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Award

Sports and Leisure Management Limited Outsourced Services

Watford Borough Council

F15: Voluntary ex ante transparency notice

Notice identifier: 2025/S 000-038405

Procurement identifier (OCID): ocds-h6vhtk-055b8a

Published 8 July 2025, 7:05pm

Section I: Contracting authority/entity

I.1) Name and addresses

Watford Borough Council

Town Hall, Three Rivers House Northway,

Watford

WD17 3EX

Contact

Mitchelle Kasimu

Email

mitchelle.kasimu@watford.gov.uk

Telephone

+44 1923226400

Country

United Kingdom

Region code

UKI - London

Internet address(es)

Main address

<https://www.delta-esourcing.com/>

Buyer's address

<https://www.delta-esourcing.com/>

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

Health

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Sports and Leisure Management Limited Outsourced Services

II.1.2) Main CPV code

- 98330000 - Physical well-being services

II.1.3) Type of contract

Services

II.1.4) Short description

Watford Borough Council intends to enter a deed of variation with Sports and Leisure Management Limited (the Contractor) as the outsourced provider of leisure management services. SLM acts as the principle in providing leisure services from the council owned premises at Woodside, Central and the paddling pool at Cassiobury Park. SLM will act as agent of the council, with SLM providing leisure services on behalf of the council in the council's name. The Underlying Contract was originally procured under Procurement Notice Watford Sports facilities operation services 2017/S 049-089978:, published on 10th March 2017. The opportunity to change the status, follows the successful litigation taken by Chelmsford City Council in 2022 and subsequently HMRC revised its guidance in 2023 in relation to the VAT treatment of leisure services provided by local authorities.

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £63,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 92000000 - Recreational, cultural and sporting services

II.2.3) Place of performance

NUTS codes

- UKI - London

Main site or place of performance

LONDON

II.2.4) Description of the procurement

The Authority appointed the Contractor to provide the leisure services pursuant to the Underlying Contract and Leases for the management and operation of the Council's leisure portfolio. The Authority intends to enter a deed of variation with the Contractor to modify the Underlying Contract, the effect of which will be the following: •To identify the agency agreement between the parties, the extent to which the Contractor will act as the Authority's Agent, and areas where it will act as Principal; •The Operator shall be appointed as the Authority's Agent to provide the Leisure Services and Maintenance Services (together the "Agency Services") but shall continue to carry out other services (specifically, food, beverages and retail) as an independent supplier to the Authority (the "Supplier Services"); •The Restated Leisure Management Agreement does not materially alter the risk position of the parties;

II.2.5) Award criteria

Quality criterion - Name: Price / Weighting: 50

Quality criterion - Name: Quality / Weighting: 50

Cost criterion - Name: Price / Weighting: 50

Cost criterion - Name: Quality / Weighting: 50

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated without a prior call for competition

- No tenders or no suitable tenders/requests to participate in response to restricted procedure
- The works, supplies or services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

This VTN gives notice that the Authority is entering into a deed of variation (the "Contract") to make certain changes summarised in this VTN. A procurement procedure is not necessary on the basis that the award of the Deed of Variation of the Underlying Contract is permitted pursuant to Regulation 72 of the Public Contracts Regulations 2015. The Underlying Contract concerns the provision of a range of operation, management and related services, by the Contractor, in relation to four sports and leisure facilities and two theatres. The Underlying Contract will be varied for the adoption of an agency model for the future operation and management of the four sports and leisure facilities. Under the current structure, the Contractor acts as Principal in the supply of leisure facilities to the public, so that the Authority is not making the supplies of leisure services. Under the new agency model, the Contractor would make supplies to the public as an Agent of the Authority. This modification is being made in accordance with regulation 72 of the Public Contracts Regulations 2015. Namely, the proposed modification is not substantial within the meaning of regulation 72(8) on the basis that: 1. the modification does not render the Underlying Contract materially different in character - the proposed modification remains limited to the same type, scope and nature of services, where the services will be delivered to the same facilities. The modifications only concern contractual changes to establish an agency model for VAT purposes so that the Contract to provide leisure services to the public on the Authority's behalf and other ancillary modifications. 2. the Council has satisfied itself that the modification does not introduce conditions which would have (a) allowed for the admission of other candidates, (b) allowed for the acceptance of another tender, or (c) attracted additional participants in the procurement procedure - the change to an agency model for VAT purposes does not change the service requirement or the way in which those services are provided, and is unlikely to have changed the outcome of the procurement. 3. The modification does not change the economic balance in favour of the contractor in a manner which was not provided for in the contract – The Authority has satisfied itself that the new agency model and VAT arrangement does not

impact on the Contractor's Operating Costs and Management Fee under the Underlying Contract, which remains reflective of market costs and does not amount to an over-compensation of the services to be provided. The agency model will allow for a more certain financial position to the Authority and will provide a greater surplus share than previously anticipated. 4. As per our comments at 1. above, the modification does not extend the scope of the contract. For the reasons set out above, the proposed modification does not constitute a substantial modification and is permitted by regulation 72 of the Concession Contracts Regulations 2015.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

7 July 2025

V.2.2) Information about tenders

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Sports and Leisure Management Ltd

2 Walting Drive, Sketchley Meadows, Hinkley

Leicestershire

LE10 3EY

Country

United Kingdom

NUTS code

- UKF2 - Leicestershire, Rutland and Northamptonshire

National registration number

02204085

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Initial estimated total value of the contract/lot/concession: £63,000,000

Total value of the contract/lot/concession: £63,000,000

Section VI. Complementary information

VI.3) Additional information

To view this notice, please click here:

<https://www.delta-esourcing.com/delta/viewNotice.html?noticeId=964569199> GO

Reference: GO-202578-PRO-31324775

VI.4) Procedures for review

VI.4.1) Review body

Watford Borough Council

Town Hall, Three Rivers House Northway,

Watford

WD17 3EX

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Telephone

+44 1923278381

Country

United Kingdom