



# Northumberland County Council

Cabinet

Tuesday, 7 November 2023

## **Delegate Authority to Award Leisure Contract Report**

**Report of Councillor(s)** Cllr Jeff Watson, Lead Member, Cabinet Member for Promoting Healthy Lives

**Responsible Officer(s):** Gill O'Neill, Executive Director for Public Health (DPH), Inequalities & Stronger Communities

### **1. Link to Key Priorities of the Corporate Plan**

The delivery of a cost-effective and evidence-based community leisure and wellbeing service supports the aim of our Corporate Plan 2021 - 2024 to tackle inequalities within our communities and enable our residents to be healthier and happier.

### **2. Purpose of report**

The purpose of this report is to seek permission to delegate authority to enable the contract award of the Northumberland Community Leisure and Well-being Service to the preferred bidder, following final evaluation by the panel.

### **3. Recommendations**

#### **3.1 It is recommended that Cabinet:**

Delegate authority to the Executive Director of Public Health, Inequalities and Stronger Communities in consultation with the Leader, also Portfolio Holder for Environment and Local Services, the Deputy Leader, also Portfolio Holder for Corporate Services, the Portfolio Holder for Healthy Lives, the Director of Law and Corporate Governance and the Executive Director of Transformation and Resources to award and enter into a contract for the Northumberland Community and Wellbeing Service with the preferred bidder.

### **4. Forward plan date and reason for urgency if applicable**

This report was submitted to the Forward Plan on 5th Oct 2023 in time for a key decision to be made by Cabinet on 7<sup>th</sup> November 2023

## 5. Background

5.1 A review of the current leisure service was undertaken from October 2021 and concluded in September 2022.

In January 2022, approval was obtained to extend the then current contract for twelve months to continue with the review whilst planning a procurement process to select an operator to implement the newly developed Northumberland Community and Well-being Service Specification.

A key decision to proceed with a formal tender exercise was made by Cabinet on 8th November 2022 and to extend the contract for a further twelve months until 31<sup>st</sup> March 2024 to enable the service to remain in place pending the conclusion of the procurement exercise.

The procurement exercise will enable the selection of an organisation to deliver leisure services which demonstrably contribute to the [Northumberland Joint Health and Wellbeing Strategy 2018 – 2028](#), and its key themes, outcomes and supporting priority areas. The Key Themes are as follows:

- Giving children and young people the best start in life
- Bringing different people, professionals, services and buildings to work together in a whole system approach to health and care
- Empowering people and communities
- Tackling the wider determinants of health

It would also ensure a modern, fit for purpose, value for money, leisure and well-being offer. This will be achieved through the strategic shift towards proactively engaging with communities as part of the operational delivery model and also ensuring robust financial sustainability with tightly measured outcomes.

The contract with the current provider expires on March 31<sup>st</sup>, 2024, with the new contract commencing 1<sup>st</sup> April 2024.

5.2 The procurement exercise for the Northumberland Community Leisure and Well-being Service Contract is for the operation of the 10 core Council owned facilities namely:

- Ashington Leisure Centre, Ashington
- Berwick Sports & Leisure Centre, Berwick
- Blyth Sports Centre
- Concordia Leisure Centre, Cramlington
- New Morpeth Leisure Centre, Morpeth
- Newbiggin Sports & Community Hub
- Ponteland Leisure Centre, Ponteland
- Prudhoe Water World, Prudhoe
- Wentworth Leisure Centre, Hexham
- Willowburn Sport & Leisure Centre, Alnwick

The facilities that are not included in this procurement exercise are community assets that will be used to build stronger communities using the Asset Based Community Development (ABCD) model and do not form part of this report.

### 5.3 Procurement Process

The tender exercise was published on 19<sup>th</sup> April 2023 and has been conducted via an open and transparent procurement process. The process has been supported by externally commissioned expert leisure consultants, Sport, Leisure and Culture Consultancy Limited (SLC). The award of the contract will be for a period of ten years with the opportunity to extend for a further five years.

In response to the Contract Notice published on the Government's Find a Tender Service portal, expressions of interest were received from six organisations who were invited to submit an Initial Tender. Negotiation meetings were subsequently held with all bidders in September 2023 in order to further refine the Council's requirements. The Invitation to Submit a Final tender has now been issued to the bidders and with final tenders due to be returned on 27 October 2023.

5.4 The preferred bidder will be identified following the final evaluation of tender submissions by an evaluation panel comprising of subject matter experts. The tenders will be evaluated on the basis of being the Most Economically Advantageous Tender which combine price, quality and social value. The Bidder with the highest overall score will be deemed the 'Preferred Bidder.'

5.5 Bidders' submission will be assessed based on Bidder responses to a series of method statement and the Price / Quality / Social Value split shall be as follows:

- Quality and Social Value 70%
- Price (management fee) 30%

5.6 The evaluation of bids is scheduled to take place on 13/14 November 2023. Subject to Cabinet approval to proceed to award, the required standstill period can commence shortly thereafter and will conclude on or around 30 November 2023. In order to prevent any delay in the award and mobilisation of the new contract arrangements, permission is requested to delegate the approval of the contract award (following conclusion of the procurement) to the Executive Director of Public Health, Inequalities and Stronger Communities to enter in consultation with the Leader, also Portfolio Holder for Environment and Local Services and the Deputy Leader, also Portfolio Holder for Corporate Services, the Portfolio Holder for Healthy Lives, the Director of Law and Corporate Governance and the Executive Director of Transformation and Resources.

5.7 The evaluation process of bids is not completed as final bids have not yet been received, as such the value of the contract cannot yet be confirmed. The expectation is that the contract will deliver an improved financial position for the Council which provides a return on the significant investment that has gone into the facilities.

## 6. Options open to the Council and reasons for the recommendations

6.1 Approval of the authority to delegate the decision award as recommended. This will ensure the adherence to the timeline.

## 7. Implications

<b>Policy</b>	Tackling Inequalities is a key priority for the Council. The Community Leisure and Wellbeing service is fundamental to
---------------	--

	addressing inequalities associated with access and affordability of the Council's leisure offer.
<b>Finance and value for money</b>	The Authority has invested heavily in its facilities over recent years including the development of a number of new centres. Achieving value for money from its community leisure and wellbeing assets and services is an important objective for the Authority. The expectation is that not only will the contract be delivered within the existing revenue budget provision, but it will deliver an improved financial position for the Authority which provides a return on the significant investment which has gone into the facilities.
<b>Legal</b>	The contract has been procured in accordance with the Concessions Contract Regulations 2016.
<b>Procurement</b>	The procurement has been conducted in accordance with the Competitive Procedure with Negotiation under the Concessions Contracts Regulations 2016.
<b>Human resources</b>	The procurement documents include information re the potential of staff employed by the existing provider to TUPE to the new provider. There is no impact on Council staff.
<b>Property</b>	Ten Council facilities are included within this contract award. Building responsibilities remain with the Council after much investment. Responsibilities of the operator is detailed within the leases linked to the leisure operating contract and service specification and published with the tender documents.
<b>The Equalities Act: is a full impact assessment required and attached?</b>	No - not required at this point An Equalities Impact Assessment has been undertaken as part of the new specification and service delivery model requires a detailed Equalities Impact Assessment. Support for this will be sourced from the NCC Equalities Diversity and Inclusion Team
<b>Risk assessment</b>	Included as part of standard Local Authority commissioning and procurement practice. The Local Authority is required to ensure commissioning of services is competitively tendered. As this tender was agreed by Cabinet, the risk of challenge is mitigated.
<b>Crime and disorder</b>	There are evidenced examples of increased societal value where leisure services are developed with and for communities, improving self-esteem, improving mental health and reducing anti-social behaviours through engaging in sport and leisure facilities. Widening access to vulnerable groups and providing a place-based model, alongside working with community groups, could help reduce crime and disorder statistics supporting other community stakeholders

<b>Customer considerations</b>	Customers and service user feedback will be central to service delivery ensuring a high-quality service is maintained and monitored to ensure continuous improvement
<b>Carbon reduction</b>	The selected operator will work with the Council's Consideration is being given to the level of renewable resources needed to reduce the carbon impact of the centres. This work is being led by the NCC Climate Change Team
<b>Health and wellbeing</b>	<p>Inequality threatens long term social and economic development, harms poverty reduction and destroys people's sense of fulfilment and self-worth. This, in turn, can breed crime, disease and environmental degradation. Most importantly, we cannot achieve sustainable development and make the planet better for all if people are excluded from opportunities, services, and the chance for a better life.' (UN Sustainable Development Goal No 10).</p> <p>Regular physical activity can reduce the risk of a range of health conditions. It can help prevent or delay onset of these conditions and will contribute to an increase in life expectancy in target groups outlined in the new specification.</p> <p>Physical activity is also important in preventing falls in older people and enhancing development in children. Ensuring services are targeted to those groups where increasing activity levels can make the most difference will contribute and have a positive impact on inequalities in health outcomes across Northumberland.</p> <p>Approval of the award to the selected operator will have positive implications for public health via early intervention and prevention. The operator will work with NCC and contribute to closing the gap in health inequalities by targeting resources to those with poorer health outcomes creating better outcomes for our most disadvantaged communities</p>
<b>Wards</b>	(All Wards);

## 8. Background papers

Service Specification

## 9. Links to other key reports already published

Not applicable

## 10. Author and Contact Details

Marianne Donnelly, Internal Change Consultant  
Email: marianne.donnelly@northumberland.gov.uk