



Sport and Leisure Future Contracting and Governance Arrangements

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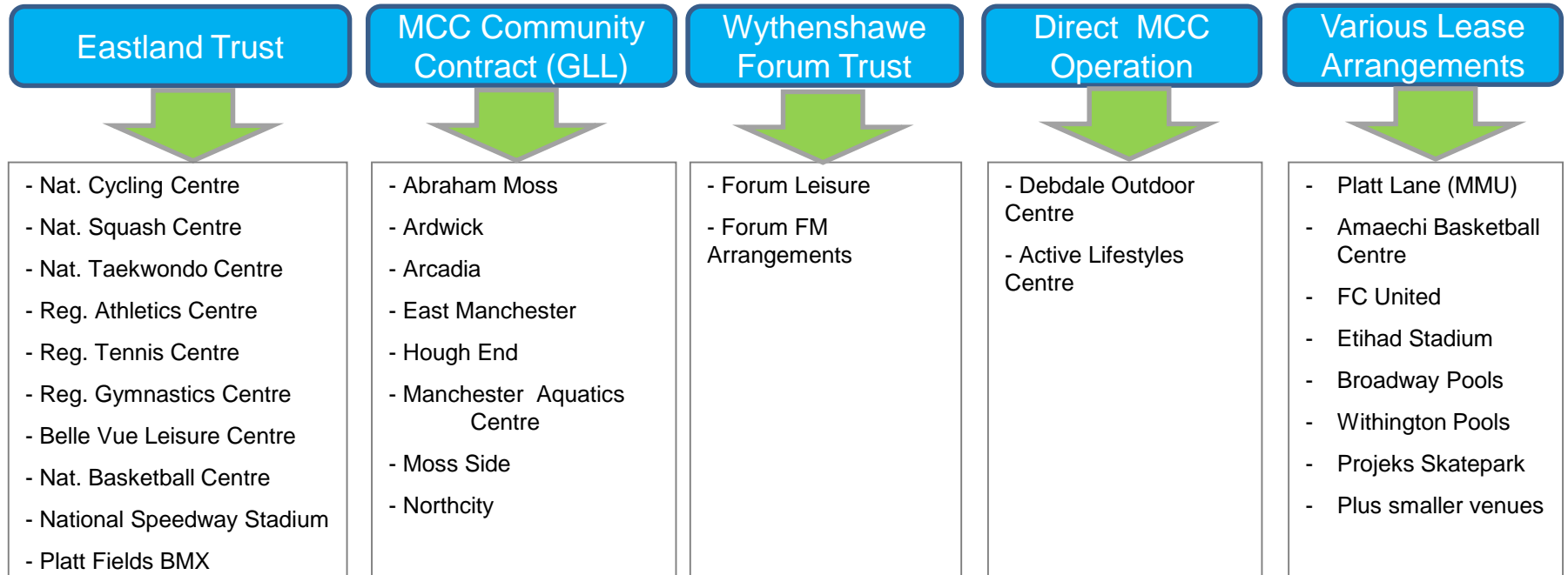
Indoor Leisure Contracts Lead – Parks, Leisure, Events

Summary

1. Strategic Sport and Leisure Review
 - Review of current arrangements
 - What has changed
 - Strategic drivers and influencing factors
 - Proposed new single system
2. New Sport and Physical Activity Strategy
3. Manchester Active
4. Indoor Leisure Contract
 - Process of re-tendering
 - Opportunities for savings and enhanced benefits
 - Monitoring Performance
 - Lessons Learnt

Existing Facility Contracting Arrangements

Strategic Sport and Leisure Governance Board



Local User/ Consultee Groups

Strengths of Current Arrangements

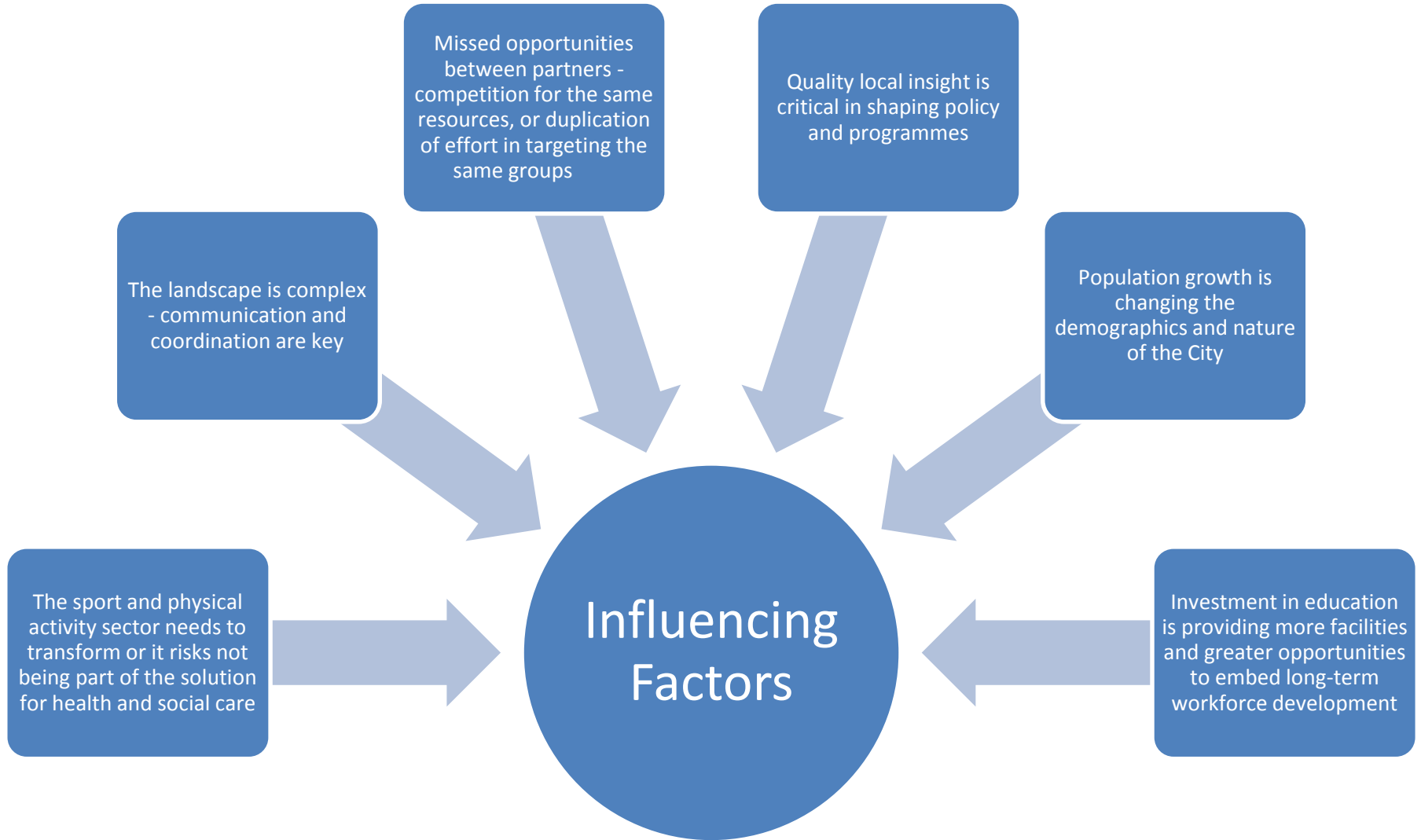
- Strong reputation for the development of sport,
- Wythenshawe Forum Trust focus on clearly defined local community and strong engagement with residents.
- Eastlands Trust Board has key partners engaged on equal footing, with efficient decision making and clarity of focus.
- Significant resources, capacity and expertise amongst stakeholders for sport and physical activity programmes, services, and sports events
- Underwriting of large proportion of operational risk via risk transfer inherent in operating contract.
- Community contract with GLL brings a commercial focus and maximises income generation and efficiency – there is a strong brand and consistency across venues.
- Greater clarity of roles than previous structures, particularly around elite venues coordinated through Eastlands Trust.
- Clarity of performance standards and improved performance management.
- Strong commitment to training and staff development

Areas For Concern

- Large number of operators and service providers has challenges:
 - Not easy to find programmes and activities
 - Strategic coordination of service officers and development activities
 - Variable standards of delivery, particularly facilities management.
 - Complexity and duplication of effort to assimilate a full performance picture
- Greater local focus from national operators
- Better use of partner expertise – e.g. University research capabilities
- Closer collaboration amongst operators to ensure local outcomes are maximised.
- Potential competing pressures over commerciality, sustainability and community engagement
- Further development of the service specification and performance framework







Proposed New Single System

- **Co-investment** – Collaborating across the three major public funders of sport and physical activity (Health, Sport England and Manchester City Council) to co-invest to achieve the best outcomes for residents.
- **Strategy & Partnerships** – A revised Sport and Physical Activity Strategy overseen by new governance arrangements and new cross sector partnerships.
- **Manchester City Council** – A streamlined role for the Council - focused on getting the resources into the right organisations who can make the biggest impact in communities.
- **Manchester Active** – A not for profit organisation, established by the Council, responsible for implementing the Sport and Physical Activity strategy on behalf of the Council
- **Leisure Centre Operator** – new contracting arrangements focused on sharing operational and financial risk, whilst bringing to bear the expertise of credible national operators who can drive the quality, efficiency and innovation, which is required to deliver the strategy
- **Residents** – Engage residents in line with the “Our Manchester” principles, more proactively and more effectively.

New Sport and Physical Activity Strategy

- New Vision, Mission, Values
- 7 Strategic Themes
 - Encourage residents who are currently inactive to become regularly active.
 - Helping young people enjoy being active and healthy, and reach their potential
 - Sustain and increase adult participation in sport and physical activity
 - The home of world-class sport that inspires people
 - Creating great places to be active
 - How we communicate and engage with residents
 - A skilled, motivated and valued workforce
- New “We Will Actions” x 17
- Development of new 10 year action plan

Manchester Active

A not for profit organisation, established by the Council, responsible for implementing the Sport and Physical Activity strategy on behalf of the Council.

The nine key workstreams:

1. **Single overarching strategic approach:** SPA Strategy / PSS / Sports Halls / Pools
2. **Single commissioning framework:** a) inactivity, b) core / mass market, c) talent, d) events
3. **Building community strength:** Volunteering, Time Banking, Sports Clubs + VCS groups
4. **Single leisure operating contract:** 10 year contract across 20 facilities
5. **Single investment approach:** investment case into indoor and outdoor assets.
6. **Campaigning & single communications platform:** annual campaigns and website
7. **Single user account:** digitally innovative customer account (MCRactive card evolution)
8. **Quality assurance and performance management framework:** highest standards / priorities
9. **Sustainable financial model:** deliver efficiency and sustainability.

Manchester Active Responsibilities

- The development and implementation of all of the above.
- Providing leadership and a common narrative for sport and physical activity across Manchester
- Developing plans which underpin the strategy and broker / facilitate relationships that deliver it.
- Being involved in genuine collaboration and co-design of services
- Creating a unified voice, bring coherence, simplicity and connectivity to the sport and physical activity landscape.
- Helping to translate and facilitate connections to other sectors ,developing and sharing insight and best practice.
- It is not a delivery body or a conduit for investment.

Benefits of New Model

The key benefits of the proposed model are considered to be:

- Improved customer experience and insight
- Strategic clarity over roles and responsibilities
- Removal of duplication, particularly in relation to back-of-house costs
- Retention of flexibility in relation to future arrangements
- Engagement of partners and residents at appropriate points
- Dedicated performance monitoring resource
- Transfer of risk to an operating partner,

Indoor Leisure Contract - Procurement Process

Procurement of a (9 year 6 months) single operating contract for all Council owned sport and leisure facilities (x 20).

Process

- Strategic sport and leisure review - consideration of governance and operational models, i.e. “in house” v outsource to national operator.
- Develop clarity on strategic outcomes and key requirements
- Development of the service specification to deliver outcomes, ITT development, and Payment, Performance, Monitoring System (PPMS)
- Agreement on assessment criteria (40% Price, 40% Quality, 20% Social Value)
- Agreement with Stakeholders – Sport England, Universities & NGB’s, Health
- Agreement of procurement type – competitive tender
- Tender, Tender assessment (multiple panels).
- Due diligence including VAT assessment (actual current position in the process)
- Decision making

Key Service Specification elements -

- Free Swimming - Under 17's during School Holidays, Over 60's year round.
- Active Lifestyles Aquatics Programme.
- Free Access for clubs.
- Discounted Access for clubs and community groups.
- Free Event Days.
- Community Development Plan - Health, Clubs, Workforce and Community.
- Protected time for community activity.
- Allocated time form elite and performance programmes i.e British Cycling
- Council control decision on price, programme and building modifications

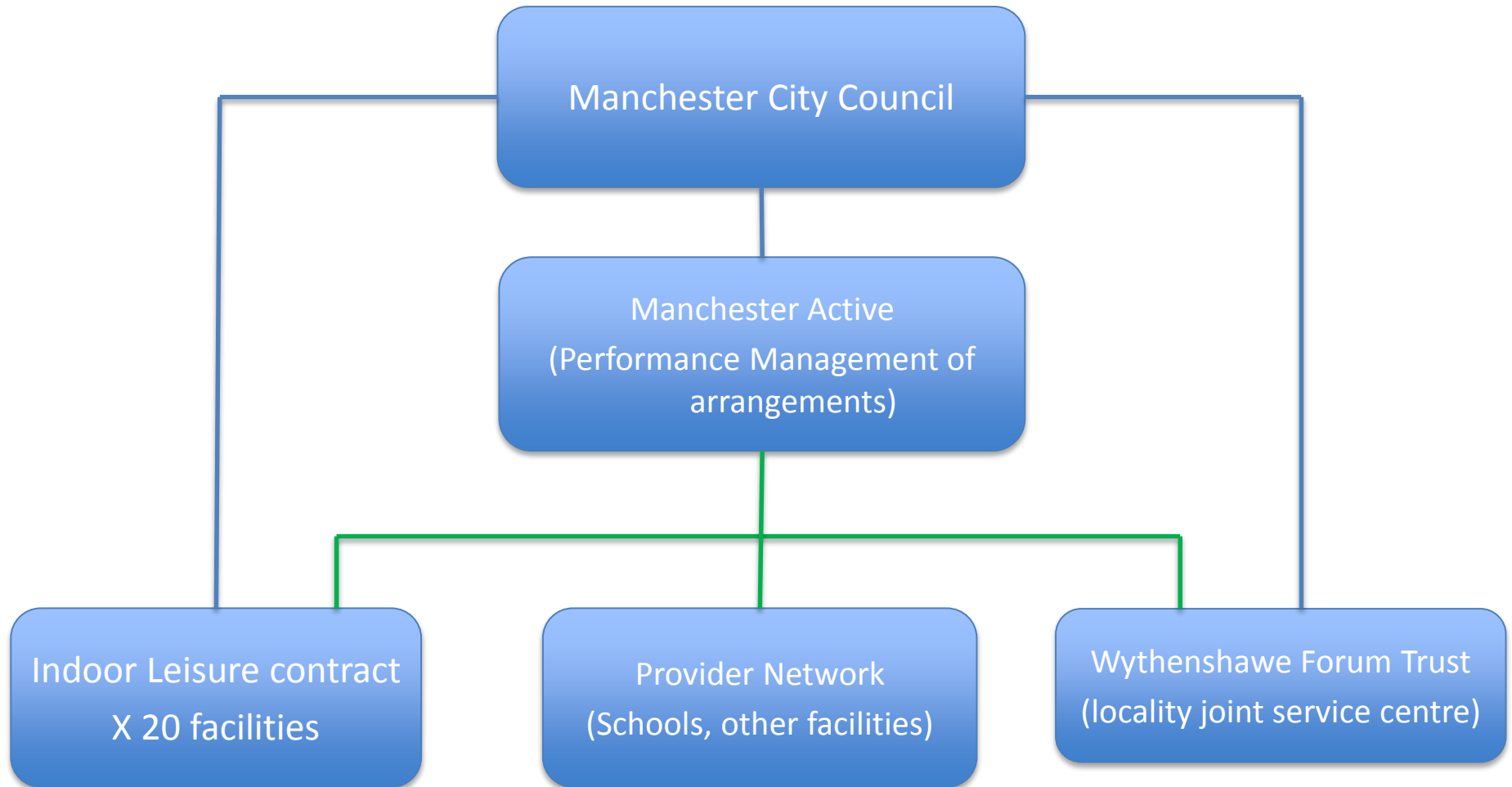
Key Dates / Decisions

- Invitation To Tender published on 10th October 2017
- OJEU Notice Close/Tender Return Date 22nd December 2017 – Extended to 23rd January at bidders request
- Evaluation of Responses 24th January to 8th February 2018
- Report to Executive 28th May 2018
- Final Decision - Treasurer
- Alcatel period ** July 2018
- OJEU Award Notice ** July 2018
- Award of Contract ** July 2018
- Commencement of Contract 1st October 2018

Opportunities For Savings And Enhanced Benefits

- Work to organisational strengths and provide investment to organisations with clarity of purpose
 - Manchester Active – implement city wide strategy
 - Operator – high quality customer service offer, underwrite commercial risk, balance commercial focus with community engagement.
 - Voluntary sector – community engagement
- Investment opportunities from a Medium to long term contract – spend to save potential
- Large scale but complex contract, represents some risk, however significant opportunity for commercial growth and widening access
- Reduction of Council resources from £7m in 2008 to profit in 2028.

Contracting Summary



Contract Management Framework



Performance Management - Quarterly

- **Financial** - Income/expenditure & surplus/deficit for all centres including trend analysis.
- **Usage** - Visits (patronage) for all centres against 2% growth target.
- **Diversity** – Age, Gender, Ethnicity.
- **Community** - Ward level participation, MCR v Non MCR analysis, no. of community activities held, no. of MCR residents in clubs.
- **Workforce Development** - apprenticeships, work experience
- **Environment** – 3% energy consumption and 50% target for waste sent for recycling
- **Quality** – Customer satisfaction levels, Number of facilities achieving Quest, Number of sessions disrupted/cancelled, Number of consultation events with non users

Challenges and Lessons Learnt

- Complexity and type of 20 facilities
- Level of information held on each facility
- Complexity of bringing 2 existing contracts together
- Management of staff within current contracts
- Legal Implications [Sport England Agreements, Building Leases]
- Incumbent Operator On-board
- Allow more time
- 4 key pieces of work within significant change programme (Strategic review, strategy development, leisure contract, Manchester Active)

Questions

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