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Minutes of the meeting of the **Contracts Sub-Committee** held on **5 July 2001** when there were present:

Cllr Mrs J Helson (Chairman)

Cllr M G B Starke  
Cllr P F A Webster

Cllr D A Weir

### **APOLOGIES FOR ABSENCE**

Cllr A Hosking, Cllr G A Mockford, Cllr J R F Mason

### **SUBSTITUTES**

Cllr J E Grey

### **ALSO PRESENT**

R Thompson - PMP

### **105 DECLARATION OF INTEREST**

Cllr P F A Webster declared an interest in the following items by virtue of being a season ticket holder for the Swimming Pool at Clements Hall Leisure Centre.

### **106 MINUTES**

The Minutes of the Meeting held on 21 June 2001 were approved as a correct record and signed by the Chairman.

#### **Resolved**

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 9 of Part 1 of the Schedule 12A of the Local Government Act 1972 would be disclosed.

### **107 TIMETABLE**

Members confirmed the following additions to the timetable agreed at the last meeting:-

- 30th November 2001 - deadline for submission of tenders
- December 2001 - tenders to be evaluated; the Consultant would have the necessary resources available
- January 2002 - further discussion with Members and Officers
- early February 2002 - award Contract

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A Schedule relating to the Leisure Contract is attached as an Appendix to the Minutes.

Following agreement of this timetable by the Finance & General Purposes Committee, a letter would be sent to shortlisted applicants.

Site visits to leisure facilities managed by prospective Contractors could be undertaken between September and November 2001 whilst the bids are being prepared. Selected contractors should be invited to make presentations to this Sub-Committee during the second or third week of December, allowing an opportunity for questioning to take place. A final presentation from a limited number of companies would be made to Full Council.

Members agreed that the Chairman of the Leisure Sub-Committee be invited to attend meetings of the Contracts Sub-Committee during discussion of the Leisure Management Contract.

### **Recommended**

That together with the timetable recommended by the meeting of the Contracts Sub-Committee held on 21 June 2001, the additional dates listed above, be approved. (CD(F&ES))

## **108 PRESENTATION BY PMP**

During Member discussion with the Consultant, the following points were noted:-

- the standard process in public/private partnerships is to either:-
  - (a) select a preferred bidder or a very limited number of preferred bidders. This is not an irrevocable position and the decision can be taken during the evaluation process or
  - (b) to choose more than one, then refine the specification, giving those contractors an opportunity to go away and develop their bid further.
- the evaluation process enables all concerned to discover the level of interest being demonstrated by individual Contractors in achieving the Contract.
- it was unlikely that any challenge would be made by those Contractors who were not selected as preferred bidder(s) as all concerned were competing with the same opportunity.

In debating the Specification issues, the following recommendations were noted:-

### **Park Sports Centre**

The Contractors should be asked to tender separately, with an annual price, based on the current operation of this Centre. As the future of this site is still unknown, the potential of this facility could be highlighted and tenderers invited to submit further ideas for developing the Centre.

### **Pricing**

Within the Specification certain "core" prices would be identified for activities such as swimming together with any agreed maximum prices. These would require the agreement of the Council to increase. The Contractor should be left to maximise opportunities and fix market prices for facilities such as health and fitness, bar and catering. The exception to this would be for concessionary prices. The Contract should reflect that negotiation would be required for any price changes above the rate of inflation.

Members agreed that a price could also be requested free of any of the above constraints. Officers would prepare a list of 'core' prices for consideration at the meeting of this Sub-Committee to be held on 7 August 2001.

The Consultant confirmed that the current Contract provided Members with limited management information. A detailed breakdown of income and expenditure would be requested within future bids and the specification would request this information to be supplied as management information each year.

### **Leisure Card**

Members noted that a range of issues would be involved in reaching a decision regarding the viability of operating a Leisure Card and that the administration costs of running such a scheme would be high. It was agreed that the potential should be highlighted in the Specification and this could be discussed with the preferred bidder.

Further progress could be made outside of this Contract process and Members agreed that this be referred to the Leisure Sub-Committee for detailed consideration.

Officers agreed to prepare for Members a breakdown of the percentage of users of the Council's leisure facilities who were resident in the District.

### **Capital Investment**

Members noted that the basic management fee could be improved by including a profit share option where the contractor over-achieved on its tender but did not remove the incentive for the contract. A price for capital investment in the facilities would be provided in addition to the basic management fee detailing any alternative length of contract and effect on the level of management fee.

### **Programming**

Members noted that the Council would need to identify those programmed activities they would wish to protect and the target groups of the population. Whilst the issue of the management of the use of the swimming pool was highlighted as a particular problem, Members recognised other issues such as co-ordination of the booking of the Mill Hall facilities which need careful management.

Members agreed with the Consultant that the Contractor should be asked to submit suggested programmes for agreement by the Council, but allowed the freedom to develop beyond those. Again a separate price should be requested in the event that no such restrictions were imposed.

### **Maintenance**

Members agreed that both the structural maintenance of the buildings and repairs to plant and equipment should be the responsibility of the Contractor, with a cost included for the on-going maintenance of the building. Whilst the Contractor should be responsible for any planned maintenance work, agreed closure periods would need to be arranged with the Council. Certain exceptional circumstances could arise.

### **Business Rates**

Members agreed that this should remain as the Council's responsibility.

### **Membership**

Members agreed that, whilst the final decision would rest with the Contractor, Membership of the Centres should not be exclusive and customers should be able to use facilities on an individual charge basis. Members noted that Membership attracted certain benefits, such as priority booking for certain sports facilities and that a range of monthly memberships existed.

### **Opening Hours**

Members agreed that the specification should contain an outline of what the Council is seeking to achieve and suggestions or changes to that proposed made by the Contractor could be discussed more fully at the consultation stage.

### **Castle Hall**

Members noted that new procedures had been put in place for the letting of Castle Hall. However, it was considered that this should be dealt with outside of the main Contract, as with Park School and that it could be highlighted in the specification as a concern to the Council with the Contractor requested to make suggestions as to how they would address the issue.

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Members requested that a breakdown of running costs relating to Castle Hall be forwarded to them.

### **Catering**

Members agreed that the main issue to consider is whether to allow those hiring the facilities to bring in external catering and to make a charge for this.

The consultant advised that the Contractor could be requested to ask how they would see this situation operating. Other issues such as the range of drinks sold at the bar could be discussed at the consultation stage.

Tenderers may wish to note the potential opportunity of providing lunch time eating opportunities from some of the venues.

### **Contract Length**

Members noted that the base level would normally be 10 or 15 years. Capital investment over a longer period is cheaper. The Contractors would be asked to bid on the basis of 10 years, with suggestions as to the effect on the management fee and capital investment if a longer contract were provided. The management fee would be fixed for ten years. The contractor would be asked to take on the 5-yearly Best Value reviews in relation to the contracted facilities and the Inspector would liaise with them.

An annual and on-going performance review would be built in, with penalisation stages. This could ultimately result in termination of a Contract.

Members noted that the Council's Arts and Leisure Strategy would sit behind the Contract. The Contractor should be prepared to work in partnership with the Council.

### **Publicity**

Members noted that the prime focus is the facility rather than the operator. The specification should state that the element of publicity given to the Council should be no less than that of the Contractor.

The Contractor should be asked to present their views on this as a separate issue in a similar way to the Leisure Card, bearing in mind that the current 'Leisure Plus' magazine is sent to all households, as is the Council's current publication, Rochford District Matters.

### **Other Issues**

Officers brought to Members' attention the following outstanding issues:-

- quality of stage lighting at Mill Hall - highlight in specification that there is money available in the Capital Budget for general improvements to Mill Hall, this would need to be taken into account in the capital specification.

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Contractors should give their views on how this could be best spent.

- arts/sports development posts - these are costed and would need to be included as part of the specification
- possible leak at Clements Hall swimming pool; this must be resolved within the current Contract. Members requested that a detailed report be taken to the next meeting of the Leisure Sub-Committee.
- defining contract responsibilities regarding each of the buildings and their curtilage. This is a problem at Great Wakering, Mill Hall and Freight House. This will be addressed and the Management Company need to know their responsibility
- sensitive timetabling of certain types of events, where strong public views exist - restrictions could be highlighted with the Draft.

### **Security**

Members were in receipt of a copy of letter which had been received by Officers from the Crime Reduction Officer, Essex Police.

Members noted the content but asked that Officers consult with the Manager of Clements Hall Leisure Centre to confirm a reply to this letter had been sent and if so, for this to be forwarded to Members.

Members agreed that this item be referred to a future meeting of the Community Safety Sub-Committee.

### **Recommended**

That the comments above form the basis for the preparation of the Leisure Management Contract Draft Specification. (CD(F&ES))

The meeting commenced at 10 am and closed at 1 pm.

Chairman .....

Date .....

**APPENDIX**

**TIMETABLE RELATING TO THE AWARD OF THE LEISURE CONTRACT**

- (1) **Last week in July** - first draft of the contract specification to be produced and circulated to all Members of the Council for information and comments.
- (2) **7 August 2001** - meeting of the Contracts Sub-Committee to consider the first draft Specification and propose any amendments
- (3) **Week commencing 13 August 2001** - amended draft of Specification to be circulated to all Members for information and comments
- (4) **21 August 2001** - combined meeting of the Contracts Sub-Committee and Leisure Sub-Committee to approve the final draft of the Specification
- (5) **4 September 2001** - meeting of Full Council to approve the Specification
- (6) **10 September 2001** - Contract Specification sent out to those companies invited to tender
- (7) **30 November 2001** - deadline for submission of tenders
- (8) **December 2001** - evaluation of tenders
- (9) Preferred contractor recommended and approved by Full Council - date to be confirmed
- (10) **Early February 2002** - award Contract