

Agenda



Listening Learning Leading

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Date: 3 April 2013

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A MEETING OF THE

Cabinet

WILL BE HELD ON THURSDAY 11 APRIL 2013 AT 6.00 PM, OR ON THE RISING OF A CABINET MEETING OF VALE OF WHITE HORSE DISTRICT COUNCIL STARTING AT 5.45PM, BOTH OF WHICH FOLLOW AN INFORMAL JOINT MEETING BETWEEN THE COUNCILS' CABINETS

South Oxfordshire District Council aims to increase access to its public meetings. This meeting will be broadcast live on the council's website and the record archived for future viewing. You can view this broadcast at www.southoxon.gov.uk

Members of the Cabinet

Member	Portfolio
Mrs Ann Ducker (Chairman)	Leader of the Council - responsible for HR, customer services, legal and democratic services, Didcot, corporate strategy (excluding waste and parks, community safety and grants)
Ms Anna Badcock	Cabinet Member for health and housing
Mr David Dodds	Cabinet Member for finance, waste and parks
Mrs Judith Nimmo-Smith	Cabinet Member for economic development, property and technical services
Reverend Angie Paterson	Deputy Leader and Cabinet Member for planning (including building control) and IT
Mr Bill Service	Cabinet Member for community safety, leisure and grants

If you would like a copy of these papers in large print, Braille or audio cassette or have any other special requirements (such as access facilities) please contact the officer named on this agenda. Please give as much notice as possible before the meeting

- 1 **Apologies**
- 2 **Declaration of disclosable pecuniary interest**
- 3 **Minutes of the previous meeting, 14 February 2013**
- 4 **Public participation**

ITEMS TO BE CONSIDERED WITH THE PUBLIC PRESENT

Reports considered with the public present are available on the council's website.

CABINET DECISIONS

- 5 **2014 leisure management contract** (Pages 3 - 8)

Purpose: to secure agreement to the proposed approach for procuring a contractor to provide leisure management services on behalf of South Oxfordshire District Council and Vale of White Horse District Council from 1 September 2014 (**report attached**)

- 6 **New Homes Bonus policy and Chinnor Parish Council's application for funding** (Pages 9 - 12)

Purpose: To consider extending the new homes bonus policy for another year, and whether to make an allocation of new homes bonus funding to Chinnor Parish Council towards the costs of a new community building in Chinnor (**report attached**)

MARGARET REED

Head of Legal and Democratic Services

Joint cabinet report



Report of head of economy, leisure and property

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DATE: 11 April 2013

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DATE: 11 April 2013

2014 leisure management contract

Recommendation

Cabinet agrees:

- (a) jointly with Vale of White Horse District Council, to commence the procurement of a leisure management contract under the competitive dialogue process;
- (b) to set the evaluation weighting for the joint contract at 50 per cent price and 50 per cent quality.

Purpose of report

1. The purpose of this report is to secure both cabinets agreement to the proposed approach for procuring a contractor to provide leisure management services on behalf of both councils from 1 September 2014.

Corporate objectives

2. The proposal to re-let the councils' leisure management contracts as a joint contract will contribute towards the achievement of the following strategic objectives and corporate priorities:
 - strategic objective 1 – excellent delivery of key services; in particular the delivery of high performing services with particular emphasis on, amongst other things, ensuring good quality sports and leisure provision
 - strategic objective 2 – effective management of resources; in particular the councils continuing to work together to extend the sharing of services and resources, such as a shared client team and a single contract provider.

Background

3. Currently South has a single leisure management contract, whilst Vale has three.

SOUTH

- 2009-2014 contract with GLL for seven sites (including an outdoor pool) from which the council receives a management fee.

VALE

- 2002–2012 contract with DC Leisure for the management of the White Horse Leisure and Tennis Centre, which has been extended until 2014 to run coterminously with the other contracts. The Vale Council receives a management fee from the extension of this contract.
 - 2004-2014 contract with SOLL Leisure for the management of Faringdon and Wantage Leisure Centres and Tilsley Park. The Vale Council pays a management fee to the contractor for this contract.
 - 2011-2014 contract with SOLL for the management of Abbey Meadows Outdoor Pool. The Vale Council pays a management fee to the contractor for this contract, which is funded by Abingdon Town Council.
4. As all four contracts end on 31 August 2014, the councils have the opportunity to explore whether there are benefits from entering into a joint contract for the future management of their leisure facilities. At this early stage, separate contracts with different contractors will remain an option, although officers consider it unlikely that this will ultimately prove to be financially or operationally attractive.
 5. Whichever route is taken, each site will be priced separately in the tender submissions, as some sites will generate a surplus, whilst others will generate a deficit. Not only will this enable us to ensure that the appropriate contract sums are apportioned to each council, it also provides us with the costs for individual sites if, at a later date, a decision is taken to remove one or more from the contract.
 6. There will be a number of subsequent considerations in relation to this project, such as the length of the term of the contract and any arrangements for future contract extensions. These will be the subject of a further report, which will seek authority to agree the specification for the contract.

What is the leisure management contract all about?

7. The ultimate aim of the contract should be to increase participation in sport and active recreation in the districts and, as a result, increase usage of the leisure centres. The contract should enable the councils to offer residents the opportunity to participate in sport and physical activity in a safe environment in order to enhance their health and well-being. If we are successful in this, then we should also be in a position to provide residents with the opportunity to have fun and enjoy the facilities that we invest significantly in. In addition to this, tendering for a new contract allows us to challenge contractors as to how they would provide outreach sessions in areas of the districts where there are no council-owned facilities, thereby extending the provision that has traditionally been provided by leisure management contractors.

Potential benefits of a shared contract

FINANCIAL

8. A joint contract would be of significant interest to the leisure industry due to the number of sites involved and their respective locations. There are already a number of contractors operating in the local area and securing up to 12 additional sites would be attractive to them.
9. Therefore, officers anticipate that exciting and competitive bids will be received that will drive forwards the quality of leisure provision within the two districts, as well as securing financial benefits for both councils.

EFFICIENCIES

10. Managing four contracts and three contractors is time consuming for the shared leisure team and results in basic contract monitoring tasks being completed in triplicate. Even though essentially the same procedures and process are used for all contracts, each contract is different. Each month, three client/contractor monitoring meetings are held, each quarter three strategic review meetings take place and each year three contractor performance reviews are undertaken. The current leisure team structure has already been established around the anticipated reduction in contract monitoring requirements from 2014 onwards.
11. Each contract is set up with slightly different terms and conditions, increasing the monitoring complexities for the team. The contracts were set up at different times with different priorities and whilst there is good practice to be learnt from all three contracts, we need to consider the desired outcome from any future contract.
12. Therefore, officers consider that there are sound operational and efficiency reasons for opting to tender a shared leisure management contract.

Potential drawbacks of a shared contract

13. There are historical differences between the leisure management contracts. A shared contract may result in a unified approach being taken to certain issues, which may lead to increased levels of customer complaints in the short-term. The main areas where changes may occur if we adopt a uniform approach are in

terms of pricing structures (South's prices are higher than the Vale's) and membership schemes (community leisure card at South and access to leisure pass at the Vale). As part of the tender process, we would expect the contractors to explain how they would manage and mitigate such risks.

Procurement route

14. The procurement is subject to EU regulations because the value of the contract over its lifetime will exceed the EU threshold (currently £173,934).
15. Officers propose that we follow the competitive dialogue route. Under this procurement route, we invite requests to participate, evaluate applications received and then invite selected/shortlisted operators to participate in the dialogue. Undertaking this form of tender will enable both councils to learn from market best practice, trends and innovations; which can influence the final tender requirements and thus ensures that both councils are market leading and procure the best possible leisure management contract from 2014 onwards.
16. The alternatives would be open procurement or restricted procedure but neither allow for negotiation with bidders, which officers consider beneficial in letting a leisure management contract.

Evaluation criteria

17. Prior to issuing tender documents, we will need to agree evaluation criteria and publicise these. The councils' policy is for 60 per cent of marks to be available for the most competitive price and 40 per cent for quality. However, in order to ensure that the requirements for a high quality service are held in as high regard as achieving value for money and that they are deliverable in the long-term, officers recommend allocating 50 per cent of marks for price and 50 per cent for quality. This will still ensure competitively priced bids, but will allow further consideration of the quality and innovative offers made during the dialogue process.

Joint project board

18. Officers set up an informal joint project board for the leisure management contract 2014. This comprises the two cabinet members for leisure, together with a member of the opposition group and a majority group back bencher from each council, one of whom sits on the scrutiny committee at each council. The board is chaired by the relevant strategic director and attended by the head of service and relevant leisure, legal and other staff as required. At its meeting on 18 December 2012, the board supported a joint contract approach.

Financial Implications

19. There are no financial implications arising directly from this report.

Legal Implications

20. Officers will conduct the tender process in consultation with the legal team and in compliance with the requirements of European procurement rules. Officers will also write the specification and contract in consultation with the legal team. The legal team proposes to obtain specialist external legal support and will draw this down from the recently awarded Government Procurement Service Framework.

Conclusion

21. Officers recommend both cabinets to agree the procurement of a joint leisure management contract from 2014 via the competitive dialogue process. Officers also recommend that an evaluation weighting of 50 per cent price and 50 per cent quality is agreed for this procurement in order to ensure that a good quality service is achieved.

Background papers

- none

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Cabinet Report



Report of Head of Corporate Strategy

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DATE: 11 April 2013

New Homes Bonus Policy and Chinnor Parish Council's application for funding

Recommendations

- (a) To extend the current new homes bonus interim policy for one further year (2013/14).
- (b) To transfer the sum of £220,000 from the provisional to the approved capital programme for new homes bonus funding to Chinnor Parish Council for its new community building.
- (c) To award £220,000 to Chinnor Parish Council towards the costs of the construction of a £780,000 community building in Chinnor, funded from the community element of new homes bonus budget in 2013-14.

Purpose of Report

1. To consider extending the new homes bonus policy for another year, and whether to make an allocation of new homes bonus funding to Chinnor Parish Council towards the costs of a new community building in Chinnor.

Corporate Objectives

2. Using new homes bonus to fund this project will help to deliver the council's corporate objective to offer support for communities as this project delivers an identified community need.

Background

3. In April 2012 Cabinet approved an interim new homes bonus policy for 2012/13 on its intention to ring fence sums received from new affordable homes to support the delivery of additional affordable homes and to allocate £433,000 towards community led schemes in locations accommodating new housing that meet the following criteria; the size of the local housing development, the type of organisation, the level of community support, evidence of land or property ownership, planning permission for the project and appropriate time scales of the project.
4. The new homes bonus policy now needs to be extended into 2013/14. The extension to the policy is for one year only due to the recent announcement that 25 per cent of the new Community Infrastructure Levy will be paid directly to town and parish councils so we will need to assess the level of need and demand for further funding towards community schemes.
5. Of the £433,000 allocated in 2012/13, £250,000 has been awarded to Cholsey parish council for a new community building. The balance of £183,000 has been rolled forward to the 2013/14 budget and a growth bid to allocate a further £317,000 was approved by the council on 21 February 2013.
6. The council therefore has a £500,000 budget for the community element of new homes bonus in 2013/14.
7. Chinnor Parish Council has applied for £220,000 of new homes bonus funding towards the costs of a new community building in Chinnor that meets the eligibility criteria of the scheme.

The Chinnor Project

8. The new community building will comprise of a function room, kitchen and bar, four sports changing rooms, a clubroom, a meeting room and an office.
9. The total cost of the project is estimated to be £780,000 and includes some project management fees. Chinnor Parish Council will contribute £115,000 and £98,000 is available in Section 106 developer contributions from the Chinnor Cement Works development.
10. The remaining funds will be raised from grant applications to Sport England, Football Foundation, Robin Greaves Sports Foundation, Oxfordshire County Council's Big Society Fund and others.
11. Offering new homes bonus funding will show that the project is fully supported by the district council which will help to support the other grant applications.

12. Officers recommend that £220,000 of new homes bonus funding is awarded to Chinnor Parish Council.

Meeting the Criteria

13. **Size of the local housing development** - The key element of the criteria is that the project must relate to a housing development that is of a sufficient size that it has a noticeable impact on existing local infrastructure. A new development is currently underway to build 178 new homes, a 60 bedroom care home and 1555 square metres of office accommodation at the former Chinnor Cement Works site that will impact on the existing local infrastructure. The new facilities on offer once the new community building is complete will act as a conduit to increase community cohesion.
14. **The amount requested must not exceed the total amount of new homes bonus generated by the housing development** – the housing development is likely to generate substantially more than the amount recommended by officers to the parish council for this project.
15. **Type of organisation** – the parish council is eligible to apply for new homes bonus funding and has the appropriate governance and skills to manage a project of this size.
16. **Type of scheme** – the scheme must be for capital expenditure only and must not require any ongoing revenue commitment from this council – the proposed project is capital expenditure only and the parish council has provided its proposed ongoing revenue budget to show that the new building will be sustainable.
17. **Community support** - there is clear and documented evidence of community support for the project.
18. **Ownership** – the parish council's freehold title is unregistered and they need to deduce their unregistered title to the council.
19. **Planning permission** – the project has planning permission (P12/S1792/FUL) although there are several conditions attached to it.
20. **Time scales of the project** – the project is due to commence in December 2013 if full funding can be achieved.

Options

21. Officers carefully considered the amount of funding to recommend towards this project that is in the relatively early stages of development. The project costs are estimates and a full tender process will need to be carried out by Chinnor parish council.
22. Officers consider it appropriate to offer this funding now in order to support Chinnor Parish Council's grant applications to other external funders.

Financial Implications

23. The award of £220,000 to Chinnor Parish Council will be met from the £500,000 of new homes bonus funding allocated for community led schemes in 2013/14. This will leave a balance of £280,000 for other community led schemes.

Legal Implications

24. New homes bonus funding is not ring-fenced for any particular purpose so the council has a wide level of discretion in how it chooses to use the funding that it receives. Cabinet decided to allocate some of these funds to community projects that meet set criteria in April 2012.
25. A legal agreement regarding funding for this particular project will be required and as with other grants of this size a restriction will be placed on the title of the property to ensure that the funding is returned to the council if the building is sold or used for other purposes within the next 20 years. However, before a restriction can be placed on the title the parish council will need to register its freehold title at the Land Registry. The parish council has granted a lease for a part its unregistered title for a term of 40 years from 1 January 2006. The council will also require the leased title which forms a part of the new community building to be surrendered back to the parish council by a deed of variation. This will all need to be completed prior to the legal agreement being entered into.

Risks

26. The risks of funding this project are minimal. The release of any funding awarded to the parish council would be in two stages, 50 per cent at the commencement of the project and 50 per cent on completion, subject to confirmation that all planning conditions are satisfied. A formal legal agreement setting out terms similar to those of the capital grant scheme will be required and a restriction will be placed on the title of the land.

Conclusion

27. New homes bonus funding is providing significant income that the council can use to support local communities that are accepting significant amounts of new housing.
28. The application submitted by Chinnor Parish Council for new homes bonus funding is suitable for approval. It fully meets the scheme criteria approved by Cabinet and officers recommend funding of £220,000.