

EXETER CITY COUNCIL
SCRUTINY COMMITTEE ECONOMY
16 JANUARY 2014

PARKWOOD LEISURE MANAGEMENT CONTRACT

1 PURPOSE OF REPORT

- 1.1 To report to members on the performance of the Parkwood Leisure Management Contract for year three of the contract, October 2012 to September 2013. Representatives of Parkwood Leisure will give a short presentation.

2 BACKGROUND

- 2.1 The Leisure Management Contract commenced on the 29 September 2010 and included the following sites:
- Clifton Hill Sports Centre
 - Exeter Arena
 - Northbrook Approach Golf Course
 - Northbrook Swimming Pool
 - Pyramids Swimming and Leisure Centre
 - Riverside Leisure Centre
 - Wonford Sports Centre
- 2.2 On the 1 December 2010 the Isca Bowls and Bridge Centre was added to the Leisure Management Contract.
- 2.3 The current contract is a ten year agreement expiring in 2020. There is an option to award an extension of up to five years.

3. CONTRACT PERFORMANCE REVIEW FOR YEAR THREE

- 3.1 The Leisure Management Contract is monitored using a number of methods, including the provision of Key Performance Indicators (KPI), regular monitoring meetings and visits to facilities.
- 3.2 The contract requires Parkwood Leisure to provide the Council with KPI's on a weekly, monthly and annual basis to enable the Council to monitor performance and ensure contractual compliance. The KPIs which might be of particular interest to Members are discussed below.
- 3.3 Customer comments are a very important method in monitoring satisfaction levels of customers at the facilities. Last year Members raised concerns about the lack of comments being received from customers of the leisure facilities. Working with the Parkwood management team an emphasis has been placed on providing a range of opportunities for customers to comment both negatively and positively on the facilities, the service and their overall experience.

Each facility now hosts a 'Customer Notice Board' providing information to customers on how to comment on the service and relaying information back to customers on issues arising at the facility. Comments are gathered and recorded from various sources including:

- Comment Cards located adjacent to the Customer Notice Boards
- On line comment through the Parkwood Leisure website
- Email
- Letters
- Verbal
- Customer Forums
- Social Media

In addition customers can make comments through the Council's Customer Comments Portal and Facebook pages.

3.4 The introduction of the notice boards and additional focus on recording comments has seen a significant rise in customer comments since the original concerns were raised, including a good proportion of positive comments about the facilities and the service. The increased focus by Parkwood Leisure in recording all comments, particularly verbal comments, has seen the number of recorded comments rise from 160 in year one to 368 in year two and then to 524 in year three. This represents an overall increase of 364 recorded comments per annum over a two year period.

3.5 The subject that attracts the highest proportion of comments is maintenance which is now receiving priority attention from Parkwood Leisure. Another frequent comment is about environmental issues and specifically relates to air and water temperature. This is always a very difficult subject as one customer's perception of the temperature of a swimming pool can be very different to another when applying factors such as their age and type of activity they are participating in. The swimming pool water is maintained at temperatures recommended by governing bodies and set at a temperature that is favourable for the majority.

The least frequent comments received are about health and safety, staff and cleaning.

3.6 It is also very important to note that 98 of the 524 comments were compliments; this represents a 50% increase on year two. Customers are always very keen to comment on the negative aspects of our facilities but this demonstrates that around 20% of customers taking the time to comment are doing so in a positive manner.

In addition Parkwood Leisure have undertaken customer surveys and this will be reported on during their presentation to the Committee.

3.7 The Council monitors the number and types of accidents and incidents recorded at the leisure facilities which are reported to the Council's Health and Safety Advisor. There has not been a significant increase overall in accidents in year three of the contract compared to year one and two.

3.8 In recording these accidents the Council ask Parkwood Leisure to state specifically what the nature of the injury was and what was the causative agent.

The two most frequently recorded types of accidents are to the face/head and leg/foot/knee. This is very reflective of the type of activities at the facilities particularly contact sports like football. The most frequent causative agent is a person falling, again as a direct result of the type of sports on offer within the facilities.

3.9 The Riverside Leisure Centre recorded the highest proportion of accidents, which is not surprising given its size, volume of customers and variety of activities on offer. The second is the Pyramids which has seen a significant increase probably reflective of improved reporting procedures, with the Exeter Arena in third. Members may be surprised that the Exeter Arena is quite high as there are limited contact sports held there but athletics does incur a lot of trips and falls particular when undertaking events like hurdles, steeple chase and pole vaulting.

The facilities recording the lowest accident rates are the Northbrook Golf Course with no reported accidents and the Isca Bowls and Bridge Centre which only recorded nine accidents in twelve months.

Overall 362 accidents from around 627,000 customers represents a very satisfactory safety record.

3.10 The Council monitors customer attendances at the facilities; attendances historically tend to fluctuate and can be influenced by sporting, social and economic trends. Examples of these trends would include:

- Sporting Trends – These could be influenced by the Olympics, Wimbledon. Football World Cup and new exercise crazes such as Zumba.
- Social Trends – These could be influenced by popular culture including music, clothing and electronics. An example of this would be electronic games that are played by many children rather than playing sport.
- Economic Trends – These will be influenced by unemployment, wages and prices

3.11 There has been a year on year increase in attendances compared to year one. Year one recorded 555,000 visitors, year two recorded 613,000 and year three recorded 627,000 visitors. Overall this is an increase of 72,000 visitors during the contract to date.

The largest increase has come at the Riverside Leisure Centre with a rise of 44,000 customers in comparison to year one. Other significant increases have come at the Pyramids Swimming Centre with an increase of 29,000, as despite its aging condition it still remains a popular destination. The Isca Bowls and Bridge Centre recorded an increase of 14,000 customers since Parkwood Leisure took on the management of the facility from the previous operators.

3.12 There have been some decrease at other facilities but this can sometimes be related to customers migrating to alternative facilities with newer fitness suites provided by private operators within the city. Over the first three years of the contract all the fitness suites have been replaced and Parkwood Leisure will begin to replace all the fitness suites again commencing in year five of the contract.

3.13 The contract requires that Parkwood Leisure organise and host a minimum of two Customer Forums per annum at each facility. Northbrook Golf Course has been excluded from this requirement due its size and seasonal operation.

During year three of the contract this requirement was met but the response from customers has been disappointing. The Forum is an opportunity for customers to voice their concerns and suggestions directly to the Management. Officers and Members have attended Forums to monitor and listen to the views of the customers. With one exception the forums have attracted only one or two customers and the normal attendance is zero.

Because of the disappointing attendances, consideration is being given to next year's Forums. Following discussions between the Council and Parkwood there is still a commitment to provide this method of feedback and although there are numerous other alternatives for customers to express their views, direct contact with the Centre Manager is still regarded as a very important.

It has been agreed that each facility's Centre Manager will offer and advertise a weekly open door clinic during which they will set aside a specific day/time for customers to come and discuss on a one to one, or group basis, any issues at the facility.

- 3.14 As previously stated Parkwood Leisure provide the Council with a number of KPI's. The list is not exhaustive and provides the Council with the opportunity to request additional information if it will assist in the monitoring process or to reduce information if it is not a useful tool.

Further examples of these would include:

- Sports Development Plan; the Council sets annual activity targets. This includes identifying minority sports for Parkwood Leisure to develop at grass roots level.
- Non Core prices; the Council set core prices through the fees and charges process. Core prices are "pay and play activities" within the leisure facilities such as casual swimming, casual badminton and squash. Parkwood Leisure set their own non core prices which are agreed with the Council annually and would include memberships, swimming lessons and fitness activities.
- Marketing and Promotion Plan; Parkwood Leisure provide the Council with their annual marketing and promotion plan. This is assessed along with the quality of their advertising literature and websites to ensure that the facilities in Exeter are being promoted professionally and are portraying the right image on behalf of the Council.
- Staff Structures & Qualifications; the Council monitor staffing to ensure that all staff working within the contract possess the minimum industry standard qualifications.
- Swimming Pool Water Quality, pool water test results are submitted weekly to the Council for monitoring and assessing of industry standards. These results are held centrally by the Leisure Facilities Manager and are available to other Council Sections such as Environmental Health.

- 3.15 The role of the Leisure Facilities Manager is to monitor the information provided by Parkwood Leisure and when necessary investigate and challenge issues that are not or appear not to be complying with the management contract. The role is not to micro manage the facilities but to ensure the facilities are being managed and operated at least within the contractual agreement.

Examples of issues arising during year three were:

- (i) The Leisure Facilities Manager identified roles within the facilities that were not complying with contractual standards and industry guidelines. Following an investigation and review, measures to ensure compliance and where necessary clearer qualification criteria have been agreed with Parkwood Leisure. These will ensure that all staff are qualified to the standards required and that appropriate records are kept to confirm this.
- (ii) Concerns were raised about the quality of the service provided for the outdoor pitch at Wonford Sports Centre. This resulted in Parkwood Leisure reviewing its monitoring, cleaning and maintenance procedures for the pitch.

4. PARTNERSHIP DEVELOPMENT

- 4.1 The Council have been working with Parkwood Leisure in partnership to enhance and develop the service and facilities for customers to exceed the minimum requirements set out in the contract. Examples of these initiatives during year three of the contract are included below.
- 4.2 As stated last year, continued development of Club Mark has continued with Parkwood's Sports Development Manager hosting advice clinics for clubs on how to complete their application forms and attain their accreditation. Club Mark is a national cross sport accreditation scheme for clubs. It is built around a set of core criteria which ensures that accredited clubs operate to a set of consistent accepted and adopted minimum operating standards. The scheme was introduced last year within the Parkwood sites and offers all accredited clubs a 10% discount on facility hire for training purposes. Exeter is the only Council in the South West offering this incentive to the clubs.
- 4.3 Working in partnership has enabled the introduction of this scheme and provided assurance to customers joining clubs at the facilities that minimum standards such as child protection have been implemented. Since the introduction of the scheme by Parkwood Leisure there has been a very positive response from the clubs.

Within the leisure facilities there are 31 clubs who are eligible to sign up for Club Mark. Currently 4 of the clubs have achieved Club Mark accreditation and are already receiving the benefits of the award; other clubs are currently working towards the accreditation.

- 4.4 The Council have been working with Parkwood Leisure over the last twelve months in preparation for the closure of Exeter Arena for the replacement of the athletics track and the associated field events facilities. A working group consisting of Council Officers, Parkwood Staff with specific athletics and venue experience and a specialist consultant have spent some considerable time evaluating the existing track and what improvements can be made. Additionally meeting with Clubs and individuals who use the facility to seek their views and suggestions to ensure Exeter continues to provide the number one athletics venue in the South West.

5. Parkwood Leisure Working Group

- 5.1 In 2012, following concerns from Members of the Scrutiny Committee about a number of complaints received from customers; a Working Group was established consisting of Members, Officers and representatives of Parkwood Leisure. The objective of the Working Group was to enable Members to have an understanding of the issues associated with the contract and meet directly with representatives of Parkwood Leisure.

- 5.2 The terms of reference for the Group are as follows:

To work with Parkwood Leisure to develop its service and enhance its facilities achieving a level of service for customers well above the contractual baseline.

To monitor contractual issues, monitoring customer comments and relevant action taken and agreeing improvement initiatives.

- 5.3 The Working group is now well established and has met regularly with Parkwood Leisure during the last year. This has provided opportunities for Members to monitor customer comments and seek clarification directly from the contractor on the reasons for the comments and gain a good level of understanding to the problems that contribute towards customer dissatisfaction. The minutes of the last meeting are attached.

- 5.4 The Working Group has also been pursuing the development of Service Improvement Plans for each of the facilities. Parkwood Leisure will outline these as part of their presentation to the Committee. The aim of these plans is to set out how the contractor will develop services at the facilities to meet the growing expectations of their customers.

The Leisure Management Contract defines a base level of service that any contractor would be expected to achieve. With the ongoing partnership working between the Council and Parkwood Leisure, the expectations of the service is to deliver a first class service to Exeter that not only exceeds the requirement of the contract but meets the expectations of the customers.

- 5.5 As part of the contract Parkwood Leisure are required to obtain and maintain Quest Accreditation.

Quest is a tool for continuous improvement, designed primarily for the management of leisure facilities and leisure development. Quest defines industry standards and good practice and encourages their ongoing development and delivery within a customer focused management framework.

Levels of accreditation are assessed through an independent audit of the facilities and then ongoing annual reviews. The outcome of the audit is then defined as a score that fits into the band widths as below:

Outstanding	86%+	Can only be achieved with unannounced visits
Excellent	85 – 100%	
Good	71 – 85%	
Satisfactory	61 – 70%	
Unsatisfactory	0 – 60%	

Currently all the facilities in Exeter are accredited within the band widths of either Satisfactory or Good. Facilities achieving the Excellent and Outstanding accreditation levels are normally new facilities or National Sports Centres, but with the implementation of service improvement plans the expectation is that all our facilities achieve and maintain a minimum of a Good accreditation level and work towards continuous improvement within that band width.

6 FINANCIAL INFORMATION

- 6.1 The following provides a headline summary of the financial information of the contract. More detailed information can be provided but it has to be treated as confidential in view of the contractual and competitive nature of the contract.
- 6.2 In year one of the contract, Parkwood Leisure paid the Council £180,349 to manage the contract. In year two following a management fee adjustment in line with RPI and the Council's contractual contribution to utility price adjustments Parkwood Leisure paid the Council £164,800 to manage the contract. In year three following the adjustments stated previously Parkwood Leisure paid the Council £92,430 to manage the contract.

The main reason for the decrease in the management fee has been due to significant increases in energy costs a risk the Council decided to take during the procurement of the contract.

6.3 Since the Parkwood Leisure contract commenced in October 2010 the cost of operating leisure facilities in the city has reduced. Under the previous leisure management operator the cost per head for the residents of Exeter for their Leisure Facilities was £5.95p. In the last financial year the cost per head was £1.55. This is based on the population listed in the 2011 census of 117,800.

7 RECOMMENDED

7.1 That Scrutiny Committee note the content of the report and explore with Officers or with the Parkwood Leisure employees present any issues or comments they may wish to raise.

STEVE LYON, LEISURE FACILITIES MANAGER

RICHARD BALL, ASSISTANT DIRECTOR ECONOMY

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Date: 11 December 2013