

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

17 JANUARY 2023

Title:

LEISURE MANAGEMENT CONTRACT TENDER

Portfolio Holder: Cllr Kika Mirylees – Health, Wellbeing, Parks and Leisure

Head of Service: Kelvin Mills, Executive Head of Commercial Services

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 This report provides an update on the current position of the Leisure Management Contract tender and to approve the award of the contract following completion of the procurement process.

2. Recommendations

It is recommended that the Executive:

1. Approve the award of the proposed contract to the top ranked bidder, following completion of the procurement process; and
2. Delegate authority to the Strategic Director for Transformation & Governance to complete all required contractual documentation and approve execution of the contract documentation.

3. Reason for the recommendation

Leisure Management Contract position

- 3.1 The current 15 year leisure management contract, for our five leisure centres, expires on 30 June 2023 and the Council needs a new contractual arrangement to be in place for the 1 July 2023.
- 3.2 A Leisure Management Contract tender Project Working Group (PWG) has been working together to ensure that all aspects of the business are involved and duly considered in the tender process.
- 3.3 The PWG have been working with appointed consultants, SLC, to progress in accordance with the procurement timetable and ensure that each stage is completed accordingly.

3.4 The PWG are on target, with the next stages detailed below.

Next stage/activity		Target date
8	Bidder Negotiation Meetings	Dec 2022 – complete
9	Invitation to Submit Revised Tenders (ISRT)	Jan 2023
10	ISRT submission deadline	Feb 2023
11	Evaluation of Revised Tenders	Feb – Mar 2023
12	Notification of outcome to bidders	Apr 2023
13	Standstill period	Apr 2023
14	Finalise Contract Award	Apr 2023
15	Mobilisation Period	May – Jun 2023
16	Contract start date	1 Jul 2023

4. **Background**

Leisure Management Contract specification

3.5 As per the programme, the PWG have made the necessary amendments to the Sport England Contract template and developed a Services Specification to ensure that it meets our corporate priorities, processes and policies.

3.6 The Services Specification sets out the required performance standards and reporting requirements that the operator shall meet for the operation of the services and facilities throughout the Contract period.

3.7 The Specification outline includes;

- i. General core requirements – Strategic Objectives and Contribution to wider Strategic Priorities, Facility Management, Leisure Investment, Utilities and Environmental and Energy Management
- ii. Service Requirements – the Active Communities Programme, pricing, staffing and Health & Safety
- iii. Asset Management - Capital and Revenue Funding (Existing Facilities and new Cranleigh Leisure Centre), Building Maintenance, Climate Emergency, Environmental and Energy Management
- iv. Performance Management and reporting – Planning to Improve (Service Planning) and Meetings and Reporting
- v. Key Performance Indicators – a comprehensive set of criteria developed by the PWG to measure performance against our Contract strategic objectives.

5.0 **Relationship to the Corporate Strategy and Service Plan**

5.1 The Leisure Management Contract directly links with Waverley’s Corporate Strategy 2020-25 and our strategic priorities:

- Supporting a strong, resilient local economy
- Taking action on Climate Emergency and protecting the environment
- Effective strategic planning and development management to meet the needs of our communities
- Improving the health and wellbeing of our residents and communities

5.2 The provision of quality leisure facilities will directly facilitate the Council’s vision to promote:

- high quality public services accessible for all
- a financially sound Waverley, with infrastructure and resilient services fit for the future
- a strong, resilient local economy, supporting local businesses and employment
- effective strategic planning and development management which supports the planning and infrastructure needs of local communities
- a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet
- the health and wellbeing of our communities.

5.3 Future investment in leisure facilities is based on a robust feasibility assessment that offers value for money to the Council. External funding and developer contributions will be sought to support funding of any capital cost.

6. Implications of decision(s)

6.1 Resource (Finance, procurement, staffing, IT)

The current Leisure Management Contract is budgeted to create an annual revenue stream into the Council of £530k excluding the Edge which will not be included in the new contract.

The new contract procurement is not yet complete, so the contract value is not yet known, however it is expected to deliver an annual income to the council.

Additional staff capacity is required within the Leisure and Legal teams to manage this project and has been put in place. As such external solicitors have been appointed to provide legal support with the procurement process. Leisure support has been provided internally.

6.2 Risk management

A comprehensive Risk Log is in place, which is being monitored by the PWG and Leisure Investment Project Board. In addition, there is a detailed Contract Risk Matrix that has been agreed by Project Board and shared with the bidders.

6.3 Legal

The current leisure management contract expires on 30 June 2023, with no provision or ability for a further extension. The procurement process will comply with UK procurement legislation and the Council's procurement procedure rules. External solicitors are assisting with the procurement.

6.4 Equality, diversity and inclusion

There are no Equality and Diversity implications associated to the matters raised in this report.

6.5 Climate emergency declaration

The new Leisure Management Contract provides the opportunity to make carbon reduction an integral part of the delivery specification in line with the Council's commitment to become net zero carbon by 2030.

As part of the specification for the new Contract, energy performance indicators have been considered and will act as an incentive for the contractor to actively

drive energy consumption down. The new operator will be required to produce decarbonisation plans for each site within six months of the contract.

7. Consultation and engagement

7.1 Key stakeholders will continue to be involved at all relevant stages of the project moving forwards.

8. Other options considered

8.1 All options considered have been incorporated into the report above.

9. Governance journey

9.1 The Leisure Management Contract Task and Finish update report went to Overview & Scrutiny Committee (Services) on Tuesday 21 June to note.

9.2 The Overview & Scrutiny Task Group were issued the Service Specification and KPI elements of the contract for comment on Thursday 23 June 2022.

9.3 Formal Executive approval is being sought in advance of the tender outcome being known, so as to not delay the contract award and already compressed mobilisation period.

Annexes

There are no annexes.

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Patrick Tuite
Position: Procurement Officer
Telephone: 01483 523149
Email: patrick.tuite@waverley.gov.uk

Name: Tamsin McLeod
Position: Leisure Services Manager
Telephone: 01483 523423
Email: tamsin.mcleod@waverley.gov.uk

Agreed and signed off by:

Legal Services: Stephen Rix, Executive Head of Legal & Democratic Services (Interim) & Monitoring Officer, 20/12/22

Head of Finance: Rosie Plaistowe, Financial Services Manager, 05/01/23

Strategic Director: Ian Doyle, Joint Strategic Director for Transformation & Governance 05/01/23

Portfolio Holder: Kika Mirylees, Health, Wellbeing, Parks and Leisure, 05/01/23