



AGENDA ITEM: 5

SUMMARY

Report for:	Housing and Communities Scrutiny Committee
Date of meeting:	
Part:	Part 1 (The Part II Cabinet Report will be in Part II)
If Part II, reason:	The Procurement Report is a Part 2 document as the report contains information relating to the financial or business affairs of the companies bidding for the contract. The report also contains information, which could be subject to a claim for legal professional privilege. (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 3 & 5).

Title of Call In:	CALL-IN OF CA/125/17 (<i>Award of Leisure Contract</i>)
Contact:	Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services Author/Responsible Officers; • Robert Smyth, Assistant Director (Performance, People & Innovation)
Purpose of report:	For Housing and Communities Overview and Scrutiny Committee to review the decision to 'Call In' of Cabinet's decision to award the contract for the management of the Council's leisure portfolio.

Consultees:	<p>The following stakeholders have been consulted:</p> <ul style="list-style-type: none"> • Chief Executive • Portfolio Holder – Residents and Corporate Services • Corporate Director – Finance and Operations • Solicitor to the Council and Monitoring Officer • Group Manager – Procurement, Commissioning and Compliance
Background papers:	<ul style="list-style-type: none"> • Cabinet Report Attached (Part 1) • Procurement Report Attached (Part II) • Community Impact Assessment Attached

1. Introduction

- 1.1 On the 12 December 2017, Cabinet approved the recommendation of Officers in relation to the decision to award the leisure services contract.
- 1.2 The Decision – CA/125/17 (award of the Leisure Contract) – has been called-in by five Councillors in accordance with the constitution.
- 1.3 As a result, this decision will be considered by the Housing and Communities Overview and Scrutiny Committee.

2. The Reason for ‘Call In’

- 2.1 The reasons given by the Councillors for the ‘Call In’ are set out below:
- 2.1.□1 “*We do not believe that the award of the contract is the best option for meeting the needs of current and future residents (Corporate Objectives)*”,
- 2.1.□2 “*Failing to fully take into account a number of financial implications may impact on the anticipated financial return (Implications)*”,
- 2.1.□3 “*The Health and Safety risks associated with the operation of sports and leisure facilities were not sufficiently weighted in the tender documents (Risk implications)*”.
- 2.1.□4 “*Only having one commercial bidder for such a major contract puts at risk future provision of services (Risk implications)*”,
- 2.1.□5 “*Two extensions of the bid deadline to accommodate the commercial bidder*”,
- 2.1.□6 “*The proposal from the preferred bidder only safeguards support for local clubs and vulnerable groups for the first twelve months of the contract (Community impact)*”,
- 2.1.□7 “*A number of authorities, including the LGA, and Sport England, have recently issued revised guidance on procurement. Were the tender documents adjusted accordingly*”,
- 2.1.□8 “*The monitoring process and procedure to ensure contract compliance was not set out in the report to Cabinet*”.
- 2.1.□9 “*The insistence that the conduct of the majority of this item under Part II restricted full debate and analysis of the item and we further question why the item was not submitted to the Housing and Community OSC*”.
- 2.1.□10 “*The record of the current provider, Sportspace, demonstrates that not only have they reduced the level of subsidy over time, but have also maintained a low price regime, and developed the XC facility at Jarman Park without call upon the Council thus substantiating that should the Council enter into discussions with them on future financial relationships, it would be beneficial to both parties*”.
- 2.1.□11 “*We are also concerned that a number of financial points were raised in the Part II discussions on 12th December which we believe are material to the debate but on which we cannot publically comment*”.

3. Cabinet Reports

- 3.1 A copy of the decision and further information is outlined in the following papers:

- 3.1.□1 Cabinet Report Attached (Part 1)
- 3.1.□2 Procurement Report Attached (Part II)
- 3.1.□3 Community Impact Assessment Attached

4. The Process

- 4.1 If, having considered the decision, the Overview and Scrutiny Committee is still concerned about it, it may refer it back to the decision making Body (Cabinet) for reconsideration, setting out in writing the nature of its concerns or refer the matter to full Council.
- 4.2 If following an objection to the decision, the Overview and Scrutiny Committee does not refer the matter back to the decision body or full Council, the decision shall take effect on the date of the Overview and Scrutiny Committee meeting.
- 4.3 If the matter was referred by an Overview and Scrutiny Committee to full Council and the Council does not object to the decision, which has been made, then no further action is necessary and the decision will be effective.
- 4.4 However, if the Council does object, it has no power to overturn or change a Cabinet decision unless it is contrary to the policy framework, or contrary to or not wholly consistent with the budget. Unless that is the case, the Council will refer any decision to which it objects back to the decision-making person or body, together with the Council's views on the decision.