

Findings from Meetings with other Councils August 2014- November 2014

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Councils: LB Southwark, LB Croydon, LB Waltham Forest, LB Havering, LB Ealing, Vision (LB Redbridge's Trust), Birmingham City Council.

The Sport and Physical Activity (SPA) team met with other councils who had recently gone through a leisure services re-procurement or were just about to. These were the London Boroughs of Southwark, Croydon, Waltham Forest, Havering, Ealing and Birmingham City Council. The meetings took place at the other council's offices. In addition the SPA team attended the London Leisure forum, a council grouping covering the leisure management function of all the London Boroughs.

The aim was to understand the procurement process that they had used, how they incorporated public health outcomes into their process, how they manage their sports development function, had they considered an internal trust model, and how they incorporate parks and open spaces into their management function. A summary of the meetings based around these topics is shown below;

Procurement Process

Waltham Forest completed their procurement process in 2012 and it was essentially the same as that outlined in the Barnet SPA business case that went to members on the 21st July. Their leisure estate is five centres and at the time three were identified as requiring some capital investment. The process was built on a two stage competitive dialogue with the supplier being responsible for all the capital investment. The contract was won by GLL, covers a 25 year term and has an average management fee of £700k p.a.

Croydon and Southwark both currently have Fusion as a provider and both their contracts expire in 2016, so will be coming to the market at a similar time to Barnet. Southwark's is in a good position to go to procurement with all of its leisure sites being significantly re-developed over the last seven years.

Public Health

The procurement processes followed by the majority of London Boroughs focus on the practicalities of managing and operating leisure centres. While all recognise the benefits to public health and wellbeing that can be derived from participation in sport and physical activity, public health outcomes are not necessarily a core aspect of the qualitative element of the tender process to select a provider.

This is a matter of timing with some boroughs, Ealing and Waltham Forest ran their procurements before the responsibility for public health transferred from the NHS.

It is common, however, for councils to approach their existing leisure provider to separately commission public health interventions, at an additional cost.

The London boroughs going out to procurement in the next two years Havering, Southwark and Croydon are all working on procurements that will attempted to have the achievement of public health outcomes at the heart of the qualitative evaluation.

The general feedback from public health colleagues at other boroughs on Barnet's approach to defining public health outcomes in the procurement is that it is one of the first times that this has been done. There is a great deal of interest in seeing how this works for the council.

Parks

It is more usual for the leisure management contract let by councils to exclude the management of parks and open spaces. In some instances the responsibility for managing both elements comes under a head of leisure or equivalent, but the delivery aspects are not under one supplier.

There is a general feeling that these are two different supplier markets.

Design Build Operate and Maintain (DBOM)

The Waltham Forest procurement made use of the DBOM methodology in their re-competition of their management contract. The three centres earmarked for re-development were bundled in with the management contract so that that an award could be made, covering both aspects, to one supplier.

Funding

Waltham Forest had intended not to provide any of the capital funding but to use the procurement process to get it all from the supplier. It was clear to them after the first dialogue session that the best way to fund their re-developments was through prudential borrowing.

Southwark was in the position of having a leisure estate that required major capital investment, to such an extent that during a market engagement process all suppliers indicated that they would not bid when the management contract was re-tendered. This led to the council extending their existing contract and finding the funding to begin the re-development of the leisure estate.

Internal Trust model

Keith Townsend, the Executive Director Environment and Customer Services at Ealing, has some experience of creating bespoke trust type organisations for two areas within Ealing. Pitzhanger Manor is part of a Trust that took '4 years of hard work to set up' Gunnersbury Park is a community Interest Company (CIC), not a trust, because the council wanted a greater element of control. The park has a

significant number of buildings within it that need renovation. Funding for this will come from the Heritage lottery fund. Ealing are looking at their parks, and zoo, as separate entities. Alternative delivery models are being considered on a site by site basis.

Havering looked into creating an internal trust to manage their three leisure sites. They rejected it due to the set up costs and on-going funding requirement.

Sports Development Function

A number of councils have found innovative ways to provide an effective structure to the SPA team that encourages collaboration across internal and external stakeholders, including public health, schools, private organisation etc.

Southwark

Southwark's sport development team consist of 7 members. Although the governance of the team sits with the Sports and Leisure Services Manager it is funded by Public Health. The team costs £300k per annum to run but their activities generate around £200k per annum in additional funding. This extra funding is pumped into grass roots sport and community sports clubs.

Croydon

Croydon's sports development team is managed and funded by Public Health. Team consists of 10 members who are responsible for not only day-to-day sports development tasks but also take on additional responsibility of running public health initiatives.

Other

Birmingham City Council is in a unique position in that it owns 30 leisure centres. These cover the whole spectrum of age and condition and are being taken out to the market in tranches of five at a time. To enable this to happen speedily they have set up a framework which they can access for this purpose.