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## LEISURE CONTRACT

### 1 PURPOSE OF REPORT

- 1.1 To provide Members with details of the Council's leisure contract (the 'Leisure Contract') in respect of the following:
- Overview of the Leisure Contract
  - Monitoring of the Leisure Contract
  - Update on works identified within the building condition surveys and;
  - Timeline for future service delivery from 2022.

### 2 INTRODUCTION

- 2.1 The Review Committee last reviewed the Leisure Contract in April 2017 and was also provided with an overview of the building condition surveys carried out on the leisure facilities within the scope of the Leisure Contract (as listed below) in June 2017.

### 3 LEISURE CONTRACT OVERVIEW

- 3.1 The Leisure Contract commenced on 1 April 2002 (for a period of 20 years) and currently includes the following facilities:
- Castle Hall
  - Clements Hall Leisure Centre
  - The Freight House
  - The Mill Arts & Events Centre and;
  - Rayleigh Leisure Centre
- 3.2 The current service provider is Fusion Lifestyle (the "Contractor"). A unitary charge is paid to the Contractor to operate the facilities based on the bid received from Holmes Place in the procurement process in 2001/02. The fee for 2018-19 is £156,500.
- 3.3 As per the terms of the Contract the Contractor is responsible for the salary (including Employer's on costs) of two Council posts; the Leisure & Wellbeing Officer and the Culture Officer.
- 3.4 The Contractor is also responsible for all repair and maintenance for all the buildings and services within the facilities listed above.

**Monitoring of the Leisure Contract**

- 3.5 The monitoring of the Leisure Contract is undertaken by the Leisure & Wellbeing Officer. This is done through day to day liaison with the Contractor, monthly and additional ad hoc site visits and 6-monthly site visits with a member of the Council's Asset team.
- 3.6 Monthly meetings with the Contractor are attended by senior officers and agendas cover monthly reports from the Contractor (performance, participation, finances, health and safety, customer satisfaction, planned maintenance, sports development), together with reviews of each of the leisure sites and other items as identified.
- 3.7 The Contract provides that in the event that the Council is not satisfied with the level of service being provided by the Contractor and considers there to be a total or partial default of the service (as defined by the Contract) a warning notice can be issued.
- 3.8 All warning notices issued, on areas such as availability of equipment, cleanliness and maintenance, have been dealt with by the Contractor to the satisfaction of the Council.
- 3.9 The Leisure Contract is reported annually to the Executive as part of the annual Contract Monitoring report. The last report in July 2018 included data on usage at the sites, health and safety, maintenance and customer satisfaction.

**Investment**

- 3.10 In the summer of 2018 £171,000 was invested by the Contractor at Clements Hall Leisure Centre. This investment saw 55 new spin bikes in the Spin Studio and new resistance equipment in the gym. The Contractor was not contractually obliged to make this investment.
- 3.11 In addition, the Contractor is planning to invest approximately £60,000 in improvements to the wet-side changing village at Clements Hall Leisure Centre by the end of this calendar year. This will include improvements to lockers, cubicles, showers, toilets and vanity areas.

**Health and Sports Development**

- 3.12 The Council works closely with the Contractor on health and sports development initiatives and the Contractor plays an active role on the Active Rochford Community Activity Network.

**Building Condition Surveys**

- 3.13 In 2017 the Contractor commissioned building condition surveys for the leisure sites to be carried out, as it was required to do under the Leisure Contract. The works identified by the building condition surveys are

undertaken by the Contractor to ensure the sites are handed back to the Council in a satisfactory condition at the end of the term of the Leisure Contract. The Contractor is responsible for the cost of the works identified, not the Council.

- 3.14 The Council and the Contractor meet on an annual basis to discuss each year's work plan, profiling and prioritisation of works and timescales. A minimum of two other meetings are scheduled each year to discuss progress against the plan. The Contractor updates a spreadsheet listing all works on a monthly basis and there is regular communication between the Council and the Contractor outside of the meetings to discuss progress.
- 3.15 Site visits are undertaken by Council officers from both the Leisure & Cultural Services team and Asset Management team to review work undertaken.
- 3.16 Details of these works were provided to the Review Committee in June 2017.

#### **Future delivery options**

- 3.17 The Leisure Contract ends in March 2022.
- 3.18 In consultation with the Portfolio Holder for Community and working closely with colleagues in the Council's Procurement team, officers from the Leisure and Cultural Services Team have put together a timeline of actions that need to be carried out between now and March 2022 to ensure a timely and seamless transition for when the Leisure Contract comes to an end.
- 3.19 Actions completed, ongoing or imminent to date are:
- Working with the Contractor to ensure building condition survey works are undertaken and completed to a satisfactory level;
  - Carrying out background research to leisure contracts and delivery options;
  - Collating example and template contracts;
  - Continuing to review the current Leisure Contract;
  - Carrying out a soft market testing exercise with leisure contractors, consultation with user groups and ;
  - Engaging with Sport England and consultants for specialist advice.
- 3.20 This work will be balanced with the ongoing need to ensure the Contractor continues to deliver its contractual responsibilities for the remainder of the contract term.

- 3.21 Future delivery options and operation of the assets within the scope of the Leisure Contract should also be driven by the objectives identified within the Asset Strategy.

#### **4 RISK IMPLICATIONS**

- 4.1 As outlined in the Leisure Contract the Contractor is required to provide the service in accordance with the provisions of the contract and to the satisfaction of the Council. It is important to the Council that the Contractor delivers a good service for residents.

#### **5 RESOURCE IMPLICATIONS**

- 5.1 There are no financial implications arising directly from this report. The unitary charge payable to Fusion is included in the 2018/19 budget and built into the MTFS for future years. The financial impact of any change to the provision of leisure services from 2022 onwards will be modelled as future delivery options are considered in more detail.

#### **6 LEGAL IMPLICATIONS**

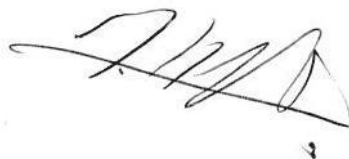
- 6.1 There are no legal implications arising directly from this report. However, the Leisure Contract contains arrangement to deal with any disputes that may arise and in the case of a serious breach of the contract, the Council will consider taking legal action.

#### **7 EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 An Equality Impact Assessment has not been completed as no decision is being made.

#### **8 RECOMMENDATION**

- 8.1 It is proposed that the Committee **RESOLVES** to note the contents of the report.



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**Background Papers:-**

None

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