

# PROPOSED MONITORING ARRANGEMENTS FOR LEISURE MANAGEMENT CONTRACT

## Background

As a result of the recommendation of the Best Value Inspection on Leisure Management, and against a backdrop of increasing pressure on Revenue and Capital Budgets, the Council undertook a comprehensive review of alternative options available to manage its Leisure Facilities.

Following this period of review, the Council elected to pursue the appointment of an external "Partner" to manage and develop its major Leisure Facilities and Swimming Pools. A "Partner" was sought from either the Commercial or existing Leisure Trust Sectors.

The Council sought a "Partner" to achieve a number of key objectives:

- To manage the Council's Leisure Facilities by the most cost effective means possible, therefore reducing the level of revenue support necessary in the future.
- To alleviate the financial risks to the Council and in particular to release the Council from the threat of VAT penalties deriving from exempt income.
- To invest in the Facilities to ensure that the internal fabric is maintained to current standards and that capital refurbishments and new facilities are provided where possible.
- To ensure that high quality and diverse opportunities remain available and accessible to all sections of the local community, and to seek continuous improvement to the Service.

After reviewing the nine Expressions of Interest, the Council selected a shortlist of five companies (three commercial companies and two existing Leisure Trusts).

Three of the short listed companies submitted bids for evaluation

After extensive evaluation, including site visits and interview by a Member panel, the decision was to award the contract to SLM Sport and Leisure Management Ltd.

The contract for Loughton Leisure Centre, Ongar Leisure Centre and Waltham Abbey Pool is for seven years with an option for the Council to extend it for a further three years. The contract for Epping Sport Centre is for three years.

## Monitoring

It is intended that the Council will monitor the performance of the contractor against measurable objectives by way of agreed Key Performance Indicators (KPIs) and adherence to the Contract.

Details of the KPIs on which the performance will be measured are set out in Appendix 1.

The Council and the contractor may jointly develop and publish further KPIs for the Service once the contract has started.

To assist the effective monitoring of the Contract, the contractor is required to provide monthly, quarterly and annual statistical information reports, at no cost to the Council, on all areas covered by the contract to a format specified by the Council as set out in the various sections of the contract (appendix 2)

The contractor will also be expected to provide other reports to the Head of Leisure Services, as required, whenever they want to make any changes to the facility or facility programme (appendix 3).

As well as statistical reports there will also be a regular programme of site visits by various officers of the Council (appendix 4)

The Monitoring Officer for the Council will follow a checklist to ensure that all aspects of the operation are reviewed. This checklist will include staffing, cleanliness, Health & Safety issues and customer satisfaction (appendix 5).

All Facilities will have Customer Liaison Groups consisting of members of the public and representatives from the resident clubs. The Monitoring Officer will attend to represent the Council.

Leisure Services will also be arranging bi-annual mystery shopper visits by a specialist company and the results will be discussed with the contractor.

To ensure the Facilities are maintained to their current standards during the course of the contract, a condition survey has been undertaken including video and photographic evidence of the existing standards. The contractor must advise the Council of any planned or unplanned maintenance it is undertaking and a Building Surveyor will monitor the work to ensure appropriate materials are used and the finished work is of an acceptable standard.

The Contractor is required to produce an Annual Report for the Council each year for the previous contract year. This report will be expected to give separate details for each Facility and include, as a minimum, the following information:

- Key performance Indicators
- Income figures and information
- Health & Safety and maintenance issues
- Participation figures for each activity by comparison for the previous year/ years of the contract
- Investment update
- Future proposals for marketing & development
- Certification status for Chartermark, Quality or Quest
- Key objectives for the following year
- Activities – undertaken, proposed and no longer undertaken

The contractor has indicated that they want to obtain Quest accreditation as soon as possible as a replacement for ISO 9001/2000. Quest is a scheme for Sport and Leisure facilities designed to improve the quality of service to the customer.

As part of Quest accreditation external auditors undertake surveillance visits on a six monthly basis. Copies of the auditor's reports will be forwarded by the contractor for monitoring purposes.

### **Communication with the Contractor**

The contractor will be expected to attend monthly meetings (Core meetings) with officers of the Council to present regular reports, discuss operational issues and review the monitoring reports and progress of the Service (appendix 6).

As well as the monthly Core meetings there will also be a Monitoring Board that shall meet three times a year, the first meeting is scheduled to take place in March 2006. The board will include Officers and Directors of the Provider and Officers and Members of the Council.

The Agenda for the monitoring Board will include:

- Financial Appraisals
- Update on Investment Proposals

- Key Performance Indicators
- Default/ Complaint Notices
- Customer/ Non- user Survey reports
- Analysis on Compliments/ Complaints
- Results of Quality/ Quest Audits
- Health & Safety reports

The Contract Officer for the provider, or representative, is also expected to attend a number of Leisure Services meetings including Safety Service Team and Swim Forum.

If the provider proposes any changes to improve the Service, these will be considered by the Council. If the changes are agreed the Provider will be notified by the issue of a Variation Order (appendix 7)

### **Default in performance**

Throughout the Contract Period, the performance of the contractor in providing the service will be monitored in accordance with the arrangements set out in the Contract.

Failures to provide the Service to an acceptable standard will be allocated levels of seriousness from Level 1 up to Level 4 (appendix 7)

On each occasion that a failure to comply is noted, a complaints notice will be issued to the Facility management detailing the nature of the failure, the level of seriousness allocated to it, and the time limit within which the failure must be rectified and the Service restored to its specified standard.

Should the contractor fail to restore the Service to the Contract Standard by the due date, the Head of Leisure Services will issue a default notice that will serve the following purposes:

- It will declare that the Provider has defaulted in providing the Service, or part of it.
- It will state the Council's intention to calculate the financial value of the failure, details of which will subsequently be confirmed in writing, and will formally notify the Provider that a deduction of the calculated amount will be made from the next payment or payments to the Provider from the Council.
- Allocate the instance of failure to provide the Service the next level of seriousness. If this is a subsequent Complaint Notice on the same issue and specifying a revised time limit by which the Service must be restored.
- If the Provider should again not rectify the failure and restore the Service within the time limit, a further Default Notice will be issued, and a further calculation of the financial value will be undertaken. This will again be deducted from the next payment to the Provider.
- In the event of the repeated failure to respond to the Complaint Notices, a cycle of Complaint Notices, Default Notices and deductions will continue until the Provider fails to rectify a "Level 4" default.

Where a failure is rectified by the due date and time, no further action will be necessarily be taken, although the number of Complaint Notices issued and the effectiveness of the response will be discussed at the regular Core meetings.

## **TUPE AND BEST VALUE MONITORING REQUIREMENTS**

The council has an obligation to monitor the terms of employment of staff transferring and other staff employed on the provision of the Service under the Leisure Management Contract.

The Council has taken advice from the Head of Legal Services taking note of the guidance contained in the Office of the Deputy Prime Minister's Code of Practice.

The Code and the Contract, require the Contractor to consult with the Trade Unions or other appropriate representatives on the terms to be issued to new employees. The arrangements for consultation must include genuine dialogue. If the Trade Unions are not happy they would have an opportunity to bring this to the attention of the Council who could then involve the mediation procedure contained within the Contract.

Local Authorities are required to certify in their annual Performance Plan that individual contracts comply with Best Value and the Code of Practice.

The Best Value Duty is that a Local Authority must secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

These requirements underline the whole of the contract. The Best Value Clause in the contract as well as the manner in which the contract specification has been drawn up and incorporated into the contract will permit the Council to obtain Best Value. It will be necessary to ensure that the Best Value Provisions are monitored and implemented.

It is also necessary to certify annually that the TUPE Code practice is being adhered to. SLM will be asked for information annually to enable this requirement to be met. However, the Code also requires that the information requested must be limited to that required to monitor compliance with the Code.

To an extent the judgement as to whether the Code is being complied with will be subjective and open to challenge. The mediation clauses would then come into effect if the Council considered that there was a breach.

If, as a result of investigations, the auditor (appointed by the Audit Commission) has concerns about the Council's compliance with the Code of Practice, he may recommend that the Secretary of State make an order under S15 of the Local Government Act 1999 (e.g. review the exercise of its powers, direct it takes action). The auditor may also require the Council to reply publically to a written recommendation.

There is no right for an employee to enforce the Code directly because of the manner in which the contract is drafted, indeed any contractor would be concerned if it was open to numerous individual challenges over the period of the contract.

**Seven Key Performance Indicators**

Based on SMART objectives – Specific, Measurable, Achievable, Realistic Time.

1. Facility Management
2. Human Resources Management
3. Health and Safety
4. Asset Management
5. Financial Accounting, Audit and Management
6. Monitoring of Performance
7. Activity Base

To highlight the scope of these the list below has been compiled of the evidence that will be used for evaluation of the standard reached with regard to the Key Performance Indicators.

**1. Facility Management****Opening Hours**

Have the facilities been open and the service available as outlined in the specification C3 Part 1.

**Programme**

Has the programme of activities and use as outlined in the contract C3 Part 3 been adhered to including:-

- A balanced and varied programme
- Term time and holiday programmes
- Availability for activities and coaching courses which form part of the Sports Development Strategy
- The Guaranteed Elements
- Coaching and supervised sessions
- Special programmes such as New Horizons, GP Referral, Livetime etc.

**Usage**

Compilation of data of participation figures and comparisons as outlined in the contract to enable review, judgements and adjustments to the service as outlined in the specification.

**Marketing and Advertising**

To complete the requirements of the contract and the agreed Method Statement with regards to Marketing, Advertising, Promotions which ensures the Council's Image, Branding, Awareness and service to the Community is maintained.

**Consultation and Commitment**

To undertake the requirements of the Contract so that users, non-users, other parties, staff, EFDC officers and Members of the Council are aware of the Service provided, the standards and objectives set and achieved, and allow input into new requirements and innovations.

**2. Human Resource Management**

That the Contract is adhered to so that there is always sufficient, qualified, trained and experienced staff to ensure a high standard of safety provision and customer care to fulfil all requirements of the Contract.

**3. Health and Safety**

That all aspects of Health and Safety for all parts of the Service, Facility, the Resources and the Users have been maintained and undertaken by the Provider as per the Contract.

**Environmental Conditions**

That all environmental conditions are maintained and conducive to the use to which they are programmed/supplied for as per the Contract.

**4. Asset Management**

That the Building and Equipment is cleaned, maintained, managed and replaced as outlined in the Contract, as to the agreed Method Statement.

**5. Financial Accounting, Audit and Management**

That all financial matters have been dealt with as required by the Contract and that Audit trails and account ability are clear and transparent.

That guaranteed investment has been undertaken as stated in the Contract.

**6. Monitoring of Performance**

That the required processes, checks and reviews are in place to ensure that there is monitoring of adherence to the requirement of the Contract and the systems and management plans in place to deal with any non-conformance. Measured evaluation will include Quality Certification Surveys, Customer Complaints, Complaint and default notices.

**7. Activity Base**

This will be measured and evaluated on such items as participation levels, programme, service provision of the Contract including, New Initiatives, Programme Changes, District Membership levels, "Shapes" users, Events, Swimming lesson participation, key dry activities (such as squash, badminton) and secondary spend services such as bars and catering vending etc as required by the Contract.

**Information from the Contractor**

**Monthly**

Statement of income received at each facility for individual activities and areas of the building  
Reports on income and attendance levels  
Bacteriological pool water test results  
GP referral information  
Details of initiatives aimed at particular groups, sports or activities

**Quarterly**

Returns for LPIs & BVPIs

**Annually**

Full account of income collected within the contract for that contract year detailing individual activities and individual areas for each facility.  
Statement signed by contractors Auditor, certifying the full declared income generated at each facility in respect of the activities after accounting for VAT  
Annual report (by July of each year) for the previous contract year  
Summer holiday programme  
List of facility closures for the following year  
Insurance documents

**Additional Information**

Improvements/ expansion of the service  
All charges for new activities  
Proposals, in advance, for promotional offers affecting the level of fees and charges  
Detailed proposals for changing prices for courses if they wish to make a change to current prices  
Details and nature of any sponsorship  
Changes to design of promotional material  
Press release or statement in relation to any matter connected to the operation of the service  
(excluding normal promotions & marketing)  
Details of any planned closures (at least 3 months in advance)  
Amendments to opening hours  
Changes to the programme  
Proposals for special events  
Proposals for use of alternative and/or replacement mascot  
Results of any promotion or campaigns, surveys, market research  
Tint, colour or design of any decoration, paint or paper  
Date of commencement of any planned maintenance works  
24 hours notice of draining all or substantial quantity of water from the pools  
Proposals for modification of equipment at the facilities

## Monitoring of Leisure Facilities

**Weekly** – unannounced visits to all sites & Special Events  
(various times of the day including early mornings & evenings – weekends only if centres performing badly)

Cleanliness & Presentation of facility  
Visual management (posters, signage etc)  
Faults/ minor maintenance  
Check programme  
Paperwork – pool test sheets, accident forms, CCB, correspondence, FRB, survey results  
Staffing levels  
Quality/ Quest/ Chartermark updates  
Compliance with two tier workforce regulations  
Standard of sports equipment

**Monthly** - pre-arranged visits to all sites with Estates Dept.

Maintenance  
Decoration  
Planned & unplanned maintenance  
Yearly programme update  
Plant/ mechanical  
DDA compliance

**Monthly** - pre-arranged visits to all sites with Health & Safety Officer

COSHH  
PPE  
Fire Alarms/ Emergency lighting  
Staff Training records  
Accident form review  
Safety Management systems

**Quarterly** – unannounced visits to all sites with Marketing Officer

Visual Management review  
Promotional profiles (or equivalent)  
Monitoring results of campaigns, programmes & promotions  
Review/ Update of annual event

**Quarterly** – unannounced visits to all sites with IT Officer

Review CRAMIS system  
Check for illegal software

**Annual** - unannounced visit

Risk assessments  
Fire Extinguisher servicing  
Inventories  
Sports equipment maintenance check  
Examination of records, equipment, installations, processes and procedures relating to hygiene, public health and Health & Safety.  
Names, qualifications & experience of staff & club staff



## Epping Forest District Council

## Centre Assessment

Centre: \_\_\_\_\_

Date: \_\_\_\_\_

Assessor: \_\_\_\_\_

Time: \_\_\_\_\_

Representative of Centre in attendance/ on duty \_\_\_\_\_

General	Acceptable ✓/x	Finding	To comply by	Complaint Number & date issued
Entrance to site is clean & presentable				
Correct programme is running				
Customer comment cards are available & process being completed				
All clocks show the correct time				
All lights are working				
Hand driers are working				
Vending machines are full, clean & working				
Seating is in good condition				
Showers & hand basins have hot water				
Radiators are working and building is sufficiently heated				
Individual areas are to the required environmental levels				
No outstanding maintenance items				

## Health &amp; Safety

Appropriate PPE is being worn by staff				
Adequate precautions are being taken to protect staff, customers and contractors				
Suitable chemicals are being used & stored correctly				
Slip/ trip hazards are not present				
Quarantine store is being correctly used				
Equipment is being stored and used correctly				
Staff are trained in the correct use of equipment				
Faults have been recorded and actioned				

Sports equipment is in good condition				
<b>Visual Appearance</b>	<b>Acceptable ✓/x</b>	<b>Finding</b>	<b>To comply by</b>	<b>Complaint Number &amp; date issued</b>
The Reception desk is tidy and contains up to date information				
Posters are up to date and appropriate for display.				
Leaflet racks are full with up to date material				

### Cleanliness

Glass is clean				
No litter				
Toilet rolls & soap in all toilets				
Drain covers are clear				
Litter bins are not full				
All areas are swept, mopped, ledges are dust free, mirrors are clean				
Reception Area				
Male toilets				
Female toilets				
Wet changing rooms				
Male changing rooms				
Female changing rooms				
Swimming Pool				
Teaching Pool				
Shapes/ Fitness Room				
Sports Hall				
Squash Courts				
Sun Bed room				
Bar				
Creche				
Ancillary Room				
Corridors				

### Paperwork

Pool tests are carried out, up-to-date and within parameters				
Accident book				
Correspondence file				
Fault report book				

Cleaning check list				
Audit trails are clear				

<b>Staff</b>	<b>Acceptable ✓/x</b>	<b>Finding</b>	<b>To comply by</b>	<b>Complaint Number &amp; date issued</b>
Staff are in uniform, smart and distinctive				
Managers & receptionists are wearing name badges				
Staff have appropriate qualifications				
Facility Management board is up to date				
Sufficient staff are on duty				

<b>Customer Satisfaction</b>	<b>Acceptable ✓/x</b>	<b>Finding</b>	<b>To comply by</b>	<b>Complaint Number &amp; date issued</b>
Customer comment book				
Survey results				

EFDC/ SLM monthly Core Group meeting

**Agenda**

1. Apologies for absence
2. Minutes of previous meeting
3. SLM report
  - Previous month income statement by activity and area for each facility
  - Previous month attendance levels by activity and area for each facility
  - Bacteriological pool water tests
  - GP Referral information
  - Membership figures
  - DD figures
  - Events
  - Swimming Lesson participation figures
4. Monitoring results
  - Visits
  - Feedback from Customers
  - Complaint/ Default notices
5. Marketing
6. Health & Safety
7. Building Maintenance
  - Planned Programme
8. A.O.B
  - Variations to contract
  - New Initiatives
  - Programme changes
  - Survey results



## Levels of Seriousness

### Level 1

Small problems or omissions which nevertheless have a noticeable effect on the delivery of the Service. To be rectified on the same day as the issue of the complaint notice (Appendix 8).

Examples include: failure to comply with cleaning standard where the effect is more than merely visual – unpleasant odours, unserviceable lights, out-of-date notices, graffiti.

### Level 2

Serious problems or omissions which create a significant level of inconvenience, unpleasantness or disruption to the Service. To be rectified, or rectifying action to be initiated, within 24 hours of the issue of the complaint notice.

Examples include: failure to carry out prompt or adequate maintenance – unserviceable taps/showers/WC etc., or consumable equipment unavailable or unserviceable – badminton nets, hire racquets.

### Level 3

Very serious problems or omissions which create an unacceptably high level of inconvenience, unpleasantness, disruption and are a potential hazard to safety, health or hygiene. To be rectified, or rectifying action to be initiated within one hour of the issue of the complaints notice.

Examples include: water and/or air temperatures not to specification, chemical balance of water incorrect, pool water cloudy, charging higher fees and charges than permitted.

### Level 4

Problems or omissions of the utmost seriousness creating an immediate high risk to health, safety or the well being of staff or users, requiring either immediate rectification or the withdrawal from use of equipment or closure of all or part of the Facility. In this instance, the complaint notice will be bypassed and a default notice (appendix 9) issued immediately.

Examples include: insufficient pool lifeguards on poolside, unqualified staff on poolside coaching fitness classes or preparing food, damaged or unserviceable equipment in use, unhygienic levels of cleanliness in food preparation areas, breach of health and safety rules.

**Epping Forest District Council**  
**Facility Management Contract**

**Provider's Name** \_\_\_\_\_

**Default Notice**

Date \_\_\_\_\_ Reference No. \_\_\_\_\_ Notice Number \_\_\_\_\_  
 Complaint Notice cross ref. \_\_\_\_\_ Any Previous Default Notice No. \_\_\_\_\_ (if applicable)  
 Four Week Period Week Ending \_\_\_\_\_ Specified date for Rectification \_\_\_\_\_  
 Level of Seriousness \_\_\_\_\_

I hereby give notice under Clause 25 of the Contract that :

1. defective work specified on Complaint Notice No. \_\_\_\_\_ has not been completed in accordance with the Contract by the date mentioned in the Complaint Notice.
  2. the following Service pursuant to the Contract has not been completed in accordance with the Contract.
- \* Delete option not applicable

No.	Location	Nature of Failure	Value	Level

It is the Council's intention to calculate the financial value of the failure and will notify you of the amount in writing and that this sum will be deducted from the calculated amount due on the next payment or payments.

Date \_\_\_\_\_ Signed \_\_\_\_\_  
 Designation Head of Leisure Services as defined by the Contract

B. The defective work was not completed but an extension of time allowed at the same level.  
 New rectification date \_\_\_\_\_  
 Date \_\_\_\_\_ Signed \_\_\_\_\_  
 Designation Head of Leisure Services as defined by the Contract

C. Default Notice issued (date) \_\_\_\_\_  
 Date \_\_\_\_\_ Signed \_\_\_\_\_  
 Designation Head of Leisure Services as defined by the Contract

Epping Forest District Council

Facility Management Contract

Provider's name \_\_\_\_\_

Variation Order (Contract Clause 8)

Variation Order No. \_\_\_\_\_ Date \_\_\_\_\_

Reference \_\_\_\_\_

Description:										
							Addition	Substitution	Alteration	
							Omission	Method	Timing	
Permanent	One-off job									
Works to be completed by										
Net amount to be * added to Tender Sum £ omitted from										

Signed \_\_\_\_\_ for Provider

Signed \_\_\_\_\_ for EFDC

Assigned to \_\_\_\_\_