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EXECUTIVE DECISION RECORD

A1 Service Area	Leisure Services Contract Management
A2 Title	Capital Works Funded by Prudential Borrowing Relating to the Leisure Operating Contract
A3 Decision Taken By	Deputy Leader
A4 Chief Officer	Please print name: Mark Rizk Please sign name: 
A5 Leader / Deputy Leader	Please print name: Cllr E Barker Please sign name: 
A6 Date of Decision	11 th November, 2019.

Confidentiality

A7 Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972?	No
A7.1 If yes, please state relevant paragraph from Schedule 12A LGA 1972.	N/a

Scrutiny

A8 Which Scrutiny Committee should this decision be submitted to?	(Please tick as appropriate) ✓	
Scrutiny (Audit & Value for Money Council Services) Committee	<input checked="" type="checkbox"/>	
Scrutiny (Community Regeneration, Environment and Health and Well Being) Committee	<input type="checkbox"/>	

B1 What is the Decision?	Approval for the Realignment of Leisure Facility Capital Works Funded by Prudential Borrowing; Approval for the Leisure Contractor to Nominate Callix Leisure Limited as Preferred Bidder to Deliver Improvement Works at Shobnall Leisure Complex
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	<p>was £169,583. This was to be utilised for the purposes of development of a community gym offering including extending the current building with a semi-permanent structure. They have subsequently identified a variation on the initial proposal that reconfigures internally to deliver the gym, rather than utilisation of the "Portakabin".</p> <p>SLM / Everyone Active have therefore requested that the Council agree to allocate the total funds of £169,583 previously agreed based on either the initial proposal, or to the proposed variation. Both options achieve the intended outcomes from the improvement works.</p> <p>It is recommended that up to £169,583 of Prudential Borrowing continues to be made available to support either the proposal as initially tendered, <u>or</u> to the varied proposal as necessary. All allocations of funding will continue to be subject to sign-off by the Council's independent QS, and to the stipulations set out within the Leisure Operating Contract relating to Prudential Borrowing.</p> <p><u>Approval for the Leisure Contractor to Nominate Callix Leisure Limited as Preferred Bidder to Deliver Improvement Works at Shobnall Leisure Complex</u></p> <p>The Leisure Operating Contract stipulates that in relation to Capital Works funded by Prudential Borrowing:</p> <ul style="list-style-type: none"> • Bidders to be required to obtain four quotes for the works which are to be made available to the Council for review; • In the case of any works deemed to be specialist, the bidders would need to evidence why this is the case; • The Council will appoint its own independent QS who will assess and give assurance over the works / costs of the preferred contractor, as well as assurance over the works / valuations before payments are released. <p>Everyone Active commenced a procurement process for the Shobnall Capital Improvements in line with the Leisure Operating Contract, issuing a tender pack to five recognised building contractors. Following the tender deadline Everyone Active advised the Council that only one tender had been received and evidence has been provided from the remaining four contractors showing their decisions to decline to quote (citing their current workloads). The one tender received was from Callix Leisure who previously won the competitive tender and undertook the improvement works relating to Meadowside. The Council's independent QS confirmed that reasonable value for money was provided in the bid for the Meadowside works, and it is recommended that Everyone Active can nominate Callix as the preferred bidder for the Shobnall improvement works, subject to the Council's independent QS sign-off in line with the Leisure Operating Contract.</p>
<p>B3 What are the contributions to Corporate Priorities?</p>	<p>Value for Money Council</p>
<p>B4 What are the Human Rights considerations?</p>	<p>There are no Human Rights issues arising from this decision.</p>

B2 What are the reasons for the Decision?

Approval for the Realignment of Leisure Facility Capital Works Funded by Prudential Borrowing

Everyone Active made a number of requests relating to the alignment of the Prudential Borrowing approved by Full Council in November 2018.

Meadowside: An amount of £6,885 was approved by Council for the purposes of sports hall sand / reseal / reline. This was not included in their tender process to appoint the building contractor and has yet to take place. There was also an underspend of £7,015 on the play / climb elements of the improvement works, and due to the significant amount of additional works Everyone Active have delivered, they have requested that this underspend be reallocated to contribute to these additional works which included but is not limited to: External and internal painting works; Studio flooring, air con' and new ceiling; Fitness suite enhancements including lighting, balustrading, additional ceiling areas; Meeting room including new flooring and redecoration; Health suite additional costs due to the final finish specification and suite furniture; Main reception toilets were upgraded with new flooring.

It is recommended that up to £6,885 of Prudential Borrowing continues to be made available to SLM / Everyone Active for the purposes of sports hall sand / reseal / reline; and that up to £7,015 is made available to SLM / Everyone Active to contribute to the additional costs of the additional works at the Meadowside (capital improvements only i.e. excluding for example equipment). All allocations of funding will continue to be subject to sign-off by the Council's independent QS, and to the stipulations set out within the Leisure Operating Contract relating to Prudential Borrowing.

Uttoxeter: Upon contract award, the total approved by Council to be allocated via Prudential Borrowing to SLM / Everyone Active was £30,000. They stated in their proposal that this funding would be utilised for the purpose of Group Cycling Studio Conversion (£10,000) and Access Control (£20,000). Subsequently they identified in the gym that the flooring area supporting some of the resistance equipment was insufficient. They have therefore requested that the £10,000 allocated to the proposed Group Cycling Studio Conversion be reallocated to support the additional flooring costs. Regarding the £20,000 initially requested for the access control installation, they are also now requesting agreement for them to be able to retain the opportunity to use this amount later in the financial year either for access control if required or an alternative capital project as may arise that they would submit to the Council for us to consider. The revised proposal still generally delivers the intended outcomes i.e. a virtual offering continues to be available, and access control is primarily operational rather than directly contributing to health outcomes (noting that there is potential for additional outcomes should an additional capital improvement project be agreed).

It is recommended that up to £10,000 of Prudential Borrowing continues to be made available but is reallocated to support the costs of the flooring in the gym area, subject to QS sign-off; and that the remaining £20,000 will continue to be available for the purposes of access control; and that, should access control not be deemed as necessary, that the Council agrees in principle to consider the reallocation of the £20,000 initially requested to an alternative capital improvement project at Uttoxeter Leisure Centre. All allocations of funding will continue to be subject to sign-off by the Council's independent QS, and to the stipulations set out within the Leisure Operating Contract relating to Prudential Borrowing.


Shobnall: Upon contract award, the total approved by Council to be allocated via Prudential Borrowing to SLM / Everyone Active

Financial Implications

B5 What are the financial implications?	Whilst there is some re-alignment against the original business case, the overall capital costs to the Council associated with Prudential Borrowing remain in line with the approved Medium Term Financial Strategy and the underlying business case approved by Council in November 2018.
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Revenue	2019/20	2020/21	2021/22
	n/a	n/a	n/a

Capital	2019/20	2020/21	2021/22
	n/a	n/a	n/a

The finance section has been approved by the following member of the Financial Management Unit:	Please print name: Lisa Turner Please sign name: 
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Policy Framework

B6 Is the Decision wholly in accordance with the Council's policy framework?	Yes
B6.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	N/A
B6.2 Has it got the appropriate approvals under those provisions?	N/A
B7 Is the Decision wholly in accordance with the Council's budget?	Yes
B7.1 If No, does it fall within the urgency provisions (Part 3 of the Constitution)?	N/A
B7.2 Has it got the appropriate approvals under those provisions?	N/A

Equalities Implications

B8 What are the Equalities implications:
B8.1 Positive (Opportunities/Benefits): None identified
B8.2 Negative (Threats): None identified
B8.3 The subject of this decision is not a policy, strategy, function or service that is new or being revised. An equality impact assessment is not required.

B8.4 The equality impact assessment identified the following actions to be carried out:

N/A

Risk Assessment

B9 What are the Risk Assessment implications:

B9.1 Positive (Opportunities/Benefits):
None identified

B9.2 Negative (Threats):
None identified

B9.3 The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

Legal Considerations

B10 What are the Legal Considerations:

B10.1 In the event that authorisation of the improvements works is delayed the Council will be at risk of having delayed the works with the consequent impact on income generation resulting in amendment to the management fee in accordance with the terms of the Leisure Operating Contract.

This section has been approved by the following member of the Legal Team:

Please print name: **Linda Durham**

Please sign name:

A black rectangular redaction box covers the signature area. A blue ink signature is visible above the redaction, and a blue ink scribble is visible to the left of the redaction box.

Sustainability Implications

B11 What are the Sustainability implications: None identified
B11.1 The proposal would not result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures). The positive/negative impacts are set out below (please refer to guidance notes).
B11.2 Positive (Opportunities/Benefits): None identified
B11.3 Negative (Threats): None identified

Health & Safety Implications

B12 What are the Health & Safety implications:
B12.1 A Risk Assessment has not been carried out and entered into Safety Media for all significant hazards and risks because there are no significant hazards or risks arising from this decision.
B12.2 Any financial implications to mitigate against these hazards and risks are considered above.
B12.3 N/A
B12.3.1 Positive (Benefits) None identified
B12.3.2 Negative (Threats) None identified

Key Decision

B13 Is this a Key Decision?	Yes /No <i>(please delete as appropriate)</i>
<p>Note: A Key Executive Decision is one where:</p> <ol style="list-style-type: none"> 1. REVENUE – Any contract or proposal with an annual payment or saving of more than £100,000 2. CAPITAL – Any capital project with a value in excess of £150,000 3. A decision which significantly affects communities living or working in an area comprising two or more wards. 	
B13.1 If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would <u>seriously</u> prejudice the public interest?	N/A
B13.2 If yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?	N/A

NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.

Please send the original signed document to andrea.davies@eaststaffsbc.gov.uk