

CABINET

18 DECEMBER 2012

GATEWAY 1 PROCUREMENT COMMENCEMENT: OUTSOURCING STRAND WATER SPORTS CENTRE

Portfolio Holder: Councillor Les Wicks, Children's Services

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Dave Dowie, IYSS Manager

Summary

This report seeks permission to commence the procurement of activities and services related to the Strand Water Sports Centre at Gillingham.

This will initially involve inviting expressions of interest from external providers to deliver this service for the period of the project 2013 – 2018 and to become an active partner in the development of the Strand area in North Gillingham.

A commissioning process for this service was initiated in 2008-09 but aborted due to lack of external interest. Since that time a group of interested local people have formed the Medway Water Sports Trust. This is a not for profit organisation that has acquired charity status.

The Trust and the Medway Youth Service manages current Water Sport activity jointly, through an annual service level agreement.

The Council's aim for some time has been to seek to reduce financial liabilities and externalise the centre handing over the management of equipment and activities to a suitable external provider.

A considerable amount of development is planned for the Strand area over the coming years and this also presents an opportunity for the new provider to become an active partner in these new developments. Opportunities exist to enhance the Strand water front area adjacent to the Medway Cruising Club and to support the refurbishment and development of the Strand Lido and slipway.

This Gateway 1 report has been approved for submission to the Cabinet after review and discussion by Children and Adults Directorate Management Team on 25/05/12 and Procurement Board on 28 November 2012.

The Children and Adults Directorate Management Team and Procurement Board have recommended that this procurement project be approved as a Category B High Risk procurement project at Procurement Gateway 1 by the Cabinet. This is because this procurement project is a Supplies, Services and Works Category B High Risk procurement with a total contract value below £250,000.00 and does have political implications or service sensitivities that Cabinet should be aware of.

1. Budget and Policy Framework

1.1 Service Background Information

- 1.1.1 Water Sport education has been delivered to young people in the Medway area from the Strand site in Gillingham for more than thirty years. Over this period the centre has built up a good reputation as a water sport educator in sailing kayaking and canoeing. The centre has an extensive range of sailing craft and canoes that have been purchased over the years with the accompanying personal protection equipment required to, safely, undertake this activity.
- 1.1.2 The centre has similar challenges to other water sports education centres run by local authorities, high staffing ratios to young people and expensive equipment that requires regular maintenance.
- 1.1.3 The Strand Centre also delivers water activities at Alpha Lake under a lease arrangement between Medway Council and 'Bretts.' This lease is non-transferrable so a new provider would need to negotiate and secure additional canoeing and sailing rights at local safe water facilities, similar to Alpha Lake.
- 1.1.4 All Councils are finding that their budgets are contracting due to reductions in government spending.
- 1.1.5 Many centres are closing as a result of the high cost of staffing because of the requirement that qualified tutors work with small numbers of young people due to the inherent health and safety risks associated with open water activities.
- 1.1.6 In 2008-09 the Medway Water Sports Centre's cost to the Youth Service budget was approximately £135,000 with income generated through subscriptions and membership at approximately £46,000.
- 1.1.7 Subsequent restructures and activity fee increases have reduced these costs and in 2011-12 the cost to Medway Youth Service has reduced to approximately £45,000.
- 1.1.8 It is Medway Youth Service's intention to reduce its financial support for the Water Sports Centre to zero by April 2013.
- 1.1.9 Consequently the Strand Centre outsourcing package comprises use of buildings, appropriate leases to the Strand area, permanent loan of water sports equipment and accompanying personal protective kit.

- 1.1.10 No Council funding accompanies this procurement other than the second hand value of the water sports equipment.
- 1.1.11 Medway Council has no wish to cease providing water-based activities for young people but needs to rationalise and reduce its financial involvement with the centre.
- 1.1.12 However there are considerable opportunities for the new provider to become a partner in the development of the Strand area. Medway Council will be looking at new providers of this service who have the vision and ability to support the enhancement of the area by adding to, and supporting the development of water facilities and resources in the area.
- 1.1.13 Medway Council recognises its strong links with maritime activity and the need to provide ongoing opportunities for local young people to gain water activity skills and knowledge.

1.2 Council's Strategic Priorities And Core Values

- 1.2.1 The procurement of this requirement directly links into the following Council Strategic Priorities and Core Values:

Core Values

Putting our customers at the centre of everything we do through increasing the number of opportunities for young people to gain the skills, raise aspirations of children (CYPP) and provide positive activities for young people in deprived areas of Medway.

Giving value for money

This procurement requirement will deliver against the Core Value of 'Giving value for money' through the provision of youth services funded by external monies and enhancing and broadening the offer of water activities to local residents.

Strategic Priorities

Children and young people's plan 2012-14 - Children and young people having the best start in life in Medway because this procurement requirement will deliver against the Strategic Priority of developing skills acquired from engaging in positive activities.

1.3 Strategic Council Obligations

1.3.1 The procurement of this service directly links into the Medway Council Plan through providing:

- Increased opportunities
- Positive activities for young people in Medway

Ensuring that they will be:

- Safe
- Cared for

To succeed in learning and to thrive.

1.3.2 This procurement requirement additionally links into the Children and Young People's plan through helping to meet its objectives of giving Medway children the best possible start in life and contributing to the objective to ensure that young people have the opportunity to develop new skills. This will be done through learning skills that are nationally accredited in canoeing, kayaking, sailing and motor boating.

1.4 Funding/Engagement From External Sources

1.4.1 Outsourcing this service will enable the new external provider to have the opportunity to access funding from trusts and grants that are not available to local authorities to access.

1.4.2 The potential of a Private, Charitable Trust, and Council partnership at the Strand site would present a major opportunity to lever in external funding to upgrade and enhance existing water activity and sport and leisure provision in the area.

2. Background

2.1 Project Details

2.1.1 This procurement is

A Services procurement requirement.

2.1.2 This report seeks permission to

Conduct a market testing of service providers in the southeast region who would have the experience, skills and interest in delivering this water activity service.

With the support of Procurement and Medway Commissioners within Children's Services a list of potential providers will be developed with the intention of notifying them of this outsourcing opportunity.

We will also advertise this commissioning opportunity on the South East Business Portal and will investigate a national portal with a wider reach. The information on this outsourcing opportunity will also be held on our own Medway Council website.

Our focus will be to target educational, voluntary and community sector groups in the south east region but where there are national organisations that have the experience and resources to support this work we will provide them with the information to express an interest.

Possible interested organisations at this point include:

1. Arethusa
2. Medway Youth Trust
3. Medway Water Sports Trust
4. Morning Star
5. Contour Education Services
6. Princes trust /Fairbridge
7. NACRO
8. Young Kent (Kent Youth)
9. Octopus
10. Tree jumpers
11. Gillingham District Scouts
12. Medway Town Sea Cadets
13. Mid Kent College
14. Kent University
15. Greenwich University
16. Christ Church Canterbury
17. Catch 22
18. Sail ability

Should there be more interest than in 2008-09 with a range of providers responding to the expression of interest we would conduct an open commissioning process to identify the best provider.

Should there be no external interest as in 2008-09 we now have a local charity, Medway Water Sports Trust, to whom we could provide equipment and leases to, enable them to continue to deliver the water activity service from the Strand site.

2.1.3 This procurement requirement is

A stand-alone project with no linkage to any other procurement projects or procurement programme

2.2 Business Case

2.2.1 Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process. Smaller elements will be organised using the usual council procedures.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
Provide an annual water based programme of activity for young people 10-19 years (24 yrs with additional needs)	<ul style="list-style-type: none"> • Support Medway schools and Medway community groups by offering water based after school activities and alternative curriculum programmes to their clients and students • Provide a centre where young people can take part in accredited water activity programmes 33 weeks of the year • Additionally, provide summer and school holiday programmes 7 weeks a year • Outreach programmes will take place at regular intervals and Medway Water Sports Centre publicity and information will be updated and available to local parents and young people. • Information on Medway Water Sports Centre programmes and opening times will be provided to the Family Information Service and updated at 6 monthly intervals. • Take an active part in Medway's Annual River Festival with young people demonstrating their water sport skills. 	IYSS Manager	Quarterly reports and annual contract monitoring
Provide 50% targeted water activity programmes for disadvantaged young people 10-19 years (24 with additional needs)	<ul style="list-style-type: none"> • Water activities will be offered to young people from the Youth Offending Team • Water activities will be offered to young people who attend Medway's PRUs • Water activities will be offered to young people with Special Education Needs and disabilities 	IYSS Manager	Quarterly reports and annual contract monitoring
Provide a range of water activity programmes that includes,	<ul style="list-style-type: none"> • Take up RYA accredited courses in dinghy sailing • Take up RYA accredited courses in power boating • Take up BCU accredited 	IYSS Manager	Quarterly reports and annual contract monitoring

dinghy sailing, canoeing, Kayaking raft building and power boating	<p>courses in canoeing and Kayaking</p> <p>Take up a range of informal water sport activities that provide access to and complement the centres' accredited programmes</p> <ul style="list-style-type: none"> • Achieve 400 contacts, 400 participants, 400-recorded outcomes and 200 accredited outcomes. 		
Provide participation opportunities for young people to get involved in meaningful decision-making in the Medway Water Sport Centre activities	<ul style="list-style-type: none"> • Young people make decisions that influence the way the Medway Water Sports Centre is run and the activities that take place. • Young people are involved in the recruitment of centre staff • Young people have an input into the management of Medway Water Sports Centre 	IYSS Manager	Quarterly reports and annual contract monitoring
Develop partnership initiatives and arrangements with other local voluntary and community groups and organisations	<ul style="list-style-type: none"> • Work with Youth and Community groups and local schools to deliver alternative curriculum and after school activities • Develop local water sport programmes with partners that demonstrates best value and joint working arrangements 	IYSS Manager	Quarterly reports and annual contract monitoring
The Water Sport Centre work will be valued and of a high quality	<ul style="list-style-type: none"> • All staff and volunteers are CRB enhanced checked. • The Water Sports provider will offer a suitably qualified and diverse work force • Regular staff meetings, supervision and appraisal will take place • Appropriate CPD will be offered to Water Sport Centre staff to develop their career opportunities • Policies that ensure quality of delivery and guide the work will be developed, be part of staff induction and kept updated • The Water Sports Centre will have contact with 400 young people in Medway • The provider will secure Dinghy 	IYSS Manager	Quarterly reports and annual contract monitoring

	<p>Sailing awards</p> <ul style="list-style-type: none"> • The provider will secure Canoeing/Kayaking awards • The provider will secure power boating awards • The provider will achieve a 75% annual satisfaction rate with clients. 		
Management information data will be kept and inform future planning	<ul style="list-style-type: none"> • The provider will input data into an agreed management information system daily • Management will be provided with a quarterly written review of the work of the Medway Water Sports Centre • Medway Water Sports Centre annual plans will reflect data priorities and local needs. 	IYSS Manager	Quarterly reports and annual contract monitoring
The new provider will support the improvement of facilities at the Strand waterfront site in synergy with other proposed local council developments	<ul style="list-style-type: none"> • Actively seek to raise external money to develop waterfront buildings and facilities • Become an active partner in the refurbishment and sustainability of the Strand slipway • Work with other local organisations to ensure the water sports programme is targeting groups of residents with least opportunity of accessing the water 	IYSS Manager	Quarterly reports and annual contract monitoring

2.2.2 Procurement Project Management

This procurement project will be resourced through the following project resources and skills.

The IYSS Manager in discussion with the Category Management Team will undertake the market-testing phase of the outsourcing.

Medway HR have been engaged to advise on the staffing contract implications and the offer of compromise agreements to existing Medway staff.

In addition, Donna Mills (Commissioning Manager, Commissioning and Strategy Division) will provide support and advice as required, and will provide oversight to help ensure the project meets Corporate and Directorate requirements.

2.2.3 Post Procurement Contract Management

The contract management of this procurement project post award will be resourced through the following contract management strategy:

The IYSS manager will secure quarterly reports linked to the above service specification and an accompanying SLA and this will also be monitored through an annual contract-monitoring visit to the provider. The contract / SLA will include key performance indicators (KPIs) that will be reviewed on a regular basis (ADQs). The specification will contain appropriate performance management measures and milestones that will enable the contract to be managed effectively.

The contractor will be expected to:

- Provide a named point of contact (i.e. a project manager or lead officer) for Medway Council to liaise with on operational matters
- Meet with a representative(s) from the Medway Youth Services on an annual basis to review progress against targets and to assess how joint-working practices can be further developed.
- Produce a written summary on a quarterly basis of all the activity that has taken place in that period, and an annual report on a similar basis. The exact format of these meetings and reports will be agreed between the contractor and Medway Council.

Procurement requirements will refer directly to guidelines as suggested in Medway Councils guidelines for contract management. This will include management of workshop contracts, liaison with design services appertaining to building works and necessary quote procedures for large capital expenditure

2.2.4 TUPE Issues

Further to guidance from Legal Services, Human Resources and the Strategic Procurement Team, it has been identified that TUPE will apply to this procurement process.

Guidance has been sought and received from Medway HR department regarding TUPE and ceasing existing contracts with Strand Staff.

There are employment liabilities for the full time worker and the associated 10 part time staff.

The service manager has been working with Medway HR to resolve the termination of staff issue for some months. Advice is that the employment responsibilities of current Medway Staff could form a barrier to the outsourcing of the water sports centre by external organisations.

Any outsourcing package, at this point in time, would need to cover our employment liabilities to staff and the transfer of those responsibilities to a new provider. This would cost approximately £21k and assume that the

new organisation/ provider would be willing to carry this liability that would increase year on year.

HR advice is that we could use a compromise agreement route to resolve this issue.

Informal discussions have been had with all affected staff (1 full time and 10 x part time / casual) and we have an agreement with staff that we can pursue this course of action. This agreement has been secured on their understanding that their employment liabilities transferred to another organisation (TUPE) could be a barrier to external interest in the Strand Site.

The current position is that compromise agreements have been drafted with associated letters to staff. Pending the outcome of this Gateway 1 paper, we have suspended the discussions with staff on their future employment status.

Should this management of change process not be completed within this financial year we will not have the funding to finance this in 2013-14. The Youth Service is also increasing its budget pressures by £4,000 per month in continuing to pay Strand Water Sports Staff beyond 1 October 2012.

3.0 Do nothing

3.0.1 The option of doing nothing is not a viable option because we continue to incur financial liabilities at the Strand Centre as there is no budget to fund the ongoing costs.

3.0.2 This is not an option as we do not have the budget to fund this service.

3.1 In-house service provision

3.1.1 The option of providing this requirement through in-house service provision has been considered but is not a viable option because we do not have the specific budget to fund this work.

3.2 Using another local authority to deliver procurement requirements

3.2.1 The option of using another local authority to deliver the procurement requirements has been considered and will be part of our market-testing programme that precedes any commissioning processes.

3.3 Procurement via an EU compliant framework

3.3.1 No EU compliant frameworks have been identified from which Medway Council's procurement requirements can be satisfactorily delivered.

3.4 Formal tender process in line with Contract Procedure Rules

The option of formally tendering this procurement requirement solely in line with Medway Council's Contract Procedure Rules has been

considered because the value of this procurement requirement is below the EU Procurement Threshold for Services of £173,934.00

Subject to a successful market-testing programme the Strand Site facilities should be commissioned out to identify the best future provider of the service.

If the only expression of interest received is from Medway Water Sports trust, the Council should initiate a preferred provider status on Medway Water Sports Trust and negotiate a service level agreement based on the specification identified

Advantages;

- Fully test the current market
- Maintains current services at the Strand in line with the Youth Services
- Offers potential of a three way private, charitable trust, council arrangement that could prove to be a dynamic partnership for the enhancement and improvement of water facilities and services in the area

Disadvantages;

- Timely process
- Additional costs will be occurred
- No guarantees there are other bidders in the market
- New provider fails to deliver and council's reputation is at risk as commissioner of the service.

3.5 Formal tender process in line with EU Procurement Regulations

3.5.1 Due to the nature of spend for these services the option of formally tendering this procurement requirement in line with EU Procurement Regulations has been considered although the value of this is below the EU Procurement Threshold for Services of £173,934.00.

The value of a 5-year contract has been calculated on the following basis:

1. Inclusion of land and buildings at nil rent for 5 years- £26,500
2. 5 year Water sport equipment hire potential and value = £48,030
3. Lump sum provision to new provider to cover employment liabilities = £20,750
4. Total value = £95,280

3.6 Internal Medway Council Collaboration between departments

The option of procuring requirements through internal collaboration between Medway Council departments in order to exploit economies of scale and synergies has been considered but no such opportunities exist.

3.6.1 Private sector collaboration e.g. Private Public Partnering/Private Finance Initiatives

The option of procuring requirements through a public / private finance initiative exists.

The ownership and maintenance of the Causeway at the Strand is currently with the Council. Peel Ports, who are the Medway Ports Authority, have agreed to contribute to the cost of jet washing this silt to allow a cleaner safer access to the public. The dredging for this year has now been completed.

The issue of major repairs and maintenance of this slipway is one that has been discussed before.

The Strand Causeway is the only 24/7 all-tide public accesses to the River Medway. The ownership and maintenance of the Causeway is the Council's responsibility.

The current state of repair of the Causeway and the promenade is poor and requires investment to bring them up to a safe standard.

The Council previously obtained a NOF grant for sport and leisure facilities in the Medway Towns, which included the major repair of the Causeway. Due to overspend on other projects the monies for the Causeway was utilised to complete those works.

The Draft River Medway Strategy highlights the importance of the Strand Waterfront and in particular the river access and promenade. In addition the Strand Leisure Strategy is currently being drafted by the Assistant Director (Leisure & Culture) to enable a bid for Sport England funds to be submitted.

The Causeway and promenade are an integral part of the Strand Leisure Park and are the reason why Medway Cruising Club and Medway Water sports are located at the Strand site.

The approximate cost of renewing the slipway is £120,000. Plans exist from 2008 to renew this area of the Strand and these plans are held at the Strand Water Sports centre site. Past plans have also included the building of a pier at the Strand site.

In a time of austerity this money is going to be hard for the Council to find.

The opportunity of a new provider developing the Water sports Centre alongside the privately owned Cruising Club with the Council as an active partner to develop the Strand Leisure Park would be a formidable fundraising partnership. With these partnerships established there is the opportunity for The Council to seek Sport England or lottery funding to renew, enlarge and sustain the Strand Leisure Park facilities for the foreseeable future.

For the proposed building development opportunity adjacent to the Medway Cruising Club to become a realistic possibility the Council may need to offer a long lease to the new service provider to enable them to be able to raise external funding to deliver the required building and associated facilities.

If necessary the Council would be able to set a clause in the lease arrangements whereby if the new provider failed to deliver the building and the required funding the lease would revert back to the Council.

Once a new provider for the service is secured the opportunity will be developed in more detail during the contract period and reported to Portfolio Holders and Cabinet as appropriate.

3.7 Other alternative options

3.7.1 No alternative options have been identified

4. Advice and analysis

4.1 Preferred option

4.1.1 Further to an extensive review of procurement options as highlighted within Section 3 'Options' above, the following preferred option is recommended to the Cabinet including justification for this recommendation.

4.1.2 The preferred option is 3.4 Formal tender process in line with Medway Council Contract Procedure Rules.

4.2 Equality Act 2010

4.2.1 A Diversity Impact Assessment (DIA) screening has been carried out and it is considered that there are no issues arising.

4.3 Corporate Sustainability Plan

This has been considered and there are no obligations on the council beyond the contract other than those relating to fixed term contract for staff who may have two years plus continuous service, sufficient excess budget has been built in to cover any redundancy costs. Staff on a fixed term contract will have employment rights; they will have rights to vacancies within the service via redeployment. Overall this option will ensure that a robust and competitive process is undertaken in order to delivery the service outcomes.

5. Risk Management

5.1 Risk Categorisation

The following risk categories have been identified as having a linkage to this procurement project:

Procurement process	<input checked="" type="checkbox"/>	Equalities	<input type="checkbox"/>
Contractual delivery	<input checked="" type="checkbox"/>	Sustainability / Environmental	<input type="checkbox"/>
Service delivery	<input checked="" type="checkbox"/>	Legal	<input checked="" type="checkbox"/>
Reputation / political	<input checked="" type="checkbox"/>	Financial	<input checked="" type="checkbox"/>
Health & Safety	<input checked="" type="checkbox"/>	Other/ICT*	<input type="checkbox"/>

Risk Categories	Outline Description	Risk Likelihood A=Very High B=High C=Significant D=Low E=Very Low F=Almost Impossible	Risk Impact I=Catastrophic II=Critical III=Marginal IV=negligible Impact	Plans To Mitigate Risk
a) Procurement process	Delay in meeting procurement and commissioning deadlines means costs incurred in 2013-14	B	II	Procurement timetable in place, close liaison with procurement specialists. PQQ & market testing to be fully conducted.
b) Contractual delivery	Provider may fail to fulfil contractual requirements.	D	III	PQQ, specifications (in consultation with delivery area professionals) and references will be obtained before ITT. Clear regulation & management procedures in place.
c) Service delivery	New contractor(s) fails to deliver outcomes against agreed targets. New contractor unable to secure additional safe water sailing and canoeing	C	III	Regular monitoring of progress and formal quarterly reviews. Clear outcome based specifications

d) Reputation / political	Poor Front line activity delivery and potential harm to the reputation of the Council	D	IV	Procurement processes identify best provider of water activities at Strand site
e) Health & Safety	Health and safety issues related to high risk water based activity	D	III	Contractual arrangements Ensure contract covers all relevant health & safety aspects. Seek professional guidance for specification requirements.
f) Legal	Failure to provide appropriate leases for Strand site buildings and future developments to new provider	C	II	Gain senior officer and political support for developments at Strand site.
g) Financial	New providers unable to secure external funding to enhance and expand water activity programmes and waterfront building developments.	C	III	Support new provider with appropriate leases to enable them to secure external funding for building developments

6. Consultation

6.1 Internal (Medway) Stakeholder Consultation

6.1.1 Before commencement of the procurement process in order to direct the specification

As part of this procurement project, the following mandatory internal stakeholder consultation is required before the commencement of the procurement project in order to direct the specification, these are:

- Full procurement brief to identify commercial risks

6.1.2 During the procurement process in order to aid the evaluation process

As part of this procurement project, the following mandatory/statutory/legal internal stakeholder consultation is required during the procurement process in order to aid the evaluation process, these are;

- Direct links with Legal, Procurement and Division stakeholders are critical to the success of this project

6.1.3 Post procurement/tender award in order to aid the contract management process

As part of this procurement project, the following mandatory internal stakeholder consultation is required post procurement/tender award in order to aid the contract management process

6.2 External Stakeholder Consultation

6.2.1 Before commencement of the procurement process in order to direct the specification

As part of this procurement project no external stakeholder consultation is required before the commencement of the procurement project in order to direct the specification

6.2.2 During the procurement process in order to aid the evaluation process

As part of this procurement project no external stakeholder consultation is required during the procurement process in order to aid the evaluation process

6.2.3 Post procurement/tender award in order to aid the contract management process

As part of this procurement project no external stakeholder consultation is required post procurement/tender award in order to aid the contract management process

7. Procurement Board

7.1 The Procurement Board considered this report on 28 November 2012 and supported the recommendations set out in paragraph 9 below.

8. Financial, legal, procurement and ICT implications

8.1 Financial Implications

8.1.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following financial implications which the Cabinet must consider.

8.1.2 The budget for this service has been removed as Youth Service budgets have been significantly reduced and the preferred option should be implemented as soon as possible to reduce any further financial risk

associated with it. This continued expenditure at the Strand is creating a £4,000 budget pressure for the Medway Youth service every month equal to £51,348 in a full year.

- 8.1.3 The current cost associated with this service is estimated to increase going forward. For the facilities to be maintained at its current state, action must be taken immediately.
- 8.1.4 A suitable partner has been identified who currently uses the facilities at the strand who are willing to take on the services going forward at No Cost.
- 8.1.5 Detailed finance and whole-life costing information is contained within Section 2.1 Finance and Whole-Life Costing of the Exempt Appendix.

8.2 Legal Implications

- 8.2.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following legal implications which the Cabinet should consider:
 - 8.2.2 Under s123 of the Local Government Act 1972 the Council must, in disposing of any property (including by way of lease of more than 7 years) obtain best consideration, unless the Secretary of State has given consent. As the contract (and any associated lease) would be for a period of 5 years, the Council is not subject to this duty.
 - 8.2.3 Where a Council has invited invitations to tender under an open or restricted procurement procedure but has received no tenders or no suitable tenders, the Council can under the Public Contracts Regulations 2006 use the negotiated procedure without the further publication of a contract notice (i.e. direct negotiation with a single supplier) provided that the terms of the proposed contract under the negotiated procedure are not substantially altered from the terms proposed in the open/restricted procedure.

8.3 Procurement Implications

- 8.3.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following procurement implications which the Cabinet must consider.
 - 8.3.2 The proposed projects value is below the EU Services Threshold, which currently stands at £173,934.00. The award procedures for contracts must comply with the general principles derived from the Council's Contract Procedure Rules. The client department is advised of the need to conduct a thorough market testing exercise as the council is obliged to act in an open fair and transparent manner ensuring that all contract opportunity is advertised to reach as wide a market as possible encouraging as much competition as is possible, and also looking at other opportunities, which includes joint collaboration with other Local Authorities.

8.3.3 The preferred option highlighted at Section 3.4 is the most suitable option for undertaking the procurement of this contract to meet both the Council procurement Regulations.

8.4 ICT Implications

8.4.1 This procurement requirement does not have any ICT implications.

9 Recommendations

9.1 The Cabinet is requested to agree to approve the commencement of the procurement project to outsource the Strand Water Sports Centre in Gillingham.

9.2 The Cabinet is requested to agree that a market testing and ceasing of existing employment contracts with staff takes place in April 2013 or as soon after as is possible.

9.3 The Cabinet is requested to agree that should external interest be identified in providing this water-based activity a procurement process is initiated to determine a new provider for April 2013 or as soon after as is possible.

9.4 The Cabinet is requested to agree that should only one external provider be interested, Medway Water Sports Trust, they are afforded preferred provider status and contractual arrangements are developed with this local trust.

9.5 The Cabinet is asked to agree that the refurbishment of the causeway / slipway should become part of the wider Sport England development plans of the Strand Leisure Park area, led by Medway Leisure, with ongoing management and maintenance a negotiated partnership between Medway Cruising Club, the new water sport provider and the Council.

9.6 The Cabinet is asked to agree that discussions continue with affected staff to amicably resolve the management of change process so that employment liabilities for Strand staff are minimised for any new provider of the service.

10 Suggested reasons for decision(s)

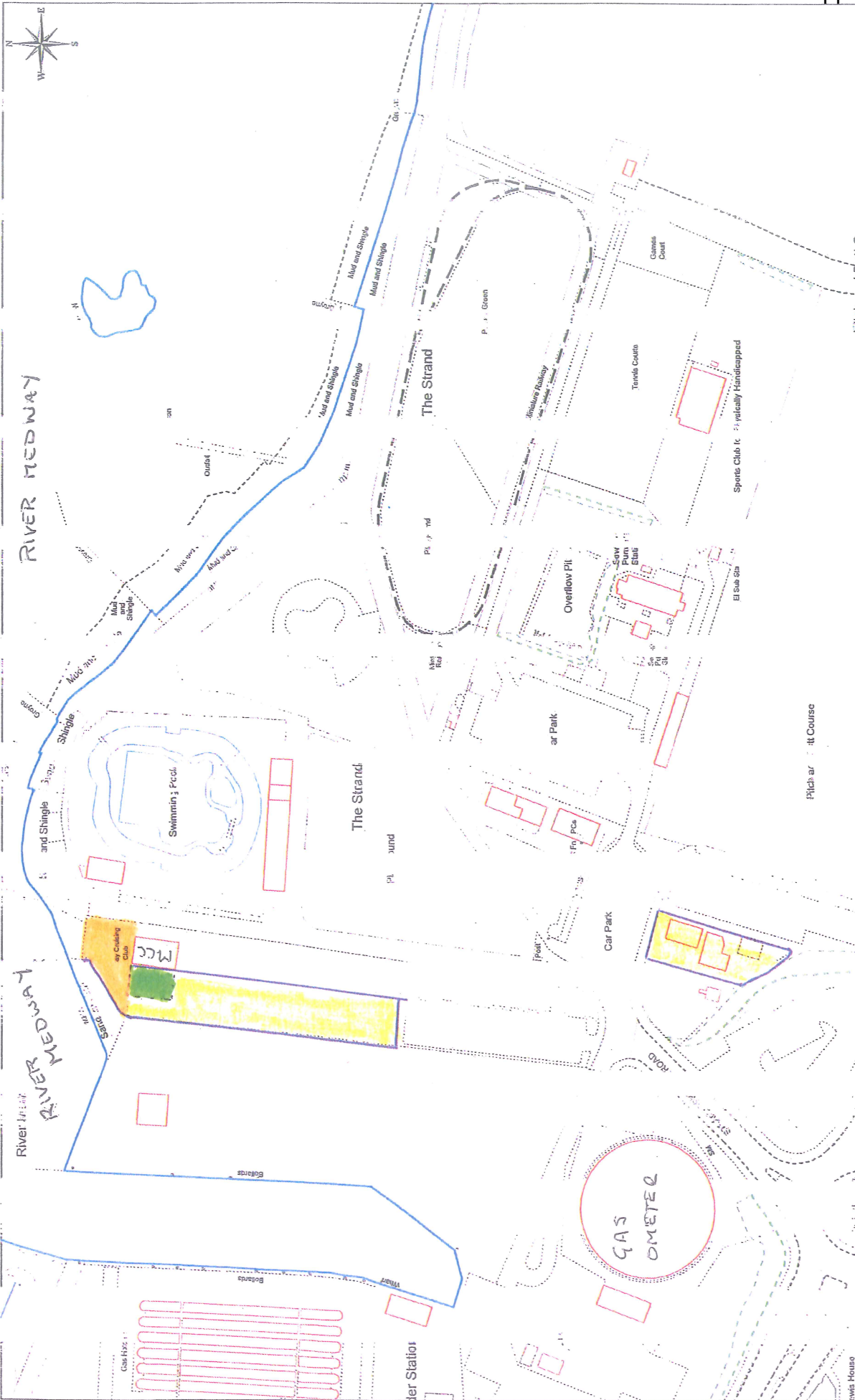
10.1 The recommendations contained within Section 9 'Recommendations' above are provided on the basis that these recommendations have been approved by CADMT, CMT and the Procurement Board.

10.1.1 Additionally, the recommendation supports the Medway Strategic Priority of 'Children and young people having the best start in life in Medway'

Lead officer contactName Title Department Directorate Extension Email **Background papers**

The following documents have been relied upon in the preparation of this report:

Description of document	Location	Date
None		



STRAND WATER SPORTS CENTRE
STRAND LIDO SITE
(CAUSEWAY | SLIPWAY | COMMODORE)

PROPOSED SITE OF BUILDING DEVELOPMENT

Appendix 2 - Diversity Impact Assessment: Screening Form

Directorate C&A services	Name of Function Proposed Outsourcing of Strand water Sports Centre		
Officer responsible for assessment David Dowie Integrated Youth Support Service Manager	Date of assessment November 12	New or existing? New	
Defining what is being assessed			
1. Briefly describe the purpose and objectives	This Diversity Impact Assessment covers the service delivery implications of the proposed outsourcing of the Strand Water Sports centre to a new provider in 2013 The proposed outsourcing of the centre results from the budget led savings that have to be made by Medway Council as a consequence of the announcements made by the Chancellor of the Exchequer in the October 2010 Comprehensive Spending Review and subsequent related announcements. From April 2013 Medway Youth Service has to operate on a budget envelop of £1m. This may reduce further as a result of the Councils budget setting process over the next 3 months. The government has indicated in the Comprehensive Spending Review that funding will be reduced to local authorities by an average of 7.1% year on year for the next four years.		
2. Who is intended to benefit, and in what way?	Savings need to be achieved to ensure the financial sustainability of the Council by averting any potential over spends occurring and ensuring that planned expenditure for the Council is in line with the funding available.		
3. What outcomes are wanted?	Reduction in Council Expenditure Medway Council to continue to provide effective, efficient and sustainable services that meet the needs of the community.		
4. What factors/forces could contribute/detract from the outcomes?	Contribute External funding opportunities	Detract Failure to attract external funding support	
5. Who are the main stakeholders?	Young people, Parents, Youth groups, schools, third sector agencies and other Medway Council departments e.g., PRU, YOT and Social Care		
6. Who implements this and who is responsible?	Director of Children and Adults		

Assessing impact		
7. Are there concerns that there could be a differential impact due	YES	

to racial groups?	NO	
What evidence exists for this?	<p>The centre will continue to operate and deliver water-based activities to vulnerable and at risk young people in Medway through a written contract. The contract will link to a specification that identifies vulnerable groups of young people as a priority target.</p> <p>2011-12 statistics Black African = 2 Black Caribbean = 2 Roma = 3 Indian = 1 No ethnicity declared = 233 Other = 8 Mixed background = 6 White British = 226</p>	
8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i> ?	YES	
	NO	
What evidence exists for this?	<p>The centre will continue to operate and deliver water-based activities to vulnerable and at risk young people in Medway through a written contract. The contract will link to a specification that identifies disabled groups of young people as a priority target. Statemented pupils from Special Schools have not been identified as having a disability in water sport centre data returns</p> <p>2011-12 statistics Young people with an identified disability = 20</p>	
9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i> ?	YES	
	NO	
What evidence exists for this?	<p>2011-12 statistics Males worked with in 2011 –12 = 270 Females worked with in 2011-12 = 213</p>	
10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i> ?	YES	No data collected
	NO	
What evidence exists for this?		
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i> ?	YES	No data collected
	NO	
What evidence exists for this?		
12. Are there concerns there <u>could</u>	Yes	

be a differential impact due to people's age?	NO	
What evidence exists for this?	2011-12 statistics Young people 8-13 years = 137 Young people 14-18 years = 261 Young people 19+ = 6	
13. Are there concerns that there could be a differential impact due to <i>being trans-gendered or transsexual</i> ?	YES	No data collected
	NO	
What evidence exists for this?		
14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. young parents, commuters, people with caring responsibilities or dependants, young carers, or people living in rural areas)?	YES	If yes, which group(s)?
	NO	
What evidence exists for this?	Minibus Transport is available for groups booking the Strand Water Sports centre.	
15. Are there concerns there could have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	YES	No data collected on family benefit status or single parent status
	NO	
What evidence exists for this?		

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	YES	
	NO	It is required that the new provider will continue to offer and deliver water activity programmes to targeted groups of young people at the Strand as has been the case for the last 20+ years. It is expected that the new provider will increase footfall of participants in water activities at the centre.
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	YES	
	NO	
Recommendation to proceed to a full impact assessment?		
NO	These savings have to be made as direct result of reductions in funding by the Government to local authorities over the next four years. If not implemented speedily the Council could be in a financially vulnerable position.	

NO, BUT	What is required to ensure this complies with the requirements of the legislation? (see DIA Guidance Notes)?	
YES	Give details of key person responsible and target date for carrying out full impact assessment (see DIA Guidance Notes)	

Action plan to make Minor modifications		
Outcome	Actions (with date of completion)	Officer responsible
Planning ahead: Reminders for the next review		
Date of next review	March 2014	
Areas to check at next review (e.g. new census information, new legislation due)		
Is there <i>another</i> group (e.g. new communities) that is relevant and ought to be considered next time?		
Signed (completing officer/service manager)	Date	
Signed (service manager/Assistant Director)	Date	