

South Lakeland District Council - Leisure Partnership procurement.

Invitation to submit final tenders

Schedule E – Specification

1. Introduction

- a. South Lakeland District Council is committed to partnership working which adds value and brings benefits for the residents and visitors of the District.
- b. SLDC is seeking to create a potent leisure partnership, effective in delivering the Council's priority of promoting the wellbeing of the District's communities. SLDC is to enter a contract with an expert Leisure Partner who has the strategic and operational capability and drive to deliver the outcomes the Council seeks.
- c. The Leisure Partnership contract is to be a 10 year contract (2014 – 2024) plus the opportunity for two 5 year extensions up to 2034.
- d. The remit for the Leisure Partnership contract has been informed by the outcomes of SLDC's Leisure Review, conducted in 2012. The review highlighted the need to focus on:
 - i. **Strategy** – the need to establish strategic direction for the Council's work to promote 'Wellbeing'
 - ii. **Needs led** – ensuring leisure services are adaptable to meet the changing needs of our communities
 - iii. **Finance** – ensuring leisure services are sustainable and that costs provide Value for Money and are appropriately borne by service users, partners and the Council Tax payer.
 - iv. **Assets** – ensuring that the District has the right facilities to enable service delivery and that they are fit for purpose.
 - v. **Delivery model** – ensuring that we have the most effective way of delivering the service

2. Our vision for a Leisure Partnership

- a. ***Through our Leisure Partnership contract, we aim to achieve far more than our own resources and expertise will allow. We value the expertise and capabilities that partners bring. Our partnership will be in the spirit of 'co production', through which we will utilise our respective strengths to achieve success.***

- b. The contractual relationship is dependent upon the Council and the Leisure Partner sharing common values and goals. (section 10 describes the Council's values.) The relationship is based on the achievement of outcomes, rather than the specification of inputs. The Council is not seeking a traditional client/contractor relationship.
- c. The partnership will deliver increasing **participation** in physical activity by:
 - i. Working at the **Strategic** level – placing physical activity at the heart of local strategies and spending plans for Health and Wellbeing
 - ii. Provision and management of **modern and sustainable core leisure facilities**
 - iii. The enabling of **community delivery** of physical activity
- d. The Partnership will be **highly adaptable to change** to circumstances, needs and opportunities throughout the term of the contract. Whilst the Partnership has a focus on physical activity, it will **recognise and contribute to broader initiatives and activities** which make contribution to the wellbeing of the residents and visitors of the District.

3. Strategic Intention

- a. The Council sets out its strategic priorities in the **Council Plan**. The Leisure Partnership will take its strategic lead from the Council Plan (or successor documents which publish the Council's priorities), and be informed by other strategies which will be developed for the delivery of the Council's priorities. For example, a Health and Wellbeing Strategy.
- b. The Council recognises the need to establish strategic direction to promote 'Wellbeing'. **Appendix 1** to this Specification describes the **outcomes** the Council seeks to achieve through its investment in 'wellbeing' related services. They form the Council's strategic intention and the basis for the development of strategy. The Leisure Partnership will be instrumental to the Council's success in achieving the outcomes.
- c. Through the Leisure Partnership, the Leisure Partner will play a **formative role in the development of strategy**, both by the Council and other strategic partner organisations operating in the District.

5. Role of the Leisure Partner

- a. The role of the Leisure Partner is described in three main areas of activity:
 - i. Accessible, modern and sustainable core leisure facilities;
 - ii. Enabling community delivery of physical activity;
 - iii. Strategy – placing physical activity at the heart of local strategies and spending plans for Health and Wellbeing

6. Accessible, modern and sustainable core leisure facilities

- a. The Leisure Partner's focus is to be on the outcomes which the facilities help deliver. Facility strategy, management and investment will be led by their contribution to the delivery of the outcomes.
- b. The Council refers to 'core facilities' as the public swimming pools, multi-use sports hall, tennis centre and all weather pitches which are in the ownership of the Council.
- c. Within the Kendal and Ulverston centres, there are gymnasiums. The Council has other facilities, including grass playing pitches, Multi Use Games Areas and a small outdoor pursuits centre at Windermere.
- d. The Council recognises the need for other facilities and services to be provided in association with the 'core facilities' to enable a modern, flexible and viable offer, for example a modern gym and fitness offer. The leisure facilities are to earn revenue so as to minimise as far as possible the requirement for financial subsidy from the Council whilst being consistent with the delivery of the outcomes sought.
- e. Facilities are located at:
 - i. Kendal Leisure Centre
 - ii. Ulverston Swimming Pool
 - iii. Ulverston Outdoor Complex – including the Tennis Centre and all weather pitch
 - iv. Windermere Outdoors – the Leigh Groves Building (Council owned) and the 'Sailing Base' leased by the partner from the National Trust
 - v. Playing pitches exist at :
 - 1. Rothay Park, Ambleside
 - 2. Yew Tree playing fields, Grange
 - 3. Rayrigg Meadow, Windermere
 - 4. Queens Park, Windermere

- vi. Multi Use Games Areas (MUGAS) exist at:
 - 1. Kendal x 3
 - 2. Ulverston x 3
 - 3. Ambleside x 1
- f. Though not forming part of the current Procurement process, the Council has also identified other Council owned facilities which may (individually or collectively) become part of the Contract in future, subject to future Council consideration of their provision and negotiation with the Leisure Partner. These facilities comprise; The Coronation Hall, Ulverston, The Glebe Recreation Ground, Bowness on Windermere, Multi Use Games Areas, as existing and those which may be developed.
- g. The Leisure Partner will be **wholly responsible for the operation** of the facilities comprising Kendal Leisure Centre, Ulverston Leisure Centre, Ulverston outdoor complex, Ulverston Tennis Centre and the provision of the outdoor pursuits offer at Windermere. In addition, the Leisure Partner will provide a pitch booking service for the Council's grass playing pitches and manage any formal organised use of the MUGAS. The Leisure partner will perform the role of principal supplier.
- h. To enable the outdoor pursuits offer, the Council is able to provide the use of the Council owned Leigh Groves Building, Rayrigg Road, Windermere. The lakeshore 'Sailing Base' is owned by the National Trust and leased to the Council's current leisure partner. The Lease enables an assignment of the Sailing Base to the Leisure Partner. The specification seeks a proposal from bidders for an outdoor pursuits offer from the existing facilities. Bidders may present a variant bid, presenting the outdoor pursuits offer provided through other facilities, sourced and provided by the Leisure Partner.
- i. The Leisure Partner will take a **leasehold interest** in the Council owned facilities and comply with the terms and requirements of the leases. The Leases will require that they are surrendered by the Leisure Partner when the Contract is terminated.
- j. The division of facility **repair and maintenance** responsibilities between the Council and the Leisure Partner is described in the Leases. The Leisure Partner is to deliver the **timely maintenance** of the facilities, ensuring they are well presented to users at all times. This will include the putting in place of service contracts, including accepting assignment or novation of service contracts current at the commencement of the agreement. (Schedule H to the Invitation to Submit Final Tenders describes the repair and maintenance

responsibilities and provides an description of the contracts that may require assignment.)

- k. The Leisure Partner will put into effect the **insurance policies** for the facilities as required by the Contract.
- l. The Leisure Partner will be responsible for the liabilities towards **Non Domestic Rates**. The Council will not provide discretionary NDR.
- m. Within the first year of the Contract, Council and the Leisure Partner will develop and agree a District wide **facilities strategy**. It is expected that the Leisure Partner will contribute time, expertise and financial resources (required for specialist advisers) for the delivery of the strategy. Informed by this strategy, the Leisure Partner and the Council will develop and agree a plan for the provision and management of Council owned facilities, including a **reinvestment programme**. Strategies and plans will be revised during the lifetime of the Contract, in response to changing circumstances, demands and opportunities and as agreed between the Council and the Leisure Partner. Industry good practice in planning for facilities will be used. For example the Sport England Facilities Planning Model.
- n. The Council and Leisure Partner will develop and agree a **funding programme** for the reinvestment programme and agree the most mutually advantageous **procurement** of the agreed reinvestment programme. The Change Control procedure of the Contract will be used to **negotiate and vary financial payments** between the Council and the Leisure Partner required or enabled by reinvestment.
- o. The development of strategies and plans will not preclude the Leisure Partner bringing forward and implementing **smaller scale reinvestment** projects which provide value for money and would not fetter the development of the reinvestment programme.
- p. The Leisure Partner will be responsible for the provision, repair and replacement of the **sports equipment, furnishings, office equipment** required for the delivery and operation of the facilities and services.
- q. The facilities will be operated in accordance with good industry practice **Health and Safety** procedures and management system. Health and Safety performance will comprise part of the Performance Management of the Contract.
- r. The facilities will be operated in accordance with good industry practice for meeting **regulatory standards and requirements**. Compliance will comprise part of the Performance Management of the Contract.
- s. The facilities will be operated in accordance with good industry practice for **cleansing and cleanliness**. Compliance with cleansing and

cleanliness procedures and schedules will comprise part of the Performance Management of the Contract.

- t. Subject to i below, **opening times and pricing** are to be determined by the Leisure Partner, with the Council expecting that accessibility and use of the facilities will be maximised and be highly responsive to users' needs and opportunities.
 - i. Facilities at Kendal and Ulverston are to operate for 7 days per week, to include Bank Holidays at Easter, May Day, Spring and Late Summer. The operating period of the Outdoor Pursuits facility will be developed by the Leisure Partner and agreed between the Leisure Partner and the Council.
 - ii. A **pricing strategy** will be developed by the Leisure Partner for the purposes of best enabling the delivery of the outcomes. The pricing strategy will be agreed and be subject to annual review between the Leisure Partner and the Council.
- u. **Customer focus** – The Leisure Partner will be active in engaging service users in service design and delivery.
 - i. Service development is to demonstrate its effectiveness in improving customer access and encouraging new users and their participation in physical activity.
 - ii. Customer engagement, feedback / complaints processes are to be provided and demonstrably inform the development of services, improvements and operational procedures.
 - iii. The Leisure Partner and the Council will agree a series of 'Customer focus' indicators for inclusion within the Performance Management of the Contract.
- v. The Leisure Partner is to continually drive for more **efficient and effective use of resources**, driving up and sustaining facility usage through **active and effective programming and marketing**.
- w. The Leisure Partner will be responsible for developing and targeting programmes and marketing. A key requirement is for the realisation of opportunities provided by the health commissioning agenda. The Leisure Partner is to adopt a 'commissioning ready' approach.
- x. **Pre-existing user agreements and conditions of grant aid** from previous facility investments will continue to be honoured through the operation of the facilities. These are described in Schedule H to the Invitation to Submit Final Tenders. These include Kirkbie Kendal School, the Cumbria Lawn Tennis Association, Sport England Grant conditions for the Ulverston all-weather pitch and the Council's use of the Kendal Leisure Centre for Local, General and European election

purposes and Rest Centre use in the event of local emergencies. Where more efficient use of the facilities is possible, the Leisure Partner may seek to **negotiate acceptable change** to the user arrangements.

- y. Where the Council receives **payment for the direct use of the facilities** through the user agreements, it will pass the payment to the Leisure Partner. If such user agreements cease, the Council will not be liable for making up an equivalent payment to the Leisure Partner.
- z. The Leisure Partner will **honour existing bookings** for the facilities.

7. Enabling Community Delivery of Physical Activity

- a. The Council operates across a large rural area which can present barriers to participation. **The Council seeks to support 'localism'** through which communities and volunteers are enabled to improve and widen local participation in sport and physical activity, meet local needs and create 'pathways' for people to a more active and healthy lifestyle. This can take place in local community, public and privately owned facilities and outdoors in parks, open spaces, Multi Use Games Areas and the wider countryside.
- b. The Leisure Partner will develop **a programme of 'outreach' or 'community based' activity which contributes directly to the achievement of the outcomes.** Such programmes are to include work with other partners such as Active Cumbria and the National Governing Bodies to promote capacity building within sport, recreation and leisure clubs. Volunteering opportunities to assist with outcome delivery are to be encouraged. Programmes are to extend throughout the year, demonstrate how they serve the District area and be delivered throughout the term of the Contract.
- c. As part of its Asset Management Strategy, the Council is supportive of local and neighbourhood **facilities** being **managed by the local community.** The Leisure Partner will work with the Council to advise and enable community management of these local facilities.
- d. Success will necessitate the Leisure Partner to **establish and nurture relationships with local communities,** for example through Parish and Town Councils and Schools and to work with key community and voluntary sector organisations, such as Age Concern, Health Commissioning Groups and local representatives of sports and leisure clubs.
- e. The **scale and opportunity** for this community based working **needs to be established through the operation of the Contract.** The Council is not resourced to fund the Leisure Partner to deliver a high level of activity, yet it is aware that there are emerging new models of

funding and delivery suited to this work and that the Leisure Partner will be able to drive opportunities from how they conduct their management of programmes through the facilities. The Council expects the Leisure Partner to **adopt an embryonic approach**, through which development skills and capacity equivalent of at least 1FTE are provided from the commencement of the Contract. This resource will establish a progressive service development approach, identifying needs, opportunities and pursuing funding opportunities so that programmes and activities become funded from other parties and participants. Progress and development opportunities will be reviewed and agreed through the Leisure Partnership Board.

- f. The Leisure Partner and the Council will **develop and agree a series of performance indicators** for inclusion within the Performance Management of the Contract.

8. Strategy – placing physical activity at the heart of local strategies and spending plans for Health and Wellbeing

- a. Active and effective **leadership** is required to drive **strategic recognition** of the contribution physical activity can make to health, wellbeing and the **success and reputation of the District**.
- b. The Council will look to its Leisure Partner to work strategically to **develop and strengthen partnership engagement** and deliver stronger outcomes for community. Acting with influence and advocacy, and with detailed knowledge of the South Lakeland District, the Leisure Partner **will be instrumental in creating a shared vision** for physical wellbeing, recognising the promotion of physical activity as a key means to deliver against health, community safety and economic strategy goals.
- c. This will require the Leisure Partner to **provide senior representation and leadership to secure strategic discussions** with organisations such as the Health and Wellbeing Board, Health Commissioning Groups, One South Lakeland, Sport England, Active Cumbria, the private and community/voluntary sectors, providers of services in neighbouring Districts and the County Council.
- d. As identified in section 6, the Leisure Partner will work with the Council to produce a District wide Facilities Strategy and develop a plan for the Council owned facilities. The Council will seek the Leisure Partners' input to a range of Council policies and strategies, for example, its emerging Health and Wellbeing Strategy, the Local Plan, Housing Strategy and the Council Plan.

- e. The Leisure Partner and the Council will **develop and agree a series of indicators** for inclusion within the Performance Management of the Contract.
- f. The Council views this work as core to the Leisure Partner's method of operating the Contract and the delivery of the Leisure Partner's own organisational success and requirements. It is expected that this work is part of the essential managerial overhead of the Leisure Partner.

9. Performance Management

- a. Performance Management will be founded on the following principles:
 - i. Delivery within the spirit of the Council's and the Leisure Partners Values
 - ii. The Leisure Partnership is to be outcome focussed.
 - iii. Performance and contract management are essential to demonstrate the achievement of outcomes and value for money.
 - iv. Performance and contract management will enable the effectiveness of the Partnership and the activities of the Leisure Partner. Success will be dependent on the performance of both the Leisure Partner and SLDC.
 - v. Performance and contract management will recognise and enable the collaborative partnership approach sought by SLDC.
 - vi. Performance and contract management will be dependent upon open, authentic and regular dialogue between SLDC and its Leisure Partner.
 - vii. The Leisure Partner's attendance if required at Cabinet and Overview and Scrutiny meetings.
- b. The Council and the Leisure Partner will nominate a lead responsible officer to manage the relationship through the Partnership Contract. SLDC will nominate the Community and Leisure Manager.
- c. **Higher level outcomes** – The Council and the Leisure Partner will establish a series of higher level indicators to assess the partnership's progress in achieving the outcomes sought by SLDC. SLDC and the Leisure Partner will agree the set of indicators, the method and responsibility for information collection, the frequency of reporting and review. Themes will include:
 - i. Participation indicators as reported by the Active People Survey
 - ii. Health improvement
 - iii. Establishment of wider partnership programmes and investment, for example, with health, with education. – Including 'Social Value.'

- iv. Benchmarking of Local Authority costs of services per head of population
- d. Targets will be set to provide a challenge for continual improvement and be agreed on an annual basis.
- e. Performance against the higher level outcomes will be considered through a quarterly contract management meeting, accepting that data for some indicators will be available on an annual basis. A report will be prepared and presented by the Leisure Partner to SLDC's Cabinet on an annual basis.
- f. **Operational level outcomes** SLDC and the Leisure Partner will agree a 'scorecard' of operational performance indicators which will be reported by the Leisure Partner through a quarterly contract management meeting.
- g. Targets will be set to provide a challenge for continual improvement and be agreed on an annual basis.
- h. The indicator set will comprise both quantitative and qualitative indicators. Indicators will be established to address the following themes:
 - i. Facilities usage / programme participation
 - ii. Participation in outreach programmes
 - iii. Customer satisfaction/engagement
 - iv. Health and safety
 - v. Environmental
 - vi. Financial
 - vii. Compliance with regulatory requirements
 - viii. Workforce and people development
- i. An annual summary of operational level performance will be reported alongside the annual report of performance against the higher level outcomes to SLDC's Cabinet.
- j. The agreed indicators will be integral to the Leisure Partner's performance management and quality assurance reporting system. The Leisure Partner will ensure that the performance indicators and targets are translated into work tasks and targets throughout the organisation. For example team and personal work plans and job consultations.
- k. The Leisure Partner will make its performance management visible to customers and encourage user engagement in service improvement.

- l. **Significant projects** - Where the Partnership embarks on significant projects a recognised Project Management Methodology will be adopted.
- m. **Contract Management** - Contract management will rely on the following documentation:
 - i. The Specification
 - ii. The Leisure Partnership Contract
 - iii. The agreed performance indicators
 - iv. An annual delivery plan.
- n. The **annual delivery plan** will be produced by the Leisure Partner and set out in advance, the priorities, actions, targets and annual financial estimates which inform the management fee. It will include a risk assessment of plan delivery.
- o. Formal contract management meetings will take place on a quarterly basis.
- p. **Partnership Management.-** The Council and the Leisure Partner will establish a Leisure Partnership Board to manage the Partnership. The Board will comprise senior representatives from the Leisure Partner and the Council, including Councillor and Officer representation. The Board will establish a means for user representation and will invite participation from other organisations key to the promotion of physical activity and wellbeing. The Board will establish and keep under review a forward plan which will provide strategic direction for the work of the Partnership. Performance will be reported to the Board. The Board will determine the frequency of meetings, with the proviso that in the first year of the contract, it will meet not less than on a quarterly basis.

10. Support of Council values

- a. The work and activity of the Leisure Partner will reflect and support the expressed Values of the Council;
 - i. Excellence
 - 1. The Leisure Partner will be able to demonstrate continuous improvement in all that it does throughout the lifetime of the Contract. The Partner will be able to demonstrate Social Value.
 - 2. The practises of the Leisure Partner will reflect and add value to industry best practice.

3. Achievement will be comparable with top performing providers, as identified through an agreed benchmarking process
- ii. Openness
 1. The Contract will be reliant upon an ‘open book’ approach between the Leisure Partner and the Council. Communication and information will be regular, open and authentic.
 - iii. Valuing people
 1. The Leisure Partner will develop and deliver customer focussed services.
 2. All services and activities of the Leisure Partner will adhere to the Council’s Equalities Scheme and the requirements of the Equalities Act 2010.
 3. The Leisure Partner will demonstrate a proactive, structured approach to workforce engagement in the development of services and the training and development of employees and volunteers.
- b. The Leisure Partner will share the Council’s priority of protecting the environment, delivering and developing sustainable environmental practices and minimise environmental impacts in support of its service delivery.
 - c. The Leisure Partner will operate a safety first culture, managed through an effective Health and Safety policy and practice.

11. Payments by the Council

- a. The Council will pay the Leisure Partner the tendered Management Fee. The tendered Management Fee will be paid quarterly in advance on receipt of an invoice from the Leisure Partner.
- b. Following the close of quarter four, income and expenditure for the year will be reconciled with the financial estimates and information in the Annual Delivery Plan. Where there is income in excess of the total sum of the tendered Management Fee, the direct costs of provision, the Leisure Partners overhead and required profit margin, the surplus will be shared as follows: 33.3% to the Council, 33.3% to the Leisure Partner, 33.3% to the Leisure Partner for reinvestment in the services.
- c. The Council will not indemnify the Leisure Partner against income foregone at the Ulverston Tennis Centre due to the surfaces becoming temporarily unplayable due to moisture / condensation.