

Commissioning of Community Leisure Facilities in Shropshire

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1. Summary

- 1.1 As part of Shropshire Council's transformation agenda, Culture & Leisure services commissioned independent consultants (Strategic Leisure) in October 2010 to review various options for transforming the way that Culture & Leisure Services are delivered going forward over the next three years within a financially sustainable framework outside of the Council Management structure.
- 1.2 At its meeting on the 16 March 2011 Cabinet approved the commissioning of five community leisure facilities (Bridgnorth Leisure Centre, Market Drayton Swimming Centre, Oswestry Leisure Centre, Shrewsbury Sports Village and Indoor Bowls Hall, & Whitchurch Swimming Centre).

Subsequently at its meeting on the 3 August 2011 Cabinet approved the recommendation to also include the Quarry Swimming and Fitness Centre within the competitive tender process and to advertise the contract opportunity as a single entity with one operator sought.
- 1.3 Bridgnorth Leisure Centre was originally built as part of the school premises and has, since 1973, with the agreement of the Governors also provided for community use mainly outside of the school priority times. As the primary user the school is ultimately responsible for ensuring that the facilities are available for the delivery of the curriculum. A decision on the future management and operation of the Leisure Centre, therefore, require the Governors' support.
- 1.4 The Governors of the Endowed School at Bridgnorth (where the Leisure Centre is located) confirmed at their meeting on the 12th October 2011 that they would like more time to consider their future options and would prefer to not be included within the current competitive tendering process.

2. Recommendations

Cabinet are asked to agree the following recommendations:

- A. To note the decision made by the governors of Bridgnorth Endowed School that Bridgnorth Leisure Centre is excluded from the competitive tender process for the future management of Shropshire Council community leisure centres.
- B. To continue to work with the Governors of the Bridgnorth Endowed School to develop alternative options for the future management of leisure provision.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The main risk to the Council of not including Bridgnorth Leisure Centre within the current commissioning arrangements is financial, as detailed below.

4. Financial Implications

- 4.1 The financial impact to the Council of not including Bridgnorth Leisure Centre within the current procurement exercise is impossible to accurately determine. The centre has a large number of public visits each year and generates significant income as a consequence. This provides a new operator with positive business opportunities.
- 4.2 The current charge for Non Domestic Rates at the leisure centre is £60,620 and is a direct charge to the Leisure Service budget. This is funded by the contributions from Leisure Services and the Learning and Skills Group (via the school's delegated budget). The proportion of rates which is contained within the current Leisure Services budget will be a real saving to Leisure Services budgets. However, that proportion of the rates charge which is contained within the school's budget (for school use of the facilities) will stay within the schools' overall budget funded directly by 100% Dedicated Schools Grant.
- 4.3 The school would not benefit directly from the rates saving for school's use (rates budgets/costs are neutral to individual schools' budgets), but the saving would need to be recycled within overall schools' budgets funded by DSG. Historically apportionments have been 35% school use and 65% for community. Therefore a new operator would only be able to recover 80% of the community element of the rates equivalent to £31,522.

5. Background

- 5.1 At its meeting on the 16th March 2011 Cabinet approved the recommendation to “Commission an external leisure operator for the provision of services at five community Leisure facilities (Bridgnorth Leisure Centre, Market Drayton Swimming Centre, Oswestry Leisure Centre, Shrewsbury Sports Village and Indoor Bowls Centre, & Whitchurch Swimming Centre) and that these are advertised on the open market following an open and competitive process”.
- 5.2 Subsequently at its meeting on the 3rd August 2011 Cabinet approved the recommendation to also include the Quarry Swimming and Fitness Centre within the competitive tender process and to advertise the contract opportunity as a single entity with one operator sought.
- 5.3 A two part Restricted Competitive tender process is currently underway. Key project milestones include:
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|---|-------------------|
| Advertising of opportunity | 5 September 2011 |
| Pre Qualification Questionnaire return date | 12 October 2011 |
| Invitation to full tender | 14 November 2011 |
| Tender return date | 20 January 2012 |
| Operator start date | circa 1 June 2012 |
- 5.4 Officers have been providing support to the Governors and Head of Bridgnorth Endowed School in the development of future options for the management of Bridgnorth Leisure Centre since the spring 2011. This has included visits to local authority leisure centres managed by third parties elsewhere.
- 5.5 The role of the Governing Body is to provide strategic management, and to act as a "critical friend", supporting the work of the Head Teacher and staff of the Leisure Centre, and to oversee the spending of the delegated school budget. In 2000, under the terms of the current Joint Use Agreement between Shropshire Council and Bridgnorth Endowed School, the Governors agreed to transfer control of the use of the premises outside school hours to a Management Committee. The dedicated budget, including the contributions from the Leisure Service and Learning and Skills Group, covers salaries, running costs, maintenance and equipment etc. The Management Committee is responsible for managing this budget.
- 5.6 The Governors have responsibility for ensuring that the leisure facilities provide for the delivery of the curriculum as that is their statutory function. Community use, though desirable by all parties is at their discretion.

5.7 The Governors confirmed at their meeting of the 12th October 2011 that they would like more time to consider their options. In coming to this decision both the Governors and officers are mindful that the existing Learning & Skills school budget contribution to supporting school use at the leisure centre may be under review. As a significant component of the budget for this site, the present uncertainty caused by this review is unhelpful to prospective bidders and to future financial planning.

6. Additional Information

6.1 A number of options for the future management of Bridgnorth Leisure Centre have been discussed with the Governors including:

- Wait for the new leisure operator to be appointed in June 2012 and consider some time after this point whether Bridgnorth Leisure Centre should be included within the contract. The tender has been designed in such a way that this option remains open to the Governors, although the need or otherwise to follow a competitive procurement route will be subject to legal and procurement considerations.
- Retain the status quo with the management of the leisure centre undertaken by Shropshire Council (Leisure Services). However, in reality it is unlikely that in the long term the status quo is an option and the Council is likely to be moving increasingly from direct provision to a commissioning approach in which it supports other parties to provide leisure services.
- The school directly outsourcing the management of the leisure centre to a new operator. Under this option a full and open procurement process would need to be undertaken.
- Direct management of the leisure centre, including its community use, by the school. There are successful precedents for this approach elsewhere, notably at the Grange School in Shrewsbury.

6.2 Officers will continue to support the school Governors and Headteacher to develop their thinking around future provision, alongside a review of leisure provision elsewhere across the county.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)Councillor Steve Charmley

Local Members

Cllr John.Hurst-Knight, Cllr Christian.Lea, Cllr William Parr and Cllr Les.Winwood

Appendices : None

