

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

25 July 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 two key issues; these being the re-tender of fitness equipment and proposed extension of the gym at Larkfield Leisure Centre.

1.2 Background

1.2.1 Members will be aware that the Tonbridge and Malling Leisure Trust (Trust) has been responsible for the management of the Council's leisure facilities 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 4 covering the period 1 January to 31 March 2017.

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 Satisfaction and cleanliness scores from customers remain high with all scores above 90%, Angel Centre (100% cleanliness and 98% satisfaction), Tonbridge

Swimming Pool (96% cleanliness and 99% satisfaction) and Larkfield Leisure Centre (92% for cleanliness and 92% satisfaction).

- 1.3.4 It is encouraging to note that the number of positive comments in the quarter (77) again exceeded complaints (22) with no serious complaints received.
- 1.3.5. There were over 1 million visits to the Leisure Facilities over the year with a modest increase of just over 13,500 visits or 1.2% compared to the previous year (1,122,070 visits in total). Larkfield Leisure Centre had over 60,000 additional visits an 11% increase and Poulton Wood Golf Centre had an additional 16,000 visits or 42% increase on the previous year. The figures at Poulton Wood reflect both the lower attendance from poor weather in the previous year and improved attendance with better weather this year. Tonbridge Swimming Pool however saw a drop on the previous year of almost 15% or nearly 38,000 fewer visits together with the Angel Centre which showed a 9% reduction or nearly 26,000 fewer visits.
- 1.3.6 There are no particular areas of concern at Tonbridge Swimming Pool with much of the reduction as a result of the closure related to roof works and this is expected to return in time. The reduction at the Angel Centre has been identified by the Trust as small decreases across a number of areas. This will continue to be monitored and be addressed through the new 5 year action plan and monitoring of the Trust.
- 1.3.7 The overall number of accidents per 100,000 in Quarter 4 was 50 which was 22% lower than last year and 12% lower than the previous quarter. There was only one RIDDOR report submitted in the Quarter.

1.4 Fitness Equipment Renewal

- 1.4.1 The fitness equipment at Larkfield Leisure Centre and the Angel Centre is scheduled for replacement within the financial year (2017/18). Replacement is currently allocated within the Council's Capital Renewals programme at circa £330,000. Under the formal Management Agreement with the Trust the Council is obligated to replace equipment in accordance with the Council's Capital Renewals programme.
- 1.4.2 In the increasingly competitive health and fitness market it is also 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 Trust and, in liaison with Trust, an internal officer group has been established to progress the scheme.
- 1.4.3 Officers have evaluated the most appropriate procurement route and progressed purchasing of the equipment through a Framework Agreement. Framework Agreements have the benefit of ensuring that pre-selected suppliers are appropriately qualified, experienced, resourced and financially suitable to undertake the works proposed. Frameworks are both EU and UK compliant and as they have already undertaken the main procurement process there is no need

for a full EU Tender. The Framework selected is ESPO (Eastern Shires Purchasing Organisation) Framework 345 that provides 10 pre-assessed suppliers. There will be a mini-competition as required under the Framework Agreement to establish which of these suppliers will be appointed to fulfil this supply contract.

1.4.4 As with all previous procurement of fitness equipment, the evaluation criteria for Tenders will place an emphasis on quality with the evaluation set at 30% (Price) and 70% (Quality).

1.4.5 It is anticipated that Tenders will be sought in July and I will be able to give a verbal update at the Board. It is proposed that the new equipment be installed at the Angel Centre over the coming Christmas period with replacement at Larkfield Leisure Centre to coincide with the completion of the proposed works to extend the gym (see below) that should take place in Spring 2018.

1.5 Larkfield Leisure Centre extension

1.5.1 To support its new five year Business Plan (see separate report in these papers), the Trust has brought forward plans to extend the gym at Larkfield Leisure Centre as shown at **[Annex 2]**. These plans are based upon the Trusts evaluation of the existing market and both current use and latent demand. Most fundamentally, these plans support future income projections underpinning the ability for the Trust to bring forward a revised Service Fee (see separate report in these papers).

1.5.2 The plans will primarily provide an extension to the gym utilising the current adjoining dance studios. These studios will then be relocated into a new build at the front of the leisure centre as shown at **[Annex 2]**.

1.5.3 The planned extension is estimated at a total cost of between £700,000 and £800,000 and will be fully funded by the Trust. The Trust also proposes to purchase additional fitness equipment to furnish the extension with the Trust being fully responsible for purchase, maintenance and future replacement.

1.5.4 The proposed project will see significant funds re-invested by the Trust back in to facility for the benefit of customers. The project is strongly supported and Council officers will be working alongside the Trust on its delivery.

1.5.5 The capital investment being made by the Leisure Trust in relation to Larkfield Leisure Centre extension is permitted as part of the Management Agreement with the Trust which restricts use of the Trust's Capital reserves to within the Tonbridge and Malling area. In accordance with the Management Agreement a 'Notice of Change' has been sought by the Trust and granted by the Council in relation to the proposed works.

1.5.6 The Trust intend to phase the project to maintain customer access to core facilities as far as is practical.

- 1.5.7 The Trust has sought Planning permission and Landlords Consent from the Council and liaison/updates have been undertaken with both Larkfield and East Malling Parish Council, as the land owners, and Local Members. Subject to formal permissions being granted the project is expected to be completed in early 2018.

1.6 Legal Implications

- 1.6.1 The management and development of facilities run by the Trust on the Council's behalf is in accordance with an approved Management Agreement.
- 1.6.2 The renewal of the fitness equipment at the Leisure Centres is being progressed in accordance with the Council's approved Financial and Procurement rules, policies and procedures.
- 1.6.3 The Framework selected for the fitness equipment procurement is ESPO Framework 345 which incorporates standard contractual terms and conditions. These conditions will be used as the basis of the contract with the successful tenderer. They vary from the Council's standard contract clauses and have been checked by the Council's Legal Services. It has been concluded that they are well drafted, offer a level of protection for the Council which is comparable to the Council's standard contract clauses and are acceptable. Under the Contracts Procedure Rules, Members are asked to note the variation and to approve it

1.7 Financial and Value for Money Considerations

- 1.7.1 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.
- 1.7.2 The capital renewal process related to the Fitness equipment at Larkfield Leisure Centre and the Angel Centre is currently allocated within the Council's Capital Renewals programme and will be procured through the ESPO framework. As part of the Framework a financial appraisal has already been undertaken on each supplier, therefore, the Council will not be required to revisit this as part of the tender evaluation.

1.8 Risk Assessment

- 1.8.1 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.

1.9 Equality Impact Assessment

- 1.9.1 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.

1.10 Policy Considerations

1.10.1 Asset Management, Community, Healthy Lifestyles, Young People

1.11 Recommendations

1.11.1 It is **RECOMMENDED TO CABINET** that:

- 1) the Trust's performance over the fourth quarter of the Annual Service Delivery Plan be noted.
- 2) the procurement process for the fitness equipment be progressed as outlined above.
- 3) the proposed works to the gym extension at Larkfield Leisure Centre be supported and progressed as outlined above.

The Director of Street Scene, Leisure & 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