



BEDFORD
BOROUGH COUNCIL

Securing affordable leisure facilities and substantial external investment



V4 Services worked in partnership with Bedford Borough Council to operate a Commercial Hub to drive value from the council's suppliers and support delivery of the council's strategic objectives. An Options Appraisal had been carried out by the council for the procurement of a contractor to provide leisure management services on behalf of the council and the council required a "critical friend" to review the work to date on the project.

THE CHALLENGE

There was a need to design and deliver a rigorous EU compliant tender process that could accommodate a range of variables, including investment options and a viability test to determine whether facility closures would be necessary.

The procurement would form a part of the delivery of savings in a previously agreed policy option as part of the council's modernisation programme.

THE SOLUTION

The solution involved the outsourcing of the service using a methodology which was EU compliant and was designed to accommodate a degree of competitive dialogue.

Recognising that the services are Part B, the process was designed to achieve the required outcomes whilst remaining compliant with the Public Procurement Regulations and the applicable EU regulations and general policy.

V4 Services helped to reshape the opportunity by facilitating pre-tender discussions and providing support and guidance on the positioning of the opportunity to the marketplace.

With support from V4 Services at all stages of work the process involved a PQQ followed by a multi-stage approach, consisting of a compliant bid and variant bid, and involving competitive dialogue.

To secure the best value outcome, the combined knowledge and experience of both our leisure and cultural sector team was utilised alongside high level procurement expertise from the Commercial Hub.

Together we provided:

- ➔ Access to technical knowledge and operator experience to develop the tender documentation.
- ➔ A resource to "check and challenge" at the critical stages in the tender process, including mini gateway reviews.
- ➔ Advice and support in shaping the opportunity to generate maximum interest from the marketplace – including early stage engagement with potential service providers.
- ➔ Advice and support in developing the tender documentation and evaluation models.
- ➔ Help in reducing the risks of challenge and the potential for an "unsafe" outcome at each stage.
- ➔ Provision of commercial input to optimise the benefits of dialogue with participants.
- ➔ Financial analysis of compliant and variant bids. From PQQ to final tender and including post tender clarifications.



Throughout the entire process we worked as partners with the council, providing "hands on" support. This included:

- ➔ Sharing insights into the marketplace and the likely approach to risk from bidders with council officers and members at the pre-procurement stage.
- ➔ Actively participating in Project Board meetings, not only reporting on the development of the documentation and reporting on progress but identifying key issues and discussing the relative merits of various options.
- ➔ Providing regular members' briefings.
- ➔ Co-ordinating the inputs from the legal advisors to ensure that issues and risks to the process were identified early and addressed quickly.





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

Fusion Lifestyle was selected to provide the leisure management services, as their proposal:

- ➔ Was based on a close working relationship with the council, sports clubs and organisations.
- ➔ Aimed to increase levels of active participation in leisure as well as increase the range of sports and active recreation activities available to residents.
- ➔ Involved a commitment to the development of the Bunyan Centre into a key sporting hub to meet demands for leisure in the borough, including converting a large auditorium into a new 60 station gym with dedicated spin studio and large soft play children's facility.
- ➔ Supported the need to improve health and wellbeing through working closely with the NHS and third sector

organisations to expand the Stroke Care Pathway, GP Referral and Cardiac Rehab programmes.

- ➔ Will enable increased regional competitive sport participation, particularly for netball.

The adoption of the variant bid proposal will result in an annual revenue reduction in excess of £1 million per annum against the current service budget. In addition capital investment of £3 million has been secured to the leisure sites; including £1.2 million in the Bunyan Centre. This eliminates the revenue subsidy provided by the council for the operation of the facilities and services, and the new arrangements now involve a very significant annual concession payment to the council.

V4 Services have been further engaged to provide support in the development of the client function and the performance monitoring systems.

Expected impact and target benefits

- ➔ Find a balance between an arrangement which would deliver a high level of savings, and yet secure the outcomes which were highly valued by the council.
- ➔ Consider variant options which involved capital investment.
- ➔ Award a ten year contract to commence in January 2014 (a fast track process).
- ➔ Achieve a very significant reduction in the revenue subsidy for leisure services.
- ➔ Transfer a significant amount of risk to the leisure operator.
- ➔ Procure a supplier that would invest in and develop the facilities.
- ➔ Achieve a significant degree of budget certainty through a fixed annual contract fee that secured high quality, comprehensive, accessible and affordable leisure services for local people.

“ We have very high expectations for our leisure services and were determined to secure specific outcomes from the process. Our absolute requirement was for all leisure facilities to continue to be affordable and accessible for local residents.

The outcome was excellent, and working together with V4 Services we expect to deliver savings amounting to £15 million over the full contract term. In addition, local people will benefit from the result of investment by the new operating partner of more than £3 million in their local leisure facilities.

The V4 Services' team provided expert support throughout the process demonstrating a detailed understanding of the marketplace and the commercial approaches that we could expect from bidders. We were particularly impressed by their ability to set out the various options and to articulate the likely impact on cost and risk transfer.

Andy Watkins, Assistant Chief Executive and Chief Finance Officer, Bedford Borough Council

