

This report contains an Appendix which is exempt by virtue of paragraph 3 of schedule 12A of the Local Government Act 1972

REPORT TO CABINET

REPORT OF: Paul Stokes - Head of Community Assets

Susie McCahon - Team Leader Leisure and Amenities

REPORT NO: LA0004

DATE: 6th October 2014

TITLE:	Leisure Management Contract – Contract Extension	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Bob Adams Cabinet Portfolio Holder – Arts and Leisure	
CONTACT OFFICER:	Susie McCahon s.mccahon@southkesteven.gov.uk 01476 406423	
INITIAL IMPACT ANALYSIS: Equality and Diversity	Carried out and Referred to in paragraph (7) below n/a	Full impact assessment Required:
FREEDOM OF INFORMATION ACT:	This report, excluding Appendix A, is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk Appendix A contains exempt information in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972. in that the report contains information relating to the financial or business affairs of the Council and a contractor	
BACKGROUND PAPERS		

1. RECOMMENDATIONS

The current contract with Leisure in the Community for the management of Grantham, Stamford, Bourne and Deeping Leisure Centres is due to expire on 3rd January 2016. It is recommended that Cabinet agree to extend the contract for a further five years from that date, to 4th January 2021.

2. PURPOSE OF THE REPORT

The contract for the provision of leisure management services commenced on 3 January 2011 for a 5 year period, with an option to extend for up to a further 5 years, ie to January 2021. The contract was awarded to Leisure in the Community (LiTC) an Industrial Provident Society (IPS) with charitable status. The management of the leisure centres is carried out at each site by 1Life Management Solutions (formerly known as Leisure Connection) as part of the Management Agreement and Collateral Warranty under a sub-contract.

The Council's leisure centres in the district play an important role in our communities by providing affordable leisure for our residents and visitors. The facilities are well used, the latest reports on visitor numbers to the four leisure centres show usage increased by 6% in 2013/14 compared with 2012/13.

Our leisure facilities are a key infrastructure for active and healthy lifestyles, providing a base for clubs and groups as well as casual users and families. Increasingly they also provide a hub for other community activities including cultural shows and events.

They play an important role in the delivery of our Cultural and Clean, Green and Healthy Strategies, and are also important in the delivery of our economic growth agenda, providing a broad and affordable leisure offer that encourages relocation into the District.

Officers have recently been exploring options for the delivery of leisure management post 2016 with leisure providers, including LiTC, industry experts and neighbouring authorities.

3. DETAILS OF REPORT

Throughout the last few months, discussions have been held with LiTC regarding various options to extend the current contract. An extension would have no impact on the contract specification and the Council will continue to be able to monitor standards and service delivery including the issuing of rectifications and performance notices in the same way as is carried out at present. There will be no changes to service standards that the contractor is expected to achieve.

The utility benchmark price contained within Section 13 of the contract documentation will be adjusted to reflect current utility prices and consumption.

The Council will continue to discuss options for capital investment in the leisure centres which may bring higher usage of the facilities with associated increase in levels of income. Any contract extension does not depend on capital investment being made by the Council.

The current Leisure Management Contract allows for an extension period of up to five years from the date of expiration, to 4th January 2021. Details of changes to fees and payments are included in the exempt Appendix A attached.

4. OTHER OPTIONS CONSIDERED

A shorter term extension was considered but this would carry less benefit to the Council. Also the opportunity to carry out a procurement exercise was also reviewed in some detail but the option to extend for 5 years allows the Council to review its on-going provision of leisure facilities over the next few years before tying into a long term contract.

5. RESOURCE IMPLICATIONS

Financial resource implications are contained within Appendix A which contains exempt information in accordance with paragraph 3, and 8 of Schedule 12A of the Local Government Act 1972. in that the report contains information relating to the financial or business affairs of the Council and a contractor and is subject to an obligation of confidentiality.

There are no other resource implications in terms of people or property.

6. RISK AND MITIGATION

Risk has been considered as part of this report and there are no specific high risks which have been identified.

7. ISSUES ARISING FROM IMPACT ANALYSIS

n/a

8. CRIME AND DISORDER IMPLICATIONS

n/a

9. COMMENTS OF FINANCIAL SERVICES

There are positive financial implications arising from the proposed five year contract extension and these are detailed in the attached Appendix.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The original contract for the provision of leisure management services was tendered in accordance with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations 2006 prior to the commencement of the existing contract in 2011. The specification for the service included the provision for the contract to expire on the date 5 years after the commencement date of the 3rd January 2011 or, subject to the agreement of both parties, 10 years after that commencement date. The ability to extend requires the agreement of Leisure in the Community.

11. COMMENTS OF OTHER RELEVANT SERVICES

12. APPENDICES:

- **Appendix A – Fees and Payments – Exempt**
NB: Appendix A contains exempt information in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972 in that the report contains information relating to the financial or business affairs of the Council and a contractor.