

## **GOVERNANCE & AUDIT COMMITTEE: 29 NOVEMBER 2022**

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### **FOLLOW-UP LEISURE REVIEW**

**AGENDA ITEM: 5.2**

### **REPORT OF THE DIRECTOR OF ECONOMIC DEVELOPMENT**

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#### **Reason for this Report**

1. This report has been produced to enable the Governance and Audit Committee to review a report that has been published by Audit Wales on the Council's progress in meeting the proposals for improvement made in their Review of Leisure Services report in 2020, and to consider the management response.
2. The report is provided in respect of the Committee's role to:
  - Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
  - Consider relevant reports, and specific reports as agreed with the external auditors.
  - Comment on the scope and depth of external audit work and to ensure it gives value for money.

#### **Background**

3. In October 2020, Audit Wales reported the findings of their review of the leisure services provided by Greenwich Leisure Ltd (GLL) and how they contributed to the achievement of the Council's well-being objectives as described in the Council's Corporate Plan, Delivering Capital Ambition. A copy of the Audit Wales report is linked within the background papers to this report in **Appendix E**.
4. The findings from the above review were based on fieldwork undertaken prior to the COVID-19 pandemic. At that time, it was concluded the Council had achieved its key aim of keeping its leisure centres open but there was scope for the Council to better apply the sustainable development principle and strengthen its arrangements to assure itself that its contract with GLL was delivering value for money.

#### **Issues**

5. In October 2022 Economy and Culture Scrutiny Committee reviewed the Leisure Services Contract discussing opportunities to improve the revenue position post-pandemic as identified in the Local Partnerships contract review report. The report was noted and a follow up report

will be provided on progress. A copy of the Economy and Culture Scrutiny Committee report can be found within the background papers to this report in **Appendix C**.

6. In October Cabinet also considered the Leisure Services Contract review, with a focus on opportunities to improve the revenue position post-pandemic as identified in the Local Partnerships contract review report. To mitigate increased energy costs in the current financial year, it was agreed in principle, that the council will make relief payments to GLL and enable GLL to acquire their energy at a cheaper rate either directly or indirectly through the Crown Commercial Service. A full business case will be developed on the proposal to upgrade the energy infrastructure of leisure centres to achieve sustainable energy savings in the long term. A separate business case will be prepared for Pentwyn Leisure Centre. A copy of the Cabinet report is linked within the background papers to this report in **Appendix D**.
7. Audit Wales undertook a follow-up review during April and May 2022 to assess the Council's progress in addressing the six proposals for improvement made in the 2020 report. All recommendations were agreed. The Audit Wales report is contained within **Appendix A** and is accompanied by a management response in **Appendix B** for Governance and Audit Committee discussion and consideration.

### **Legal Implications**

8. The recommendations in this report are to consider and note the Wales Audit Report (Oct 22) and the Management Response to the same. Therefore, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications.

### **Financial Implications**

9. The financial implications (if any) arising from this report have been contained within the body of the report.

### **RECOMMENDATIONS**

That the Governance and Audit Committee considers and notes the Audit Wales Report and the accompanying management response.

**Neil Hanratty**  
**Director of Economic Development**

The following is attached:

**Appendix A:** [3200A2022 Leisure Services Audit Wales Report](#)

**Appendix B:** 3200A2022 Management Response

### Background Papers

**Appendix C:** [Economy & Culture Scrutiny Committee Report - October 2022](#)

**Appendix D:** [Cabinet Report - October 2022](#)

**Appendix E:** [2088A2020-21 Leisure Services Audit Wales Report](#)

