

Neath Port Talbot County Borough Council
Cyngor Bwrdeistref Sirol Castell-nedd

Democratic Services
Gwasanaethau Democrataidd

Decision Notice

CABINET - URGENCY ACTION , THURSDAY, 26TH MARCH, 2020

Please see below approval of decision as follows:

1. **Leisure Service Contract Procurement - 11 AM** (Pages 3 - 14)

To seek Members approval to embark on a procurement exercise to appoint a replacement leisure provider to run council leisure services in Neath Port Talbot. Once the procurement process has been completed a further report will be prepared for Member consideration and approval to award a contract to the new service provider

(a) That delegated authority be granted to the Head of Transformation in consultation with the Director of Finance and Corporate Services, Head of Property and Regeneration, Head of Legal Services, Leader and Cabinet Member for Education, Skills and Culture, to finalise an invitation to tender for the provision of leisure services in Neath Port Talbot in line with the current specification of service (subject to any minor updates necessary) and to embark on a tender process as detailed in this report

(b) That a report be brought back to Cabinet following the outcome of the tender process and once the successful tenderer had been identified to seek authority to proceed to award a contract for the provision of leisure services.

For Immediate Implementation

Yours sincerely

p.p Chief Executive

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

CABINET

17 March 2020

REPORT OF THE HEAD OF TRANSFORMATION

A.THOMAS

Matter for Decision.

Wards Affected: All wards

LEISURE SERVICES CONTRACT PROCUREMENT

1. Purpose of Report

- 1.1 To seek Members approval to embark on a procurement exercise to appoint a replacement leisure provider.

2. Executive Summary

- 2.1 This report proposes to procure a new service provider to run council leisure services in Neath Port Talbot. It should be noted that once the procurement process has been completed a further report will be prepared for Member consideration and approval to award a contract to the new service provider.

3. Background

- 3.1. On the 16th December 2015, Cabinet approved the granting of a 10 year contract to Celtic Leisure with an option to extend for a further 5 years. After a recent value for money review carried out by an industry expert, it is proposed to enter into a competitive procurement process to obtain best value for money for the Council and appoint a new provider for leisure services.
- 3.2. The purpose of the procurement exercise is to ensure that residents of Neath Port Talbot continue to have the opportunity to participate in physical activity, and access to high quality leisure facilities.
- 3.3 The Council has previously shown its commitment to providing high quality facilities with the proposed new leisure/swimming pool in both Neath town centre and undertaking a procurement exercise

for a new provider of leisure services is a continued commitment to provide such high quality facilities and to ensure sustainability in the future.

4. Facilities.

4.1 The facilities that will be included in the procurement exercise are:

- Aberavon Leisure and Fitness Centre.
- Neath Leisure Centre (To be replaced by the proposed new swimming pool/leisure facilities in Neath town centre)
- Neath Sports Centre
- Pontardawe Leisure Centre
- Pontardawe Swimming Pool
- The Vale of Neath Leisure Centre
- The Gwyn Hall Neath.

5. The Procurement process:

5.1 The Council will be advised and supported throughout the process by an industry procurement expert, RPT Consulting.

5.2 A procurement exercise will be carried out in accordance with the requirements of the Public Contract Regulations 2015. The facilities which presently form part of the Celtic Leisure contract will be part of this tender exercise.

5.3 The Table below summarises the indicative project plan and key dates that are being worked to in order to facilitate the procurement exercise.

Key Stages	Key Dates	Notes
Pre Procurement Stage	Feb - May 2020	Preparation of Procurement Strategy and Procurement Documentation
SSQ Stage	May/June 2020	Advertise opportunity and select shortlist (maximum 5) of bidders capable of delivering contract
Invitation to Submit Initial Tenders	July - Oct 2020	Seek bids to operate and consider a number of options. Shortlist bidders (maximum of 3) to provide final tender
Final Tender Stage	Oct - Dec 2020	Seek final tender on preferred option(s) and get best price
Preferred Bidder Appointed	Early January 2021	Appoint Preferred Bidder
Mobilisation	Jan - Mar 2021	Contract Signing and Mobilisation

- 5.4 A report will be brought back to Cabinet following the outcome of the tender process and once the successful tenderer has been identified to seek authority to proceed to award a contract for the provision of leisure services which will include a detailed overview of the successful tenderer's bid

6. Financial Impact

- 6.1 There are no immediate financial implications associated with this report other than procurement costs of RTB Consulting and in-house officer work. The total external costs are estimated to be in the region of £30k, which will be accommodated within existing budgets. A report will be brought back to Cabinet following the outcome of the tender process and once the successful tenderer has been identified to seek authority to proceed to award a contract for the provision of leisure services which will include a detailed of the financial impacts of the Council in proceeding with the award of contract.

7 Integrated Impact Assessment

- 7.1 A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment has indicated that a more in-depth assessment is not required.

8. Valleys Communities Impacts:

- 8.1 There is no overall impact on any valley community as a result of this proposal as it is proposed to retender the provision of leisure services with the same specification to that which Celtic Leisure currently undertake. There would therefore be no reduction in the facilities currently available. In the event that any changes are proposed during the proposed contract term, the appropriate consultations and legal requirements will be complied with.

9 Workforce Impact

- 9.1 There are no immediate impacts on the Neath Port Talbot Council workforce.

- 9.2 TUPE will apply to the new arrangements therefore staff of Celtic Leisure will transfer to the successful tenderer on the same terms and conditions to which they currently work under. Any potential changes to the terms and conditions by any future operator will have to be considered in line with the aforementioned TUPE Regulations and will have to be subject to consultation with staff.

10. Legal Impact

- 10.1 Any proposed procurement practice will be carried out in accordance with the requirements of the Public Contract Regulations 2015. Any potential arrangements will include specifications of service, a formal contract and lease that will in effect bind the successful tenderer to meeting the requirements of the Council.

11 Risk Management

- 11.1 Failure to ensure suitable arrangements are in place will affect the provision of leisure services in the Neath Port Talbot locality. Pursuing a tender exercise and entering into an exit agreement with Celtic Leisure will ensure that service continuity is maintained and there is no adverse impact on residents.

12. Consultation

- 12.1. There is no requirement for external consultation on this report.

13 Recommendations

- 13.1 It is recommended that:
- (a) Delegated authority is granted to the Head of Transformation in consultation with the Director of Finance and Corporate Services, Head of Property and Regeneration, Head of Legal Services, Leader and Cabinet Member for Education, Skills and Culture to finalise an invitation to tender for the provision of leisure services in Neath Port Talbot in line with the current specification of service (subject to any minor updates necessary) and to embark on a tender process as detailed in this report
 - (b) That a report be brought back to Cabinet following the outcome of the tender process and once the successful tenderer has been

identified to seek authority to proceed to award a contract for the provision of leisure services.

14. Reasons for Proposed Decision

14.1 To ensure suitable arrangements are in place to maintain the provision leisure services in the Neath Port Talbot locality

15 Implementation of Decision

15.1 The decision will be implemented immediately.

6 Appendices

16.1 Appendix 1. Impact Assessment

17. List of Background Papers

17.1 None

18 Officer Contact

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Appendix 1
Impact Assessment - First Stage

1. Details of the initiative

Initiative description and summary: LEISURE SERVICES CONTRACT PROCUREMENT
Service Area: Transformation
Directorate: DELL

2. Does the initiative affect:

	Yes	No
Service users	✓	
Staff		✓
Wider community	✓	
Internal administrative process only		✓

3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Disability		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing

Gender Reassignment		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Marriage/Civil Partnership		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Pregnancy/Maternity		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Race		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Religion/Belief		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Sex		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.
Sexual orientation		✓				The protected characteristic will not be affected as there will be no impact as the service specification will not be changing.

4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		✓				The proposal has no impact on the ability to restrict people's opportunities to use the Welsh language as the service specification will not be changing.
Treating the Welsh language no less favourably than English		✓				At no time will the Council be treating the Welsh language no less favourable than English as the service specification will not be changing.

5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		✓				There will no impact on the ability to maintain and enhance biodiversity as the service specification will not be changing.
To promote the resilience of ecosystems, i.e. supporting protection of the wider environment, such as air quality, flood alleviation, etc.		✓				There will no impact on the ability to maintain and enhance biodiversity as the service specification will not be changing.

6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
Long term - how the initiative supports the long term well-being of people	✓		Celtic Leisure is clearly unable to operate the facilities and services within the existing financial contribution from the Council, their view is that with the current "burn rate" the use of reserves will be required to support day to day operations. A new operator will ensure that not only service delivery is achieved, but also efficiencies are generated within the arrangements to reduce the overarching subsidy that the Council makes.
Integration - how the initiative impacts upon our wellbeing	✓		Well-being Objective 1 - To improve the well-being of children and young people - . "All of our children and young people have the best start in life,

objectives			<p>so they can be the best they can be” <i>This proposal will ensure residents of Neath Port Talbot continue to have the opportunity to participate in physical activity</i></p> <ul style="list-style-type: none"> • Well-being Objective 2 - To improve the well-being of all adults who live in the county borough - “Everyone participates fully in community life – socially and economically” <i>This proposal will ensure residents of Neath Port Talbot continue to have the opportunity to participate in physical activity</i> • Well-being Objective Aim 3 - To develop the local economy and environment so that the well-being of people can be improved. The new development will enhance the offer for participation in the arts and the provision of additional recreational facilities and will bring new jobs to the area <p>“The whole of Neath Port Talbot county borough will be a vibrant and healthy place to live, work and enjoy recreational time” <i>This proposal will ensure residents of Neath Port Talbot continue to have the opportunity to participate in physical activity</i></p>
Involvement - how people have been involved in developing the initiative	✓		As this is a contractual arrangement for Neath Port Talbot Council there is not a requirement for involvement of additional parties in this decision.
Collaboration - how we have worked with other services/organisations to find shared sustainable solutions	✓		As this is a contractual arrangement for Neath Port Talbot Council there is not a opportunity for collaboration with any additional organisations.
Prevention - how the initiative will prevent problems occurring or getting worse	✓		<p>The new contract proposes the delivery of existing/new facilities as set out in the report and aims to:</p> <p>(a) Contractual cost certainty in that the Council will be paying a fixed annual fee for the term of any new contract (subject to inflation).</p> <p>b) Economies of scale, in the main due to the ability of the larger operators to share senior management / head office services across a range of contracts (rather than having a dedicated back office that services a single contract).</p>

			<p>c) Major operators benefit from highly specialist functions that can be provided by the back office in support of local management teams, including ICT support, sales training, national campaign planning, customer service training and a wide range of operating policies and quality assurance systems.</p> <p>d) Supply chain efficiencies, because the larger operators have very competitive agreements with a wide range of suppliers, such as gym equipment suppliers and can offer a wide variety of services.</p> <p>e) Tried and tested catering and retail propositions.</p> <p>f) Established brands will likely tender for the proposed arrangement which will ensure that a reputable and experienced provider will be appointed.</p> <p>g) Confidence and financial resilience of organisations to invest in commercial enablement / change of use.</p> <p>h) Greater range of career development opportunities for staff.</p>
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7. Declaration - based on above assessment (tick as appropriate):

A full impact assessment (second stage) is not required	✓
Reasons for this conclusion	
<p>The proposal is non-discriminatory as no protective characteristic will be adversely affected.</p> <p>The proposal has no impact on Welsh Language.</p> <p>The Proposal has no impact on biodiversity.</p> <p>The proposal is in line with the Council's obligations under the Wellbeing of Future Generations Act 2015</p>	
A full impact assessment (second stage) is required	
Reasons for this conclusion	

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	Name	Position	Date
Completed by	Paul Walker	Operations Coordinator	6 March 2020
Signed off by	Andrew Thomas	Head of Service/Director	6.march 2020