



## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Marianne Hesketh, Director of Communities	Councillor Lesley McKay, Resources Portfolio Holder and Councillor Lynne Bowen, Leisure, Health and Community Engagement Portfolio Holder	7 May 2024

### Support for Leisure Centre Contract Re-procurement

**Key decision:** Yes

#### 1. Purpose of report

- 1.1 To outline the approach the authority will take in the re-procurement of a provider for our leisure centre contract and to seek approval to bring in consultancy, legal and project support.

#### 2. Council priorities

- 2.1 Improve our leisure facilities ensuring they meet the needs of our residents and visitors.
- 2.2 Provide opportunities for people to lead healthy and active lifestyles.
- 2.3 Deliver high quality, value for money services that meet the needs of our customers.
- 2.4 Use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services.

### **3. Recommendations**

- 3.1** That approval is given to fund the appointment of leisure consultants 'The Sport, Leisure and Culture Consultancy (SLC)' at a cost of £59,060 to support the re-procurement of our leisure contract. Costs to be funded from the Leisure Management Reserve.
- 3.2** That approval is given to buy in specialist legal advice to support leisure centre re-procurement work to be financed from the Leisure Management Reserve at a cost of up to £40,000.
- 3.3** That approval is given to recruit a part-time project manager to support the leisure centre re-procurement exercise over the next two years at a cost of up to £45,000 (funded from the Leisure Management Reserve).
- 3.4** That approval is given to commission CAD (computer-aided design) drawings for each of the leisure centre sites at a cost of approximately £22,000, again to be funded from the Leisure Management Reserve.
- 3.5** That approval is given to proceed with the direct appointment and engagement of specialist Leisure Consultants SLC, under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules on the grounds that exceptions may apply where a framework agreement is available that necessitates the Council not having to go out to tender.

### **4. Background**

- 4.1** The Council's leisure facilities are operated by an external partner (Fylde Coast YMCA) through a contract management arrangement. Five facilities are managed through this contract – Fleetwood Leisure Centre, Thornton Leisure Centre, Poulton Leisure Centre, Garstang Leisure Centre and Garstang Swimming Pool.
- 4.2** The current contract to operate the council's leisure facilities ends on 31 March 2026 and a process to secure an operator for the Council's leisure facilities from 1 April 2026 is necessary.
- 4.3** An internal Leisure Management Contract Project Working Group is to be established to ensure that all appropriate internal services are involved and duly considered in the tender process.
- 4.4** The development of a contract will utilise the industry standard Sport England template for a Leisure Operating Contract. Within the contract will sit service specifications, which provide details of the council's requirements and performance standards in respect of the various elements of the services. The specifications will largely be output based and therefore the council will be adopting a performance monitoring system to ensure that the service outcomes it requires are met and adhered to, and that continuous improvement is achieved throughout the contract period. This will ensure, through regular meetings of a Service

Development Board, that accountability is maintained to ensure high-quality services are being delivered.

## **5. Key issues and proposals**

**5.1** Work that will be needed to be completed over the next two years will include the following:

- the identification of new strategic objectives for our leisure services;
- the development of a new service specification for community leisure provision in Wyre;
- the preparation and agreement of a Leisure Investment Plan;
- the confirmation of evaluation priorities and associated key performance indicators to measure them;
- the drafting of new leisure contract documentation using the industry standard Sport England template;
- the development of a robust procurement plan and associated documentation.

**5.2** This will then enable the council to:

- have a clear, strategic, long-term approach for the delivery of leisure services in Wyre;
- successfully recruit a leisure centre operator to manage our facilities;
- develop a contract to deliver more impactful health and wellbeing outcomes;
- develop a business case for investment into the facilities;
- improve financial outcomes and a reduction in the leisure centre subsidy;
- have a clear vision, objectives, scope of services, capital facility development plan and an understanding of investment requirements for our leisure services.

**5.3** The procurement process will consist of the following stages; Contract Notice and Standard Selection Questionnaire (SSQ), Invitation to Submit Initial Tender and negotiation, Invitation to Submit Revised Tender followed by Contract Award. An indicative timeline for the procurement of the contract arrangement is shown below.

- Strategic review and stakeholder engagement - May to June 2024
- Procurement strategy development - June to July 2024
- Procurement documents - July to September 2024
- Issue Contract Notice - October 2024
- Standard Selection Questionnaire submissions - November 2024
- Initial Tender submissions - May 2025
- Negotiation meetings with bidders - July 2025
- Revised Tender submissions - October 2025
- Contract award - December 2025
- Mobilisation period - January to March 2026

**5.4** Specialist legal support will be required in order to develop a detailed brief. The key elements of this brief will include:

- The development a draft contract, based on the Sport England Leisure Operating Contract template.
- The development of a risk allocation matrix to provide an overview of key risks and responsibilities as defined in the Leisure Operating Contract.
- The preparation of an Invitation to Submit Initial Tender (ISIT) and Invitation to Submit Revised Tender (ISRT) documentation, to ensure it is compliant with procurement regulations.
- The provision of service specification documentation, to ensure accuracy to relevant clauses and references in the Leisure Operating Contract.
- Assistance with responses to legal clarifications from bidders.
- Attendance at bidder meetings held between Initial and Revised Tenders.
- The finalisation of the Leisure Operating Contract with the Council and its selected preferred operator partner.

**5.5** If the council fails to develop and run an appropriate procurement process the opportunity may not be attractive to the market and we may not receive suitable bids. If this happens, we may have to consider running the services in-house and this is not a preferred option. The approval of the recommendations above will help ensure a timely and successful re-procurement and the appointment of an external operator partner for our leisure services.

**5.6** CAD drawings are required to form part of the contract documentation.

## **6. Alternative options considered and rejected**

**6.1** We could resource the procurement process internally but we do not have all the required experience, expertise and capacity to do so. Where we can use internal resources we will do so as this means the knowledge and experience is retained in the organisation. However, it is advisable that we have the ability to seek external support in these technical areas where needed.

## **7. Delegated functions**

**7.1** The matters referred to in this report are considered under the following executive function delegated to the Leisure, Health and Communities Portfolio Holder (as set out in Part 3 of the council's constitution): "To consider matters relating to sport and recreation, including sports facilities" and the executive function delegated to the Resources Portfolio Holder "To consider arrangements for a strategic approach for the Council's procurement of goods and services".

**7.2** The matters referred to in this report are considered under the following Executive function delegated to the Resources Portfolio Holder (as set out in Part 3.03 of the Council’s Constitution): “To consider departures from the Rules relating to financial and contractual matters if appropriate”.

<b>Financial, Legal and Climate Change implications</b>	
Finance	That up to £166,060 is made available from the Leisure Management Reserve to support the re-procurement of the leisure contract via the recommendations above.
Legal	<p>The current leisure management contract expires on 31 March 2026, with no provision or ability for a further extension.</p> <p>Contract Procedure Rules enable the Council to use Framework Agreements subject to their compliance with UK procurement legislation. SLC is a framework partner for ESPO and the council can use ESPO – Lot 7 Leisure, Culture and Tourism to appoint them directly.</p> <p>The procurement and subsequent contracts will be subject to a series of complex legal requirements and will require appropriate capacity to ensure reactive responses in-order to keep to the timescales required for a successful procurement exercise. The proposal to outsource legal provision is supported.</p>
Climate Change	No implications identified.

**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
ICT	x
data protection	x

## Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

### List of appendices

None