

COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL)**TUESDAY 2 JULY 2002 AT 2.00 PM**

PRESENT: Councillor Knapton (Chairman), Councillors Aldersey (as substitute for Councillor G Hodgson), Boaden, Mrs Fisher, Morton and Mrs Pattinson.

ALSO

PRESENT: Councillor Bloxham, Portfolio Holder for Health and Well Being

Councillor L Fisher, Portfolio Holder for Policy and Performance Management

COS.89/02 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Atkinson, G Hodgson and Mrs Parsons.

COS.90/02 DECLARATIONS OF INTEREST (INCLUDING DECLARATIONS OF "THE PARTY WHIP")

There were no declarations of interest to be made.

COS.91/02 LEISURETIME EXTERNALISATION – RECOMMENDATION OF PREFERRED PARTNER

The Director of Leisure and Community Development submitted report LS.18/02 concerning the choice of a preferred partner for the future operation of the facilities currently managed by Leisuretime.

The report detailed –

- (a) background information and options;
- (b) consultation to date and details of that proposed;
- (c) outcomes of evaluation; and
- (d) outstanding issues.

Following the adoption of the Action Plan prepared as part of the Best Value Fundamental Performance Review of Leisuretime, detailed documentation had been prepared to enable tenders to be invited from which a preferred partner would be chosen. The documentation consisted of a prospectus, specification, draft contract, condition surveys and proposed

leases, monitoring arrangements and an evaluation process.

That documentation had been the subject of detailed consideration by Members of the Executive and this Committee at a series of meetings in December 2001 and January 2002. Although the Executive was responsible for undertaking and making decisions on the great majority of functions on behalf of the Council, it had been noted that awarding the tender to any of the three bidders amounted to a fundamental change in the delivery mechanism for these particular services. In those circumstances, the Executive would be recommended to make a recommendation on the appointment and consequential change in service delivery to the full Council so that the Council could in effect approve any change in the current policy framework inherent in that course of action.

An Evaluation Working Group, comprising Officers, two Executive Members and a representative from the Council's Consultants (Strategic Leisure) had undertaken a detailed assessment of the three tenders received and the organisations concerned in accordance with previously published arrangements. That process had encompassed the Quality Evaluation Matrix, Financial Evaluation Matrix, site visits, references and interviews.

On the conclusion of the above process, the view was taken that all of the evidence which had emerged supported, rather than contradicted, the quantitative elements defined in the evaluation matrix. The scores on the matrix were therefore used as the basis for the conclusion that the preferred partner should be the Leisuretime NPDO (non-profit distribution organisation). The reasons for that choice were:

- (a) The qualitative evaluation demonstrated that Leisuretime NPDO was capable of delivering to the required service standards, and systems were in place to secure continuous improvement in those standards and in customer satisfaction. That was at least equal to the best alternative company.
- (b) The financial evaluation demonstrated that Leisuretime NPDO could deliver the greatest reduction in revenue costs and, at the same time, provide the required capital investment. (Alternatively the Council could choose an option proposed by Leisuretime under which the Council would provide the capital investment in exchange for a greater revenue reduction). Both options produced better financial benefits than any from the alternative companies.
- (c) The visits supported the conclusions of the qualitative evaluation.
- (d) The references supported the conclusion that the quality of services offered by one of the competitors was likely to be equivalent to the services offered by Leisuretime, but that the performance of the other company was less consistent.
- (e) The interviews allowed the clarification of many points in all of the submissions, but provided no reason to change the conclusion to be drawn from the other elements of the evaluation.

The City Treasurer had been represented on the Working Group and concurred with the conclusions of that Group.

The Director outlined a number of issues which had arisen during the evaluation process in relation to each of the proposals and which remained to be resolved during the negotiations. In the judgement of the Working Group none of those presented insurmountable problems.

The Director informed Members that the process had been designed to choose a preferred partner. Once that choice had been made it would be necessary to enter into detailed discussions and negotiations with the organisation concerned to finalise details of:

- The Contract
- Service Standards and Performance Targets
- Financial Arrangements
- Capital Improvements and Capital Funding
- Hand over arrangements

The Officer Groups who had prepared the documentation had these matters in hand and would progress the transfer as quickly as possible, the final terms and any key issues being referred to the Executive. The target date was 1 November 2002 though clearly that would depend on the speed of progress on the complex issues to be resolved. Members questioned the ability to meet that date and the Director advised that the consultant thought it realistic.

The Director invited the Committee to examine the process which had been followed and make any recommendations to the Council's Executive.

The Director, and the Portfolio Holder for Health and Well Being, then responded to Members' questions.

In questioning Members tested that the agreed process had been followed and explored the outcomes of each element of the evaluation process.

In considering Section 5 of the Director's report (Outstanding Issues) Members sought details of each of the issues which were to be resolved during negotiations and endorsed the need for these to be satisfactorily resolved, particularly catering where Leisuretime NPDO had scored poorly against the other two bids and which had been a problem for eighteen years.

The Portfolio Holder for Health and Well Being added that, although there were always alternative methods by which such an exercise could have been undertaken, he strongly believed in the evaluation process outlined above, which had been extensively and diligently followed throughout.

During discussion a Member stressed the importance of striving to achieve the highest quality of service provision and customer satisfaction in the operation of the facilities in question and that negotiations with the successful tenderer should reflect that ethos.

The Committee decided to go into private session to deal with the report concerning the Tender Evaluation which consisted of the confidential appendices to the body of report LS.18/02.

COS.92/02 PUBLIC AND PRESS

RESOLVED – That, in accordance with Section 100A(4) of the Local Government Act 1972, the Public and Press were excluded from the meeting during consideration of the

following item of business on the grounds that it involved the likely disclosure of exempt information, as defined in the paragraph number (as indicated in brackets against the Minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

COS.93/02 LEISURETIME EXTERNALISATION – TENDER
EVALUATION

(Public and Press excluded by virtue of paragraphs 7, 9 and 10)

The Director of Leisure and Community Development submitted report LCD.18/02 consisting of the confidential Appendices to the body of report LS.18/02 on the externalisation of Leisuretime. It was noted that these elements required to be considered in private because they related to the financial and business affairs of external organisations, dealt with terms being proposed to the Authority for the supply of services and identified particular organisations tendering for the supply of services.

The Director responded to Members' questions, Members commented on certain levels of scoring on quality issues and asked that a number of points be pursued in negotiations.

The Corporate Finance Manager provided a detailed explanation of the manner by which the financial aspects of the tenders had been scored against the published criteria.

Members expressed the view that the process outlined in the Director's report had been both open and transparent and they were satisfied that it had been followed correctly.

The Portfolio Holder for Health and Well Being expressed his thanks to the Portfolio Holder for Policy and Performance Management, the Director, Officers and, in particular, the Corporate Finance Manager for the considerable amount of work undertaken to date.

RESOLVED – (1) That this Committee was satisfied that the process outlined in report LS.18/02 was both open and transparent and has been followed in accordance with previously published arrangements.

(2) That this Committee endorses the Director's recommendations to the Executive.

[The meeting ended at 2.50 pm]