



## Cabinet Recommendations to Council - Leisure Contract: Award of contract to preferred contractor and investment proposals

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<b>Lead Member/Relevant Portfolio Holder</b>	<p><b>Councillor Pip Allnatt</b> - Leader of the Council &amp; Portfolio Holder for Housing and Landlord Services</p> <p><b>Councillor Pat Cumbers</b> – Portfolio Holder for Customers, Communities and Neighbourhoods</p>

<b>Corporate Priority:</b>	<ul style="list-style-type: none"><li>• Excellent services positively impacting on our communities.</li><li>• Delivering sustainable and inclusive growth in Melton.</li><li>• Protect our climate and enhance our rural, natural environment.</li></ul>
<b>Relevant Ward Member(s):</b>	N/A
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	Yes – Exempt Appendices By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – this report

## 1 Summary

- 1.1 The Council's leisure facilities are operated by an external partner through a contract management arrangement. Two facilities are managed through this contract – Waterfield Leisure Centre and Melton Sports Village.
- 1.2 The current contract to operate the council's leisure facilities ends on 31 March 2024 and a process to secure an operator for the Council's leisure facilities from 1 April 2024 has been carried out.
- 1.3 As a result of the procurement process, a strong, credible and financially viable bid from SLM (Everyone Active) is recommended for approval. SLM (Everyone Active) is the incumbent leisure operator.
- 1.4 This is a ten-year contract, with the option to extend for a further five years. It includes the operation of Waterfield Leisure Centre and Melton Sports Village. The bid also includes an active communities offer, enabling a wider community reach, beyond the leisure facilities.
- 1.5 Ensuring financial viability has been a key part of the procurement process. Through submission of bids, it was clear that provision of capital investment, repayable by the operator over the whole potential life of the contract, would be necessary. It is proposed that an investment sum of £1.735m is made available to the operator by the Council. This investment will enable improved and enhanced facilities and in turn, also improve the overall financial position of the contract, leading to an annual management fee being paid to the Council.
- 1.6 The procurement process has resulted in a positive outcome, representing good value for money for the council and a positive offer for the community which ensures continuity of leisure services and improvement of facilities.
- 1.7 Subject to Council approval, a communications plan will be implemented in partnership with SLM (Everyone Active) alongside the finalisation of the contract.

## 2 Recommendations

### That Council:

- 2.1 **Awards the contract for the operation of the Council's leisure facilities from 1 April 2024, for a period of ten years (and with the option to extend for 5 years) to Sports and Leisure Management Ltd (SLM) (trading as Everyone Active);**
- 2.2 **Delegates to the Director for Housing and Communities (Deputy Chief Executive) in consultation with the Director for Corporate Services and Monitoring Officer, authority to finalise the contract and effect the contract award;**

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| 2.3 | <b>Approves an allocation of £1.735m in the capital programme for 2024/25 for investment in improvement works to Waterfield Leisure Centre and Melton Sports Village.</b>  |
| 2.4 | <b>Approves that the capital allocation is met by grant funding (subject to the outcome of current bids being confirmed), with any residual balance then being funded in the first instance by the Leisure Vision Capital Reserve, and any remaining balance being met from borrowing.</b> |

### **3 Reason for Recommendations**

- 3.1 Supported by a clear and evidence led leisure procurement framework, the Council has been able to achieve a balance between achieving the council's financial and social value requirements whilst also ensuring the opportunity is attractive to the leisure market. The process that has been undertaken provided an important opportunity for the Council to test the market, and assess the viability, affordability and quality of proposals from the leisure sector.
- 3.2 The procurement process has resulted in a positive outcome, representing good value for money for the Council and a positive offer for the community which ensures continuity of leisure services and improvement of facilities.
- 3.3 To improve and enhance the provision of leisure facilities in Melton, utilising a capital investment fund was the most financially viable option for the Council to secure a leisure operator for Melton Borough Council's leisure facilities from 1 April 2024. The report confirms that the proposed approach to capital investment is affordable to the Council.
- 3.4 The Council's current Corporate Strategy considers the need for an affordable and sustainable future for leisure. The procurement process has been successful in protecting and preserving leisure facilities in Melton for the next ten years, during which time the development of realistic options for replacement leisure facilities in the longer term will be required.

### **4 Background**

- 4.1 Cabinet considered a report on this matter on 29 November 2023 and recommend this to Council for approval. Award of this contract is subject to Council approval.

### **5 Main Considerations**

- 5.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

### **6 Options Considered**

- 6.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **7 Consultation**

- 7.1 As outlined in the Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **8 Next Steps – Implementation and Communication**

- 8.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **9 Financial Implications**

- 9.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

**Financial Implications reviewed by: See Appendix 1**

## **10 Legal and Governance Implications**

- 10.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

**Legal Implications reviewed by: See Appendix 1**

## **11 Equality and Safeguarding Implications**

- 11.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **12 Data Protection Implications (Mandatory)**

- 12.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **13 Community Safety Implications**

- 13.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **14 Environmental and Climate Change Implications**

- 14.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **15 Other Implications (where significant)**

15.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **16 Risk & Mitigation**

16.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **17 Background Papers**

17.1 As outlined in the Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report (Appendix 1).

## **18 Exempt Appendices**

18.1 The following appendices are exempt items by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – this report contains information relating to the financial or business affairs of a particular person.

18.1.1 Appendix 1 – Cabinet Report: Leisure Contract – Award of contract to preferred contractor and investment proposals report.

18.1.2 Appendix 2 – Member Briefing Presentation