

6. Leisure Management Contract – Annual Report for 2016-17

REPORT OF: Assistant Chief Executive
Contact Officer: Glen Wilkinson, Leisure Partnership Officer
Email: glen.wilkinson@midsussex.gov.uk Tel: 01444 477207
Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Customer Services and Service Delivery
5th July 2017

Purpose of Report

1. The purpose of this report is to provide Members with an overview of the Leisure Management Contract operated on behalf of the Council by Places for People Leisure (PfPL) for the period April 2016-March 2017.

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 and regular ad hoc site visits are carried out 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, and sent to the Contract Manager and the individual Centre Managers. Follow up site visits are undertaken to check that the actions outlined have been implemented.
7. Issues identified following onsite inspections commonly have included faults with lockers, toilets, hairdryers, lights, ceiling tiles; cleanliness, litter, air temperatures, equipment condition and facility check sheet completion.
8. Failure to operate the facilities to the standard specified can result in financial penalties being imposed on the operator.

9. The site inspection reports include a scoring system where 11 aspects of the service are rated between 0-4. A maximum score of 44 is achievable with scores being converted into a percentage figure.
10. The scoring system has since been refined in consultation with PfPL and a Performance Indicator target score of 75 per cent was set as the minimum score 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 75 per cent target every month throughout the year. The Triangle failed to achieve the target on three occasions which coincided with a transition period between a number of senior managers leaving and a new team coming in.
13. In the final few months of 2016/17 all of the Centres were maintaining scores of between 81-91 per cent.
14. As part of the aim to achieve continuous improvement in the level of service provided the target level was raised from 75per cent to 78per cent from April 2017.
15. The average scores of the site inspections over the last two years of the contract show an improvement in performance and target being exceeded at all three Centres.

	April 2015 – March 2016	April 2016 – March 2017
Triangle	66per cent	75per cent
Dolphin	76per cent	83per cent
Kings	72per cent	85per cent

Monthly Contract Reports / Meetings

16. PfPL's Contract Manager produces a detailed monthly report which includes attendance figures for all 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.
17. 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 and actions required are recorded.
18. 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

19. Quarterly meetings are attended by senior officers from both the Council and PfPL and the MSDC's Cabinet Member for Service Delivery. These meetings review performance over each three month period with the information provided in the presentations showing trends and general direction of travel of the service.
20. 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).
21. The annual meeting also looks ahead and considers plans and expectations of the coming twelve month period and beyond. This includes 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

22. PfPL also carry out customer satisfaction surveys using Net Promoter Scores (NPS).
23. Members will recall that 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.
24. 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.
25. In 2015 -16 the scores achieved ranged from +0.4 to 16% giving an average score for the three Centres over the year of 8%. In 2016-17 scores ranged from +3 % to 11% giving a slightly reduced average score for the year of 6.6 %.as shown in **Appendix A**.
26. The Centres received a total of 321 complaints, 118 compliments and 103 suggestions during the year. **Appendix B** provides detail on the breakdown of the statistics and areas of operation the comments relate to.
27. Complaints received directly by the Council are logged and reported on a monthly basis.
28. From April 2015 - March 2016 the Council received a total of thirty six complaints, an average of three per month. This equates to one complaint for every 50,573 customer visits.
29. From April 2016 - March 2017 the Council received a total of twenty three complaints, an average of just fewer than two per month, a reduction of 36% on the previous year. This equates to one complaint for every 82,028 customer visits.
30. Areas of complaint included cleanliness, maintenance, online booking system failure, lockers, exercise studio temperatures, dangerous car parking at The Triangle and the Victoria Park splash pad surface becoming slippery. Initiatives have been taken to address all of these issues.

Attendance Levels

31. In previous years the Annual Report has been based upon the start date of the Contract i.e. running from July 1st- June 30th each year.
32. At the last Scrutiny Meeting the Committee agreed to a request from PfPL that from 2017 onwards the report be based on financial year's which is better aligned to both organisations business planning cycles.
33. The Leisure Contract requires a year on year 1 per cent increase in participation levels on an initial base line figure for attendances established at the start of the contract based on a known annual performance for the facilities.
34. Last full year's attendance figures received from the previous operator were for the period April 2013 to March 2014, increasing this known annual attendance figure by 1per cent provided a target figure of 1,671,519 in 2015/16, 1,668,240 in 2016/17 and 1,705,124 for the current year 2017/18.
35. Members will recall that 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.
36. As a result only 1,478,187 attendances were able to be officially recorded in the first year, 2014/15 which was an artificially low figure.
37. The recorded attendance levels against target for 2015/16 and 2016/17 and the target set for 2017/18 are as follows:

	2015/16	2016/17	2017/18
Target	1,671,519	1,688,240	1,705,124
Actual	1,820,658	1,866,646	
Variance	+149,399	+198,406	

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 taking advantage of concessionary rates equates to 32 per cent of total usage which is in line with the 32 per cent target set.
39. Attendances at the Centres and Halls will continue to be monitored, recorded, reported on and discussed on a monthly basis throughout the year at the Monthly, Quarterly and Annual Meetings.
40. 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.
41. The most recent Sport England Active People Survey results received for the period October 2015 to September 2016 shows Mid Sussex has a significantly high participation rate of 47% which is the highest in Sussex. The next highest levels were achieved by Brighton & Hove on 43% and Chichester 38%.
42. At 47% Mid Sussex continues to far exceed the National average of 36%, the South East average of 38% and the Sussex average of 36% during the same period.

Membership Levels

43. Membership in July 2014 at the commencement of the contract totalled 7,883.
44. At the end of March 2015 the number had increased by 1,861 to their highest ever level of 9,744 which was an increase of 23.6 per cent.
45. At the end of March 2016 the number of members had increased by a further 1,856 to 11,600 which was an increase of 19 per cent on 2015 and an increase of over 47 per cent on 2014.
46. At the end of March 2017 the number of members had increased by another 2,971 to a record high of 12,715 which was an increase of 9.6% on 2016, 30.4 per cent on 2015 and 61.3 per cent on 2014.
47. At the end of March 2017 all three Centres recorded their highest ever membership levels. Membership levels achieved on a monthly basis from April 2013 through to March 2017 are shown in **Appendix C**.

Additional Initiatives and Events

48. As part of the contract PfPL have responsibility for the Mid Sussex Marathon. The event held in 2017 was once again a great success. The overall level of entries for the Marathon and the Mid Sussex Mile races were 1,684, an increase of 180 (12%) on 2016.
49. The annual Parallel Youth Games organised by Active Sussex was held at The Triangle in June with, once again, over 400 disabled children from across Sussex taking part in this popular multi-sport event.
50. In October The Triangle also hosted the first Mid Sussex Active Inclusion Sports Event which attracted 36 teams from 18 primary schools across Mid Sussex. This is a sports event for children who would not normally compete in organised school sports.
51. For the fourth 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.
52. A ceiling mounted hoist and wall mounted adjustable height bench were fitted in The Dolphin disabled changing facility to bring it up to the Changing Places National Standard. All three leisure centres disabled changing rooms meet the national standard and are included on the Changing Places National Register.
53. In December 2016 Kings Leisure Centre swimming pool changing room floor and poolside were retiled.
54. The total number of accidents and the number of RIDDOR reportable accidents has reduced significantly between 2015/16 and 2016/17 as shown in **Appendix D**.

Quest Accreditation

55. Quest is a nationally operated quality management scheme supported by Sport England to support achievement of continuous improvement in the delivery of services at leisure centres.
56. 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. All three Leisure Centres successfully achieved Quest Accreditation in late 2015 / early 2016, with all sites achieving 'Good'.
57. Areas of focus are 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.
58. In late 2016 / early 2017 the Centres received a mystery visit from Quest staff to evaluate progress against the action plans. This is not a scored visit but provides guidance on improvements being made. The Centres will be re-assessed in late 2017 / early 2018, where improved scores will be sought.

Halls

59. 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.
60. A variety of local groups continue to use the facilities for regular meetings and annual events including fund raising activities.
61. In 2015/16 Clair Hall had a total of 57,735 attendances and Martlets Hall had a total of 76,131 attendances. In 2016/17 these increased to 64,838 and 78,217 respectively.

Summary of the Year April 2016 to March 2017

62. As outlined above this year's performance shows a positive picture in terms of membership levels, attendances, concessionary usage, reduced accident levels and overall customer satisfaction with the service.
63. However financial surpluses made by The Triangle and The Dolphin were outweighed by losses experienced at Kings Centre, Clair Hall and Martlets Hall. Despite this the contract as a whole showed a much improved financial performance when compared against 2015/16.
64. The foundations put in place in the first twenty one months of the contract have been built upon throughout 2016/17 to provide a solid platform for further improvements in 2017/18.

Investment Programme

65. As members are aware Work commenced in October 2016 on the joint funded Leisure Investment Programme of £3.1m to provide new and improved facilities at all three Leisure Centres.

66. Initial works completed comprise the creation of a new larger Gym on the first floor, the provision of 450 new lockers in the swimming pool changing rooms and over 100 new lockers in the corridor and changing rooms adjacent to the Sports Hall and Gym at The Triangle.
67. A comprehensive programme of LED lighting installation at all three Centres have been implemented to significantly reduce energy consumption, improve lighting levels and increase the durability and reliability of the lights.
68. Over the summer months a new Reception and Cafe will be created at The Triangle and the Member's Changing Rooms and Health Suite at The Dolphin will be refurbished, upgraded and completed by the end of November.
69. In the autumn work commences on delivering the new Clip n Climb facility, new Exercise Studio and an upgrade of the Members Changing Rooms at The Triangle completed by mid-October, late October and the end of December respectively.
70. Improvements made to date have already helped to achieve an increase in attendances and membership levels and the scheme as a whole should ensure improved retention of existing customers and attract new users to utilise the facilities.
71. As expected, on completion of the First Phase of works all of the joint funding initially made available between the Council and PfPL will have been expended.
72. The Council has negotiated a 5% return on its initial £1.2m investment facilitating an increase in the annual payment made by PfPL to the Council under the contract by £60,000 per annum from April 2018 which is subject to yearly indexation.
73. Further enhancements are being developed for future consideration and recommendations by this Committee to Cabinet for implementation late 2018.

Financial Implications

74. Additional funding of £300,000 has been approved by the Council as part of the Corporate Plan and Budget Programme for 2017/18 increasing the Council's total investment up to £1.5m
75. Any additional funding invested by the Council in financing enhancements to The Triangle Leisure Pool would be expected to result in a further increase in annual income to the Council, subject to confirmation by the PfPL Board.

Equality and customer impact implications

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

Background papers

77. Reports to Scrutiny Committee for Leisure and Community on 25th November 2015.
Report to Scrutiny Committee for Leisure and Community on 22nd November 2016.