



COMMITTEE TITLE: Finance, Assets, Investments and Recovery Committee

DATE: 13 September 2023

REPORT TITLE:	Leisure Contract – Brentwood Centre and Hartwood Pavilion in King George's Playing Fields.
REPORT OF:	Phoebe Barnes, Director of Assets and Inward Investment

REPORT SUMMARY

The Brentwood Leisure Centre and Hartwood Pavilion in King George's Playing Fields is currently managed by Everyone Active (SLM) and their contract is due to expire on 1 October 2023. The Council is looking to extend the contract until 31 March 2025 and during that period draw up the tender documents to go out in 2024 for a longer-term leisure contract. This short extension aligns with expiration of the Leisure Contract for Rochford District Council's leisure facilities. It is proposed to do a joint tender for the leisure facilities across Brentwood and Rochford from 1 April 2025. In order to inform the specification for the tender document both authorities Council needs to undertake a condition survey and feasibility study to understand the investment that the Council's and the operator will need to make over the term of the contract. A separate report is going to the Executive Group at Rochford District Council

RECOMMENDATION

R1: Agree to extend the existing Leisure Contract with Everyone Active until 31 March 2025.

R2: To appoint Sports, Leisure and Culture (SPL) consultants to undertake feasibility study and provide support with the procurement of a new combined leisure contract for the management and operation of the following facilities across Brentwood and Rochford:

- Brentwood Leisure Centre
- Hartwood Pavilion (including Splash pad and Adventure play) in King George's Playing Fields
- Clements Hall Leisure Centre
- Rayleigh Leisure Centre

R3: Refer the report to the Housing, Health and Community Committee for information

SUPPORT ING INFORMATION

1.0 REASON FOR RECOMMENDATION

1.1 Brentwood Borough Council needs to develop a robust and evidenced based a feasibility study on potential investment options at the Brentwood Centre. This will be informed by the following information:

- Engagement with internal and external stakeholders and partners to understand local needs and aspirations for the facility.
- Assessment of supply and demand for different facilities and, taking into account the size and demographics profile of the identified catchment population
- Assessment of potential options, including energy saving opportunities and a clear rationale and evidence base for the preferred option.
- Drawings and accommodation schedules
- Budget cost estimates and project delivery programmes which set out the timeframes for procurement, detailed design, planning and construction.
- Revenue business plans based on robust assumptions and market insight.
- Collation of all outputs into a report outlining key findings, conclusions and recommendations which will be presented to the relevant committee.

1.2 Both Brentwood Borough Council and Rochford District Council are looking to appoint Sport, Leisure and Culture (SLC) consultants to undertake the feasibility on the leisure facilities across both authority areas. This includes:

- Brentwood Centre (Brentwood)
- Hartwood Pavilion – including splash pad and outdoor adventure play (Brentwood)
- Rayleigh Leisure Centre (Rochford)
- Clements Hall Leisure Centre (Rochford)

SLC are on an ESPO (Public Sector Procurement) Framework Agreement (reference 664_21) so contracts can be directly awarded through the framework and any appointments are based on cost and quality as part of the Value for Money assessment. SLC are authors of Sport England's Leisure Services Delivery Guidance and a leading strategic advisor to local authorities commissioning future management arrangements.

1.3 The next stage is for SLC to support the Council through the procurement process, developing a procurement strategy which will identify the Council's strategic priorities, investment plans, length of contract, procurement route, risk profile and evaluation framework.

1.4 SLC will support in the outcomes-based service specification, delivering the Council's strategic priorities for the services over the next decade. The contract will have a strong partnership ethos measured through key performance indicators.

1.5 The new contract will be based on the Sport England template which reflects the Council's appetite for risk and is acceptable to the operator market. This market was affected during Covid 19 and also more recently by the Cost-of-Living crisis.

- 1.6 The new contract arrangements will be informed by stakeholder and wider public engagement.
- 1.7 All tender documents will comply with the Public Procurement Regulations and be overseen by the Council's procurement officer and together with SLC, support the Council through all stages of the formal process including:
- Support in responding to bidder clarifications at each stage.
 - Evaluation of the Standard Selection Questionnaire (SSQ), and initial and revised tender submissions.
 - Facilitating dialogue with bidders at the appropriate stage.
 - Tender outcome report and supporting the contract award process.
 - Briefing to Project Board / Members at the key stages as required.
 - Provide support during the mobilisation phase.
- 1.8 It is important that the Council's looks at how its leisure facilities can further support the wider health and wellbeing outcomes for its residents as part of a whole system approach and how we target inactive and less active populations.
- 1.9 A joint contract will have a greater appeal to the operator market, providing a more significant portfolio under a single contract that either council could offer by themselves.
- 1.10 Establishing a risk share for the contract and a suitable timeframe for the tender process will also help to optimise the outcome for the Council.
- 1.11 Increases in construction costs may mean that investment options may be less affordable to the Council than in previous years. The financial business case will be balanced alongside the potential increase in social value and stronger health and wellbeing outcomes. This will be tested through the procurement process.
- 1.12 The two Councils could have differing priorities so it is important that on the future design of facilities and services there will be early engagement with elected members to ensure consensus and understand the overall affordability of the future service, balancing financial and social return. A few investment options will be developed to understand the likely affordability of each. This will enable the Council to establish a minimum financial threshold for compliance and the development of a service specification and contract that is financially sustainable for the Council.
- 1.13 There are also non-financial advantages to having joined-up service across the local area which will enhance the service offer for customers by enabling access to more facilities as part of their membership offer and harmonised pricing, for example.

2.0 BACKGROUND INFORMATION

- 2.1 The Brentwood Leisure Centre had been managed by Brentwood Leisure Trust until it went into liquidation in November 2020. At that point Brentwood Borough Council took over the direct management of the leisure centre with consultative support from Everyone Active.
- 2.2 In October 2021 Everyone Active took over the direct management of the leisure centre and in April 2022 also took over the management of the newly opened Hartswood Pavilion, Splash Pd and Outdoor Adventure Play in King George's Playing Fields.
- 2.3 The initial contract was up until 30 September 2023.
- 2.4 In order to align the leisure contracts at Brentwood Borough Council and Rochford District Council as part of the strategic partnership it is proposed to extend the existing contract with Everyone Active until March 2025, to mirror the expiration of the leisure contract at Rochford. It is proposed that Brentwood Borough Council and Rochford District Council undertake a joint procurement for new leisure operator to manage the following four sites:
- Brentwood Centre
 - Hartswood Pavilion (including splash pad and outdoor adventure play)
 - Clements Hall Leisure Centre
 - Rayleigh Leisure Centre

It is also proposed that the Football Hub once built will also form part of the leisure contract.

3.0 OTHER OPTIONS CONSIDERED

- 3.1 If Brentwood Borough Council were to undertake the feasibility and procurement process on its own then the costs for the Council would increase whereas undertaking it jointly with Rochford District Council reduces the costs to both authorities.
- 3.2 The Council looked at other consultants that are on the same framework to look at maximising the value for money. By utilising an existing framework, a direct appointment can be made, and in turn speeds up the procurement process.
- 3.3 Officers have also contacted other Essex authorities to see if any are interested in joining Brentwood and Rochford Council's in this process. There was limited interest, but both Councils need to be aware that there are time pressures to get a new leisure contract in place by 1 April 2025.

4.0 RELEVANT RISKS

- 4.1 SLC manages between 60-70 major consultancy projects per annum and have gained a reputation around their expertise, quality assurance and appointment of a team to deliver within the desired timescales.

- 4.2 Establishing an acceptable risk share for the contract and a suitable timeframe for the tender process will also help to optimise the outcome for the Councils.
- 4.2 The investment options might involve remodelling/refurbishment rather than any wholesale redevelopment of facilities. There will be a strong focus on the commercial return on the options to strengthen the business case for investment.

5.0 ENGAGEMENT/CONSULTATION

6.0 FINANCIAL IMPLICATIONS

Name & Title: Tim Willis, Director – Resources & Section 151 Officer

Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk

By procuring a joint contract, the Councils are able to realise savings of c. £17,500 each on this consultancy support.

Project stages – feasibility	Project fees
Stage 1 – Project inception, needs assessment and facility mix development	£9,525.00
Stage 2 – Options development	£3,301.75
Stage 3 – Design Development	£2,672.00
Stage 4 – Reporting	£4,377.75
Total sub total	£19,876.50
Project stages - Procurement	
Stage 1 – Project inception	£1,218.75
Stage 2 – Procurement strategy	£7,475.00
Stage 3 – Procurement documents	£5,525.00
Stage 4 – Tender process and evaluation	£11,325.00
Stage 5 – Contract award and mobilisation	£2,112.50
Project management	£4,875.00
Total sub total	£32,531.25
Total costs to Brentwood Borough Council	£52,407.75

The costs for these works will be met out of existing reserves.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

Name & Title: Claire Mayhew, Acting Joint Director – People & Governance & Monitoring Officer

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If the Councils procure external legal advisors to support the development and award of the new contract, this will also yield significant additional savings compared with procuring legal support for the development of two separate management contracts.

8.0 EQUALITY & HEALTH IMPLICATIONS

Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health

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The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a. Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- b. Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c. Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

The Council's leisure facilities support the wider Health and Wellbeing agenda that supports our residents to maintain healthy and active lifestyles.

9.0 ECONOMIC IMPLICATIONS

Name & Title: Phil Drane, Director - Place

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Maintaining and developing the wide range of facilities is important to ensure that Brentwood remains a great place to live, work and visit.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Brentwood Centre procurement - Community Environment and Enforcement Committee	9 March 2021