

9. Leisure Management Contract – Year Two Report

REPORT OF: Assistant Chief Executive
Contact Officer: Glen Wilkinson, Leisure Partnership Officer
Email: glen.wilkinson@midsussex.gov.uk Tel: 01444 477208
Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Customer Services and Service Delivery
22nd November 2016

Purpose of Report

1. The purpose of this report is to provide Members with an overview of the second year of the Leisure Management Contract operated on behalf of the Council by Places for People Leisure (PfPL).

Recommendation

2. The Committee are recommended to note the contents of this report.
-

Background

3. Following a tendering process, PfPL was awarded a 15 year contract to operate the Council's Leisure Contract commencing on 1st July 2014. As part of the procurement process documentation the Council developed a Leisure Service Contract Specification which outlined the Council's requirements of the successful bidder in delivering the service required.
4. In response to the Council's specification bidders submitted method statements detailing how they would meet the standards set in the specification. In addition as part of this process a Performance Monitoring System, consisting of reasonable and prudent checks, was agreed with the bidders.

Monitoring Regime

5. Formal monthly inspections are undertaken, without advanced notice of the visit taking place. In addition there are regular ad hoc site visits which often involve participation in activities and attendance at classes held both midweek and at weekends.
6. Following each formal site inspection a report is produced outlining the findings of the visit with required actions listed. The reports are produced and emailed to the Contract Manager and General Managers of PfPL. Site visits are undertaken the following month to check that the list of actions outlined have been implemented.
7. Issues identified following onsite inspections have included faults with lockers, toilets, hairdryers, lights, ceiling tiles; cleanliness, litter, air temperatures, equipment condition and facility check sheet completion.
8. Failure to rectify problems within the set timescales can result in financial penalties being imposed on the operator.

9. The site inspection reports originally included a scoring system where 8 different aspects of the service are given a rating of between 0-4. A maximum score of 32 was achievable with scores being converted into a percentage figure.
10. The scoring system has since been refined in consultation with PfPL with the scoring now based upon 11 different aspects and a target score of 75per cent has been agreed as the minimum score / level of service to be achieved.
11. Areas scored include maintenance, cleanliness and presentation of the following areas; car park and external aspects of the building; reception and staffing; changing areas and showers; toilets; activity areas; spectator areas; lockers; lighting; corridors, notice boards and lifts; environmental conditions and customer care displayed by staff.
12. The Dolphin and Kings Centre have exceeded the 75per cent target on five of their last six inspections. The Triangle achieved the target on the last inspection of the contract year which was undertaken in June 2016.
13. The Triangle has had a challenging year experiencing a high level of staff turnover in a relatively short period of time, including a number of senior positions. The staff concerned have either been promoted within the company or moved on to other employers as part of their career progression.
14. All of the senior management posts have been filled and the team are working to strengthen specific areas of the Centre's operation identified in the inspection reports and discussed at the Monthly Contract Meetings. The challenge for the new management team at The Triangle is to bring the standards up to those achieved at the other two sites.
15. In addition, due to the high staffing levels required of a Centre providing such a wide range of swimming pool facilities, the Centre is constantly training and recruiting new Recreation Assistants and Lifeguards.
16. As part of the aim to achieve continuous improvement in the level of service provided it is planned to raise the Performance Indicator target level to 78per cent for all three sites in 2017-18.
17. The average scores of the site inspections over the two years of the contract were :

Centre	Year 1 July 2014 to 30 June 2015	Year 2 1 July 2015 to 30 June 2016
Triangle	67.7per cent	66.1per cent
Dolphin	72.9per cent	78.0per cent
Kings	64.6per cent	77.3per cent

Monthly Contract Reports / Meetings

18. Each month PfPL's Contract Manager produces a detailed monthly report which includes attendance figures for all of the facilities, membership figures (including new sales and cancellation levels), income and expenditure figures , maintenance issues, facility closures, accidents, staff vacancies, staffing changes, customer satisfaction levels, utility consumption etc.

19. Council officers hold formal Monthly Contract Meetings with PfPL staff. The contents of the monthly report and the results of the facility visits / inspections and any complaints the Council has received directly from Councillors and/or Centre users are recorded. These are fed back and form the basis of the discussions with actions required being recorded in the minutes of the meeting.
20. Complaints are dealt with at the time they are received and are, in the main, resolved prior to the monthly meetings taking place.

Quarterly and Annual Partnership Board Meetings

21. Quarterly meetings are attended by senior officers from both the Council and PfPL and the Cabinet Member for Customer Service from the Council. These meetings review performance over each three month period with the information provided in the presentations showing any trends that are forming and indicating the general direction of travel of the service.
22. There is also an annual meeting held to evaluate performance achieved in the previous twelve months and how it compares with the previous year(s).
23. The opportunity is also taken to look ahead and discuss plans and expectations of the forthcoming twelve month period and beyond. This may include continuous improvement initiatives such as Quest Accreditation and future development options aimed at refreshing the leisure offer and increasing attendances and membership levels.

Customer Satisfaction Levels

24. Another method of determining customer satisfaction levels is undertaken by PfPL who use Net Promoter Scores (NPS).
25. NPS is a system of measuring customer satisfaction used by 65per cent of the top global companies. Customers are contacted and asked to score the service they have received out of ten and whether they would recommend the Centres to a friend.
26. Respondents scoring the service from nought to six are rated as detractors, those scoring seven or eight are considered to be passive and don't count with those scoring nine or ten known as promoters. The NPS score is calculated by subtracting the percentage of detractors from the percentage of promoters with the aim being to achieve as high a positive score as possible.
27. In the first year of the contract a combination of the significant upheaval created by the contract transfer and the extensive building works resulted in an average score for the year of -20 for The Triangle and -23 for The Dolphin. Kings Centre however achieved an average score of +12. This discrepancy was impacted by the extensive and significant improvements made to Kings Centre in comparison to the other sites.
28. In the second year all three Centres have achieved positive scores with Kings Centre achieving +34, The Triangle +13 with The Dolphin scoring +2. Appendix A shows the joint scores achieved by the Centres from August 2014-July 2016.
29. Complaints received directly by the Council are logged and reported. For the first year of 2014/15 the number of complaints averaged four per month in the last four months of the first year of the contract.

30. In 2015-16 the Council received a total of twenty three complaints, an average of fewer than two per month, thus achieving a significant reduction of just over 50per cent. This equates to one complaint for every 80,664 customer visits.

Attendance Levels

31. The Leisure Contract Specification requires a year on year 1 per cent increase in participation figures on an initial base line figure for attendances established at the Commencement Date of the contract based on a known annual performance for the facilities.
32. The last full year's attendance figures received from the previous operator were for the period April 2013-March 2014 and totalled 1,638,589. Increasing this known annual attendance figure by 1per cent provided a target figure for 2014-15 of 1,654,974.
33. Due to extensive facility improvements being undertaken at all three Centres over the first nine months of the contract, a significant number of attendances were unable to be captured due to the swipe card mechanisms for the Gyms and Health Suites not being operational during this period. As a result only 1,478,187 attendances were able to be officially recorded in the first year, 2014-15.
34. In line with the specification increasing the target figure set for 2014-15 by 1per cent provides a target figure for 2015-16 of 1,671,523.
35. The recorded attendance levels for each quarter and the year as a whole against target during the last contract year (July 2015-June 2016) were as follows:

2015-16	July-September	October-December	January-March	April – June	Annual Total
Target	403,334	374,506	447,725	445,958	1,671,523
Actual	446,834	420,287	502,277	485,881	1,855,279
Variance	+ 43,500	+ 45,781	+ 54,552	+ 39,923	+ 183,756

36. As can be seen from the above table the target for each quarter has been exceeded as has the target for the year. Appendix B shows the attendance figures collected for the first two years of the contract.
37. The attendance figure target for contract year 1st July 2016-June 2017, set at 1per cent above the previous year's target, is 1,688,238.
38. In addition to general attendances the number of attendances made by individuals eligible for Concessionary usage is recorded and reported on a quarterly basis. Presently the number of people benefitting from the lower charges set for Concessionary users equates to 32 per cent.
39. PfPL are also required to support the Council in the achievement of the percentage of the adult population(aged 16+) participating in sport and active recreation, at moderate intensity, for at least 30 minutes on at least one day per week measured by the Active Peoples Survey which stood at 43.2 per cent in 2013.
40. The most recent Sport England Active People Survey for the year April 2015-March 2016 shows Mid Sussex to have improved upon the 2013 figure now achieving 45.6 per cent of residents taking part in sport at least once per week. This far exceeds the National average of 36.1 per cent, the South East average of 38.7 per cent and the Sussex average of 37.7 per cent during the same period.

41. To date the Annual Report has been based upon the start date of the Contract i.e. running from July 1st- June 30th each year. PfPL have requested that from 2017 onwards the report be based upon their and the Council's financial year which is better aligned to both organisations business planning cycles.
42. Attendances will continue to be monitored, recorded, reported on and discussed on a monthly basis throughout the year at the Monthly, Quarterly and Annual Meetings.

Memberships

43. Membership in July 2014 at the commencement of the contract totalled 7,883.
44. At the end of the first year of the contract the number had increased by 2,157 to their highest ever level of 10,040 which was an increase of over 27per cent.
45. At the end of year two the number of members had risen further to 11,626 which was an increase of 15.7per cent on 2015 and an increase of over 48per cent on 2014. Appendix C shows Membership levels achieved from April 2013-June 2016.
46. It is felt that membership levels at The Dolphin are approaching the maximum it is likely to achieve due to the constrictions of the existing facilities and car parking availability.
47. The Triangle however offers scope for further increases which are expected to be realised during 2017 following the provision of a larger gym, a larger exercise studio, a new climbing facility and planned improvements to the changing rooms.

Additional Initiatives and Events

48. In a drive to further improve cleaning standards an overnight cleaning regime was introduced at The Triangle with a particular focus on the swimming pool changing rooms which are very heavily used and difficult to clean thoroughly during operational hours.
49. As part of the contract PfPL have responsibility for the organisation of the Mid Sussex Marathon. The event held in 2016 was once again a great success with the overall level of entries for the Marathon and the Mid Sussex Mile races being comparable to previous years. The expectation is that 2017 will be equally well attended.
50. A long standing and highly valued arrangement for free swimming on selected days in June and July for children from Chernobyl at The Triangle continued and was once again well received by the group.
51. The Triangle also played host to the Parallel Youth Games in June where more than 400 disabled schoolchildren thoroughly enjoyed participating in a wide range of sporting activities throughout the day.
52. For the third year running PfPL sports activity and health and fitness staff gave excellent support and provided a range of prizes for participants at the council run Play Day events which are held in each of the three towns during August. The days are free and provide a wide range of healthy, challenging and educational activities for young children and their parents.

Quest Accreditation

53. Quest is a nationally operated quality management scheme supported by Sport England that is primarily designed as a tool for achieving continuous improvement in the delivery of services at leisure centres.
54. The scheme defines industry standards and good practice and encourages their ongoing development and delivery within a customer focused framework. This is achieved by a self-assessment improvement programme followed by an external independent assessment.
55. All three Leisure Centres successfully achieved Quest Accreditation.
56. Areas specifically focused upon included Health and Safety; Quality Management Systems; Financial Management; Swimming Lessons; Lifeguarding and Sales and Retention. Areas for improvement were highlighted in the reports received; these have been used to formulate action plans for implementation.
57. The Centres will receive a mystery visit from Quest staff one year on from their assessments following which a further feedback report will be received on the findings of the visits. The whole process would then recommence in two years' time.

Halls

58. Clair Hall and Martlets Hall continue to provide a wide variety of entertainment for people of all ages including film, tribute bands, comedy evenings and popular speakers. Local groups continue to use the facilities for regular activities and annual events including fund raising activities.

Summary of Year Two of the Contract

59. As outlined above year two of the contract shows a steady improvement in all areas of performance measured and all targets achieved with the exception of The Triangle's scores on the facility inspections.
60. Areas for further improvement are regularly being identified, pursued and implemented with the aim of continuously raising standards.

Progress to Date in Year Three of the Contract

61. We have now completed the first quarter of year three of the contract (July-September 2016) with the increased attendance targets for the quarter (from 413,147 to 451,307) being exceeded by 6,981 with an actual attendance of 458,299.
62. Membership levels at the end of the quarter reached 11,919, an increase of 293 on the June figure.
63. The results of the facility inspections show The Dolphin and Kings Centre consistently scoring over 80per cent and the new management team at The Triangle implementing measures to bring their performance up to the same level.
64. PfPL are looking to take measures to increase the speed of repair presently being achieved at the facilities, and proposing to make significant website improvements in 2017.

Investment Programme

65. Work has commenced at The Triangle and Kings Centre on the jointly funded £3.1million Leisure Investment Programme to provide new and improved facilities at all three leisure centres (PfPL £1.9m and MSDC £1.2m).
66. Initial works comprise the creation of a new larger Gym on the first floor, a new Meeting Room / Studio, the introduction of a Clip n Climb facility, the provision of a new larger Exercise Studio, the development of a new Reception / Kitchen and Servery and new lockers in the Wet Change and Health Suite Changing Rooms at The Triangle. An upgrade of the Health Suite Changing Rooms at The Dolphin, including new lockers, bench seating and refurbishment of the shower areas. Retiling of the Wet Change floors and upgrade of the Reception Toilets at Kings Centre. LED lighting will also be installed where appropriate at the Centres.
67. Future works consist of enhancements to the Leisure Pool offer at The Triangle and the provision of additional car parking spaces at The Dolphin.
68. In return for the financial contribution made by the Council to the project the Council will receive a return of 5 per cent on its investment, which equates to £60,000 per annum.
69. The existing well-used disabled changing / toilet facilities at The Triangle and Kings Centre meet the Changing Places standard and have recently been added to the National register. In the near future investment will be made at The Dolphin to bring this facility up to the required standard following which it will be added to the National register.
70. The programme of works will continue throughout 2017 and we are confident these initiatives will encourage even more people to utilise the facilities and improve their health and wellbeing.

Financial Implications

71. This level of investment and the expected increase in revenue from the operation of the contract will increase the payment under the contract by £60,000 per annum and be subject to yearly indexation.

Equality and customer impact implications

72. There are no direct Equality or Customer Impacts as a result of this report.

Background papers

73. Previous report to the Scrutiny Committee for Leisure and Community on 25th November 2015.