

20 NOVEMBER 2018

NEW FOREST DISTRICT COUNCIL

COMMUNITY & LEISURE OVERVIEW AND SCRUTINY PANEL

Minutes of a meeting of the Community & Leisure Overview and Scrutiny Panel held in The Bradbury Room, Appletree Court, Lyndhurst on Tuesday, 20 November 2018

* Cllr G R Blunden (Chairman)

* Cllr Mrs F Carpenter (Vice-Chairman)

Councillors:

G C Beck

D A Britton

* S J Clarke

* I C Coombes

Councillors:

* A H G Davis

* A D O'Sullivan

* D J Russell

* M L White

*Present

In attendance:

Councillors:

Mrs C V Ward

Mrs D E Andrews

Also In Attendance:

Mr Goodfellow and Mrs Taylor – public participants.

Officers Attending:

Mrs M Sandhu, Mrs J Bailey, A Bethune, Miss J Debnam and Mrs R Drummond

Apologies

Apologies for absence were received from Cllrs Beck and Britton.

27 MINUTES

RESOLVED:

That the minutes of the meeting held on 18 September 2018 be signed by the Chairman as a correct record.

28 DECLARATIONS OF INTEREST

No declarations of interest were made by any member in connection with an agenda item.

29 PUBLIC PARTICIPATION

No issues were raised in the public participation period.

30 HEALTH AND LEISURE REVIEW - REPORT OF THE TASK AND FINISH GROUP

The Panel was addressed by Mr Goodfellow and Mrs Taylor.

Mr Goodfellow objected to the disposal of the Council's health and leisure centres, the loss of amenities to the local population and the loss of conditions of service for the staff.

Mrs Taylor asked a number of questions about the effect of the proposed partnership arrangement. She was advised that her questions would be addressed in the following debate.

The report was introduced by Cllr Clarke, Chairman of the Health and Leisure Task and Finish Group, who advised the Panel of the research that had been undertaken, leading to the development of carefully considered and evidence-based recommendations that he commended to the Panel for consideration. He emphasised that the evaluation process had been much wider than the need to achieve financial savings, and was not motivated by a desire to divest responsibility for the service. The focus had also been on achieving the best possible deal to safeguard high quality services for local residents into the future. The evaluation criteria had included promoting mental and physical wellbeing, supporting individual and family development and learning and maintaining social benefits. This had been very important to the Task and Finish Group.

The Panel went through the report of the Task and Finish Group in detail.

It was emphasised that the visits to reference sites, operating alternative delivery models, had established that social benefits were a clear priority, as well as business delivery. The absolute key was the specification and contract, which must set out clearly what services the Council wished to be delivered. All the partnering arrangements that had been evaluated in this process had operated exercise prescriptions and other social benefits. The contract was also vitally important in establishing the mechanisms to monitor performance and the maintenance of high quality services. Soundly based key performance indicators were essential to this process. It was the normal practice to establish close operational liaison arrangements between the Council and the provider, to address any day to day matters; and also a strategic board, meeting 3 or 6 monthly, to set strategic direction and overview. The development of close working relationships was essential to success and started within the procurement process, as negotiations progressively defined what was expected from both parties.

The Panel was satisfied that retaining the health and leisure centres in-house would lead to closures and loss of service. The 5 health and leisure centres were relatively old buildings, much less cost effective to run than others in the area. In addition, the market was changing, with the growth of low cost gyms, who were direct competitors. As constraints continued on local authority finances, under an in-house model the centres would not be able to receive the investment that they needed to retain them into the future. The current operational review of the health and leisure centres would achieve the required savings of £600,000 by 1 April

2020. The services offered would, in future, focus on those services that only the local authority could provide. There would be much greater reliance on clubs to deliver more niche activities. The detailed analysis of the delivery options that were available had established that a partnership arrangement had the most to offer, with a local authority trading company the next best option. The soft marketing exercise had established that there would be interest in the market in entering into a partnership arrangement with the Council and that such an arrangement could achieve the required savings of £400,000 per annum while protecting and enhancing the services offered. Ultimately, the only way to fully establish whether a partner would meet the Council's aspirations was to go through a procurement process, based on tender and negotiation, to establish the precise terms of the offer available. This was a well-established market and there was a selection of good quality providers, already operating in this area, who could be interested.

The Panel was advised that the work to draw up the contract specification and go through the procurement process would need support from an external consultant experienced in this field. It was essential that the specification was carefully thought out and defined to ensure that the Council's aspirations were met into the longer term. The procurement process would take around 12 months. It was proposed that the Task and Finish Group should remain operational and involved in this process.

The Panel was advised that the staff were being kept fully informed about the process and a number of briefing sessions with them had been held over the last week. A number of useful and constructive questions had been raised and an information bulletin, setting out additional information for them, was in the process of being finalised for circulation. As the process moved forward it was proposed that, in addition to briefings and bulletins, each health and leisure centre should be asked to appoint a representative to a consultation panel, who would not only be used to disseminate information, but also used as a source of expertise in evaluating the providers' offers.

One matter which was of particular concern to staff was the effect that TUPE transfer of staff may have on their pension entitlement. It had now been established that any member of TUPE transferred staff who spent more than 50% of their time on the District Council's contract, which would be the majority of the staff, would be entitled to remain in the local government pension scheme. In addition, the contract specification could include measures to protect the conditions of employment of existing staff.

The Chairman and members of the Panel thanked and commended the Task and Finish Group and the supporting officers for the detailed research that they had undertaken and the careful way in which they had reached their conclusions and recommendations.

It was unanimously

RESOLVED:

- (a) That the Cabinet be advised that this Panel considers that a formal tendering process should be undertaken to engage a partner for the future operation of the Council's five health and leisure centres; and
- (b) That the Panel receive regular updates on the progress of this procurement.

CHAIRMAN