

ITEM

ITEM

SCRUTINY COMMITTEE – 22 APRIL 2010

MONITORING REPORT – Leisure Centres, Sport and Healthy Lifestyle Contract

Report of Head of Landscape and Leisure

Statutory Powers: Various

Financial Statement:

At Quarter 3 Tone Leisure results are on budget, with a forecast for the final quarter to achieve an overall surplus for the Full Year. This will be a much welcomed breakthrough and will be an opportunity to start building reserves in the balance sheet to, firstly, give some cushioning to risk and, secondly, to facilitate future reinvestment in the local leisure facilities.

Purpose

This report highlights the overall performance and current key issues of the leisure centre management arrangements with Tone Leisure. The contract contributes towards the Council's cross-cutting theme of healthy lifestyle and specifically to objective CP6 Value for Money. It also has a contribution to the cross cutting theme of young people.

Recommendations

That the Scrutiny Committee note the content of the Leisure Contract Monitoring Report

Background

1. This report provides further information and update on the performance of the leisure contract with the Council's strategic partner, Tone Leisure (South Hams) Ltd.
2. A summary of the leisure contract performance 2009 / 2010, is attached in Tone Leisure's Corporate Scorecard – see Appendix 1. The Sports and Healthy Lifestyle plan, showing Year 3 programmes is highlighted in Appendix 2.
3. Several key issues are highlighted below, along with a brief overview on some of the performance goals and measures highlighted in the Corporate Scorecard.

Key Issues

Finance and Performance

4. The aim is to ensure the Annual Budget and the Forecasts stay within the Business Plan.
5. Over all the three quarters there have been some notable successes for Tone Leisure; in particular:

- delivering the overall projected savings plan initiated in the last financial year of circa £134,000;
- increasing swimming lesson participation; and
- controlling cost.

There are still significant issues facing the company to be resolved and managed. These include:

- recapturing memberships lost through a combination of recession and high levels of competition at Ivybridge;
- reshaping the staffing structure at Totnes to match the company's contractual obligations; and
- continuing the cultural changes within the company that are necessary to deliver the full 10 year business plan.

Systems and Quality

6. Quest assessment at Dartmouth, Ivybridge and Kingsbridge are to take place all at the same time this summer which will allow better use of time and resources. Totnes Pavilion is not involved in this management process but Tadpool are giving this serious consideration.
7. Investors in People accreditation was successfully achieved at the end of last year and is valid for another 3 years.
8. Environmental management on improved building maintenance, better house keeping and investment in more efficient systems is going well with good progress being made.

Customers and People

9. Participation across the leisure contract and target groups are showing small levels of growth and existing members are making regular use of centre facilities.
10. Free Swimming programme will have attracted nearly 15,000 swim visits in its first year and importantly will be within the budget of the revenue grant allocated from the DCMS.
11. The 3 year sports and health development plan (2006 – 2009) is progressing well and existing programmes are being maintained, such as health walks, leisure youth nights and play rangers. A revised programme for next 3 years is currently being considered with other stakeholders through Active South Hams Group. A significant achievement is the Devon Active Villages programme which has now secured successful funding support and the outreach development work is due to start this summer. South Hams will have the largest number of villages involved in this 3 year programme and Tone Leisure is well placed to deliver the work.

Innovation and Improvement

12. Tone Leisure are continually looking at ways to develop joint working with partner agencies; health, youth, schools, governing bodies and explore suitable funding streams.
13. The Ivybridge new swimming pool project is being considered in detail now and Tone has produced an initial business plan to aid the development of a funding package to deliver a new pool and a new indoor play facility.

The financial planning requires detailed work and greater involvement of local partners to enable the project to progress. In the meantime the outdoor lido will not be re-opened and be effectively closed off.

Partnership Arrangements

14. The dual use agreements at Dartmouth and Kingsbridge have been much debated and presented significant challenges to enable new agreements to be drafted and implemented. A separate item is included with this agenda. A final summary position has been presented to Devon County and a meeting is set after Easter to agree updated terms for new agreements to be in place for the new school year this September.
15. Similarly the partnership arrangement with Tadpool has been challenging, however recent progress has been made with joint meetings between this Council, Tone and Tadpool ensuring issues are tackled that will lead to a new operating agreement. This work is to continue with the outcome of a revised agreement being drawn up. Within this is the issue of upgrading the wet side changing rooms, this is being investigated with initial plans and costings being drawn up which could lead to TADPOOL taking the responsibility for the facility in a reasonable condition.

Risk Assessment

Opportunity	Issues / Obstacles	Benefits
Healthy lifestyle and government's health activity targets can be effectively delivered through a strong Leisure Partnership with a strategic lead provided through the LSP Active South Hams Group and Leisure and Recreation Strategy	Poor Performance leads to Leisure Partner failing to deliver increased income and saving to the Council.	Increase in people active, meeting government target of 1% increase p.a.
Sharing of Leisure objectives with overall aim of making more people, more active, more often.	Operational programming of activities and pricing, leading to customer resistance to change.	Overall efficiency and saving to Council tax payer.
Commercially based Business Plan with Sport and Healthy Lifestyle Development Plan, which together enables joint working and delivery of activity programmes for target groups at reasonable costs.	Community demand for facilities leads to conflict with school's Dual use of facilities.	Health and well-being of South Hams residents.
Leisure Partnership offers Council savings based upon sound Business Case for investment and income generation for health and fitness and the leisure programmes.	Legal changes to financial regulations that lead to failure of Council to receive full benefit of savings.	Early warning of any legal changes that enable financial risk management
To align corporate goals of	Strategic Aims for Finance, Systems and Quality, Customers and People, Investment and Improvement are established and monitored to ensure benefits are delivered.	Regular monitoring of contract and review of service plans and with 3 rd party organisations lead to joint improvements for customers.
		Quality of Service

Opportunity	Issues / Obstacles	Benefits
Leisure Partner with the Council through Balance Scorecard Approach.		maintained to agreed standards in contract for Quest Accreditation.

Conclusion

The report illustrates that a good partnership working arrangement has developed between the Council and Tone. The challenges of managing the financial performance are being met and while some outstanding issues remain, particularly relating to third party relationships the next 6 months could see progress and conclusion of these matters.

Ken Carter
Head of Landscape & Leisure

Scrutiny Committee
22nd April 2010

Jon Parkinson
Leisure and Recreation Officer

Background Documents:

Financial and Management Agreement

Business Transfer Agreement

Lease documents for four leisure centres

Tone Corporate Scorecard and Sports & Healthy Lifestyle Development Plan

* Note that certain provisions in each of these agreements are subject to commercial confidentiality conditions and are therefore exempt from inspection by members of the public under both the Local Government (Access to Information) Act 1985 and the Freedom of Information Act 2