



Executive Committee

Abbey Ward

1 July 2009

LEISURE AND ARTS SERVICES – EXTENSION TO FITNESS SUITE CONTRACT AT ABBEY STADIUM SPORTS CENTRE.

(Report of the Head of Leisure and Arts)

1. Summary of Proposals

Members are asked to approve an extension to the current contract for fitness suite provision at the Abbey Stadium Sports Centre for a period of two and a half years in line with the Executive decision of the 28th January 2009 to defer the refurbishment scheme for a period up to one year.

2. Recommendations

The Committee is asked to **RESOLVE** that

the current contract for fitness suite provision, in partnership with Competition Line (UK) Ltd, at the Abbey Stadium Sports Centre be extended for a period of two and a half years to the end of 2011 in accordance with Standing Order 46 E.5. (c) (i) (ii).

3. Financial, Legal, Policy Risk and Sustainability Implications

Financial

- 3.1 The Executive can RESOLVE upon financial matters which are within the Council's approved budgets.
- 3.2 The current supplier will invest in the facility a sum of £80k (details contained within the report) to secure an extension to December 2011 whilst the Abbey Stadium redevelopment project is deferred in the short term

Legal

- 3.2 Under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976, the Council has the power to provide such recreational facilities as it thinks fit. Under Standing Order 46 E.5, the Executive Committee can extend an existing contract where it considers it appropriate to do so. If the Committee agrees an extension, there will need to be a supplemental agreement with the supplier to reflect the extended contract term.

Policy

- 3.3 No policy implications have been identified.

Risk

- 3.4 The main risk to the Council is loss of income and added value if the contract is to be tendered for such a short period on the open market. Officer time and installation periods thereafter would not be cost effective for such a short period of time. Officers' opinion is that there would be no potential bidders for a short term contract such as this. There is also a risk in not offering this contract out to tender that the Council may be challenged for being anti competitive.

Sustainability / Environmental

- 3.5 This request will ensure sustainability for the facility income in the short term and continuation of service provision to customers while other options are prepared for Members' consideration in view of the Executive Committee decision of the 28th January 2009 to defer the Abbey Stadium redevelopment for a period of up to one year.

Report

4. Background

- 4.1 Following the decision by the Executive Committee on the 28th January 2009 to defer the redevelopment of the Abbey Stadium until such time as the assets disposal programme can deliver the required capital funding, Members requested a further report on remedial action on Hewell Road pool and the Abbey Stadium to sustain the facilities for the short, medium and long term.
- 4.2 Whilst this report is being progressed for presentation, work by Officers has highlighted the need to sustain income and a fitness suite provision at the Abbey Stadium in the short term until such time as a decision on the way forward for management of any potential replacement facility is determined.

- 4.3 The current partnership provider is Competition Line (UK) Ltd.

5. Key Issues

- 5.1 The current contract at the Abbey Stadium is due to expire August 2009 and the contract therefore needs to be renewed. There have had to be a number of extensions to the contract with Competition Line to ensure continued fitness suite provision at the Abbey Stadium pending the redevelopment of the site which, as Members

are aware, has not been a straightforward process. Members have recently taken the decision to defer the Abbey Stadium redevelopment for up to a period of one year.

- 5.2 Officers consider that an extension to the existing contract for the supply of service is appropriate in this case and detail the reasons why below.
- a) A contract for a period of 2 years plus is required to link into any decisions regarding the refurbishment of the Abbey Stadium and the potential management of a new facility should this be the way forward.
 - b) The need to maintain a consistent standard of provision and sustain the current membership is important for customer care and will have a great bearing on the ability to achieve income targets.
 - c) Additionally, the current partner has indicated the willingness to provide added value at the site that Officers feel could not be given by a new potential contractor for a two year contract, especially when taking into consideration the refurbishment, redecoration and supply of new fitness equipment.
 - d) Competition Line have given written confirmation that for a two year and a half extension they would be prepared to fund the building of a dance studio (where the offices and one male changing room are at present) value of some £30,000 and contribute £50,000 towards a new sports hall floor and would suggest a contract extension to the end of 2011.
 - e) The Council could also expect the income at the facility to increase and Competition Line confirm the existing income share split of 60/40 in Competition Line's favour would still be honoured to the end of the new contract period. There is no capital requirement from the Council should this extension to the contract be approved.
 - f) Should the contract cease the effect to operation will be: temporary closure whilst the tendering process is effected, loss of income, potential redundancy implications for up to 1 full time and 5 part time staff and business reputation of the Council.
 - g) Officers feel that this is the best deal for the Council under the current circumstances and it does not commit the

Council to a partnership that may not suit the future redevelopment of the site in the long term.

6. **Other Implications**

Asset Management	Asset officers would need to oversee the building work if an extension to contract is approved.
Community Safety	No change to current operation or devalue in current standards.
Human Resources	No effect to current set up if extension approved. Where additional sessional staff are required their costs would be off set against income. If not approved potential redundancies for staff. Impact included within the report
Social Exclusion	Effect to concessionary groups and sessions.

7. **Lessons Learnt**

Continued extensions to contracts are not generally advisable but in this particular circumstance are considered to be beneficial to the Council

8. **Background Papers**

Internal files

9. **Consultation**

This report has been prepared in consultation with relevant Borough Council Officers.

10. **Author of Report**

The author of this report is Ken Watkins (Head of Leisure and Arts), who can be contacted on extension 3384 (e-mail: ken.watkins@redditchbc.gov.uk) for more information.

11. **Appendices**

None