



COMMITTEE TITLE: Housing Health and Community Committee

DATE: 15 January 2024

REPORT TITLE:	Leisure Procurement Strategy
REPORT OF:	Phoebe Barnes, Director of Assets and Inward Investment

REPORT SUMMARY

Brentwood Borough Council (BBC) and Rochford District Council (RDC) under the strategic #OneTeam partnership are commencing the procurement of a new combined management contract of their leisure facilities and services.

The key purpose of the Procurement Strategy is to set out the Council’s approach to the procurement process. The strategy will establish a suitable balance between meeting both Council’s requirements and making the opportunity attractive to the market as well as setting clear strategic direction for development of the contract and procurement documents.

BBC’s existing contract with Everyone Active will terminate on 31st March 2025. In order to secure economies of scale and to attract interest from the operator market, it is proposed to use the nationally recognised Sport England contract template as a basis for encompassing both authorities’ facilities and services. The new contract would commence on 1st April 2025.

The Council’s Procurement Strategy (**Appendix A**), which has been developed through consultation with the cross-party Leisure Working Group includes:

- The Strategic Objectives for the future delivery of leisure services across the Brentwood Borough
- A clear scope of services that are complementary and appeal to the operator market.
- The proposed contract term including extension periods.
- The proposed procurement route to ensure it meets the Councils’ requirements, timeframes and is appealing to the operator market.
- The proposed risk profile between the operator and Council for key areas of responsibility such as maintenance and utilities
- The proposed use of variant bids to test different scenarios.
- The proposed weighting of Price / Quality for the evaluation of bid submissions.

RECOMMENDATIONS

R1 - Brentwood Borough Council procures a joint leisure operator with Rochford District Council

- R2 -** To agree the Leisure Working Group proposed Procurement Strategy as per **Appendix A**.

SUPPORT ING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

1.1 The benefits of a joint leisure contract is as follows:

- **Improved management fee** – operators can achieve economies of scale over a larger portfolio therefore the financial payment to manage the sites will be less under a joint contract.
- **Attractive to Operators** – there is an opportunity to the market to capture a larger market share through a single procurement process, with a larger contract being deemed as more prestigious. An operator bidding on one contract rather than two will be more efficient for the potential operator regarding their own bidding resources.
- **Improved Quality of Service** – a joint procurement offers the opportunity to potentially have access to additional facilities and the opportunity to set consistent quality standards.
- **Shared contract management** – the Council’s client role will deliver efficiency and there will be consistency of service reporting by a single operator.
- **Reduced Procurement and legal costs** – the Council will be able to share costs regarding consultancy and legal support.

1.2 The Procurement Strategy within **Appendix A** sets the Council approach to the procurement process and approval of this strategy enables officers to process with the timelines to ensure that the Council has a new contract in place for the 1st April 2025.

2.0 BACKGROUND INFORMATION

2.1 The current service provider is Everyone Active who were appointed to provide consultancy support in December 2020 as a result of Brentwood Leisure Trust going into administration in November 2020. The current contract is due to expire on 31st March 2025.

2.4 At the September Finance, Assets, Investments and Recovery Committee (FAIR) it was recommended to:

R1: Extend the existing Leisure Contract with Everyone Active until 31 March 2025; and to

R2: Appoint Sports, Leisure and Culture (SLC) 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 and for them to agree to the members of the Leisure Strategy Working Group.

Consultancy appointment and work undertaken to date

- 2.5 Since the decision of the FAIR Committee and the Executive at Rochford District Council, the Councils have procured and commissioned The Sport, Leisure and Culture Consultancy (SLC) to provide consultancy support throughout the procurement of the new contract.
- 2.6 As part of the pre procurement phase of that process SLC is supporting in identifying investment opportunities for the Councils core facilities. The purpose of this work is to identify potential investments which would:
- Enhance the appeal of the contract opportunity within the leisure operator market.
 - Improve the financial performance of the new contract.
 - Deliver enhanced facilities and services to local residents which diversify the offer and better meet need.
- 2.7 In order to identify potential investment opportunities to be tested with the market as part of procurement, SLC has undertaken an initial assessment of need.
- 2.8 SLC have carried out a number of workstreams to understand the community need and market potential. The areas of work undertaken are:
- A review of core documents including condition surveys, previous feasibility studies and strategic planning documents.
 - Market assessments considering the likely levels of demand generated by catchment population against existing and enhanced facilities based on online activity data at a national level and participation survey data.
 - Engagement with key internal and external stakeholders in the Brentwood area identified through discussion with the Council.
 - Public engagement with leisure facility users and the wider public through an online survey.
- 2.9 An online questionnaire hosted on the Council's engagement HQ platform went live for 4 weeks from Friday 13th October 2023 to 10th November 2023. Hard copy questionnaires were also available to the public.
- 2.10 From this survey key themes have emerged around the need for accessible, affordable and diverse opportunities to be physically active. The full analysis of the needs assessment is in **Appendix B**.

Leisure Working Group

2.11 The cross-party Leisure Working Group was established as one of recommendations of the September Housing, Health and Community Committee, and consists of the following members:

- Cllr Dr Tim Barrett (Chair)
- Cllr Vicky Davies
- Cllr Stephen Mayo
- Cllr Will Russell
- Cllr Cliff Poppy

The terms of reference of the leisure working group are attached in **Appendix C**.

2.12 Meeting of the working group have been held as follows:

6 October 2023 – to provide overview of timescales and milestones presented by SLC, presentation regarding key purpose of procurement strategy, developing strategic objectives and reviewing the key themes from stakeholder and public engagement.

4 December – The draft procurement strategy was presented to the working group with recommendations for them to consider, agree or propose amendments ready to go to the Housing, Health and Community.

Next Steps

It is proposed that subject to Members approval of the Procurements Strategy the timescales and key milestones are tabled below in order to meet the required contract start date.

Workstream	Date Required by
Procurement strategy approval	31 st January 2024
Development of tender documents	29 th February 2024
Contract Notice	4 th March 2024
Selection Questionnaire Submissions	8 th April 2024
Initial Tender Submissions	29 th July 2024
Dialogue with Bidders	Early September
Revised Tender Submissions	28 th October 2024
Evaluation	November
Contract Award	December (Full Council)
Mobilisation	January 2025 – March 2025
Contract Start Date	1 st April 2025.

4.0 FINANCIAL IMPLICATIONS

Name & Title: Tim Willis, Director – Resources & Section 151 Officer
Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk

4.1 It was agreed at Finance, Asset, Inward Investments and Recovery Committee (13 September 2023) that the total costs for the Leisure Procurement Strategy is £52,407.75 are to be met out of existing reserves.

Any building condition survey works are met through existing budgets.

4.2 The financial implications from building condition survey and tendering a new operator will be captured as part of the Budget Setting for 2025-26.

5.0 LEGAL IMPLICATIONS

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

Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk

5.1 External legal support for the contract writing will be procured to support the Council this would need to be met from Reserves.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 See under financial implications.

7.0 RELEVANT RISKS

7.1 Members of the working group have raised some perceived risks. These risks and mitigating actions are detailed as follows.

7.2 Cross subsidising between Councils – there may be a perceived risk that the relative quality and performance of facilities in one authority will have a negative effect upon the other. However, this is alleviated by the fact that the contract, whilst combined, would allow for sovereign financial arrangements for each Council. Financial submissions received from bidders during the tender process will show projected income and expenditure broken down by each facility. This will reflect bidders' views on the strengths / weaknesses of specific facilities. The resulting management fee for each specific facility would then be apportioned to each authority i.e. the management fee for Brentwood BC would include The Brentwood Centre and Hartswood Pavilion and for Rochford DC would include Clements Hall and Rayleigh LC.

In the event of under-performance of a particular facility compared to the bid submission, the operator will still be contractually bound to deliver the same management fee.

In the event of over-performance of a particular facility compared to the bid submission, a profit share mechanism can be structured so that it provides a return to each Council separately, depending on which facility(ies) is over-performing.

7.3 Risk of local focus – there may be a perceived risk of a joint contract losing local focus and adopting too much of a 'broad-brush' approach to both Brentwood Borough and Rochford District. However, this can be alleviated by specifying a need to have separate service plans and programmes that are specific to each area. For example, targeted outreach programmes would

need to be developed for each area to ensure they are focused on those specific groups and localities who are less active.

Single contracts are delivered successfully in many local authority areas which have diverse populations living in both urban and rural, more affluent and less affluent areas. The delivery of services that are bespoke to specific areas is a key requirement of these single contracts and there is no reason this should be any different for Brentwood Borough and Rochford District.

- 7.4 Risk of the Councils ending their joint working arrangements during contract term – Members have asked what will happen to the contract if the Councils decide to cease their joint working arrangements during the term of the contract. This scenario would require input from legal officers but SLC's initial view is that the contract, if structured correctly, could remain in place for the remaining term along with the sovereign financial arrangements. There would obviously be a change in the way the contract is managed assuming the client management role is also separated but this would not be insurmountable.
- 7.5 Risk of poor performance in one (or both) areas – there is a risk that performance is better/worse in either Brentwood Borough or Rochford District which could lead to dissatisfaction in one authority. However, SLC consider this risk to be low as the operator will apply the same procedures and quality standards across all facilities. Also, the contract will include a robust performance management framework which provide the Councils with suitable leverage to address poor performance. This, combined with a strong approach to contract management by the Councils' client team will avoid any inconsistencies in service quality across the two areas.
- 7.6 The current project for the Leisure Procurement is currently RAG rated as amber. There are two identified risks from the project perspective, these are
- 7.7 The joint procurement is not formally approved by BBC Committee or RDC Executive in January, resulting in a delay to the contract start date and the Council having to extend its current contract that is in place. Clear messaging and the benefits of a joint procurement have been provided through member briefings in order to satisfy member concerns.
- 7.8 The project programme has tight timescales and a lot of documentation to develop and information to gather prior to publication of contract notice in March. With the Procurement Strategy being approved in January SLC and officers have been developing draft documents to be progressed in advance of formal sign off.
- 7.9 The overall Project Risk RAG Rating remains Amber due to the risks linked to the potential continuing uncertainty regarding the joint contract and the tight programme. These risks are being managed proactively and the project is being well supported by regular communication with the Councils' project team through fortnightly meetings.

8.0 ENGAGEMENT/CONSULTATION

The details of the Engagement and Consultation that has occurred to date and detailed within **Appendix B**.

9.0 EQUALITY & HEALTH IMPLICATIONS

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

Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk

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 and the leisure procurement ensures that facilities are accessible to all residents.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

Name & Title: Henry Muss, Sustainability & Climate Officer

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A requirement to support the Councils commitment to work towards becoming carbon neutral by 20230 for its own operations has been built into the Councils objectives within the leisure procurement strategy.

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APPENDICES

Appendix A – Leisure Procurement Strategy

Appendix B – Needs Assessment

Appendix C – Leisure Working Group Terms of Reference

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Leisure Contract feasibility and procurement - Finance, Asset, Investment and Recovery Committee	September 2023
Leisure Contract feasibility and procurement - Housing, Health and Community Committee	September 2023