

Cabinet

9 December 2025

Future Leisure Management For Decision

Cabinet Member:

Cllr R Hope, Customer, Culture and Community Engagement

Local Councillor(s):

All Councillors

Senior Leadership Team:

J Britton, Executive Director for Place Services

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Statutory Authority:

Report status: Part Exempt Para 3

1. Executive summary

1.1 The Council currently has a mixture of management models across its leisure centres which include in-house management, centres managed by third party operators under a contract and centres leased to operators to manage as a concession. The leisure contracts at Ferndown Leisure Centre, Blandford Leisure Centre and Dorchester Sports Centre expire on 31 March 2026.

1.2 The Council has recently carried out a detailed appraisal of the options for future leisure management as part of the wider leisure facilities strategy work. The purpose being to decide which of the following standard delivery models is best able to meet the Council priorities, financial objectives and service delivery requirements.

1.3 The option to go out to the open market to procure a contract with a single operating partner could enable a significant annual revenue reduction. A contracted leisure service with a single operator is also considered most likely to deliver key service and performance outcomes.

1.4 The Council needs two years to develop and agree a procurement strategy and undertake the complex procurement exercise necessary to procure and transition to a single operator. To maintain service provision during this period; existing leisure contracts need to be extended by applying PCR15 Reg 72 – Modification of Contracts. These modifications have been approved by Procurement and

Legal Services. It is advised that the option of an additional year is agreed to provide time contingency. The detailed procurement strategy referred to will be brought back to Cabinet in September 2026 for consideration and approval.

2.0 Recommendation(s)

That Cabinet

- 2.1 Agrees to the procurement of a single leisure contract operator and to re-commission Max Associates to develop the Dorset Leisure Centres Procurement Strategy required to achieve this.
- 2.2 Agrees that the Dorset Leisure Centres Procurement Strategy be brought back to Cabinet for consideration and final approval of the strategy's recommendations in September 2026.
- 2.3 Agrees that the Service Manager for Leisure, Arts and Cultural Services is authorised to agree contract extensions for Ferndown Leisure Centre, Blandford Leisure Centre and Dorchester Sports Centre for a further 2 years from the 1 April 2026 with an option for a further 1 year.

3.0 Reason for the recommendation(s)

- 3.1 Following a review of leisure centre management options, procuring a leisure contractor to operate all the Council's in-scope leisure centres is best able to meet the Council priorities, financial objectives and service delivery requirements.
- 3.2 Following a procurement strategy will enable the Council to consider and set out the timetable, the best way to approach and manage the market tendering process, the specification of services for each of the centres in scope, the length and type of contract, the Council's position on risk and to control and manage the delivery of any investment programmes.
- 3.3 The extension of the existing leisure contracts will enable the leisure centres to remain open and operational during the development of the procurement strategy, the procurement process and the mobilisation to a single leisure operator.

4.0 Management Options

- 4.1 The Council fully recognises the significant role which its leisure offer plays in preventative health, both in terms of physical and mental wellbeing, and the potentially positive impact this has in reducing the call on many of its statutory services.

4.2 The Council is currently developing a new Leisure Facilities Strategy and is undertaking a robust quantitative and qualitative review to help inform the future direction of a sustainable leisure service.

4.3 In developing its wider strategy, the Council has an aspiration and need to consider its built facility planning particularly given its ageing stock of leisure facilities; different management arrangements, future growth needs and changing economic and the demographic profile of the area.

4.4 The Council currently has a mixture of management models across its leisure centres including in-house management, centres managed by third party operators under a contract and centres leased to operators to operate as a concession. The leisure contracts at Ferndown Leisure Centre, Blandford Leisure Centre and Dorchester Sports Centre expire on 31 March 2026.

4.5 The Council have undertaken a detailed appraisal of future leisure management options to determine which of the following delivery models is best able to meet the Council priorities, financial objectives and service delivery requirements. The appraisal has focussed on the facilities being operated as they are now with no investment as well as considering the potential impact through investment. The opportunities for facility improvements will be considered within the wider strategy work, although it is noted that a single contracted leisure service is the best option in both scenarios.

4.6 The figures in Appendix 2 highlight the current trading position across sites and estimate the future revenue impact if the centres were managed through an external contractor, a Local Authority Trading Company (LATC) or directly 'in house'. These figures include maintenance costs as identified in the building condition survey reports.

4.7 The option to go out to the market 'as is' and procure a single operating partner could enable a significant annual revenue reduction. This detail is set out in Appendix 2.

4.8 The appraisal has also considered other factors, for example, the direct influence and control the Council will have over the services and how risky and sustainable future models may be. The evaluation matrix in Appendix 2 also identified a service contract with a single leisure operator as the most suitable option.

4.9 Leisure Procurement Strategy

4.10 The procurement of an external contractor is estimated to take 18 months. In advance of this, the Council should formulate a procurement strategy which will inform the contract brief and the process. The strategy should include the centres in scope, consideration of community asset transfer options, the length and type of contract and any investment programmes.

- 4.11 For the leisure centres that are currently managed in house and in scope, existing staff would transfer to a new operator under the Transfer of Undertakings (Protection of Employment) regulations (TUPE).
- 4.12 Although Bridport Leisure Centre receives financial support from Dorset Council, the Council does not own the centre or the land it occupies. Redlands Community Sports Hub is successfully operated by Active Dorset and has 27 years remaining on their lease. It is proposed that these sites would be excluded from any procurement process.
- 4.13 Max Associates would be re-commissioned to develop a procurement strategy, once the wider leisure facilities report has been reviewed by Place and Resource Overview in February 2026 and Cabinet in March 2026. This report will consider any investment opportunities which could include potential new build options and will help to inform the procurement brief and process to go to the market. This report is estimated to cost £5,000 and will be funded through the leisure revenue budget.
- 4.14 Contract extensions**
- 4.15 It is recommended that the existing three leisure contracts are extended under PCR15 Reg 72 – Modification of Contracts by two years (with the option of an additional year). This allows for the development of the procurement strategy, the running of a procurement process and the mobilisation of the successful contractor. The additional year gives protection to the Council and provides time contingency were a contractor not to be appointed before the two years expires. The scope to apply these modifications has been reviewed and approved by delegated Procurement and Legal Services Officers.

5 Alternative options considered

- 5.1 The appraisal also considered the option of managing leisure centres directly through in-house management as well as setting up a Local Authority Trading Company (LATC). Both options would require a higher level of financial subsidy and are considered less likely to deliver key service and performance outcomes.

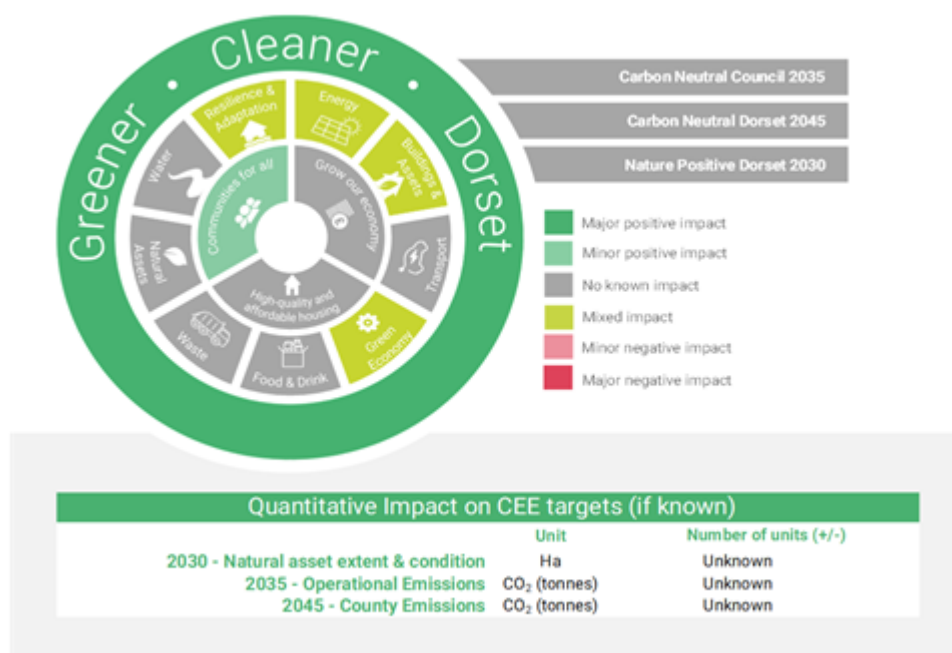
6 Legal considerations

- 6.1 Legal advice confirms that it would be lawful to extend the contract further in line with PCR15 Reg 72(1)(b) on the grounds that a change at this point of the contract cannot be made for economic reasons and would cause significant inconvenience and substantial duplication of cost for the Council. Further the value of the extension does not exceed 50% of the original contracts value.
- 6.2 Alternatively, under PCR15 Reg 72(e), the modification would not be considered substantial in terms of duration and value within the meaning of paragraph (8).

7. Financial implications

- 7.1 The option to go out to the market 'as is' and procure a single operating partner could enable a significant annual revenue reduction. The details of which are set out in Appendix 2. Whilst there is clear evidence to support the 'contracted out' option as being the lowest cost to the Council, the leisure market can be very volatile, so actual savings will not be known until a procurement exercise has taken place.

8. Natural environment, climate & ecology implications



- 8.1 The recommendation sees no changes to the existing services at this time. As such, most areas have no known impact, though there may be potential future mixed impacts with regard to energy, buildings & assets, green economy, and resilience & adaptation. The procurement strategy will consider future facility investment opportunities, which could include examples of retrofit to buildings to improve energy efficiency and renewable energy generation. Future implications will be assessed in greater detail as part of the procurement strategy.

9. Well-being and health implications

- 9.1 Increasing participation in sport and physical activity and reducing levels of inactivity are key to both local and national Government achieving outcomes in public health (physical and mental), adult social care and education.

This is further reflected in the Council Plan, where a key priority is to help create strong, healthy communities. The Council's aims are to support communities to be active, to increase people's healthy life expectancy and

reduce differences between areas. Leisure facilities will play a significant role in providing opportunities for all ages to lead a more physically active lifestyle.

10. **Other implications**

10.1 None

11. **Risk implications**

11.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

12. **Equalities**

12.1 On extension, the provisions of the leisure contracts will not change, and the service provision will remain the same. The equality impact assessment identifies the need to monitor future legislative changes of the use of changing rooms.

13. **Appendices**

13.1 Appendix 1 – Equality Impact Assessment

Appendix 2 - Commercial Information - Exempt

14. **Background papers**

14.1 Max Associates Management Options Report

15. **Report sign-off**

15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer) the Corporate Director for Finance and Commercial (Section 151 Officer) and the appropriate Portfolio Holder(s)