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COUNCIL

Minutes of a Council Meeting held on Thursday 3 May 2018 in the Council Chamber, Town Hall, Matlock at 6.00 pm.

PRESENT

Councillor Andrew Shirley - In the Chair

Councillors Jason Atkin, Deborah Botham, Richard Bright, Martin Burfoot, Sue Burfoot, Albert Catt, David Chapman, Ann Elliott, Steve Flitter, Helen Froggatt, Chris Furness, Susan Hobson, Vicky Massey Bloodworth, Jean Monks, Tony Morley, Dermot Murphy, Joyce Pawley, Irene Ratcliffe, Mike Ratcliffe, Lewis Rose OBE, Mark Salt, Peter Slack, Jacquie Stevens, Colin Swindell and John Tibenham Dorcas Bunton (Chief Executive), Paul Wilson (Corporate Director), Sandra Lamb (Head of Corporate Services), Karen Henriksen (Head of Resources), Mark Nash (Financial Services Manager), Ashley Watts (Head of Community & Environmental Services), Rob Wilks (Community Development & Wellbeing Officer), Dave Turvey (Active Communities Officer), Jim Fearn (Communications and Marketing Manager) and Annette Reading (Committee Assistant).

Damian Adams, FMG

The Chairman advised those present that the meeting was being recorded live and would be broadcast on YouTube.

APOLOGIES

Apologies for absence were received from Councillors Sue Bull, Tom Donnelly, Graham Elliott, Richard FitzHerbert, Alyson Hill, Tony Millward, Garry Purdy, Andrew Statham, Philippa Tilbrook and Jo Wild.

400/17 – LEISURE REVIEW – CONTRACT AWARD

Councillor Irene Ratcliffe left the meeting at 7.05pm during discussion of this item.
Councillor Vicky Massey Bloodworth left the meeting at 7.06pm during discussion of this item

Council considered a report on the progress of the Leisure Review to date and the award of the contract for the management of the Leisure Centres to Freedom Leisure Limited.

On 26 September 2013 the District Council considered the Medium Term Financial Plan (MTPF) which showed that over the following three years, savings of over £1.4m were

required. At the same meeting the Council considered a report on ‘Planning for the Future’ which approved a series of service reviews including a review of Leisure Services, with the intention of achieving savings to contribute towards the overall savings target.

The review was split into two phases, the first identified operational improvements and efficiencies amounting to £111,500 which were put into place and achieved by 31 March 2015.

The second phase included numerous visits and discussions with other Local Authorities to help identify alternative models for delivering the Leisure Service in the longer term and the main conclusion was that the specific management in place (whether delivered by a private contractor, a trust or local authority) is not the defining factor in whether a quality produce is delivered at an affordable price. A service needs to have a clear focus, be efficiently managed, be responsive and customer orientated. To assist in the review FMG Consulting Limited was appointed to provide a detailed Business Options Appraisal, outlining the financial implications and feasibility of the alternative management options currently available.

After several months of review and consultation with management, staff and stakeholders, five options were put forward. It was agreed that Options 2 and 5, below, were the most appropriate and a further report was prepared on the viability of these two models. Discussions were also held with relevant stakeholders and staff and representatives from Anthony Gell School and the Anthony Gell Foundation.

| Options | Leisure Centre | Sports Development |
|---------|---|--------------------|
| Two | Outsourced | In-house |
| Five | Retain: Arc & Ashbourne | In-house |
| | Community Asset Transfer: Bakewell & Wirksworth | |

In December 2016, a Leisure Review Working Group was formed, which included officers from across the District Council, along with support from Derbyshire County Council’s Procurement and Legal services and FMG Consulting. The group set out a timeline which identified key points in the process.

The original eight bidders were reduced to four at Pre-Qualification Questionnaire (PQQ) stage. The remaining four bids were subject to evaluation with one being put forward for recommendation. Freedom Leisure was the preferred bidder and the report highlighted the key aspects of the specification and some of the additional benefits and features of their submission.

In order to achieve the business plan outlined in Freedom Leisure’s submission and the annual revenue savings to the District Council an initial capital investment of circa £1.2m was also required by the District Council.

Councillors were advised that in addition to ongoing operation and maintenance costs, Freedom Leisure would invest circa £1m to enhance the facilities at the commencement and throughout the life of the contract. Examples of the improvements brought about via the capital investments were detailed in the report.

The report set out plans put forward by Freedom Leisure to deliver improvements to centre programming and community based initiatives. It was noted that the current concessionary/discount scheme of 33% would be protected and that all existing prices would be honoured throughout the first contract year.

The target date for contract commencement was 1 August 2018 for a period of 10 years with an option to extend for a further 5 years. The management fee would vary each year throughout the life of the contract. The financial resilience of the operator has been assessed and approved as part of the tender process. Monthly performance review meetings would take place between the District Council's Contract Manager (to be appointed) and Freedom Leisure and an annual review on the contract review and performance would be presented to members.

It was moved by Councillor Lewis Rose OBE, seconded by Councillor Albert Catt and

RESOLVED
(unanimously)

1. That the contract to operate and maintain the District Council's four Leisure Centres at Ashbourne, Bakewell, Matlock and Wirksworth, be awarded to Freedom Leisure Limited to commence on 16 May 2018 for a 10 year period with an option to extend for a further 5 years.
2. That the terms of the contract, summarised on paragraphs 2.3, 2.4 and 2.9 of the report are noted.
3. That a 3 month mobilisation period following award of contract is noted, enabling full operational control by Freedom Leisure Limited on 1 August 2018.
4. That £1.2m of Capital Resources to support the investment programme outlined in paragraph 2.5 of the report is approved to facilitate reduced annual revenue costs of Leisure Services by £150,000pa across the life of the contract as outlined in paragraph 2.13.
5. That Ashley Watts, his Team and all other staff involved, be thanked for their work in negotiating this significant contract.

MEETING CLOSED 7.12PM

CHAIRMAN