



**DECISION TAKEN BY OFFICER UNDER PARAGRAPH 13(4) OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012**

<b>Name of Officer</b>	<b>Fiona Darby</b>
<b>Position of Officer</b>	<b>Director of Resident Services</b>
<b>Service Area</b>	<b>Leisure and Wellbeing</b>

<b>Title of Decision</b>	<b>Extension of the Leisure Contract</b>
<b>Date of Decision</b>	<b>4 November 2024</b>
<b>Is it a Key Decision?</b>	<b>Yes</b>

<b>Appendix 1</b>	<b>Commercially Confidential – Finance Year 1 extension proposal</b>
<b>Appendix 2</b>	<b>Commercially Confidential Year 2 Financial proposal monthly profile</b>

**Exempt or Confidential Information**

It is considered that information contained within appendix 1 and 2 contains exempt information under the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended, and therefore cannot be made public.

**Glossary of terms**

<b>Term</b>	<b>Definition</b>
DBOM	Design, Build, Operate, Maintain
Facilities	The Aquadrome, Tadley Health and Fitness Centre and the Golf Centre

**Background to decision:**

Cabinet considered a report on the 6 February 2024 regarding the outline business case for a new leisure centre. The report also highlighted the need to secure management arrangements for the existing Aquadrome (the Facilities) beyond the current contract period which expires on 31 December 2025 to enable the procurement process for the new leisure centre. Cabinet delegated authority to the Director of Residents Services in consultation with the then Executive Director of Corporate Services and Assets (Section 151 Officer), and in consultation with

Cabinet Member for Sports Leisure and Culture and the Cabinet Member for Finance and Property, to negotiate an extension to the existing Leisure contract to ensure continuity of the service provided by the Facility. This report sets out the terms that have been agreed with the existing operator for the extension of the contract relating to the existing facility, while discussions relating to the future Aquadrome, which is pivotal to the leisure offer to be put out to tender, are progressed.

Accordingly, the existing operator - the Basingstoke and Deane Community Leisure Trust (the Trust) and its agent Serco Leisure Ltd (Serco) were requested to submit a proposal for its continued operation of the Aquadrome, Tadley Pool and Golf Centre which for the three facilities in the existing leisure contract.

The accompanying confidential appendices detail the proposal presented by the Trust and Serco including the financial arrangements.

The outcome of the negotiations has led to the recommendation that:

- The parties agree to extend the contract for an additional term until the end of December 2027 for up to two years (on a 1 year + 12 months flexible proposal) from 1 January 2026.
- The notice period is reduced from 12 months to 6 months to allow the leisure contract extension period to align with the DBOM tender process.
- A monthly fee has been given for the cost to the council that arises from the reduced notice period during the second year of the extension which is in the confidential appendices.
- All other conditions of the current contract remain the same.
- Either the current leases for the Leisure contract sites be amended to reflect the additional term of the Leisure contract, or new leases are executed to cover the addition term.

**Authority to make the decision:**

Cabinet delegated authority to the Director of Residents Services in consultation with the then Executive Director of Corporate Services and Assets (Section 151 Officer), and in consultation with Cabinet Member for Sports Leisure and Culture and the Cabinet Member for Finance and Property to negotiate an extension to the existing Leisure contract to ensure continuity of the service provided by the current leisure facilities.

**Reason for Decision:**

The February 2024, report to Cabinet containing the Outline Business Case for the replacement of the Aquadrome concluded that the opportunities presented by the proposed redevelopment of the Leisure Park, including the prospect of a replacement leisure centre for the Aquadrome, had created uncertainties around the Facilities which were to be included in a new, long term management contract. Authority was therefore given to negotiate an extension to the existing Leisure

contract to ensure continuity of the service provided by the Facilities whilst a tender for a DBOM contract for a new leisure centre is undertaken.

**Report/Information considered:**

<b>Legal</b>	The director has the authority to take this decision as authority was delegated to the director by the Cabinet decision of the 5 February 2024
<b>Finance</b>	The extension of the contract can be met through existing budgets. Proposals are included in the draft MTFS 2025/26 to 2028/29 to reflect increased energy costs of the facilities.
<b>Property and regeneration</b>	<p>The Regeneration team is currently working with Resident Services to procure a replacement for the Aquadrome. This is in the form of a DBOM contract which will enable a new leisure centre to be constructed at the Leisure Park along with a new leisure management contract to run the Facilities once the proposed Serco contract extension expires. The DBOM procurement programme forecasts a new contract award to be made in 2026 and as such the successful bidder will be able to focus on progressing design and construction of the new leisure centre before it takes on the day-to-day management of the Facilities, potentially in January 2027.</p> <p>The proposed 1 year + flexible 12 months contract extension for the Trust and Serco will enable the procurement of a new DBOM contract to proceed without risk of interruption to the leisure management service, offering bidders greater certainty on timeframe and clarity to prepare their business case for building and managing the Facilities under a new contract.</p> <p>Following receipt of legal and procurement advice on the most advantageous timeline for the DBOM, the current twelve months' notice period has been negotiated down to a six month notice arrangement which can be triggered at any point from July 2026.</p>
<b>Equality, Diversity and Inclusion</b>	When considering the impact of Leisure Contract Extension beyond 2025 on the protected characteristics groups, and the implications for the Public Sector Equality Duty (Equality Act 2010), it can be concluded that the proposal will be positive for all groups because it will allow continuance of the existing management arrangements for the council's main leisure facilities that benefit residents of the borough and ensure the facilities are accessible and fit for purpose.
<b>Consultation and communication</b>	The council will continue to work with the Trust and Serco to ensure that staff and customers are aware of important updates surrounding the future running of the facility,

	including the proposed contract extension and what it means for them and the facility. A communications and marketing plan will support future changes.
<b>Climate Change, ecological and biodiversity</b>	The council include the carbon emissions resulting from the operation of these leisure facilities within its' operational carbon footprint and this is routinely the most significant contribution to emissions, given the facilities are such high energy users. However, this proposal is not proposing significant change from existing arrangements.
<b>HR</b>	There are no HR Implications with this report.

**Alternative options considered and rejected:**

Not to extend the Leisure Contract beyond 2025 or the Council to bring the facilities in house. Both of these options would lead to major disruption to the Facility to the detriment of the public and the risk profile to the council through additional cost of tender and possible transfer of TUPE liability for staff on contract (approx. 160), therefore the option of a two-year extension is to be preferred whilst the council tenders for a DBOM contract for a new Leisure Centre.


**Decision:**

To authorise a Deed of Variation to extend the term of the Leisure contract with the Basingstoke and Deane Community Leisure Trust (the Trust) and its agent Serco Leisure Ltd (Serco) for a period up to 31 December 2027 with a 6 month notice period.

And to authorise leases between the Council and Trust relating to the Leisure contract sites to cover the current and prospective periods of tenancy between 31 December 2022 – 31 December 2027 with a 6 month notice period, in order to coincide with the terms of the Deed of Variation.

**Record of any conflict of interest declared by any cabinet member who was consulted by the decision maker:**

None

<b>Signed:</b>	
<b>Name:</b>	Fiona Darby
<b>Job title:</b>	Director of Resident Services
<b>Dated:</b>	4 November 2024