

<b>NAME OF COMMITTEE</b>	<b>Community Services Committee</b>
<b>DATE</b>	<b>Tuesday 30<sup>th</sup> April 2013</b>
<b>REPORT TITLE</b>	<b>Leisure Centre Contract Monitoring</b>
<b>Report of</b>	<b>Ross Kennerley – Natural Environment and Recreation Manager Jon Parkinson – Leisure Contracts Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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**Summary of report:**

This report highlights the overall performance and current key issues of the leisure centre management arrangements with Leisure Connection (LC). Also it provides an update on the current monitoring arrangements of the leisure centre contract.

**Financial implications:**

The overall budget for 2013/14 is approximately £395,000 which includes the key costs of the contract management fee of £326,000 and £47,475 for repairs and maintenance.

As reported at Council recently, the contract management fee has allowed for the anticipated savings arising from the revised management restructure of Leisure Connection / Leisure in the Community.

**RECOMMENDATION:**

It is recommended that the Committee reviews the current contract performance and comments on the performance of Leisure Connection, in particular increases in usage figures.

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**1. BACKGROUND**

- 1.1 This report provides an update on current monitoring issues relating to the performance of the leisure contract with the Council's contractor, Leisure Connection, for the provision of management services at both Meadowlands (Tavistock) and Parklands (Okehampton) Leisure Centres.

- 1.2 As previously reported, regular client monitoring meetings take place on a monthly basis and a strategic management meeting takes place quarterly. As well each centre has a quarterly User Group meeting involving key users of each centre and centre management.

## 2. ISSUES FOR CONSIDERATION – CONTRACT PERFORMANCE

### Usage & Quality

- 2.1 Current usage figures for both leisure centres are outlined below for the half year to date (1<sup>st</sup> October 2012 – 31<sup>st</sup> March 2013) with a comparison to previous years for the same period, October through to March. Both centres have seen their overall attendances increase compared to previous like figures;

	First 6 months; Oct – Mar		
Site	2012/13	2011/12	2010/11
<b>Meadowlands - Swimming</b>	33,281	27,735	26,919
<b>Parklands - Swimming</b>	22,926	23,942	18,909
<b>Parklands - Fitness</b>	31,056	23,625	12,803

- 2.2 Meadowlands key usage figures;
- Since 2010/11, large increases in usage have been in adult swims, swim school and aqua fit numbers.
  - Swim memberships have increased, now standing at 321.
  - Swim school numbers continue to grow as well, with numbers now reaching 347 for this term. This is also linked with dedicated and staff incentives to sell memberships.
  - Two extra primary schools – Gunnislake and Delaware, have booked swimming sessions with 9 schools now attending.
  - New initiatives include a junior triathlon club with 18 members and a new partnership with Macmillan Cancer is being developed through the Hibiscus Project at Plymouth.
- 2.3 Parklands key usage figures;
- Swim school numbers stand at 383.
  - Fitness use and memberships have grown month by month and overall members stand at 874. In 2011 fitness membership was just 183. Attrition levels (members that do not renew) are very low at just 2.8%. Also since 2011 the centre has a dedicated Sales Advisor with other staff members being sales trained as well. Plus more classes are now put on for members.
  - There was a small dip in swimming use, which can be associated with the poor weather.
  - Sports hall usage is mainly based on school and club bookings, although not included in the above figures, overall approximate usage is highlighted below based on average attendances and number of weekly hours booked;

- I. School usage is from 9am to 5pm Monday to Thursday and 9am – 3pm on Friday. This involves approximately 30 students each hour, so over a 39 week school year; this would involve usage of c45,000 students.
- II. OCRA have approximately 10 hours of evening use each term week.
- III. Other bookings have approximately 10 - 12 hours of evening and weekend use, involving badminton, indoor cricket, fitness circuits, football, karate and netball.
- IV. Other sports hall events include; birthday parties, roller skating, go karting, charity events, OCRA holiday camps.

2.4 Both centres were assessed for the Quest Plus Accreditation Scheme in January, with both passing. Meadowlands received a Satisfactory score, whilst Parklands received a Good score. This involves a two day operational assessment, including a health and safety compliance and mystery visits.

### **Repairs & Maintenance/Asset Management**

2.5 Recent key works that have taken place at both sites are as follows with such works being part of Leisure Connection's maintenance costs and the Council's allocated revenue maintenance budget;

#### Meadowlands;

- WDBC have cleaned the main glass dome and the plant roof.
- LC have drained and repaired the cold water tank.
- Quotes for repairing the external lighting have been received and work to start soon by LC.
- The outdoor ride flume requires repairs to the initial entrance floor. WDBC are currently investigating to obtain costs and carry out repair.

#### Parklands;

- LC has redecorated the dance studio as part of ongoing improvements and a new locker maintenance contract has started.
- Water Ingress in pool void – WDBC Engineering Manager has carried out a regime of investigation and testing regarding the build up of water along the side of the pool and behind the balance tank at the end. Various tests have been undertaken and Officers will be reviewing the results with Legal to ascertain if any action can be taken against other parties

2.6 Both centres have passed their recent internal Health and Safety and Pool Safety Audits.

### **Customer Feedback/User Groups**

2.7 Recent customer comments for January – March 2013 for both sites show;

Meadowlands;	21 negative	26 positive
Parklands;	26 negative	20 positive

- 2.8 The Parklands User Group last met in February and the Meadowlands User Group has just met in early April. Along with other customer feedback, recent key issues raised are as follows;

Meadowlands:

- 16 positive comments on the pool temperature since January.
- 14 negative comments on cleanliness in changing rooms and toilets. Also depending on peak usage times, shower temperatures are affected. Response has been to increase staff checks during busy times and undertake further cleaning as required.
- Several comments on friendly, keen, knowledgeable staff – supported by Quest mystery visit.

Parklands:

- 8 positive comments on cleanliness since January, against 5 negative. Staff have undertaken additional cleaning and carried out more frequent checks when highlighted.
- Minor maintenance queries over hair / hand dryers, lockers. Response has been for Duty Manager to check items, where faulty place on maintenance log sheet for repair.
- Overall positive feedback from recent User Group.

## **Marketing Initiatives**

- 2.9 All marketing and publicity materials reflect the partnership management agreement with the key objectives of increasing the frequency of participation and broadening the range of activity across all sections of the community.
- 2.10 Recent initiatives have included;
- Free mountain bike draw on new member referrals
  - 75% off member joining fees
  - £5 swim membership for family members
  - New junior clubs at Meadowlands – triathlon and snorkelling.
  - Promotion of sports hall
  - Promotions and links on Facebook, Twitter and Website.

## **3. LEGAL IMPLICATIONS**

- 3.1 The provision of leisure services is a discretionary activity. The Council has powers to deal with leisure facilities under the general power of competence provided by Section 1 of the Localism Act 2011 and s19 of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.2 The Council has a 10 year management contract with Leisure in the Community which started 1<sup>st</sup> Sept 2004 and therefore has circa 18 months remaining. The contract contains key provisions on contract performance, which will be identified in the Contract Operating Manual with compliance being monitored by the Leisure Contracts Manager.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Leisure Contract does maintain its regular monthly financial payments to enable Leisure Connection to fulfil its business plans and operational arrangements for the running of both centres.
- 4.2 Ongoing repairs and maintenance obligations on WDBC are met from the allocated maintenance budgets. Anticipated capital works will be reported against the capital programme.
- 4.3 The proposed contract restructure will enable LiTC to achieve VAT savings as well as their NNDR savings. The annual saving offered to the Council is slightly higher than originally anticipated and will come into effect when the revised structure takes place part way through 2013/14.

#### 5. CONCLUSION

- 5.1 Over the last 2 years there has been a significant improvement in the relationship between the Council and LiTC / Leisure Connection, which has been reflected in recent monitoring reports and increased customer usage across both centres. The Council welcomes these improvements and the progress being made.

#### 6. RISK MANAGEMENT

##### 6.1

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership	
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Poor Contract Performance	Leisure Connections underperforms with financial and customer implications	5	2	10	↓	Regular contract performance monitoring and review measures implemented as required.	Head of Assets
2	Legislative changes on current financial arrangement	Failure of Council to receive full benefit of savings if finance or tax regime changes	4	2	8	↔	Early warning of legal changes that enable financial risk management	Head of Finance

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
3	Repairs, maintenance and life cycle costs	Ongoing costs of routine and lifecycle maintenance increase.	5	2	10 ↓	Regular monitoring and inspections of centres. Overall asset management of centres, including site condition surveys. Cost benefit assessment of works in light of strategic review.	Head of Assets

## 7. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Community Life
<b>Statutory powers:</b>	As above
<b>Considerations of equality and human rights:</b>	No issues identified
<b>Biodiversity considerations:</b>	No issues identified
<b>Sustainability considerations:</b>	Leisure Connection energy audit and carbon footprint reduction.
<b>Crime and disorder implications:</b>	Links to reduced crime and anti social behaviour.
<b>Background papers:</b>	Leisure Services Management Contract – Leisure Connection
<b>Appendices attached:</b>	