

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

14 November 2016

Report of the Director of Street Scene, Leisure & Technical Services

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 LEISURE FACILITIES – LEISURE TRUST UPDATE

Summary

1.1 The report reviews the recent performance of the Tonbridge and Malling Leisure Trust and updates Members on a review of the existing Service Fee. The Trust's Chief Executive will be in attendance at the meeting to present a review of the last year and answer questions from Members.

1.2 Background

1.2.1 Members will be aware that the Tonbridge and Malling Leisure Trust (Trust) has been operating independently from the Council since 1 November 2013. The Trust manages the Council's main leisure facilities that include the Angel Centre, Tonbridge, Larkfield Leisure Centre, Tonbridge Swimming Pool and Poulton Wood Golf Centre.

1.2.2 Regular communication between the Council and the Trust has continued to take place since the transfer, supported by quarterly liaison meetings. The Trust supplies the Council with a set of monitoring reports and Key Performance Indicators, as detailed in the Management Agreement, with a key document being the Annual Service Delivery Plan. The Annual Service Delivery Plan incorporates the relevant Key Priorities of the Council, including the Local Environment, Health and Wellbeing, Children and Young People and Community Safety.

1.3 Review of Performance

1.3.1 The latest Annual Service Delivery Plan - Cumulative Quarterly Monitoring Report shown at **[Annex 1]** includes Quarter 1 covering the period 1 April to 30 June 2016.

1.3.2 The details shown in the annex have been limited to those directly related to the Council's Agreed Service Outcome measures. Full copies of the Monitoring Report are available upon request.

1.3.3 Overall satisfaction remains high with 91% at Larkfield Leisure Centre, 98% at Angel Centre and 99% at Tonbridge Swimming Pool. Levels of customer

satisfaction with cleanliness were 89% for Larkfield Leisure Centre, 93% for Angel Centre and 98% for Tonbridge Swimming Pool against a target of 80%.

- 1.3.4 Direct debit and annual memberships have continued to increase compared to the previous year by 14.8%, a growth of 699 members. Attrition rates also compare favourably with industry averages. Poult Wood Golf Centre has also seen membership grow by 20 members compared to last year, an increase of 12.3%.
- 1.3.5 Overall attendance at the 3 leisure centres has increased by 8.6% (over 23,000 visits) compared to last year. Larkfield Leisure Centre increased by 16% (over 22,000 visits), Angel Centre increased by 0.4% (over 250 visits), Tonbridge Swimming Pool increased by 1.2% (over 800 visits). Poult Wood Golf Centre attendance increased by 17% (nearly 2,500 visits).
- 1.3.6 There were 3 fewer Excel junior members (11-18 year olds) a decrease of 0.42% compared to last year. Kickstart membership (0-10 year olds) increased by 15 members or 4.7% compared to last year.
- 1.3.7 Dryside course attendance has improved by 32 students or 5% on the previous quarter and 52 students or 9% year on year. Swimming course attendance has maintained its position from the previous quarter with only a fluctuation of 2 students. This continues to show a slight year on year growth of 15 students or 0.7%.
- 1.3.8 The number of adult referrals onto the GP referral scheme was 127 with 73 new referrals at the Angel Centre and 54 at Larkfield Leisure Centre. Although this is down against last year by 14 or 10% it is still an encouraging number engaged and work is ongoing to increase uptake in liaison with the Council's Chief Environmental Health Officer.
- 1.3.9 The overall number of accidents per 100,000 in Quarter 1 was 65 which was 3% lower than last year and 58% lower than the previous quarter. There was only a single RIDDOR report submitted in the Quarter.
- 1.3.10 Customer comment cards from all sites have not highlighted any serious complaints for the quarter with positive feedback again representing over 35% of comments received.

1.4 Tonbridge Swimming Pool

- 1.4.1 During recent programmed works to repair/replace a section of Tonbridge Pool roof it was found that the extent of works required were beyond those initially anticipated. Whilst initially all works were due to be undertaken externally it was unfortunately identified that a closure of the fitness pool was required for internal scaffolding/works.
- 1.4.2 The additional internal works are programmed to take approximately 8 weeks in total including refilling and recommissioning the swimming pool with an anticipated

reopening in early December. Whilst the Fitness Pool is closed the Toddler/Teaching Pool, Café and Health Suite remain open to the public.

- 1.4.3 The Trust has advised that they have put measures in place to address customer concerns regarding the closure and have made arrangements with a neighbouring Leisure Trust in order that members can access their facilities free of charge. Direct debit memberships will also not be taken during this period and annual Members will have their memberships extended accordingly.
- 1.4.4 Discussions are also currently being undertaken with the Trust to re-programme scheduled works during this closure that would normally take place over an extended Christmas Closure period. This may then allow the Trust to extend opening opens over the Christmas Holiday period.
- 1.4.5 The closure will result in a loss of income claim, which subject to review by Council's Officers, will be reported as part of the draft revenue estimates.

1.5 Quest Result

- 1.5.1 Quest is a national quality assessment scheme for the sport and leisure industry and used as a tool for benchmarking and continuous improvement. I am sure Members will be pleased to note that following assessment in October, Larkfield Leisure Centre achieved the mark of 'Outstanding'. For context there are currently 652 assessed sites in the UK and only 10 have received the accolade of Outstanding, with one of those being Tonbridge Swimming Pool, which was assessed earlier this year. This is an exceptional outcome and reflects on both the performance of the Trust and the emphasis on service quality within the Management Agreement.

1.6 Review of Management Fee

- 1.6.1 Schedule 11 of the Management Agreement sets out the projected Service Fee payable by the Council to the Trust for the first 5 year period through until March 2018. The Service Fee is adjusted by CPI on an annual basis and includes a 5% efficiency taper from year 3, reducing the overall base cost to the Council. For the current financial year (2016/17) the Service Fee is established at a payment from the Council to the Trust of £156,417.
- 1.6.2 The Management Agreement states that the Service Fee shall be reviewed and, if agreed, adjusted at the commencement of each 5 year period. Initial discussions are already taking place between the Council and the Trust regarding a renegotiated Service Fee to be agreed by no later than the 1 March 2017.
- 1.6.3 In accordance with the Council's Savings and Transformation Strategy the negotiations are focussing on generating a financial saving to the Council, whilst retaining service quality and maintaining the long-term financial sustainability of the Trust.

- 1.6.4 Initial discussions have focussed on a number of areas that may influence the revised Service Fee including the possibility of a phased approach, the authorisation of fees and charges, existing protection clauses including pensions and utilities and investment opportunities. The Trust will consider potential new areas of income and future cost pressures including pension contributions and the National Minimum Wage.
- 1.6.5 Following discussions it is the intention to bring the proposed Service Fee and associated Business Plan to a meeting of this Board for consideration and approval.

1.7 Lease Arrangements

- 1.7.1 The current lease to the Trust for the Angel Centre expires on 31st October 2018. This lease was for 5 years and prepared when the proposals for the town centre redevelopment with Sainsburys were still active. The lease contains a provision regarding redevelopment, should these plans not proceed there is provision to grant a new lease in line with the contract term on similar terms and conditions as the current lease. As the proposals with Sainsburys have fallen away it is the intention to grant a new lease to the Trust as provided in the overall agreement.
- 1.7.2 The Trust also lease 1 – 5 Martin Square from the Borough Council as their office premises. The current lease expires on 1 April 2018. It is proposed that 6 months prior to the lease expiry terms and conditions for a new lease of these premises will be negotiated with the Trust and a report made to Members of the Finance, Innovation & Property Advisory Board.

1.8 Capital Investment

- 1.8.1 The Trust is restricted by the Management Agreement to reinvestment of its funds into the Council's Leisure Facilities, and this has already taken place with a financial contribution from the Trust to the recent refurbishment of the Health Suite at Larkfield Leisure Centre.
- 1.8.2 The Trust has recently offered to fully fund the installation of new flooring and the refurbishment of cubicles within the wet-change area and adjoining toilets at Larkfield Leisure Centre. The works have been brought forward in response to customer complaints. It is proposed that these works be undertaken alongside improvements planned by the Council to the ventilation system in the wet-change toilets and the potential replacement of the lockers.

1.9 IT Support

- 1.9.1 As reported to the Finance, Innovation and Property Advisory Board (FIPAB) meeting on 21 September 2016 the Trust is to take responsibility for its own IT support arrangements and replacement of IT equipment in the future. The Council generating a relatively small net revenue saving from this change in

responsibility as well as other advantages that are difficult to quantify as detailed in the report to the FIPAB.

- 1.9.2 With the termination of the IT Service Level Agreement, the Trust will be fully independent in the day to day management of these facilities from the Council following the termination of previous agreements, including Financial, Personnel and Legal Services.

1.10 Financial and Value for Money Considerations

- 1.10.1 The transfer to the Leisure Trust has made a significant contribution to the Council's savings. Additional savings will be secured through the revised arrangements for IT support/hardware and further savings are anticipated from the current review of the Service Fee. The financial performance of the Trust continues to be positive.

1.11 Risk Assessment

- 1.11.1 Health and safety arrangements are outlined in the Management Agreement with the Trust and are monitored through Key Performance Indicators. Regular site inspections are undertaken with spot checks and independent audits.

1.12 Equality Impact Assessment

- 1.12.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.13 Policy Considerations

- 1.13.1 Asset Management, Community, Healthy Lifestyles, Young People

1.14 Recommendations

- 1.14.1 It is **RECOMMENDED TO CABINET** that the outcome of negotiations with the Trust on the revised Service Fee and Business Plan for 2018-2023 be reported to a future meeting of this Board for consideration and approval.

The Director of Street Scene, Leisure and Technical Services confirms that the proposals contained in the recommendation (s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

Robert Styles

Director of Street Scene, Leisure & Technical Services