

Report of	Record of	Date
Head of Property & Development	Executive Member Decision	01 st August 2023

Appointment of consultant to prepare proposal and specification of decarbonisation and improvement works at leisure centres managed by Chorley Leisure Limited

Is this report confidential?	Yes Information relating to the financial or business affairs of any particular person (including the authority holding that information).
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Is this decision key?	No
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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Purpose of the Report

1. To seek approval of a consultant to undertake works to prepare a proposal and specification for the decarbonisation and refurbishment of council owned leisure centres.

Recommendations

2. That Alliance Leisure be awarded the contract to develop a proposal for the decarbonisation and refurbishment of the council owned leisure centres and to provide a works specification for the proposal.

Reasons for recommendations

3. Having insourced, through a Local Authority Trading company, the Leisure Services in Chorley Borough it is clear that there needs to be some investment into the centres to further the council's environmental aspirations to be carbon neutral and to improve the quality of the offer to residents. Both areas of work require specialist input in relation to the works required and to address opportunities to improve the quality of the facilities offered and user experience to make the centre more attractive to residents.

Other options considered and rejected

4. Whilst the council would be able to undertake condition surveys of the premises and be able to undertake a gap analysis of facilities in the borough and surrounding area to address improvement of the facilities, the development of such works requires specialist

involvement as the improvement works are often tied to the fabric of the building. As it is also necessary to consider the council's decarbonisation programme and associated works it was felt appropriate to do a single piece of work to address both rather than separate independent assessments.

Executive summary

5. The council's priorities as set out for our leisure provision are to support the environmental agenda and to promote healthy living and social inclusion.
6. The leisure centres are in diverse locations throughout the borough and serve as community hubs offering not only leisure activities but a nursery, gymnastics, swimming clubs and social activities for older persons.
7. Given the changes in the leisure sector in recent years occasioned by covid-19, utilities costs and the cost of living increases, coupled with the insourcing of the Leisure Service it is the correct time to review the Leisure Centres, their offer and the user experience.
8. Members have committed to the continued leisure provision within the borough, meeting our health and wellbeing objectives, but in order to ensure the use of the centres is maximised, we need to ensure the offer contained in them meets the needs of residents and that the user experience encourages repeat visits.
9. The council have also committed to carbon neutrality and it is very important therefore that matters in our control are considered. This includes our built assets.
10. The council have tested the market to seek a consultant with specialist knowledge of the leisure market and experience of relevant works associated with decarbonisation and refurbishment of leisure centres.

Corporate priorities

11. The report relates to the following corporate priorities: (Please bold one)

Housing where residents can live well	A green and sustainable borough
An enterprising economy with vibrant local centres in urban and rural areas	Healthy, safe and engaged communities

Contract Procedure Rules

12. The leisure industry has considerations in terms of both the design of facilities and options to address environmental efficiencies. This is particularly acute in relation the centres with swimming pools.
13. The council considered the use of a framework as a compliant method for seeking an appropriate contractor, however, this would not meet the aims of the council to try and source local contractors. As a result, it was proposed, and agreed to waive the contract procedure rules. It was considered this was likely to be an intermediate value contract which would usually be tendered on an open basis through the chest. However, this would lead to bids from consultants who may not have the necessary relevant industry experience but would still need to be considered.
14. The council opted instead to approach 3 specialist contractors who have experience in advising both in terms of works that drive environmental benefit but also who have worked within the leisure industry to advise on improvement works which look to provide better facilities for the end users.
15. Value for money can therefore be evidenced.

The Contract

16. Consultants were instructed to quote for works which would develop a proposal that would address the following issues
- Reduce as far as possible the centres' carbon footprint;
 - Advise on the availability and likelihood of grant funding to support the decarbonisation and refurbishment works;
 - Consider the leisure offer in the sector within the borough;
 - Identify cost benefit supported enhancements to the facilities at the centres;
 - A scheme of works to the buildings to support the improvement of facilities and refurbishment of the centres, contributing positively to the user experience; and
 - Consideration of other community driven uses which would support the Council's priorities.

Testing the Market

17. Three consultants were approached to provide a quote and works proposal.
- Alliance Leisure
 - Pulse Leisure
 - Elevate Everywhere
18. Alliance have experience of working nationally having supported councils across the country in decarbonisation and refurbishment schemes.
19. Pulse Leisure are a local provider, they already provide equipment to the centres and have experience particularly in relation to the developing the offer of centres to maximise their use and benefit to users.
20. Elevate Everywhere were appointed to support the Council in relation to the decarbonisation proposals and grant applications for the civic buildings and have significant experience of decarbonisation works options and grant funding available and some experience in the leisure industry.
21. All three were invited to quote to provide a proposal to develop a scheme which would deliver the criteria at paragraph 16.

The Bids

22. The table below reflects the content of the bids

Bidder	Price	Spec	Decarb Cost	
Alliance	£43,223	Fitness Latent Demand Report, includes aquatics offer, opportunity review and ALS Delivery Fee Architectural Layout and Indicative designs, includes High level cost plan and programme, and business planning support	£14,555	Heat Decarb Plan to stage 4 Prep of strategic plan, Building Audit Feasibility Study Desktop Assessment

Pulse	£40,000 Or free if appointed to deliver implementation to stage 4 indicative fee of £180-250k based on budget of £8mill fee charged at 5.4%	Review of leisure offer in area and gap analysis Proposals for investment in centres to improve customer and experience and offer to make centres financially sustainable and advice on return on investment. Proposals for community use which are complimentary to council priorities and objectives	£10,000 per centre	Survey and appraisal of Leisure Centres Guidance on Energy Saving measures and production of energy models to support grant funding
Elevate	Not provided	Not provided	£30,138	Decarb only

23. Based upon the bids received, Elevate were disqualified as they did not fulfil the brief providing a proposal in relation to refurbishment works.
24. Whilst the Pulse bid for the refurbishment works came in lowest, the cost for the decarbonation works were significantly higher.
25. The Pulse offer of free stage 1 and 2 works for a commitment to award the stage 3 and 4 works was considered and whilst it is attractive to have continuity in from design to implementation but ultimately rejected. Firstly, this would prevent the council testing the market for implementation and this, secondly given the potential cost of the implementation, a full procurement exercise would be necessary to be legally compliant and demonstrate value for money.
26. The proposed works by Alliance were more comprehensive and demonstrated a better understanding of the needs of the council and sector and although the refurbishment costs were slightly more than Pulse's offer, the decarb works costs were lower and overall provided better value for money. Therefore, Alliances bid has been identified as the preferred selection.

Climate change and air quality

27. The work noted in this report has an overall positive impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council.
28. In particular, the report impacts on the following activities:
- a. net carbon zero by 2030,
 - b. energy use / renewable energy sources

Equality and diversity

29. An Integrated Impact Assessment (IIA) will be completed as part of the project delivery process to ensure all considerations with regards to equality and diversity are documents.

Risk

30. At this stage the only risk is in the cost to the council in the development of the proposals. If the project is to proceed, a full project plan and risk register will be developed to manage the risks identified.

31. The basis for progressing these works relate to existing risk which have been identified by the council in relation to climate change and making the leisure service financially self-sustaining and ensuring the health and wellbeing of residents.

Comments of the Statutory Finance Officer

32. There is an existing capital budget for Leisure Improvements. The capital budgets will need to be refined to reflect the programme of works when more detailed plans are available.

Comments of the Monitoring Officer

33. The value of the proposed contract is intermediate value as defined in our Contract Procedure Rules. This ordinarily would require a tender exercise via the Chest. This has not happened in this instant. Nevertheless, quotes have been obtained from three tenderers and a waiver of Contract Procedure Rules has been obtained. Given the market has been tested we have some reassurance that best value has been obtained. A formal contract will be subsequently entered into.

Background documents

There are no background papers to this report

Appendices

None

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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.

Councillor
Executive Member for ** Dated

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.