

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Portfolio Holder Advisory Group on Leisure Management      **Date:** Thursday, 10 November 2016

**Place:** Committee Room 1, Civic Offices, High Street, Epping      **Time:** 6.30 - 7.21 pm

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

**Other Councillors:** R Brookes

**Apologies:** R Morgan

**Officers Present:** D Macnab (Deputy Chief Executive and Director of Neighbourhoods), J Nolan (Assistant Director (Neighbourhood Services)), J Warwick (Assistant Community Health & Wellbeing Manager) and A Hendry (Senior Democratic Services Officer)

**Also in attendance:** R Thompson

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### **7. TERMS OF REFERENCE**

The Advisory Group noted their Terms of Reference.

### **8. NOTES OF THE LAST MEETING**

#### **Resolved:**

That the minutes of the last meeting held on 25 July 2016 be taken as agreed as a correct record subject to noting that Councillor Chambers had raised the issue on parking in Loughton Leisure Centre under minute item 3, paragraph 8.

### **9. EVALUATION OF THE INVITATION TO SUBMIT FINAL TENDERS FOR THE LEISURE MANAGEMENT CONTRACT PROCUREMENT**

The Director of Neighbourhoods informed the meeting that a lot of the information had been relayed to members at their recent briefing. They were looking to formulate a recommendation to put to the Cabinet meeting and then on to full council for the awarding of the contract for the management of the Council's Leisure Services.

R Thompson from RTP Consulting gave a presentation on the final tender evaluations. This stage was where the bidders submitted their best and final offer. All three bidders submitted affordable tenders and following further dialogue and clarification one was selected as the preferred and one the reserve bidder. He presented the results of the Invitation to Submit Final Tenders (ISFT). The meeting noted that their recommendation to award a contract would go to Cabinet on 1 December 2016 and then to Council on 15 December 2016.

Some of the key outcomes were on facility investment, such as the redevelopment of the Waltham Abbey Pool, investment in the Epping and the Ongar Sports Centres and investment in the Loughton Leisure Centre. Also looked at was service delivery and their financial investment, such as securing Capital Investment, improving the revenue position and the surplus share of profits.

Officers evaluated the various criteria on services such as on outcomes, quality/customer care, operational delivery, sports development, staffing, health and safety and on technical matters, such as development/design, planning risk, design and maintenance proposals and their environmental approach. Also, on commercial matters such as usage, expenditure and revenues, affordability, contract acceptance, capital costs, delivery and risks. These were evaluated and rated using a scoring system from 0 to 5. Zero being unacceptable and five being excellent.

It was noted that all three bidders were established operators with experience of delivering development schemes and were within affordability levels presented by the Council. They had all submitted plans for the redevelopment of Waltham Abbey and also significant investment in health and fitness in Loughton and to refresh and enhance health and fitness in Epping and Ongar. They also provided indicative revenue projections for the new North Weald Leisure Centre.

For Waltham Abbey, all bidders proposed 6 lane, 25 metre pool plus learner pool, enhanced health and fitness plus two studios and a community room. They took into account the planning statement linked to shopping precinct, plus the provision of parking. The three bidders also provided different design solutions for the leisure centres.

All three bidders proposed significant increase in participation and to focus on GP referrals and health support sessions along with prioritising the young and the elderly, while retaining the existing pricing in accordance with specifications.

The bidders also provided a financial overview of their bids providing savings on existing services of between £0.8m and £1million per annum. Indicative car parking costs were also taken into account, although all costs were considered to be indicative at this stage.

Taking the detailed bids into consideration and applying officers evaluated and scored using the established system. The resulting totals were as follows:

- Bidder A – 74.3%;
- Bidder B – 81.4%; and
- Bidder C – 77.1%.

Bidder B scored highly across all areas and would deliver: financial benefits to the Council greater than £1million per annum; a new Waltham Abbey pool and investments in Loughton but with the lowest investment for the North Weald Leisure Centre. They had promised a 55% increase in participation and would deliver savings from year 1.

Bidder C came second in the evaluation with a financial return second to Bidder B. they also offered the best improvement for the North Weald Leisure Centre and a 40% increase in participation.

Bidder B was thus recommended as the preferred bidder based on their tender evaluations and that Bidder C be appointed as the reserve bidder. If agreed this recommendation would then need to go to the Cabinet meeting on 1<sup>st</sup> December and

then onto Council on 20 December 2016 with a contract start scheduled for 1<sup>st</sup> April 2017. If all goes to schedule then the new Waltham Abbey pool would open in October 2018 and the Loughton redevelopment to open in March 2018.

The meeting was then opened up for questions and comments from the members attending.

Councillor Webster said that she would like to see the three options for the Waltham Abbey Pool where the shops would be in relation to the leisure centre. Mr Thompson and Mr Macnab explained the differences in the bids and what the relationship would be between the shops and the centre and how it had formed the basis of discussions with Sports England and a S106 agreement to be entered into.

Councillor Webster asked if the outline planning applications were refused where that would leave the preferred bidder. She was told that it depended on the grounds for refusal although this should not be prejudged. Councillor Webster commented that they were looking at this from a Planning as well as a Leisure perspective. Mr Macnab said that all three were stand alone applications but could be submitted as a package.

Councillor Jennings asked about the income to the Council; were there any get-out clauses and if so would the charge to the council go up. Mr Thompson said this was based on an average over 20 years of the contract with a fixed profile guaranteed over the contract term. Any surplus and we would get 50% over and above that.

There followed a long discussion over the proposed car parking charges and the benefits (or not) of having 1 hour free parking and the costs that would fall to the contractor. Councillor Chambers concluded that he could not justify free car parking as much as he would like to. Councillor Keska noted that most users would be more than an hour. Councillor Jennings noted that this would also be a shopper's car park and would also serve the Town Council. He also asked how this would affect the Local Plan. Mr Macnab noted they were also working to a no net loss of car parking to any proposed development. Councillor Brookes agreed that most people would be using it for two hours. Could we not meet them half way and offer them the first hour free? Mr Thompson noted that prices were controlled through specifications and each bidder should have factored this into their costs. People tended to accept car parking fees in urban areas as they have always paid them. Mr Macnab noted that the Leisure Centres tended to open before the car parking fees came into effect and were also open after they finished.

The Chairman asked all councillors around the table and the outcome was not to take the one or two-hour free parking as a recommendation because of the financial implications to the Council. Nevertheless, it was agreed to have negotiations with the preferred bidder regarding a way of providing some free parking time at no cost to the council. And that could go forward as a recommendation to the Cabinet.

Councillor Whitehouse commented that the expected savings of £1million gave the Council scope to return some of the savings to the users. He would like to see the operator have the commercial freedom to offer "incentives" to users to enable them to attend.

Councillor Brookes asked about opening on Bank Holidays and was told that all three bidders had said that they would open at least one centre in the Bank Holidays, but maybe not for the full hours. This was also in the specifications so that they had no choice in this.

The group agreed to recommend that Bidder B be appointed the preferred bidder and that Bidder C be appointed the reserve bidder.

The Chairman thanked the members for their hard work over the past year and noted that a full confidential report would be going to the December Cabinet and Council meetings. This would be the last meeting for this advisory group and that it would now stand as disbanded.

**RESOLVED:**

- (1) That Members recommend to Cabinet that Bidder B be awarded preferred bidder status and that Bidder C be designated reserve bidder;
- (2) And it be recommended that the proposed 1 hour free car parking not be provided and the consequent saving be made. But the group asked officers to have negotiations with the preferred bidder regarding a way of providing some free parking time at no cost to the council

**10. FUTURE MEETINGS**

The meeting noted that this would be the last meeting of this group.