



Executive
11th September 2007

**Report from the Director of
Environment and Culture**

Wards Affected:
ALL

**Progress report on leisure management contract at Vale
Farm Sports Centre**

Forward Plan Ref: E&C-07/08-004

1. SUMMARY

- 1.1 This report provides Members with feedback on the management of Vale Farm sports centre by Leisure Connection Ltd since the start of the new leisure management contract on 1st November 2006. The report provides feedback under the following headings: general issues, customers, service standards and asset management.
- 1.2 Originally it had been intended that this report would also provide members with details on the performance of Leisure Connection in the management of the new Willesden Sports Centre. However, the customer survey results are still not available for this sports centre and it was decided not to delay this report any longer. Officers will provide a report on performance at the Willesden Sports centre and make it available to members if they request to see it but will not report it to the Executive.

2. RECOMMENDATIONS

- 2.1 That members note the feedback provided and ask the Director of Environment and Culture to meet with the Chief Executive of Leisure Connection to discuss the Council's concerns.

3. DETAIL

GENERAL ISSUES

- 3.1 Following a retendering process the Council's Executive committee on 17th July 2006, awarded the contract for the leisure management of Vale Farm Sports Centre (Vale Farm SC) to Leisure Connection Ltd for a period of five years (with an optional two year extension) commencing 1st November 2006. The Executive requested that officers report back to Members on the performance of the operator once the contract had been operational for six months.
- 3.2 The new specification and its associated payment mechanism is considerably different from the previous contract, placing an emphasis on the provision of a quality service and the need for continuous improvement. The new specification covers the following areas; partnership working, opening hours, activity programming, marketing, facility management and catering. It also includes a number of service enhancements such as a jointly funded 'community sports development officer', free swimming for pensioners, disabled people and young people during the school holidays and the requirement for the contractor to undertake user and non user consultation. As in the previous contract the Council has retained control over core opening hours and pricing.
- 3.3 The contract is monitored by the Sports Service's Recreation Commissioning Team. The quality of service is assessed against nine Key Performance Indicators (KPI's). The payment mechanism allows for a system of financial deductions to be made where there is failure to achieve the required performance standard. These nine KPI's cover: opening hours / availability, programming, target group participation, exercise referral, quality assurance, cleaning, maintenance, customer satisfaction and reporting.
- 3.4 A key issue officers wanted to see addressed as part of the new contract was that stronger management would be introduced to ensure the service improved. Leisure Connection have made a number of personnel changes within the company during the first six months of the contract both on a local and head office level. None of the main Leisure Connection staff that were involved in the contract negotiations remain and the regional director has also been changed. In addition, as a result of changes in the company structure and for personal reasons, there have been four different managers at Vale Farm Sports Centre since the start of the contract.
- 3.5 It has therefore been necessary for the Sports Service's Recreation Commissioning Team (client officers) to work with and support Leisure Connection and the centre managers to enable them to understand the new contract and embed the changes that the new contract requires. This has taken time and has not resulted in the step change in service that officers had wanted to see from the new contract.

- 3.6 Despite these changes in management, Leisure Connection have maintained their support for strategic working groups across Brent and have attended the Brent Sports Forum, Brent priority sport working groups and 2012 Sport and Health theme group. These are important groups for the contractor to be involved with as they include a range of sports providers across the borough and help facilitate more joined up delivery of sports services. In addition, regular meetings have been held at both operational level and with the Head of Sports Service to discuss issues specific to the contract, although it has been more difficult to maintain pressure for improvement due to the changes in personnel.
- 3.7 Leisure Connection initially failed to provide the level of staff detailed within their tender submission. This resulted in fewer staffing hours in areas such as lifeguards / recreation assistants, fitness consultants and cleaners. The Sports Service is satisfied that failing to implement these new levels was due to the changes in senior managers at the centre not being aware of what was required. This was brought to the attention of Leisure Connection, they have addressed the situation and have given assurances that this will not reoccur. Rates of pay for some posts have increased as set out in the tender but not all staff are being paid the increased levels proposed by Leisure Connection. Leisure Connection have submitted a proposal to the council that will enable the centre manager to pay staff at a level that recognises experience, skills, responsibility, training and improvement in performance rather than a blanket pay increase. This will incentivise staff to improve their performance and gain new skills which will enable them to move to a higher rate of pay. This review of staff performance will take place in October 2007 and this should result in most staff being paid at the level submitted within Leisure Connection's tender.

CUSTOMERS

- 3.8 During the period November 2006 to July 2007 there were 246,031 visits by customers to Vale Farm sports centre. This is an increase of approximately 21,000 visits compared to the same period in 2005/06. This increase may partly be due to the closure of the centre for two weeks during December 2005.
- 3.9 Customer feedback is a key mechanism for helping the Recreation Commissioning Team to monitor the services being provided at the council's sports and leisure centres. To this end Leisure Connection are required to undertake the National Benchmarking Survey (NBS) for sports centres each year, to implement a customer complaints/feedback system and hold user forums.
- 3.10 The customer survey was carried out by independent market researchers in May 2007 and the results were made available in July. The same survey was carried out in May 2006 and similar surveys in 2003 and 2004. The survey results provide a profile of customers and levels of customer satisfaction. By analysing the results over the four years the Sports Service are able to identify any particular trends or areas for improvement.

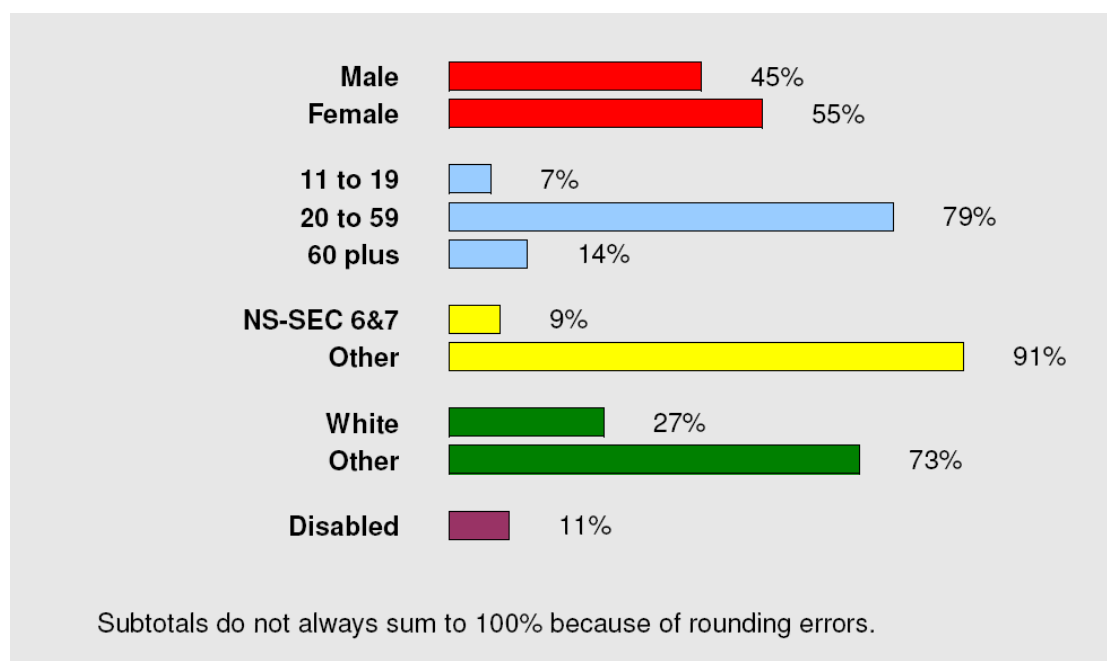
- 3.11 The National benchmarking survey also measures visits per square metre based on the number of annual visits. The table below shows that relative to national benchmarks, the visits per square metre at Vale Farm is at the median (50%) of the national benchmark levels.

Utilisation indicator	Bottom quartile	25%	2 nd quartile	50%	3 rd quartile	75%	Top quartile
Visits per m ²							

Customer Profile

- 3.12 Analysis of the NBS customer profile allows officers to judge whether work to encourage use by target groups is successful. The survey was conducted over a two week period and 343 users completed the questionnaire. The customer profile from the survey is shown in the graph below.

Figure 1: Vale Farm User Survey Characteristics



Note: The survey instrument groups respondents according to the new NS-SEC classification as used in the latest census.

- 3.13 The CPA Culture block was to include four performance indicators on participation in local authority sports centres. These have now been withdrawn from the CPA but the results provide a good indication of how Vale Farm is performing. The table below shows that the centre's performance is relatively good compared to the proposed CPA thresholds with two of the indicators in the upper threshold and one indicator in the middle threshold. We are disappointed with the 11 to 19 years indicator especially as this is one of the target groups and forms part of a stretch target within the Access to Leisure theme within the Local Area Agreement. Officers will discuss actions to address and improve this performance.

Table to show performance for key indicators relative to former proposed CPA thresholds

Key indicator	Centre score	< lower threshold	= lower threshold	Mid threshold	= upper threshold	> upper threshold
% visits 11 – 19 years ÷ % catchment population 11 to 19 years	0.54					
% visits from social classes 6 & 7 ÷ % catchment population in social classes 6 & 7	0.55					
% visits from black, Asian & other ethnic groups ÷ % catchment population in same ethnic groups	1.25					
% visits 60+ years ÷ % catchment population 60+ years	0.71					

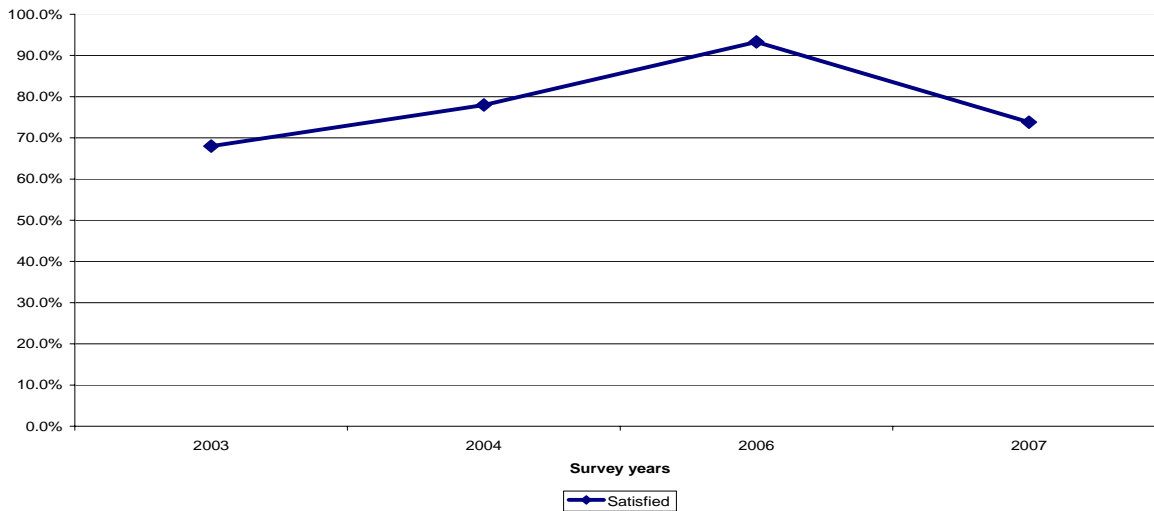
3.14 'Target group action plans' have been developed to encourage greater use of Vale Farm sports centre by the five target groups identified within the Strategy for sport and physical activity in Brent; i.e. women and girls, disabled people, older people, people from black and minority ethnic groups and Young People. A jointly funded Community Sports Development Officer was appointed under the new contract and the officer has been meeting local community groups and attended the local area forum to develop local contacts and networks that will enable him to work with these groups to encourage and enable them to make greater use of Vale Farm sports centre. Work will continue with this post to ensure that all sections of the community, and specifically the identified target groups continue to use the centre.

3.15 Vale Farm users are in the upper threshold for representativeness of people from social classes 6 and 7. This is supported by the introduction in 2006 of the new leisure discount scheme; 'B.Active' which encourages use by low income groups.

Customer satisfaction

3.16 Survey respondents were asked to state how satisfied they were with a range of services at the centre including cleanliness, water quality, helpfulness of staff and standard of coaching. The results are shown in appendix one. Customers were also asked how satisfied overall they were with the service and the results for the past four surveys are shown in the graph below.

Graph to show percentage of survey respondents that were overall satisfied with thier vist to Vale farm sports centre



3.17 It can be seen that the results for 2006 (93% satisfied) showed a significant increase on previous years but have dropped again in 2007 (74% satisfied). On the specific service areas included within the survey (see appendix one) satisfaction had dropped in most areas. These results are disappointing and officers are in discussion with the centre management as to how they intend to address this drop in satisfaction.

3.18 In general the survey asks about a number of areas of management of the centre and the relative strengths and weaknesses are shown below.

Strengths of the Centre in 2007:

- Activity available at convenient times
- Standard of Coaching / instruction
- The range of activities available
- The activity charge / fee
- Value for money of activities

Weaknesses of the Centre in 2007

- Cleanliness of changing area
- Water quality in swimming pool
- Cleanliness of activity spaces
- Number of people in the pool
- Water temperature in the swimming pool

Customer Complaints

3.19 In addition to the user surveys, complaints are recorded at the centre. Between November 2006 and June 2007 there have been 27 complaints from 18 different users which is equivalent to approximately one complaint per 9,000 visits. The twenty seven complaints is a decrease over the same period in 2005/06, when 33 complaints were received. The 2006/07 complaints covered the following areas:

Area of complaint	Number of complaints
Booking / availability	3
Classes / sessions	1
Harpers / Heavy Harpers	4
Squash Courts	1
Staff / Staffing	5
Swimming Pool sessions	2
Swimming pool cleaning	1
Wetside showers	10

- 3.20 The table shows that the main areas of complaints were in connection with the wetside showers, staff / staffing and heavy harpers. The problems with the showers are explained in more detail in paragraph 3.26 and the complaints predominantly relate to the inconsistency of the showers' temperature. The complaints regarding staffing related to poor customer care and staffing levels, the latter of which is explained in more detail in paragraph 3.7. Complaints regarding Harpers gym covered different issues but two were in relation to mis-information about the closure of the 'heavy gym (see paragraph 3.28).
- 3.21 As well as formal complaints the centre provides a customer communication diary and since January there have been 5 negative comments and 6 positive comments. The Centre also holds 'meet the manager' sessions, customer forums and has tried to develop a citizen's panel. Attendance at the latter two have been poor even though the forums have been held at different times of the day to attract different users. Leisure Connection will continue to develop the 'meet the manager' sessions and try to encourage more users to join the citizens panel.
- 3.22 The Sports Service will work with the centre and regional manager to identify key areas of relatively lower satisfaction and develop action plans to improve these areas and increase future satisfaction.

SERVICE STANDARDS

- 3.23 Service standards are mainly monitored via the KPI's and this section of the report deals specifically with this performance. As stated in paragraph 3.3 there are 9 KPI's which cover: opening hours / availability, programming, target group participation, exercise referral, quality assurance, maintenance, customer satisfaction and reporting. Default points are issued for poor performance and if a certain number of points are exceeded per monitoring period (usually quarterly) then default payments are incurred and money can be withheld.
- 3.21 Hours of operation - Since the new contract commenced, up until the end of June, the whole centre has opened late on two occasions. The Council has issued default points for failure to achieve the required opening hour's

standards as defined by the KPI and the Council withheld monies in accordance with the payment mechanism (see section 4 for details).

3.24 Programme of activities – the centre is required to provide a varied programme of sports and recreational opportunities for all Brent's residents with a balance of 'pay and play' classes, courses and block bookings and coverage of Brent's priority sports. . To this end, the contractor is required to provide an annual programme plan of activities in advance of each contract year. To date officers are happy that the programme delivered matches that in the plan.

3.25 Cleaning – cleaning of the centre was an area of poor performance under the old contract and therefore is an area where the Council wishes to see considerable improvement through the new contract. Leisure Connection has increased the number of dedicated cleaning hours to 140 per week and whilst the number of formal and informal complaints about cleaning has decreased, it is still an area of lower satisfaction within the customer survey. The Council has issued default points for failure to achieve the required cleaning standards as defined by the KPI and the Council will be withholding monies in accordance with the payment mechanism (see section 4 for details). As cleanliness is such a significant factor in relation to the satisfaction of visitors to the centre the Recreation Commissioning Team officers will continue to closely monitor the quality and standard of the cleaning and work with Leisure Connection to ensure they understand the Council's expectations and quality standards.

3.26 Marketing - Leisure Connection have recently changed the company that provides the design and printing services for all their publicity. Officers are working with Leisure Connection to ensure that all promotional literature provides information about green travel, website addresses and that key literature is available for translation (if requested). Officers are relatively happy with the marketing that has been produced but we will work with Leisure Connection to ensure that the literature is available earlier thus giving greater time to promote the activities both externally as well as within the centre. We also support their view that they need to expand their portfolio of photographs so that it more closely reflects Brent's and other London Borough's diverse communities. Marketing is not one of the nine KPI's but effective marketing will help Leisure Connection achieve several of the other KPI's.

3.27 To date officers are happy with the other KPI's: target group participation, exercise referral, quality assurance, maintenance, customer satisfaction and reporting, many of which are not linked to the payment mechanism until year two of the contract.

Asset Management

3.28 Under the new leisure management contract the council brought back in-house the responsibility for large capital and planned programmes of work at Vale Farm sports centre as it was felt this would provide better value for money. In addition the Council has also taken responsibility for day to day repairs and maintenance above a de-minimus level of £1,500. The Sports Service is working with the Council's Property and Asset management team to

develop a five year programme of planned building, mechanical and electrical works. However, Members should recognise the Council has taken back the risk on any major fault in the building or plant and the Council will need to be able to respond in a timely way to maintenance issues to avoid compensation claims from the contractor.

- 3.29 Vale Farm sports centre has had an ongoing problem with its wetside showers for many years. Over time, work has been undertaken to address both fluctuating temperatures and low pressure but when one problem is addressed another is created. In February 2007 the water temperature and pressure was once again unreliable and the Council and Leisure Connection undertook further tests to try to determine the cause of the problem. It has been agreed that there is a need to modify and redesign elements of the pipework in the wetside showers as well as conversion to a sealed unit. This work is the responsibility of the Council and needed to be procured in line with the council's standing orders. This has meant the work is taking longer than if it was a contractor responsibility and so the showers have not been operating to the standard we would like and several complaints have been received. The works are due to commence in mid August.
- 3.30 Since November Leisure Connection have undertaken a range of refurbishment works including re-painting much of the internal parts of the building, replacing lockers, replacing carpets and refurbishing one of the meeting rooms. An improved PPM schedule has been developed and recreation commissioning officers are able to review delivery against this schedule.
- 3.31 As part of Leisure Connection's tender submission the existing gym was expanded into the disused bar area thus creating a new area for free weights. This resulted in the closure of the second gym area (known as heavy harpers) which had been exclusively used for 'heavy' and free weights. Whilst some complaints were received on this change it has resulted a greater range of users making use of the free weights now they are integrated into the main gym and officers believe this is a positive move.
- 3.32 The provision of new health and fitness equipment to coincide with the gym expansion was funded by the Sports Service as it is cheaper for the Council to fund this through the prudential borrowing scheme than repay the capital costs through the contract fee. The Sports Service is also funding the provision of a computerised booking and management information system, Gladstone MRM, which is being introduced at all four of the Borough's sports centres.

SUMMARY

- 3.33 Section three of this report shows that Vale farm sports centre attracts a wide profile of users and the service at the centre is contributing to the wider aims of the Council's sports and physical activity strategy. Leisure Connection is keen to increase use of the centre by low and non user groups and committed to the provision of outreach work. Officers are disappointed that some areas of the service have not achieved the 'step change' that the Council requires.

Despite regular meetings with Leisure Connection's managers there has been no significant improvement in some aspects of the quality of service provided and therefore officers recommend that this situation is escalated such that the Director of Environment and Culture meets with Leisure Connection's Chief Executive to discuss the Council's concerns.

4. FINANCIAL IMPLICATIONS

- 4.1 Additional growth was provided within the Sports Service budget in 2007/08 to ensure full funding for the contract and the cost of bringing Charteris sports centre back in-house.
- 4.2 The new contract includes a payment mechanism that enables the Council to implement a system of financial deductions for failure to achieve the required service standard, as discussed in the main report. Within the first three quarters of operation, the Council has made financial deductions with respect to the KPI for opening hours / availability and cleaning. Failure to achieve the performance standards resulted in financial deductions of £1,632 and £1,750.
- 4.3 The Sports Service will continue to monitor Leisure Connections achievement of the KPI's and will implement financial deductions in line with the payment mechanism where standards of performance are not achieved.
- 4.4 The CPA culture block was to include a performance indicator to show the subsidy per visit. This indicator has also been withdrawn but the results again provide a good indication as to the performance of Vale Farm sports centre. The table below shows that Vale Farm is in the CPA's middle threshold.

Key indicator	Centre score	< lower threshold	= lower threshold	Mid threshold	= upper threshold	> upper threshold
Subsidy per visit (£) -1	0.85					

- 4.5 As mentioned in paragraph 3.25 the Council is responsible for major repairs above a de-minimus level of £1,500. An allowance within the Sports Service's budget has been made for this and the programme of planned building, mechanical and electrical works.

5. LEGAL IMPLICATIONS

- 5.1 The Council has power pursuant to section 19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as it thinks fit. This power includes the power to provide buildings, equipment and assistance of any kind.

6. DIVERSITY IMPLICATIONS

- 6.1 Under the Race Relations (Amendment) Act 2000, the local authority's duty of care extends to include services that are managed under contract. The new contract documents and payment mechanism incorporates equalities legislation and good practice guidelines in line with Council guidelines. The

new service specification at Vale Farm SC requires the contractor to pro-actively encourage participation in sports and physical activity by the five target groups identified in the Strategy for Sport and Physical activity through targeted programming, outreach work, provision of specified activities and targeted marketing. This is discussed in detail in the main body of the report.

7. STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 The Sports Centre is managed under contract by Leisure Connection and so there are no direct implications for the council resulting from this report.

BACKGROUND PAPERS

- Executive Report 17th July 2006 - Re-tendering Leisure Management of Vale Farm and Charteris Sports Centres – Review of options and selection of preferred bidder
- Executive Report 16th January 2006 – Progress report on retendering the Leisure Management of Vale Farm and Charteris Sports Centres
- Executive Report 12th April 2005 – Retendering the Leisure Management Contract – Service specification and selection to tender stage
- Executive Report 17th January 2005 – Retendering the Leisure Management Contract.
- Executive Report 12th July 2005– Findings of the Best Value Review of the Sports Service

CONTACT OFFICERS

Any person wishing to inspect the above papers should contact Gerry Kiefer, Head of Sports Service, 020 8937 3710.

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Table to show the percentage of respondents that were satisfied with the services provided at Vale farm sports centre. Results are taken from the 2007 National Benchmarking Survey.

Area being measured	Percentage of respondents in 2007 that were satisfied
Overall satisfaction	73.8%
Value for money of activities	71.5%
Helpfulness of reception staff	69.0%
Helpfulness of other staff	64.6%
Ease of booking	68.3%
Range of activities available	73.0%
Water quality in the pool	52.0%
Water temperature in the pool	52.9%
Cleanliness of the changing areas	48.2%
Cleanliness of the activity spaces	60.9%
Availability of activities at convenient times	84.4%
Activity charges / fees	71.2%
Quality of equipment	64.1%
Standard of coaching / instruction	83.5%
Quality of car parking on site	67.4%