

|                          |  |
|--------------------------|--|
| <b>Report of:</b>        | <b>Head of Commissioning</b>                                     |
| <b>Contact Officer:</b>  | <b>Mike Edmonds</b>  |
| <b>Telephone No:</b>     | <b>Ext 4416</b>  |
| <b>Portfolio Leader:</b> | <b>Culture and Sport</b>   |
| <b>Key Decision:</b>     | <b>No</b>  |
| <b>Report Track:</b>     | <b>Cabinet: 31/01/13<br/>Culture and Sport<br/>PDC: 12/03/13</b> |

**CABINET  
31 JANUARY 2013  
QUARTER 2 – PERFORMANCE REVIEW OF WIGAN LEISURE AND CULTURE TRUST**

**1 Purpose of Report**

- 1.1 The report considers the performance of Wigan Leisure and Culture Trust (WLCT) in providing Culture and Leisure Services on behalf of the Council for the period 1<sup>st</sup> July 2012 to 30<sup>th</sup> September 2012 and year to date.

**2 Recommendations**

- 2.1 That Cabinet considers Wigan Leisure and Culture Trust (WLCT) performance in delivering the Culture and Leisure Services for the period 1<sup>st</sup> July 2012 to 30<sup>th</sup> September 2012 and year to date.

**3 Key Issues and Reasons for Recommendation**

- 3.1 Although it is very early days with regards to the contract, generally WLCT have performed well during the second quarter with strong performance at the Prince of Wales Theatre, Sports and Arts but mixed performance at the Museum of Cannock Chase, Play, golf and the two leisure centres. In particular, performance at Chase Leisure Centre has inevitably been affected by the delay in the opening of the swimming pool.
- 3.2 Overall of the 67 performance indicators and measures this quarter:-
- 45 (67%) have been met or exceeded and
  - 22 (33%) have missed target
- 3.3 Of the 22 indicators that are below the expected target 13 (20%) are considered Red status. All of these measures relate to levels of attendance and participation and will require close monitoring through the performance monitoring framework over the coming months.

- 3.4 A number of capital investments in excess of £71k have been made into the Council's facilities in line with the contract requirements.
- 3.5 The contract is currently being delivered within budget.
- 3.6 However the key issue which is starting to impact upon the contract is the delay in opening the swimming pool at Chase Leisure Centre. The situation continues to be monitored through the contract meetings with WLCT and also discussions are ongoing with the contractor responsible for the construction project to ensure completion of the project as soon as possible.

#### 4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) **People – Active and Healthy Lifestyles.** Culture and leisure are key services for the Council. They are high profile customer facing services used by many residents of the district. The services encourage participation in sport, physical activity and recreation as well as encouraging participation and attendance in cultural activities and providing activities for children and young people.

These services make a significant contribution to the Council's Priority around the health and well being agenda by offering opportunities to participate in physical activity and recreation, by encouraging active and healthy lifestyles, by engaging with the most disadvantaged families, individuals and hard to reach groups and by delivering value for money services.

- (ii) **Place- Improved Living Environment.** Culture and leisure are fundamental to our communities offering places for people to come together, find common interests and a sense of shared identity. They provide diversionary activities, improve community safety and make places more pleasant and attractive improving the day to day life of all who live and work in the district.
- (iii) **Prosperity – Economic Resilience.** Spaces and facilities for sport recreation and culture make a significant contribution to communities, providing opportunities for people to develop new skills and playing a role in contributing to the visitor economy.
- (iv) **Transformation – Changing the way services are provided to ensure value for money.** The commissioning of WLCT to provide and deliver the Council's culture and leisure services achieved significant savings, demonstrating our commitment to providing value for money services.

#### 5 Report Detail

## **5.1 Background**

5.1.1 Following an extensive procurement process during 2010-11 Cabinet on 17<sup>th</sup> November approved Wigan Leisure and Culture Trust as the preferred long term partner for the management contract for the Council's culture and leisure services.

5.1.2 The contract commenced on the 1<sup>st</sup> April 2012 and is initially for 10 years with the option to extend by 2 five year periods.

5.1.3 The scope of the contract includes the management and development of the following culture and leisure facilities and services:

- Chase Leisure Centre
- Rugeley Leisure Centre
- Cannock Park Golf Course
- Prince of Wales Theatre
- Museum of Cannock Chase
- Community Wellbeing Teams – Arts, Sport and Play
- Business Development

## **5.2 Contract and Performance Monitoring**

### **5.2.1 Contract Monitoring**

5.2.2 Details of the relationship between WLCT and the Council are set out in the contract documentation. Using this, a contract and performance monitoring guidance document has been developed to monitor the performance and contract compliance of the Council's new Culture and Leisure Services provider, WLCT.

5.2.3 This guidance establishes a positive contract monitoring process enabling the Council and WLCT to work together to address any issues or problems that may arise. It aims to build an effective and productive partnership through creating a collaborative and inclusive relationship rather than an adversarial one.

5.2.4 Both parties have placed a heavy emphasis on establishing close working arrangements. Timetabled monthly monitoring meetings are convened to consider and review contract performance, operational issues, to identify solutions, to agree any remedial actions required and to validate monthly payments.

5.2.5 These meetings are attended by the Head of Commissioning and other council officers as appropriate including (Finance, Legal, Parks and Open Spaces etc) and senior personnel from WLCT (Executive Director, Head of Service and Performance Manager). The Culture and Sport Portfolio Leader attended one of the meetings in the second quarter. (23<sup>rd</sup> August 2012).

5.2.6 Six monthly contract meetings have been held since the contract started and three during the second quarter.

### **5.3 Performance Monitoring**

5.3.1 It is important that the monitoring of performance is a positive and evolving process. The Council has and will continue to work with WLCT to agree and set baselines at levels that accurately reflect the service that is currently being delivered. This is important in order to gauge how well the services are performing compared with previous arrangements.

5.3.2 In certain circumstances it is not appropriate to set new measures immediately but to measure and develop a more focussed set of measures over time. 2012-13 will establish the first full year's operating data and provide certain baseline information and benchmarking data for future years.

5.3.3 Monitoring of the culture and leisure service comprises a number of indicators/measures, which have been drawn from Service plans, WLCT Method statements and performance information and management data collected within the service areas.

5.3.4 All relevant performance indicators and actions are reported in detail by exception. For example any indicators and actions that are significantly off target (red status) or slightly off target (amber status) are reported in more detail than those that are green and on target. Annex 1 to this report provides full detail of WLCT's performance for the second quarter of this year and for the period year to date (April 2012 to September 2012)

5.3.5 This report provides performance information on the culture and leisure management contract in the following areas:-

- Key Performance Highlights
- Participation and attendances
  - Memberships and geographical information
  - Chase Lifestyle Concession visits
  - Health Referrals
- Corporate – Priority Delivery Plans
- Health and Safety
- Programming and events
- Investment
- Quality and Satisfaction
  - Quality measures

- Complaints

- Finance

## **5.4. Performance**

### **5.4.1 Key Performance Highlights**

5.4.2 A summary of the key performance highlights include the following:

- Participation and attendance results are varied with strong performance at the Prince of Wales Theatre, Sports and Arts but mixed performance at the Museum of Cannock Chase, Play and the two leisure centres, with Chase Leisure Centre inevitably being affected by the delay in the opening of the swimming pool.
- WLCT has met or exceeded performance in 45 (67%) of its targets and not met target in 23 (33%) measures, albeit that 9 (40%) are within the 5% tolerance threshold. The other 13 (20%) measures are considered red status.
- The number of Chase Concession Card holders has increased over the last 12 months (8%), as too have gym membership and usage at the two leisure centres.
- Retention of the VAQAS (Visitor Attraction Quality Assurance Scheme) accreditation by the Museum of Cannock Chase
- Transfer of IT systems and networks from the Council to WLCT as planned in July 2012
- Opening of the café pod at Chase Leisure Centre (August 2012)
- Delivery of a number of high profile events in partnership with the Council particularly the Community Games, Party in the Park and the Paralympic Flame Celebration on 25<sup>th</sup> August 2012.
- Continued financial investment in facilities totalling £122,943. (Café pod, variable speed drives, pool cover and IT investments)
- Successful retention of an “Excellent” Quest Assessment score by the Community Well being – Sports Team
- Additional funding of £3,000 secured by the Community Well being – Sports Team through the Macmillan cancer Support to provide a swimming after surgery programme.

5.4.3 There have been no failures or defaults on the part of WLCT in complying with the terms of the contract or services specification during the second quarter and the first 6 months of this contract.

## **5.5 Participation and attendances**

- 5.5.1 **Chase and Rugeley Leisure Centres** – Overall attendance figures in respect of the two leisure centres are below target for the second quarter and year to date by 34,484 visits. This can be attributed to two main reasons, the delay in the swimming pool opening (circa 30,000 visits) and the inability to collect attendance data at Rugeley Leisure Centre (circa 5,250 visits) for 7 days, following the transfer of the IT systems from the Council to WLCT during the second quarter.
- 5.5.2 The two leisure centres have also attracted over 28,000 junior visits (16 years and under) during this quarter and over 59,000 year to date. However, attendances are still below target (8%) for the first 6 months of the year for the reasons already highlighted in paragraph above. Attendances at Chase Leisure Centre will increase when the swimming pool opens and the education and swimming lesson programme commences.
- 5.5.3 Health and Fitness usage at both leisure centres for the second quarter have exceeded target (4% at Chase Leisure Centre and 16% at Rugeley). However, although usage at Chase Leisure Centre continues to exceed target for the year to date (9%) this is not reflected in the usage to date at Rugeley Leisure Centre which is 4% down against target. The opening of the fitness suite at Chase Leisure Centre and the dual site membership scheme has impacted upon the number of visits. It is anticipated that the proposed new extension at Rugeley and investment in new equipment will increase usage during the second year of the contract.
- 5.5.4 Swimming usage at Rugeley Leisure centre is marginally above target for the period year to date.
- 5.5.5 **Prince of Wales Theatre** – The total visits to the theatre (11,277) during the second quarter is above target and is in line with the number of visits during the first 3 months of the contract. This continuing trend of improved attendances is reflected in the year to date figures which show an increase of 71% against target (10,200 visits). This increase is also reflected in the number of junior visits 3,950 during the second quarter. A varied programme of commercial and community programmes have been held during the reporting period achieving a percentage occupancy level of 82% year to date. This represents a 7% improvement when compared to the same period last year.
- 5.5.6 **Museum of Cannock Chase** –The total number of visits to the Museum has fallen below target during the second quarter by 996 (9%). This trend is also reflected in the total number of school visits which are down by 134 (12%) for the same period. The overall usage when taking into account enquiries and hits on the website is marginally down against target (0.7%). However, it is pleasing to note that the total number of junior visits to the museum for the year to date is 3% above target. WLCT report that quarter 3 projections are fully booked and it is anticipated that the service will achieve its year end target.
- 5.5.7 **Cannock Park Golf Course** – Despite the positive start reported during the first quarter of this year, the total number of rounds played on the golf course during the second quarter is below target (5,726/ 53%). The reduction is being attributed to the poor weather experienced during this period and the regional decline in golf, around 22%. Similarly, the level of junior participation is below

target for the period by 234 visits. This is attributable to the junior development programme being delayed as a result of the later than intended contract start date. Membership pricing has been reviewed and a new offer is to be launched towards the end of the third quarter to encourage more visits during the final quarter.

- 5.5.8 **Community Wellbeing (Arts, Sports and Play)** - Participation figures associated with activities and events delivered by the Community Well being teams Sports, Arts and Play are also encouraging with an increase against target in all areas with the exception of play; where participation levels are 7% below target for the second quarter and just under 4% below target for the year to date. It is envisaged that improvement will be seen during quarter 3 and 4 as additional provision has been secured in another school within the district.
- 5.5.9 **Memberships** – the numbers of customers holding memberships has continued to increase since the start of the contract. At the end of September there were a total of 4,511 compared to a total of 3,755 at the end of June (+20%).
- 5.5.10 **Geographical Information** – Some detailed geographical information showing the spread of users across the district, by ward is included in WLCT's performance report attached as Annex 1.
- 5.5.11 In summary, of the Concessionary Card Holders at Chase Leisure Centre, over 91% are from Cannock South, 89% from Cannock North, 87% from Hawks Green, 88% from Cannock West and 84% Cannock East. At Rugeley Leisure Centre over 97% of card holders are from the Hagley and the Etching Hill and the Heath wards. In respect of those Members who pay by Direct Debit the two highest wards are Cannock South and Cannock North.
- 5.5.12 The production and use of this information is very much in the early stages but it is anticipated that WLCT will, in the future use this data to target and promote the culture and leisure service.
- 5.5.13 **Chase Lifestyle Concessions** – WLCT are required to increase the number of residents who are eligible for the concessions scheme. Overall the percentage of concession visits at both leisure centres (under 17, over 60's low income) has increased
- 5.5.14 **Health referrals** – the number of health referrals in the second quarter and year to date are below target. However, a number of Cardiac Rehabilitation and Health Fit programmes are being delivered at both centres and with the launch of the Structured Exercise Programme (SEP) at Rugeley it is anticipated that participation levels will increase. As part of the contract monitoring process, WLCT have been asked to outline the current level of service provision in more detail. This will be included in a future performance report.
- 5.5.15 **Priority Delivery Plans** – All actions relating to Priority Delivery Plans in the second quarter were completed on to time.
- 5.5.16 **Health and Safety** – There have been no serious workplace accidents, occupational diseases or specified dangerous occurrences (near misses)

recorded at any of the facilities operated by WLCT during the reporting period. WLCT are required to provide a summary of all accidents and incidents as part of the monthly monitoring meetings and this is included with the report attached as Annex 1. There has been an increase in the number of accidents and incidents reported at Chase Leisure Centre during the second quarter of which 62% related to sports injuries and 21% to slips, falls and bangs.

5.5.17 All facilities and services have been issued with new health and safety policies and procedures and staff have undertaken a significant number of health and safety related training.

5.5.18 **Programming and events** – Implementation of the new swimming programmes at both Rugeley and Chase Leisure Centres have been put on hold pending a definite date for the opening other swimming pool at Chase Leisure Centre. However, arrangements are being made to provide some swimming lessons for Chase Leisure Centre customers at a local school during the third quarter.

5.5.19 A number of successful events and activities have been undertaken in the second quarter including It's a Knockout, Museum Family Day, Walk to Win, and Party in the Park, and the Paralympic Flame Celebration.

5.5.20 **Investment** - In addition to the effective operation of the culture and leisure service a number of significant capital investments and enhancements have been built into the contract requirements. Progress within the second quarter in respect of these is as follows:

| <b>Investment</b>                              | <b>Date</b>  | <b>£</b> |
|--|--------------|----------|
| Pool Cover – Rugeley Leisure Centre            | 5 Sep 2012   | 13,584   |
| Variable Speed Drives - Rugeley Leisure Centre | 26Sep 2012   | 12,873   |
| Voltage Optimisation - Rugeley Leisure Centre  | 15Sep 2012   | 18,082   |
| ICT investment - Chase Leisure Centre          | July 2012    | 27,404   |
| Café Pod - Chase Leisure Centre <sup>1</sup>   | Jul/Aug 2012 | 51,000   |

5.5.21 **Quality and Satisfaction** – A key measure of the contract is to maintain and improve on the existing quality of the culture and leisure service through appropriate and current industry recognised accreditation processes such as Quest, Sandford Award, Museum accreditation and Visitor Attraction Quality assurance Service (VAQAS).

---

<sup>1</sup> Investment not included as part of contract requirements

5.5.22 During Quarter 2 there have been two independent assessments. The Community Wellbeing – Sport Team have been inspected and assessed as part of their Quest assessment and have successfully retained their “Excellent” status.

5.5.23 The Museum of Cannock Chase has also been assessed as part of the Visitor Attraction Quality Assurance Service (VAQAS) accreditation and again have received very positive feedback with the assessor commenting that the Museum “continues to provide an overall excellent quality experience. Even though the Museum is going through a period of change, whilst the management of the Museum is being handed over from Cannock Chase District Council to Wigan Leisure and Culture Trust, the overall visitor experience was not affected in any way. The level of interpretation used within the Museum was excellent, with a variety of activities, to keep children entertained. Many of the ideas suggested in last year’s report had been implemented which was very good”.

5.5.24 The service has received a total number of 35 complaints during the second quarter, making a total of 53 over the year to date. All have been dealt with and responded to within the appropriate timescales (10 working days). The trend highlighted this quarter is understandably the number of complaints received about the delay in opening the swimming pool. (8 complaints)

## **5.6 Finance**

5.6.1 Following the award of the contract the annual management fee to be paid to WLCT for 2012-13 is £1,651,835. Contract payments are made monthly based on satisfactory performance and in line with the agreed management fee.

5.6.2 WLCT has made the appropriate Pension Bond payment of (£4,811.92) per month as required by the contract.

5.6.3 Grounds maintenance charges of £12,385 per month are also being paid by WLCT in accordance with the contract.

5.6.4 The service has been provided within the budget available for the second quarter with the exception of anticipated adjustments as part of the transitional/handover period.

5.6.5 However, the delay in opening the swimming pool in the second quarter is starting to have an impact upon the service provided by WLCT and in particular their forecasted income projections and actual expenditure being incurred as a result of taking on the required resources to operate the pool facility. Discussions are currently taking place with WLCT to ascertain the extent of the financial impact on the contract.

## **6 Implications**

### **6.1 Financial**

6.1.1 The service is being delivered within the financial contract budget for 2012-13 with the exception of small adjustments required during the transitional/handover period for which provision exists within the 2012-13 budget.

6.1.2 The delay in opening the swimming pool at Chase Leisure Centre in the second quarter is starting to have and will continue to have an impact on service delivery until completed. WLCT have confirmed that they will be looking to seek financial redress for any additional net cost resulting from the continued delay and discussions are currently taking place as part of the contract monitoring process to ascertain the extent of any claim to be submitted.

6.1.3 It is anticipated that any claim can be contained within existing resources although the Forecast outturn for 2012-13 includes provision for a potential net payment to Wigan Leisure and Cultural Trust. The payment is offset by a forecast under spend on the Capital Programme however it is not possible to charge revenue expenditure to a capital scheme.

## 6.2 **Legal**

6.2.1 There are no identified legal implications arising from this report.

## 6.3 **Human Resources**

6.3.1 There are no identified human resource implications arising from this report.

## 6.4 **Section 17 (Crime Prevention)**

6.4.1 There are no identified implications arising from this report.

## 6.5 **Human Rights Act**

6.5.1 There are no identified implications in respect of the Human Rights Act 1998 arising from this report.

## 6.6 **Data Protection**

6.6.1 There are no identified Data Protection implications arising from this report.

## 6.7 **Risk Management**

6.7.1 Many risks involved in contract management relate to the provider being unable to deliver or not to deliver to the right level of quality. A number of key risks have been identified in the contract and performance monitoring guidance referred to in this report and both parties will continue to work together to identify risks, who is responsible, who is best able to control the risk and how it can be minimised or managed should it occur.

6.7.2 One of the key risks that has emerged is the delay in opening the swimming pool at Chase Leisure Centre and its impact upon service delivery and the contract.

## 6.8 **Equality & Diversity**

6.8.1 There are no identified implications as result of this report.

**6.9 Best Value**

6.9.1 The commissioning of WLCT to provide and deliver the Council's culture and leisure services achieved significant savings, demonstrating our commitment to providing value for money services.

**7 Appendices to the Report**

Annex 1 – WLCT Performance  
Review 2012- 13

**Previous Consideration**

**Background Papers**

Tender Specifications published by Cannock Chase District Council 2011  
Contract Documents  
Contract and Performance Monitoring Guidance