

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 12 MARCH 2013

REPORT BY HEAD OF ENVIRONMENTAL SERVICES

ANNUAL LEISURE CONTRACT PERFORMANCE REPORT FOR 2012

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

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

<u>RECOMMENDATIONS FOR COMMUNITY SCRUTINY:</u> That:	
(A)	The committee scrutinise and comment on the fourth year's performance by the council's leisure contractor Sport & Leisure Management Ltd.

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 tendering process for the leisure contract, potential contractors 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 while improving the quality of services.
- 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 leisure centres.
- 1.4 This fourth annual review covers two main elements:
 - a) Performance in relation to the specification of the contract.

b) Qualitative successes and improvements.

2.0 Report

Performance

- 2.1 Officers have been pleased with the overall performance and professionalism of the Everyone Active team. Generally feedback from the public is positive and there are a number of areas that suggest the contract is proving a success for all parties, i.e. the council, the residents and the contractor.
- 2.2 The medium term financial planning savings targets are being achieved and there have been no contract variations.
- 2.3 **Essential reference paper 'B'** 'Performance Review Information' sets out SLM's performance against the main elements identified in the contract. It identifies the performance indicators which the council requires monitoring information on and provides an assessment of current performance and commentary to provide context, it includes: QUEST; National Benchmarking Surveys (NBS); biennial Resident Survey; Performance Indicators for Customer Satisfaction, Gym & Swim throughput and the 'Net cost/subsidy per visit'.
- 2.4 Hartham Leisure Centre and Fanshawe Pool & Gym achieved scores in the highest band available in their recent QUEST assessments. QUEST is a Sport England continuous improvement tool - to help managers enhance, improve and continue to improve the quality of service to customers.
- 2.5 Hartham achieved an 'Excellent' banded result through QUEST Plus, a two-day assessment in October 2012. The resultant report highlights the key strengths of the site and management of the facility and suggests areas for improvement. The process also generates, with the management, a Service Improvement Plan to work to. The report was complimentary of the centres' management style towards continuous improvement as a means to enhance performance; the opportunity to provide staff with additional qualifications through a continuous professional development framework; and how the Management have explored the potential sales opportunities through engagement with the different forms of social networking.
- 2.6 In June 2012 Fanshawe achieved 'Satisfactory' result through 'QUEST Entry', a one-day operational assessment aimed at smaller sites. The resultant report highlighted the key strengths of the site and

management of the facility and possible areas for improvement. The report was complimentary of the centre's management style towards continuous improvement as a means to enhance performance; the opportunity to provide staff with additional qualifications through a continuous professional development framework; the general 'atmosphere' of the centre; and complementary of the new gym equipment and refurbished gym training room.

- 2.7 National Benchmarking Surveys (NBS) were carried out at Grange Paddocks Leisure Centre and Hartham Leisure Centre by the Sport Industry Research Centre, Sheffield Hallam University in October and December 2012 respectively. The NBS is a form of data benchmarking, whereby performance is measured and compared with national statistical benchmarks for each indicator. As well as providing measures important for statutory reporting purposes this information is useful for strategy development and action planning as well as immediate management decisions.

The report identifies performance across four perspectives:

access (usage by specific market segments)

finance

utilisation (overall throughput)

customer satisfaction with services at the centre

Information is then used to help develop the management and performance of the centre. The performance and benchmarking information provided in the individual report relate to all users of the facility (including spectators) and to the operational performance of the whole centre, unless it is a joint provision centre where, for example, a school pays for and runs the school programmes – in which case the report covers just the public use and management.

- 2.8 The National Benchmarking Survey (NBS) for Grange Paddocks showed that:

access performance (which represents the extent to which facilities are used by disadvantaged groups and new users, these are indicators of effectiveness, particularly in the context of social inclusion), was mixed.

financial performance (representing subsidy, cost and income performance, these are indicators of efficiency and economy) was very strong;

utilisation (representing the scale and nature of usage of facilities, these are indicators of effectiveness and efficiency) was strong;

overall customer satisfaction (representing the extent to which users are satisfied with different attributes of the facility and how important these attributes are to them - indicators of effectiveness) was lower than the relevant industry standard.

2.9 The NBS for Hartham showed similar strengths and weaknesses;

access performance was mixed

financial performance was very strong

utilisation was strong

overall customer satisfaction was lower than relevant industry standard.

2.10 Everyone Active Management at the centres will be analysing the NBS reports and will be working to strengthen their areas of weakness in both Access and Customer Satisfaction as highlighted by the reports.

2.11 **Essential reference paper 'C'** 'Customer Experience Summary' presents the customer satisfaction findings in more detail with data gathered up to 31December 2012 as the last customer survey. The information for the survey is collected using 'GovMetric', an electronic customer feedback system using touch screen panels permanently placed in all the leisure facilities. The customer feedback, which underpins the summary in more detail, is available at;
<http://www.eastherts.gov.uk/leisurecustomersurveys>

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

2.13 The overall quality of the service has improved from a 'Good' rating to an 'Excellent' rating in 2012. The GovMetric user survey shows all five sites sitting in the 'Excellent' band. All maintained an upper quartile score for customer satisfaction/experience against other SLM facilities. It is worth noting that SLM operates over 80 sites across the UK. This information is at odds with the overall Customer Satisfaction feedback from the NBS report, the GovMetric data is collected in a different manor and generates different responses, SLM are looking at this apparent mismatch of feedback.

- 2.14 Although all sites show overall customer experience scores in the 'Excellent' band, officers are aware that Leventhorpe has several areas that are only in the 'Good' band. It is believed that the installation of the new audio/visual and gym equipment in March 2013 will help to improve customer satisfaction at the site. Customer perceptions of issues such as cleanliness are somewhat subjective and the older 'Joint Provision' sites look tired when compared to the newer council owned sites. This can result in a lower perception of cleanliness that is difficult to address. Everyone Active Management recognises this as a challenge and will be looking to see whether it is possible to improve upon the high standards of cleanliness at all the sites at all times.
- 2.15 Customer visits to the gym for both the 16 – 60 and 60+ age groups in 2012 exceeded the 2011 visits and it is worth noting that gym visits for these combined age groups has increased by 251% since 2009, from 80,243 visits in 2009 to 201,826 visits in 2012.
- 2.16 Total swim visit figures have shown a slight drop of 2% compared with 2011, but exceeded contract target levels, measured against the baseline established in 2009. In 2012 there were 172,031 swims against a target of 135,320.
- 2.17 For the 16 – 60 age group, swim visits for 2012 was 103,576 against a contractual target of 70,317. There was a slight dip of 1% between 2011 and 2012. This is in line with National and Regional trends.
- 2.18 The Under 16 age group swims visits did not achieve its 2009 baseline target of 46,800. In 2012 there were 39,588 swims recorded, a fall of 15%. Both officers and Everyone Active are concerned at the decline in participation by this age group and are working to look at ways to reverse this trend in 2013. In March Grange Paddocks Leisure Centre will be trialling new weekend fun swim sessions.
- 2.19 Visits from the 60+ age group have exceeded both the baseline target set in 2009 and the previous year, bucking the national decline in this age groups swimming trend. This sits well with the councils Ageing Well agenda to encourage more physical activity in our aging population.
- 2.20 Members are asked to note that the council's Performance Indicator EHPI2, 'Net cost/subsidy per visit', for 2012 has reduced from a baseline established for 2009 of £7.28 per visit to £0.01 per visit for 2012. The structure of the contract means that the annual management fee varies for year to year. There has also been a significant increase in

customers / sales and further capital investment which has reduced the management fee in some years. In 2012 the Management fee was only £35 per month. The inconsistencies of this performance indicator were raised at Joint Scrutiny Committee on 12 February, 2013 and officers are recommending a new performance indicator 'Net cost/subsidy per visit (Swims and Gym)' be deleted and replaced with a more meaningful measure the 'Net cost of the Leisure Service per user'. This would be the primary cost indicator for the service and would reflect the total cost to the council of running leisure centres (including on-costs) and is in line with the way the council calculates the unit costs for other contracts such as Waste Services.

- 2.21 at the five sites in the district 2012 recorded over 550,000 visitors attending the gym, group exercise classes, casual swimming, school and Everyone Active swim lessons.
- 2.22 The average monthly membership numbers increased from 5,337 in 2010 and 6,245 in 2011 to 6,434 members in 2012 with a seasonal high of 6,565 in August 2012. This represents a significant success in attracting new customers.
- 2.23 In addition to formal set monitoring arrangements, the council's Leisure Services Manager undertakes monthly unannounced inspections recording service delivery, marketing and Health & Safety standards. These inspections have shown a consistently high level of performance in the quality of the leisure service delivered across the three sections.
- 2.24 With over 550,000 visits there were only 402 reportable accidents across all sites in 2012, which equates to an annual accident rate per 1,000 visits of 0.73. The main cause of the injuries being from slips and trips; this represents a good level of commitment towards Health & Safety.
- 2.25 All pools are tested by East Herts Council's Environmental Health Team on a quarterly basis as well as independently tested by Kingfisher Environmental Services Ltd monthly for Pseudomonas, E-Coli and Coliforms. We are happy to report the quality of the water is of a generally high standard.

Qualitative successes

- 2.26 There have been a number of notable activities to promote and encourage sport, healthy exercise and leisure within the last 12 months.

- 2.27 In 2012 all sites were involved in celebrating the Olympic party with family days and involvement in marking the Olympic Torch visiting Hertford, Ware & Bishop's Stortford.
- 2.28 Throughout the year Everyone Active were involved in community and charity events such as Cazfest and the Bishop's Stortford Running Clubs annual sponsored fun run in Bishop's Stortford, both Hertford and Ware Carnivals, Isobel Hospice Starlight Walk, and their own sponsored events raising money for the 'English Federation of Disabled Sport'.
- 2.29 In 2012 Everyone Active celebrated an incredibly successful annual FLAME Awards, run by the Fitness Industry Association. The Flame Awards are prestigious sector awards that recognise excellence and best practice. The Flame Awards provide clubs and centres with a rigorous independent business assessment to help benchmark their facility and honour the people who make such a profound contribution to their communities and organisation. Everyone Active received three major awards including the coveted Leisure Operator of the Year award for an unprecedented third year running, with Hartham Leisure Centre reaching the finals of the Leisure Centre of the Year 2012.
- 2.30 In the 2012 Members Choice Health Club Awards, an award based purely on votes from feedback from the people that use the facilities, Everyone Active was given the award for the best national chain, beating amongst other others David Lloyd Leisure for the title. In the regional categories: SOUTH EAST - North (Herts & Middlesex) Grange Paddocks Leisure Centre picked up the Silver Award and Fanshawe Pool & Gym the Bronze Award. The Health Club Awards in partnership with Health Club Management magazine is open to all private health clubs, gyms and leisure centres.
- 2.31 Working with the council, Everyone Active has reduced energy consumption across all sites and therefore reduced operating costs. Variable Speed Drive units have been fitted to all pool pumps, this enables the pumps to slow down during the nights or pool down time and can reduce energy consumption. Also a new energy efficient lighting system has been installed in the Hartham pool hall.
- 2.32 Working in partnership with the council and the Primary Care Trust, Everyone Active have developed 'Active 4 Life' an exercise referral scheme open to residents of the district at its gyms in Hertford, Bishop's Stortford and Ware and promoted in doctors surgeries as well as the Cardiac Rehab Phase IV Referral scheme 'Healthy Herts'. Everyone Active gym staff have also assisted in delivering the annual 'Know your

numbers' blood pressure awareness week in the council's reception areas.

- 2.33 The council funded gym equipment replacement through the capital programme at Fanshawe and Leventhorpe in 2012 up to the value of £113,000, generating a gross revenue saving of £154,700 over the remaining seven years of the contract. This has resulted in a £22,100 per annum reduction in the annual management fee. The Fanshawe equipment was installed in late December 2011 and launched in January 2012 along with the new Multi Activity Room. This was an immediate success with positive customer feedback and an increase in gym usage. The Leventhorpe gym refit is due in March 2013; this will include new gym and audio/visual equipment.
- 2.34 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.
- 2.35 The present contract management relationship is continuing to be professional, positive and problem solving in a partnership style that delivers optimum outcomes.

New developments

- 2.36 In a bid to reduce energy expenditure the council has approved through its capital programme funding to install pool covers to the pools at Hartham and Grange Paddocks. Everyone Active has also shown an interest in installing pool covers to Ward Freman and Fanshawe pools.
- 2.37 The council has approved through its capital programme funding the replacement of the redundant Air Handling Unit (AHU) at Hartham pool which controls the air temperature in the pool area and has a significant impact on energy costs. This will enable a much more efficient AHU to be installed, and in conjunction with the pool covers, should have a significant affect on energy consumption at Hartham Leisure Centre.
- 2.38 Everyone Active is carrying out refurbishment works to Grange Paddocks Leisure Centre to increase the size of the existing crèche/multi function room following customer feedback. The increased space will allow the crèche team to expand and cater for a great number of parents to enrol their children in the crèche while they either swim or gym. This is being fully funded by the contractor and benefits the council's building and customers.

- 2.39 In a bid to enhance the swimming experience, Everyone Active is investing over £37,000 on poolside tiling to improve the aesthetics of the pool hall at Grange Paddocks Leisure Centre.
- 2.40 A new Fun Swim concept is being trialled in March 2013 at Grange Paddocks to encourage junior swimming in Bishop's Stortford.
- 2.41 As part of Environmental Services Service Plan, agreed in March 2013, officers are working with Everyone Active to ensure the council's leisure centre assets are maintained effectively and looking for opportunities to improve environmental performance and reduce carbon emissions.
- 2.42 Officers are also working with Everyone Active to integrate the council's Health and Wellbeing policies with those of the contractor. This includes, looking to further develop opportunities for older residents to exercise more as part of the aging well agenda. In 2013 Everyone Active will also be looking to play a more active role in the Active East Herts Community Sport Network with the aim of supporting the development of this community group and raising its profile to the sporting community.
- 2.43 The service is working with Everyone Active to integrate into each others events and activities, for example Everyone Active attending Love Parks week events and Waste Services attending Everyone Active open days with a stall to raise awareness of recycling opportunities.

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'**.

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