

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 11 MARCH 2014

REPORT BY HEAD OF ENVIRONMENTAL SERVICES

ANNUAL LEISURE CONTRACT PERFORMANCE REPORT FOR 2013

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

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

RECOMMENDATIONS FOR COMMUNITY SCRUTINY:

That:

(A)	Members scrutinise and comment on the fifth 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 Sport and Leisure Management (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 Committee, 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 fifth 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 **Essential Reference Paper 'B'** 'Performance Review Information' sets out SLM's performance against the main elements of the contract. It includes the performance indicators that the Council requires the contractor to report on and provides an assessment of current performance and commentary to provide context. These include: the biennial Resident Survey; Performance Indicators for Customer Satisfaction, Gym & Swim throughput and the 'Net cost of the Leisure Service per user' previously called the 'Net cost/subsidy per visit'.

Service

- 2.3 The three largest sites managed by SLM are assessed using QUEST, a Sport England continuous improvement tool - to help managers enhance, improve and continue to improve the quality of service to customers. This involves an independent onsite inspection / audit with recommendations for improvement.
- 2.4 Grange Paddocks Leisure Centre achieved scores in the highest band available in its March QUEST assessment achieving an 'Excellent' banded result through 'QUEST Plus', a two-day assessment, in March 2013. 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 centre's management style and its commitment to continuous improvement; the good staff relationships in place; and the complimentary customer feedback regarding the facility; its services and the staff. The report did touch on the challenges the centre faces regarding the strain on the changing facilities due to the joint use between dry side and wet side users and the centre's approach to measuring outcomes and impacts of promotion on schemes such as the Cardiac Rehabilitation Scheme and the Exercise Referral Scheme.

- 2.5 Hartham Leisure Centre retained its 'Excellent' banding when reassessed through the QUEST process and was asked to apply for the 'Outstanding' banding at their next submission.
- 2.6 Fanshawe Pool and Gym are awaiting their reassessment visit to be programmed by the QUEST assessment team following their successful 2012 'Satisfactory' result through 'QUEST Entry', a one-day operational assessment aimed at smaller sites.
- 2.7 The two smaller Joint Use Provision (JUP) facilities; Leventhorpe Pool and Gym and Ward Freman Pool are solely assessed internally through SLM's own continuous improvement tool; a six monthly inspection called the Gold Standard audits, covering Health & Safety and internal monitoring procedures. At the last audit in November Ward Freman scored 99.3% satisfaction and Leventhorpe scored 99.4. It was deemed to be financially prohibitive to carry out the QUEST procedures at these pools.

Public Satisfaction

- 2.8 The Council measure public satisfaction with service through its biennial Residents Survey, the most recent being in autumn 2013. A sample of residents was asked how satisfied they were with sports and leisure services in the district. The last survey showed a 4% increase in public satisfaction compared with the previous survey in 2011.
- 2.9 The results showed that 49% of respondents said they were satisfied, 19% dissatisfied and 32% neither satisfied nor dissatisfied. The survey in 2013 did not ask whether responders were users of the Council's leisure centres on this occasion, however, in 2011 when the question was asked 62% of responders said they had not used them recently.
- 2.10 The Resident's survey is therefore of limited use in assessing overall satisfaction as the majority of responders are not currently customers of the five leisure centres. It does, however provide a comparative trend over time which indicates rising public satisfaction.

Customer Satisfaction

- 2.11 Corporately SLM have introduced a new system of gauging the complete customer experience at the sites they manage, called 'Net Promoter Score' (NPS), this is essentially a way of measuring customer 'loyalty'. This method is not directly comparable to how the East Herts Council's performance indicators have been measured in the past.

- 2.12 "Net Promoter Score" (NPS) is based on the fundamental perspective that every company's customers can be divided into three categories: Promoters, Passives, and Detractors. By asking questions like — "How likely is it that you would recommend Everyone Active to a friend or colleague?" — It is possible to track these groups and get a clear measure of the company's performance through its customers. Customers respond on a 0-to-10 point rating scale and are categorised as follows:
- Promoters (score 9-10) are loyal enthusiasts who will keep using the service and refer others, fuelling growth.
 - Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
 - Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.
- To calculate the NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors. The scoring for this answer is most often based on a 0 to 10 scale. Companies are encouraged to follow this question with an open-ended request for elaboration, soliciting the reasons for a customer's rating of that company or product. These reasons can then be provided to front-line employees and management teams for follow-up action.
- 2.13 **Essential Reference Paper 'C'** 'Customer Experience Summary' presents the NPS findings in more detail with data gathered up to 31 December 2013. 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>
- 2.14 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 Leisure Centre 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.
- 2.15 Customers are asked to rate a number of elements including Swimming lessons; fitness facilities; group exercise; reception area and overall cleanliness of the site. The GovMetric user survey shows that overall, quality of the service, as rated by the users, has been banded as a 'Good' banding in 2013 for four of the five sites with Leventhorpe siting

in the 'Fair' band, when reviewing the five main areas as required by the Leisure Contract. Ward Freman, Fanshawe and Hartham all maintained an upper quartile score for customer satisfaction/experience against other SLM facilities with both Grange Paddocks and Leventhorpe a second quartile banding. It is worth noting that SLM operates over 80 sites across the UK. Actions are being investigated to address these issues are described in paragraph 2.15.

- 2.16 Although four of the sites show overall customer experience scores in the 'Average' band, there are now only three bands; Good; Average & Poor. While the customer rating was satisfactory on Swimming Lessons, it was less than satisfactory for the Gym experience due to problems with a leaking roof and Air Conditioning, this is being addressed by Council initiatives and through the Council's Capital Programme. All facilities received lower scores for the receptions and cleanliness. Customer perceptions of issues such as cleanliness can be somewhat subjective. This can result in a lower perception of cleanliness that is difficult to address. Everyone Active Management recognises this as a challenge and is constantly looking to see whether it is possible to improve upon the standards of cleanliness at all the sites at all times, i.e.; full time dedicated cleaners; new pool vacuum for Hartham pool; quarterly overnight deep cleans instigated; increase in operational hours during weekends and holiday periods freeing up staff to carry out a greater frequency of cleaning tasks throughout the day.
- 2.17 While SLM's NPS score system provides useful information about the customers views of the service it no longer ties in with the Council's Performance Indicators for customer satisfaction and therefore it is not possible to compare 2012 and 2013 figures. These titles of these indicators will need to be reviewed to ensure they correctly reflect the data being captured.

Customer Throughput

- 2.18 A key measure for the Council to assess the performance of the contractor in providing services that are attractive to local residents is the number of customers using the five facilities. These a statistics are broken down by age group and by gym and swim use.
- 2.19 Customer visits to the gym for both the 16 – 60 and 60+ age groups in 2013 exceeded the 2012 visits and it is worth noting that gym visits for these combined age groups has increased by 254% from 80,243 visits in 2009 to 204,071 visits in 2013.
- 2.20 Total swim visit figures have shown an increase of 3% compared with 2012, and also exceeded contract target levels, measured against the

baseline established in 2009. In 2013 there were 177,680 swims against a target of 135,320.

- 2.21 For the 16 – 60 age group, swim visits for 2013 was 102,113 against a contractual target of 73,903. There was a slight dip of 1% between 2012 and 2013. This is generally in line with National and Regional trends.
- 2.22 The Under 16 age group swims visits did not achieve its 2009 baseline target of 48,702 falling short by only 319 visits. However, in 2013 there were 48,383 swims recorded, an increase of 22% on 2012s swims. The increase in Junior swims was due to SLM making the fun swim sessions more attractive, by investing in a major new inflatable and fun session at Grange Paddocks pool which instigated the turnaround in the declining Junior visits.
- 2.23 Visits from the 60+ age group have exceeded the baseline swim target, set in 2009 + 1% increase each year = 18,943, but there was a 6% dip between 2012 and 2013. However, in 2013 there were still over 43,750 visits to the leisure facilities by this age group.
- 2.24 Some examples of how SLM is seeking to approve attendance for this age group are set out in paragraph 2.45, 2.46 and 2.53.
- 2.25 At the five sites in the district 2013 recorded over 725,500 visitors attending the gym, group exercise classes, casual swimming, pool parties, school, private and Everyone Active swim lessons and outdoor activities including; tennis, bowls and football.
- 2.26 The average monthly membership numbers increased from 5,337 in 2010 and 6,434 in 2012 to 6503 members in 2013 with a seasonal high of 6,754 in September 2013. This represents a significant success in attracting new customers.
- 2.27 In addition to formal set monitoring arrangements, the council's Leisure Services Manager undertakes a mixture of monthly unannounced and announced inspections recording service delivery, marketing, Health & Safety and monitoring procedure standards. These inspections have shown an acceptable level of performance in the quality of the leisure service delivered across the four sections.

Health and Safety

- 2.28 With over 725,500 visits there were 327 reportable accidents across all sites in 2013, which equates to an annual accident rate per 1,000 visits

of 0.50. In 2012 the accident rate was 0.73 accidents per 1,000 visits. The main cause of the injuries being from slips and trips; this represents an increasing level of commitment to an already good record towards Health & Safety.

- 2.29 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; ranging between Satisfactory and Highly Satisfactory, all based on Treatment and Quantity Standards for Pool Water Treatment Advisory Group 2nd Edition 2009.

Financial Performance

- 2.30 Members are asked to note that the council's Performance Indicator EHPI2, 'Net cost/subsidy per visit', was renamed with a more meaningful measure the 'Net cost of the Leisure Service per user'. The inconsistencies of the old performance indicator were raised at Joint Scrutiny Committee on 12 February, 2013 and officers recommended old performance indicator 'Net cost/subsidy per visit (Swims and Gym)' be deleted and replaced with 'Net cost of the Leisure Service per user', this was agreed, users now include those attending the gym, group exercise classes, casual swimming, pool parties, school, private and Everyone Active swim lessons and outdoor activities including; tennis, bowls and football . This is now the primary cost indicator for the service and reflects 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.
- 2.31 The estimated 'Net cost of the Leisure Service per user' has been calculated as £0.91. This has been calculated by dividing the probable net expenditure for Leisure Services in 2013, £660,150, by the 725,500 recorded visits, as set out in paragraph 2.30.
- 2.32 In 2013 SLM's income from the five sites totalled £3.89m, SLM incurred expenditure of £3.84m for the same period. Under the contract if the contract makes a profit in excess of £140,000 there may be an opportunity for profit share with the Council, but, this threshold was not achieved in 2013.
- 2.33 Based on the work performed during the SIAS audit, they were able to provide overall moderate assurance that there are effective controls in operation for those elements of the risk management processes covered by their review.

- 2.34 The medium term financial planning savings targets are being achieved and there have been two variations to the contract, as a result of the Council investing in pool covers at Hartham and Grange Paddocks pools and new gym equipment at Fanshawe and Leventhorpe gyms, resulting in annual savings in contract management fees of £24,000.
- 2.35 In 2013 the Leisure contract fees to SLM were £87,475 less the £24,000 reduction in the Management Fee due to invest to save Capital Investment, totalling a bottom line 2013 Management Fee of £63,000.

Qualitative successes

- 2.36 There have been a number of notable activities to promote and encourage sport, healthy exercise and leisure within the last 12 months.
- 2.37 Throughout the year Everyone Active were involved in community and charity events such as; Hertford and Ware Carnivals; Easter Egg Hunts with proceeds raised donated to the Disabled Children in Sport charity; Stortfest; Isobel Hospice Starlight Walk; the British Gas free swim promotion; Everyone Active open days; Anthony Nolan testing days; Halloween swim day events; Red Nose Day activities raised over £600.
- 2.38 English National and Hungarian Syncro swim teams both trained at Grange Paddocks pool in September.
- 2.39 Everyone Active in partnership with the 'Aspire' charity accepted a 12 week placement for someone to complete their Instructability course (a course specifically designed to encourage people with disabilities into the leisure industry).
- 2.40 The Everyone Active colleague, who himself has to use a wheelchair due to sustaining a spinal cord injury, helped set up a disability swim session at Hartham as part of the Aspire charity's Instructability initiative. Tom was also awarded a third place Paul Pearce Award at the Herts Sport Partnership's Service to Sports Awards for his inspirational work with disabled people and his contribution to disability sports
- 2.41 In the 2013 Members Choice Health Club Awards, an award based purely on votes from feedback from the people that use the facilities Hartham Leisure Centre picked up a Bronze Award in the; SOUTH EAST - North (Herts & Middlesex) the regional category. The Health Club Awards in partnership with Health Club Management magazine is open to all private health clubs, gyms and leisure centres.

- 2.42 Working with the Council, Everyone Active has reduced energy consumption across all sites and therefore reduced operating costs. Pool covers have been fitted to all pools, EHC funding covers at Hartham and Grange Paddocks, SLM funding those at Fanshawe and Ward Freman, Heating the water is a significant part of the energy costs at a leisure centre and pool covers can be used to reduce heat loss when the pool is not in use and allow reductions in energy consumption when the building is closed. CO2 reductions from this investment will contribute to achieving the Councils carbon reduction targets. Savings to the Council arising from this these are detailed in paragraph 2.34
- 2.43 Working in partnership with the Council and the Primary Care Trust, Everyone Active have continued with 'Active 4 Life' an exercise referral scheme open to residents of the district at its gyms and at Hertford and Bishop's Stortford as well as offering the Cardiac Rehab Phase IV Referral Scheme 'Healthy Herts' now offer Pulmonary Rehabilitation classes. Everyone Active gym staff have also continued to assist in delivering the annual 'Know your numbers' blood pressure awareness week in the council's reception areas.
- 2.44 As part of the European 'Move Week', an annual European wide campaign promoting sport and physical activity and their positive impact on societies, SLM offered discounted swimming as part of an organised range of programmed activities across the district, coordinated and funded by Active East Herts the districts Community Sport Network.
- 2.45 In March 2013 the Leventhorpe gym refit was carried out as part of an ongoing capital investment programme and included new gym and audio/visual equipment. This received, at the time, favourable feed back from customers.
- 2.46 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.
- 2.47 The present contract management relationship is continuing to be professional, positive and problem solving in a partnership style that delivers optimum outcomes.

New developments

- 2.48 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.

- 2.49 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 played a more active role in the Active East Herts Community Sport Network supporting the development of this community group and raising its profile to the sporting community.
- 2.50 To develop the 60+ market further SLM are introducing a new 'Forever Fit' session at Hartham in 2014, these sessions are studio based exercise cardio & strength sessions for the slightly older facility user.
- 2.51 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.
- 2.52 Everyone Active were successful in obtaining £58,000 of funding from the Joint Children & Young People's Commissioning Services 'Short Breaks for Disabled Children Capital Grant 2013/14' scheme, in January 2014, to significantly improve the facilities at Hartham Leisure Centre for people with disabilities. The funding will include covering the cost of supplying and fixing new poolside lifts and hoists as well as work to changing facilities so disabled people can shower more easily in the disabled changing facilities. Everyone Active Management are investigating whether this can be replicated at Grange Paddocks along with a disability swim session similar to the Hartham swim session developed as part of the Aspire Charity's Instructability initiative.
- 2.53 Everyone Active are looking to invest up to £400,000 replacing gym equipment at both Hartham and Grange Paddocks leisure centres later in 2014, including £17,000 on new spin bikes for the Group Exercise classes at Grange Paddocks; planned for delivery in September 2014 to assist in member retention and added value to the centre membership.

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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