

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2126

Title: Crystal Palace, National Sports Centre - Leisure Management Contract Extension

Executive Summary:

It is proposed to extend the current contract between GLA Land and Property Limited (GLAP) and Greenwich Leisure Limited (GLL) for a minimum of 2 years from the 1st April 2018 with an option to extend this by a further 1 year. This relates to the provision of leisure management services at the National Sports Centre, Crystal Palace.

Decision:

That the Mayor:

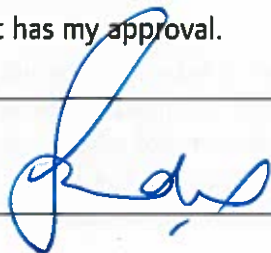
- Approves the extension of the contract under which GLL provides leisure management services to GLAP for a minimum of 2 years from the 1st April 2018 with an option to extend this by a further 1 year (2+1 years).
- Approves an exemption from the requirements of section 9 of the GLA's Contracts and Funding Code in order to allow for a short term contract extension without a competitive procurement exercise.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

7/8/12

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The London Development Agency (LDA) and subsequently GLAP have occupied the NSC under a 125 year lease from LB Bromley. GLL have provided leisure management services since 2004 and their contract has previously been extended in 2009, 2014 and 2016. Their current contract expires on the 31st March 2018. GLAP has been responsible for the NSC since 2012.
- 1.2 It had been anticipated that a decision on the long-term future of the NSC would be taken in time to allow for a full procurement exercise for the management and operation of the NSC to be undertaken and implemented prior to 2018. However, the requirement for further investigation into some key areas of supply and demand (in particular, athletics) means that this is now not achievable and it is important that any decision is taken reflecting a full level of knowledge, with appropriate and up to date information available.
- 1.3 Working with the support of Sport England and UK Athletics, the GLA will shortly be commissioning research into the demand for athletics facilities (both indoor and out) in South London. This will also consider the range of existing facilities available and will reflect on changes taking place across London but particularly locally at Sutcliffe Park, Eltham and the proposals for Normans Park, Bromley.
- 1.4 Pending a decision on the long term future of the NSC, suitable arrangements for running the centre need to be in place and it is felt appropriate for the facility to be managed by specialist leisure management suppliers, as the GLA does not have the required skills internally.
- 1.5 GLL were procured by the LDA in partnership with Sport England in 2004 and have continued to provide services since. During that period they have contributed to expansion in the use of the centre, increasing the range of sporting activities and have worked with LDA/GLAP to reduce the financial impact of running the NSC. They have provided a good level of service, often in difficult circumstances and have provided a level of continuity during what has been, and continues to be, a period of uncertainty.
- 1.6 It is the opinion of officers that there would be insufficient market interest in a short term (2 + 1 years) contract to provide leisure management services to enable a proper competition and that a further extension of the GLL contract is the most realistic option at this point in time.
- 1.7 In view of the uncertainty regarding the future demand for the Centre it would also be difficult to create a specification that could be tendered against.
- 1.8 A full OJEU procurement exercise would be required even for a 2+ 1 year short term contract and this could take up to 12 months bearing in mind the size and complexity of the requirement. The current contract has less than 12 months to run and a short term extension would therefore still be required even if a decision was made to invite other bids to manage the facility for a short 2 year period. A short term extension for up to 3 years is therefore the most practical solution.

- 1.9 By extending the current contract with GLL during this interim period:
- Continuity of knowledge and experience will be preserved;
 - Work can continue on improving the financial and operational performance of the NSC while the long term strategy is developed;
 - There will be a degree of certainty for end users which will enable them to make plans for the immediate future. There have been recent signs of progress in attracting major events to the NSC in terms of Volleyball, Gymnastics and regional athletics and a secure position at least until 2020 will enable that progress to be built on and;
 - To provide time to work on the specification. .
- 1.10 GLL currently manage the Aquatics Centre as well as the Copperbox in Queen Elizabeth Olympic Park on behalf of LLDC
- 1.11 Discussions with GLL have been based on the contract being extended on similar terms to those currently in place, with GLAP's contribution in respect of VAT and London Living Wage to be adjusted to reflect current levels of expenditure.
- 1.12 The proposal is therefore to extend the current contract with GLL for 2 + 1 years, providing continuity of service at least until 31st March 2020. In the event that substantial progress has been made to implement a revised operating model but it does not prove possible to do so before 31st March 2020, the contract will allow for a further extension of up to an additional twelve months to allow for the revised model to be implemented effectively.

2. Objectives and expected outcomes

- 2.1 The primary objective is to extend the current GLL contract for 2+1 years, to provide continuity of service while GLAP develops and implements, a long term strategy for the future of the NSC

3. Equality comments

- 3.1 Extending the GLL contract for 2+1 years will ensure that this major sporting facility remains open and fully operational, while a long term plan for the future of the NSC is developed.

4. Other considerations

- 4.1 See part 2

5. Financial comments

- 5.1 This decision requests approval to extend the contract with GLL for the provision of leisure management services to GLAP for 2+1 years from the 1 April 2018. The previous extension for this contract was granted under MD1602, expiring 31 March 2018.
- 5.2 The contract is to be extended on similar terms, whereby GLAP is not incurring any management fees and reflecting appropriate adjustments of GLAP's contribution towards VAT and meeting the Mayor's London Living Wage commitment for the years in question.

6. Legal comments

6.1 Officers have indicated in this report that:

6.1.1 the decisions requested of the Mayor fall within the statutory powers of the Authority to do such things which may be considered facilitative of or conducive or incidental to the discharge of its principal functions.

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) consider consulting with appropriate bodies.

6.3 Officers must ensure that the GLL contract is varied in accordance with the relevant provisions of the contract and all necessary variation documentation is put in place before the commencement of the extended contract period.

6.4 See part 2 for other legal considerations

7. Planned delivery approach and next steps

Activity	Timeline
Document contract extension	August 2017
Communicate contract extension to major sporting bodies and end users	August 2017

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – Yes

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Alun Jones has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 31 July 2017

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Ollé

Date

31.7.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

31/7/2017

