

## CABINET

12<sup>th</sup> January 2021

### LEISURE REVIEW PROJECT COMMENCEMENT

#### Report of the Strategic Director for Places

Strategic Aim:	Vibrant communities	
Key Decision: Yes	Forward Plan Reference: FP/201120	
Exempt Information	N/A	
Cabinet Member(s) Responsible:	Mrs L Stephenson, Portfolio Holder for Culture & Leisure, Environment, Highways, Transportation and Road Safety  Mr G Brown, Deputy Leader and Portfolio Holder for Planning and Finance	
Contact Officer(s):	Robert Clayton, Head of Culture & Registration	01572 758435 rclayton@rutland.gov.uk
Ward Councillors	All	

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Authorises the Director for Places to form a Project Board and associated structures (attached as Appendix A) in order to undertake a leisure provision needs analysis, and if required subsequent procurement.
2. Approves the content of the Needs Analysis and Options Appraisal Brief as attached at Appendix B, and authorises the Director for Places and Portfolio Holder for Culture & Leisure to make any necessary subsequent amendments if required.
3. Approves the extension of the present Leisure Management contract with Stevenage Leisure Ltd (SLL) for up to one year (to 31<sup>st</sup> March 2023) if required to complete procurement processes.
4. Authorises the Director for Places and the Director for Resources, in consultation with the Cabinet Member with Portfolio for Finance and the Cabinet Member with Portfolio for Culture & Leisure, to agree financial support for the present Leisure Management Contract of up to £100,000 in 2022/23, subject to interim performance reviews.

## **1 PURPOSE OF THE REPORT**

- 1.1 The Covid-19 Pandemic continues to have a dramatic impact on the country, and although medical science is progressing a number of vaccines, current advice is that it will be many months before life returns to a more normal footing. While the country lives under social distancing restrictions, normal leisure operations have been greatly impacted.
- 1.2 Cabinet approval is sought to form a Project Board to oversee an initial Needs Analysis / Options Appraisal that will underpin decisions on future leisure service provision. Project Board documentation is attached as Appendix A. The Brief for the Needs Analysis is attached as Appendix B.
- 1.3 Cabinet agreed on 16 January and 15 September 2020 that the present leisure management contract for Catmose Sports with Stevenage Leisure Ltd (SLL) could be extended by a year, and financial support could be provided as a result of the impact of the pandemic.
- 1.4 Approval is sought to agree a further one year extension to the current leisure contract, with discretionary financial support, to ensure that if required, sufficient time is available to undertake a robust procurement, and to maximise the chances that a competitive leisure market will be available to respond to the procurement.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 Members will be all too familiar with the impact of the Covid-19 pandemic on the lives of the county's residents. Although following the initial countrywide lockdown, some elements of leisure services were able to resume limited operations over the summer, the second lockdown of November resulted in the closure of many leisure and hospitality businesses, and increased concerns about the viability of operations. Rutland entered "Level 2" restrictions in early December, which has allowed some elements of SLL's services to recommence, however future limitations and restrictions cannot be ruled out.
- 2.2 Rutland's experience has been mirrored across the country, and has led to a number of leisure operators ceasing trading, and most others becoming highly reliant on financial support from their Local Authorities. Under these conditions, the approval previously granted by the Council to extend the contract has proved to be prudent, as the leisure market is currently in a highly fragile state, with financially advantageous contracts extremely unlikely to be secured, as Contractors price in the risks of both longer term national restrictions, and changes in users' previous habits.
- 2.3 Officers have readied the project structures required to undertake a needs analysis and options appraisal to underpin future leisure provision for the County. Cabinet is requested to approve these arrangements, and the initial assessment works. The results of these investigations will be reported back to Scrutiny, Cabinet and Council, in order to secure approval for any future leisure provision, as deemed necessary as a result of the assessments. As the project progresses, if amendments are needed Cabinet is requested to authorise the Director for Places and Portfolio Holder for Culture & Leisure to make any required changes.
- 2.4 As per the Council's agreed project management framework, this project was analysed against the risk matrix and it was deemed a High Risk project – this would entail a governance structure of a project team, reporting into a project board and

using Cabinet at the primary decision making body.

- 2.5 In scoping the timeline for these works, Officers have assessed that there is a risk that work will not be completed before the end of the current SLL contract. It is also likely as time moves on that the leisure market will become more stable and responsive to a more optimistic post-pandemic landscape. Officers therefore request approval to extend the existing SLL contract for one further year, if required, with appropriate break clauses to enable any new leisure contract to be brought on stream as soon as is practical, but in any case by 31<sup>st</sup> March 2023 at the latest.

### **3 CONSULTATION**

- 3.1 The contractual position and potential financial impact has been discussed with the Leader, the Portfolio Holder for Finance, the Portfolio Holder for Culture, the Strategic Directors for Resources and Places, and the Deputy Director Corporate Governance, along with management of Catmose College, the Catmose Sports site owners.
- 3.2 The Needs Analysis work includes engaging stakeholders to ensure that future provision reflects the voices of community, health and wellbeing groups.

### **4 ALTERNATIVE OPTIONS**

- 4.1 Re-procurement of a contract similar to the existing SLL contract could be undertaken by the end of the current contract, however this would not provide Council with any certainty that the provision would meet the present and future needs of Rutland residents, and would be highly likely to result in a significantly less favourable contract than under current arrangements.
- 4.2 The results of the needs analysis / options appraisal, together with a condition survey of the existing assets, will give a clear picture to Council of risks and opportunities that could be realised over the next 10 to 15 years.
- 4.3 Officers are discussing other approaches for leisure service provision with neighbouring authorities, which are facing similar issues. Any opportunities identified will be incorporated in to the Options Appraisal and reported to Cabinet and Council.

### **5 FINANCIAL IMPLICATIONS**

- 5.1 Funding to undertake the project work specified in this report has been included in the 2020/21 budget and 2021/22 draft budget. At this stage no additional funding is required to undertake the project.
- 5.2 Financial support of £100,000 for the additional year of 2022/23 is not built in to the Medium Term Financial Plan, and would therefore be an additional pressure. Providing an allowance for a further year's financial support to SLL would ensure that residents are able to continue to access provision to improve their health and wellbeing. The age of the equipment used at the site may require some replacements to be purchased, which would be undertaken as a separate process, under the authority of the Director of Places.
- 5.3 Officers will continue to monitor and review the performance of SLL, and if the company returns to a break-even or better state, the financial support will not be required.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 The Council's Contract Procedure Rules (CPRs) require that if a contract is required to be extended beyond the term permissible in the original contract documents, advice must be sought from the Monitoring Officer (CPRs section 17.3.4). Advice has been sought as required and incorporated in to this document. Approving further financial support is a Key Decision and Cabinet authority is therefore requested for this work.
- 6.2 Cabinet Office procurement Policy Note "Supplier relief due to COVID-19. Action note PPN 02/20 March 2020" provides assurance that support measures do not constitute unlawful state aid because the ability to offer financial support has arisen through the existing, pre-procured contractual mechanisms that were already in place.

## **7 DATA PROTECTION IMPLICATIONS**

- 7.1 A Stage 1 Data Protection Impact Assessment (DPIA) has been completed which indicates that as no new personal information or methods of collection will be caused by the proposed support provision, there is no requirement for a full Impact Assessment to be completed.

## **8 EQUALITY IMPACT ASSESSMENT**

- 8.1 If support for the contract is not agreed, there may be equality and diversity impacts. A full Equality Impact Assessment (EqIA) has been completed which outlines the potential areas of impact. Agreeing a support package for SLL to continue operating their established range of provision would result in no detrimental equalities implications.

## **9 COMMUNITY SAFETY IMPLICATIONS**

- 9.1 Provision of accessible, good quality sports and recreation facilities helps to reduce levels of anti-social behaviour, by providing diversionary activities. Formal membership of sports and recreation organisations helps to build community bonds and a sense of local pride.

## **10 HEALTH AND WELLBEING IMPLICATIONS**

- 10.1 Provision of a comprehensive and accessible network of facilities to enable individuals and groups to participate in sports and recreation can be a huge benefit to the health and wellbeing of the community. A vibrant sports community already exists in Rutland, and is a significant contribution to the generally high levels of health and wellbeing recorded in the County. A positive attitude to physical fitness and personal health has also been shown to improve the mental wellbeing of individuals. The range of facilities and pursuits available in Rutland is also a strong draw for persons considering relocating to the area.
- 10.2 The Catmose Sports facility is a key asset of community value and critical element of Rutland's sports provision, being the County's only pay and play facility where members of the public can access facilities without paying regular membership fees. The centre is hub of the GP Exercise Referral provision, organising and assessing individuals who have been recommended to undertake physical activity to address their health issues.

## **11 ORGANISATIONAL IMPLICATIONS**

### 11.1 Procurement Implications

11.1.1 Regulation 72(1)(b) of the Public Contracts Regulations 2015 allows for a contract to be varied where additional services become necessary which were not initially included in the original procurement, where a change of contractor cannot be made for economic or technical reasons and would cause significant inconvenience or substantial duplication of costs for the Council.

11.1.2 The services provided during the extended period would be additional to those under the original Contract as they would be provided for a longer period that was not envisioned under the original Contract. Furthermore, the current pandemic has created circumstances whereby the Council would otherwise be inconvenienced and caused substantial duplication of costs were it to seek to re procure the service at this point in time. The extension would enable recovery from the current situation and to restore the value for money of the current arrangements.

## **12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

12.1 The formation of a Project Board to oversee the initial Needs Analysis / Options Appraisal work will underpin decisions on future leisure service needs and any successor contract if required.

12.2 The further one year extension to the current leisure contract, with discretionary financial support, will ensure that if required, sufficient time is available to undertake a robust procurement, and to maximise the chances that a competitive leisure market will be available to respond to the procurement.

## **13 BACKGROUND PAPERS**

13.1 There are no additional background papers to the report.

## **14 APPENDICES**

14.1 Appendix A: Proposed Project Board documentation

14.2 Appendix B: Needs Analysis and Options Appraisal Brief

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**