

Report to: Community Services Scrutiny Committee
Date: 5th June 2007
Report of: Senior Cultural Development Officer
Subject: Leisure Centre Partnership Arrangements
Ward: All

1.0 Purpose of Report

1.1 The purpose of the report is to provide members with a position statement on the operation of the Leisure Centres under the partnership arrangements with Leisure Connection Limited.

2.0 Consultation

2.1 In preparing this report I have consulted with the Executive Member for Social Inclusion and Culture and Head of Neighbourhood Initiatives.

3.0 Background

3.1 Arrangements for the provision of management of the council's leisure centres were established following a tendering exercise carried out in early 2002. Following detailed consultation carried out with staff and trade unions the Council on the 17th March 2003 agreed a ten-year partnership management agreement with Leisure Connection Limited to operate and manage both Peterlee and Seaham Leisure Centres.

3.2 As part of the agreement with Leisure Connection the centres received a capital investment of £600,000 and the agreement provided the Council with savings in respect of its costs to run the service. For members information I have set out below the savings to the council that have accrued as a result of the partnership arrangements with Leisure Connection.

Over a four-year period the savings to the council on its base year budget is £412,658. The figures are index linked assuming an inflation rate of 3%.

Year	Council's Original <u>Base Budget</u>	Leisure Connection <u>Management Fee</u>	<u>Base Budget</u>	Year on Year <u>Savings</u>
2003/04	813,490	858,000	-44,510	-44,510
2004/05	837,894	787,580	50,314	70,420
2005/06	863,032	715,100	147,932	72,480
2006/07	888,922	630,000	258,922	85,100
	3,403,338	2,977,443		
Accrued Savings			412,658	183,490

3.3 Under the new arrangements the centres must be managed in line with company's quality management system, which includes documented procedures for dealing with all areas of leisure centre management. This includes pool water safety,

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dealing with customer complaints, cleaning standards and all areas of health and safety.

- 3.4 As part of the contractual arrangements the buildings remain in the ownership of the council and in terms of repairs and maintenance responsibilities there is in place a schedule outlining both the Councils and Leisure Connection responsibility. The company are responsible for carrying out repairs up to the value of £500 (indexed in line with the retail price index).
- 3.5 The Council are responsible for any repairs over this sum and any major elements of work required at the centres are considered by the Councils Capital Working Group. Over the past number of years the centres have received allocations from the group to ensure the centres comply with DDA legislation, upgrade changing room areas, replace damaged roofs and install pool covers.
- 3.6 As part of the contractual arrangements with Leisure Connection there is in place an agreed monitoring process that allows the council to issue an “official notice” in respect of the company not following agreed quality management procedures or related clauses in the contract. The official notices if not acted upon and rectified by the company can lead to the serving of a “default notice” by the council to Leisure Connection in relation to non-performance.
- 3.6 For members information to date there has been two official notices issued to the company relating to maintaining cleanliness standards at the centres. The areas of concern were rectified within agreed timescales and continue to be monitored.

4.0 Position Statement and Option Appraisal

- 4.1 Monthly Monitoring Meetings are held with Leisure Connection Staff and the Senior Cultural Development Officer to ensure smooth operation of the partnership. In addition quarterly inspections are undertaken by the Health and Safety Manager to ensure the centres are managed in accordance with health and safety legislation.
- 4.2 As part of the contractual arrangements with Leisure Connection the company must present an annual plan to the Council, for agreement, which outlines proposed pricing structure, breakdown in attendance levels and plans for the coming year together agreed performance indicators.

The table below shows that over a five-year period there has been an increase in over 150,000 additional attendances at the centres.

	02/03 Council	03/04	04/05	05/06	06/07
Fitness	42,428	104,928	112,937	129,920	155,713
Swimming	86,920	115,743	113,501	128,710	151,484
Children	41,635	48,665	44,351	42,266	28,876
Other Dry	79,852	80,851	77,674	87,966	86,179
Secondary	65,285	68,459	59,837	50,842	44,865
Total	316,120	418,646	408,300	437,705	467,117

- 4.3 In order to ensure the councils management fee/subsidy paid to Leisure Connection is targeted towards priority groups within the district a “leisure saver “ card has been developed and introduced which provides a range of discounts to key activities at the centres. Priority groups include young people, low-income families, registered disabled, registered carers, over 60’s and G.P referral patients.

- 4.4 To date 3,482 cards have been issued which has resulted in an additional 21,400 visits to the centres. A breakdown of the age categories of the cards issued is shown in the table below;

Age Group	Cards Sold	Age Group	Cards Sold
0 - 5	232	22 - 39	162
6 - 12	1,804	40 - 50	89
13 - 17	868	51 +	290
18 - 21	37	Total	3,482

The card allows both the council and Leisure Connection to monitor usage by target groups and develop specific programmes of activity.

- 4.4 For members information the school holiday free swims scheme for young people has proved very successful with over 10,000 attendances. It is proposed that activities planned for the summer holidays will include learn to swim lessons, snorkeling, mini polo, aqua circuits and water safety sessions. Activities will also take place in school pools in Peterlee and Seaham and have been developed in partnership with the County Durham Primary Care Trust and funded by the Local Strategic Partnership and the Everyday swim programme.
- 4.5 Appendix 1 shows the performance indicators developed with Leisure Connection and presented in the annual plan to the Council for agreement on the 5th April 2007

5.0 Factors Affecting Service Delivery

- 5.1 There are no factors affecting Service Delivery

6 Implications

6.1 Financial

There are no financial implications arising out of the report

5.2 Legal

There are no legal implications arising out of the report

5.3 Policy

There are no policy implications arising out of the report

5.4 Risk

A risk assessment has been carried out and actions to manage the risks have been implemented.

5.5 Communications

There are no communication implications arising out of the report

6.0 Corporate Implications

6.1 Corporate Plan and Priorities

The introduction of the “Leisure Saver Card” will help meet the councils objective of providing “Quality Services for our people” and “Building a healthy Community”

6.2 Equality and Diversity

The introduction of the “Saver card” will benefit those disadvantaged in the community

6.3 E-Government

E- The “on-line “ booking system ensure the centres comply with the requirements of Government

6.3 Procurement

There are no procurement implications arising from the report

7.0 Recommendations

7.1 Members are asked to note the contents of this report.

Background Papers/Documents Referred to

Leisure Centre Working Files/Annual Plan