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South & East Lincolnshire Councils Partnership

S&ELCP PARTNERSHIP SCRUTINY TASK & FINISH GROUP

LEISURE FACILITIES OFFER

ELDC Members: Councillors Ru Yarsley, George Horton, Kate Marnoch

SHDC Members: Councillors James Le Sage, Angela Harrison, Margaret Geaney

BBC Members: Councillors Neil Drayton, Suzanne Welberry, Mike Gilbert

Officers: John Leach, Phil Perry, Mark Humphreys, Rebecca James

Introduction

The Partnership Scrutiny Task & Finish Group were asked “to review the scope and proposed arrangements for a Sub-Regional Leisure Facilities Operator Contract.” Scrutiny Committees at all 3 Councils wanted to be reassured that any reports to committees contained enough information for Councillors to be able to make an informed decision at future meetings. Further details on the rationale behind the proposal were requested, as well as clarification on various details of the proposed contract. The Key Lines of Enquiry for the Task Group were as follows (**full details at Appendix 2**):

1. Understanding of the proposed timeline for Council approval and subsequent procurement process;
2. Review of the ‘scope’ of the Leisure Facilities offer for the Sub-Region;
3. Consideration of relevant documents prior to reports being taken through each Council’s relevant sovereign committee process;

Background & Context

The S&ELCP Alignment and Delivery Plan for 2024/25 included the action to ‘develop a sub-regional leisure and culture offer’ by the end of Quarter 3. In considering the most appropriate scope and approach to a sub-regional leisure and culture offer, separate solutions for the delivery of leisure and cultural services are being pursued.

All leisure venue operations are currently outsourced through various contracts. Most of the culture offer is delivered in-house through various mechanisms, in order to optimise cultural development opportunities.

Proposal Details – key facts and information

S&ELCP Leisure operator Contract Overview

- Single operator selected for the sub-region;
- 3 contracts – 1 with each sovereign Council;
- Using Sport England standard form of specification & contract with bespoke adjustments;
- All contracts prepared the same for consistency and effective contract management;
- Contract drafting assumes contract payment in favour of Council;
- All current arrangements protected, e.g. minimum opening hours etc;
- Flexibility for ‘additional commissions’ e.g. fixed term community sport/physical activity/health intervention projects etc. if Councils wish to commission these;
- Venue Repair & Maintenance responsibility;
- New/redeveloped venues - Operator responsible on full Repair and Insuring basis
- Older venues - Operator responsible for Planned Preventative Maintenance and Re-decorations for life of contract. Council responsible for end of life replacement items.

Competitive Procedure with Negotiation (indicative timeline)

- Tender advertised: October 2024
- Selection Questionnaire stage: mid-October to mid-November 2024 (4 weeks)
- Selection Questionnaire evaluation: December 2024
- Invitations to Tender issued: January 2025
- Return of Tenders: March 2025 (minimum 10 weeks)
- Evaluate Tenders: April 2025
- Reports to Cabinet / Exec Board: May 2025 (provisional)
- Finalists’ Selection: May 2025
- Negotiations: June / July 2025
- Final Tenders: July / August 2025
- Evaluate Final Tenders: September 2025
- Reports to Cabinet / Exec Board: October/November 2025 (provisional)
- Award Contract: December 2025
- Phased contract commencements from March 2026

Group Discussion / Analysis

The Task Group reviewed and discussed the prospectus and specifications. They also discussed key elements of the prospectus and specification with Officers. They queried general points, as well as specific sections to ensure they had a full understanding of the documents and everything that was included within them.

Key points discussed by the Task Group:

- Feasibility of a 'one size fits all' approach;
- Benefits of an aligned contract;
- Expectations for operators, for example maintenance, particularly with regard to some of the older buildings ;
- Further information on who is involved in the process (internal and external);
- Clarification on how the 'Active Communities' agenda will be encouraged by any new operator chosen;
- Background research on companies expected to bid for the contract;
- Further details on how the contract(s) will work in practice, having a common core contract, with specific bolt-ons for each sovereign Council;
- Comparative costs between current contract(s) and potential future costs;
- Explanation of the 3 Stages of the procurement process, including evaluations, negotiations and cool off period;
- Ensuring a clear, open, and transparent procurement process;
- Assurance that the procurement process has been carefully designed to ensure that the bids match what has been asked for;
- Confirmation that the recommended supplier would be named in committee reports;
- Options to prepare for different decisions at 1 or more Council;
- Ensuring better value for money and an improved offer and opportunities for residents;
- Involvement of Portfolio Holders throughout the process;
- Clarification that the procurement process will produce 1 result, this result will go to each Council for decision – the recommendation for decision will be 'do you want to progress with X'.
- Discussion of facilities and equipment, Princess Royal Sports Arena, and the Sports England standards and how this would be dealt with as part of the process.

The Monitoring Officer clarified details of the decision-making process. It was confirmed that the awarding of the contract is an Executive Function. The awarding of contracts is actually delegated to Officers by each of the Executives/Cabinets, but the Executive Board/Cabinets can still make that decision and that is the intention with this contract due to its nature and size.

If there is insufficient budget provision within the approved budgets to award the contract, then further approvals would be sought in accordance with the respective

Council's Financial Procedural Rules. If the additional budget request was greater than £500k this would require full Council approval.

Following comments from Portfolio Holders about involving full Council, it was further clarified that lawfully it is an Executive decision to award the contract. Council cannot take Executive decisions. If the Executive/Cabinet wish to consult all Councillors before taking the decision, then that is an option which is open to them.

The information provided by Officers and Portfolio Holders enabled the Task Group to have a clearer understanding of what the process entails, and the detail involved in creating the specification document. It was agreed the scope and specification were both fit for purpose and include everything necessary to go out to tender and find the right company.

Agreed Actions / Recommendations

Following discussion, the Group made a number of recommendations:

1. To ensure Member engagement and awareness throughout the process at appropriate intervals;
2. To ensure that relevant Officers and Councillors have access to sufficient financial information when relevant;
3. To ensure Portfolio Holders and Cabinets/Executive are briefed on the progress of the procurement process so that they are properly informed in advance of any decisions that need to be made as part of the process;
4. That the outcome of the procurement process be discussed at a meeting for all Councillors, prior to papers being taken to Executive / Cabinet at each Council for a decision.