Cardiff Metropolitan University and partnership with Cardiff and Vale Health Board and Public Health. Quarterly reporting arrangements are in place as well as annual review and outcome reporting through stakeholder events.

**R3. GLL monitoring reporting to Scrutiny Committee (RECOMMENDATION CLOSED)**

***The Council should report to the Economy and Culture Scrutiny Committee GLL's medium term financial forecasting in future GLL monitoring reports.***

A Cabinet Report titled 'Review of Leisure Services Contract (GLL)' was taken to Cabinet on the 20<sup>th</sup> of October 2022 and was considered by the Economy and Culture Scrutiny Committee prior to the Cabinet meeting on the 17<sup>th</sup> of October 2022. The purpose of the report was to escalate the current financial position and risks of the GLL contract.

In addition, GLL meet monthly with the Council's Finance Team and also report their financial position quarterly to both the Leisure Client Team and the Project Liaison Board, attended by Cabinet Members with responsibility for Finance, Sport, and Leisure. Any financial pressures or financial risks are escalated through the corporate performance management framework.

#### **R4. Equalities Impact Assessment (RECOMMENDATION CLOSED)**

***The Council needs to comply with their Equality and Inclusion Strategy 2020-24 by completing an Equality Impact Assessment for the Physical Activity and Sport Strategy. This will ensure the Council Demonstrates due regard for the provisions of the Public Sector Equality Duty; Identifies possible negative impacts of decisions on individuals and groups with protected characteristics and plans mitigating action accordingly; and identifies additional opportunities to advance equality within policies, strategies and services.***

Following the Audit Wales review meetings, an EIA has been carried out and submitted to Audit Wales.

#### **R5. GLL contract risk management arrangements**

***The Council needs to assure itself that it has effective actions to mitigate the risk of the GLL contract failing, including exploring different service delivery options as a contingency.***

The Cabinet Report presented in October 2022 highlighted the risks and possible mitigations to prevent the contract failing. An independent, external professional consultant has carried out a Leisure Review and feasibility study of alternative delivery options available, in the event of the contract failing. This exercise was completed in January 2024, providing a high-level analysis of the overall provision determining whether supply was sufficient to meet demand. The Review also provided an options appraisal to assess the Council's existing contract with GLL and to consider alternative delivery models in order to identify a contingency option should the existing contract be terminated early.

This action is now proposed to be closed.

#### **R6. Options Appraisal**

***The Council needs to provide members with the full breadth of performance and financial information on the different options presented to them, to help members make informed decisions.***

A management appraisal was carried out as part of the independent Leisure Review where a number of options were considered. These options included:

- Option A: Continuation of outsourcing (under a retendered contract)
- Option B: Bringing the service back in-house
- Option C: Creating a local authority trading company (Teckal)
- Option D: Creating a new leisure trust

On the basis that the substantive action has been completed, it is proposed that this action is closed. Notwithstanding this and as indicated earlier in this response, should the Council be required to enact contingency measures in the future, the Consultant's report shall be updated and considered at that time.

I trust the above information is useful to the Committee but should you have any further queries or concerns, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'jen', with a long horizontal flourish extending to the right.

**Y Cyngorydd / Councillor Jennifer Burke**  
**Aelod Cabinet dros Ddiwylliant, Parciau, Digwyddiadau a Lleoliadau**  
**Cabinet Member for Culture, Parks, Events and Venues**