Soft Market Testing II

Leisure Services Transfer

Cornwall Council

Economy, Enterprise and Environment Directorate

Version 1.0

Date: 16 July 2015
## Contents

- The Opportunity ........................................................................................................... 3
- Preliminary Findings ..................................................................................................... 4
- The Scope Of This Opportunity ..................................................................................... 5
  - Infrastructure .............................................................................................................. 5
  - Investment .................................................................................................................. 6
- Finding Out More ........................................................................................................... 8
  - Supplier Open Day ....................................................................................................... 9
  - Local Provider Open Day ............................................................................................ 9
- Potential Procurement Process ...................................................................................... 10
- Combined Leisure And Libraries Service ..................................................................... 11
- Useful Information ........................................................................................................ 11
THE OPPORTUNITY

Cornwall Council has great pleasure in presenting an opportunity for the right partner(s) to develop and operate leisure facilities in Cornwall.

The Council’s ambition for leisure provision is that there is a sustainable network of leisure facilities and activities available to residents and visitors across the county contributing to local health, wellbeing and the economy of Cornwall. At the same time the Council is seeking to eliminate its leisure bill and liabilities by 2017/18 in order to realise a saving of approximately £ 3.7M.

The Council wishes to transfer its leisure facilities to an external provider on 1 April 2017. The expectation is for a single / whole network transfer but potential also exists for multiple transfers. The Council envisages divestment of property either on a long leasehold or freehold basis, provided sustainability of provision challenges are met.

The ambition is to facilitate the provision of leisure services and activities which contribute to the Council’s leisure, public health and economy aspirations at no cost to the Council.

Cornwall Council’s Leisure Resources Strategy is published on the Council’s website: www.cornwall.gov.uk/leisuretransfer
PRELIMINARY FINDINGS

The Council conducted a market test in November 2014. That exercise aimed to establish initial interest in delivering the Council’s ambition of a sustainable network of leisure facilities in Cornwall.

The Council received expressions of interest from 11 interested parties and would like to express sincere thanks to those that participated in the exercise. A summary of the results, together with a list of key questions and responses raised at this stage, can be found in the feedback document at www.cornwall.gov.uk/leisuretransfer.

The overall response to this stage was encouraging and helpful to the Council in terms of understanding how attractive certain elements of the opportunity are to the supply market. At the same time, the Council acknowledges that limited responses around investment and developer sectors show that we may not have articulated our aims and objectives sufficiently clearly.

At the time of conducting this test the Council started to collate what we believe to be the key information that could assist interested parties and help to paint a better picture. This includes information about the properties and assets (plus potential opportunities from neighbouring assets), an informal assessment around alternative uses for sites, indicative site valuation and condition survey etc. Some of this information is now available to inform potential suppliers (see below). We are offering a further opportunity for suppliers to consult with the Council about its requirements on 4 August 2015 at the Aztec Hotel, Aztec West, Almondsbury, Bristol, BS32 4TS. Cornwall events for interested community organisations have been arranged for 5 August (Camborne One Stop Shop) and 6 August (St Austell One Stop Shop).

We are seeking to further understand the factors that would make the Council’s approach most commercially sound and thereby attractive to suppliers to inform the Council’s publication of any tender opportunity to the market. As such the Council requests that interested parties respond to the second stage of our research.
THE SCOPE OF THIS OPPORTUNITY

Current sport and recreation provision in Cornwall is the result of a combination of differing priorities, policies, political decisions and opportunism during two tier local government. This has resulted in the current distribution of indoor sport and recreation facilities across the Council’s area.

Cornwall Council, formed on 1 April 2009 following abolishment of the District and County Councils, inherited this network and now operates 15 bespoke leisure centres and facilities through a contract with Tempus Leisure. It is also responsible for Penzance Leisure Centre under a PFI agreement, another 400m all-weather athletics track and leases or maintains several grass pitch, outdoor bowling and outdoor tennis court sites.

Infrastructure

The Council wishes to appoint a partner (or partners) to deliver the services in its leisure contract and in particular to operate, manage and invest in one or more of the Council’s leisure centres (listed below).

A brief outline of the facilities (at the respective leisure centres) provided by Cornwall Council is:

<table>
<thead>
<tr>
<th>Name</th>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dragon Leisure Centre Bodmin</td>
<td>Sports Hall, Swimming Pool, Artificial Grass Pitch, Health and Fitness Gym, Studio and Indoor Tennis</td>
</tr>
<tr>
<td>Helston Sports Centre</td>
<td>Swimming Pool, Health and Fitness Gym, Studio</td>
</tr>
<tr>
<td>Lux Park Leisure Centre Liskeard</td>
<td>Sports Hall, Swimming Pool, Artificial Grass Pitch, Health and Fitness Gym, Studio and Indoor Bowls</td>
</tr>
<tr>
<td>Newquay Sports Centre</td>
<td>Sports Hall, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Newquay Water World</td>
<td>Swimming Pools and Health and Fitness Gym</td>
</tr>
<tr>
<td>Par Running track</td>
<td>all-weather, six lane track with field equipment and a clubhouse/changing rooms</td>
</tr>
<tr>
<td>Penzance Leisure Centre</td>
<td>Sports Hall, Swimming Pool, Health and Fitness</td>
</tr>
<tr>
<td>Name</td>
<td>Facilities</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Phoenix Leisure Centre Launceston</td>
<td>Sports Hall, Swimming Pool and Health and Fitness Gym</td>
</tr>
<tr>
<td>Polkyth Leisure Centre St Austell</td>
<td>Sports Hall, Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Princess Pavilions and Gyllyndune Gardens complex Falmouth</td>
<td>comprises a hall and stage (capacity: 370 seated, 600 standing), bar, education room and/or restaurant/café, band stand and formal gardens</td>
</tr>
<tr>
<td>Saltash Leisure Centre</td>
<td>Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Ships &amp; Castles Leisure Pool Falmouth</td>
<td>Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Splash Leisure Pool Bude</td>
<td>Swimming Pool</td>
</tr>
<tr>
<td>St Ives Leisure Centre</td>
<td>Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Truro Leisure Centre</td>
<td>Sports Hall, Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
<tr>
<td>Wadebridge Leisure Centre</td>
<td>Sports Hall, Swimming Pool, Health and Fitness Gym and Studio</td>
</tr>
</tbody>
</table>

Further details of each facility are provided in the associated information pack and leisure asset profiles.

**Investment**

A significant proportion of Cornwall Council managed and operated sport and recreation facilities were built (or converted) between the late 1970s and early 2000s. A substantial proportion of the Council’s leisure facility stock requires refurbishment in the short to medium term. A staged approach to refurbishment of these facilities is envisaged. The precise nature and timing of refurbishment/redevelopment is not determined. There is, however, a requirement that facilities listed in this document remain operational for a period of time / years after 1 April 2017 and the Council would be interested to understand the leisure market’s view on this.

It is recognised that investment could be substantial and could entail replacement of (for example) two, or more, leisure centres with one in order to
release the development potential of a site. Ultimately, our aspiration is that there is a comprehensive, sustainable network of accessible facilities for leisure (excluding play and outdoor countryside leisure activities and regardless of who owns or operates them) in Cornwall such that there are opportunities for indoor swimming and for increasing the number of physically active people, thus contributing to the Council’s wish to improve health outcomes.

We would also like to generate greater recognition that leisure provision in its broadest sense supports other areas of activity, such as public health objectives, and recognise that significant investment is required.

**Development Opportunities**

It is not necessarily envisaged that the existing offer of facilities will continue in all the current format or locations. We are looking for innovative use of the sites and investment in facilities, and we recognise that in order to achieve this some of the existing sites may be better developed for other uses. We envisage solutions where some sites are upgraded; some decommissioned and developed for other uses; and some entirely new sites may be created. There may be opportunities to work in partnership with other organisations or educational establishments to maintain a wide geographical spread of, for example, covered swimming provision.

The Council would prefer a whole network approach, but where this is not possible alternative arrangements will be sought (i.e., consideration will be given to discuss these possibilities with interested parties such as town or parish councils or community organisations). Whatever the approach, our aspirations are that new service delivery arrangements will result in efficiency improvements and a commercial approach. To this extent the Council will seek an owner and operator of its leisure centres that:

- Has a good track record in providing leisure centres.
- Demonstrates a strong empathy with Cornwall.
- Would try to safeguard a whole network approach.
- Will deliver services efficiently and effectively.
• Is capable of providing investment.
• Enables people to access services whatever their income and location.
• Will work with the Health sector in Cornwall to improve health outcomes through physical activity.
• Will develop innovative approaches that will help to drive the local economy and secure sustainable economic growth.
• Has a strong background of working with partners.
• Will engage with the Council’s partners to help deliver what communities need.
• Illustrates how it would intend to protect future provision.

Finding Out More

Cornwall Council is offering a further opportunity for suppliers to consult with the Council in the development of its specification for the proposed transfer of the services in its leisure contract. We are keen to hear from commercial, charitable and community organisations and seek to understand the factors that would make it attractive to suppliers to deliver this service, before releasing any tender opportunity.

It is intended that the services, solutions and indicative financial projections supplied to the Council will enable us to develop a business proposal in defining how viable it is to achieve this aspiration. Any such proposal would be subject to the development and approval of a formal business case, and, as such, this exercise implies no commercial commitment. This is not a formal tender document and providing a response will not affect your participation in any future procurement exercise.

In developing the business proposal the Council would like to consider the benefits of the proposed service delivery models and their ability to meet our aspirations.

The business case to deliver Leisure Services in Cornwall and the areas of interest detailed within the business case are designed to allow potential commercial organisations to highlight their service solution features.
The response document should be completed to provide your reaction to this opportunity and sent to rbuckley@cornwall.gov.uk by 5pm on Friday 21 August 2015. We look forward to receiving your views and suggestions.

**Supplier Open Day**

The Council would like to invite the leisure market to a supplier day to take part in a discussion with the Council. The purpose of this event is for the Council to present its vision for Leisure Services, to hear proposals from suppliers and to provide suppliers with the information necessary to complete a response and think about its case.

The event will be held on 4 August 2015 at:

Aztec Hotel & Spa
Aztec West,
Almondsbury,
Bristol,
BS32 4TS

If you wish to attend the event please email your confirmation, by **no later than 24 July 2015**, to: rbuckley@cornwall.gov.uk

**Local Provider Open Day**

The Council would like to invite interested local organisations to an open day to take part in a discussion with the Council. The purpose of this event is for the Council to present its vision for Leisure Services, to hear proposals from local communities and to provide local organisations with the information necessary to complete a response and think about its case.

The event will be held at 2 venues:
5th August (AM) at the Council’s One Stop Shop in Camborne
6th August (AM) at the Council’s One Stop Shop in St Austell
If you wish to attend the event please email your confirmation, by no later than 24 July 2015, to: rbuckley@cornwall.gov.uk

POTENTIAL PROCUREMENT PROCESS

It is the intention of the Council that any procurement process commenced following the soft market test will follow a clear, structured and transparent process at all times and the Council will undertake this process in accordance with the requirements of the EU public procurement regime

If a procurement process is commenced, the table below sets out indicative key dates (this is for information only and subject to change):

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft Market Test and Evaluation (Stages I and II)</td>
<td>November 2014 – August 2015</td>
</tr>
<tr>
<td>Council develops route to market strategy</td>
<td>August 2015 – September 2015</td>
</tr>
<tr>
<td>Council governance processes</td>
<td>September 2015 – October 2015</td>
</tr>
<tr>
<td>Bidder training day</td>
<td>November 2015</td>
</tr>
<tr>
<td>Contract notice issued to market (request to participate / supplier selection)</td>
<td>November 2015</td>
</tr>
<tr>
<td>Deadline for Request to Participate</td>
<td>December 2015</td>
</tr>
<tr>
<td>Invitation to submit initial tenders</td>
<td>January 2016</td>
</tr>
<tr>
<td>Deadline for initial tenders</td>
<td>February 2016</td>
</tr>
<tr>
<td>Potential Negotiation period</td>
<td>March 2016 – April 2016</td>
</tr>
<tr>
<td>Notification of contract award decision</td>
<td>September 2016</td>
</tr>
<tr>
<td>Mobilisation period</td>
<td>September 2016 – April 2017</td>
</tr>
<tr>
<td>Implementation date</td>
<td>1 April 2017</td>
</tr>
</tbody>
</table>
COMBINED LEISURE AND LIBRARIES SERVICE

The Council is open to hearing from organisations interested in providing a combined Leisure and Libraries service in Cornwall.

The Council, like other local authorities, has to make substantial budget savings, including a saving of £1.8 million from the existing £4 million Library and One Stop Shop service budget. We need to review how the service is delivered in the future in order to achieve the required savings, while at the same time continuing to provide a comprehensive and efficient library service.

The Council carried out a consultation in respect of its Library and One Stop Show service between 1 April 2015 to 10 June 2015. Through this review we were keen to hear from organisations interested in becoming involved in the running of Cornwall’s Library and One Stop Shop services. The consultation sought views on alternative service delivery models, including a whole service approach (i.e., transfer of the operation of the entire library service to a trust, commercial organisation, or social enterprise). Full details, including detailed library profiles, can be found on our website: www.cornwall.gov.uk/librarysurvey

Although the libraries consultation has now concluded, the Council is open to hearing from organisations interested in providing a combined Leisure and Libraries service in Cornwall.

USEFUL INFORMATION

There are several sources of information, much of it has been collated in the following documents for your reference. To achieve a more complete picture of this opportunity, please refer to:

Preliminary findings (Soft Market Test Phase I)
Information for bidders
Profiles of the facilities involved
Owner and leasehold information
Condition Survey and Valuation information
We would like to hear your initial thoughts and impressions. Please use the response form when responding (www.cornwall.gov.uk/leisuretransfer).

Note: this and the supporting documents referred to above are available on the Council’s website.