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MINUTES OF A MEETING OF THE OVERVIEW & SCRUTINY BOARD Havering Town Hall, Main Road, Romford 26 July 2016 (6.00 - 8.30 pm)

Present:

COUNCILLORS

Conservative Group	Steven Kelly, Robby Misir, Dilip Patel, Viddy Persaud (Vice-Chair), +Carol Smith, Linda Trew and Michael White
Residents' Group	Barbara Matthews and Ray Morgon
East Havering Residents' Group'	Gillian Ford (Chairman) and Linda Hawthorn
UKIP Group	Ian de Wulverton and +John Glanville
Independent Residents' Group	+David Durant
Labour	Keith Darvill

Apologies were received for the absence of Councillors John Crowder, Barry Mugglestone, Lawrence Webb and Graham Williamson.

+Substitute members: Councillor Carol Smith (for John Crowder), Councillor John Glanville (for Lawrence Webb) and Councillor David Durant (for Graham Williamson).

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

2 REQUISITION OF A CABINET DECISION - AWARD OF THE SPORT AND LEISURE MANAGEMENT CONTRACT

Prior to the start of the meeting Members considered a motion to defer consideration of the item as some Members had not received the officer's response to the requisitioner's questions. The motion to defer consideration of the item was lost by 6 votes to 8.

Councillors Ray Morgon and Keith Darvill addressed the Board and gave the reasons for the call-in of the Cabinet decision.

Members were given a copy of the answers to the questions that had been put forward by the requisitioner's. A copy of which is appended to these minutes.

The Council's Health & Wellbeing Manager advised that the tender had been through different paths. Firstly there had been initial expressions of interest from contractors which had taken the form of a pre-qualification questionnaire, followed by an invitation to tender. The invitation to tender allowed tenderers to tell the Council how they would run the leisure centres, how they would develop sports and leisure facilities for the community and the opportunity for them to explain how much money they would be willing to invest and how much money they were willing to give the Council. A business plan had to be submitted by the tenderer as part of the Council's evaluation model, which had to be passed for their continuation in the process.

The evaluation had been scored 50% on price and 50% on quality. All of the documents that had been provided by the contractors during the tendering process became legal documents and if the successful contractor wished to make amendments to what had been submitted then they would have to enter into discussions with the Council.

Officers advised that investigations had been carried out into the two contractors to see current centres that they ran and how they were performing. These investigations had been taken a step further by carrying out mystery visits to four of the contractor's sites.

In response to a question, officers confirmed that the Best and Final Offer (BAFO) was the price that the tenderers were offering and that was the base on which the contract was awarded. The contract was awarded through a competitive tendering process which could not be re-negotiated once the BAFO had been submitted. The contract would also include all the service level specifications required by the Council.

In response to a question regarding variations to the contract price and how Members would be notified prior to entering into the contract, the Cabinet Member for Culture and Community Engagement advised that if there was any variation to the monies that the Council was to receive then all Group Leaders would be informed.

Members questioned why the Council had to choose one of the two BAFOs that had been received and not seek further offers from other contractors. In response officers advised that the Cabinet had had a third option which was not accept one of the offers, but that would have left the Council with no operator to run its leisure centres come 1 October this year.

Officers confirmed that the services to be provided by the contractors were included in the specification that backed up the tenders. The leisure centres would provide the same services as they did now. The centres were very popular with over a million visits each year. The number of visits would

increase over time due to the opening of the new Romford Leisure Centre and the Broxhill Centre. As part of the tender process the contractors had to submit a sports development plan covering the first 18 months of the contract, as to how they were going to develop specific sports and how they planned to work with communities and clubs developing sports in the community. The contractors had also had to submit a Community Health and Wellbeing Plan which talked about the health benefits of physical activity. These plans would also have to be submitted on an annual basis and signed off by the Council. It was agreed that it would be useful for the relevant Overview & Scrutiny sub-committee to receive notification of the services to be provided by the successful contractor. Members advised that there had been a suggestion in the Cabinet report that the contract be reviewed by the sub-committee after the first year of operation and furthermore.

Officers advised that performance monitoring would continue throughout the length of the contract and quarterly meetings with the contractor would take place that would include the Lead Member. The annual performance report would also be made available to Members.

Officers confirmed that there were protected clubs within the contract for example the Learning Disability Society that swam at Chafford Sports Complex. There were also aquatics plans and an ice development plan for the new Romford Leisure Centre. Officers confirmed that free swimming and badminton for the over 50s, was funded by Social Services, and free under 8s swimming were part of the services to be offered.

Officers advised that the whole purpose of the contract was to provide an upgrade to the existing facilities for residents, to provide a sustainable model for the future that was effectively self-funding through the business plan revenue generated.

Officers confirmed that now the Chafford School was no longer under the control of the Council's Education Authority, discussions were on-going with the Academy Trust. The Council would require the sports complex land be leased back to the Council for the period of the next contract, at a peppercorn rent, maximising potential by providing community use, with the school paying an appropriate amount for the use of the facilities.

In response to a question relating to answers given to questions 4 and 5. Officers confirmed that the capital spend on the various sports facilities in the last ten years had been funded from the 3.1m "lifecycle" capital allocation approved prior to the start of the leisure contract which was funded by the Council.

In response to a question regarding the communities using the facilities and how they would measure the services provided, officers confirmed that the current contractor had customer forums that allowed customers to talk about any concerns that they had. There was also a National Benchmarking Survey that was undertaken by users of the centres which fed back into an

improvement plan. Mystery shops were also undertaken as part of the Quest assessment.

In response to a question relating to how the Council could enforce efficiencies, officers advised that there was a contractual obligation on the contractor to pay the Council the monies stipulated. The monthly meetings with the contractors would continue along with quarterly monitoring meetings. The preferred contractor was backed by a parent company which gave some stability to the contractor and the parent company would guarantee the service provision and payment of monies. If the monies were not paid then the Council would have legal recourse through the contract to seek resolution. .

In response to a question regarding the contractor's pricing plan, officers advised that other than some "controlled prices" the contractor was not obliged to seek the Council's agreement on any increase or decrease in prices, although the contractor had indicated in their tender submission that as a matter of courtesy they would show their proposed pricing structure to the Council as a matter of best practice. The Council could not dictate prices to the contractor as this would have affected the contract price and the ability to invest in the contract. The prices the contractor had been charging previously had held very steady in comparison to the private sector and were very favourable. The contractor also offered concessionary prices for key target groups and under the contract would have to offer favourable prices to the previously mentioned aquatics and ice clubs. The contractor had to remain competitive to achieve the footfall which achieved the revenue position.

Members questioned the income generation as the current contractor had effectively been subsidised by the Council and that if the contractor was looking at ways of making savings then this could be achieved by the contractor either reducing staffing costs, increasing footfall or raising prices or indeed a combination of all three options. In response officers highlighted the importance of the new facilities that were part of the new contract particularly the new Romford Leisure Centre which had been designed to make it a very sustainable facility to generate the revenue to support an increase in revenue to the Council. Mention was also made of the new Broxhill Centre and the enlarged Central Park Leisure Centre which would have an enlarged gym as there had previously been problems with a higher than average attrition rate as gym members were having to wait longer times to be able to use the equipment as the gym had been a victim of its own success.

In response to a question regarding the Council's previous experience of contract procurement and the twenty year length of the contract, officers advised that the business plans had been very thorough and that a whole raft of analysis of the plans had taken place and each one had been vigorously scrutinised just to get them to first base in the process.

In response to Members' concerns that they had been unable to scrutinise each of the business plans officers responded by commenting that because each of the business plans had been between 60 to 70 pages then the headlines of the plans had been provided for Members. It was noted that Members had concerns on the summary of the business plans and felt that more information could have been provided by officers to allow Members to "drill down" on the detail more effectively. Officers also confirmed that the assumptions on footfall had been part of the business plans.

In response to a question on whether the contractor would own or lease the sports equipment, officers confirmed that the contractor would be leasing the sports equipment as this allowed for easier updating/upgrading of the equipment which allowed for driven income generation.

In response to a question regarding the year by year cost of the proposed Council borrowing and loan pay back, officers clarified that the borrowing was being done by the Council and gave an explanation of the pay back details.

Officers provided Members with a summary of the financial analysis of the BAFO bids received which showed how the price score had been established. Officers also clarified various points to do with proposed investments, revenue costs to the Council and payments by the contractor to the Council.

In response to a question regarding the loan details officers confirmed that the Council was able to borrow the money at a preferential rate, better than a commercial organisation, from the Public Works Loan Board.

Several Members commented that the recent National Benchmarking Surveys for both the Hornchurch Sports Centre and Central Park Leisure Centre had shown weaknesses in cleanliness of changing rooms and in general which was something personally experienced by Members. Despite promises to continue to improve the cleanliness of the centres Members felt the current contractor was still falling some way short of providing an acceptable level of cleanliness and asked officers for clarification of how the contractor has evidenced how it would tackle the problem. Officers commented that the issue had been continuous throughout the existing contract which the Council had had to address on a number of occasions. In their support, the current contractor had tried to address the issue by employing full time cleaners. This was an area that would be closely monitored by officers in the new contract. Officers also commented that they would continue to work closely with the contractor and at the same time were not defending the contractor in this instance as there were still issues with the cleanliness of the leisure centres. Officers also confirmed that the reason that the National Benchmarking Surveys and Quest were carried out was due to them being totally independent.

Officers confirmed that as part of the contract, subject to the planning permission, a brand new Hornchurch Sports Centre was being built which would have a totally new feel and be maintained to the highest levels.

In response to a question regarding the current cleaning arrangements, officers confirmed that the current contractor, in certain areas, did have hourly sign off sheets following cleaning and that the contractors employed their own cleaners and did not sub-contract the work out.

Members also made mention of the Brentwood Centre's user group and suggested that perhaps a user group was something that officers could look at introducing into the new contract.

Members agreed that going forward the contract should include strict service level agreements (SLAs) and penalty clauses regarding the cleanliness of the leisure centres to enforce the contractor to clean to the highest level. Officers undertook to take back Member concerns to the contractor, during the procurement process and to investigate the possibility of inserting penalty clauses around the SLAs into the contract. Officers confirmed that the existing contract did not have penalty clauses inserted.

Member's suggested that it be delegated to the Cabinet Member to ensure that SLAs and penalty clauses around cleanliness of the centres be incorporated in the new contract. Members also wished to see a comparison of what was in the existing contract and what was in the new contract as Members had concerns over the delivery of the cleanliness of the centres.

The Chief Operating Officer advised that they had received the message loud and clear regarding the cleanliness of the centres and that as a separate issue discussions would be had with the Head of Cultural and Community Access to more robustly address the current issues within the existing current contract. Secondly officers would make sure that robust performance measures regarding cleanliness were contained within the new contract and if it was possible to insert penalty clauses; but at present it was impossible to confirm from a legal perspective whether these could be written into the contract but every effort would be made to reflect Member's concerns. Officers would ensure the cleanliness of the centres receive far higher scrutiny at the monthly and quarterly monitoring between officers and the contractor and take the point about the user groups. The totality of the award of the contract and the cleanliness and quality of the facilities was absolutely critical, alongside the return on investment and value that was received from enhanced, sustainable, new facilities.

Once legal investigations had been made, officers would feedback to the Lead Member to disseminate to Group Leaders.

Members received clarification of the evaluation scoring of both tenderer A and B which had included both a price and quality evaluation, evaluation of contract risk, method statement around the aquatic and ice development plans, a method statement regarding Community Health and Wellbeing, a

method statement on Health and Safety, a method statement on Safeguarding and mystery visits.

The Chief Operating Officer confirmed that the re-launch of the new contract would show the enhanced offer to residents going forward and would also acknowledge health, social inclusion, working with vulnerable residents which were critical to the health and wellbeing of the borough. The wider offer also took into account the addition of approximately 10,000 new homes that were due to be built in the borough in the next five or six years.

At this point the Cabinet Member for Culture and Community Engagement left the room whilst the Board voted on the decision as to uphold or dismiss the call-in of the Cabinet decision taken on 12 July 2016.

The call-in was dismissed and the original decision taken by Cabinet on 12 July 2016 stood as previously agreed.

The vote for the decision as to whether to uphold or dismiss the call-in was carried by 12 votes to 0 with 3 abstentions.

Councillors Smith, Kelly, Misir, Patel, Persaud, Trew, M. White, Ford, Hawthorn, de Wulverton, Glanville and Durant voted for the dismissal

Councillors Darvill, Matthews & Morgon abstained from voting.

Chairman

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Overview and Scrutiny Board – 26 July 2016

Requisition of a Cabinet decision regarding the Award of the Sport and Leisure Management Contract

1 . Clarity needed on how the final agreed contract and price will be conveyed to members.

Officers will confidentially advise the Leaders of each group the final agreed contract and price.

2. Clarity needed on how the final contract agreed in relation to Chafford Sports Centre will be conveyed to members.

Officers will confidentially advise the Leaders of each group the final contract in relation to Chafford Sports Complex.

3. Clarity needed on how the potential conversion of the sports hall at Hornchurch Sports centre will be conveyed to members.

Cabinet agreed at their meeting on Tuesday 12 July 2016 that if there is a business case for retaining the existing Hornchurch Sports Centre Sports Hall, a further report would be presented to a future Cabinet meeting.

4. Clarity on capital spent on the various sports facilities in the last ten years by SLM and on what the monies were spent.

HORNCHURCH SPORTCENTRE		
ITEM OF EXPENDITURE	YEAR COMPLETED 1 – 10 (Year 1 – 2006/07)	COST £
Refurbished fitness suite	1	859,169
AHU	2	132,000
Kitchen Cooker Hood	2	9,874
Refurbished Squash Corridor	2	27,877
Squash Courts – plaster /sand floor	3	6,105
Installation of new Boilers	3	43,868
External Works – rendering, painting, cladding, new windows	3	245,003
Brickwork, removal of concrete beam, new sub-base	3	27,940
Roof Repairs	3	8,698
Emergency Lighting	4	41,996
Anti-graffiti Paint	4	6,325
External Bollards	4	5,665
DDA Reception Door	4	6,545

Fire Doors	4	9,680
CCTV	4	6,419
New unisex changing village	4	311,791
Sportshall floor – sand and re-seal	5	35,000
BMS	5	40,000
Pool Hall lighting – energy saving	6	40,000
Floor coverings	4	20,000
Roof	5	18,354
Building Alarms	4	6,237
Booster Pumps	5	9,229
Boiler – small pool	6	7,672
AHU in sportshall	6	13,750
Sportshall lighting – energy saving	6	24,625
Pool Ceiling repair	6	10,000
Squash courts glass doors	6	5,841
Boilers	7	7,896
First Floor toilets, foyer toilets, sportshall doors	7	92,345
Handrails	7	8,580
Air conditioning units	8	51,184
Fitness suite ceiling	8	7,238
Pressurisation Unit	8	5,649
Studio Floor	8	17,591
Pumps	9	17,271
Pool Roof	9	147,480
New wiring/Distribution Boards	9	62,500
Pool Pumps	9	20,286
Chemical Dosing System	10	9,955
		2,427,638

CENTRAL PARK LEISURE CENTRE		
ITEM OF EXPENDITURE	YEAR COMPLETED	COST £
Replacement Fitness suite floor	2	37,895
New Reception Barrier	3	9,504
New Showers – dry side	4	7,535
Sportshall floor	4	14,716
Laterals and replace pool filter media. Also 'under drain' sets.	5	21,560
Powder coating to rails	6	7,776
AHU – fitness suite	6	11,642
Pump and BMS switching	7	5,855
Steam Room/Heath Suite	7	11,314
Showers – wet side	7	15,741
Gas Isolation valve	7	5,727
Shower re-tiling + new cubicles	8	16,280

Installation of a Bulk Hypo tank	8	5,916
Air Conditioning	8	18,026
CCTV	9	16,649
Fire Alarm System	9	23,980
Variable Speed Drives	9	13,629
Re-surface of the MUGA	9	11,000
Energy Efficient Lighting – pool and s/hall	9	46,541
Installation of new fire doors	9	19,524
Replacement Pool Pumps	9	21,538
Car Park re-lining	10	3,500
		345,848

CHAFFORD SPORTS COMPLEX		
ITEM OF EXPENDITURE	YEAR COMPLETED	COST £
External wall repairs	1	6,738
Replacement pool pipe work into the balance tank	1	4,710
New hot water system, replacement of showers in the changing rooms	1	32,648
Replacement of AHU	1	47,500
New boilers in plant room	2	20,620
Replacement Heat Exchanger	3	7,453
New Fire Alarm	3	5,549
Pool Fire door, new pathway, new windows	4	19,966
New Health Suite Floor	4	6,298
New Swimming Pool Filter Media	4	32,937
New showers in the wet changing area	5	15,384
New Building Intruder Alarm	5	5,638
New AHU	5	6,776
Emergency Lighting	5	8,525
Installation of pool surround grating	5	5,622
New fire doors in the sportshall	7	8,564
CCTV	7	9,928
Changing Room bench seating	7	5,176
External security lighting	7	5,200
Sand and re-seal of Sportshall floor	8	11,074
New pipework and booster pump	9	23,278
Repairs to Sportshall Roof	9	6,163
Cladding, new down pipes, brickwork	9	15,972
New Boiler	9	5,678
Installation of Pool ventilation	9	5,050
Changing Room Ventilation	10	3,734

		326,181
5. Confirmation that all capital works to be carried out by SLM over the past ten years were carried out.		
Yes, all the capital works to be carried out by SLM over the past ten years were carried out. Under the existing leisure management contract SLM are asked to submit a Business Case to the Council for each capital project they wish to undertake. Each Business Case is assessed on its merits and approved or otherwise by the Council. All of the above capital works agreed between the Council and SLM over the 10 years of the contract have been completed, and have been funded from the £3.1m 'Lifecycle' capital allocation approved prior to the start of the leisure contract. In addition to these capital works SLM have funded further improvements within the centres e.g. creation of additional office space, changing room lighting at Hornchurch SC, new pool ceiling at Chafford SC. SLM have annual service and maintenance contracts in place across all three of the sites which feed into their annual Planned Preventative Maintenance programme (PPM). The Council reviews SLM's service contracts periodically.		
6. Clarification needed on the consequences should the contractor not meet their income and expenditure target.		
Tenderer A is contractually bound by their Best and Final Offer (BAFO) and the risk on income and expenditure relating to their operation lies with them. If income targets are not being met we would want to talk with the Contractor about their marketing, investments and potentially pricing. We would also want to discuss possible efficiencies.		
7. Clarification needed on the contractor's proposed pricing plan.		
Under the existing leisure management contract SLM are required to submit their proposed prices for the following year in November of the previous year. SLM submitted the 2016/17 prices in November 2015. It will be a contract requirement that these prices will not be reviewed by Tenderer A until April 1st 2017. Within the Contract, the Council has identified a number of 'controlled prices' whereby the contractor cannot exceed the prices the Council has set. Examples include: - Adult and junior aquatics lessons - Junior swimming - Swimming Pool hire by Havering's swimming clubs - Ice Skating/Hockey lessons Other than these 'controlled prices' the contractor is not required to seek the Council's agreement in advance to any increase or reduction in prices. Over the last 10 years SLM have always been aware of the local competition when setting their prices in order to remain competitive. They have demonstrated this approach with swimming lessons and gym memberships in particular. Setting a price		

too high would be detrimental to their business as members would leave and join a Fitness First or other private fitness club. A number of local private pools e.g. Abbs Cross School offer a 'learn to swim' programme which SLM need to be aware of. Many of SLM's prices have shown very little increase at all over the last 10 years.

8. Confirmation needed of what was included in the successful contractors business plan.

TENDERER A's Business Plan covers the following:

Section 1. The Viability of Income Projections

- 1.1 Total Income Comparisons by Facility
- 1.2 Local Competition and an Understanding of the Market Size, Growth and Share
- 1.3 Marketing Proposals
- 1.4 Pricing Proposals
- 1.5 Programming Proposals for Swimming, Fitness and Other Activities
- 1.6 Investment Proposals that Involve a Change/Improvement of Activity Area
- 1.7 Industry and Operator's Own Comparable Facility Income Benchmarking

Section 2. The Viability of Expenditure Projections

- 2.1 Staff Costs
- 2.2 Maintenance Costs
- 2.3 Delivery of the Councils Required Investment Programme at Hornchurch
- 2.4 Energy Costs
- 2.5 Budgeting for Energy costs
- 2.6 Energy Procurement
- 2.7 Taking Responsibility for Environmental Management
- 2.8 Site Surveys and Management Plans
- 2.9 Delivering Successful Energy Conservation
- 2.10 Managing Energy Cost at 'New' Sites
- 2.11 Recycling and Waste Minimisation
- 2.12 Green Transport Plans
- 2.13 Reporting Arrangements for Energy Consumption
- 2.14 Central Support Costs
- 2.15 Equipment Costs
- 2.16 NNDR
- 2.17 Marketing Costs
- 2.18 Quality Assurance
- 2.19 TUPE

Section 3. Viability of Investment Proposals

- 3.1 Core Bid - Hornchurch Refurbishment Proposals
- 3.2 Investment Proposals
- 3.3 Revenue Benefits Linked to Capital Investment
- 3.4 Timetable for Delivering Investments is Realistic
- 3.5 Capital Proposals (Supporting Documents)
- 3.6 Planning Implications

Supporting information on:

- Demographic reports
- Marketing
- Pricing
- staff structures
- case studies

9. Confirmation needed of the contractors quality evaluation results.

Evaluation Scoring coversheet - TENDERER A			
	Weighting	Minimum % score	TENDERER A Score
1. Business Plan Viability (Qualification Evaluation)	Pass or Fail	If the Business Plan scores a 'fail' the bid will be rejected.	Pass
2. Price (Commercial Evaluation)	50%		50%
3. Quality (Technical Evaluation)	50%	25%	28.5%
3.1. Contract Risk	10%	5%	8%
3.2 Method Statement - Sports Development (including how the Ice Development Plan and Swimming Development Plan will be delivered)	15%	7.5%	10.0%
3.3 Method Statement - Community Health and Wellbeing	10%	5%	5.4%
3.4 Method Statement - Health and Safety	5%	2.5%	2.5%
3.5 Method Statement - Safeguarding	5%	2.5%	4%
3.6 Mystery visits	5%	2.5%	3.6%
Total (Price, Quality)	100%		88.5%

Evaluation Scoring – Sports Development Method Statement (15%)			
TENDERER A			
	Weighting	Bidder Score (Maximum score is 5)	Score x weightings
How the tenderer will respond to and deliver the objectives in the Ice Development Plan and Swimming Development Plan	5%	4	20 (25)
How the tenderer would support wider development of sport and physical activities, including specific sports, in Havering and a plan for Sports Development in the borough	5%	3	15 (25)
How the tenderer will engage with governing bodies and clubs and plans for achieving good working relationships with stakeholders, partners and clubs.	3%	3	9 (15)
Where and when Sports Development projects/activities will be held.	2%	3	6 (10)
Total	15%	15/25	50/75
Bidder Score			10.0%

Evaluation Scoring – Community Health and Wellbeing (10%)			
TENDERER A			
	Weighting	Bidder Score (Maximum score is 5)	Score x weightings
How the tenderer will ensure that all sections of the community participate (or have the opportunity to participate) in Havering and how the tenderer will ensure that the user profile broadly matches the demographic profile of the catchment area in which the centres are based and how the tenderer will use community participation and demographic data. How the tenderer will respond to demographic change over the lifetime of the contract.	3	2	6 (15)
How the tenderer would increase attendances and the number of users of Leisure Centres in Havering	2	3	6 (10)
How the tenderer will promote healthy living in Havering and specifically target health outcomes specific to Havering.	3	3	9 (15)
What marketing materials will be used and what the communication strategy will be. Marketing materials reflective of local demographics (e.g. ethnic mix, disability)	2	3	6 (10)
Total	15%	15/25	27/50 (54%)
Bidder Score			5.4%

Evaluation Scoring – Safeguarding Method Statement (5%)			
TENDERER A			
	Weighting	Bidder Score (Maximum score is 5)	Score x weightings
In response to the scenario: 1.Your immediate key actions 2.Your key actions overall	5%	4	20 (25)
Total	5%	4/5	20/25 (80%)
Bidder Score			4%

Evaluation Scoring – Health and Safety Method Statement (5%)			
TENDERER A			
	Weighting	Bidder Score (Maximum score is 5)	Score x weightings
In response to the scenario: 1.Your immediate key actions 2.Your key actions overall	5%	2.5	12.5 (25)
Total	5%	2.5/5	12.5/25 (50%)
Bidder Score			2.5%

Evaluation Scoring –Contract Risk (5%)			
TENDERER A			
	Weighting	Bidder Score (Maximum score is 5)	Score x weightings
Changes to the contract. Any changes that result in risk being transferred to the Council (<i>e.g. law, liability</i>)	5%	3	15 (25)
Other contract risks. Bidders are asked to highlight the key risks they envisage. For example, delivery of the Investment Programme and the degree to which proposals are likely to receive planning permission.	5%	5	25 (25)
Total	10%	8/10	40/50 (80%)
Bidder Score			80%

Mystery Visits (5%)

The following Leisure Centres were visited and given the below scores:

Centre	TENDERER A
TENDERER A	
Ongar Leisure Centre (MC)	28
Basildon Sporting Village (MC)	38
Westminster Lodge Leisure Centre (RL)	44
Harrow Leisure Centre (RL)	43
TOTAL	153
Scoring Method	
Evaluation Score	3.6%

Scoring Method

All bidders were awarded a score as a percentage of their score against the maximum score they could have achieved e.g. the maximum marks available were 210, a bidder who scored 105 marks = 50% score against the maximum available = 2.5% evaluation score.

10. Confirmation needed of the full year by year cost of the proposed council borrowing and loan pay back.

The 'year by year' cost of the proposed Council borrowing and loan pay back for Tenderer A over the life of the contract are shown below:

Core Bid – 10 Years		
Year	Capital Loan £	Loan Pay Back Cost £
2017/18	2.586m	235k
2018/19	4.196m	778k
2019/20	0	778k
2020/21	385k	807k
2021/22	151k	819k
2022/23	366k	843k
2023/24	50k	506k
2024/25	116k	532k
2025/26	0	532k
2026/27	190k	545k
Mandatory Variant Bid – 20 Years		
Year	Capital Loan £	Loan Pay Back Cost £
2017/18	7.1m	460k
2018/19	12m	1.314m
2019/20	6m	1.751m
2020/21	161k	1.763m
2021/22	151k	1.775m
2022/23	169k	1.755m
2023/24	50k	1.491m
2024/25	116k	1.373m
2025/26	0	1.373m
2026/27	329k	1.418m
2027/28	4k	1.381m
2028/29	0	1.381m
2029/30	150k	1.366m
2030/31	259k	1.408m
2031/32	0	1.377m
2032/33	836k	1.470m
2033/34	225k	1.528m
2034/35	400k	1.558m
2035/36	0	1.525m
2036/37	0	1.525m

11. Clarification needed on the financial analysis on both exempt reports.

The financial analysis charts show the total amount of income receivable from the Tender who each outlined in the Tender templates they completed how much income they would pay the Council for being awarded the Leisure management contract over either 10years or 20years. These payments are then divided over the number of years of the contract to calculate an average annual payment. The average annual cost of the Council capital investment interest and depreciation /MRP are then subtracted from the annual average payments receivable from each Tender. Other deductions are also shown in the financial analysis as well as adding back the existing council budget of £494,230 less the MTFS savings of £400,000 required. Column L shows the additional income receivable by the Council after all deductions for each submitted Tender.

12. Confirmation needed on how the council's quality and performance will be regularly reported to members.

Officers will meet with the Contractor quarterly to discuss performance. The Lead Member traditionally attends these quarterly meetings also.

Officers also produce an annual report on the contract, including performance, that will be made available to Members once the report has been signed off by the Lead Member.

13. Confirmation needed of the contractor's most recent NBS and Quest report.

An overview of the existing contractor's NBS and Quest reports are shown below:

Central Park Leisure Centre
NBS

The most recent National Benchmarking Service (NBS) Survey was carried out over 9 days in October 2015 i.e. Saturday 3rd Oct to Sunday 11th October.

The report used survey data from 328 visitors to the centre, financial/management data provided by the centre's management, and estimated catchment population data from the National Census. It identified performance across four sets of indicators: access (usage by specific market segments); efficiency; utilisation; and customer satisfaction with services at the centre.

1. The main strengths and weaknesses at this centre are shown below.

Strengths - NS-SEC 6&7; discount card holders; unemployed; finance; staff; value for money of activities; car park attribute; availability of activities

Weaknesses - Ethnic minorities; cleanliness; ease of booking; food and drink

2. Access performance is mixed but fairly strong. Two groups which might be seen as important to social inclusion perform in their top quartiles (NS-SEC 6&7 and the unemployed). However, one which is deemed relevant to social inclusion is in the bottom quartile (ethnic minorities).

3. Efficiency performance is very strong relative to the benchmarks, with nine of

the 14 indicators performing at, or above, their 75% benchmark levels; and a remarkable cost recovery score of 130%.

4. The main utilisation indicator, for market penetration, performs in the third quartile - this is above average performance relative to industry norms.

5. The overall customer satisfaction scores for visit (4.73) and overall swimming experience (4.49) are well above the relevant industry averages (4.38 and 4.17 respectively).

Satisfaction and importance scores reported by customers show the following relative strengths and weaknesses.

Primary strengths

- Standard of coaching/instruction
- Value for money of activities
- Availability of car parking on site

Primary weaknesses

- Cleanliness of changing areas
- Cleanliness of activity spaces

Secondary strengths

- Helpfulness of other staff
- Activity available at convenient times

Secondary weaknesses

- Ease of booking
- Value for money of food/drink

Quest Plus Assessment carried out in April 2016: RESULT - GOOD

Strengths:

- Management have made excellent use of spread sheets and the business planning process to set a series of measures across all areas of service delivery.
- There is a commitment to an on-going programme of training for the team to help ensure the standards set out in TEAMS were being communicated.
- The planned and reactive maintenance systems were well planned, implemented, monitored and reviewed.
- External assessment was used as a tool to validate the processes in areas such as environmental and health and safety management.
- Excellent financial, sales and usage results had been experienced in the previous financial year, with facilities such as the gym and learn to swim programme almost at saturation point.

- Involving appropriate personnel in the budget planning process helped to ensure ownership, including across targets that had subsequently been stretched.

Areas for Improvement

- The Everyone Active website may prove a useful tool to promote some of the excellent community initiatives taking place. Appropriate imagery may also wish to be considered.
- Understanding why potential customers do not currently visit the Centre may help to develop appropriate intervention measures.
- It was encouraging that cleaning had been recognised as a focus and strategies implemented, although survey and MV results would suggest some area for improvement.
- It might be of value to extend the programme of mystery visiting to include a measure of operational performance, including an assessment of cleaning standards.
- Personnel files may benefit from a review to ensure management are confident they contain all the appropriate information, including training and induction detail.

Hornchurch Sportcentre

NBS

The most recent National Benchmarking Service (NBS) Survey was carried out over 9 days in October 2015 i.e. Saturday 3rd Oct to Sunday 11th October.

The report used survey data from 357 visitors to the centre, financial/management data provided by the centre's management, and estimated catchment population data from the National Census. It identifies performance across four sets of indicators: access (usage by specific market segments); efficiency; utilisation; and customer satisfaction with services at the centre.

1. The main strengths, weaknesses and factors to watch out for at this centre are shown below.

Strengths Discount card holders; central establishment charges indicator; casual use; staff; activity range; value for money of activities

Ones to watch Food and drink; car park attribute; cleanliness of changing areas; equipment quality

Weaknesses Access; energy efficiency rating; cleanliness of activity spaces

2. Access performance is mixed but rather weak. Three groups which might be seen as important to social inclusion perform below their 25% benchmarks (ethnic minorities, the unemployed, and disadvantaged card holders). None of the groups deemed important for social inclusion purposes achieve scores at or above their 75% benchmark levels.

3. Efficiency performance is above average relative to the benchmarks, with ten of the 14 indicators performing in or above their third quartiles; and a cost recovery score of 109% - which is third quartile performance.

4. The main utilisation indicator, for market penetration, performs in the third quartile - this is above average performance.

5. The overall customer satisfaction scores for visit (4.68) and overall swimming experience (4.67) are well above the relevant industry averages (4.38 and 4.17 respectively).

Satisfaction and importance scores reported by customers show the following relative strengths and weaknesses.

Primary strengths

- Standard of coaching/instruction
- Value for money of activities

Primary weaknesses

- Cleanliness of changing areas
- Cleanliness of activity spaces
- Quality of equipment

Secondary strengths

- Helpfulness of other staff
- The range of activities available
- Helpfulness of reception staff

Secondary weaknesses

- Value for money of food/drink
- Availability of car parking on site

Quest Plus Assessment carried out in October 2013 RESULT - GOOD

Quest Directional Review Assessment carried out in Sept 2014

(Hornchurch SC due to be assessed again in Aug/Sept 2016)

Strengths:

- Busy centre (with over 600,000 visits in 13/14 recorded) with an extensive programme of activities underpinned by a strong brand and pleasant location.
- The facility has above industry average levels of customer satisfaction
- Swim school and fitness membership base levels have increased year on year reflecting real strengths in these areas.
- Good use is being made of existing space to maximise throughput.

- Introduction of Swim School Direct Debit is making a real difference.
- Improved planning focus around the 8 key business objectives with greater involvement and engagement of centre staff in the process.
- Strong experienced staff teams in place - with positive endorsement reflected in NBS scores

Areas for Improvement:

- Cleanliness performance appears to be a problem area which may require a fundamental and /or radical review of existing practice given the pressure on changing facilities from high levels of throughput.
- Telephone systems remain a weakness although this is about to be addressed through the development of a call centre (coupled with additional staffing hours).
- Front of house appears to still be under pressure and improvements to technology, support systems and payment systems may be needed.
- Management should look to improve staff communication throughout the site.
- Fix more precise measures and targets going forward across finance, quality, customer satisfaction and staff engagement to help drive and communicate improvement.
- Presentational standards are of mixed quality throughout the site while re-decoration of tired looking areas is an area to consider.