

Cheltenham Borough Council

Social & Community Overview and Scrutiny Committee:

2nd December 2004

Leisure@Cheltenham- Interim Report

Report of the Assistant Director Health & Wellbeing

1. Executive Summary and recommendation

1.1 Following the Overview & Scrutiny meeting dated 18th October 2004, my report provides an update of the performance and the financial position of Leisure @ Cheltenham, since that time.

1.2 I therefore recommend that the report be noted.

1.3 Summary of implications

1.3.1 Financial As detailed within Section 3.3 of the report

1.3.2 Legal None

1.3.3 Human Resources None

1.3.4 Equal opportunities, social justice and anti-poverty None

1.3.5 Environmental None

1.4 Links to Business Plan and Corporate Objectives

1.4.1 The service directly supports the council's priorities of building strong healthy communities and enriching sport, play and cultural experiences.

1.5 Statement on Risk (refer to Corporate Risk Register or Service Risk Assessment)

1.5.1 Financial viability and sustainability at Leisure @cheltenham is clearly identified within the corporate risk register. The risk register also considered the decision to increase the income target of this service by an additional £110k as part of the 2004/05 budget setting process, to be a high risk strategy, as the targets were set when the Centre was newly opened and local competition particularly strong.

2. Background and introduction

- 2.1 Members of the Overview & Scrutiny Committee have been provided with progress reports with regard to the performance of this service area since the handover of the Sport & Leisure Management Contract from Leisure Connection back to the council in April 2003.
- 2.2 This report provides an update with regard to performance and management information with regard to service standards, utilisation statistics and the current financial position, since the last report was presented to Committee on 18th October.

3. Performance management information

3.1 Service Standards

- 3.1.1 I am pleased to report that since the meeting of 18th October, service standards have improved at the Centre. 26 customer comments have been received through the centre's customer feedback system since that time, of which seven were identified as complaints in relation to service failures. Members are advised that three of the service failures reported were in relation to outstanding maintenance issues in respect of the redevelopment project, and as such form part of the "snagging" or defects list, which is awaiting rectification by the building contractor.
- 3.1.2 The marked decrease in complaints is due to service improvements within regard to building maintenance and cleaning, following the implementation of action plans into these areas
- 3.1.3 Officers fully recognise the need to sustain the standards that have been re-established. Members are advised that in order to achieve this the implementation of robust monitoring and reporting systems, and changes to the cleaning and maintenance schedules have now been introduced on the site. In addition a deep clean of appropriate areas has taken place on the site, and a full review of the cleaning contracts is underway.
- 3.1.4 Notwithstanding the importance of management and performance information in respect of customer comments and feedback, officers are aware of the need to produce and present both qualitative and quantitative management information in this area. Officers recognised that the current customer feedback system on the site is not designed to produce this type of information and therefore are working to introduce an improved system, for both customers and officers.

3.2 Utilisation statistics

- 3.2.1 Attendances at the Centre continue to climb steadily, with the number of customers using the site increasing by 118,260 since last reported. This represents a rise of 15% on the previous month, with the year to date number of users recorded at 349,238.
- 3.2.2 Activities where attendances have increased well on the previous month's figures are casual swimming (+16%), badminton (+17.5%) and of particular note, the newly refurbished health spa (+17%).

3.3 Financial performance

- 3.3.1 A detailed financial forecast will be provided at the February 2005 Overview & Scrutiny Committee to reflect the revised budget. However, I am mindful of the concerns raised at the last meeting with regard to income levels, particularly in respect of health and fitness targets, and I am therefore pleased to inform members of an increase in turnover in respect of this element of the business, over the past two month period, as follows:

Health & fitness income for the period 1st April – 31st August 2004 = £148,840

This figure represents a monthly average of £29,768

Health & fitness income for September/October 2004:

September 2004 £35,680

October 2004 £40,303

- 3.3.2 Although these increases will not fully underwrite the budget deficit identified and reported to Committee in October, it is important that members recognise that business is improving and trends are moving in the right direction. Furthermore officers have identified savings of £59,000 within operational expenditure budgets in order to offset the shortfall in income. Examples of these savings include, a review of maintenance agreements and payments in respect of licenses on the site e.g. Performing Rights Society.
- 3.3.3 The upturn of business in relation to health and fitness, and in general at the Centre, can be attributed to a number of factors:
- The start of the new academic year and the return to Cheltenham of a high number of students, reflected in student membership statistics.
 - The introduction of more robust access controls and inspections at main reception to ensure that all users are paid up members or customers.
 - The introduction of “random” ticket inspections on the site to ensure that all customers have paid for activities.
- 3.3.4 The steady growth in turnover throughout the year endorses the principle that the new Centre needed to be given time to establish itself in order to position itself within the health and fitness market. The income figures over recent months are encouraging as they provide clear evidence that business has stabilised and, more importantly is sustainable. Officers are confident that the projected income targets are achievable in future financial years, however accept that they will take longer to reach than originally predicted.

4. Customer Forum

- 4.1 A meeting of the facilities Customer Forum was held on Wednesday 18th November. Members echoed the comments that had been made during the summer regarding the decline at the centre in cleanliness and maintenance standards. However, they recognised and welcomed the introduction of new systems and procedures on the site, and agreed that the customer experience had improved.

- 4.2 The forum supported and welcomed the introduction of the new access controls on

the site, and encouragingly, had not received any negative comments from fellow customers in respect of these new measures.

- 4.3 They were keen to work with officers to ensure that the Centre was promoted in a positive way, and 12 months after re-opening still considered the site to offer the best range of activities and facilities when compared to other Centres locally.

5. Service review

- 5.1 Officers are currently working on a number of proposals to ensure the service at leisure @Cheltenham provides value for money. Currently these include the following:
- 5.2 Management of sports pitches and pavilions – officers are investigating the potential for this service to be transferred to the Green Environment Division.
- 5.3 A full review of the catering service offered at the Centre and Central Cross Drive Kiosk.
- 5.4 A full review of the utilisation of space and existing operations in order to identify future business potential e.g. retail sports and leisure outlet.

6. Conclusion

- 6.1 Officers are acutely aware that Leisure@ cheltenham has gone through a very difficult period over recent months and that a continued determination and focus will be required both operationally and commercially, if the re-established standards are to be maintained.
- 6.2 Notwithstanding the recent multi-million pound redevelopment of the wetside facilities, the Centre's facility mix is extensive, resource-hungry and will continue to require ongoing investment and development at a time when the council has ever diminishing funds available. As such the council will need to be focused with regard to the provision of service at leisure@, if it is to provide leisure facilities that are of a high standard, effectively run and which can compete in this ever changing market.

Background Papers	Cabinet report 26 November 2002 Overview & scrutiny June 2002 – October 2004
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