

DECISION-MAKER:	CABINET
SUBJECT:	PROCUREMENT OF A PARTNER TO DELIVER SPORTS DEVELOPMENT FUNCTIONS ON BEHALF OF THE CITY COUNCIL
DATE OF DECISION:	14 MARCH 2011
REPORT OF:	CABINET MEMBER FOR LEISURE, CULTURE AND HERITAGE

STATEMENT OF CONFIDENTIALITY

Appendix 1 of this report is not for publication by virtue of Categories 3 and 4 of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because the Appendix contains confidential and commercially sensitive information which would impact on the integrity of a commercial procurement process and the Council's ability to achieve 'Best value' in line with its statutory duties.

BRIEF SUMMARY

The Sports Development Team seeks to increase the levels of participation in sport and physical activity. Following the successful procurement of partners to manage facilities on the Council's behalf it is proposed to secure a partner to deliver this service together with the after schools coaching programme, currently commissioned separately by Children's and Learning services.

In seeking a partner, the Council anticipates securing reductions in the revenue cost of the service whilst continuing to seek improvements and positive outcomes in five key areas:

- Levels of participation by children, young people and adults
- Levels of external funding secured to benefit the City's physical activity sector
- Levels of volunteering in the sport and physical activity sector
- Sustainability and quality of local sports organisations
- Coordination of the agencies and organisations interested in increasing levels of physical activity

RECOMMENDATIONS:

- (i) To approve the procurement exercise to secure a partner to deliver the sports development functions on the Council's behalf
- (ii) To delegate authority to the Executive Director of Neighbourhoods, in consultation with the Executive Director of Resources and the Solicitor to the Council following consultation with the relevant Cabinet Member, to appoint a partner to manage the sports development function on behalf of the Council, in accordance with the framework as set out in confidential appendix 1.
- (iii) To authorise the Executive Directors of Resources and Neighbourhoods, and the Solicitor to the Council to take any further action necessary to give effect to the decisions of the Executive in relation to this matter.

REASONS FOR REPORT RECOMMENDATIONS

1. To secure ongoing and improved opportunities for residents to participate in sport and physical activity. Regular participation in physical activity contributes to the wellbeing of individuals as well as communities in the broader sense. Potential benefits include a healthier and more productive workforce, reduced anti social behaviour, opportunities to support cohesive for communities and the promotion of educational achievement. In the context of the current financial environment, it is important to seek efficiencies in service delivery whilst contributing to the City priorities and challenges including economic development and wellbeing.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. To retain the service in house. Not pursued, given the loss of opportunity to secure efficiencies, which are critical in the current economic climate.

DETAIL (Including consultation carried out)

3. The Council has enjoyed a successful start to the contractual relationships with Solent University, Mytime Active and Active Nation who are managing a range of facilities on its behalf.
4. In order to build on this success, it is proposed to source a partner to manage the sports development function. This small team (3 Full time equivalent permanent posts and up to 2 fixed term externally funded posts - subject to ongoing funding being gained for 1 of these 2 posts), work to develop participation in sport and physical activity across the City. Through three key themes: children and young people, adults, clubs and volunteers, the team seek to facilitate an improved range and quality of opportunities. Securing additional funding is a key aspect of their work, in order to maximise the impact of its resources.
5. The Council also currently commissions a partner to deliver after school sports coaching to a wide variety of Southampton schools. It is proposed to procure a single partner to deliver all services to improve coordination and maximise the efficient use of resources.
6. It is intended to secure a partner to deliver this service for a ten year period, with an opportunity to extend. This will facilitate long term business and financial planning.
7. It is intended to set the outcomes that the Council wishes to achieve through the partnership in the procurement process and documentation, rather than be specific about the methods used to achieve these. This, and the associated management fees, is how the Council will affect control over the partnership. Overall, the more specific and tighter the level of control the Council wishes to impose, the less flexibility there is for a partner to shape the business and this will be reflected in the management fee.
8. Trade Unions were consulted on the proposals on 22nd December 2010. No objections or comments have been received. Staff in the team were briefed on the proposals on 12th January 2011.

9. The authority believes that the Transfer of Undertakings, (Protection of Employment) Regulations 2006 (TUPE) will apply but will consider alternative tenders where there are genuine exceptional circumstances. Where TUPE applies the Contractor is required to protect the terms and conditions of transferred staff including pensions. The Contractor is strongly encouraged to seek admission to the Local Government Pension Scheme but if this is refused / impractical must provide a broadly comparable scheme as approved by the Government Actuary's Department (GAD).
10. The Contractor is required to employ new joiners on terms that are overall no less favourable than those of transferred employees. The council recognises the Best Value Code of Practice on Workforce Matters and requires the partner to implement this code.

RESOURCE IMPLICATIONS

Capital/Revenue

11. If a contract is let, the revenue contribution required from the Council would be determined by the contract. This would effectively remove the newly externalised services from any future budget savings / prioritisation exercises and will tie the Council into a long term commitment.
12. Capacity is required to deliver the procurement process. Budgets to cover external costs such as project management capacity, advertising costs, input from Capita will be required, in addition to internal costs such as legal and H/R support. Costs of up to £20,000 will be incurred through this procurement process. Best endeavours will be used to cover these costs within the Leisure Culture and Heritage portfolio budget, although if this cannot be accommodated, these costs will be met centrally.
13. Appendix one details a Public Sector Comparator (PSC) against which the financial element of tenders will be assessed. Officers will appoint a partner subject to satisfactory quality assessment during the tender evaluation and the financial elements meeting or improving upon the performance set out in the PSC.

Property/Other

14. There is no transfer of property anticipated as part of the outsourcing programme. It is likely that there will be a small reduction in the amount of office space required.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. In undertaking the proposals, regard will be had to the Council's Financial and Contract Procedure Rules as well as the EU procurement legal regime. The legal authority for undertaking these proposals can be derived from the Local Government Acts 1972 and 2000. In addition, the duty placed on the Council to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness under the Local Government Act 1999 is directly relevant and supportive of this work, and is reflected accordingly in the statutory Best Value (City) Performance Plan.

Other Legal Implications:

16. Not applicable.

POLICY FRAMEWORK IMPLICATIONS

17. The proposal is consistent with the City Council's corporate plan 2010 – 2013, which details the need to increase participation in sport and physical activity in order to contribute to broader health and wellness objectives.

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KEY DECISION? Yes/No yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Public Sector Comparator
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Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	/No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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