


## LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	<b>Cabinet</b> <b>5<sup>th</sup> October 2023</b>	
Report Title	<b>Procurement of Provider for the New Score Centre</b>	
Cabinet Portfolio	Councillor Naheed Asghar, Portfolio Lead Member for Health & Wellbeing	
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Wards affected	Leyton	
Public Access	OPEN	
Appendices	Appendix 1 – Equality Analysis	

### 1. SUMMARY

- 1.1 The new Score Centre is scheduled to open in July 2024, replacing the existing Score Centre which is due to be demolished as part of the Coronation Square Development. In July 2023 the Strategic Commissioning Board approved the procurement of a provider to manage the new Score Centre,
- 1.2 The Strategic Commissioning Board agreed to an open tender process to secure the best options in the marketplace.
- 1.3 The new Score Centre will be a new build facility and will provide a great opportunity to raise the profile of the Sports and Leisure Service and enhance the quality of sports provision in Leyton.

### 2. RECOMMENDATIONS

- 2.1 Cabinet is recommended to:
  - 2.1.1 Approve the procurement of a Provider to manage the new Score Centre in accordance with the process set out in paragraph 3.3.
  - 2.1.2 Agree to delegate authority to the Strategic Director of Neighbourhood and Environment in consultation with the Strategic Director for Resources and the Portfolio Lead Member for Health and Wellbeing to award the contract once the procurement exercise is complete.

### **3. PROPOSALS**

- 3.1 The existing Score Centre was designed as a community asset, to develop and support groups and individuals in the local community and to help make a step change in local people's aspirations and potential. It originally opened in May 2005.
  - 3.1.1 Currently the Score Centre is managed in-house by the Sport & Leisure Team and comprises of a covered outdoor sports hall, two community rooms and changing rooms. The current business primarily caters for block bookings for sports clubs and organisations and not pay and play customers.
  - 3.1.2 Two core tenants continue to deliver services from The Score and will be able to secure space in the new facility. The Nappy Gang and Leyton Orient Trust (LOT). The Nappy Gang have established themselves as a successful and officially recognised Early Years Centre, supporting sixty 0-4-year-olds per year.
  - 3.1.3 Leyton Orient Trust (LOT) has increasingly used The Score to deliver high impact social and economic development programmes and is the hub for the delivery of all of its 14-19 year old, part and full-time education programmes including BTEC Sport and Leisure courses in partnership with Waltham Forest College.
- 3.2 As part of the Coronation Square Development a new Score facility will be provided as a returned asset.
  - 3.2.1 The new facility centred on a replacement leisure centre of 3,400m<sup>2</sup> sports hall with improvements to the quality of the indoor space, through better built fabric and environmental control and with the introduction of bleacher type seating to allow for spectators. The entrance of the sports facility will be highly accessible and visible from the new public space. The Centre has been designed in consultation with Sport England and to equal or greater standards of the Council's Feel-Good Centre, and as set out in the Design & Development Brief.
  - 3.2.2 The new facility will include a fit for purpose sports centre including a new sports hall equivalent to 5 basketball courts, show courts for all sports with pull-out spectator seating. It will also provide Ground Floor and First Floor Changing rooms and toilets, changing places, accessible change, lockers, First Floor Community Studio and office accommodation and a Café.
  - 3.2.3 An Options Appraisal was carried out and the recommendation is to procure an external provider to manage the new facility. Sports and Leisure are looking to bring in an external provider to manage the facility.
- 3.3 The proposed procurement will be carried out in accordance with the Concession Contracts Regulations 2016. These regulations were not in effect when the main leisure contract was tendered in 2011/12 but are now the most suitable means of procuring a contract of this type. The reasons for classing this as a concession contract are set out in the legal implications. Under the Concession Contracts Regulations there

is no set procurement procedure to follow but any process must be in accordance with the principles of transparency, fairness and non-discrimination. Given that the market of providers for leisure services is now relatively small it is proposed that the procedure to be followed will be an open procedure where any provider capable of providing the services will be able to tender. Tenders received will be evaluated on a quality/price ratio of 60:40 and the evaluation criteria, together with the specification, are being developed by officers.

#### **4. OPTIONS & ALTERNATIVES CONSIDERED**

##### **4.1 Option 1 – Do nothing**

4.1.1 The new Score Centre building is expected to be handed over to the Council in July 2024 upon completion of redevelopment works.

4.1.2 The brand-new sports facility will need to be managed; including bookings, staffing and maintenance and so this option would result in an unused building and loss of earnings to the Council.

4.1.3 In light of the above, the 'Do Nothing' approach is not an option.

##### **4.2 Option 2 – In-house Management**

Option 2: In-House Management	
Advantages	Disadvantages
Synergies with all council services including events culture and health to ensure full utilisation of all council resources to deliver coordinated services	All systems will need to be built or procured i.e memberships, IT, Bookings etc
Strong interfaces with national governing bodies of sport and delivery partners in the borough and across London to maximise and enhance to further develop opportunities and new products	Less flexibility with staff as no pool to call on
Greater influence over programming and pricing	Reduced purchasing power for leisure goods and services
Local knowledge	Limited resources in place currently to manage the facility
	Expenditure likely to be higher as no economies of scale

- 4.2.1 This not the preferred option due the financial & operational risks involved.
- 4.3 Option 3 – Procure external provider (using FTS Open Procedure)
- 4.3.1 This option will allow the Council to test the market to get best value and allow a flexible approach and achieve competitive advantage of price and quality of service.

<b>Option 3: External Management</b>	
<b>Advantages</b>	<b>Disadvantages</b>
Reduced risk to Council	The contract and specification will need to be explicit in terms of roles and responsibilities.
External provider will have access to back-office systems	Interfaces between partners will need to be clear
Lower overheads	Less control over programming and pricing
Good purchasing power	Potentially less local knowledge
Pool of staff and access to specialist teams already in place	
Health and safety track record	
Booking systems and IT in place	
Internal infrastructure already in place	
Good reputation in the industry	
Strong contacts with service providers	
Membership database already in place	

4.3.2 This is the preferred option as this would be the best approach to ensure an inclusive and high-quality service.

## **5. COUNCIL STRATEGIC PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)**

- 5.1. The contractor will need to align with our 15 minute framework , which sets out the vision for shaping the Council's future and meeting the needs of residents. It is the means by which Waltham Forest is to achieve a more prosperous borough, focussing on improving the quality of life for local people and raising peoples' aspirations.
- 5.2. The contractor will also need to set out how it will support the councils Public Service Strategy especially around our 4 priorities, Connecting people with jobs, Safe and healthy lives and Confidence in our future.
- 5.3. Councils Sport and Physical Activity Strategy
- 5.4. Equality Policy
- 5.5. A Healthier Fairer Waltham Forest – Waltham Forest Health Inequalities Strategy 2010-2015

- 5.6. Tackling homophobia and transphobia in sport: A Charter for Action
- 5.7. Full of Life Strategy
- 5.8. 6 sport specific Frameworks: aquatics, athletics, basketball, cycling, hockey and tennis

## **6. CONSULTATION**

- 6.1. Board members for Coronation Square, Strategic Leadership Team and the Lead Member for Health and Wellbeing were consulted.

## **7. IMPLICATIONS**

### **7.1. Finance, Value for Money and Risk**

- 7.1.1. The aim of this procurement is to achieve financial sustainability of the new Score Centre over the life of the contract and generate a saving to the budget for the existing Score Centre which will be transferred to the new facility.
  - 7.1.2. A commercial (external) provider will have the ability and economies of scale to absorb a proportion of the associated expenditure and generate a higher level of income.
  - 7.1.3. Via the tender process we shall request a detailed revenue model for the facility and assess this as part of the bidding process to minimise any future costs to the Council.
  - 7.1.4. The tender recommends a 10 year contract plus 3 year extension to bring the terms in line with the Council's other contracted leisure facilities and provides the opportunity maximise income when the facility matures (3-5 years).
  - 7.1.5. By conducting an initial scoping exercise of the market followed by a full procurement, this exercise aims to ensure the Council is achieving the best value for money for the provision of Leisure Services.
- 7.2. Risk
- 7.3.1 The high level risks and mitigations associated with the procurement process are set out below:

Key Risks	Mitigations
High quality tenders not received potentially affecting successful operation of facility and / or delaying launch of facility	<ul style="list-style-type: none"> <li>• Carry out soft market testing</li> <li>• Engage with key providers in advance of ITQ and throughout process (in conjunction with procurement rules and procedures)</li> </ul>
Delays in tender process and contract award resulting in delayed launch of facility	<ul style="list-style-type: none"> <li>• Ensure robust planning and implementation of tender process with all internal key stakeholders engaged to avoid delays</li> <li>• Map out timescales including contingency period for delays</li> <li>• Keep PLM updated and briefed on progress of tender process</li> </ul>
Delays with capital programme resulting in costs and disruption to contractor	<ul style="list-style-type: none"> <li>• Ensure close engagement with project team to provide early awareness of and delays</li> <li>• Ensure effective communication with PLM, SLT and prospective contractors throughout process</li> <li>• Include caveats for delays within tender and draft contract</li> </ul>
Revenue model submissions not as expected or satisfactory resulting in potential unexpected financial pressure for the Council	<ul style="list-style-type: none"> <li>• Provide draft / expected revenue model within ITQ specification</li> <li>• Ensure finance colleagues are engaged in the tender process to provide early awareness of any financial risks</li> </ul>

### 7.3. Legal

7.3.1. Under section 19 of the Local Government (Miscellaneous Provisions) Act 1976 the Council may provide, inside or outside its area, such recreational facilities as it thinks fit.

7.3.2. The procurement will be undertaken in accordance with the Concession Contracts Regulations 2016 and the Council's Contract

Procedure Rules. The contract for the management of the new Score Centre will be a concession contract because the successful provider will gain its income through running the facility and the services in the contract (or it generates that income together with a management payment from the Council for some elements). It is not simply the Council paying the provider for the services to be delivered. The contract will transfer to the provider the operating risk in running the facility and services so that the provider will be subject to both demand risk (generating use of the facility) and supply risk (the cost of running the facility). In order for risk to be transferred to the provider and to be a concession contract the provider must have real exposure to the vagaries of the market, so that any potential loss incurred by the provider is not merely nominal or negligible.

#### **7.4. Equalities and Diversity**

- 7.4.1. There is not expected to be any impact on equalities and diversity from procuring a new provider for the Score Centre. The equalities policies and practices of the preferred contractor will be kept under review through standard contract monitoring.

#### **7.5. Sustainability (including climate change, health, crime and disorder)**

- 7.5.1. The Contractor will ensure that the community programmes and approach to sports development reflect the requirement to increase participation by the population overall to reflect the health benefits of taking part in regular activity. For sporting programmes these shall reflect the key principles for sports development, to provide grass roots participation and routes up the sports development continuum, identifying routes for excellence in partnership with other Government agencies, voluntary/charitable organisations, clubs and local primary and secondary schools. Community hall programmes shall encourage social cohesion and community engagement.
- 7.5.2. The Contractor will develop an environmental plan for the facility with measurable targets that will encompass the minimum of the elements detailed below. The plan, actions and results will be reviewed with the Council on a quarterly basis.

The key indicators will be: Maximising energy conservation and benchmarking energy consumption, Carbon management including a green travel plan which promotes sustainable methods of transport in accessing the Facility. Detail any energy consumption will be purchased from renewables. Reduction in the use of environmentally any harmful chemicals; Maximising water use reduction and recycling opportunities; Minimising waste and maximising recycling.

#### **7.6. Council Infrastructure**

- 7.6.1. TUPE will apply and this process will form part of the tender and procurement process once approved. HR have been notified and a representative from HR will form part of the procurement team.



- 7.6.2. The provider will be required to have their own ICT infrastructure in place including booking systems, membership databases etc. No Council ICT systems will be required.

**BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)**

None