



Performance Management Board

Tuesday, 27 November 2018

Parkwood Annual Report

Report of the Executive Manager – Neighbourhoods

1. Purpose of report

- 1.1. To present the performance of the Leisure Services Contractor, Parkwood Community Leisure, for the contract year August 2017 – July 2018
- 1.2. The report is for information and scrutiny to comply with good practice in reporting on the annual performance of this contract.
- 1.3. This matter has not been considered by any other committee.

2. Recommendation

It is RECOMMENDED that

- a) Members consider and make comments on the performance of Parkwood Community Leisure for the contract year 2017/18 as outlined in the report and the accompanying presentation.

3. Reasons for Recommendation

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

4. Supporting Information

- 4.1. The contract for the management of four of the Council's leisure centres was awarded to Parkwood Leisure Ltd in August 2007. After renegotiation with Parkwood Leisure following the closure of Rushcliffe Leisure Centre and opening of Rushcliffe Arena, the contract was extended and will run until July 2025. Parkwood Leisure Ltd, sub contract the delivery of the leisure services to Parkwood Community Leisure. This report provides Members with a broad range of information and performance data to allow them to consider the effectiveness of the delivery of this contract by Parkwood Community Leisure.
- 4.2. Members will be aware that from 1 October 2018, with the agreement of Cabinet in May 2018, the sub contract with Parkwood Community Leisure was

dissolved and a new sub contract arrangement put in place with Lex Leisure with staff transferring to the new provider.

4.3. Members will note that this report refers to the reporting period 1 August 2017 to the 31 July 2018, which is the contractual year, and relates to the Performance of Parkwood Community Leisure. Performance of Lex Leisure will be reported to PMB in November 2019.

4.4. A detailed performance analysis is provided at Appendix 1 and this information will be supplemented at the meeting by a presentation by representatives of Lex Leisure, formally employees of Parkwood Community Leisure.

5. Alternative options considered and reasons for rejection

5.1. This report is a factual presentation of the performance of the leisure services contractor for information and scrutiny. No other options are presented.

6. Risks and Uncertainties

6.1. This contract is provided in a competitive market with a number of major providers (for example, David Lloyd and Roko) operating in close proximity to the Council's facilities.

6.2. The publication of the Council's Leisure Facilities Strategy 2017-2027 notes that £1.5m of works are required at the Parkwood operated leisure centres within the next 5 years rising to £5m in the next 15 years. The strategy makes a commitment to develop a business case for capital investment for major facility improvement at Bingham. A business case for the development of Bingham Leisure Centre is expected to be reported to Cabinet later in the year. The future of Bingham Leisure Centre may result in a requirement for a contract variation for the delivery of leisure services

7. Implications

7.1. Financial Implications

7.1.1. Over the course of this contract year, the opening of the new Rushcliffe Arena and closure of Rushcliffe Leisure Centre provided an opportunity to renegotiate the contract with Parkwood Community Leisure. The changes have provided a £2.4m saving over the lifetime of the contract and reduced the management fees paid this year as outlined in appendix 1, Strategic Objective 7. Whilst not part of this reporting year, the transfer of operations from Parkwood Community Leisure to Lex Leisure will provide a further £780k saving to the Council over the remainder of the contract.

7.2. Legal Implications

7.2.1. A formal deed of variation to change the sub contract arrangements of the Leisure Services Contract was completed on 1 October 2018.

7.3. Equalities Implications

7.3.1. This report is presented for information and scrutiny. There are no implications on equalities.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

7.4.1. This report is presented for information and scrutiny. There are no implications on community safety.

7.5. Other implications

7.5.1. None arising from this report

8. Link to Corporate Priorities

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

9. Recommendations

It is RECOMMENDED that

- a) Members consider and make comments on the performance of Parkwood Community Leisure for the contract year 2017/18 as outlined in the report and the accompanying presentation.

For more information contact:	Dave Banks Executive Manager – Neighbourhoods 0115 9148438 dburch@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Cabinet 15 May 2018 'Parkwood Leisure Ltd – Lex Leisure Community Interest Company Proposal'
List of appendices:	Appendix 1 – Progress Against Strategic Objectives.

PROGRESS AGAINST STRATEGIC OBJECTIVES

Strategic Objective 1. Develop Leisure Centre Facilities

Success Criteria – Achieve Usage levels of 1,116,400 by the end of 2017/8

Total Contract Usage			
	2017-18	2016-17*	Trend
Rushcliffe Arena*	571,870	468,783	+103,087
Bingham Leisure Centre	318,758	270,209	+48,549
Cotgrave Leisure Centre	225,561	221,784	+3,777
Keyworth Leisure Centre	115,656	123,143	-7,487
Total	1,231,845	1,083,919	147,926

*Note: Rushcliffe Arena opened 2 January 2017.

2016/17 Rushcliffe Arena figure presented = Rushcliffe Leisure Centre July 16 to Dec 16

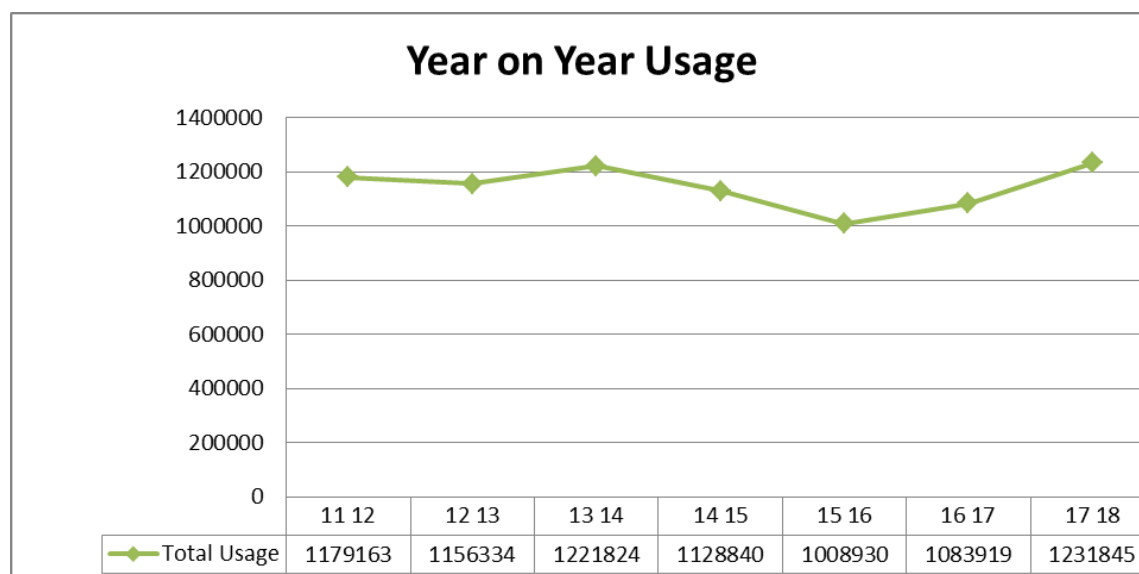
+ Rushcliffe Arena Jan 17 to July 17.

- Usage in 2017/18 exceeded the target figure by 10% (115,445 users).
- There was a 13.6% uplift in usage compared to 2016-17 (148,000 users)
- With the exception of Keyworth all centres achieved uplift in usage.

A 13% uplift is spectacular and above industry expectations. A normal accepted stretch target applied annually would be 4% uplift on the previous year's usage. It is not uncommon in the industry to see an exponential growth when a new centre is opened, followed by a period of stability around year 3 and 4 and then a tapering off.

Total year on year usage trend

The graph below shows the usage trend over the last 7 years of the contract. It is pleasing to see a year on year improvement over recent years following a dip in performance in 2014 - 2016



Total Memberships

Memberships have increased 17% from 4840 reported in July 2017 to 5679 in July 2018. The average attrition rate for the contract year was 4.22%

The health and fitness market continues to be buoyant and remains very competitive. There are now over 5679 (Gym and Swim) users who have purchased a membership package across the four sites. Members can enjoy the benefits at all four sites, a unique selling point, with many members making use of more than one facility. Competitor analysis carried out in summer 2018 confirmed that Parkwood Leisure membership was very competitive compared to the four nearest private fitness clubs and in line with similar local public fitness facilities.

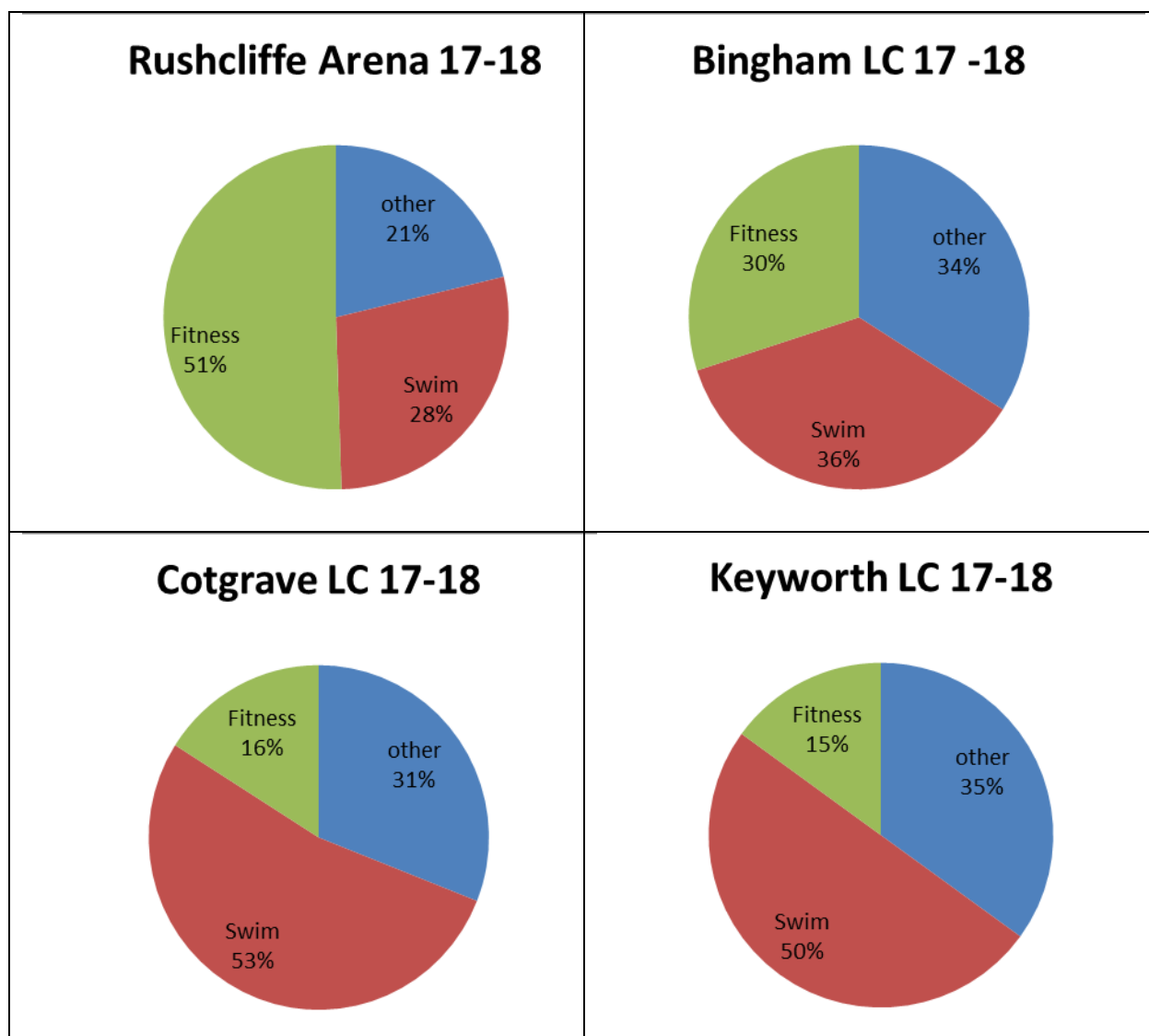
Swimming v Health and Fitness

	2017/18	2016/17	2015/16	Trend
Total Swim Usage BLC 114,852 CLC 119,692 KLC 57,043 RA 162,068	453,655 BLC 104,644 CLC 115,128 KLC 58,094 RA 157,207	435,073 BLC 109,807 CLC 98,564 KLC 69,480 RLC 162,445		<p>Swim Usage Trend</p>
Total Fitness Usage BLC 95,893 CLC 36,940 KLC 16,962 RA 288,166	437,961 BLC 84,722 CLC 30,823 KLC 14,924 RA 171,639	302,108 BLC 79,168 CLC 41,428 KLC 17,088 RLC 81,348		<p>Fitness Usage Trend</p>

In 16/17 there was a slight decrease in the overall swim total by around 1.3%, this was in line with a reported national drop in swim participation. Throughout the 2017/18 contract year Parkwood Community Leisure have engaged in a number of initiatives to promote swimming to reverse this trend, such as; swim only memberships which provide a lower cost option for those that only wish to swim; senior swim membership which includes the added benefit of grandkids go free during school holidays; The Swimathon, a national campaign to get the nation swimming and Rushcliffe Arena was a pilot site, working with Swim England, for their new Swim400 initiative. They have also continued to offer swim lessons, crash courses over school holidays and Water Safe campaigns. The swim lessons continue to be popular. These initiatives have proved to be successful in increasing swim levels over and above those seen in 2016/17.

In 2016/17 swimmers enrolled on aquazone swim courses totalled 2749. In 2017/18 this figure has risen to 3215, a 17% improvement. The introduction of Coursepro software has improved the management of swimming lessons at the centres.

Swim continues to be the highest participation activity across three out of four of the centres:



Strategic Objective 2. Develop Services for Young People

Success Criteria – Develop a range of services for young people to improve active lifestyles. A total of 117, 250 young people attending junior activities

Holiday activity programmes continued to be offered across the contract. Each half term and during the summer break Sport Excel provided a range of activities. The centres have also offered a crash course for swimming during school holidays. In October 2017 180 children attended the Oceans of Fun Day with Zoggs Fun Swim Company at Cotgrave Leisure centre, meeting Olympic athletes and taking part in a range of swim activities.

This contract year over 280,000 youngsters have attended junior activities within the centres. This includes club figures.

The centres continue to offer year round activities to encourage young people into sport:

- Active teen/Junior Gym sessions for 11-15 years olds in the fitness suites across all 4 centres. 3790 attendees in total
- Rushcliffe Games
- Sway Dance
- Water safety talks throughout June/July to local schools
- Aqua babes and aqua tots sessions
- Rookie Lifeguard courses
- The leisure centres also host many clubs that are largely junior based. These include Martial Arts, Squash, Karate grading, Gymnastics, Athletics, Football, Cricket, Triathlon, Swimming, Trampolining and Kick Boxing.
- Launch of Junior Bowls Academy
- 318 Birthday Parties delivered across the 4 centres.
- Continue to build on Bring A Baby classes
- Introduced Jump and Jiggle sessions at Rushcliffe Arena
- Work placements with local colleges.

Strategic Objective 3 - Use of Information Technology

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

Customers continue to favour social media and website interaction. For the first time, targets were set to encourage Parkwood Community Leisure to engage with customers using these methods.

	2017/18 Target	2017/18 Delivered	2016/17	Trend
Website views	498,400	661,627	686,789	-25,162
Facebook Likes	2,075	5,298	4,323	975
Electronic bookings	91,300	173,866	133,277	40,589

- Although visits to the website have reduced one of the main reasons is the increase in social media, and the use of Facebook. Likes have continued to grow across the 4 centres and the number of outbound posts and information available to customers has reduced the number of customers having to visit leisurecentre.com.
- This year Parkwood Leisure introduced a Fitness App after a successful trial at Rushcliffe Arena. The app, available for both Apple and android smart phones enables customers to book activities, record workouts, take part in challenges, refer a friend and earn reward points which can be used in the centres. The App links with users other fitness apps such as Fitbit and runkeeper as well as the Preva software in the fitness suites.
- Introduction of Virtual Spin at Rushcliffe Arena to improve availability of classes and keep up with industry trends.

- Further developments with Coursepro to improve the swimming lesson program, as parents can log into a portal to monitor progress as well as Water Safety outcomes.
- Online booking methods continue to be promoted via social media channels.
- Introduction of Parkwood Radio to help communicate with users of the centre.

Strategic Objectives 4 - Partnership Working

Success Criteria – targeted engagement with users to inform programmes, engagement with governing bodies’ and ongoing work with the councils sports development team

Engagement

The Sport England Active People Survey which has been used in previous reporting years to show participation rate in activity has been replaced with the Sport England Active Lives Survey. Rushcliffe continues to show high levels of participation in physical activity with a higher proportion of active people (68.8%) than East Midlands (62.2%) and Nottinghamshire (60.7%), and a lower level of inactive people (20.3% compared to 25.4% and 27.2% respectively).

	Active Lives Survey Data Published March 2018			Active People Survey Data Participation Rate – at least 30 mins at moderate intensity at least once a week	
	Inactive	Fairly Active	Active	Oct 2015 – Sept 2016	Oct 2014 - Oct 2015
East Midlands	25.4%	12.6%	62.2%	34.7%	34.5%
Nottinghamshire	27.2%	11.1%	60.7%	37.2%	36.0%
Rushcliffe	20.3%	10.9%	68.8%	48.5%	44.8%

Inactive: <30 minutes of physical activity /week

Fairly Active: 30-149 minutes of physical activity /week

Active: At least 150 minutes of physical activity /week

Parkwood Community Leisure continues to engage with users through ongoing customer comment, social media, club forums and meet the managers forums across all the centres in order to keep the programme, classes and facilities current. 320 customers have engaged through these forums during the contract year. They continue to be a useful communication tool.

Partnership working

Parkwood have been particularly active this year with the FANS scheme – Free Access to National Sportspeople. This is a national scheme that provides sports people who compete at a national level or equivalent with free access to the fitness, swimming and aerobics for 12 months. Parkwood Community Leisure is currently supporting 57 FANS athletes.

Parkwood Community Leisure continues to participate in and promote the GP referral scheme with 176 referrals made in the contract year. Closer working with Live Well in Rushcliffe has helped to support the scheme.

Other partnership activity across the year has included;

- Partnership working with Lifetime Training to deliver apprentices across the contract.
- Continued work with Swim England on developing water safety outcomes within lesson framework.
- Continue to work with Working with Institute of Swimming as a training site for training courses with lifeguarding courses regularly offered across all four sites and the Arena being a regular venue for the Pool Plant Operators qualification. 36 learners completed Pool Plant qualifications and 28 learners completed Level 1/2 Teaching Qualifications.
- Cotgrave Leisure centre and Rushcliffe Arena hosted an Oceans of fun day October 2017, in partnership with Zoggs Fun Swim Company which saw three olympic champions sharing their skills , water polo, synchronised swimming, fast swimming, rookie lifeguard and CPR. 180 children attended.
- Partnership working with Thera Trust at Cotgrave Leisure Centre to develop activities for people with learning difficulties.
- Spinathon in March 2018 which raised over £5,000 for Macmillan Cancer Support
- Regular NHS Blood donor sessions held at the Arena, Cotgrave and Bingham Leisure Centres
- Working with Notts County FC Football in the Community to deliver the Right Mind Initiative
- Bike security events with Police and RBC April and Aug
- National Swimathon campaign in April – 60 participants swimming 1.5km, 2.5km or 5km raised money for Cancer Research and Marie Curie.
- Introduction of Parkwood Radio which has been used to promote not only leisure centre activities but Lark in the Park, Sunday Funday and Tour of Britain to support Rushcliffe Borough Council activities
- Working more closely with Glendale Golf to promote each other's activities.
- Worked in partnership with Trent Bridge Cricket to deliver Walking Cricket sessions.
- Worked in partnership with Triathlon England to deliver Aquathlon events at Bingham and Go Tri sessions at Rushcliffe Arena.
- Introduced GoRow sessions a new fitness initiative supported by British Rowing.
- Attend various meetings - Active Rushcliffe Health Partnership, Rushcliffe Disability Forum, Rushcliffe Safeguarding Steering Group and Rushcliffe Community Safety Group.
- Working in partnership with Trent Bridge Community Trust supporting the delivery on the Young project.
- Partnership working with local colleges to offer work placements
- Supporting the Council's ambitions on reducing single use plastic through positive changes and supply chain work in Café Vita
- All four centres signed up to the Re-fill Rushcliffe Scheme.

Strategic Objective 5 - Marketing

Success Criteria – Create an innovative approach to engaging all parts of the community in sport and active recreation. Target attrition rate of 5% or less.

Memberships have increased from 4840 reported in July 2017 to 5679 in July 2018. The average attrition rate for the contract year was 4.22%

Marketing campaigns operated throughout the past 12 months include:

- Rushcliffe Arena held its 1 Year Anniversary Open Day.
- Festival of fitness August 2017; free passes, selfie boards, banners and t-shirts
- Water safe campaign summer 2017 and 2018
- Senior Swim membership; unlimited swimming for just £15/month, inc bring grandchildren to swim free
- Various Zoggs promotions and giveaways throughout the year. Super Hero range received well by customers.
- Back to fitness – tie in with back to school – 25% membership discount
- Invictus games challenge September 2017
- Various Join now one/two month free offers throughout the year adapted to different seasons; Autumn – e.g don't squirrel away; Halloween – feel the burn; Bonfire season – rocket your way to fitness;
- Refer a friend campaigns throughout the year
- Groupon offer, October 2017 – 10swim/gym passes for £10
- Aquazone gift of swimming, Dec 2017
- Annual membership offer 14 months for the price of 12
- Christmas Panto. Goldilocks and the Three Bears
- Take the plunge senior swim
- App launch in May 2018
- Introduction of Parkwood Radio
- Annual attendance at Lark in the Park and Sunday Funday
- Member of the Month and Swimmer of the Month marketed
- Various Good News Stories circulated in the local press
- Support in the run up to the Tour of Britain cycling event.
- Gymflex corporate membership offering discounts through employee benefits of companies registered.

Strategic Objectives 6 - Customer Satisfaction

Success Criteria – Customer satisfaction levels achieve 85%

Parkwood Community Leisure monitor customer satisfaction monthly through analysis of customer comments cards at each centre. Across the contract in this reporting period satisfaction has averaged 93% which is above target and an improvement on 16/17 satisfaction with was recorded at 90%

Strategic Objective 7 Improve Financial Viability

Success Criteria – reduce revenue costs and improve value for money to Council Tax payers. Continual review and exploration in partnership to generate savings.

As reported in the last annual report in November 2017, the closure of Rushcliffe Leisure Centre and the opening of the new Rushcliffe Arena presented an opportunity to renegotiate the management fee paid to Parkwood Community Leisure. In doing so the Council were able to generate a £2.4m saving over the lifetime of the 18 year contract. Those savings are now being realised through the monthly contract management fee payment. This is demonstrated in the table below which details the management fee paid to Parkwood Leisure over the past five years of the contract.

Contract Management Fees paid to Parkwood Leisure Ltd	2013/14 (£)	2014/15 (£)	2015/16 (£)	2016/17 (£)	2017/18 (£)
Total	383,037	305,909	237,601	211,720	63,310

The operational budgets of Parkwood Community Leisure are monitored by the contracts team on a quarterly basis. Due to commercial sensitivity of this data details are not presented in this report.

In May 2018, cabinet approved a proposal to allow Parkwood Leisure Ltd to cease their sub contract arrangement with Parkwood Community Leisure and commence a sub contract with Lex Leisure instead. In accepting this variation to the contract arrangements, the council are due to receive additional income of £78,000 in contract year 18/19 and £120,000 thereafter until contract end. This represents a total income of £798,000 (index linked) to the council over the next 7 years to contribute to the Council's Transformation Plan and Medium Term Financial Strategy. These benefits will be visible in next year's reporting.

Strategic Objective 8 - Leisure centres are safe and clean for customers.

Success Criteria – 80% compliance with council inspections. <5 reportable (RIDDOR) accidents per year, less than 0.5% accident to user ratio.

Officers carry out monthly unannounced inspections across the four centres. The centres are rated in six categories with a 0-5 rating.

Categories	Rating system
1. First impressions	0. Totally unacceptable
2. Cleanliness and housekeeping	1. Unacceptable
3. Repair and maintenance	2. Significantly below expected standard
4. Staff	3. Below expected standard
5. Environment	4. As expected
6. Safe systems and safeguarding - Quarterly	5. Excellent, Faultless

In this reporting year a total of 51 inspections have been carried out with an average compliance score across the contract of **90%**

The rate of accidents to users across the contract remains very low at 0.03% (this is static with 2016/17 which also reported at 0.03%). Only one accident in this reporting year was reportable to the health and safety executive. This was a slip in the pre swim shower area at Rushcliffe Arena resulting in a back injury. The showers have been taken out of use whilst remedial measures are implemented.

	Users	Total Accidents 17/18	%/user
Arena	569,638	104	0.02
Bingham	309,728	82	0.03
Cotgrave	225,561	110	0.05
Keyworth	115,656	26	0.02
TOTAL	1,220, 583	322	0.03