

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 15 MARCH 2016

REPORT BY HEAD OF ENVIRONMENTAL SERVICES

ANNUAL LEISURE CONTRACT PERFORMANCE REPORT FOR 2015

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

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

RECOMMENDATIONS FOR COMMUNITY SCRUTINY COMMITTEE:

That:

(A)	the Annual Report be scrutinised and any comments be forwarded to the Executive Member for Health and Wellbeing
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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 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 seventh 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 SLM 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, it includes: QUEST; National Benchmarking Surveys (NBS); biennial Resident Survey; Performance Indicators for Customer Satisfaction, Gym & Swim throughput and the 'Net cost of the Leisure Service per user'

Service

- 2.3 Grange Paddocks Leisure Centre and Hartham Leisure Centre, the two 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 QUEST assessors carried out a one day Directional Review Report at Hartham Leisure Centre in November following on from its 2014 'Excellent' banded result , this gives the centre the opportunity to upgrade to 'QUEST Stretch' in 2016.
- 2.5 The resultant report highlighted the key strengths of the site and management of the facility and was complimentary of its performance against its financial and social targets; the overall presentation of the site; the welcoming and friendly atmosphere enjoyed by the users spoken to during the assessment and the Centres clearly defined purpose and set of objectives which feeds into the client reporting process. The process also generates, with the management, a Service Improvement Plan to work to which was also noted as being

successfully implemented and assisting in contributing towards the improvements in site cleanliness and housekeeping.

- 2.6 The report highlighted the challenges the centre faces and the need to; interact more with stakeholders; make more of the steps the management team have taken to improve their stance on environmental issues and ensure that team skills are developed and that there be an ethos of progression and succession within the team.
- 2.7 The QUEST assessment at the Grange Paddocks Leisure centre is scheduled for the summer of 2016.
- 2.8 The three Joint Use Provision facilities; Fanshawe Pool & Gym, Leventhorpe Pool & Gym and Ward Freman Pool are assessed internally through SLM's own continuous monitoring and improvement tool; called the Gold Standard Assessment audits. Action plans generated from QUEST and the SLM internal Gold Standard Assessments audits are discussed internally by the SLM management.

Public Satisfaction

- 2.9 The Council measures public satisfaction with its services through its biennial Residents Survey, the most recent being in November 2015. The results shown below are from the draft report, which has yet to be reported to the Council and are provisional only.
- 2.10 Residents were asked how satisfied they were with sports and leisure services in the district 48% of residents were satisfied with the sport/leisure facilities a 2% decrease in public satisfaction compared with the 2013 survey. Over 29% said they were neither satisfied nor dissatisfied. 22% of residents indicated they were dissatisfied with sport/leisure facilities.
- 2.11 The draft report shows sport and leisure facilities were amongst the top 50% of things that residents see as "are most important in making somewhere a good place to live" and "most needs improving in your local area".
- 2.12 The Resident's survey is of limited use in assessing overall satisfaction as there is no indication that responders are commenting on either the Councils five facilities or other facilities in the private sector or whether they use any leisure facility. It does, however provide a comparative trend over time which indicates fluctuating public satisfaction.
- 2.13 Officers are working with SLM to develop a non-user survey that will help both the council and SLM to focus on barriers to participation. The

non-user survey is planned for March/April 2016 and will inform the Leisure Facilities Strategy.

Customer Satisfaction

- 2.14 2015 saw a change in the way customer satisfaction data is captured, reported and analysed. The five sites now carry out biannual Customer Satisfaction Exit surveys. The new collection method employs face to face interviews with a cross section of facility users. Trends will become apparent in the ensuing years as more data is collected. Information from the surveys are used to help develop the management and performance of the centre and incorporated into the Centres Business Plan and acted upon appropriately.
- 2.15 Results indicate that overall customer satisfaction at all pools range from good to excellent, more detailed results are shown on **Essential Reference Paper 'C'** 'Customer Exit Survey summary'.
- 2.16 Fanshawe Pool and Gym is showing a 'Fair' result in the Customer Exit Survey in the Swimming, Gym and Cleanliness areas it should be noted that these areas were acted on by SLM after the initial survey in March. The September results showed an improvement in customer satisfaction. One of the concerns raised by the client was that worn surfaces can result in a negative perception of cleanliness even if being cleaned properly. In response to the survey results and client concerns SLM commenced a programme of works to improve the site. These include:
- o new pool hall extract fans; improving air quality on poolside
 - o review of cleaning regime and of chemicals used
 - o new flooring in accessible toilet
 - o new lockers in changing rooms
- 2.17 While these are welcome, officers believe there is scope for further improvement and are working with SLM on an action plan to bring satisfaction levels up to those of the other sites. This includes;
- o comparing approaches to management across the sites
 - o close monitoring of cleaning standards
 - o a review of the customer experience including other ways of engaging e.g. a customer forum.
- 2.18 The annual National Benchmarking Service (NBS) surveys took place in April 2015 at the Hartham and Grange Paddocks leisure centres. The NBS survey is a form of data benchmarking, whereby performance is compared with national statistical benchmarks. The NBS report identifies performance across five perspectives:

- o access
- o efficiency
- o utilisation
- o satisfaction and importance tables
- o industry satisfaction scores comparison

2.19 The NBS survey showed primary strengths as;

- o Standard of coaching/instruction
- o activity availability at convenient time
- o quality of equipment.

The report also highlighted the weakness area as:

- o cleanliness in changing areas
- o car parking

Where reasonably practicable these actions are acted upon for example SLM have;

- o reviewed cleaning regimes and included extra out of hours deep clean sessions
- o installed a new car park management system at Hartham which created a 2.5 hour free parking regime for leisure centre users and limited the amount of unauthorised parking.

Customer Throughput

2.20 The Council has a long history of encouraging and improving opportunities for individuals to engage in sports and physical activity through the provision of its excellent sports and recreational facilities. Encouraging people to be active through swimming, gym activities and the opportunity to use its outdoor facilities all of which can help individuals to have the opportunity to live a healthier and active lifestyle is supported by the Council's commitment to its Health and Wellbeing Strategy.

2.21 A key measure for the Council to assess the performance of the contractor in providing services that are attractive to local residents and can deliver some of the health benefits is the number of customers using the five facilities.

2.22 Across the five sites there were 733,672 recorded visits to the SLM managed facilities, this includes;

- o casual swimming
- o the gym
- o group exercise classes
- o pool parties
- o private swim lessons
- o Everyone Active swim lessons

- o outdoor activities including;
 - o tennis
 - o bowls
 - o football

This figure does not include swim spectators; school swims and lessons, crèche usage or football spectators with these other visits being recorded there are over 953,100 visits to the sites. This footfall has a significant impact on the infrastructure of the facilities.

- 2.23 The Active People Survey 9 (Sport England, 2014-15) shows that as a sport swimming has over 2.5m adults taking part at least once a week in swimming, this is 200,000 more participants compared to the next largest participant sport of running and 700,000 more than football, showing how popular swimming is to the nation.
- 2.24 In East Herts swim throughput statistics are broken down by age group;
- o Under 16 age group swims fell by 7.8% from 53,087 (2014) to 48,981(2015) (baseline 49,679)
 - o 16 – 60 age group swim visits fell by 2% from 96,260 (2014) to 94,393(2015) (baseline 75,388)
 - o 60+ age group swims fell by 5% from 28,696 (2014) to 27,228 (2015) (baseline 19,323)
 - o A contributing factor in the short fall this year is Hartham pool being shut for all of December to carry out the pool hall Air Handling Unit replacement which had the effect of reducing swims by around 1,900
 - o However SLM are taking action to address this drop in visits in both the by 16 – 60 year olds and the 60+ age group by increasing morning swim sessions. To increase usage by the under 16 year age group SLM are investing in new play equipment for fun sessions.
 - o The overall swim usage decline is less than the national average decline in swimming and usage is still significantly greater than the baseline contractual target figure set at the beginning of the contract of 126,999 swims per annum.
- 2.25 Gym throughput statistics are broken down by age group;
- o 16 – 60 year old age group gym users fell by 9% from 193,888 (2014) to 177,949 (2015)
 - o 60+ age group gym users fell by 1.6% from 20,833 (2014) to 20,489 (2015)
 - o While the throughput figures show a drop compared to 2014 this does not show that the ‘total gym usage (including group exercise)’ throughput is out performing well the five year average.

- 2.26 In 2015 there was a total of 47,717 visits from the 60+age group attending; casual 'pay as you go' swims & gym sessions. SLM is seeking to cater for and improve attendance for the 60+ age group by;
- o expanding the Forever Fit exercise group sessions at Hartham
 - o continuation of the 'Active 4 Life' exercise referral scheme at both Hartham and Grange Paddocks gyms
 - o continuation of the 'Healthy Herts' Cardiac Rehab Phase IV Referral scheme
 - o introducing the 'Get Up & Try' adult swim sessions for new swimmers.
- 2.27 Everyone Active annual and direct debit Memberships averaged 6,492 members a month compared to 6,233 a month in 2014; this growth in membership across the contract over the year shows the strength of contract in delivering high quality gyms with regards to equipment and staff.
- 2.28 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

- 2.29 With over 953,100 all user visits there were 206 reportable accidents in 2015; an annual accident rate of 2.16 per 10,000 visits compared to 5.00/10,000 visits in 2014. This drop represents a consistently high level of commitment to an already good record towards Health & Safety.
- 2.30 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.

Financial Performance

- 2.31 Performance Indicator EHPI2 'Net cost of the Leisure Service per user' is 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.

- 2.32 The estimated 'Net cost of the Leisure Service per user' has been calculated as £0.99 in 2015, compared with £0.97 in 2014.
- 2.33 Taken from the contracts unaudited Income/Expenditure accounts in 2015 SLM's income from the five sites totalled £4.14m, SLM incurred expenditure of £3.94m for the same period. Under the contract terms, if the contract makes a profit in excess of £420,000 over a three yearly period, the last period being between 1st January, 2012 and 31st December, 2014, there may be an opportunity for profit share with the Council; the accounts for this period are in the process of being audited. The current three yearly period runs from 2015 to 2017 inclusive.
- 2.34 The medium term financial planning savings targets are being achieved; there were no variations to the contract in 2015.
- 2.35 In 2015 the Leisure Management Fee fees to SLM were £212,720, which included a £39,476 reduction due to previous 'invest to save' Capital Investments.

Qualitative successes

- 2.36 Throughout the year SLM were involved in community and charity events such as;
- o Anthony Nolan testing days
 - o London Nightrider event raising money for Anthony Nolan
 - o Cazfest
 - o Isobel Hospice Starlight Walk
 - o Great British Swimathon
 - o Everyone Active open days
 - o EHC's Love Parks Week
- 2.37 SLM continues to work in partnership with the 'Aspire' charity, and accepted a placement for someone to complete their Instructability course (a course specifically designed to encourage people with disabilities into the leisure industry). Their work includes conducting outreach in the community to encourage other disabled people to be active within the centre. The most recent placement, a former International Wheelchair Basketball player, has since become an SLM employee and following a successful bid to Sportivate runs Disability and Limited Mobility classes at the Hartham Leisure Centre. His work in this area also allowed him to be nominated and win the Development Award for the Spirit of InstructAbility at the 2015 Herts Sports Partnership Awards.
- 2.38 Both Grange Paddocks and Hartham Leisure centres both offer;

- o free swimming sessions to people with disabilities and their careers as part of an initiative to ensure everyone has equal access to swimming
 - o a site for the delivery of externally managed Pulmonary Rehabilitation classes in partnership with the council and the Primary Care Trust
- 2.39 Working with the East Herts Community Safety Partnership (CSP), free swim vouchers were offered to young people and families during the summer holidays. The vouchers were given to those on a discretionary basis and for a number of different reasons; such as those who are working with an agency in the CSP, a positive contribution to a community project or an identified disadvantage.
- 2.40 SLM play an 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.
- 2.41 SLM hold Customer Forums at sites where customer representatives meet with the Managers to feedback on the centres performance, these include Football Forums, Group Exercise Forums and Full Customer Forums.
- 2.42 In 2015 SLM was awarded the Amateur Swimming Association (ASA) Facility Operator of the Year. This award recognises facility operators who have demonstrated continued commitment to improving their aquatic programmes over the past 12 months. In addition to this Hartham Leisure Centre won the ASA Achievement Award – Senior Participant category, the award was for a local 77yrs old lady who overcame her fears and learnt to swim.
- 2.43 As a group SLM achieved QUEST Accreditation for Swimming Lessons.

Investments

- 2.44 SLM continue to invest within the facilities, throughout 2015 they have invested:
- o £20,000 replacing the studio flooring at Grange Paddocks Leisure Centre creating a more inviting and practical solution for Group Exercise class users.
 - o £5,500 installing lockers at both Fanshawe and Grange Paddocks, improving ascetics and security within the changing areas.
 - o £3,500 in a new pool inflatable to encourage Junior swims and pool parties at the Grange Paddocks Leisure Centre.

- o £2,500 in a pool vacuum to ensure the pools are kept free from dirt at the Grange Paddocks Leisure Centre.
 - o £4,000 replacing the front door at Fanshawe
- 2.45 Working with the council, SLM has reduced energy consumption across all sites and therefore reduced operating costs. CO2 reductions from these investment will contribute to achieving the Councils carbon reduction targets, these investments include;
- o £4,500 at Fanshawe Pool replacing pool hall extract fans with variable speed drive fans, which will result in energy savings and an improvement in the pool side environment.
 - o £35,000 at the Grange Paddocks Leisure Centre installing a Plate Heat Exchanger for the main pool increasing efficiency of heating the pool water and reduce gas consumption.
 - o £110,000 at Hartham Leisure Centre for the pool hall Air Handling Unit which has been replace with a new energy efficient unit which will make significant energy savings in gas consumption and create a better pool side environment.
- 2.46 Following consultation with local community and leisure centre users Parks and Open Spaces Officers developed and installed the Community Fitness Trail at Grange Paddocks with at a cost of £40,000. The Community Fitness Trail equipment encourages healthy activity in the park whilst expanding the use of open spaces and is used extensively by individuals, licenced Personal Trainers and 'Boot Camp' style groups.
- 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, officers are working with SLM 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 continue to work with SLM to integrate the council's Health and Wellbeing policies with those of the contractor.
- 2.50 SLM will be investing in their Swim School Aqua Passport scheme to assist in the development of the Everyone Active Swim School lessons. This will assist swim teachers utilising emerging technologies.

2.51 The service is working with SLM to integrate into each other's events and activities, for example SLM continues to attend 'Love Parks' week events and will be hosting the 'Know Your Numbers' National Blood Pressure monitoring week at selected sites.

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 – None

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