

Leisure Procurement Working Party

Minutes of a meeting held on
Wednesday 2 March 2016 at 4pm in the Members' Room

Present:

Councillors

Councillor Glenvil Greenwood-Smith (Chair)	GGS
Councillor David Jenney	DJ
Councillor Helen Howell	HH
Councillor Gill Mercer	GM
Councillor Glenn Harwood (observer)	GH

Officers

David Oliver, Chief Executive	DO
Michelle Drewery, Finance Manager	MD
Sharon Prior, PA/Executive Support to Chief Executive (Minute Taker)	SP

Welland Procurement Unit

Tony Hall	TH
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Sport Leisure Culture Consultancy (SLC)

David Rushton	DR
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ACTION

1. **Apologies**

1.1. Katy Everitt

2. **Declarations of Interest**

2.1. Declaration by HH as previously noted at the first meeting.
No further declarations were made.

3. **Minutes of previous meetings held on 4 February 2016**

Matters Arising

3.1. Cllr PW enquired how the maintenance figures had reduced so significantly from the previous figures, as outlined in Minute 7.1, bullet no.2. Cllr DJ advised that a thorough review of the maintenance programme had been undertaken by himself and Officers to consider what works would be required through the handover period and what works could be undertaken once the new operator was in place. MD noted that the costs were based on the current Asset Management Plan and that, since the surveys on the buildings had been completed, not all works contained in the current Plan were required.

3.2. The minutes of the previous meeting held on 4 February 2016 were then agreed as a true record of that meeting. **Proposed:** Cllr DJ, **Seconded:** Cllr HH. **SP**

4. **Leisure Procurement Working Party - Action List v4 (2 March 2016)**

4.1. The Working Party considered the Action List and updates were **KE/SP – LPWP**

noted. A revised version would be considered at the next meeting.

5. **SLC Briefing Paper**

5.1. DR presented the briefing paper and the Working Party considered each point in turn and noted their comments/decision:-

(a) **Item 2 – Affordability**

Figure 1: Projected Maintenance Costs

Figure 2: Shadow Bid

Cllr DJ noted no details appeared to be shown on where the figures carry through from Figure 1 into the shadow bid. DR advised the figures had been reviewed with MD and that background spreadsheets were available to show workings. The Working Party noted the current cost of the service to the Council, for 2015/16, as outlined in Figure 2.

(b) **Item 2.5 – National Minimum Wage**

DR advised that an additional £40k estimate had been added in the ITT, which the new operator would need to include in their costs to meet the impact of this change to pay scales.

(c) **Item 2.5 – Outreach service**

DR advised the Working Party what the likely cost for the creation of the new outreach service would be.

(d) **Figure 3: Sensitivity Analysis**

DR advised the Working Party of the range of the potential management fee, taking into account the costs for the National Minimum Wage and the outreach service.

(e) **Item 2.7 – Repair and Maintenance Lease**

Cllr PW enquired what control the Council would have to ensure that appropriate repair and maintenance of the facilities will be undertaken by the new operator. DR noted that details would need to be included in the maintenance plan as part of the new operator's overall bid.

(f) **Item 2 – Contract Monitoring**

DO advised that appropriate contract monitoring would be included in the new contract, and that a new post may need to be created to carry that out. A report would need to be considered by the Personnel Sub-Committee in due course.

**DO/KE – Personnel
Sub-Committee item**

(g) **Risk Register**

MD outlined her suggestion for project risks that would need to be added to the Risk Register – these were:-

MD/DR

- Contract monitoring
- Monitoring of the fabric of the building
- Data collection – baseline data requirements

(h) **Item 2.10 - Decision required on Affordability Threshold**
DR suggested £180k be given as the affordability threshold figure. MD confirmed that this figure fitted in with the Council's Medium Term Financial Strategy. The Working Party **agreed** the £180k affordability threshold.

DR

(i) **Figure 4: Pricing Sliding Scale**
DR presented the Pricing Sliding Scale, which the Working Party considered and noted their comments on how the bids received would be scored. The Working Party then **agreed** a revised scale for scoring. DR to revise document.

DR

(j) **Item 4: Treatment of NNDR relief**
DR noted that the Government had announced plans for NNDR to be localised, and that details of what rate relief any new provider may be eligible to receive would need to be included in the ITT. MD noted that no specific details on how these plans would be implemented were available as yet, and therefore the Rate Relief Policy had not yet been revised to implement these changes. The Working Party noted that the current leisure provider, Aspirations Wellbeing, currently received 80% mandatory rate relief, and not full discretionary rate relief.

DO suggested that the potential operators be advised that, whatever form the new rate relief legislation takes, the new operator would be in "no better, no worse" position financially, Whatever changes were made to the system, the Council would end up picking up the cost or the benefit one way or another, either directly or via changes to the management fee, so it made sense to remove the risk from the bidders at this stage to avoid any uncertainty.

The Working Party **agreed** that the new operator would be in "no better, no worse" position financially in terms of NNDR under the new contract. DR to include this in the ITT.

DR

(k) **Item 5: Sport and Physical Activity Outreach Service**
DR outlined his initial thoughts on the 5 bullet points in Figure 5, which the Working Party considered and noted their comments/questions:-

- DR suggested maps showing leisure activity within the district be prepared, and noted that these could be included in the ITT to show the new operators where the current service is and isn't reaching.
- It was noted that it was not possible at this stage to detail priority wards and parishes due to the absence of baseline data, so the contract would require that data to be collected in year 1 so that priorities could be set thereafter.

DO advised that a map showing the current leisure activity available would be prepared and circulated by e-mail to the Working Party Members for their approval, prior to including it in the ITT documentation. DO to follow up action with KE.

DO/KE

- (l) **Item 6: Priority Outcomes and Performance Indicators**
DR presented Figure 6: Priority Outcomes and Performance Indicators, which the Working Party noted. This document had been considered at several previous meetings.

The Working Party **approved** the table, subject to completion of the following actions:-

- Revise last paragraph in “high levels of participation....” to read “Priority areas will be identified for year two of the contract, after the indicator information has been collected. This could be based on areas not being reached by the service”. DR to complete.
- DR to replace “reducing the leisure subsidy over the next 10 years” item, which was not relevant as an outcome because the price would be fixed with the award of the contract – it was agreed that this would be replaced with “promoting inward investment in leisure and sport”.

DR

DR

- (m) **Item 7: Leisure Centres and Sport and Physical Activity Outreach Services Specification**

DR confirmed an initial draft of the services specification had been prepared, which would need to be reviewed by the Working Party. Cllr GGS requested that the document be circulated to the Working Party for their comments; DR/SP to complete.

**DR/SP – LPWP
Members**

6. Meeting with Browne Jacobson legal advisors – feedback from project initiation meeting

- 6.1. DO/GGS/DR fed back from their initial meeting with Alex Kynoch and Peter Ware from Browne Jacobson, and noted the discussion centred on the current contract and the proposals for the new contract. DO noted that a review of the services specification and the new contract would need to be undertaken once it had been reviewed by the Working Party; this was to identify in gaps in the information being given. DO had asked Browne Jacobson to provide a cost for this work, which would be in addition to their current legal advice contract. The Working Party approved this course of action.

- 6.2. The Working Party then **agreed** the following actions with the review of the contract documentation:-

- Working Party Members to review the draft service specification and fill in gaps where known and provide their comments back to DR – deadline 18 March. Document to be circulated by Monday 7 March.
- Once review had been completed by the Working Party, DR would revise the document and the revised version would be forwarded to Browne Jacobson to complete any gaps, etc as required. Deadline – start 22 March, to be completed by 22 April.

**LPWP Members –
DR**

**DR – DO – Browne
Jacobson**

7. **Consider request from NCC – free or subsidised use of leisure facilities for Looked After Children and Care Leavers**

- 7.1. DO presented a letter received from Northamptonshire County Council with a request to provide free or subsidised use of leisure facilities for Looked After Children and Care Leavers. DO advised he had also sent the letter to the current provider, Aspirations Wellbeing, for their consideration for 2016/17.

The Working Party **agreed** to support this proposal, and that a concessionary scheme should also be provided. DR to include in the ITT documentation.

DR

DO **agreed** to respond to Northamptonshire County Council advising of the Working Party's decision.

DO

8. **Date of Next Meeting**

- 8.1. Cllr GGS suggested that a meeting of the Working Party be called if necessary to complete any outstanding actions arising out of the review of the specification. A date was agreed as 23 March 2016 at 2pm. This meeting would be called at the Chairman's discretion, should it be required. Cllr GGS to advise SP.

All

Cllr GGS/SP

A further meeting of the Working Party was agreed for Wednesday 6 April 2016 at 10am in the Members Room.

All

DO/GGS/SP 7.3.16

Minutes approved at Leisure Procurement Working Party 6 April 2016