

Public Document Pack

Democratic Services
The Corby Cube,
George Street,
Corby,
Northants,
NN17 1QG



Meeting: Executive
Date: Thursday 26th August, 2021
Time: 2.00 pm
Venue: Council Chamber, Swanspool House, Doddington Road, Wellingborough, NN8 1BP

To members of the Executive

Councillors Jason Smithers (Chair), Helen Howell (Vice-Chair), Lloyd Bunday, Scott Edwards, Helen Harrison, David Howes, Graham Lawman, Andy Mercer, Steven North and Harriet Pentland

AGENDA SUPPLEMENT

The following additional reports have now been published which have been agreed for consideration as urgent items at the meeting

This supplementary agenda has been published by Democratic Services.
Contact: democraticservices@northnorthants.gov.uk

Urgent Items		
Item	Subject	Page no.
017.	Procurement of the Leisure Management Service	5 - 24
018.	A43/A6116 Steel Road Roundabout Project	25 - 30

Public Participation

The Council has approved procedures for you to present petitions or request to address meetings of the Council

ITEM	NARRATIVE	DEADLINE
Members of the Public Agenda Statements	Members of the Public who live or work in the North Northamptonshire council area may make statements in relation to reports on the public part of this agenda. A request to address the Executive must be received 2 clear working days prior to the meeting at democraticservices@northnorthants.gov.uk Each Member of the Public has a maximum of 3 minutes to address the committee.	9:00am Wednesday 25 th August 2021
Members of the Public Petitions	Anyone who lives, or works in North Northamptonshire may submit a petition to the Council. Depending on the size of your petition it will be responded to as follows:-	

Category	Signatory Threshold	Description
Petition which triggers a debate	1,500	Any petition with 1,500 or more signatures will trigger a debate at a Full Council meeting
Petition which calls an officer to account	750 – 1,499	Any petition with 750 – 1,499 signatures will summon an appropriate officer of the Council to give evidence at a public meeting of the relevant Scrutiny Committee.
Standard Petition	5 – 749	Any petition with 5 – 749 signatures will be referred to a senior officer of the Authority to provide a response.

These procedures are included within the Council's Constitution. Please contact democraticservices@northnorthants.gov.uk for more information.

Members' Declarations of Interest

Members are reminded of their duty to ensure they abide by the approved Member Code of Conduct whilst undertaking their role as a Councillor. Where a matter arises at a meeting which **relates to** a Disclosable Pecuniary Interest, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation.

Where a matter arises at a meeting which **relates to** other Registerable Interests, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but must not take part in any vote on the matter unless you have been granted a dispensation.

Where a matter arises at a meeting which **relates to** your own financial interest (and is not a Disclosable Pecuniary Interest) or **relates to** a financial interest of a relative, friend or close associate, you must disclose the interest and not vote on the matter unless granted a dispensation. You may speak on the matter only if members of the public are also allowed to speak at the meeting.

Members are reminded that they should continue to adhere to the Council's approved rules and protocols during the conduct of meetings. These are contained in the Council's approved Constitution.

If Members have any queries as to whether a Declaration of Interest should be made please contact the Monitoring Officer at – Adele.Wylie@northnorthants.gov.uk

Press & Media Enquiries

Any press or media enquiries should be directed through Council's Communications Team to communications@northnorthants.gov.uk

Public Enquiries

Public enquiries regarding the Authority's meetings can be made to democraticservices@northnorthants.gov.uk

This page is intentionally left blank



Executive 26 August 2021

Report Title	Procurement of the Leisure Management Service
Executive Director	David Watts, for Adults, Communities and Wellbeing
Executive Member	Cllr Helen Howell, Executive Member for Sport, Leisure, Culture and Tourism

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	Not applicable.

List of Appendices

Appendix A – Purchasing Gateway Group Report
Appendix B – Risk Matrix

1. Purpose of Report

- 1.1. This report requests that the Executive consider the procurement of the Leisure Management Service (hereafter referred to as “LMS”) in the Kettering locality.
- 1.2. It also seeks delegation of authority from the Executive to the Portfolio Holder for Sport, Leisure, Culture and Tourism in liaison with the Assistant Director, Housing & Communities, to take any further decisions and/or actions required to conclude this procurement and deliver this service.

2. Executive Summary

- 2.1. The Council’s current Leisure Management Contract which includes the management of four strategic leisure facilities: Kettering Swimming Pool, Kettering Athletics Track and Synthetic Pitch, Corn Market Hall, and Desborough Leisure Centre ends on 31st March 2022.

- 2.2. The current contract is in the fifth year of a five-year extension and the cost of the current contract is around £35,000 per annum.
- 2.3. Kettering Borough Council (hereafter referred to as “KBC”) had agreed to initiate a procurement for a new Leisure Management provider, with an option to invest in the refurbishment of the artificial playing pitch on Thurston Drive.
- 2.4. It was agreed to a short-term contract up to five years (3+1+1) so this fits within similar timeframes to existing leisure management arrangements in North Northamptonshire. This would also afford the opportunity for the new North Northamptonshire Council to consider the options for future management of its leisure service.
- 2.5. Following a full and compliant procurement process, the most economically advantageous bid will be accepted, in line with the requirements and guidance issued by the Council following its comprehensive and impartial evaluation and moderation of all compliant bids received.

3. Recommendations

- 3.1. It is recommended that the Executive:
 - 3.1.1. Agree to commence a procurement process for a Leisure Management Contract for the management of Kettering Swimming Pool, Kettering Athletics Track and Synthetic Pitch, Corn Market Hall, and Desborough Leisure Centre for a contract as set out in paragraph 4.11 of the report.
 - 3.1.2. Delegate authority to the Executive member for Sport, Leisure, Culture and Tourism in consultation with the Assistant Director, Housing & Communities, to take any further decisions and/or actions required to conclude this procurement and deliver this service, without the need to return to the Executive.

4. Report Background

- 4.1. The current contract for leisure services in the Kettering locality ends in March 2022, and it is proposed that a short contract for up to five years be procured, to bring the end date for this contract in line with the contracts for the 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.
- 4.2. The Leisure Management Contract covering the Kettering locality ends on 31st March 2022, which covers:
 - 4.2.1. Kettering Swimming Pool;
 - 4.2.2. Desborough Leisure Centre;
 - 4.2.3. Corn Market Hall, Kettering; and
 - 4.2.4. Athletics track and associated facilities plus adjacent synthetic pitch.

- 4.3. The contract was awarded to Parkwood Leisure Ltd on 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.
- 4.4. 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 is 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.
- 4.5. The contracts in the previous district boundaries will end in the following timeframes;
 - 4.5.1. Wellingborough- due to end in 2028 (no break clauses remaining)
 - 4.5.2. East Northamptonshire- due to end in 2027 (no break clauses remaining but can be extended for a year or more)
 - 4.5.3. Corby- managed in-house.
- 4.6. Therefore, a proposed three-year contract, with the option of extending for a further two one-year periods for the management of the former KBC leisure management facilities will help align end dates for all existing leisure contracts in North Northamptonshire.
- 4.7. 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 artificial pitch may therefore form part of any future contractual requirement of the successful provider.
- 4.8. The Council needs to ensure the provision of these services beyond 2022 and needs to start that process as soon as possible, to achieve a continuation of service from 2022. This is true regardless of the procurement route adopted, or whether the services are brought back in-house.
- 4.9. Given the current uncertainty of the sector at the end of 2020, an Early Engagement Notice was published on Contracts Finder, seeking Expressions of Interest in a short-term contract, up to five years. Two Early Engagement Notices were issued, one seeking interest in the provision of a new artificial pitch facility (to replace the existing outdated one), and another Early Engagement Notice without this.
- 4.10. The Council received three expressions of interest.
- 4.11. Given the number of interested parties, a formal procurement exercise for a LMS contract for a period of three years with the option of extending this for a further two one-year extension is recommended.

4.12. Previous discussions under KBC and as part of the Expression of interest exercise at the end of 2020, considered the inclusion of a capital investment option, as part of the submission.

4.13. A report has also been presented to the Purchasing Gateway Group (hereafter referred to as “PGG”) (attached as an appendix to this Report) and approved the requirement for LMS procurement.

5. Issues and Choices

5.1. The procurement will follow a compliant procurement process, run in line with the requirements of the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 and the Council’s internal rules, processes, and procedures.

5.2. The way in which this contract will be operated is as a Concession Contract. This differs to the standard service contract, as the Council entrust the provision and the management of services to a concessionaire who can exploit the services they provide on behalf of the Council, to achieve an income. Where this is the case, the Council will typically seek an income from the concessionaire.

5.3. Based on the Council’s knowledge and experience of the leisure market and its own existing arrangements, there is a potential that the Council might be required to pay a management fee to the concessionaire either initially, or throughout the term of the contract, to make the offer suitably attractive to a concessionaire.

6. Implications (including financial implications)

6.1. Resources and Financial

6.1.1. The LMS is a concession contract, so its value is determined by the value of the service to the concessionaire (i.e., what the contract is worth), rather than how much the Council will pay for the service.

6.1.2. The anticipated contract turnover for the term of this contract was confirmed as £3,239,442 (or an average of £3,937,378), based on financial data provided by the incumbent provider for the preceding 5 years, between 2016-2021 (inclusive) and as such, significantly exceeds the Key Decision Threshold.

6.1.3. Following evaluation of all compliant bids received, should the Council be required to pay a management fee to the successful concessionaire, the approved budget for this is £35,000 per annum.

6.1.4. 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.

- 6.1.5. The current contract costs a net £35,000 per annum, based on 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.
- 6.1.6. It is recommended to set a fixed management fee from the provider, from the six-month operating point (i.e. starting in September 2022) to allow stabilisation and realisation of income/expenditure.
- 6.1.7. In reaching this decision, consideration was given to the risk associated with requesting a percentage fee from the provider:
- a. the income to the Council could fluctuate based on the market; and
 - b. the provider may 'hide' profits to reduce the amount paid to the Council.
- 6.1.8. Additionally, this is a short-term contract of up to five years and will inform budget setting as a guaranteed fee and mirrors the arrangements with the contract for the leisure services management in East Northants.
- 6.1.9. The management fee consideration will be included in any potential provider's response to the Council's procurement, to enable the Council to undertake appropriate diligence, to ensure a realistic and achievable figure is agreed.
- 6.1.10. Consideration will need to be given regarding the leisure management facilities once alignment of end dates for all existing leisure contracts in North Northamptonshire is within the planning horizon. This is likely to have financial considerations with the possibility of economies of scale to be realised as the previous sovereign Councils leisure offers are considered and reviewed as one.

6.2. Legal

- 6.2.1. Under the existing contract there is no option to extend the current service.
- 6.2.2. The Legal Services team have been engaged, to ensure a full and appropriate contract is prepared for this requirement.

6.3. Risk

- 6.3.1. There is a risk to the timely conclusion of the procurement and start of service if delegated authority is not authorised, to enable further decisions and/or actions, without the need to return to the Executive. Depending on the Committee schedule, this may add upwards of one month to the timetable.
- 6.3.2. The Council faces significant reputational risk if there is a delay to the procurement process as outline in 6.3.1. which additionally could result in there being no provider in place to manage the public facilities.

- 6.3.3. A Risk Matrix has been produced to identify to identify the risk associated with the procurement process and is attached as an appendix to this Report.
- a. The main risk identified [LMS1, Risk Register] is that through this procurement exercise a contract is not awarded.
 - b. The Concession Contracts Regulations do not explicitly provide guidance on awarding contracts where no responses have been received, however the Public Contracts Regulations do, defining a procedure at Regulation 32 for use of the negotiated procedure without prior publication, which could be considered to use, to enable continuation of the service.

6.4. Consultation

- 6.4.1. There has been no consultation with user groups or key stakeholders in the development of the specification, due to the tight timescales associated with the procurement process.
- 6.4.2. Consideration has been given in taking the opportunity to strengthen the terms around Customer Service Excellence and stronger management of all facilities.
- 6.4.3. In preparing the specification, the most recent NNC LMS Specification covering facilities in the East Northants locality has been used as a basis for developing a relevant service specification.

6.5. Consideration by Scrutiny

- 6.5.1. The procurement process and/or any part of the requirement may be selected for consideration by Scrutiny.

6.6. Climate Impact

- 6.6.1. Through the new contract, the Council is committed to ongoing improvements to combat climate change implications and will continue to seek to use on-going investment in facilities to reduce carbon footprint where possible.
- 6.6.2. The successful provider will support the Council in collating energy data to report on annual Green House Gas emissions.
- 6.6.3. The successful provider will be required to work with the Council to realise future opportunities for energy efficiency savings.
- 6.6.4. The successful provider will support biodiversity strategies such as pollinating friendly regimes in within grounds maintenance.
- 6.6.5. The successful provider will be required to consider any items being purchased for future works, in respect to being 'environmentally friendly', for example, using recycled plastic to create new benching.

6.7. Community Impact

- 6.7.1. An Equality Screening Assessment has been completed and was included in the report presented to the PGG.
- 6.7.2. The improvement outcomes to the local economy, social and environment under the Social Considerations (Public Services (Social Value) Act 2012) allow for:
 - a. Employment of local people to jobs offered by the successful provider;
 - b. Access to services available for all;
 - c. An all-inclusive pricing schedule; and
 - d. Supporting the Council's priority outcomes for its sport, leisure and physical activity facilities and services, including:
 - i. Improving general health and reducing obesity amongst young people;
 - ii. Ensure sport and leisure facilities are physically and financially accessible to all residents, including those from low socio-economic groups and/or with limiting illness or disability;
 - iii. Improving health and wellbeing of older adults; and
 - iv. Appropriate waste management of hazardous chemicals used for water purification.

7. Background Papers

- 7.1. Kettering Borough Leisure Services Contract, submitted to North Northamptonshire Shadow Authority, Shadow Executive Committee Meeting held on 4 March 2021; and
- 7.2. Decisions of the Shadow Executive Committee at its meeting held on Thursday 4 March 2021.

This page is intentionally left blank



North Northamptonshire Council

PURCHASING GATEWAY GROUP

PURCHASING GATEWAY GROUP

Contents

1.	Introduction, Background and Current Activity	3
2.	Pre-Procurement Checklist	4
3.	Route to Market.....	5
4.	Options to be Considered	6
5.	Legal Considerations	6
6.	Finance Considerations	7
7.	Ethical and Equality Considerations.....	8
8.	Social Considerations (Public Services (Social Value) Act 2012)	8
9.	Environmental Considerations	9
10.	Conclusion and Recommendation	9
11.	External Consultants	9
12.	List of Annexes and Appendices	9
13.	Officer to Contact	9

Leisure Management Services

BRIEF DESCRIPTION OF THE REQUIREMENT

The Council's current Leisure Management Contract which includes the management of four strategic leisure facilities: Kettering Swimming Pool, Kettering Athletics Track and Synthetic Pitch, Corn Market Hall and Desborough Leisure Centre ends on 31st March 2022.

The current contract is in the fifth year of a five-year extension and the cost of the current contract is around £35,000 per annum.

Previous Members of Kettering Borough Council (hereafter referred to as "KBC") had agreed to initiate a procurement for a new Leisure Management provider, with an option to invest in the refurbishment of the artificial playing pitch on Thurston Drive.

It was agreed to a short-term contract up to five years (3+1+1) so this fits within similar timeframes to existing leisure management arrangements in North Northamptonshire. This would also afford the opportunity for the new North Northamptonshire Council to consider the options for future management of its leisure services.

PLEASE NOTE ALL FIELDS MUST BE COMPLETED

1. Introduction, Background and Current Activity

- 1.1. 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, to bring the end date for this contract into line with the contracts for the 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.
- 1.2. The main KBC Leisure Management Contract ends on 31st March 2022. The contract covers:
 - 1.2.1. Kettering Swimming Pool;
 - 1.2.2. Desborough Leisure Centre;
 - 1.2.3. Corn Market Hall, Kettering; and
 - 1.2.4. Athletics track and associated facilities plus adjacent synthetic pitch.
- 1.3. 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 is 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.

PURCHASING GATEWAY GROUP

- 1.4. The former Borough Council of Wellingborough’s leisure contract is due to end in 2028, the former East Northants District Council’s contract is due to end in 2027 and the former Corby Borough Council services are managed in-house. Neither Wellingborough nor East Northants have any break clauses remaining in their contracts. East Northamptonshire’s contract can be extended by a year or more.
- 1.5. 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.
- 1.6. 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.

2. Pre-Procurement Checklist

2.1. Is there a current contract in place?	Yes	
2.1.1. If so, what is the expiry date of the current contract (dd/mm/yy)?	31/03/2022	
2.1.2. If the current contract has any extension periods which can be invoked, what are they?	Five (5) years but already in the final year	
2.2. What is the proposed start date for the new contract (dd/mm/yy)?	01/04/2022	
2.3. What is the proposed length of the new contract, inclusive of any extension periods?	5	Years (3+1+1)
2.4. Is your requirement one-off (e.g. a project of fixed duration) or ongoing (e.g. a service which will need to be renewed after this contract ends)?	One-Off	
2.5. Has a Risk Register been produced for this procurement?	Yes	
2.6. Has the spend for this procurement been approved?	Yes	
2.6.1. Who has approved this spend (Name of Board or Budget Holder or Finance Officer)?		

Mark Dickenson (Assistant Director of Finance & Strategy)

2.7. Has Head of Service approval been agreed for this procurement and your Recommendation, below?	Yes	
2.8. What is the expected lifetime contract cost of the goods, service, supply or work?	£	190,000
2.9. How has the expected lifetime contract cost been determined?		

Average spend over five (5) years multiplied by the length of the contract.

PURCHASING GATEWAY GROUP

2.10. What do you want to procure and achieve?

To continue with a provider to undertake the management of four strategic leisure facilities: Kettering Swimming Pool, Kettering Athletics Track and Synthetic Pitch, Corn Market Hall and Desborough Leisure Centre.

It was agreed to a short-term contract up to five (5) years (3+1+1) so this fits within similar timeframes to existing leisure management arrangements in North Northamptonshire. This would also afford the opportunity for the new North Northamptonshire Council to consider the options for future management of its leisure services.

2.11. Could in-house resources be used to meet your requirement?

No

2.12. Have appropriate Framework Agreements been considered?

Yes

2.13. Has any market engagement or cost analysis taken place?

Yes

2.14. Do collaboration opportunities exist with other depts. or Councils?

No

2.15. Do training opportunities exist to up-skill in-house staff?

No

2.16. Are there any implications and/or considerations under Section 151 of the Commonhold and Leasehold Reform Act 2002 (previously Section 20 of the Landlord and Tenant Act 1985)?

No

This is relevant to projects which affect leaseholder properties (residential or commercial).

2.17. Please provide any other relevant information for 2.11-16:

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.

3. Route to Market

3.1. What approach and route to market has been considered for this procurement, how will the submissions be evaluated (price/quality)?

Given the current uncertainty of the sector at the end of 2020, an Early Engagement Notice was published on Contracts Finder seeking Expressions of Interest in a short-term contract, up to five years. Two Early Engagement Notices were issued, one seeking interest in the provision of a new 3G facility (to replace the existing outdated one), and another Early Engagement Notice without this.

The Council received three submissions of interest.

Given the number of interested parties, the proposal is to undertake a formal procurement exercise for a leisure management services contract for a period of

PURCHASING GATEWAY GROUP

three years with the option of extending this for a further two or three one-year extensions.

3.2. Please confirm which procurement team member you have engaged with.

You are required to discuss your requirement with a member of the procurement team prior to submitting this form.

Chris Everett (Performance and Procurement Manager)

4. Options to be Considered

Please speak with a member of the procurement team if you require assistance completing this section. Otherwise please choose what procurement activity you want.

- 4.1. Do nothing.
- 4.2. Undertake a full **Regulated procurement** process to an open market.
- 4.3. Use a compliant **Framework Agreement** or **Dynamic Purchasing System (DPS)**.
- 4.4. Other (please explain below).

This is a concession style contract and as such, it is subject to the requirements of the Concession Contracts Regulations 2016 (hereafter referred to as "CCR2016"). Based on turnover details provided by the incumbent supplier and the methodology at Regulation 8 of the CCR2016, the turnover value has been identified as £3,239,442.00, which falls below the current concession threshold value of £4,733,252 (as of March 2021). As such, a Request for Quotation overseen and supported by the Procurement Team is proposed.

5. Legal Considerations

Please speak with the Council's Legal Services team if you require assistance completing this section.

- 5.1. Under the existing contract there is no option to extend the current service.
- 5.2. I have engaged with the Legal Services Team and will be working with them to prepare the draft services contract to be attached to the procurement document suite.
- 5.3. Legal Services Team contact is Hayley Sims (Team Leader Contracts and Special Projects).

PURCHASING GATEWAY GROUP

6. Finance Considerations

Please speak with the Council's Financial Services team if you require assistance completing this section.

- 6.1. The current contract costs a net £35,000 per annum, based on 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.
- 6.2. 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.
- 6.3. Previous discussions under KBC and as part of the EOI exercise at the end of 2020, was to include capital investment option as part of the submission.
- 6.4. Discussions have been held with Finance colleagues, and it was agreed to set a fixed management fee from the Operator, from the six month operating point (i.e. starting in September 2022) to allow stabilisation and realisation of income/expenditure.
 - 6.4.1. In reaching this decision, we considered the risk associated with a percentage fee:
 - a. the income to the Council could fluctuate based on the market; *and*
 - b. the Operator may 'hide' profits to reduce the amount paid to the Council
 - 6.4.2. Additionally, this is a short-term contract of up to five (5) years and will inform the budgets as a guaranteed fee and mirrors the arrangements with the contract for the leisure services management in East Northants.
- 6.5. The management fee consideration will be included in any Operator's ITQ submission to ensure a realistic and achievable figure is agreed.

6.6. Type of spend (Revenue or Capital)	Revenue
6.7. Is funding included within the existing budgets? <i>If "Yes", please complete 6.3.1. If "No", please complete 6.3.2.</i>	Yes
6.7.1. If "Yes", please provide the following:	
a. Budget Code	20D40002 E6000
b. Budget Provision	£38,000
c. Budget Holder	Hazel Webb
d. Date agreed by Budget Holder	11/05/2021
6.7.2. If 'No', please provide details of how the costs are to be funded:	
Not applicable	

PURCHASING GATEWAY GROUP

6.8. Date Agreed with Finance	21/05/2021
6.9. Name of Finance Officer	Mark Walker
6.10. Medium Term Financial Implications <i>If "Yes", please complete 6.6.1 – 6.6.5. If "No", please complete 6.7.</i>	No
6.10.1. Year 1 (2022/23)	£ Not applicable.
6.10.2. Year 2 (2023/24)	£ Not applicable.
6.10.3. Year 3 (2024/25)	£ Not applicable.
6.10.4. Year 4 (2025/26)	£ Not applicable.
6.10.5. MTFP Implications agreed by <i>Enter name of Finance Officer</i>	Not applicable.
6.11. Explanation of Medium-Term Financial Implications	
Consideration will need to be given regarding the leisure management facilities once alignment of end dates for all existing leisure contracts in North Northamptonshire is within the planning horizon. This is likely to have financial considerations with the possibility of economies of scale to be realised as the previous sovereign Councils leisure offers are considered and reviewed as one.	
6.12. If this contract is expected to be £500,000 or more, please confirm if you require the Successful Provider to provide a Parent Company Guarantee, Performance Bond or any other sureties? <i>If "any other sureties" or "N/A – see explanation below", please complete 6.8.1.</i>	N/A – this contract is not expected to be £500,000 or more
6.12.1. Please detail the other sureties you require as a part of this contract, or provide an explanation, if you have chosen "N/A – see explanation below".	
Not applicable.	

7. Ethical and Equality Considerations

Please speak with the Council's Policy Officer (Equality and Diversity) if you require assistance with this section.

7.1. An Equality Screening Assessment has been drafted ahead of this Report being presented to the Purchasing Gateway Group and is attached as an annex.

8. Social Considerations (Public Services (Social Value) Act 2012)

8.1. What outcomes have you considered from the procurement to improve the economic, social and environmental well-being of Northamptonshire?

- 8.1.1. Employment of local people to jobs offered by the operator.
- 8.1.2. Access to services available for all.
- 8.1.3. An all-inclusive pricing schedule.
- 8.1.4. Appropriate waste management of hazards chemicals used for water purification.

- 8.2. How will you ensure the improvement(s) identified above, are achieved?
- 8.2.1. Performance monitoring through regular contract management meetings.
- 8.2.2. Performance indicators agreed through the specification and operation reports provided by the operator.
- 8.3. Are you undertaking any community consultation as a part of the Social considerations of this procurement?
- 8.3.1. No.

9. Environmental Considerations

Please speak with the Council's Sustainability Officer if you require assistance completing this section.

- 9.1. The new contract will support the Council in collating energy data in order to report on annual Green House Gas emissions.
- 9.2. The new contract work with Council should future opportunities arise for energy efficiency savings.
- 9.3. The new contract support biodiversity strategies such as pollinating friendly regimes in within grounds maintenance.

10. Conclusion and Recommendation

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

11. External Consultants

If you intend to utilise any consultants, please list names and their organisations and their role in this procurement.

- 11.1. None.

12. List of Annexes and Appendices

- 12.1. Report Title – Kettering Borough Leisure Services Contract, submitted to North Northamptonshire Shadow Authority, Shadow Executive Committee Meeting held on 4 March 2021.
- 12.2. Decisions of the Shadow Executive Committee at its meeting held on Thursday 4 March 2021.
- 12.3. Equality Screening Assessment.

13. Officer to Contact

Please confirm details for the officer to contact if there are any queries.

13.1. Hazel Webb (Community Services Manager)

13.2. 01536 851 245

13.3. hazel.webb@northnorthants.gov.uk

14. Assistant Director Approval

Please confirm details for the Assistant Director who has approved this requirement.

14.1. Kerry Purnell, Assistant Director – Housing & Communities

14.2. T. 0300 126 3000 m. 07787 266210

14.3. Kerry.purnell@northnorthants.gov.uk

14.4. 22/06/2021

Risk Matrix

INITIAL ASSESSMENT											CONTROLS & MITIGATION				
ID	Status	Date Raised	Raised by	Risk Owner	TYPE	As a result of....	There is a risk that....	With the result that...	Impact	Likelihood	RAG Rating	Mitigation and Controls in place	Impact	Likelihood	RAG Rating
LMS1	Open	13-Mar-21	Hazel Webb	Kerry Purnell	Process	No uptake from market or bidders fail to pass ITQ	A contract is not awarded for LMS	NNC has no LMS Contractor as of 1 April 2022 or the procurement process has to be restarted	4	4	Red	Engagement with providers - including those who expressed an interest in Dec 20 Potential to discuss with current operator to continue providing a service, under Procurement Law, while a new procurement process is restarted.	4	3	Red
LMS2	Open	14-Mar-21	Hazel Webb	Kerry Purnell	Quality\Operational	The LMS procurement is largely taking place during the summer period	Timescales may slip due to annual leave of key project team members	The procurement fails to meet deadlines	4	3	Red	Dedicated commitment from project team members Key project team members are fully aware of the procurement timetable Annual leave tracker in place to highlight potential gaps early in the project in order to find appropriate cover/put necessary arrangements in place	4	1	Yellow
LMS3	Open	14-Mar-21	Hazel Webb	Kerry Purnell	Business Intelligence	Insufficient or uncertain available service data	Bidders may decline to bid or the bid submission period will be exceeded due to clarification questions	The procurement fails to meet deadlines	3	3	Yellow	Service data has been requested upfront	3	2	Yellow
LMS4	Open	14-Mar-21	Hazel Webb	Kerry Purnell	Skills	Lack of experience within the panel team	Evaluation incomplete/scored incorrectly	This may give rise to challenge as part of the procurement process.	4	3	Red	Ensuring support is available for individuals, additional expertise included in the panel	4	1	Yellow

This page is intentionally left blank

EXECUTIVE 26th August 2021

Report Title	A43/A6116 Steel Road Roundabout Project
Report Author	Rob Harbour – Assistant Director for Growth and Regeneration
Lead Member	Cllr Steven North – Executive Member for Growth and Regeneration

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	

List of Appendices

None

1. Purpose of Report

- 1.1. In order to proceed to the delivery stage of the A43 /A6116 Steel Road Roundabout project, and to continue the draw-down of funding related to it from Homes England, the Executive are asked to agree to the recommendations in this report and to the increase in the notional funding for the project within the Delivery programme from £2.950,000 to £3,973,252.
- 1.2. The A43 /A6116 Steel Road Roundabout project will increase traffic capacity at this busy junction on the north eastern edge of Corby and facilitate full delivery of Priors Hall Park, a Sustainable Urban Extension (SUE) consisting of 5,100 dwellings.
- 1.3. The costs for the project are entirely funded through external grant funding – through Homes England’s Housing Infrastructure Fund (Marginal Viability Fund).

2. Executive Summary

- 2.1 The A43/Steel Road Roundabout project was brought into the Capital Programme in February 2021 as part of the investment plans for Corby. It had an initial allocation of £2.95m based on an early-stage cost estimate, however, this has since been revised and it is requested that the budget is increased to be in line with the available grant from Homes England, which is ringfenced for the scheme and totals £3.973m.
- 2.2 The project addresses significant capacity issues which are currently being experienced at the junction and is a key part of the mitigation strategy for Priors Hall whilst also accommodating Weldon Park. The Tresham Garden Village development will also benefit from the scheme as will other developments. Without the improvements, capacity constraints at the junction could limit development.
- 2.3 Funding for the scheme is being made available through Homes England as part of an allocation from its Housing Infrastructure Fund (Marginal Viability Fund) and is intended to fund the scheme in full. It is currently envisaged that the project will be delivered during Autumn/Winter 2021 – the Homes England grant funding requires delivery before the end of March 2022.
- 2.4 The report also sets out the current status of the project, and the timeline for its delivery over the coming months.
- 2.5 Finally, it provides an account of the risks associated with the project – both in terms of ongoing risk during delivery, and in terms of the risks associated with any further delays.

3. Recommendations

- 3.1 It is recommended that the Executive:
 - a) Endorse the work undertaken to date to get the project to the delivery stage;
 - b) Agree to increase the project cost within the Delivery Plan from £2,950,000 to £3,973,252
- 3.2 *Reason for Recommendations -*
 - *The Council and general public will receive the maximum benefit from the option proposed*
 - *To re-affirm the Council's ambitious plans for growth and regeneration*
 - *Consistency with previous decisions made by Corby Borough Council, Northamptonshire County Council, the North Northamptonshire Shadow Authority and North Northamptonshire Council.*

4. Report Background

- 4.1 In June 2017 the Secretary of State for Communities and Local Government launched the Housing Infrastructure Fund (HIF). The funding is government capital grant and awarded to local authorities on a competitive basis.
- 4.2 The former Corby Borough Council (CBC) worked in partnership with the North Northamptonshire Joint Planning Delivery Unit, Kettering Borough Council, Borough Council of Wellingborough and East Northants Council to submit a range of bids across the respective area. One of CBC's bids into the Marginal Viability Fund of HIF related to works required by the Priors Hall Sustainable Urban Extension at the A43/A6116 Steel Road junction.
- 4.3 The project addresses significant capacity issues which are currently being experienced at the junction – and which will increase through the delivery of the allocated sites at Priors Hall Park and Weldon Park (as well as Tresham Garden Village, the Rockingham Speedway Industrial Area and the recently approved Cowthick Plantation logistics park). It is a key part of the mitigation strategy for the growth agenda set out within the Joint Core Strategy.
- 4.4 This bid, which was for £3,973,252, has been successful in principle and officers have been working with Homes England to develop the bid documents and proceed with the project.
- 4.5 The project team (made up of colleagues from North Northamptonshire Council, West Northamptonshire Council, KierWSP and Alpine Planning Ltd), are now at the stage where the project will begin physical works in September 2021, subject to the recommendations being agreed in this report.
- 4.6 Homes England have been supportive of the approach taken, and the project team has discharged a number of pre-draw-down conditions associated with the Grant Funding Agreement that was confirmed in July 2019.
- 4.7 In February 2021 the first tranche of money was secured from Homes England - £433,980, which paid for design work and project management costs up to that point. A second tranche of money is due to be drawn down in September 2021 (£250,000) for costs associated with the finalisation of the design, with further draw downs in December 2021 and January/February 2022 associated with the physical delivery of the scheme.
- 4.8 The project has gone through a number of governance approvals processes including the One Corby Policy Committee. It has also gone to North Northamptonshire Shadow Executive, the North Northamptonshire Place Board and is included on the Council's Capital Programme for delivery in 2021/22.
- 4.9 The recommendations in this report were also considered by the Strategic Capital Board at its meeting on Monday 9th August 2021.
- 4.10 The Grant Funding Agreement with Homes England dictates that the scheme must be delivered by the end of March 2022.

5. Issues and Choices

5.1 Option One – Do Nothing

5.2 The mitigation measures proposed – the build of the roundabout - are linked to a trigger point on the existing Outline Planning Permission for Priors Hall Park. To not progress with the project will prevent development from extending beyond 1999 homes. At present there are circa 1,400 houses completed at Priors Hall Park and based on current projections the trigger of 1999 homes is estimated to be achieved in 1-2 years' time.

5.3 It is worth noting, however, that Urban and Civic (the master developer of Priors Hall Park) have advised that it is likely housing numbers would, in fact, be limited to around 1,700 due to the manner in which the parcels are allocated going forward, and the other infrastructure that is necessary to go beyond that number.

5.4 If the project is not delivered in 2021/22, then Homes England may choose to withdraw their offer of funding, and the area will lose the £3,973,252 grant funding – and the support to our growth aspirations that it brings.

5.5 The junction mitigation will remain a necessity in terms of the recently approved revised outline application for Priors Hall Park; meaning that the costs of its delivery will fall into the negotiations around viability. It may also have implications in terms of Priors Hall Park's ability to continue to positively contribute towards NNC's Five Year Housing Land Supply.

5.6 Option Two – Continue progressing the project. Deliver the junction improvement works in 2021/22 (recommended option)

5.7 This is the recommendation of officers as it would allow the project to continue into the physical delivery stage and be completed within the time period specified in the Grant Funding Agreement. This would ensure that the grant funding is secured, the build out of further phases of homes at Priors Hall can continue, and the area benefits from improvements to infrastructure associated with the growth agenda.

5.8 A key point to note is that the project is fully funded through the Homes England grant – the proposals set out within this report do not involve any costs to North Northamptonshire Council.

5.9 This will enable Priors Hall Park to continue to contribute positively to our 5 Year Housing Land Supply without pause.

5.10 There are no other options available to the Council at this stage – alternative mitigation measures have been assessed by the project team and found to either be unsatisfactory from a highways capacity perspective or outside of the scope of the project from a financial perspective.

6. Implications (including financial implications)

6.1 Resources and Financial

6.2 The Grant Funding Agreement secured from Homes England via the Housing Infrastructure Fund (HIF) is for a total of £3,973,252. The project has so far cost circa £684,000. The predicted total cost is currently circa £3,500,000. This is within the budget allowance set by the awarded grant funding – and leaves a small surplus as a contingency to ensure that any anomalies found during construction can be dealt with appropriately.

6.3 These are indicative costings based on the current designs and understanding of ground conditions/utilities, etc.

6.4 In February 2021 the first tranche of money was secured from Homes England - £433,980, which paid for design work and project management costs up to that point. A second tranche of money is due to be drawn down in September 2021 (£250,000) with further draw downs in December 2021 and January/February 2022.

6.5 Initially a cost estimate of £2,950,000 was set against the project within the Capital Programme, however as the project has progressed and the Delivery Programme revised it is recommended the full HIF monies are set against the budget of £3,973,252. This will ensure that sufficient funding is available to the project team to deliver the junction improvement works, whilst also providing some head room should there be any anomalies during the construction phase that have not been anticipated. The HIF funding can only be used for the purposes of this project. Should there be an underspend, and it is currently anticipated that there will be, the Council will enter discussions with Homes England about other projects that this might be spent on – provided that those projects are geared towards the delivery of housing.

6.6 Legal

6.7 There are no direct legal implications that result from this report although there is a need to ensure that value for money is attained with respect to procurement of any contractors to undertake the physical delivery.

6.8 Risk

6.9 The Grant Funding Agreement specifically requires the project to be delivered by the end of March 2021. Failure to do so may result in Homes England withdrawing their funding offer.

6.10 There is a reputational risk associated in that Homes England have advised that the project needs to progress swiftly, and if the work cannot be completed by the end of March 2022, it may detrimentally impact on our relationship with Homes England in terms of future funding opportunities.

6.11 There is also a risk in terms of failure to deliver the scheme as outlined in 5.2 and 5.3 above and the 5 Year Housing Land Supply, which continues to rely on the ongoing delivery on our Strategic Sites, including Priors Hall Park.

6.12 The project itself has its own Risk Register

6.13 Consultation

6.14 The project was subject to significant consultation during June 2021 – this included a press release, fact sheets distributed to affected businesses on Priors Hall Park, consultation with Ward Members as well as a formal Traffic Regulations Order consultation which detailed the specific changes being proposed.

6.15 No objections were received, and only minor points of clarity were received and responded to.

6.16 Consideration by Scrutiny

6.17 Scrutiny may choose to analyse the scheme in the future as part of its work programme, but has not been involved in this matter to date.

6.18 Climate Impact

6.19 Failure to improve the junctions as proposed would lead to congestion, delays, increased journey times and queuing traffic, resulting in a greater impact on noise and air quality.

6.20 Community Impact

6.21 Should the schemes not proceed there will be adverse impacts on residents due to the congestion, queues, and delays and the consequential environmental and amenity impacts that would result from lack of capacity at the junction. There would also be implications on the community should NNC fail to meet its obligations in terms of a 5-year Housing Land Supply or the Housing Delivery Test.

7. Background Papers

- Grant Funding Agreement from Homes England: 2019
- One Corby Policy Committee Report Dec. 2019
- One Corby Policy Committee Report June 2020
- Future Northants Place Board Report Jan. 2021
- End of Stage Report June 2021
- Project Risk Register July 2021
- Project Programme July 2021
- Capital Approval Process Business Case July 2021