

WIRRAL COUNCIL

CABINET

27TH NOVEMBER 2014

SUBJECT:	<i>GOLF PROCUREMENT EXERCISE</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>STRATEGIC DIRECTOR FAMILIES AND WELLBEING</i>
RESPONSIBLE PORTFOLIO HOLDER:	<i>COUNCILLOR CHRIS MEADEN</i>
KEY DECISION	<i>YES</i>

1.0 EXECUTIVE SUMMARY

- 1.1 Following a golf 'soft market testing' exercise in May 2014, which indicated that there was interest from specialist golf operators in taking over the management and operation (including the grounds maintenance) of Municipal Golf Courses in Wirral (excluding Hoylake Municipal), Members agreed at Cabinet on 7th July 2014, for officers to proceed to the next stage of a more formal procurement exercise.
- 1.2 Wirral Council agreed to a joint procurement exercise with Cheshire West and Chester (CWAC) to make the contract more appealing for bidders and potentially increase the level of saving for each Authority.
- 1.3 The purpose of this report is to inform Members of the progress to date in terms of the joint golf procurement exercise with CWAC.

2.0 CURRENT POSITION

- 2.1 The proposed pre qualification questionnaire (PQQ) was advertised via the corporate procurement portal "The Chest" on Wednesday 1st October 2014, with a closing date of 12 noon on Friday 24th October 2014, for potential bidder submissions.
- 2.2 In addition, an open "Bidders Day" took place on 7th October 2014, with officers representing Wirral and CWAC meeting with potential bidders to clarify any issues and provide key service and property information.
- 2.3 Targeted consultation with golf clubs/associations and local residents commenced Monday 27th October 2014, with a closing date for comments of Friday 14th November 2014.
- 2.4 Evaluation of the final submissions took place during week commencing 27th October 2014, with officers from both Wirral Council and CWAC.

- 2.5 Only four companies returned the pre qualification questionnaire, of those four companies and following the evaluation exercise, only one company was deemed potentially suitable to take to the next stage. The general standard and quality of bids was very poor for such a large contract to be delivered over a 25 year period.

3.0 PROPOSALS

- 3.1 The Legal and Procurement advice following the evaluation exercise is that where there is only one bidder it is very difficult to prove 'value for money'. The Government Guidance ('OGC/HMT 2008 Guidance on Competitive Dialogue') indicates that in the absence of two or more bidders the exercise should be abandoned.
- 3.2 Our partners in this exercise, CWAC, sought a quick decision regarding Wirral Council's approach to a single bidder scenario. Following discussion with the Cabinet Member – Leisure, Sport and Culture and the Leader of the Council, it was decided to notify CWAC of our intention to withdraw from the procurement procedure due to the value for money principle.
- 3.3 This paper seeks Cabinet support for the decision to withdraw from the procurement exercise with CWAC and for the management and operation of the golf courses to remain with Wirral Council, at this point in time.

4.0 FINANCIAL IMPACT

- 4.1 The current subsidy for all municipal golf courses is £440k and the trend in golf usage is generally down, not just for municipal golf courses but also for the majority of private golf clubs in Wirral. This pressure on reduced income will have to be managed from within existing resources.

5.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY, AND FAITH GROUPS

- 5.1 We have received an excellent response from the Golf Clubs, organisations and users of the municipal golf courses in terms of the consultation exercise conducted as part of this procurement procedure. Officers will be seeking to explore ways of working with interested parties (establishing a 'Friends of Group' / Steering Group) to develop an alternative business case for the future delivery of golf in Wirral.

6.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 6.1 The total cost of providing municipal golf in Wirral is £440,000 the aim of procuring an alternative provider was to reduce the level of subsidy. Whilst it is proposed that the service should remain 'in house' in the short term, officers will now be tasked with bringing a plan forward to Members outlining proposals to provide a more efficient and effective service. This could include the option of a further procurement exercise for the golf courses.

6.2 The IT systems at each of the municipal golf courses will have to be brought up to current service standard, including full integration with the Leisure Management till system.

6.3 The proposal to move to an alternative provider would have meant 13 staff (12.51 FTE) would have transferred under TUPE regulations to the new contractor. These staff will now remain with Wirral Council.

6.4 The golf course assets will remain with Wirral Council.

7.0 LEGAL IMPLICATIONS

7.1 This report is based on the structure of delegation

8.0 EQUALITIES IMPLICATIONS

8.1 No detrimental implications.

9.0 CARBON REDUCTION IMPLICATIONS

9.1 There are no carbon reduction implications.

10.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

10.1 Planning permission not required.

11.0 RECOMMENDATION/S

11.1 That Wirral Council formally withdraw from the Golf procurement exercise with Cheshire West and Chester.

11.2 A further report is brought back to Members on the future provision of golf in Wirral.

12.0 REASON/S FOR RECOMMENDATION/S

12.1 The recommendations are being made as they will enable the Council to meet its aim of ensuring Leisure Services will be delivered through an efficient and effective service model in line with corporate priorities.

12.2 Leisure Services to be offered which meet the requirements of the Wirral community now and in the future in a sustainable and viable way.

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APPENDICES

None

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet September 2013 Leisure Transformation report. Cabinet 7th July 2014 Soft Market Testing Exercise – Golf Courses, report.	