

The Future Management of the Council's Leisure Facilities

Executive Portfolio Holder:	Mike Best, Health and Wellbeing
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Purpose of the Report

1. The purpose of this report is request a slight variation on the approach to appointing a leisure operator to run the Council's leisure facilities following the expiry of the existing operating contracts in March 2021.

Forward Plan

2. This report appears on the District Executive Forward Plan for March 2021, however, it is brought forward early to agree a variation on the approach to appointing a leisure operator to run the Council's leisure facilities prior to the expiry of the existing operating contracts in March 2021.

Public Interest

3. SSDC's sports and leisure facilities are a valuable resource for many local residents. The operation of the Council's existing indoor facilities in Yeovil and Wincanton (Goldenstones, Westlands Sport and Fitness Centre and Wincanton Sports Centre) was previously transferred to a specialist leisure operator to deliver financial efficiencies and improved service delivery for all sites. The contract with the current leisure operator ends on 31st March 2021.
4. The Council also plans to open a new leisure facility in Chard before the end of 2021. Therefore, the Council needs to plan for the future operation all its leisure facilities beyond March 2021.
5. Members have previously considered management options available for the future running of the Council's Leisure Centres. Members agreed that officers should work towards appointing an external operator to continue to run all of the Council's leisure facilities for at least a further 10 years from 1 April 2021.

Recommendations

6. That the District Executive:



South Somerset District Council

- a. Delegate authority to the Specialist, Strategic Planning in consultation with the Leader and Portfolio Holder for Health and Wellbeing to:
 - i. Appoint a preferred operator following the scoring of final tenders by the Council's evaluation panel;
 - ii. To agree a reserve bidder if appropriate;
 - iii. Report back to District Executive by April 2021, for information, on the appointment of a new operator including key terms of the appointment.

Background

7. The Council currently has three leisure centres; Wincanton Community Sports Centre, Goldenstones and Westlands Sport and Fitness Centre in Yeovil. These centres are either owned or leased by the Council but are managed under a three separate management contracts with LED Leisure Limited. These contracts all expire on 31st March 2021.
8. In October 2019, District Executive considered a number of management options for the Council's leisure centres. Members approved a recommendation for officers to report back to District Executive by January 2021 to appoint the successful preferred operator and approve terms of the agreement.
9. This report recommends a modest revision to the appointment and reporting process due to the delay in procurement caused by the Covid 19 pandemic.

Report

10. Procurement of a new operator commenced as planned in February 2020. Initial shortlisting was due to take place in March 2020, but was delayed until May 2020 due to implications of the national Covid 19 lockdown.
11. Appointment of an operator was expected to have been finalised by December 2020 at the latest leaving at least a 3 month period for mobilisation of a new contact. Due to the pandemic, final tenders will not now be evaluated until mid-January 2021 at the earliest leaving a reduced period for mobilisation and contract negotiation. Bringing a report back to District Executive prior to final appointment will significantly limit the time available for effective contract mobilisation and will either require the Council to extend the existing contract with the incumbent or risk not having an operator in place by April 2021.
12. The Council has enjoyed a positive partnership with the incumbent operator over the term of the existing contracts, but they have taken the decision to withdraw from the ongoing procurement process. They have however assured the Council in writing that they will act professionally and cooperate fully in the handover of service delivery to a new operator so that there is little or no disruption to service delivery for customers. As a transition from one operator to another is inevitable, it is critical that the mobilisation period is sufficient for a smooth transfer.



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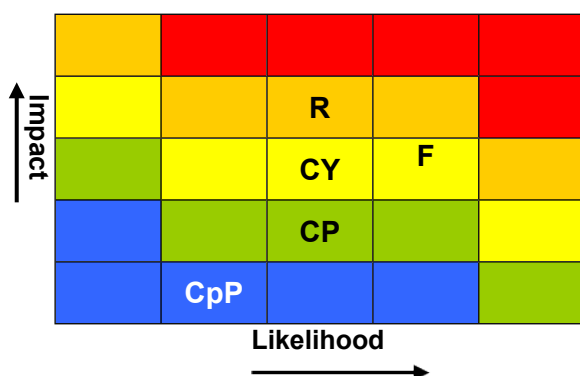
13. Consequently it is proposed that the Leader and Portfolio Holder review the scoring of the evaluation panel in January 2021 and agree a preferred bidder with a report on this decision being brought back to District Executive for information prior to April 2021. This approach will allow an appointment to be made swiftly following the finalisation of scoring by the evaluation panel and avoid the need for a contract extension with the incumbent operator. A contract extension will almost certainly incur additional costs which have not previously been budgeted for.
14. Due to the scale of the work involved in evaluating bids, there are eight specialist Council officers on the tender evaluation panel from Strategy and Commissioning, Commercial Services, Locality and Finance who are supported by the Council's external leisure consultant. The Social Value element of submissions is scored by The Social Value Portal who are experts in evaluating and monitoring delivery in this area. Evaluation of Contract Compliance is supported by the Council's external legal advisors who are specialists in drafting leisure contracts. All scoring is moderated by the Council's Procurement Consultant who is ensuring that the panel evaluate in strict accordance with the published tender documentation. Members can therefore be assured that evaluation process is being conducted fairly and robustly and delivers the outcomes/Council priorities previously agreed within the commissioning strategy for this procurement.

Financial Implications

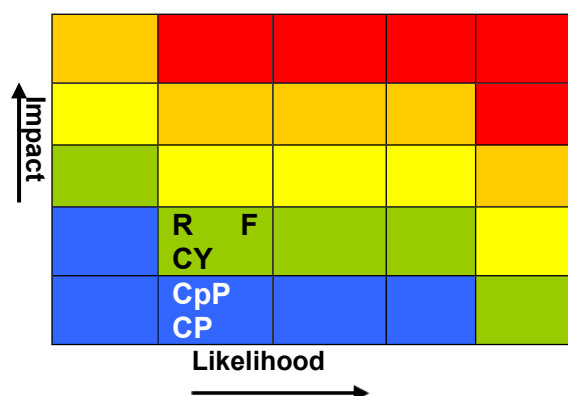
15. There are no new financial implications arising from the recommendations in this report.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	



	Blue	=	Insignificant impact and insignificant probability
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Council Plan Implications

16. The effective management of the Council's leisure centres contributes to Council Plan aim to "improve health and reduce health inequalities" and to help the Council "to build healthy, self-reliant, active communities" by
- Helping people to live well by enabling quality cultural, leisure, play, sport & healthy lifestyle facilities & activities

Carbon Emissions and Climate Change Implications

17. This decision does not directly affect carbon emissions or climate change therefore there are no implications at this stage. Operators have been asked to consider environmental issues within their bid proposals and give due consideration to delivering against the Council's Environment Strategy.

Equality and Diversity Implications

18. An Equality Impact Assessment was completed during the Commissioning Strategy phase of the procurement programme.

Privacy Impact Assessment

19. No personal data handling is involved at this stage, therefore there are no implication at present.

Background Papers

20. Report to District Executive – October 2019