

CABINET

15 August 2023

OUTCOME OF LEISURE PROCUREMENT INITIAL TENDER

Report of the Leader of the Council

Strategic Aim:	Healthy and well	
Key Decision: Yes	Forward Plan Reference: FP/070723	
Exempt Information	Yes, Appendix B contains exempt information as define by Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)	
Cabinet Member(s) Responsible:	Cllr Gale Waller, Leader of the Council	
Contact Officer(s):	Penny Sharp, Strategic Director for Places	01572 758160 psharp@rutland.gov.uk
	Robert Clayton, Head of Culture and Registration	01572 758435 rclayton@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Notes the outcome of the Initial Tender Stage of the procurement for a leisure operator for the Catmose Sports Centre.
2. Determines whether to proceed to Stage 2 of the procurement of a leisure operator, noting Contract Award will be a decision for either Cabinet or Council depending on value.
3. Delegates authority to the Strategic Director for Places, in consultation with the Leader of the Council and the Portfolio Holder with responsibility for Finance to determine the approach to energy risk to be specified in the Final Tender for the operation of the site.

1 PURPOSE OF THE REPORT

- 1.1 To update Cabinet on the outcome of the initial stage of the procurement exercise for the operation of the Catmose Sports Centre in Oakham, and to seek formal

approval to proceed with the next stage of the process to conclude the procurement.

2 MAIN CONSIDERATIONS

2.1 The Council issued an Initial Tender on 18th May 2023 for the operation of the Catmose Sports Centre to test the response of the leisure market against various risk profile options. 14 companies engaged with the procurement process, and a number attended site meetings and submitted clarification questions to understand the current operation of the site.

2.2 The initial tender invited companies to submit bids based on three possible operating models for Catmose Sports Centre specifically relating to the risk of energy costs increasing:

- Full utility price risk borne by the Operator
- Full utility price risk borne by the Council
- Utility price risk shared between the Operator and the Council

2.3 The results of the Initial Tender are outlined in Exempt Appendix B. The information is exempt as it contains commercially sensitive information. However, it is possible to report that compliant responses were received that have been evaluated. Cabinet may now decide the way forward informed by the responses.

3 BACKGROUND

3.1 A procurement exercise to secure an operator for the Catmose Sports site was undertaken in Summer / Autumn 2022 during the peak of the energy price crisis. No tenders were received that complied with the requirements of the tender invitation, which envisaged all of the utility price risk to be borne by the Operator.

3.2 A report summarising the position was provided to Cabinet on 12th January 2023. Cabinet decided not to proceed with a re-tender exercise at this meeting. However, it later emerged that there was potential market interest in operating the centre which had not been identified through the procurement process. Cabinet therefore agreed on 14th February 2023 to extend the existing operator's contract and conduct a new tender exercise.

3.3 A refreshed procurement exercise was launched with Welland Procurement on 18th May 2023. Bidding against an initial tender closed on Friday 14th July 2023.

3.4 Cabinet may decide not to proceed with Stage 2 of the procurement process. Alternatively, Cabinet may authorise the Strategic Director for Places, in consultation with the Leader of the Council and the Portfolio Holder with responsibility for Finance, to issue a Final Tender for the operation of the site based on an agreed operating model to address the risk of increased utility costs. Subject to final bids being submitted that comply with the terms set out by the procurement, the Council will appoint an operator to run Catmose Sports Centre from July 2024. The award of the final contract will be a decision for Cabinet or Council in line with the Council's contract procedure rules.

4 CONSULTATION

- 4.1 Consultation has taken place internally with Cllr G Waller, Leader of the Council, Cllr A Johnson, Portfolio Holder for Resources, the Strategic Director for Places and the Strategic Director for Resources.

5 ALTERNATIVE OPTIONS

- 5.1 Exempt Appendix B outlines the alternative options open to the Council.

- 5.2 The options for consideration are:

- a) Delegate decision on operating model and utility risk and proceed with Stage 2 of Leisure Operator procurement. It will be a Cabinet or Council decision to approve award of contract in early 2024 in line with contract procedure rules.
- b) Do not proceed with Stage 2 of Leisure Operator procurement.

6 FINANCIAL IMPLICATIONS

- 6.1 Financial details which are commercially sensitive are included in Exempt Appendix B.

- 6.2 Since the tender opportunity was advertised in May 2023, further details have become available relating to the energy costs of operating the leisure centre. These are higher than the information that bidders had available to them at Stage 1 of the process. During Stage 2 bidders will be required to update their financial models that could impact on the financial implications to Rutland County Council.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 Legal and governance considerations are incorporated into this report.

8 DATA PROTECTION IMPLICATIONS

- 8.1 A Data Protection Impact Assessment (DPIA) has been completed. No adverse or other significant risks / issues were found arising from Cabinet considering this issue. A copy of the DPIA can be obtained from Robert Clayton, rclayton@rutland.gov.uk

9 EQUALITY IMPACT ASSESSMENT

- 9.1 A full Equality Impact Assessment (EqIA) has been completed which outlines the potential areas of impact.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 Access to leisure activities may represent diversionary opportunities to members of the community that might otherwise be drawn into anti-social behaviours.

11 HEALTH AND WELLBEING IMPLICATIONS

- 11.1 Provision of an accessible network of facilities to enable individuals and groups to participate in sports and recreation can be of significant benefit to the health and

wellbeing of the community. The vibrant sports community which exists in Rutland is likely to be 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, of which Catmose Sports is a part, is also a strong draw for persons considering relocating to the area.

12 ORGANISATIONAL IMPLICATIONS

12.1 No organisational implications have been identified.

13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

13.1 This report summarises the outcome of the refreshed procurement exercise for the Catmose Sports contract.

13.2 The Council's contract with Stevenage Leisure Ltd (SLL) ends on 31st March 2024, although there is a facility to extend for up to one further year if required. A decision must be made to enable arrangements to be put in place around the future of the provision.

14 BACKGROUND PAPERS

14.1 There are no additional background papers

15 APPENDICES

15.1 Appendix A: Catmose Sports Timeline

15.2 EXEMPT Appendix B: Commercially Sensitive Information

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

Appendix A: Catmose Sports Timeline

- 10/07/2006 Council agreed to accept Building Schools for the Future (BSF) finance to rebuild Catmose College as part of the One School Pathfinder programme. Rutland County Council directly undertook the rebuild of the College.
- 01/09/2008 RCC accepted a £500,000 grant from Sport England to assist with funding the construction of the Catmose Sports facilities.
- 12/10/2009 Stevenage Leisure Ltd (SLL) appointed to operate the Catmose Sports Centre under a 10-year contract which commenced 1st April 2011, running to 31st March 2021.
- 01/04/2011 Catmose College academised, becoming independent of local authority control and focusing on academic and curriculum excellence.
- 21/01/2020 Cabinet agreed to extend SLL's contract by one year to 31st March 2022, to allow time to procure a new contract.
- 12/01/2021 Cabinet agreed to extend SLL's contract to 31st March 2023 as part of the pandemic response.
- 05/04/2022 Cabinet approved a procurement exercise for a Catmose Sports contract to be undertaken with Welland Procurement.
- 04/11/2022 Bidding closed with no compliant tenders received.
- 14/02/2023 Cabinet agreed to extend SLL's contract for up to two further years and to conduct a new tender exercise to evaluate alternative risk strategies.
- 14/07/2023 Initial Tender process closed.

- **Future Dates**

- 01/07/2024 Provisional date for the newly commissioned management contract to commence
- 31/06/2034 Provisional date for the end of the initial 10-year new management contract
- 31/06/2039 Potential end date if an optional 5-year extension is agreed
- 27/02/2051 End date for the current lease with Catmose College for the sports facilities