



John Godwin
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Via Email

3 April 2014

Leisure Management Options Appraisal – Proposal

Dear John

Further to our recent correspondence, as promised, we have prepared a proposal to complete an options appraisal assessing the future delivery of the leisure and culture services of Bromsgrove District and Redditch Borough Councils.

The Sports Consultancy's team members have a great deal of experience undertaking leisure options appraisals and leading leisure procurement projects, having worked recently for a number of local authorities, including:

- London Borough of Southwark
- Surrey Heath Borough Council
- London Borough of Southwark
- Guildford Borough Council
- Woking Borough Council
- St Albans City Council
- States of Guernsey
- Birmingham City Council
- London Borough of Dagenham
- Preston City Council
- Waverley Borough Council.

Chris Marriott, our Director responsible for our leisure options appraisals and leisure management procurement, will lead our work, with support from fellow Director, Simon Molden. Both have worked together with all of the clients listed above on similar commissions. Their CVs are attached as an appendix. If helpful, we can provide references from any of these clients. We would also bring in The VAT Consultancy to provide some specific advice on the VAT considerations of the trust options.

Our understanding of your requirements

The Councils are considering the future of their leisure and culture portfolios against the background of the need to make budgetary savings and the aspiration to achieve service improvements.

You wish for all future management options to be considered as part of a report, exploring the implications of:

1. Retaining the services in-house (the status quo)
2. Outsourcing to an existing operator
3. Setting up a new trust.

The report will provide a robust interrogation of each option in terms of the following criteria:

- a. Most appropriate scope of facilities and services to include
- b. Likely financial savings available to the Councils over a 10-year period, taking into account operational improvements and any support service rationalisation, as well as VAT and NNDR savings
- c. Potential for service improvement
- d. Management and staffing
- e. Legal framework and governance
- f. Track record and strength of covenants
- g. Council control and influence
- h. Contractual documentation governing the agreement between the Council and contractor (e.g. legal agreement, service specification, asset management responsibilities matrix, performance management system)
- i. Implementation plan
- j. Cost of set up
- k. Likely appetite from potential service providers.

Timescale

We envisage that the majority of the appraisal can be undertaken by our team as a desktop review, and can be completed within 4 weeks of formal appointment, assuming the necessary background information can be provided on appointment.

Outputs

We will complete a "Stage One" report supplemented by financial business plans for each delivery option.

We do not envisage the need for input at this stage from lawyers; in terms of receiving value for money for the Councils' investment, it is perhaps better to seek any further legal advice in "Stage Two" (i.e. implementation – not within the scope of this study) when the preferred option has been agreed.

Information requirements

To ensure we can make a quick start, we would request the following information from the Councils:

1. A full schedule of all services and facilities to be considered
2. Historic financial performance for the past 3 years, as well as 2014/15 budget
3. Condition surveys of main facilities (if available)
4. Future asset plan (including any planned or necessary facility works to be undertaken)
5. Staffing list
6. Support services and central costs (legal, financial, marketing, property etc.).

Proposed fee

We can complete the options appraisal for a fixed fee of [REDACTED] plus an allowance for reasonable expenses, charged at cost.

Next steps

We can commence the study immediately on appointment. In the meantime, if you have any questions or if you need to discuss any amendments to this proposal, please do not hesitate to contact me.

Yours sincerely



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Appendix A: Project team CVs