

LEISURE MANAGEMENT CONTRACT – ANNUAL REPORT FOR 2018-19

REPORT OF: Divisional Leader – Commercial Services and Contracts
Contact Officer: Jo Reid, BUL – Waste, Landscapes and Leisure
Email: jo.reid@midsussex.gov.uk Tel: 01444 477203
Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Community, Customer Services and Service Delivery
18 September 2019

Purpose of Report

1. The purpose of this report is to provide the Scrutiny Committee with an annual update of the Leisure Management contract operated on behalf of the Council by Places Leisure for the period April 2018 – March 2019.

Recommendation

2. The Committee is asked to note the contents of this report.
-

Background

3. The Leisure Management contract was tendered in July 2014 and runs for 15 years from that date. The contract is delivered by Places Leisure (formerly Places for People).

Scope of Service

4. Places Leisure (on the Council's behalf) manage the following leisure centres, leisure facilities, and entertainment venues:
 - (a) The Dolphin Leisure Centre (Haywards Heath)
 - (b) Clair Hall Entertainment Venue (Haywards Heath)
 - (c) The Triangle Leisure Centre (Burgess Hill)
 - (d) Kings Leisure Centre (East Grinstead)
 - (e) Cuckfield Lido (Cuckfield)
 - (f) Mount Noddy Tennis Courts (Mount Noddy)
 - (g) Mid Sussex Marathon
5. During the reporting period, Martlets Hall (an entertainment venue located in Burgess Hill) was closed and thus removed from the contract.

Contract governance and performance management

6. The following governance arrangements are in place:
 - (a) Monthly contract and operational meeting (Places Leisure and Mid Sussex District Council Officers);
 - (b) Quarterly Review Meeting and Annual Meeting (at which the Divisional Leader, Portfolio Holder for Environment and Service Delivery and Places Leisure's Operational Director are all present)

7. The following key performance indicators also govern the contract. These are actively reviewed during the Quarterly Review Meeting:
 - (a) Operation of all leisure facilities at a suitable standard – 85%;
 - (b) Quest Accreditation attenuation retained;
 - (c) Customer satisfaction – positive result on NPS scores;
 - (d) Attendance levels – 1% increase on previous year;
 - (e) Percentage of attendances at a concessionary rate – 32%
 - (f) Membership levels – 14,000.
8. Formal monthly and ad-hoc inspections are also carried out by the Council's Leisure Contract Monitoring Officer. These inspections record performance of Places Leisure against 11 aspects of the service (car park cleanliness; reception area; changing areas and showers; toilets; activity areas; spectator areas; lockers; lighting; corridors, notice board and lifts; environmental conditions and customer care); which are each scored. These inspection scores are compiled into an aggregate inspection score with is presented as a percentage.
9. A report on each inspection is produced and discussed at each Contract and Operational meeting.
10. All three Leisure Centres exceeded the 85% target. The target for this indicator is reviewed each year to ensure continuous improvement in the service is maintained. A full analysis of Places Leisure performance, including comparison with previous years, is included in Appendix 1.
11. Quest is a nationally operated quality management scheme, supported by Sport England. The scheme aims to support continuous improvement in the delivery of services at leisure centres and helps to define industry standards.
12. Within the accreditation there are five 'bands' (unsatisfactory; satisfactory; good; very good and excellent). All leisure centres have received a 'very good' rating.
13. Places Leisure undertake regular customer satisfaction surveys using Net Promoter Scores (NPS). Customers are asked to score the services they received out of 10 and whether they would recommend the leisure facility to a friend.
14. Respondents scoring zero to six are rated as 'detractors' and those scoring nine to 10 are known as 'promoters'. Those scoring seven or eight are considered 'passive' and these scores are discounted. The overall NPS score is calculated by subtracting the percentage of 'detractors' from the percentage of 'promoters' to give an overall score.
15. NPS scores over the contract lifetime are shown in Appendix 2. This shows an overwhelmingly positive response to the customer satisfaction surveys.
16. The Leisure Contract sets the expectation that attendance levels at the facilities will increase by no less than 1% per annum; based on an initial baseline published in the contract.
17. The table below shows overall performance against this target throughout the contract to date. The target for 2018/19 has been revised following the closure of The Martlets in June 2018.

Table 1: Attendance figures for the contract lifetime

	Base	2015/16	2016/17	2017/18	2018/19
Target	1,654,804	1,671,519	1,668,240	1,705,124	1,675,036
Actual		1,820,658	1,866,646	1,854,920	1,782,763
% change		+9%	+12%	+9%	+6%

18. The Committee will note that the actual overall attendance has been reduced by an approximate 25,000 following the extended closure of the leisure pool for essential maintenance and improvement works. Although it should be noted that attendance remains above target, and has recovered following the completion of the leisure pool works.

19. A target has been set to record the percentage of attendees who access the leisure facilities at a concessionary rate. Of those attending the leisure facilities in 2018/19 34% were concessions. Concessionary rates are offered for:

- (a) Those aged 16 and 17;
- (b) Those over 60 years of age;
- (c) Students in full time education;
- (d) Those in receipt of certain benefits;
- (e) Registered carers and;
- (f) Mid Sussex District Council staff.

20. Membership levels are also monitored; and a target set. This target is increased year on year throughout the contract lifetime.

Table 2: Membership numbers for the contract lifetime

	Base	2014/15	2015/16	2016/17	2017/18	2018/19
Actual	7,883	9,744	11,600	12,667	14,198	14,029
Change		+1,861	+1,856	+1,067	+1,531	-169

21. Whilst the membership numbers decreased in 2018/19; The Triangle recorded its highest ever membership. However, Kings Leisure Centre saw membership levels drop to numbers previously seen at the start of the contracts with Places Leisure (a total of 22% of the membership was lost). This loss was experienced in the last quarter of 2018/19, following the opening of a budget Pure Gym in East Grinstead town centre.

Key headlines

22. Alongside the day-to-day management of the Leisure Centres and Entertainment Venues the following additional improvement projects have been progressed.

23. The Dolphin Leisure Centre:

- (a) Refurbishment of the members' changing facilities;
- (b) Upgrading of the Health Suite to include a larger sauna cabin, steam room and spa pool;
- (c) New lockers installed in all wet and dry changing rooms;
- (d) Introduction of parking enforcement measures.

24. Capacity at The Dolphin is an issue; with the car park becoming exceptionally busy, especially at peak usage times. Part of the problem was believed to be abuse by non-users leaving cars when working nearby or using the station.
25. A simple parking enforcement measure was introduced in the autumn which requires users of The Dolphin to enter their vehicle registration into a unit located inside the centre which enables them to stay for three hours. This allows the Council to issue PCNs to non-leisure centre users and those who overstay. This approach also operates at the King's Leisure Centre.
26. Whilst this measure has reduced the number of non-users parking at The Dolphin, the car park still has capacity issues at peak times; and so a project is being progressed in 2019 to provide a small number of additional parking spaces within the curtilage of the centre.
- 27. The Triangle Leisure Centre:**
- (a) A new, larger gym provided on the first floor and the conversion of the old gym area into a large exercise studio;
 - (b) A new reception and Costa Café;
 - (c) A Clip N Climb facility installed in the entrance area;
 - (d) New lockers throughout the centre;
 - (e) Major Leisure Pool improvements.
- 28. Kings Leisure Centre:**
- (a) Retiling of the swimming pool changing room floor and poolside;
 - (b) Refurbishment of the toilet facilities and reception area;
 - (c) Introduction of parking enforcement measures.
- 29. Clair Hall:**
- (a) Resurfacing the halls' car park
 - (b) Upgrade of sound and lighting system in main hall
 - (c) Replacement windows
30. **Mid Sussex Marathon:** Places Leisure have responsibility for the management of the Mid Sussex Marathon; an event which sees three runs take place in each of the main towns in the District. The total distance covered by all routes totals a marathon distance. The event held in 2018/19 was a success with a total of 1,830 runners taking part; a marginal increase on the 1,821 participants recorded in 2017/18.

Legislative and policy context

31. None

Service priorities and contract development

32. The Annual Meeting seeks to evaluate contract performance over the previous 12 months and how this compares with previous years. Growth is a vital part of the contract with Places Leisure and a forward-plan for the next year (and coming years) is also developed.

33. A key factor in increasing the number of attendances and memberships at the leisure centres is the continual development in the overall offer. The Triangle had an underused paved area between the Leisure Pool Rapids and the Costa Café exit that has been better utilised by accommodating a Padel Tennis Court, which opened in July 2019. In order to maximise on the success of the court and ensure it can be used in all weathers, a cover will be put over the court and a business case made for a second court.
34. As noted, The Dolphin remains a popular leisure centre, and the Council and Places Leisure are committed to making improvements (within the space constraints of the existing footprint) in order to attract users. Improvements underway in 2019/20 are:
- (a) Improvements to the reception and café to incorporate a Costa and soft-play facility;
 - (b) Conversion of the studio into a training room;
 - (c) Conversion of the bar area into an additional treatment room;
 - (d) Improvements to the group cycling studio;
 - (e) Replacement tiling in the wet changing area;
 - (f) The upgrade of the ground floor toilets.
35. As noted in paragraph 25, parking capacity at The Dolphin remains an issue, despite enforcement measures. A project is therefore currently being progressed to provide a small number of additional parking spaces within the curtilage of the centre.
36. It has been noted that performance at Kings Leisure Centre has declined, with memberships declining. This is as a result of a competitively priced Pure Gym opening in East Grinstead town centre. In order to retain (and grow) membership numbers it is important the Council and Places Leisure continue to diversify and improve the offer. Consideration is currently being given to how we might diversify the offer at Kings to respond to this challenge.

Health and safety

37. During the reporting period there were 443 accidents reported. This equates to 55 accidents per 100,000 visits.

Finance

38. In 2016, the Council created a reserve of £1.2 million to fund investment in the leisure centres. Places Leisure contributed a further £6 million in funding. This has supported several improvements over the first five years of the contract and helped to maintain continuous improvement in the leisure offer.
39. During 2018/19 a further £250,000 was invested by the Council to assist with the improvements to The Triangle's Leisure Pool.
40. At present £150,000 remains in the Fund; with £100,000 committed to assist with an increase in parking capacity at The Dolphin Leisure Centre.
41. The investment enabled the Council to secure a return on investment of £60,000 per annum, resulting in an increased contract payment to the Council. The total annual payment received in 2018/19 was £1.27 million.

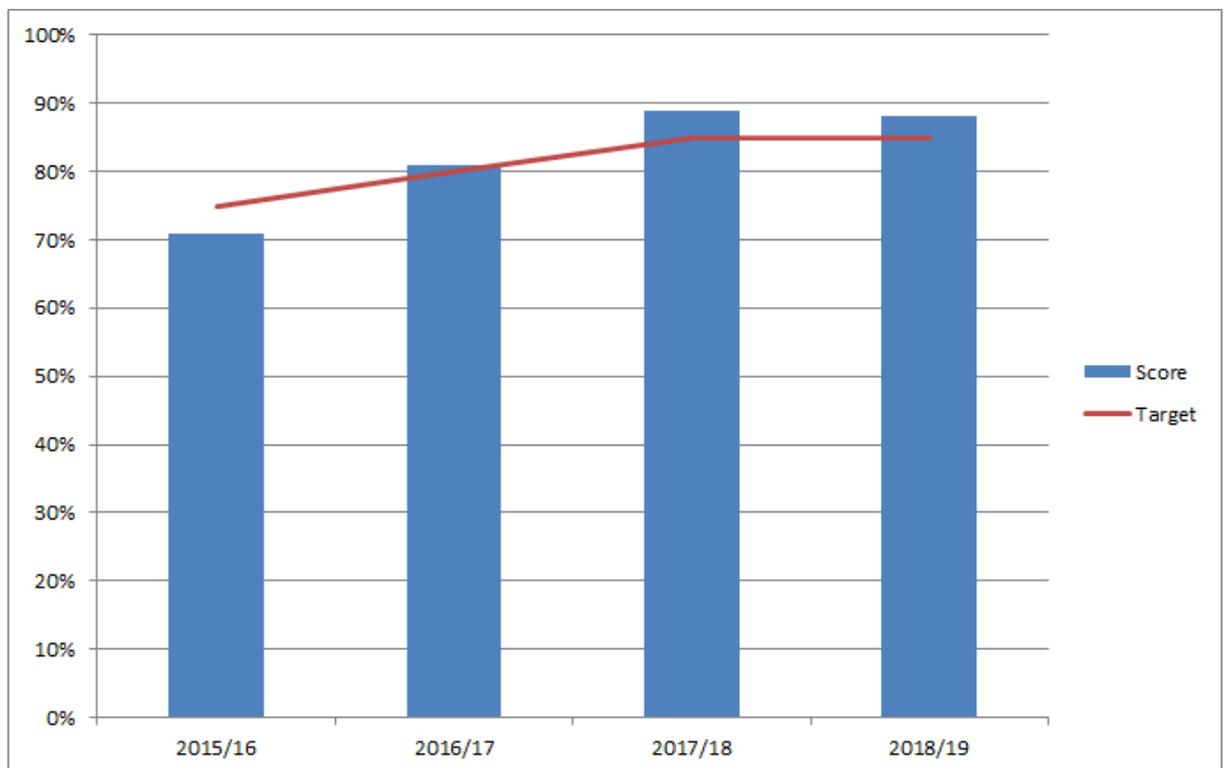
Risk management

42. The Dolphin Leisure Centre has insufficient parking, particularly during peak usage times. This was due, in part, to misuse of the car park by those not using the leisure centre.
43. The introduction of parking enforcement methods (as detailed in paragraph 24 and 25) has not had enough effect on the availability of parking spaces during peak time, and it is likely genuine users choose not to use the leisure centre as a result.
44. Based on the number of members (using an accepted planning formula) there should be around 440 spaces. There are, at present, 197. As noted in paragraph 35, a planning application for an additional 15 spaces has been submitted - this is as much additional capacity as the leisure centre footprint allows. It is possible that this could curtail any potential future growth in attendance and membership numbers at The Dolphin.
45. Increasing competition in the leisure industry has affected the number of memberships Places Leisure have been able to retain, particularly at Kings Leisure Centre. A further gym is set to open in Burgess Hill; which could also have a negative effect on attendances and membership at The Triangle. It is therefore vital the Council continues to work with Places Leisure to respond to these challenges.

Background papers

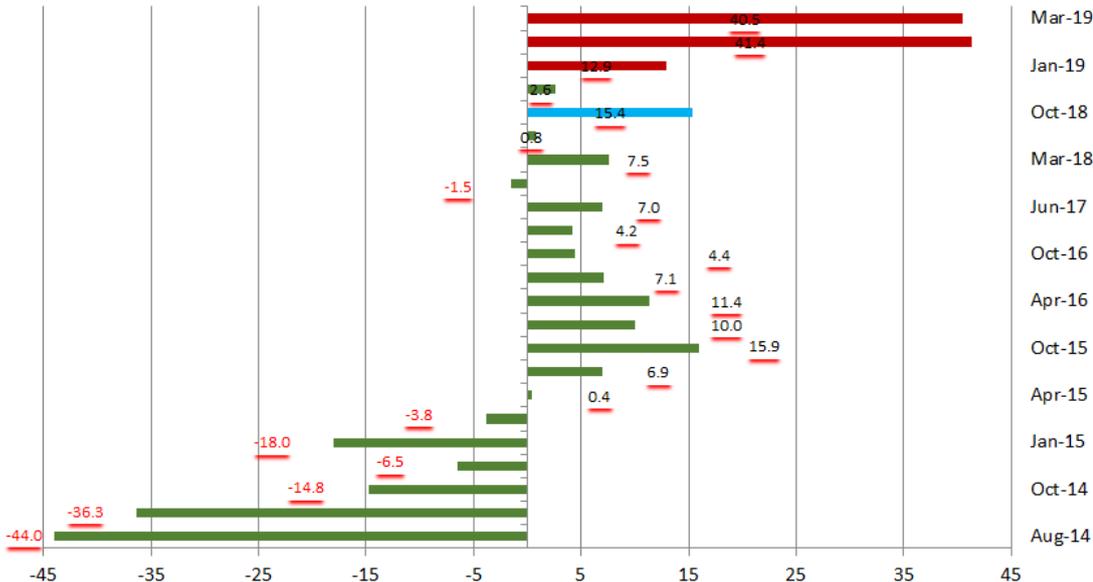
46. None.

Appendix 1: Inspection results over the contract lifetime



Appendix 2: NPS Scores

Mid Sussex NPS



Customers are asked to score the services they received out of 10 and whether they would recommend the leisure facility to a friend.

Respondents scoring zero to six are rated as ‘detractors’ and those scoring nine to 10 are known as ‘promoters’. Those scoring seven or eight are considered ‘passive’ and these scores are discounted. The overall NPS score is calculated by subtracting the percentage of ‘detractors’ from the percentage of ‘promoters’ to give an overall score.

The chart above shows an overwhelmingly positive response to the customer satisfaction surveys.