	REPORT TO CABINET TO BE HELD ON 17 MARCH 2009
	Key Decision YES Forward Plan Ref No N/A
Corporate Priority – Improving Performance of Our Services and Insuring they Provide Value for Money	Cabinet Portfolio Holder David Jeffels

JOINT REPORT OF: Head of Tourism and Culture and Head of Legal and Support Services – 09/04

WARDS AFFECTED: Whitby West Cliff, Scarborough North Bay, Castle, Ramshill and Filey.

SUBJECT: Externalisation of Seasonal Beach Lifeguard Service

RECOMMENDATION (S):

That Cabinet approve:

1. Entry into a five year contract with the Royal National Lifeboat Institution (RNLI) for the provision of the Council's Seasonal Beach Lifeguard services at Whitby, Filey, Scarborough North Bay & Scarborough South Bay beaches at a cost of £82,945.00 per annum (subject to an annual RPI increase)
2. The grant of licences or leases (non-exclusive where appropriate) to the RNLI (excluded from the security of tenure) to use the facilities at:
 - a. The Beach Management Centre (Scarborough, North Bay)
 - b. The Beach Management Centre (Whitby)
 - c. West Pier First Aid (Scarborough, South Bay)
 - d. Filey First Aid & Mitford street store.

REASON FOR RECOMMENDATION (S):

To ensure the provision of a service that is able to meet changing demands and provide Value for Money through a service specification and to contribute to the Service's efficiency savings.

1. INTRODUCTION

- 1.1 For over twenty years the Council has operated its own Beach Lifeguard Service. The service has developed into a well trained recognised, lifesaving operation.

- 1.2 In recent years however, the variety of water user activity has significantly expanded presenting new challenges. The Scarborough beaches are popular with surfers, jet skiers, kayakers and bathers. In order to respond to the types of incident associated with these sports, rescue methods and equipment have needed to develop. The cost of purchasing appropriate equipment and train staff to deal with such incidents has grown exponentially to the point that consideration has had to be given to whether the economies of scale available to a specialist operator may enable them to provide a more cost effective and better service.
- 1.3 Increased costs are also arising from the requirement to meet Health and Safety legislation and Child Protection checks.
- 1.4 Consequently on 18 November 2009 Cabinet agreed that the service be market tested (HTC/08/18 HLS/08/43).

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 Continued operation of an effective service under this contract is relevant to the Priority - Improving Performance of Our Services and Insuring they Provide Value for Money under the aim of Improving the Council.

3. BACKGROUND AND ISSUES

- 3.1 The service provided by the Council includes a Lifeguard Service from May to September on the four resort beaches together with specialist safety cover for events eg Scarborough Triathlon and European Open Water Swimming Championships and also an Educational Programme in relation to Beach use eg 'Beachwise' that was initiated this year.
- 3.2 For the last five years the service has also operated as 'co responders' to the Ambulance service in the peak season. The purpose to reduce the number of people referred to Accident and Emergency from the beaches. The service has been effective in responding to incidents and contributed to saving the lives of a number of people, and has addressed the immediate health needs of many more.
- 3.3 The Borough Council has also achieved International Blue Flag Awards and Encams Quality Coast Awards for its principal beaches. These awards are achieved by meeting criteria including investment in Foreshore amenities, cleansing services, public conveniences and importantly the provision of a seasonal beach supervision. The Awards support the wider tourism economy of the area.
- 3.4 An in depth assessment was undertaken of each of the four locations where the Council has historically operated a Lifeguard service: Scarborough (both North and South Bays), Whitby and Filey to produce a specification for an outsourced service.
- 3.5 The service was then tendered in accordance with EU procurement law.

4. CONSULTATION

4.1 During the consultation process a number of local organisations were approached for views these included:

- Scarborough Lifeboat Station operational staff.
- Maritime Coastguard Agency (MCA), sector officers.
- Scarborough Malibu Boardriders (surf club representatives).
- RNLI support groups.

4.2 The response to the proposal of externalisation of the service has been very positive.

5. ASSESSMENT

5.1 The report to Cabinet on 18 November 2008 indicated that Tenderers were to be assessed among other things, on:

- Equipment to be provided as part of the contract.
- Reputation, staff training and experience.
- Employment opportunities provided.
- Perceived ability to fulfil contract specification, including additional services (eg co-responder and beach education services).
- Added value.
- Cost.

5.2 The service specification requires that the new operator include in the service a co-responder service and provide beach education classes to a specified level and standards.

5.3 The Council received only one expression of interest, from the RNLI. The Council was therefore able to enter into direct negotiations with the RNLI.

5.4 The RNLI have offered to provide four all terrain vehicles and four rescue craft be purchased for each site. These vehicles will be depreciated over the five years of the contract.

5.5 The service currently use part of the premises at:

- The Beach Management Centre (Scarborough, North Bay).
- The Beach Management Centre (Whitby).
- West Pier First Aid (Scarborough, South Bay).
- Filey First Aid & Mitford street store.

Cabinet is requested to approve the grant of licenses to use part of these buildings to provide the service or, where the service has exclusive possession of the building, to grant leases (excluded from security of tenure) which will terminate on the expiry or sooner termination of the 5 year contract for the service.

The RNLI has also indicated that it would like to place a mobile unit at both Scarborough South Bay and Filey however these will be subject to planning approval.

- 5.6 The original proposal was to make available to tenderers the equipment currently held by the service and require that the equipment to be refreshed as necessary within the contract and transferred to the Council at expiry or sooner termination of the contract.
- 5.7 Following an assessment of the Council's equipment it emerged that most of that equipment was considered to be approaching the end of its useful life or not to the RNLI specification. The RNLI has therefore indicated their intention to purchase new equipment and depreciate this equipment over the period of the contract. The Council will make available its equipment to the RNLI and it will be used by a local life saving club which is in the process of being formed and will be supported by the RNLI.
- 5.8 Given that only one expression of interest was received an exemption is required under the Council's Contract Procedure Rules as the Council was unable to invite to tender the minimum required tenderers.
- 5.9 In addition the Council is required to demonstrate that best value has been achieved through its procurement process. The price of £82,945.00 per annum represents a saving on the Council's current spend on the existing service. The RNLI has also shown added value given that it is committing to improve the service.
- 5.10 Responsibilities following externalisation of the service have been specified in a detailed service contract. In the event of a serious incident it is likely the Council would still be involved, but accountability has been set out within the contract. The RNLI will be required to cooperate fully with the Council in relation to all incidents, complaints and requests for information.
- 5.11 Fundamental terms which provide for termination of the service include inadequate service as defined in the contract which will include to best practice lifeguarding principles.

6. IMPLICATIONS

6.1 Financial implications:

The contract with RNLI will deliver savings of approximately £15,000 per annum from the Tourism and Culture Revenue Budget thus contributing to the Council's efficiency agenda.

6.2 Legal Implications:

The contract has a value in excess of £400,000 over five years. This exceeds the level of £140,000 for service contracts at which the EU Procurement rules are engaged. The service falls within Part B of the directives and award of the contract must be advertised in Europe.

In practice the Council opted to advertise the opportunity of the contract in accordance with EU directives. Given that only one expression of interest was received an exemption is required under the Council's Contract Procedure Rules as the Council was unable to invite to tender the minimum required tenderers.

The Council complied with EU competition law in tendering this contract. The Council was able to move to the negotiated procedure for letting the contract given that only one organisation responded to the tender.

6.3 Policy Implications:

No policy implications arise as a direct consequence of this report.

6.4 Staffing Implications:

Staff with current contracts at the point of handover will transfer to the new service provider via TUPE. Only one permanent member of staff is to be TUPE transferred to the RNLI. Management of the service will require reallocation to an in-house contract manager. Responsibility for applications for all Beach awards and checks/maintenance public rescue equipment will be maintained by Scarborough Borough Council.

6.5 Property Implications:

Licences or leases to use building space currently used by the Council.

6.6 Health and Safety Implications:

Health and Safety responsibility for the beach remains with the Council. The Council's Health and Safety officer would need to work closely with the external provider and have input to the contract terms.

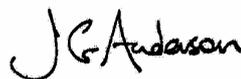
7. ACTION PLAN

7.1 The action plan for letting the contract provides for final steps as follows:

- Contract awarded March 2009
- Contract commences 1 April 2009 including Licenses or Leases to use the relevant facilities
- Lifeguards on site May 2009



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Background Papers:

None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT Matt Jones ON 07971 890998..... E-mail: matt.jones@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	06/03/09	Tenders are not provided on terms that justify externalisation of the service	The service continues to be run by the council. Potential cost savings lost, legal liability for the service continues	Review the operations of our existing service and it's efficiency to identify where savings can be made	B3	A3	Leisure & Community Services Officer	None
2	06/03/09	Transfer takes place but is unsuccessful	Damage to reputation of the Council	Demanding contract terms Tight management of the contract Termination provisions provide for transfer of equipment and staff to an alternate supplier	A3	A2	Leisure & Community Services Officer	None

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

Likelihood:

- A = Very Low
- B = Not Likely
- C = Likely
- D = Very Likely
- E = Almost Certain

Impact

- 1 = Low
- 2 = Minor
- 3 = Medium
- 4 = Major
- 5 = Disaster