

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3049

Author:

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Department:

Chief Executive's

Contact:

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Subject:

Approval for the ongoing operation of the Mellish Sports Centre

Total Value:

£100,000 (Type: Revenue)

Decision Being Taken:

1. To grant dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29 (Operational Issues), to allow for a direct award of a contract to CBF Gymnasium for a period of 5 years to operate the Mellish Sports Centre.
2. To grant a lease for the Mellish Sports Centre to CBF Gymnasium for a peppercorn rent for a period of 5 years.
3. To approve the allocation of £100,000 in revenue funding as a contribution to CBF Gymnasium to run the Mellish Sports Centre in line with the Big Lottery Grant Conditions, which will be made over a period of 5 years at £20,000 per year.

Reasons for the Decision(s) The Mellish Sport Centre was constructed using a New Opportunities Fund (NOF) grant, now managed by the Big Lottery. The terms of the grant require the building to remain operational, open to both the community and any adjacent schools. Failure to do this could result in the Council having to repay some of the initial grant.

For the past three years the centre has been operated by CBF Gymnasium, the services provided have been highly valued by the local community. As well as letting the facility out to the community they have:

- a) Provided free events for both young and elderly citizens
- b) Maintained the building in a good state of repair,
- c) Carried out out-reach work from the site to reduce anti-social behaviour
- d) Ensured that the City Council has continued to meet the obligations of the NOF grant.

Awarding a contract to CBF Gymnasium without going through a tender process requires dispensation from the Council's Contract Procurement Rules. The dispensation is being sought due to all the positive work carried out by CBF Gymnasium as described above.

The 5 year lease will be based on a photographic schedule of condition.

The funding identified in the decision is loan interest from the City Council's investment in the Farnborough Private Finance Initiative (PFI) contract. Any other costs incurred by CBF Gymnasium will be at their own risk.

Other Options Considered: Doing nothing was rejected as it runs the risk of grant being reclaimed.
Tendering for an alternative provider was rejected because it was not considered value for money.

Background Papers: None

Published Works: DD1725 - Approval of recommendations in relation to the ongoing operation of the Mellish Sports Centre

Affected Wards: Bulwell, Bulwell Forest

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Dispensation from Financial Regulations: Yes

Exempt Information:

Description of what is exempt:

The appendix contains commercially sensitive information relating to CBF Gymnasium

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it could prejudice future commercial negotiations for CBF Gymnasium

Documents exempt from publication:

Exempt Financial Information to support the Decision.docx

Consultations:

Date: 06/04/2017

Ward Councillors: Eunice Campbell

The options were discussed with ward Councillors and the proposal in this decision was agreed as the preferred option.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no implications on crime and disorder

Equality:

EIA not required. Reasons: An Equality Impact Assessment is not required as the operation of the Sports Centre equates to business as usual with no impact on Equality or Diversity.

Social Value Considerations:

N/A

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

23/01/2018

Advice Sought:

Legal, Finance, Procurement, Property

Legal Advice:

The proposals in this report raise no significant legal issues and are supported. The services provided by CBF are considered to fall under the Light Touch Regime of the Public Contracts Regulations and given the local nature of the services there are not deemed to be any cross border interests.

For the reasons given within the report, the benefits provided by the services delivered by CBF and the risk of claw back of Lottery funds if the building is not operational, dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 is supported.

Appropriate management agreements and lease agreements will need to be prepared to determine the obligations upon CBF to protect the Council's position including the fact the lease is to be contracted out of s24- 28 of the landlord and tenant provisions. Advice provided by Dionne Claire Screamon (Solicitor) on 13/12/2017.

Finance Advice:

This decision requests approval to contribute £0.100m over 5 years to CBF Gymnasium, to run the Mellish Sports Centre in order comply with Big Lottery Grant conditions. This is a continuation of DDM 1725.

The contribution is to be funded from interest income accrued from the authority's Farnborough PFI contract. The income is contracted to be received for at least the duration of contract with CBF Gymnasium. Advice provided by Chanelle Poyser (Commercial Business Partner) on 09/11/2017.

Procurement Advice:

Approval to dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) (Operational Issues) to allow for a contract direct award to CBF Gymnasium for a period of 5 years is required in order to comply with Contract Procedure Rules, The value of the contract falls under the EU procurement threshold. Advice provided by Paul Ritchie (Lead Procurement Officer) on 24/11/2017.

Property Advice:

Property have been involved with this negotiation and the lease will be a full repairing insuring, subject to a schedule of condition and having regards to the condition and likely life span of fixture and fittings on commencement. Advice provided by Peter Taylor (Senior Surveyor) on 02/11/2017.

Signatures

Sam Webster (PH for Business, Education and Skills)

SIGNED and Dated: 16/01/2018

Alison Michalska (Corporate Director for Children and Adults)

SIGNED and Dated: 16/01/2018

Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations

SIGNED and Dated: 15/01/2018

Chief Finance Officer's Comments: