

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Portfolio Holder Advisory Group on Leisure Management **Date:** Thursday, 17 September 2015

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 6.30 - 7.45 pm

Members Present: H Kane (Chairman), G Chambers, R Jennings, P Keska, G Shiell, E Webster and J H Whitehouse

Other Councillors: C Whitbread, S Stavrou, A Lion, D Stallan and G Waller

Apologies: R Morgan

Officers Present: D Macnab (Deputy Chief Executive and Director of Neighbourhoods), J Nolan (Assistant Director (Neighbourhood Services)), J Chandler (Assistant Director (Community Services)), S Alford (Principal Accountant), F Sheikh (Legal Officer), J Warwick (Sports Development Manager) and G J Woodhall (Senior Democratic Services Officer)

Also in attendance: R Thompson (Consultant)

5. TERMS OF REFERENCE

The Group noted its Terms of Reference.

6. NOTES OF THE LAST MEETING

Resolved:

(1) That the notes of the last meeting of the Portfolio Advisory Group on Leisure Management, held on 16 June 2015, be taken as read and agreed as a correct record.

7. BUSINESS CASE AND PROCUREMENT STRATEGY FOR THE NEW LEISURE MANAGEMENT CONTRACT

R Thompson from RPT Consulting gave a presentation to the Group on the Business Case and Procurement Strategy for the new Leisure Management Contract.

The presentation considered the following issues:

- The key outcomes for facility investment;
- Existing costs for the current contract;
- Development options for the current facilities;
- The financial implications of the development options;
- A summary of the development options;
- Procurement routes available to the Council;
- Procurement options;
- The typical stages of a Competitive Dialogue process;
- Specification and contract;
- Evaluation model structure;

- Evaluation criteria – 2/3 tier scoring;
- Bid requirements – mandatory and variant; and
- Recommendations, including the use of the Competitive Dialogue process for the new contract.

R Thompson added that the Procurement Strategy was based on the Leisure and Culture Strategy agreed by the Council in 2014, which included the continued provision of Leisure Facilities and the background data gathered therefor. The offer of a 20-year Contract, and the use of Competitive Dialogue during the procurement process, would permit greater flexibility than in the past. The tendering of the new contract would be advertised through the Official Journal of the European Union (OJEU) and the Leisure Industry press. The Pre-Qualification Questionnaire (PQQ) process was outlined for the benefit of the Group.

D Macnab informed the Group that a new Leisure Centre at North Weald was one option which had emerged from the Masterplanning exercise undertaken in 2014, which had been added to the Evidence Base for the new Local Plan. The Examination in Public for the Local Plan was expected to happen in 2018, and the provision of a new Centre in North Weald had only been included as a variant bid at the current time. The assumption for the new contract was that the Council would be providing Leisure Centres in both Ongar and Epping until such time as a decision was taken as to whether to build a new Centre in North Weald. The Competitive Dialogue process would allow a decision on a new centre at North Weald to be taken, after full consideration of all the issues and factors – financial or otherwise. It was reiterated that no decision had been taken as of now to build a new Centre at North Weald, and it was simply an option under consideration.

The possible development of housing at North Weald as part of the new Local Plan made it a good location for a new centre, as well as being equidistant between Epping and Ongar; the possible co-location of health and leisure facilities at North Weald would also be considered. It was expected that a Learner Pool and Wet Play Area would be provided at any new centre in North Weald as part of the wet facilities. The existing provision at Epping and Ongar would be maintained until the new facility was ready to open, and it was expected that the existing staff would be retained and transferred to the new facility.

R Thompson reaffirmed that if a new facility was built at North Weald, and the Academy took over the current facility at Ongar, then the current facility at Epping was expected to close and the Council would move to a three-Centre Strategy in the future. The assumption that residents would happily drive or ride on public transport for 20 minutes to a Leisure Facility would conform with a possible 3-Centre Strategy.

D Macnab stated that the Council had signed a lease agreement with Ongar Academy to use Ongar Leisure Centre until the new Academy was built. It was expected that the Academy would request a dual use arrangement for Ongar Leisure Centre when its building phase was complete. In the event that the Council no longer wished to manage Ongar Leisure Centre if a new facility was provided elsewhere, it was doubtful whether the Academy would wish to continue with the Swimming Pool if they took over the current Leisure Centre in Ongar. Although it was expected that community use of the Sports Hall would be encouraged by the Academy as happens elsewhere. D Macnab advised the Group that local schools often let their Leisure facilities out to local clubs and groups during the evenings and weekends; R Thompson added that Epping Forest's provision of Leisure Facilities was based around swimming pools, which most schools were not interested in running or maintaining. This would be decided in discussions with the Academy at the appropriate time. Cllr Keska commented that the Leisure Centre at Ongar was used

by residents from Ongar and the surrounding villages, and that it had a large catchment area.

R Thompson explained that the site at Waltham Abbey would be developed when the new contract had been signed, probably from September 2016 onwards. It was expected that a 'Learner' Pool would also be provided at Waltham Abbey, and that a 25 metre Swimming Pool would be suitable for amateur competitions. R Thompson informed the Group that there would be no community benefit from selling Loughton Leisure Centre to a private company, such as David Lloyd Leisure Limited. Such companies operated private membership schemes for their facilities, and they would want to demolish the existing facility and rebuild it.

Cllr Whitbread welcomed the offering of a longer term contract and the increased flexibility in the new contract. R Thompson outlined the recommendations from the Procurement Strategy for the Group to consider and recommend to the Cabinet accordingly. D Macnab added that the Council would also need to extend the current contract by up to a further twelve months to allow the procurement process for the new contract to complete.

Recommended (to the Cabinet):

(1) That the Business Case and Procurement Strategy for the Council's new Leisure Management Contract be agreed, which would:

- (a) be through a Design, Build, Operate and Manage contract for a period of 20 years and deliver a new build replacement for Waltham Abbey Swimming Pool;
- (b) be based on the affordability levels identified seeking to maximise the return on investment;
- (c) consider a detailed variant Business Case to include operating costs for a potential new Leisure Centre development at North Weald, with the option to either replace or retain Ongar and Epping Sports Centres;
- (d) enable the market to present options which were commercially more favourable to the Council; and
- (e) utilise the evaluation criteria within the Procurement Strategy to select the best future management partner; and

(2) That, in accordance with the Business Case and Procurement Strategy, the existing Leisure Management contract with Sports & Leisure Management Limited be extended by one year from 3 January 2016, on the existing terms and conditions and with a three month break-clause included.

8. FUTURE MEETINGS

The Group noted that its next meeting was scheduled for Monday 9 November 2015 at 7.00pm.

CHAIRMAN