

Report to the Cabinet

Report reference: **LMC-002-2015/16**

Date of meeting: **16 June 2015**



**Epping Forest
District Council**

Subject: **Procurement of the next Leisure Management Contract**

Responsible Officer: **Derek Macnab (01992 564050).**

Democratic Services: **Gary Woodhall (01992 564470).**

Recommendations/Decisions Required:

(1) To consider the use of Competitive Dialogue as the methodology by which to let the new Leisure Management Contract.

Report:

Key Objectives

1. Epping Forest District Council's Key Objectives with respect to the management of its Leisure facilities, are to increase use and activity for all residents, to provide services which are complimentary to and not in competition with facilities provided by others in the District, to improve the range of services offered, maximise external capital investment in the Council's facilities and reduce revenue costs by the minimisation of management fees, to any external management partner.

Future Leisure Management Contract Options

2. As part of the Council's initial decision to seek an alternative provider in 2005, extensive consideration was given to the respective management options available, namely direct management, private sector operator, in-house trust or established trust. An evaluation of the benefits of adopting the particular options was undertaken, and a firm conclusion was reached that outsourcing to a private sector partner or external trust, was the preferred option in relation to the delivery of the Council's Key Objectives.

3. A recent review of these options has reached the same conclusion, particularly as a result of a number of exploratory visits to other authorities who have recently re-let large management contracts, coupled with the increasing feature in the leisure contracting market of private sector companies being willing to invest capital or enter into joint development arrangements, for new or extensively extended leisure facilities.

4. There is a considerable amount of complexity in relation to the procurement of a new leisure management contract for the Council, particularly given the number of variables and unknowns in relation to the condition of buildings and future Service options. Whilst it would be possible to replicate the previous approach, where the Council had specified its requirements in detail through the contract specification, this would have a limiting effect on the contractor. The Council's current operator has already referred to this restriction and has indicated that an alternative approach of competitive dialogue may be preferable.

5. Competitive Dialogue was used to let the Council's new Waste and Street Cleansing

Contract and has proved to be a positive experience, allowing contractors to be innovative and bring forward their own ideas based on their experience of how services could best be delivered. The Council is aware that Braintree District Council and Hinkley Borough Council have recently let their new Leisure Management Contract by way of competitive dialogue, with considerable benefits in terms of reduced revenue costs and capital investment. It is hoped to achieve similar outcomes for the Council.

Leisure Management Consultancy Support

6. Due to the complexity of the proposed approach and the amount of resource required to undertake the procurement process in the required timescale, the Council has engaged the services of specialist consultants to assist.

7. After a competitive process the successful consultant appointment is RTP Consultancy. Robin Thompson of RTP will be present at the meeting and will take Members through the key considerations and proposed approach to the procurement process and will also present an indicative programme.

8. The issue of the requirement to extend to the existing Leisure Management Contract will also be discussed.