

## **Report of the Executive Manager – Neighbourhoods**

### **1. Summary**

- 1.1. The East Leake Leisure Centre was managed by Carillion Plc. under a Private Finance Initiative (PFI) scheme. This report covers performance at the East Leake Leisure Centre over the contract year, January to December 2017.
- 1.2. In line with other leisure contract reports information is formatted to enable Members to see variations in usage over the past two years. Staff from East Leake Leisure Centre will make a presentation at the meeting.
- 1.3. Members will be aware that Carillion entered administration in January 2018. Whilst this report covers the performance period January to December 2017, before the administration took place, officers would take this opportunity to reassure Members that East Leake Schools Ltd, who operate the PFI contract and have the direct contract with Carillion to deliver facilities management and leisure centre management at the site, have worked closely with the administrators throughout this time to ensure that service delivery and staffing remains consistent and have kept officers fully informed during this time of uncertainty.
- 1.4. On 4 June 2018, Mitie were appointed as the new providers. Mitie and East Leake Schools have been working in the background since January waiting for all legalities to be completed to enable the transfer of the contract. All Carillion staff are now employed by Mitie. It really has been business as usual throughout this time and it is pleasing to report that early monitoring of 2018 performance is showing there to be no adverse effect on performance of the contract.

### **2. Recommendation**

It is RECOMMENDED that the Performance Management Board notes and comments on the performance of Carillion's delivery of the contract over the contract year January 2017 – December 2017.

### **3. Reasons for Recommendation**

- 3.1. To comply with good practice on the annual reporting of this contract.

#### **4. Supporting Evidence**

- 4.1. A detailed performance analysis is provided at Appendix 1 and this information will be supplemented at the meeting by a presentation by representatives of the Company.

#### **5. Risk and Uncertainties**

- 5.1. The leisure management contract with Carillion is a 25 year PFI arrangement that runs until 2027. It requires a considerable financial contribution year on year of almost £500k. However, as all planned and responsive maintenance is carried out by the contractor this reduces the risk of unexpected maintenance costs and the need to make capital programme allowances in our budgets for this site.
- 5.2. A current uncertainty, whilst not related to this reporting year, is the demise of Carillion and the service delivery transferring to a new provider. All parties are working together to ensure the transition is as seamless as possible for the customer and leisure centre staff and that the services and performance are of equal or improved quality. As has been previously referred to, it is pleasing to report that early monitoring of 2018 performance is showing there to be no adverse effect on performance of the contract

#### **6. Implications**

##### **6.1. Finance**

These are addressed within the report.

##### **6.2. Legal**

None arising from this report.

##### **6.3. Corporate Priorities**

High quality leisure provision contributes towards maintaining and enhancing our residents' quality of life.

##### **6.4. Other Implications**

None arising from this report.

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<b>Background papers Available for Inspection:</b>	Carillion's Annual Report
<b>List of appendices (if any):</b>	None

### PROGRESS AGAINST OBJECTIVES

#### Background

The leisure services agreement with Carillion sets four key objectives:

1. Usage of no less than 180,000 users per annum
2. Customer satisfaction rating of 80% (very or satisfied)
3. 70% compliance rate at client inspections
4. The provision of a broad range of activities to include children's holiday activity programmes.

This report also includes reporting on use of IT, Partnership Working & Marketing, Health and Safety and financial viability that have all previously been requested by PMB members.

#### Usage

*Success Criteria: Achieve Usage levels of 180,000 per annum.*

Despite the contract objective requiring a minimum usage per year of 180,000 visits, this figure has never changed since the contract was introduced in 2007. To ensure continuous challenge, each year, the centre manager and the Rushcliffe Contract Manager set an annual target based on the previous year's use. This was set at 224,500 for contract year 2017.

Overall Usage for 2017 and 2016

Activity	2017	2016	Trend
Swimming	100,665	98,419	+2.23%
Health & Fitness	60,282	55,944	+7.2%
Other Usage	57,448	59,679	-3.8%
<b>Total</b>	<b>218,395</b>	<b>214,042</b>	<b>+2%</b>

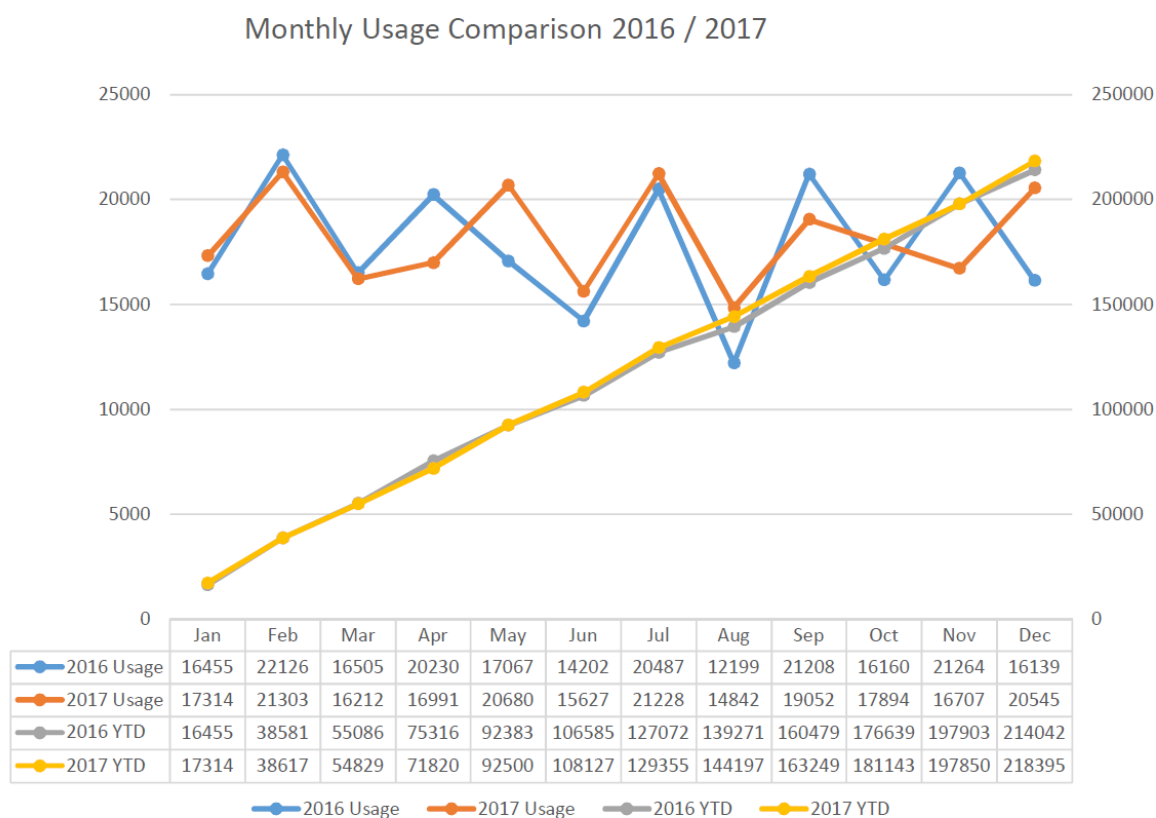
It is pleasing to report that 2017 saw an overall uplift in usage by 2%. Whilst the target for 2017, of 224,500 visits was not achieved, this was a very ambitious target of 4.9% uplift on 2016 delivery. A more reflective, yet still challenging, target has been set for 2018 of 223,050 (3% uplift on the 2017 usage).

The figures show that there has been a massive increase in health and fitness use this contract year. This is in line with national trends. It is reported in the '2017 State of the Fitness Industry Report' that 1 in 7 people are now members of a fitness club nationally with a 5.9% national increase in fitness club membership during 2017. Monthly membership at East Leake has outstripped this national trend. Membership has been maintained at over 521 throughout the year (480 in 2016) and peaked at 632 in June. This figure includes swimming lesson memberships.

Whilst swimming has not grown at the same rate, it remains the most popular activity with over 650 customers enrolled on the lesson scheme.

Usage in other facilities has dropped over the year, due to reduced sports hall bookings and Astro Turf bookings. Sports Halls and Astro turfs are always more affected by seasonal fluctuations and weather patterns. Carillion have undertaken mitigating actions including offering £1/person for Astro turf use in holidays, providing new goals for the Astro turf, attracting play schemes and disability groups to the sports hall. The sports hall floor has also been renewed this year. Plans to replace the Astro Turf with a 3G surface are currently on hold whilst Mitie review the investment programme.

The graph below shows the month by month and annual usage performance for 2016 and 2017.



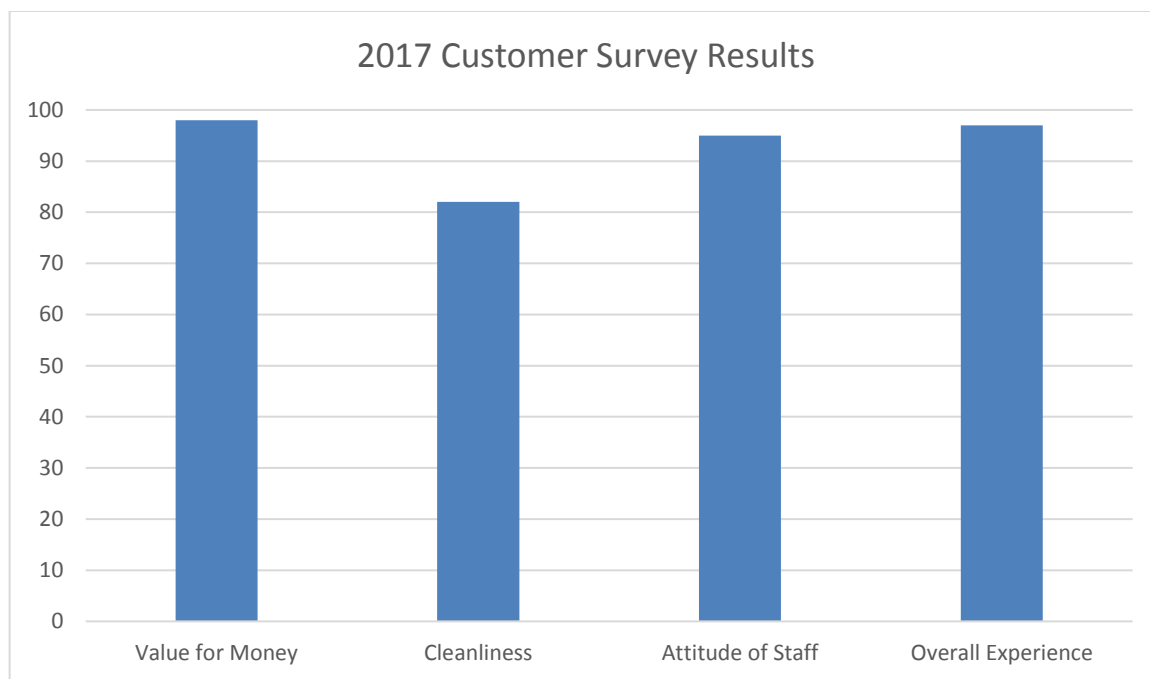
## Customer Satisfaction

*Success Criteria: Customer satisfaction levels achieve 80%,*

Customer comments are collected every month and once a year an annual satisfaction survey is carried out. In 2017 the average ongoing customer satisfaction from monthly returns was 93% from 292 comments. Whilst there were no trends, a few comments were received throughout the year regarding classes over-running or starting late so additional time has been built into

timetables for turnaround between classes. An extra Aqua class was also introduced after negative feedback about this class being too busy.

The annual survey corroborated the monthly surveys with 221 returns being received and an overall satisfaction score of 97%



### **Client Inspection Compliance**

*Success Criteria: Inspections carried out by the Leisure Contracts Manager achieve a level of 70%*

23 inspections were carried out by the Leisure Contracts Manager throughout 2017 with an average compliance score of score 81.3%.

### **Activity Programme**

*Success Criteria: Offer a broad range of activities to include children's holiday activities programme*

Carillion have worked closely with the school to offer gym inductions to every year 9 pupils as part of the Physical Education programme and the gym instructor has written six standard fitness programmes for use by the schools PE teachers. They also continue to run under 16s sessions in the fitness suite. This work, along with the sessions, complemented the Student Membership offering which encourages students 14 years and plus to use the fitness suite regularly.

Along with 5 different swimming sessions for juniors the centre offers trampolining coaching on a weekly basis. Reduced junior membership and pay as you go prices are available and a specific session for 14-15 year olds is held in the fitness suite every day.

The Centre works with a local clubs to provide a variety of activities for junior members, including; swimming, football, netball, badminton, triathlon and a variety of martial arts.

The Centre also works with Trent Bridge Community Trust who deliver free gym sessions every Thursday after school. They also deliver additional gym and football sessions during the school holidays.

Attendance at holiday clubs decreased by 198 users from 2016 as only one of the two schemes operated this year, with full details as follows;

<b>Holiday Period</b>	<b>Feb Half Term</b>	<b>Easter</b>	<b>May Half Term</b>	<b>Summer</b>	<b>October Half Term</b>	<b>Xmas</b>	<b>Total</b>
<b>Number attending (2017)</b>	57	213	78	750	81	0	<b>1167</b>
<b>Number attending (2016)</b>	73	129	81	1037	45	0	<b>1365</b>

### **Use of Information Technology**

*Success Criteria: use of information is available to assist customers to make and pay for, bookings view timetables, make comments and be kept informed of changes*

The Centre continues to use Facebook and Twitter accounts to keep customers updated with news, events and promotions at the facility. Their Facebook page closed the year in December 2017 at 1078 likes. (Current likes are 1,113, which is a positive trend). The Centre also publish live timetables for aerobic classes, gym and pool timetables on their website, which achieved 4784 unique website visits between March and December 2017. Unfortunately, it is still not yet possible to make bookings online or to pay online with the exception of swimming lessons.

### **Partnership Working and Marketing**

*Success Criteria: Create an innovative approach to engaging all parts of the community in sport and active recreation*

During 2017 Carillion worked with the Trent Bridge Community Trust to deliver free sessions to disadvantaged children.

The Centre has joined the East Leake Traders Association and is actively supporting business in the village and regularly attends village events, particularly the village carnival and village open day where demonstrations and free passes are given out to encourage membership and swimming lesson take-up.

The Centre offers Corporate Memberships to local schools, British Gypsum employees, local companies that form the East Leake Traders Association and members of the local slimming world. Carillion have again this year continued to work with British Gypsum, supporting their health days.

East Leake is thriving with a great deal of new development. The centre continues to work with local house builders to ensure that new home owners receive a welcome pack when moving in directing them to the facilities the centre has to offer, membership information and free have a go passes.

The centre manager continues to work closely with the Councils Sports Development Officer to support initiatives to get more people active.

Over the past year the marketing programme has included the following initiatives;

- Energise + (members bring a friend for just £2.50)
- Attendance at meet your village event in March
- New 6 a side football league launched in May
- Direct marketing to existing members to boost attendance at junior activities.
- Activ football marketing
- Under 16s fitness workshops
- Summer promotions and fun summer pool timetables
- Summer Sizzler (monthly membership ticket for just £22)
- 6 week summer ticket for 5-13 year olds, and 14-18 year olds
- £1/person astro turf throughout summer
- Christmas pantomime
- Christmas light switch on
- 12 days of Christmas promotional offer
- Energise your new year

## **Financial Viability**

*Success Criteria: reduce revenue costs and improve value for money to Council Tax players.*

There are two elements involved in the funding of Leisure Centre. Firstly there is the Council's contribution in respect of the PFI unitary payment and a management charge paid by the Council via Nottinghamshire County Council to Carillion for operating the leisure centre. The PFI arrangement is such that all utility charges and maintenance costs are included within the fees.

Payments made over the last two contract years are as follows:

Year	Payment
Jan 2017 – Dec 2017	£486, 682
Jan 2016 – Dec 2017	£479,256

## **Health & Safety**

43 accidents were recorded during the year (up from 33 in 2016). None were classified as reportable to the Health & Safety Executive. 24 of the accidents reported took place in the swimming pool. This figure represents an accident occurrence rate of just 0.02% of the overall usage.