

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

28 February 2017

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 number of key issues including the review of the existing Service Fee.

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 Poult 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 2 covering the period 1 July to 30 September 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 Whilst customer feedback remained positive with scores at Angel Centre (93% cleanliness and 98% satisfaction) and Tonbridge Swimming Pool (98% cleanliness and 99% satisfaction), Larkfield Leisure Centre scores showed a

reduction of 10% for cleanliness (79%) and a 6% reduction for customer satisfaction (85%) compared to the last Quarter. The Trust has commented that the reduction at Larkfield Leisure Centre was related to issues of increased footfall through the busy Summer months and the condition of the wet-change area. Improvements have recently been undertaken to the wet-change area (see 1.9 below) and it is anticipated that following these works satisfaction levels will improve.

- 1.3.4 It is positive to note that the number of positive comments (107) exceeded complaints (84) for the quarter with no serious complaints received.
- 1.3.5 Attendance at Larkfield Leisure Centre and Tonbridge Swimming Pool was up on the previous year, however the Angel Centre showed a 6% reduction. There are no particular areas of concern at the Angel Centre identified from the Trust, although this is an area that will need monitoring further in the future to ensure the trend does not continue. Total overall attendance across all sites was up 4.5% year on year.
- 1.3.6 The percentage of interactions with gym customers determined to be at high risk of leaving at Larkfield Leisure Centre was down to 34% in the quarter compared to 65.9% in the previous quarter. Attrition levels at Larkfield Leisure Centre (3.4%) and the Angel Centre (3.3%) were also both higher than the target of 2.5% but still considered low by industry standards. These figures were acknowledged as a concern for the Trust and need to be monitored and improved. The Trust advised that recent high staff turnover in this area may have attributed to these results and it was hoped that this would improve once vacancies are filled.
- 1.3.7 The overall number of accidents per 100,000 in Quarter 2 was 47 which was 8% lower than last year and 28% lower than the previous quarter. There was only a single RIDDOR report submitted in the Quarter.

1.4 Tonbridge Swimming Pool

- 1.4.1 Members will be aware of the recent works to a section of Tonbridge Swimming Pool roof that resulted in an unforeseen partial closure of the facility. These works are now complete with the site fully reopening on 27 December 2016.
- 1.4.2 Consideration has now been given to the timing of the next phase of roof tile replacement (over the reception/cafeteria and health suite) and this will be taking place in the autumn of 2017. It is anticipated that the work will be undertaken with no closure of the facility.

1.5 Fitness equipment renewal

- 1.5.1 The fitness equipment at Larkfield Leisure Centre and the Angel Centre is scheduled for replacement within the next financial year (2017/18). Replacement is currently allocated within the Council's Capital Renewals programme at circa £330,000. In an increasingly competitive health and fitness market it is felt

important to continue to invest in new equipment to attract and retain customers. This equipment supports a significant area of income generation for the Leisure Trust.

- 1.5.2 An internal officer group has being established to progress this scheme in liaison with the Leisure Trust, with the replacement due to take place over the Christmas period.

1.6 Review of Management Fee

- 1.6.1 As previously reported to Members, 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. Detailed discussions are 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 Due to the complexity of the issues highlighted above it has not been possible for the proposed fee to be agreed within the deadline highlighted at 1.6.2 above. An extension to this date has, however, been agreed by both parties the proposed Service Fee and associated Business Plan will be brought to the June meeting of this Board for consideration and approval.

1.7 Capital Investment

- 1.7.1 Further to the previous report to this Board, the Council has now completed works to install new flooring and refurbish the cubicles in the wet-change area and adjoining toilets at Larkfield Leisure Centre. Works to the ventilation system in the wet-change toilets is also currently underway alongside the replacement of the lockers.

1.7.2 These works were supported by a significant financial contribution from the Leisure Trust.

1.8 Southern Disability Open

1.8.1 Kent Golf in conjunction with the Leisure Trust, will be staging the Southern Disability Open on Friday May 19th at Poulton Wood Golf Centre for the first time on both the 9 and 18 hole courses. The competition is open to Category 1, 2 and 3 golfers and will be played to the modified rules of golf published by the R&A.

1.9 Legal Implications

1.9.1 The management and development of facilities run by the Trust on the Council's behalf is in accordance with an approved Management Agreement.

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 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:

- 1) the Trust's performance over the second quarter of the Annual Service Delivery Plan be noted.
- 2) the proposed Service Fee and Business Plan for the next five years of the Management Agreement be reported to the next 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:

contact: Stephen Gregg

Nil

Robert Styles

Director of Street Scene, Leisure & Technical Services