

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE 26 JANUARY 2010

REPORT BY LEISURE SERVICES MANAGER

6. LEISURE CONTRACT – ONE YEAR ON

WARD(S) AFFECTED: all

Purpose/Summary of Report

- To present the first annual review of the council's ten year leisure contract with Sport & Leisure Management Ltd (SLM) – Everyone Active.

RECOMMENDATION FOR : Community Scrutiny Committee	
(A)	To scrutinise and comment on the first year's performance by the council's leisure contractor Sport & Leisure Management Ltd (SLM).

1.0 Background

1.1 On 1 January 2009, following a competitive tender process, the council entered in to a ten year fixed fee contract with the leisure provider SLM, trading as Everyone Active.

1.2 As part of the bidding process for the leisure contract, bidders submitted a variant bid to their base bids that showed indicative development proposals for investment in the council's facilities at Grange Paddocks and Hartham.

1.3 After consideration by Community Scrutiny, the Executive on 5 May 2009 approved a capital investment of £3.5m for major refurbishment and development at Grange Paddocks and Hartham.

1.4 This first annual review covers two main elements:

a) Performance in relation to the specification of the contract.

b) Progress and potential of the major new developments at Grange Paddocks and Hartham.

1.5 To complement the report, SLM will make a presentation to the Committee on their perspective of the first year and the new developments.

2.0 Report

Performance.

2.1 Essential reference paper 'B' (pages 6.5 – 6.7) sets out SLM's performance against the main elements identified in the contract. Essential reference paper 'C' (pages 6.8 – 6.19) presents the customer satisfaction findings in more detail with data gathered between 10th June and 17th July 2009 as the first customer survey that will be repeated every six months.

2.2 Members are invited to consider performance and measurement of the contract in the context of the major development works that SLM embarked on in May 2009. These works commenced only five months after the start of the contract and will be completed in early February 2010.

New development – progress.

2.3 Essential reference paper 'D' (page 6.20) sets out the new facilities and services that are being delivered as an outcome of the £3.5m investment.

2.4 In accordance with the building contract schedule, Phase 1 at Hartham was completed and opened to the public on 17 October 2009 and Phase 3 on 2 January 2010. Phase 2 is due to be completed and opened to the public on 30 January 2010.

2.5 Grange Paddocks is currently running approximately two weeks behind the original project plan with completion now scheduled for 6 February 2010.

2.6 An additional unavoidable cost of £50,539.14 + VAT has been incurred at Grange Paddocks as a result of a requirement by the utility company EDF to provide a new upgraded sub-station at Grange Paddocks, as informed to Executive on 24th November, 2009 via the Corporate Healthcheck.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A' (page 6.4).

Background Papers

Community Scrutiny report:
22 April 2008

Executive reports:
20 August 2008
5 May 2009
24 November 2009

Contact Member: Councillor Linda Haysey – Executive Member
Community Development, Leisure and Culture

Contact Officer: Mark Kingsland – Leisure Services Manager –
Contact tel Ext No 1508

Report Author: Mark Kingsland – Leisure Services Manager

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i></p>	<p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p>
<p>Consultation:</p>	<p>N/A</p>
<p>Legal:</p>	<p>N/A</p>
<p>Financial:</p>	<p>The combined financial revenue benefits of the new ten year contract includes;</p> <ul style="list-style-type: none"> ● Savings in revenue cost as a result of retendering the leisure contract £2.7m ● Savings in revenue cost as a result of investment to reduce management fee over life of the contract £3.77m ● Total savings due to developments and capital investment is approximately £6.5m.
<p>Human Resource:</p>	<p>N/A</p>
<p>Risk Management:</p>	<p>N/A</p>

Essential reference paper B

Main performance indicators	Frequency	Current performance	Target	Comment
Sport England benchmarking service – an independent customer satisfaction survey	biennial	To be commissioned 2011	Upper quartile against national benchmarks	This survey is undertaken every two years and will enable the council and SLM to compare the service of each facility with similar facilities across the country.
Non user research (cost to be shared with contractor) – Residents' Survey	biennial	Residents identified the following facilities as most in need of improvement in East Herts: Swimming pools (46%) and outdoor sports facilities (28%) Residents with children in their households and residents who are not working (but not retired) are significantly more likely than average to say that swimming pools and parks and playgrounds are in need of improvement.	Upper quartile of other Hertfordshire authorities	A biennial Residents' Survey has been undertaken by East Herts Council since 1993. Last one in 2009 (reported to CBS in Nov 2009) next due 2010/11. New specific questions to be consulted on with SLM for next survey.
% of customers satisfied with the service – all sites – headline value for money only. Essential reference paper C (page xx) presents the findings in more	bi-annual	62% (fair) are happy with overall value for money	Upper quartile against other SLM facilities	GovMetric reports carried out 10 th June/7 th July 2009 at all sites. Second GovMetric six monthly surveys due February/March 2010.

detail, category by category.				
% of customers satisfied with the service – Leventhorpe	bi-annual	66% (good) are happy with overall value for money	Upper quartile against other SLM facilities	
% of customers satisfied with the service – Hartham	bi-annual	55% (fair) are happy with overall value for money	Upper quartile against other SLM facilities	Major new development works commenced whilst GovMetric stations on site.
% of customers satisfied with the service – Fanshawe	bi-annual	69% (good) are happy with overall value for money	Upper quartile against other SLM facilities	
% of customers satisfied with the service – Buntingford	bi-annual	57% (fair) are happy with overall value for money	Upper quartile against other SLM facilities	
% of customers satisfied with the service – Grange paddocks	bi-annual	62% (fair) are happy with overall value for money	Upper quartile against other SLM facilities	Major new development works commenced whilst GovMetric stations on site.
Usage: number of swims (under 16s)	quarterly / annually	Q4 2008/09 12,156 Q1 2009/10 12,518 Q2 2009/10 15,509 Q3 2009/10 6,617	+1% per annum, 2010-2013	Baseline established for 2009, number of swims (under 16s) = 46,800 per annum.
Usage: number of swims (16 – 60)	quarterly / annually	Q4 2008/09 16,482 Q1 2009/10 19,930 Q2 2009/10 21,026 Q3 2009/10 12,879	+1% per annum, 2010-2013	Baseline established for 2009, number of swims (16 – 60) = 70,317 per annum.
Usage: number of swims (60+)	quarterly / annually	Q4 2008/09 3,709 Q1 2009/10 4,346 Q2 2009/10 5,528 Q3 2009/10 4,620	+1% per annum, 2010-2013	Baseline established for 2009, number of swims (60+) = 18,203 per annum.
Usage: Gym (16 – 60)	quarterly / annually	Q4 2008/09 N/A Q1 2009/10 16,567 Q2 2009/10 13,798 Q3 2009/10 13,587	+1% per annum, 2010-2013	Baseline will be established with monthly figures received from SLM for 2009/10.
Usage: Gym (60+)	quarterly / annually	Q4 2008/09 N/A Q1 2009/10 1,524	+1% per annum, 2010-	Baseline will be established with monthly figures received from SLM

		Q2 2009/10 1,338 Q3 2009/10 1,356	2013	for 2009/10.
Net cost/subsidy per visit	quarterly / annually	Q4 2008/09 £11.44 Q1 2009/10 £ 5.43* Q2 2009/10 £ 4.64* Q3 2009/10 £ 7.60	-1% per annum, 2010- 2013	Baseline established for 2009, Net cost/subsidy per visit = £7.28 per annum. * adjusted to allow for revised monthly management fee
Compliance with complaints procedure	ongoing	Monthly reports received by Leisure Services Manager		Complaints are being monitored on a monthly basis and processed in accordance with the council's policy).

Notes:

1. The contract is measured through continuous improvement targets.
2. Performance and other management and operational matters are monitored formally through monthly minuted meetings between client and contractor with quarterly strategic meetings at director level.
3. Monthly meetings are attended by EHC property and finance officers and where necessary the contractors property and finance colleagues.
4. In addition to formal set monitoring arrangements the council's leisure services manager undertakes monthly unannounced inspections picking up on service delivery, marketing and health and safety and other indicators.
5. Performance indicators relating to customer satisfaction are to be reported through the corporate management performance process, usage is already being reported through the corporate management performance process (as tracked by Covalent).
6. Reporting for the Leisure performance indicators is based on the calendar year i.e. from 1 January to 31 December; this will be coterminous with the contract start date.



Essential reference paper 'D'

As part of the major changes at Grange Paddocks and Hartham Leisure Centres these facilities will now be able to offer in addition to swimming;

Hartham

- new spacious 85 station gym, including;
 - new Pulse Strength and Cardio equipment
 - new Reaction trainer
 - new PowerPlate vibration trainers
 - new free weights zone
- new Heavy free weights and PowerPlate room
- new Dryside male and female changing rooms
- new air-conditioned studio for group exercise classes
- completely refurbished mixed Changing Village facilities
- new reception area and control entry system
- decorated pool hall

Grange Paddocks

- new spacious 80 station gym, including;
 - new Pulse Strength and Cardio equipment
 - new Reaction trainers
 - new PowerPlate vibration trainers
 - new XT Cycle trainers
 - new free weights zone
- completely refurbished dual use male and female changing rooms
- new air-conditioned studio for group exercise classes
- new reception area and control entry system
- new crèche room