

ITEM

ITEM

SCRUTINY – 23 JULY 2009

MONITORING REPORT – Leisure Centres, Sport and Healthy Lifestyle Contract

Report of Head of Landscape and Leisure

Statutory Powers: Various

Financial Implications:

Tone Leisure set itself a target of making a £9,000 loss for the year 08/09, and at the Half Year point believed this could be turned in to a break even year. Given the contract is very 'front-loaded', this seemed to be a respectable position to be in at the close of the second year. Unfortunately, in common with other companies, the recession bit in Quarter Three. With prompt action taken by the management and the commitment made by the staff, however, Tone is happy to report a pre-audit loss of £4,592. Whilst the balance sheet remains, and will remain, relatively fragile until reserves can be built in the coming years (and spent on the local facilities in accordance with the contract), Tone Leisure's cash position is strong at £337,479.

The financial performance of the company for April and May this year is on budget and the full year budget is set for a break-even position. The budget includes a number of planned saving actions that have been put in place to meet the challenges presented by the recession and these have been explained to the appropriate officers of SHDC.

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.

RECOMMENDATION

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 to take place during Year 3 of the contract 2009 / 2010, is attached in Tone Leisure's Corporate Scorecard – see Appendix 1a. As well the position for 2008/09 is attached in Appendix 1b. 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. Key performance measures for usage reached at the end of 08/09;
 - £556,268 membership sales generated – about the target.
 - Total centre memberships were above target at 2,785.
 - More swimskool places sold at Ivybridge than target, less so at Quayside.
 - Expenditure on salaries achieved within target, however repairs & maintenance and utilities were overspent. Also catering costs slightly more than anticipated.

Systems and Quality

6. A key performance indicator of the leisure contract is to maintain the existing quality of the leisure service through Quest accreditation, the national benchmarking quality scheme for leisure centres. Dartmouth has recently been inspected in April and has received a Quest score of 63%. Although this is a successful accreditation it does represent a small decrease from its previous score of 67%. The centre scored lower marks on cleanliness, maintenance, health and safety and high marks on programme development, partnerships, bookings and reception. Tone has implemented new maintenance arrangements and further in house staff training on health and safety.
7. The Tone Leisure website has been upgraded and on-line bookings have been recently launched across South Hams. This facility is available for leisure centre memberships with an email address and enables bookings up to 8 days in advance.

Customers and People

8. Tone will be providing improved staff training throughout this year, in particular at Centre Manager and Duty Manager Level. As well as enhancing levels of customer service training. Also towards the end of the year another staff survey will be conducted, hopefully showing improvements from previous 2006 survey.
9. The sports and health development plan is continually progressing and being developed with new and existing initiatives.
 - Sport Unlimited – Year 1 programme, which ended in March 09, had 24 activities with 300 young people participating. Year 2 programme starting which includes leisure centre and youth night sports activities.
 - Leisure Youth Nights – Dartmouth, Kingsbridge & Totnes averaging 60 -70 young people each week, Ivybridge at 40 -50.
 - Play Ranger Scheme – delivery of 20 sessions at 3 parks each year across the district, aiming at 20 young people each session.

- Health Walks – taking place at 5 venues, 10 walks, over 100 walkers each week and 55 volunteer leaders trained. Recent confirmation of PCT funding to continue scheme for another 2 years.
- Health Referrals – to increase number of referrals and instructors, to launch new arthritis referral scheme.
- Ivybridge - successful delivery of a new pilot scheme for Active Schools and Workplaces involving 2 local primary schools.

Innovation and Improvement

10. As highlighted earlier Tone have set up on line bookings and will be looking to improve their staff intranet. As well Tone will be looking to improve their environmental performance, based on better energy management and business proposals for capital investment.

Repairs and Maintenance / Health and Safety

11. At Ivybridge the indoor pool leak is being repaired and an allowance has been made for loss of water. The outdoor lido has been subject to considerable works to be ready for the main summer season and was opened at the end of June. Tone has appointed new statutory maintenance contracts and is aiming to appoint a full time in house Maintenance Technician.

Partnership Arrangements

12. The dual use agreement at Dartmouth is still to be finalised, however both legal sections at SHDC and DCC are currently working on its final conclusion. In the meantime Tone and the Community College have been liaising regarding use of the sports centre for the new term in September, with proposed changes to the current community programme. However for Kingsbridge the College have confirmed they do not want to change the current dual use agreement, which allows very limited use of the sports hall during the school day.
13. The partnership arrangement with Tadpool is still subject to ongoing discussions. Additional IT / computer training has been arranged by Tone for Totnes and all the centres and a demonstration of this will be shown to Tadpool. This will help clarify income collection and its methodology. Overall aim is to develop a revised management agreement which clarify financial and service delivery.

Free Swimming Offer – 60 years and over

14. This has now been going since April and has gone well with a high interest in registrations. Actual usage has been 863 swim visits in April, which increased to 1109 swims in May.

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	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.

Opportunity	Issues / Obstacles	Benefits
<p>strategic lead provided through the LSP Active South Hams Group and Leisure and Recreation Strategy</p> <p>Sharing of Leisure objectives with overall aim of making more people, more active, more often.</p> <p>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.</p> <p>Leisure Partnership offers Council savings based upon sound Business Case for investment and income generation for health and fitness and the leisure programmes.</p> <p>To align corporate goals of Leisure Partner with the Council through Balance Scorecard Approach.</p>	<p>Operational programming of activities and pricing, leading to customer resistance to change.</p> <p>Community demand for facilities leads to conflict with school's Dual use of facilities.</p> <p>Legal changes to financial regulations that lead to failure of Council to receive full benefit of savings.</p> <p>Strategic Aims for Finance, Systems and Quality, Customers and People, Investment and Improvement are established and monitored to ensure benefits are delivered.</p>	<p>Overall efficiency and saving to Council tax payer.</p> <p>Health and well-being of South Hams residents.</p> <p>Early warning of any legal changes that enable financial risk management</p> <p>Regular monitoring of contract and review of service plans and with 3rd party organisations lead to joint improvements for customers.</p> <p>Quality of Service maintained to agreed standards in contract for Quest Accreditation.</p>

Conclusion

The leisure contract with Tone is now in its third year of operation and although this service is provided by an external management trust, it still requires this Council to provide significant levels of monitoring and partnership liaison.

Ken Carter
Head of Landscape & Leisure

Scrutiny Committee
23 July 2009

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

