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CUSTOMERS AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL

SUPPLEMENT

DATE: MONDAY 14 MARCH 2011

TIME: 2PM

PLACE: COUNCIL HOUSE, NEXT TO THE CIVIC CENTRE

Committee Members-

Councillor Ball, Chair.

Councillor Coker, Vice Chair.

Councillors Mrs Beer, Mrs Bragg, Delbridge, Martin Leaves, Mrs Nicholson, Smith and Vincent.

Co-opted Representatives-

Dr A Jellings and Mr C Singh.

Substitutes-

Any councillor other than a Member of the Cabinet may act as a substitute member.

Councillors are invited to attend the above meeting to consider the items of business overleaf.

Councillors and officers are requested to sign the attendance list at the meeting.

Please note that, unless the Chair agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used during meetings.

**BARRY KEEL
CHIEF EXECUTIVE**

CUSTOMERS AND COMMUNITIES OVERVIEW AND SCRUTINY PANEL

PART I (PUBLIC COMMITTEE)

AGENDA

- 6. PLYMOUTH CITY COUNCIL LEISURE MANAGEMENT CONTRACT SELECTION OF THE PREFERRED BIDDER AND CONTRACT AWARD (TO FOLLOW) (Pages 1 - 4)**

The panel will consider the Plymouth City Council Leisure Management Contract selection of the preferred bidder and contract award.

14. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE PANEL)

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

- 15. PLYMOUTH CITY COUNCIL LEISURE MANAGEMENT CONTRACT SELECTION OF THE PREFERRED BIDDER AND CONTRACT AWARD (E3) (TO FOLLOW) (Pages 5 - 24)**

The panel will consider the Plymouth City Council Leisure Management Contract selection of the preferred bidder and contract award.

CITY OF PLYMOUTH

Subject: Plymouth City Council Leisure Management Contract:
Contract Award

Committee: Cabinet

Date: 29 March 2011

Cabinet Member: Councillor Bowyer and Councillor Brookshaw

CMT Member: Director for Community Services

Author: Tony Hopwood, Programmes Director

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Ref: *Leisure Management Contract_Contract Award Part
I_V.1.01.doc*

Key Decision: Yes

Part: I

Executive Summary:

The selection of the Preferred Bidder has been made by the Executive Programme Board. Cabinet is therefore requested to approve the award of the Plymouth City Council Leisure Management Contract to the Preferred Bidder, Sports & Leisure Management Ltd. (SLM) as a result of their submitting the most economically advantageous tender through the competitive dialogue process. Officers are currently concluding the form of the contract documentation by a process of clarifications with the Preferred Bidder.

An Outline Business Case: The Future Management Options of Plymouth Leisure Facilities (Part II - Exempt) was presented to Plymouth City Council Cabinet on the 15 July 2008 and subsequently endorsed to proceed. The business case identified that there was not an option to continue with the 'status quo', as three existing workforces (Plymouth City Council employees, Theatre Royal (Plymouth) Ltd employees, and Mayflower Leisure Trust II employees will come together within The Plymouth Life Centre. It was also subsequently agreed by Cabinet and the Devonport Community Leisure Ltd to include both Brickfields Sports Centre and Brickfields Recreation Ground Facilities.

It was acknowledged that this was a complex situation, which required a coherent new management structure, which would ensure a successful and sustainable agreement for future generations. In addition there was also an opportunity to review historic leisure management arrangements, which have been fragmented and ad-hoc, and to see a best value Contractor for all Council leisure operations across the city, as noted from previous best value inspections.

If approved, SLM will manage the following facilities: Plympton Swimming Pool, Mount Wise Pools, Tinside Lido, Brickfields Sports Centre, Brickfields Recreation Ground and the Plymouth Life Centre. Central Park Leisure Pools and the Mayflower Leisure Centre will close once the Plymouth Life Centre is opened in the autumn of 2011.

Corporate Plan 2010-2013 as amended by the four new priorities for the City and Council:

Delivering Growth

The new leisure management operator will be responsible for managing a number of leisure facilities including the new Plymouth Life Centre. There will be a net increase in the number of jobs over the current service given the improved range of facilities that will be on offer.

Raising Aspiration

The international quality facilities offered by the Plymouth Life Centre will serve to raise the aspirations of people from all backgrounds and at all levels of ability throughout Plymouth and the peninsular.

Operating the facilities in a cost-effective partnering arrangement will enable the operator to focus on excellent service levels and to also work with PCC to develop sporting initiatives and increase participation in sport across the peninsular.

The opportunity to host regional, national and international events will further serve to raise the aspirations of the community, as will the opportunity for all sections of the local population to use world class facilities.

Reducing Inequalities

There is provision in the Leisure Management contract to ensure that participation in sporting activities is increased across the city with a strong focus on particular target groups.

The leisure operator will focus on increased participation and take-up of sporting and health related activities and assist by both the provision of the facilities and also cost effective pricing structures.

Value for Communities

By contracting with the private sector to deliver leisure services we will be able to improve the delivery of service to customers and use their skills to consistently deliver new and innovative ways of transforming service delivery and efficiently delivering exciting services at prices that are affordable to all.

Implications for Medium Term Financial Plan and Resource Implications:

Including finance, human, IT and land

The ten year contract price bid by Sports & Leisure Management Ltd is lower than the estimated existing cost of the service for the next ten years. The final contract price is subject to fine tuning as part of the normal process of finalising the contract and may in fact be reduced. The bid prices for each year will increase by RPIx (retail price index excluding mortgage interest payments).

There may be options for the Council to purchase some of the Plymouth Life Centre fitness equipment in advance rather than through the contract and officers will be exploring this option with SLM to establish the most value for money approach.

The staff employed by the Council at the existing leisure facilities will be transferred to the new operator under TUPE regulations.

Devon Audit Partnership has been fully engaged throughout the competitive dialogue process, have attended meetings and been consulted at every stage of the procurement to ensure that it has been undertaken efficiently, effectively and transparently.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

Health and Safety issues will be managed primarily by the Leisure Operator who has submitted detailed method statements for the operation of all of the facilities.

Contract conditions have been used to ensure the protection of children, young people and vulnerable adults.

The project provides mechanisms aimed at increasing the numbers of people participating in sporting activity, bringing more visitors to Central Park and therefore improved natural surveillance improving community safety.

Recommendations & Reasons for recommended action:

1. To note the selection of the Preferred Bidder by the Executive Programme Board and to approve award of the Plymouth City Council Leisure Management Contract to Sports & Leisure Management Ltd. with the resolution of final clarifications being delegated to the Programme Board.
2. To delegate authority to the Executive Board for the engagement of Sports & Leisure Management Ltd. to develop and implement early mobilisation plans as facilitated by the procurement process.
3. To delegate the authority to the Executive Board to consider whether any contract savings can be used to offset future life cycle replacement costs to meet the Sport England funding requirements of the Plymouth Life Centre. This will be dependent on the final contract price and the profiling of it for each year, and other Council priorities.

Alternative options considered and reasons for recommended action:

To Do nothing and continue running the services in house

There was not an option to continue with the status quo. The amalgamation of at least three existing work forces to deliver the Plymouth Life Centre by an in-house team will create a budget pressure as set out in summary and recommendations of the business case. This has been further reinforced by the fact that the external bid price is lower than the existing in house provision

To appoint another Bidder.

This option would be contrary to the Public Contract Regulations 2006 (as amended) requirements which state that the contracting authority shall award the contract to the bidder which submits the most economically advantageous solution.

To not appoint SLM as the preferred bidder and re-tender

This option would not enable sufficient time to re-tender the services in order to allow a planned opening of the new facilities at Plymouth Life Centre. There would also be a risk that the market would not be prepared to invest time and resources in tendering for the services following the Council withdrawing from the current process

Background papers:

Plymouth Leisure Management Contract: Contract Award Report (Part II) Not for Publication by virtue of Category 3(a), 3(c) and 3(d) of paragraph 10.4 to Part 5 of the Constitution of Plymouth City Council

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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