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Dyddiad / Date: 11December 2015



Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
Cardiff
CF10 4UW

Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 3 DECEMBER 2015

City Operations Quarter 2 Performance – ADM Leisure Procurement

Thank you for attending the December meeting of the Economy and Culture Scrutiny Committee. At the meeting we considered an update on the Alternative Delivery Models for Leisure Facilities procurement exercise as part of our scrutiny of Quarter 2 Performance. I will be grateful if you could also pass on the thanks of the Committee to Andrew Gregory and Sarah Stork for the presentation delivered and for addressing the questions that arose during the meeting. The Committee had a few comments and observations following the meeting, which are set out below.

Through prior task and finish group consideration, you will be aware that this Committee gave support to the aspirations set out for the Alternative Delivery Models for Leisure Facilities procurement exercise, particularly keeping open all the current leisure centres and facilities in Cardiff. Members however cannot escape the feeling that the levels of market interest identified through the Max Associates work in May 2014 have not been realised, which underpinned these aspirations.

During the meeting Members questioned whether the Council has explored the impact of closing any of our leisure facilities, and were informed that it had not, as a commitment was made at the outset of the procurement process to maintain all the existing facilities across the city, with the 'Lot' approach designed to ensure this was a realistic proposition. The Committee appreciates the rationale behind this decision, and cannot dispute the Council's commitment to enabling people in Cardiff to become active and healthy. Ideally we would wish to avoid the dilution of the Council's leisure offer, however we question whether this aspiration remains affordable given that the anticipated levels of saving will not be delivered. Members are interested to know whether the private provision of sport facilities have been mapped and analysed

alongside the Council run facilities, establishing whether the closure of a Council facility could be absorbed by local private provision.

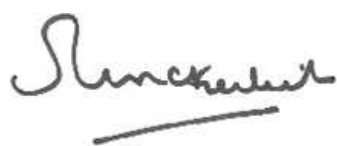
While disappointed that the targeted levels of savings may not be achieved, we welcome the fact that the enhanced in-house provision has proved to be competitive, with additional income opportunities identified and a more commercial approach developed by leisure centre management and external advisors. During the meeting Members were informed that there is not a great deal of difference between the bids submitted by private companies and that of the enhanced in-house provision. We acknowledge that there are additional risks and work required should the Council opt for an external supplier and understand that it may not be in the best interest of the Council to take this approach unless significant savings are going to be achieved in comparison to the enhanced in-house offer.

Members recognise that work still remains to be done through the procurement process, with bidders being asked to review their submissions and come back with revised offers. It is clear to us that uncertainty remains as to the final direction of this exercise, which is not necessarily a negative position to be in, however during the meeting Members were informed that the City Operations Directorate has a shortfall of over £400,000 as a result of savings not being realised through this procurement process. We wish to reiterate a point made in our letter following the September Committee meeting – the clear driver behind this project is the need to deliver substantial savings, regardless of whether an external or internal solution is chosen.

It is becoming ever more evident that in order to meet future demand for leisure services, joined up thinking is required between Education and Leisure services in the development of new sport and leisure facilities across the city, as there may be a need to move away from the traditional leisure centre based provision of sport. This is an issue we previously discussed when considering the Sports Strategic Framework at our September Committee meeting. We wrote to you following the meeting recommending that a formal agreement is reached with the Cabinet Member – Education ensuring the involvement of the Parks and Sport Development Manager in any school developments that include sports facilities – a point that we wish to reiterate following our discussions on 3 December 2015.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,

A handwritten signature in black ink, appearing to read 'Rod McKerlich', with a horizontal line underneath it.

Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Andrew Gregory – Director, City Operations
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee