

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW EXECUTIVE COMMITTEE MEETING

4th March 2021

Report Title	Kettering Borough Leisure Services Contract
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List of Appendices

None

1. Purpose of Report

- 1.1. To seek approval to commence a procurement exercise for the current Kettering leisure services contract.

2. Executive Summary

- 2.1. The current contract for leisure services in Kettering Borough ends in April 2022, and it is proposed that a short contract for up to five years be procured, in order to bring the end date for this contract into line with the contracts for Wellingborough and East Northamptonshire areas. This alignment will allow the new Council to take an authority wide view of its future leisure provision over the longer term during its first term.

3. Recommendations

- 3.1 The Shadow Executive is recommended to approve the re-procurement of the leisure services contract for Kettering Borough's existing leisure facilities, such contract to run from 2022 to 2028.

4. Report Background

- 4.1. The main KBC Leisure Management Contract ends on 31st March 2022. The contract covers:-
- Kettering Swimming Pool
 - Desborough Leisure Centre
 - Corn Market Hall, Kettering
 - Athletics track and associated facilities plus adjacent synthetic pitch

This report sets out the next steps to replacing it.

- 4.2. The contract was awarded to Parkwood Leisure Ltd on the 17th January 2007, following a full procurement process, for ten years, with an option to extend the contract for five years to 31st March 2022. It was agreed in 2015 to extend the contract until 2022 and move it to an alternative model whereby the Council continued to contract directly with Parkwood Leisure, but the operation of the leisure centres are subcontracted to Legacy Leisure who are an independent registered charity. This resulted in annual savings to the Council of around £45,000. The cost of the current contract is around £35,000 per annum.
- 4.3. The Borough Council of Wellingborough's leisure contract is due to end in 2028 East Northants District Council's contract is due to end in 2027 and Corby Borough Council services are managed in-house. Neither Wellingborough nor East Northants have any break clauses remaining in their contracts. East Northamptonshire' contract can be extended by a year or more.
- 4.4 Therefore, a proposed three-year contract, with the option of extending for a further two or three one-year periods for the management of the current Kettering Borough Council leisure management facilities will help align end dates for all existing leisure contracts in North Northamptonshire
- 4.5 Previous discussions with Legacy Leisure had included refurbishment of the 3G pitch at Thurston Drive as part of the offer going forward. However, given the impact of the pandemic, the company have been unable to commit to this but are willing to revisit this at an appropriate time. The delivery of the refurbished 3G is therefore likely to form part of any contract procurement.

5. Issues and Choices

- 5.1. Given the current uncertainty of the sector at the end of 2020, a PIN was issued seeking Expressions of Interest in a short-term contract, up to five years. Two PINs were issued, one seeking interest in the provision of a new 3G facility (to replace the existing outdated one), and another PIN without this.
- 5.2. The Council received three submissions of interest.
- 5.3. Given the number of interested parties, the proposal is to undertake an Invitation to Tender (ITT) for procurement of a leisure management services contract for a period of three years with the option of extending this for a further two or three one-year extensions.
- 5.4. The key tasks and associated dates to consider as part of this proposed procurement process are outlined in the table below:

Dates	Key Tasks
26 th January 2021	CLT Briefing
4 th or 25 th March 2021	Confirmation of the approach to the procurement process, including whether to hold or not hold a Market Event, by the Shadow Executive
w/c 7 th June 2021	Option to hold a Market Event
21 st June – 30 th July 2021	ITT is published on Contracts Finder
2 nd – 27 th August 2021	ITT Evaluation is undertaken
w/c 6 th September 2021	Initial moderation meeting
w/c 13 th September 2021	Final moderation meeting
TBC November 2021	ITT Outcome Report submitted to the Executive
1 st January 2022	New Contract Mobilisation Phase
1 st April 2022	New Contract commences

5.5. The timetable above assumes no major change to the specification and an indicative only description of usage levels. It also assumes no major change in fees and charges. The specification will however make more explicit reference to climate change and health and wellbeing outcomes within it, to reflect heightened priority for both these areas since the contract was first drafted.

5.6. An alternative approach would be to take the contract in house in 2022. Whilst this remains a fallback position in the event that no satisfactory tenders are received, this would involve a significant amount of organisational effort at a time when the new Council is still managing the separation of hosting arrangements between it and West Northamptonshire across a wide range of services, not least those in the leisure and community service area. The bigger piece of work is about what leisure services could look like after 2028, and the planning for that would need to start quite early on, particularly in the light of likely corporate priorities around health and wellbeing, and climate change.

6. Implications (including financial implications)

6.1. Resources and Financial

6.1.1. The current contract costs a net £35,000, on the basis of pre-pandemic circumstances. The current contract allows for a variation where government intervention impacts on service delivery; this is usual practise and enables the Council to support the provider.

6.1.2. The Council retains ownership of all the assets being managed but with the opportunity of securing investment in those assets from time to time by the contractor.

6.2. Legal

6.2.1. Under the existing contract there is no option to extend the current service.

6.3. Risk

6.3.1 The Council needs to ensure the provision of these services beyond 2022 and needs to start that process now to achieve a continuation of service in 2022. This is true whatever procurement route is taken, or whether the services are taken back in house,

6.4. Consultation

6.4.1. No consultation has been carried out on the contract re-provision, although the current provider is aware that a re-procurement will need to go ahead.

6.5. Consideration by Overview and Scrutiny

6.5.1. None.

6.6. Climate Impact

6.6.1. The specification will be amended to reference the need for the provider to address opportunities for reducing energy use, encouraging more sustainable behaviours and promote healthier life styles.

6.7. Community Impact

6.7.1. The facilities provide important local services to the communities within Kettering, Desborough, Rothwell and Burton Latimer, as well as the adjacent villages.

7. Background Papers

7.1 Current contracts and email correspondence related thereto
Legal advice