

EAST HERTS COUNCIL

EXECUTIVE- 17 JULY 2018

REPORT BY THE EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

LEISURE PROCUREMENT UPDATE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To provide an update on the leisure procurement process and the proposed changes to the procurement approach.

RECOMMENDATIONS FOR EXECUTIVE: That the Executive:

(A)	Approve that the Design and Build aspects of the leisure procurement for Grange Paddocks and Hartham leisure centres are separated from the leisure operating contract, replacing the previously approved “Design, Build, Operate and Maintain (DBOM)” procurement route (recommendations G and H; Council, July2017);
(B)	Note that the leisure operating contract is procured in parallel to (A);
(C)	Note that the remaining recommendations from the Council meeting in July 2017 and those agreed in October 2017 remain the same.

1.0 Background

1.1 In July 2017, Council approved investment and development at the Council owned leisure facilities and Ward Freman Pool. Council also approved the following recommendations, that:

- (G) the Design, Build, Operate and Maintain model for Grange Paddocks Leisure Centre, be approved;
- (H) the Design, Build, Operate and Maintain model for Hartham Leisure Centre, be approved;
- (J) Subject to funding approval, delegated authority to make decisions relating to the leisure development projects is provided to the Executive Member for Health and Wellbeing with the support of a leisure project board. The board will consist of the Executive Members of Health and Wellbeing and Finance and Support Services, the Head of Operations, the Chief Finance Officer, Monitoring Officer and a Director.

1.2 Following consultation and further exploration a further set of recommendations in October 2017, were approved at Council. These included that Council:

- (A) Agree that the Council will commit to acting as a facilitator to help Chauncy School and Leventhorpe School explore alternative ways to maintain their leisure facilities;
- (B) Note that bidders will be invited to submit variant bids for the new leisure contract to include options for the future operation of Fanshawe and Leventhorpe Pools and Gyms should long term Council funding be unviable;
- (C) Note that the operational delivery of Fanshawe and Leventhorpe Pools and Gyms is included in the new leisure contract specification for up to 5 years, subject to each School's ability to contribute 40% of all costs; and
- (D) Subject to the outcome of (A) and (B), agree that the decisions on capital funding for Leventhorpe and Fanshawe Pools and Gyms is considered post tender evaluation.

2.0 Report

- 2.1 The Design, Build, Operate and Maintain (DBOM) procurement process went live on the 18 May 2018 and the Supplier Questionnaire (SQ) stage closed on 18 June 2018. Having reviewed the market position, and in the context of a pre-application Planning meeting that highlighted the sensitivities of the Green Belt locations of the two construction projects, and in the case of Hartham Leisure Centre its location within a conservation area; a change of procurement method is now proposed.
- 2.2 It is recommended that the “Design and Build” aspects of the project is brought ‘in house’ and East Herts Council (EHC) leads on the refurbishment of Hartham Leisure Centre and the development of a new leisure centre at Grange Paddocks, to replace the DBOM approach that would have seen this project led and delivered by one external consortia.
- 2.3 Officers are now re-evaluating a number of associated aspects including:
- Revised briefs for consultants
 - Review of the membership of the Leisure Project Team and role of the Leisure Project Board
 - Assessment of the professional services and associated capacity that the council will require
 - Anticipated full Planning Application to be made before November 2018, replacing the proposed Outline Planning Application in July 2018

The following key timeline targets are unchanged:

- The target for the contract award for the leisure operation is September 2019
 - The target for commencement of construction works is January 2020.
- 2.4 The council remains committed to facilitating Chauncy and Leventhorpe Schools to explore alternative ways of

maintaining their facilities and officers will ensure that they are kept updated on the revised procurement plans.

3.0 Summary

3.1 The Council is committed to developing its leisure facilities at Grange Paddocks and Hartham. The original plans were to use a single procurement route to market for a DBOM contract. However, given the sensitivities of the sites being in the Green Belt and Hartham being within a Conservation Area coupled with a change in the market position, it is proposed to cease the DBOM contract and proceed with the Design and Build elements of the project in-house. The leisure operating contract for all sites will be procured in parallel with this.

4.0 Implications/Consultations

4.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

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