

	<b>Officer Key Decision</b>
	<b>Report from the Corporate Director of Service Reform and Strategy</b>
	<b>Lead Member - Cabinet Member for Adult Social Care, Public Health and Leisure (Councillor Neil Nerva)</b>
<b>Authority to Tender Contract for the Management of Vale Farm Sports Centre</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	One: Appendix 1: <a href="#">20250908 – Cabinet Report - Tri Borough Leisure Contract Procurement</a>
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Eugene Minogue Interim Head of Active Wellbeing (Leisure) 07355 611719 <a href="mailto:eugene.minogue@brent.gov.uk">eugene.minogue@brent.gov.uk</a>

## 1.0 Executive Summary

- 1.1 This report concerns the procurement of a new contract for the management of Vale Farm Sport Centre, commencing 1 March 2026.
- 1.2 Cabinet approved on 8 September 2025 the withdrawal from the Tri-Borough procurement with Ealing and Harrow and authorised the Council to proceed with a standalone procurement for Vale Farm Sports Centre on the basis of a five-year agency agreement until October 2031.
- 1.3 This procurement will ensure continuity of service for residents while strengthening local control over pricing, programming, investment and Active Wellbeing outcomes. It represents the first stage in Brent’s five-year transition from a traditional leisure model to a borough-wide Active Wellbeing approach from 2031, when Willesden PFI expires and the new Bridge Park is due to open.

- 1.4 The Council is seeking a partner who can:
- embed prevention, inclusion and health equity in day-to-day delivery;
  - work as a system partner with health, education and community services;
  - contribute ideas, innovation and insight to strengthen Brent's readiness for an integrated model from 2031; and
  - deliver a financially sustainable service that maximises income and usage
- 1.5 This report requests approval to invite tenders in respect of the management of Vale Farm Leisure Centre as required by Contract Standing Orders 88 and 89.

## **2.0 Recommendation(s)**

That the Corporate Director of Service Reform and Strategy, in consultation with the Lead Member - Cabinet Member for Adult Social Care, Public Health and Leisure:

- 2.1 Approves inviting tenders for the management of Vale Farm Sports Centre on the basis of the pre-tender considerations set out in paragraph 3.6 of this report.
- 2.2 Approves officers evaluating the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.6 of this report.

## **3.0 Detail**

### **Contribution to Borough Plan Priorities & Strategic Context**

- 3.1 The proposals directly support Brent's Borough Plan 2023–27 priorities:
- A Healthier Brent – ensuring continued access to high-quality leisure and physical activity provision that improves health outcomes, supports prevention, and addresses inequalities.
  - Thriving Communities – shaping a more coherent, inclusive and community-responsive Active Wellbeing offer, with services designed to meet local needs and build community capacity.
  - A Cleaner, Greener Future – embedding sustainability, decarbonisation and active travel within leisure provision.
  - Prosperity and Stability – securing a financially sustainable model that maximises income retention, operational efficiency, and reinvestment in prevention.

The approach also aligns with Brent's Health and Wellbeing Strategy 2022–27, Climate and Ecological Emergency Strategy 2021–2030, and with the

wider national shift from traditional leisure to an Active Wellbeing model centred on prevention, health equity and sustainability.

## Background

- 3.2 Vale Farm Leisure Centre is currently managed and operated through the Tri-Borough contract with the London Borough of Harrow and the London Borough of Ealing. This arrangement was to expire on the 1 March 2026 and was to be jointly re-procured. Upon Officer’s recommendations, Cabinet agreed on 8 September 2025 to withdraw from the Tri-Borough procurement on strategic grounds and to proceed with a standalone procurement for Vale Farm Sports Centre to enable the Council to have stronger local control over pricing, programming, branding and investment and to align major leisure centre facilities into a possible borough-wide model from 2031.
- 3.3 The new contract will be based on Sport England Leisure Operating Contract template, adapted for Brent’s local requirements, and will be operated as a five-year agency agreement until 31 October 2031:
- the management and operation of Vale Farm Sports Centre, including aquatics, health & fitness, sports hall, outdoor pitches, and ancillary services;
  - delivery of Active Wellbeing work linked to the site;
  - partnership working to embed prevention, inclusion and health equity in delivery.
- 3.4 Under an agency agreement model, the procured operator would become the Council’s agent for income collection. The procured operator would continue to commission and provide services and staff to run Vale Farm Sports Centre.
- 3.5 The procurement represents more than a continuity arrangement: it is the first stage in Brent’s five-year transition from leisure to Active Wellbeing. The Council is seeking a partner who can maintain high-quality day-to-day operations while also contributing ideas, innovation and insight that will shape the future integrated model from 2031

## Pre-tender Considerations

- 3.6 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations for the procurement of the contract for the management of Vale Farm Sport Centre, commencing 1 March 2026 (the “Contract”) have been set out below for the approval of the Corporate Director of Service Reform and Strategy:

Ref.	Requirement	Response
(i)	The nature of the Goods / Services / Works.	Management and operation of Vale Farm Leisure Centre (service contract under an agency agreement), commencing 1 March 2026

Ref.	Requirement	Response	
(ii)	The estimated value.	£13.03m total estimated contract value (turnover c. £2.3m p.a. over 5 years 8 months).	
(iii)	The contract term.	1 March 2026 – 31 October 2031 5 years 8 months aligned to the Willesden PFI expiry and planned Bridge Park timeline to enable a single, borough-wide model from 2031.	
(iv)	The tender procedure to be adopted.	Competitive Flexible Procedure under the Procurement Act 2023 (Light Touch), enabling submission of a Procurement Specific Questionnaire (PSQ) and Initial Tender, shortlisting to negotiation/dialogue, and Final Tender.	
v)	The procurement timetable.	<b>Indicative dates are:</b>	
		Adverts placed	Preliminary Market Engagement 17 September 2025
		Expressions of interest returned	26 September 2025
		Invite to tender	Tender notice w/c 6 Oct 2025
		Deadline for tender submissions	7 November 2025
		Panel evaluation and shortlist review	10 & 11 November 2025 and; 17 & 18 November 2025
		Contract award recommendation	19 December 2025
		Report recommending Contract award circulated internally for comment	22 December 2025
		Corporate Director approval	30 December 2025
		Minimum 8 working day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers	5 January 2026 – 15 January 2026
		Contract Mobilisation	19 January 2026 – 28 February 2026 (6 weeks)
		Contract start date	1 March 2026

Ref.	Requirement	Response
(vi)	The evaluation criteria and process.	<p>1. At selection stage shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines using conditions of participation to identify organisations meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>2. At tender evaluation stage, the panel will evaluate the tenders against the following criteria:</p> <ul style="list-style-type: none"> <li>• Selection (PSQ): pass/fail on exclusion grounds; financial standing; technical/professional ability; legal compliance.</li> <li>• Tender stage: Quality 60% / Price 40%. Quality to include: <ul style="list-style-type: none"> <li>a) Social Value - 10%</li> <li>b) Sustainability &amp; Circular Economy - 5%</li> <li>c) Operational - 45%</li> </ul> </li> </ul> <p>Price - Commercial 40%</p>
(vii)	Any business risks associated with entering the contract.	<p>The following business risks are considered to be associated with entering into the proposed Contract.</p> <p><u>Key risks &amp; mitigations:</u></p> <ol style="list-style-type: none"> <li>(1) Tight timetable - mitigated by published plan, early bidder day, reuse of Tri-Borough prep, and negotiation phase flexibility.</li> <li>(2) Market interest - mitigated by PME and clear signalling of 2031 pipeline.</li> <li>(3) Mobilisation risk for 1 Mar 2026 - mitigated via mandatory mobilisation plan and weekly readiness reviews.</li> <li>(4) VAT treatment under agency agreement model - external legal/tax advice; contract drafting to allocate risk appropriately.</li> <li>(5) Income volatility - open-book, monthly performance reviews, and structured gain-share; Council controls pricing/programming.</li> <li>(6) Continuity of service - contingency plans and step-in rights. Risks and the</li> </ol>

Ref.	Requirement	Response
		<p>standalone rationale set out in Cabinet report.</p> <p>Financial Services and Legal Services have been consulted concerning this Contract and have identified the risks associated with entering into this Contract set out sections 5 and 6 of the report.</p>
(viii)	The Council's Best Value duties.	The agency agreement model supports Best Value through potential VAT efficiencies, income retention, open-book transparency, stronger local control of pricing/programming, and alignment with prevention/inequalities goals - improving economy, efficiency and effectiveness vs. a concession approach.
(ix)	Consideration of Public Services (Social Value) Act 2012	<p>The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.</p> <p>Officers have had regard to considerations contained in the Social Value Act in relation to the procurement and social value forms 10% of the evaluation score.</p>
(x)	Any staffing implications, including TUPE and pensions.	Service is currently externally operated; TUPE is expected to apply for incumbent staff. No immediate Council staffing impact. Bidders to evidence TUPE transfer management, workforce engagement, London Living Wage compliance and pension arrangements where applicable.
(xi)	The relevant financial, legal and other considerations.	<p><u>Financial:</u> Detailed affordability and cash-flow modelling to be completed during procurement;</p> <p><u>Legal:</u> Procurement under PA23; compliance with Standing Orders; Cabinet (8 Sept 2025) decision provides mandate for standalone procurement and delegated authority. External legal advisors have been appointed;</p>
(xii)	Sustainability	Contract to embed energy efficiency, operational carbon reduction, and active travel;

Ref.	Requirement	Response
		aligns to Brent's Climate & Ecological Emergency Strategy.
(xiii)	Key Performance Indicators / Outcomes	<p>Published Key Performance Indicators for the tender will include three of the following;</p> <ul style="list-style-type: none"> <li>• Total visits</li> <li>• Total visits by target groups</li> <li>• Customer Net Promotor Score</li> <li>• Net surplus / cost per visit</li> </ul> <p>Additionally, various appropriate Key Performance Indicators will be included in the specification of the contract.</p>
(xiv)	Policy requirements including the National Procurement Policy Statement; prompt payment; London Living Wage; modern slavery; and carbon reduction	<p>The potential supplier will be required to provide services in accordance with all relevant policy requirements, to include those detailed in the National Procurement Policy Statement, to comply with a 30 day payment requirement, to provide evidence of wage compliance, evidence due diligence in supply chain (including modern slavery) and provide report on carbon emission and sustainability initiatives during contract delivery.</p> <p>The Contract will require the payment of the London Living Wage.</p>
(xv)	Sharing information to allow understanding of the Council's procurement policies and decisions	All relevant policies and information will be shared with the potential supplier during the procurement process.
(xvi)	Steps undertaken to remove or reduce barriers for SME participation in the procurement	Officers have considered whether any steps can be taken to remove or reduce barriers for SME participation in the procurement. It is considered that the procurement process recommended is appropriate for services required and upholds the principles of equal treatment, transparency, and non-discrimination.
(xvii)	Contract Management	A contract manager will be appointed, and appropriate contract management provisions will be included in the Contract.

#### 4.0 Stakeholder and ward member consultation and engagement

- 4.1 This procurement has been developed with internal input from Legal, Procurement and Finance, with the report to follow the standard consultation/sign-off process.
- 4.2 The Lead Member for Adult Social Care, Public Health and Leisure has been engaged throughout, alongside the Corporate Director of Service Reform and Strategy.
- 4.3 Engagement aligns with Brent's approach to partnership working and community-centred outcomes in the Borough Plan 2023–27 (Thriving Communities; A Healthier Brent). Further activity will extend engagement to health partners, schools and the VCS through the Strategic Outcomes Planning Model (SOPM) process.
- 4.4 No ward-specific or statutory consultation has been required at this stage, as the proposal relates to a borough-wide procurement decision. Ward members will be engaged at appropriate points during the SOPM process and any future site-specific decisions.

## **5.0 Financial Considerations**

- 5.1 The estimated value of this Contract is £13.03m total estimated contract value (turnover c.£2.3m p.a. over 5 years 8 months), which will inform affordability and evaluation parameters. A summary 2024/25 trading position is included in the PME to support bidders' pricing and mobilisation assumptions.
- 5.2 The procurement will adopt an agency agreement model with the Council as principal and the operator as agent. HMRC guidance confirms that core leisure services (admissions, memberships, sports lettings etc.) are treated as non-business and therefore outside the scope of VAT. Ancillary income such as catering, retail, vending etc. remains taxable.
- 5.3 This model places greater responsibility on the Council for financial and VAT compliance than under the current contract. Specialist advice will be taken to ensure arrangements are implemented correctly and risks are managed before contract award.
- 5.4 Consideration will also need to be given to National Non-Domestic Rates (business rates) relief under the agency agreement model. Current relief is linked to operator charitable status; bidders are likely to be charitable trusts, but this will be confirmed through legal advice during procurement.
- 5.8 Procurement costs will be contained within existing budgets; this includes commissioning the advice recommended within this section. A detailed financial model, cash-flow and sensitivity testing will be completed during the tender to confirm affordability and to set appropriate gain-share/retention mechanisms consistent with an agreement agency model.

5.9 The implications of this contract for the MFTS still need to be quantified, but it is not expected this contract will require any growth. Any amendments required as a result of the standalone procurement will be managed through the Council's established financial governance and budget setting processes.

## **6.0 Legal Considerations**

6.1 The estimated value of the proposed Contract is above the threshold for services under the Procurement Act 2023 (the "PA23") and the procurement is therefore governed by the PA23.

6.2 The procurement is subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts given the Council's element of the procurement is valued at £13.03m. On 8 September 2025 Cabinet delegated authority to the Corporate Director in consultation with the Lead Cabinet Member for Adult Social Care, Public Health and Leisure to approve the invitation of tenders. As such, the Corporate Director has delegated power to approve the pre-tender considerations set out in paragraph 3.6 above (Standing Order 89) and the inviting of tenders (Standing Order 88) for High Value Contracts.

6.3 Once the tendering process is undertaken, Officers will report back to the Corporate Director in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.

6.4 As this procurement is subject to the full application of the PA23, the Council must observe the requirements of the mandatory minimum 8 working day standstill period imposed by the PA23 before the Contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However, if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the Contract may commence.

6.5 There are broadly two bases from a vires perspective under which the Council has legal authority to provide leisure services under an agency agreement model. Section 1 of the Localism Act 2011 (LA 2011) and the general power of competence for local authorities in England. In addition, a local authority has powers under section 19(1)(a) of the Local Government (Miscellaneous Provisions) Act 1976 (LGMPA 1976) to provide recreational facilities as it sees fit. The Council's powers under section 19 LGMPA 1976 are not restricted in the way the Council is to provide the services, i.e. in-house or through an external contractor, nor is there a restriction on the provider of the services acting as the Council's agent.

6.6 As noted in 3.4(vii), Officers have identified various risks to be mitigated, namely the risk of HMRC treatment of the agency agreement model, risk allocation and income volatility. As set out above, specialist legal advisors have been procured to draft the agency agreement to ensure the Council's position is protected and specialised VAT tax advice has been procured to advise on the applicability of the agency agreement model to the Council's own situation. Officers should ensure that such advisors are retained to ensure that the arrangements in the agency agreement meet the necessary tests and are advantageous to the Council.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

7.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

7.6 An Equality Impact Assessment will be undertaken as part of the procurement process to inform the contract specification. The specification will therefore ask operators not only to provide inclusive services at Vale Farm, but to show how their approach over the next five years can reduce inequalities and build community capacity in line with Brent's Active Wellbeing ambitions.

7.7 The SOPM will embed equity and inclusion as core principles, ensuring Brent's future Active Wellbeing offer is responsive to community needs and targeted at reducing inequalities in access, experience and outcomes, consistent with the principle of proportionate universalism - universal access with scale and intensity proportionate to need.

## **8.0 Climate Change and Environmental Considerations**

8.1 The Council declared a climate and ecological emergency in 2019 and is committed to achieving net zero carbon emissions from its operations by 2030. Leisure centres are a significant source of energy use and future contracts must support decarbonisation objectives.

8.2 The proposed standalone procurement for Vale Farm provides an opportunity to embed environmental performance requirements into the contract, including energy efficiency, building operation, sustainable transport access and waste reduction.

8.3 The SOPM and supporting strategies will integrate sustainability and climate resilience in all future facility and service design. This includes alignment with the Local Plan, Infrastructure Delivery Plan and Climate Emergency Strategy, and will ensure facilities promote active travel, low-carbon operations and access to green and blue infrastructure.

8.4 Future investment at Vale Farm will be expected to deliver modern, low-carbon facilities that meet high environmental standards, contribute to climate resilience and align with Sport England frameworks.

8.5 The future specification for Active Wellbeing will also require operators to support the Council's wider environmental objectives. This will include participation in decarbonisation planning, energy benchmarking and integration with place-based sustainability initiatives.

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the Contract.

9.2 The standalone procurement relates specifically to the continued operation of Vale Farm Sports Centre, which is a Council-owned asset. Under an agency agreement model the operator may be granted a licence to occupy rather than a lease. No changes to property ownership are proposed, and any property arrangements will be reviewed as part of contract development.

9.3 Implementation of the agency model will require external specialist support (legal and tax) and some additional finance input to ensure correct set-up and compliance. These costs are likely to be contained within existing budgets.

9.4 Future phases of the SOPM will inform investment decisions across Bridge Park, including potential refurbishment or reprovision. These sites will be subject to further feasibility, legal and property advice as part of future business cases.

## **10.0 Communication Considerations**

10.1 There are no statutory communication or consultation requirements arising directly from this report.

10.2 The decision to withdraw from the Tri-Borough procurement represents a change from previously approved Cabinet position and may prompt questions from stakeholders. A clear communications narrative will be developed to explain the rationale, emphasising continuity of service, stronger local control, and alignment with Brent's Active Wellbeing objectives and the wider national shift away from traditional leisure. The narrative will make clear that this is not simply a contract change, but the start of the Brent's wider transition to Active Wellbeing, and that all future delivery options - including insourcing - will be evaluated through SOPM and LSDG work.

10.3 Internal and political engagement will continue throughout the procurement and SOPM development process. Ward members and senior stakeholders will be updated at key points, particularly where future decisions affect site-specific service design or capital investment.

10.4 Public messaging will emphasise continuity of service at Vale Farm and the Council's commitment to inclusive, sustainable and high-quality Active Wellbeing provision across the borough, positioning Brent as a leader in this national pivot and demonstrating the Council's commitment to inclusive, evidence-based decisions that support residents and communities.

**Report sign off:**

**Rachel Crossley**  
Corporate Director of Service Reform and Strategy