

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE - 21 OCTOBER 2008

REPORT BY LEISURE SERVICES MANAGER

7. LEISURE CENTRE CONTRACT MONITORING PERFORMANCE  
MARCH 2008 TO SEPTEMBER 2008

WARD(S) AFFECTED: All

'D' RECOMMENDATION - that the report be received.

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1.0 Purpose of Report

To provide Members with performance information relating to the operation of the leisure management contract.

2.0 Consultation to the Councils Corporate Objectives

2.1 Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.

3.0 Background

3.1 The framework for reporting to Community Scrutiny Committee focuses on the following performance indicators:

- Level of income achieved
- Expenditure incurred by key areas (staff, utilities, other)
- Level of subsidy required (variable management fee)
- Variation against target/budget for the six month period April 2008 to September 2008
- Number of users by type e.g. adult, junior and concessionary
- Year on year comparisons with trend analysis

## 4.0 Report

### 4.1 Financial

Appendices 'A7' (Pages 7.5 - 7.11) and 'B7' (Pages 7.12 - 7.18) detail financial performance at each of the leisure facilities according to the different income stream and expenditure categories produced by Stevenage Leisure Ltd (SLL).

Appendix 'A7' (Pages 7.5 - 7.11) details the year-end finances for 2007/08. Appendix 'B7' (Pages 7.12 - 7.18) details SLL's income and expenditure report from 1 April 2008 to 31 August 2008 showing a variable management fee due of £193,464. The Councils' pro-rata budget figure for the same period is £291,913. It must be noted however that the income figures provided by SLL includes advance payment for swimming lessons to be delivered in September /October /November (estimated at £104,848) and the expenditure figure does not include a commitment for utilities that are yet to be billed/paid for the period (estimated at £65,000).

It should also be noted that expenditures figures shown in Appendix 'B7' (Pages 7.12 - 7.18) include utility costs of £71,100 from the previous financial year 2007/08. Following an investigation and challenge of the utility costs by officers last financial year, the utilities provider issued revised bills for an 18 month period. These were presented after closure of the 2007/08 accounts and should be considered in relation to the under-spend achieved against the 2007/08 budget. Officers believe that with the monitoring and controls that are in place, the variable management fee paid to SLL up to the start of the new leisure contract on 1 January 2009 will be within the Council's budget for that period.

### 4.2 Casual Swimming Throughput

Appendix 'C7' (Page 7.19) details throughput between April 2008 and September 2008 and makes comparisons between these throughputs and those achieved for the same period in 2007/8. Appendix 'D7' (Pages 7.20 - 7.32) details moving averages in relation to casual swimming for the periods: April 2007 to June 2007, July 2007 to September 2007, October 2007 to December 2007, January 2008 to March 2008, April 2008 to June 2008 and July 2008 to September 2008.

- i. Casual swimming from April 2008 to September 2008 in comparison with April 2007 to September 2007 has increased, bucking the national trend in this area, an increase of around 1,600 swimmers, up 2%

#### 4.3 Direct Debit memberships

Table A below shows Direct Debit memberships for the four gyms. Members are requested to note that Direct Debit memberships generally at all facilities continue to be maintained despite the present financial climate, reflecting both the marketing input undertaken by SLL via direct marketing and the improvement in customer retention rates.

Table A – DD gym memberships April 08 to September 2008

	Grange Paddocks	Hartham	Fanshawe	Leventhorpe	Totals
No. Of DD memberships					
Apr 08	312	714	538	134	1698
May 08	310	742	545	141	1738
Jun 08	299	735	539	133	1706
Jul 08	288	731	571	137	1727
Aug 08	268	747	567	132	1714
Sept 08	263	762	569	130	1724

#### 4.4 Additional Item – Olympic flag handover, free swim day

As part of the London 2012 Olympic flag handover celebrations on 24 August 2008 East Herts Council and SLL, with funding from Active East Herts, offered free casual swimming at all the pools. There was also a symbolic raising of the Olympic flag at Hartham pool, the flag was also used for promotional photos with Herts Phoenix Athletics Club and their potential Olympians. Based on a comparison with the same Bank Holiday Sunday in 2007 there was no net cost to the Council. Appendix 'E7' (Page 7.33) shows the numbers of casual swimmers for the day and the numbers of swimmers for same Bank Holiday Sunday in 2007.

#### 4.5 Performance Indicators for the future

As reported to Community Scrutiny on 22 April 2008, discussions have now started with the new leisure contractor, Sport & Leisure Management, in relation to a range of industry standard and other

local performance indicators to be implemented from the start of the new contract.

#### 5.0 Consultation

SLL have been consulted on the contents of the report.

#### 6.0 Legal Implications

There are no legal implications associated with the report.

#### 7.0 Financial Implications

The commentary in paragraph 4.1 has been discussed and agreed with accountancy section.

#### 8.0 Human Resource Implications

There are no human resource implications within this report.

#### 9.0 Risk Management Implications

9.1 None

#### Background Papers

None

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