



OVERVIEW AND SCRUTINY COMMITTEE

5TH MARCH 2019

AGENDA ITEM (10)

DRAFT TERMS OF REFERENCE - REVIEW OF THE LEISURE AND CULTURAL SERVICES CONTRACT

Accountable Member	Councillor Stephen Hirst Cabinet Member for Housing, Health & Leisure
Accountable Officer	Martin Holland Leisure Services Manager 01993 861556 martin.holland@westoxon.gov.uk

Purpose of Report	To agree the scope for a review of the Leisure & Cultural Services Contract, having regard to the impending break clause option.
Recommendation(s)	That the Committee considers the suggested arrangements for the 'break clause review', including the scope proposed, and forwards any comments to the Cabinet.
Reason(s) for Recommendation(s)	To provide an overview of the performance of the Council's Leisure Management Contractor set against the contract outcomes and deliverables.

Ward(s) Affected	All, as users of facilities will come from all wards.
Key Decision	No
Recommendation to Council	No

Financial Implications	There are no direct financial implications arising from this report.
Legal and Human Rights Implications	None
Environmental and Sustainability Implications	The Leisure Management Contract features environmental targets; these will be reported as part of the contract outcomes review.
Human Resource Implications	There are no HR implications for the Council directly, as all of the former CDC staff transferred to the management contractor under TUPE regulations.
Key Risks	If major issues are identified which cannot be resolved, outside of the break clause period, the Council would need to exercise the termination clause within the contract. If the contract was ended, the Council would need to re-procure the service. OJEU (or

	equivalent) procurement of this nature takes a significant period of time, so any major issues would continue to affect the service during this period.
Equalities Analysis	No negative effect on protected groups identified.

Related Decisions	Cabinet - 3rd November 2011 - leisure and cultural services option appraisal. Cabinet - 11 th April 2013 - tender exercise results/contract award.
Background Documents	None
Appendices	None

Performance Management Follow Up	Contract performance is reported monthly at operations meetings with the Council's monitoring officers, budget performance is reported quarterly to the Strategic Director and Portfolio Holder as part of the Council's strategic performance monitoring.
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Options for Joint Working	The outcome of the review may result in further collaborative working with the Council's Leisure Management Contractor in respect of investment/facility improvement projects.
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Background Information							
1. <u>The Current Contract</u>							
1.1 Cotswold District Council's Leisure and Cultural Services Contract with SLM commenced on the 31 st July 2013 and expires on 30 th July 2023. The contract features a break clause in July 2020 at which point the Council could exercise the option to surrender the contract. If the Council decided to exercise this option, notice would need to be served on the Leisure Management Contractor in January 2020. The contract break clause is unconditional - therefore, the Council could exercise this option for any reason it deems fit.							
1.2 The Contract is now in its sixth year which provides the Council with the opportunity to review its performance in comparison with the original outsourcing strategy, the contract specification and the specified outcomes. The results of the review will be reported back to Members to inform any decisions in respect of the break clause option. The report will include the risks and implications of terminating the contract early.							
1.3 The review will be carried out by the Officers who manage and monitor the contract on the Council's behalf. The review will compare and contrast historical data with the contract outcomes and present this information when reporting back to Members. The timetable proposed is as follows:-							
<table border="1"> <thead> <tr> <th>Review Period</th> <th>Overview and Scrutiny</th> <th>Cabinet</th> </tr> </thead> <tbody> <tr> <td>April - August 2019</td> <td>September 2019</td> <td>October 2019</td> </tr> </tbody> </table>	Review Period	Overview and Scrutiny	Cabinet	April - August 2019	September 2019	October 2019	
Review Period	Overview and Scrutiny	Cabinet					
April - August 2019	September 2019	October 2019					
1.4 The contract scope includes the following facilities:-							
<ul style="list-style-type: none"> • Cirencester Leisure Centre; • Corinium Museum; • Bourton Leisure Centre; • Chipping Campden Leisure Centre. 							

1.5 The contract does **not** include the sports centres at Fairford and Tetbury; where the site freeholds were transferred to the schools where they are located on 2nd January 2014. These arrangements gave the schools control of the facilities, with the Council withdrawing its rights to influence the services and future use of the leisure facilities at the school sites, although financial support by the Council remained for a transition period of 6 years (the grant agreements expire in December 2019). As such, these facilities are outside the scope of the break clause review.

1.5 The suggested scope for the 'break clause' review is:-

- Performance to date set against the management contract outcomes;
- Financial performance set against the leisure management contractor's projections;
- Customer Satisfaction;
- Have the original objectives/outcomes/benefits been met?

1.6 For Members' information, based on the information received and the formal contract monitoring arrangements which are included within the contract, Officers are satisfied the contract has been, and is being, delivered in accordance with the outcomes specified. However, the planned review will establish whether this is the case.

2. Future Provision

2.1 As previously stated, the current contract expires on 30th July 2023. There is also provision for the contract to be extended for a further period of up to 3 years beyond the expiry date. A minimum notice period of 12 months applies if this option is taken.

2.2 The break clause review will also provide information/data to inform any decisions that Members may make in respect of a contract extension and/or the scope and procurement strategy for the next contract.

2.3 The Council will need to consider its future approach to leisure and cultural services provision in sufficient time in advance of the expiry of the contract, so that a further procurement can be managed (if necessary) to ensure continuity of service provision. This will need to take the form of a fundamental/strategic/holistic review of leisure and cultural provision, in an attempt to establish user needs and how these can be met.

2.4 It is suggested that such review should feature in the post-elections version of the Council's Corporate Strategy/Plan (including as a key task moving forward). Consideration will need to be given to the scope and timescales of that review, and feedback from this Committee will be sought.

(END)