

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE - 28 FEBRUARY 2012

REPORT BY LEISURE SERVICES MANAGER

ANNUAL REVIEW OF LEISURE CONTRACT WITH SPORTS AND
LEISURE MANGEMENT LTD (SLM)

WARD(S) AFFECTED: all

Purpose/Summary of Report

- To present the third 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 third year's performance by the council's leisure contractor Sport & Leisure Management Ltd (SLM)
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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 that would reduce ongoing revenue costs to the council.
- 1.3 After consideration by Community Scrutiny, the Executive on 5 May 2009 approved a capital investment of £3.58m for major refurbishment and development at Grange Paddocks and Hartham.
- 1.4 This third annual review covers two main elements:

- a) Performance in relation to the specification of the contract.
- b) Progress since completion 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 third year and second year since the completion of the new developments.

2.0 Report

Performance.

2.1 **Essential reference paper 'B'** 'Performance Review Information' sets out SLM's performance against the main elements identified in the contract. It identifies the indicators which the council requires monitoring information on and provides an assessment of current performance and commentary to provide context.

2.2 **Essential reference paper 'C'** 'Customer Experience Summary' presents the customer satisfaction findings in more detail with data gathered between 16th June and 18th July 2011 as the last customer survey, compared against the previous biannual survey. The information for the survey is collected using 'GovMetric', an electronic customer feedback system using touch screen panels placed in all the leisure facilities over a 4-week period. The customer feedback in more detail which underpins the summary is available at; <http://www.eastherts.gov.uk/leisurecustomersurveys>

2.3 GovMetric feedback stations are in the process of being permanently installed and hard wired in at all sites, enabling users to feed back in a manner that is complementary to existing methods of feedback i.e. verbal, written and email. Customers will have the opportunity to leave a customer comment, the site Manager will receive this at the beginning of the following day and a monthly report of all comments will be produced. Customers will also have the opportunity to complete a questionnaire and three monthly summaries will be sent to site managers which will be collated and used to assist in gauging customer satisfaction/experience.

2.4 The overall quality of the service has maintained a 'Good' rating. The GovMetric user survey shows all five sites scoring 'Good'. All maintained an upper quartile score for customer satisfaction/experience against other SLM facilities.

- 2.5 65% of survey respondents that completed the Fitness statement section stated that they had been exercising regularly for more than 6 months, this would indicate that users are being retained in the facilities and value the affordable services offered by EHC and SLM Ltd.
- 2.6 35% of respondents that completed the Fitness statement section that stated they were either new to or had been exercising regularly for only 1 to 5 months, indicating that the message of affordable health and exercise promoted by the council and SLM Ltd through the new facilities is continuing to reaching those who have previously not been exercising.
- 2.7 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 and completed in early February 2010.
- 2.8 The medium term financial planning savings targets are being achieved and there have been no contract variations.
- 2.9 Throughput figures for both the gyms and swimming pools have achieved targets, with the exception of Under 16 swims; in all other areas, especially the gym targets have been exceeded.
- 2.10 Members are asked to note that the net cost/subsidy per visit for 2011 has reduced from a baseline established for 2009 of £7.28/annum to £0.32/annum for 2011 through a mixture of increase in throughput and a reduction in the fixed price management fee.
- 2.11 All sites are compliant with providing the Leisure Services Manager with monthly 'Customer Charters'. **Essential reference paper D** 'SLM Customer Comment summary sheet' shows an example which provides the number and type of comments received and recorded at site as well as a summary of the comments made by customers in the month and the action carried out as a result.
- 2.12 In addition to formal set monitoring arrangements the council's leisure services manager undertakes monthly-unannounced inspections noticing service delivery, marketing and health and safety. These inspections have shown a general increase in the quality of leisure service delivered across the three sections, the biggest improvement being in the Marketing area.

2.13 SLM hold Customer Forums at sites where customer representatives meet with the Managers to feedback on the centres performance, these include Football Forums, Gym Forums and Swimmers Forums.

2.14 The present contract management relationship is continuing to be professional, positive and problem solving in a partnership style that delivers optimum outcomes.

New developments

2.15 **Essential reference paper 'E'**

'Summary of Hartham & Grange Paddocks Leisure Centre development and improvements and the Capital Expenditure investment at Fanshawe Gym' This sets out the significantly improved facilities and services that are being delivered as an outcome of the council's £3.58m investment and additional SLM reinvestment and the benefits made to the leisure revenue medium term financial plan due to the EHC funded equipment replacement. Headlines include;

- Hartham Leisure Centre was fully re-opened to the public on 30th January 2010.
- Hartham Leisure Centre has benefited from further SLM investment in gym equipment due to the success of the gym and a reorganisation of existing equipment in response to customer comments to allow for greater customer enjoyment.
- Hartham Leisure Centre have reprogrammed the swim timetable to allow more public swim time and more effective school lesson usage as well as investing in a new pool inflatable to enhance public fun swims and pool parties.
- Hartham Leisure Centre are redeveloping the car park to the facility to provide 41 extra parking spaces for centre users and developing an appropriate parking management system
- Grange Paddocks Leisure Centre re-opened to the public on 6th February 2010.
- Grange Paddocks Leisure Centre has benefited from further SLM investment in gym equipment due to the success of the gym
- EHC has invested £400,000 on improvement works in and around Grange Paddocks including enhancing the riverside walk that links Grange Paddocks to the town centre, refurbished the largest car park with an environmentally sustainable permeable asphalt surface and new markings for 140 vehicles and installing a pedestrian/cycle footbridge.

- EHC funded gym equipment replacement up to the value of £113,000, generating a gross revenue saving of £154,700 over the remaining seven years of the contract.

2.16 **Essential reference paper 'F'** 'History & Summary of Presdales Recreation Grounds and building' sets out the Presdales Pavilion development that the council has undertaken through SLM, which has been particularly complex in its development.

Headlines;

- Developed good working relationships with sport clubs to deliver all year sporting activities
- Delivering good quality, fit for purpose changing facilities which lean to the potential for new club house facilities

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'**

Background Papers

Community Scrutiny report:

22 April 2008

26 January 2009

26 January 2010

Executive reports:

20 August 2008

5 May 2009

24 November 2009

6 December 2011

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'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	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> Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	N/A
Legal:	N/A
Financial:	The combined financial revenue benefits of the ten year contract includes; <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● Savings in revenue cost because of investment in gym equipment to reduce management fee by £154,700 over the last seven years of the contract, £22,100/annum.● Total savings due to developments and capital investment is approximately £6.63m.
Human Resource:	N/A
Risk Management:	N/A

Essential Reference Paper B

Performance Review Information

Main performance indicators	Frequency	Current performance	Target	Comment
QUEST Plus – Sport England continuous improvement tool - to help managers enhance, improve and continue to improve the quality of service to customers.	biennial	SLM to submit QUEST Plus application March 2012	'Good' banded result	This survey will be undertaken every two years and will enable the Council and SLM to encourage their ongoing development and delivery of industry standards and good practice within a customer focused management framework.
National Benchmarking Service - Sport England benchmarking service – an independent customer satisfaction survey	biennial	To be commissioned September 2012	75% benchmark score against national benchmarks	This survey will be 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 – Residents' Survey	biennial	East Herts residents identified leisure facilities as amongst some of their lowest priorities in need of improvement. Of the 1,184 respondents to the survey 38% said, they had used an EHC leisure centre in the last 12 months.		A biennial Residents' Survey has been undertaken by East Herts Council since 1993. The 2011 Residents' Survey was reported to CMT in Jan 2012 and to Joint Scrutiny on 14 February 2012. Leisure facilities are now deemed to be amongst some of resident's lowest priorities in need of improvement this may be a reflection of the significant investment made by the Council. Main reasons residents report for not having used the Councils leisure facilities are, use alternative facilities or do not wish to use any leisure facilities.
EHPI 1a % of customers satisfied with the service – all sites – Essential reference paper C presents the findings in more detail, category by category.	bi-annual	Fourth GovMetric six monthly surveys carried out Jun/Jul 2011 overall value for money. Nov/Dec 2010 76% Jun/Jul 2011 68%	'Good' banded result	Latest figures for the GovMetric Jun/Jul 2011 score maintained as 'Good'.

EHPI 1b Overall Experience % of customers satisfied with the service – Leventhorpe	bi-annual	Nov/Dec 2010 74% Jun/Jul 2011 66%	Upper quartile against other SLM facilities	Latest figures for the GovMetric Jun/Jul 2011 score maintained as 'Good', in upper half against other SLM facilities in the South Eastern region.
Overall Experience EHPI 1c % of customers satisfied with the service – Hartham	bi-annual	Nov/Dec 2010 73% Jun/Jul 2011 73%	Upper quartile against other SLM facilities	Latest figures for the GovMetric Jun/Jul 2011 score maintained as 'Good', in upper half against other SLM facilities in the South Eastern region.
EHPI 1d Overall Experience % of customers satisfied with the service – Fanshawe	bi-annual	Nov/Dec 2010 79% Jun/Jul 2011 66%	Upper quartile against other SLM facilities	Latest figures for the GovMetric Jun/Jul 2011 score maintained as 'Good', in upper half against other SLM facilities in the South Eastern region.
EHPI 1e Overall Experience % of customers satisfied with the service – Ward Freman	bi-annual	Nov/Dec 2010 74% Jun/Jul 2011 59%	Upper quartile against other SLM facilities	Latest figures for the GovMetric Jun/Jul 2011 score dropped to 'Fair', in lower half against other SLM facilities in the South Eastern region.
EHPI 1f Overall Experience % of customers satisfied with the service – Grange Paddocks	bi-annual	Nov/Dec 2010 80% Jun/Jul 2011 76%	Upper quartile against other SLM facilities	Latest figures for the GovMetric Jun/Jul 2011 score dropped to 'Good', but in upper quartile against other SLM facilities.
EHPI 3a Usage: number of swims (under 16s)	quarterly / annually	Q4 2009/10 10,771 Q4 2010/11 11,723 Q1 2010/11 13,222 Q1 2011/12 12,501 Q2 2010/11 15,871 Q2 2011/12 15,600 Q3 2010/11 7,815 Q3 2011/12 7,715	+1% per annum, 2010-2013	Baseline established for 2009: 46,800 per annum. Target + 1% each year = 46,800+468+472= 47,740 Achieved 47,539
EHPI 3b Usage: number of swims (16 – 60)	quarterly / annually	Q4 2009/10 19,386 Q4 2010/11 28,379 Q1 2010/11 42,591 Q1 2011/12 26,765 Q2 2010/11 29,120 Q2 2011/12 28,939 Q3 2010/11 19,353 Q3 2011/12 20,539	+1% per annum, 2010-2013	Baseline established for 2009; 70,317 per annum. Target + 1% each year = 71,020+710+717=72,447 Achieved 104,622
EHPI 3c Usage: number of swims (60+)	quarterly / annually	Q4 2009/10 10,371 Q4 2010/11 6,366 Q1 2010/11 8,063 Q1 2011/12 5,442 Q2 2010/11 6,784 Q2 2011/12 6,121 Q3 2010/11 5,134 Q3 2011/12 5,513	+1% per annum, 2010-2013	Baseline established for 2009; 18,203 per annum. Target + 1% each year = 18,203+182+184= 18,569

				Achieved 23,442
EHPI4a Usage: Gym (16 – 60)	quarterly / annually	Q4 2009/10 30,451 Q4 2010/11 46,679 Q1 2010/11 39,786 Q1 2011/12 40,963 Q2 2010/11 39,090 Q2 2011/12 41,849 Q3 2010/11 36,793 Q3 2011/12 46,146	+1% per annum, 2010-2013	Baseline established for 2009; 74,403 per annum. Target + 1% each year = 74,403+744+751=75,147 Achieved 175,638
EHPI4b Usage: Gym (60+)	quarterly / annually	Q4 2009/10 1,622 Q4 2010/11 4,295 Q1 2010/11 2,850 Q1 2011/12 3,758 Q2 2010/11 2,854 Q2 2011/12 4,008 Q3 2010/11 3,202 Q3 2011/12 4,230	+1% per annum, 2010-2013	Baseline for 2009; 5,840 per annum. Target + 1% each year = 5,840+58+59=5,957 Achieved 16,291
EHPI2 Net cost/subsidy per visit	quarterly / annually	Q4 2009/10 £1.74* Q4 2010/11 £0.29 Q1 2010/11 £1.06* Q1 2011/12 £0.32 Q2 2010/11 £1.17* Q2 2011/12 £0.33 Q3 2010/11 £1.47 Q3 2011/12 £0.34	-1% per annum, 2010-2013	Baseline established for 2009; Net cost/subsidy per visit = £7.28 per annum. Target - 1% each year = £7.28 - £0.08 - £0.08 = £7.12 *allows for RPI of 4.6% 2011; Net cost/subsidy per visit = £0.32 per annum
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.

Customer Experience Summary

GovMetric summary showing customer experience levels in specific areas of service delivery 16 June 2011 to 18 July 2011						
	Customer satisfaction levels					
	Fanshawe	Grange Paddocks	Hartham	Leventhorpe	Ward Freman	Overall customer satisfaction at all pools
NPS Score	32%	41%	34%	14%	28%	
Swimming lessons - overall experience of service	72%	73%	76%	77%	67%	
Group Exercise		84%	75%			
Fitness - overall experience	59%	65%	64%	56%		
Reception Area - overall experience	75%	85%	77%	77%	61%	
Cleanliness - overall experience	56%	71%	72%	53%	48%	
Overall experience	66%	76%	73%	66%	59%	68%
	Excellent 80%+	Good 65% - 79%	Fair 50% - 64%	Poor 40% - 49%	Very Poor Under 40%	

SLM Customer Comment summary sheet

An example from Hartham Leisure Centre, which show the number and type of comments received and recorded at the site as well as a summary of the comments made by customers in the month and the action carried out as a result.

Customer Comments for November 2011

	Verbal	Written	Comment	E-mail
Number of comments	82	2	10	6

So far this year you rated your experience as;

Rating	% YTD this month	% YTD last month	% movement
Excellent	12	55	- 40
Very Good	13	19	- 6
Good	40	5	+ 35
Average	17	12	+ 5
Poor	8	18	- 10

(Percentage of total completed responses from customer comment cards year to date)

The following is a summary of the comments you made this month and the action we have carried out as a result.

You Said?	We Did!
<p>“Your website is not very user friendly”</p> <p>“The car park is still very busy during peak times”</p>	<p>“Thank you for your feedback, your comments have been passed on to our IT department”</p> <p>“Thank you for your feedback, we understand that during peak periods the car park can become busy and we are looking into alternatives to diffuse the problem”</p>

If you feel that we could improve our service or facility in any way, please either

- inform one of our colleagues,
- complete a comment card
- or send an e-mail to craigbrown@slm-ltd.co.uk

Thank you for your feedback, all comments are valuable to us. Customer comments assist us to continually improve and provide you with the best customer experience.

This information collated from completed customer comments cards, available in the

reception areas, via emails, letters and verbal comments. The LSM also receives the SLM Group Overview for comments. This information is available on site in more detail and is inspected by the LSM on his monthly site visits

Essential Reference Paper 'E'

Summary of Hartham & Grange Paddocks Leisure Centre development and improvements

The recent investment of over £156,000 by SLM Ltd in to the contract shows the commitment by SLM Ltd to continue the successful development of the two sites and build upon the success of the initial £3.58M investment. Gym membership has maintained over 6,000 members in 2011, reaching a seasonal high of 6,400 in the summer months, this continues to have a positive effect on the contractor's income. This high level of membership retention coupled with the reduced fixed management fee has also had positive effect on the Net cost/subsidy per visit rate dropping it from £7.28/annum in 2009, £1.36/annum in 2010 to £0.32/annum in 2011.

The facilities at Grange Paddocks and Hartham leisure centres now offer in addition to swimming;

East Herts Council original investment at Hartham

- spacious 85 station gym, improvements include,
 - Pulse Strength and Cardio equipment
 - Reaction trainer
 - PowerPlate vibration trainers
 - Concept II rowers
 - XT Cycle trainers
- Dryside male and female changing rooms
- air-conditioned studio for group exercise classes
- completely refurbished mixed Changing Village facilities
- new reception area and control entry system
- redecorated pool hall
- off site crèche facilities in partnership Montessori child care

- **NEW** items due to £116,000 SLM Ltd reinvestment
 - Pool fun inflatable
 - TRX suspension training zone
 - Kettlebell workshops
 - Stretch zones
 - Strength Zone relocated to ground floor
 - Redeveloped car parking

East Herts Council original investment at Grange Paddocks

- spacious 85 station gym, improvements include,
 - Pulse Strength and Cardio equipment
 - Reaction trainers
 - PowerPlate vibration trainers
 - XT Cycle trainers
 - free weights zone
 - Concept II rowers
 - Stretch zone
- completely refurbished dual use male and female changing rooms
- air-conditioned studio for group exercise classes
- reception area and control entry system
- crèche room

- **NEW** items due to £40,000 SLM Ltd reinvestment

- 10 new cardio stations; treadmills and x-trainers
- TRX suspension training zone
- Viper workshops

East Herts Council £84,000 capital investment at Fanshawe Gym

- **NEW** TechnoGym equipment including;
 - TechnoGym Element strength equipment including Inclusive Fitness Initiative (IFI) equipment
 - TechnoGym Excite cardio equipment including IFI equipment
 - TechnoGym Kinesis One
- **NEW** Concept 2 rowers

East Herts Council £29,000 capital investment at Leventhorpe Gym planned for September 2012

Essential reference paper 'F'

History & Summary of Presdales Recreation Grounds and building

"To develop a sustainable community based facility that provides a safe, flexible, accessible environment that can provide enhanced opportunities for the broader community to satisfy a variety of needs." is the overall vision for sport at the Presdales Recreational Ground project.

Since June 2010 EHC have been engaging in discussions with Bury Rangers FC (BRFC) and WCC, both community youth status clubs, to create either a CST or an IPS to manage the responsibility for the lease for the whole grounds. The lease would include all pitch and ground maintenance, gate opening, changing room & showers maintenance and cleaning and generating additional income to the site, which would be re-invested into providing additional/ improved site facilities and develop the adjoining clubhouse.

On 28th January 2011, EHC replaced old redundant pavilion as it had reached the end of its usable life and replaced the structure with a functional modular build changing facility with Capital funding. Officers also commenced discussions regarding the opportunity to transfer the management and maintenance of this community asset away from the existing leisure providers, SLM Ltd, to a Community Sport Trust (CST) or Industrial Provident Society (IPS), as a way of making better use of this valuable asset and enhancing sports provision in the future.

Through the investment at Presdales Recreation Ground these facilities now offer in addition to changing facilities for adults and junior football teams and officials, changing for girls to encourage the development of girl's football as well as cricket in the summer months

Cricket at Presdales

- Ongoing negotiations has resulted in the Council with Ware Cricket Club (WCC) developing the grounds for cricket use through out the summer months, cumulating in the granting of a lease for two cricket squares and an artificial cricket wicket.
- Artificial cricket strip installed February 2011 by Ware Cricket Club with funding from the ECB
- Two cricket squares to be constructed, April 2012, weather permitting.

Phase 2 Opportunity to develop club house

- The Phase 2 Club House lease has been agreed and signed, foundation pads will be constructed in Summer/Autumn 2012, Clubhouse construction to be developed end of 2012 with no further capital investment by the council.

Phase 3 Opportunity to further develop the Community Asset Transfer of the Presdales Recreational Ground.

- Negotiations are taking place to further develop this community asset and improve the use of the facility and grounds for the benefit of sporting community by creating a Community Asset Transfer (CAT) agreement with a newly formed Industrial and Provident Society (IPS).