



North Down Borough Council was developing the first 50 metre competition pool in Northern Ireland and commissioned V4 Services to look at the options for the future management of the new facility to ensure full

Management of Northern Ireland's first leisure services outsource



realisation of the opportunities to the local area. After carrying out a detailed options appraisal V4 Services were subsequently commissioned to assist in the procurement of a leisure partner to operate the new leisure centre.



THE CHALLENGE

The need for the options appraisal was prompted by the development of the new £38 million 'Bangor Aurora' Aquatic and Leisure Complex to replace Bangor Castle Leisure Centre. The council was concerned to ensure that an appropriate level of capacity and expertise would be available to successfully manage a major facility of this scale and the potential risk to the council's revenue budget if forecasts were not achieved.

THE SOLUTION

The management options appraisal identified that the potential operating costs were such that the risks of not generating high levels of usage and income were too great to place on a modest sized council. Given the specialist nature of the facilities, after some informal market sounding and financial modelling, our recommendation was that there were clear financial advantages in transferring the management of the new centre, together with other North Down leisure services, to an experienced leisure operator, and therefore the opportunity should be opened up to the wider specialist leisure management market.

In early 2011 V4 Services undertook an options appraisal for the management and delivery of leisure services in North Down. The appraisal focused on what type of management and delivery model would be most suitable for the council and whether there would be sufficient interest from external leisure management operators in North Down's leisure services.

The appraisal had to be delivered relatively quickly, as the new leisure facility was due to open in late 2012 and any potential procurement exercise had to be factored into the process. We also needed to take account of the importance of the 50 metre pool as a competition venue and elite training facility, and recognise that as no major outsourcing of leisure services had ever been undertaken in Northern Ireland there were various political and cultural obstacles to be overcome.

V4 Services were further engaged to work alongside Pinsent McGrigors solicitors to advise the council during the procurement process which followed the EU Competitive Dialogue procedure. The process took approximately 15 months and culminated in Serco Leisure being appointed as the council's preferred partner in September 2012 and commencing the provision of interim services in December 2012, prior to the new centre opening in Spring 2013.

Following a tender process, we engaged V4 Services to undertake an options appraisal for the operation of our leisure centres including the Aurora, a large multi-use complex which contains Northern Ireland's first international 50 metre pool. The options appraisal was completed by V4 Services. The work was thorough and comprehensive including consultation with our team and presentation of the findings. The final report recommended outsourcing and the V4 Services' Team worked with our appointed solicitors to manage a three stage competitive dialogue process. In November 2012 we appointed Serco.

The team provided advice on the tender specification and the form of contract, the establishment of key criteria and the tender evaluation model. They were thorough, delivered within the time required and were 'solutions orientated'.

David Warden, Director of Leisure and Community Services, North Down Borough Council, Northern Ireland





About V4 Services Limited

We have worked in partnership with over 120 UK public sector organisations including: councils, NHS, social enterprises and trading bodies providing hands-on delivery support to set up new business structures, improve the efficiency of in-house services, encourage a commercial approach and generate savings and service improvements.

THE BENEFITS

- ➔ Significant market interest from all of the major leisure operators which ensured a competitive bidding process and helped secure a very attractive financial outcome for the council.
- ➔ Substantial revenue savings compared to in-house management of the leisure services (Bangor Aurora, Queens Leisure Centre and sports development services).
- ➔ Transfer of all day-to-day operating and third party income risks for the duration of the ten year contract.
- ➔ Increased utilisation and improved income generation in excess of the council's original projections.
- ➔ The expertise of a nationally recognised leisure operator with direct experience of managing 50 metre pools elsewhere in the UK.



- ➔ A new approach to marketing and communications with a complete rebrand and revitalisation of the council's leisure services.
- ➔ Two thirds of any surpluses to be invested back into sports and leisure within North Down.
- ➔ Interim management of the leisure services delivering immediate financial savings and service benefits.
- ➔ The creation of around 35 FTE new jobs.
- ➔ A positive engagement with staff and their support throughout the process.
- ➔ Pensions protected for those transferred.
- ➔ A long term partnership with the flexibility to amend services in response to changing needs, such as the scheduled reorganisation of local government, and the ability to extend the contract for another five years, if required.
- ➔ The council is able to focus on long term strategic priorities leaving the day-to-day operating responsibilities in the hands of the Serco team.

V4 SERVICES' SUPPORT

The production of a detailed options appraisal consisting of:

- ➔ Detailed analysis of the various models of leisure services management and their appropriateness in the North Down context in meeting the council's strategic priorities, the needs of Sport NI and Swim Ulster, and which reflect the current and emerging constraints on finance.
- ➔ An estimation of the likely cost to the council of establishing a preferred option and the likely ongoing annual revenue costs.
- ➔ A delivery plan setting out the steps with suggested timescales for implementing the preferred option.
- ➔ Informal early market engagement to identify potential partners that could be considered for the delivery of leisure services.

Intensive procurement support consisting of:

- ➔ Assistance drafting the Memorandum of Information, PQQ and OJEU Notice.
- ➔ Preparation of key tender and contract documents including the services specification, payment arrangements, financial templates and evaluation criteria.
- ➔ Financial and technical evaluation of PQQ responses and outline, detailed and final tender submissions.
- ➔ Support to the council throughout the competitive dialogue process including attendance at dialogue meetings and final preferred bidder negotiations.

