

REPORT TO: Best Value Sub Committee
REPORT ON: Best Value Review of Lochee Swimming & Leisure Centre
REPORT BY: Chief Executive
REPORT NO: 154-2002

1. PURPOSE OF REPORT

This report is the result of a Best Value Review into Lochee Swimming & Leisure Centre conducted by the Leisure & Parks Department as part of the Council's Best Value Review process.

2 RECOMMENDATIONS

It is recommended that the Sub Committee:

- 2.1 Agrees the outcome of the review as contained in this report
- 2.2 Notes the areas identified for continuous improvement in section 13 of this report.

3 FINANCIAL IMPLICATIONS

- 3.1 The review accounts for 2.3% of the Department's gross Revenue Budget in financial year 2000/2001 amounting to £292,000 and 5.1% of the total revenue expenditure reviewed by this Department this year.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 Recreation Opportunities are protected and enhanced through the continual operation of Swim Centres.

5 EQUAL OPPORTUNITY IMPLICATIONS

- 5.1 A Customer Survey and specific consultation has taken place with target groups to assess needs thus ensuring a better overall balance of the facility's allocation for all competing interests.

6 DEFINITION OF SERVICE REVIEWED

- 6.1 The services reviewed included the Leisure Management of the Lochee Swimming & Leisure Centre:

The Centre serves local needs, clubs and organisations, and includes a traditional swimming pool, fitness suite which has been refurbished during 2000/01 financial year and a small sauna/sunbed room.

- 6.2 The review therefore entailed a performance evaluation of usage, income and expenditure for each of the individual facilities and activities, an evaluation of how the current service is delivered and an appraisal of any improvement options.

6.3 The current staffing levels at the Centre is as follows:-

- 2 Duty Officers
- 2 Clerical Assistants
- 2 Lifeguards
- 4 Leisure Attendants

The post of Swim Centres Officer oversees the general operations of both the Olympia and Lochee Swimming & Leisure Centre building. The Building Services Officer has an overall responsibility for the facility maintenance. Due to the complexity of the plant at the Olympia, approx 75% of time is allocated to the Olympia.

7. JUSTIFICATION FOR REVIEWING SERVICE

The Centre is a key facility that accounts for 2.3% of the Department's gross budget. The service delivery is subject to Leisure Management Compulsory Competitive Tendering (CCT).

A review was required to accurately evaluate operational areas of the Centre in order to determine the performance of these areas for future benchmark comparison and improvement. In addition as revenue income and access are major considerations there is a need to balance customer needs with efficient practice.

Figures produced by the Accounts Commission for Scotland indicated that traditional pools in Dundee, consistent with all other Scottish Local Authority Leisure facilities, are heavily subsidised. This along with other considerations may account for the fact that as there was no interest from the private sector when tenders were advertised under CCT legislation.

8. REVIEW METHODOLOGY

8.1 The review team consisted of a Review Team Leader (from Personnel & Management Services Department), a Lead Officer (Leisure & Sports Manager), representatives from Finance Department along with Officers from Operations, Leisure Development and Administration functions within the Leisure & Parks Department.

8.2 At the present moment the 'Centre's' services are delivered through Leisure Management CCT, the Contract being awarded in 2 tranches with no other organisation bidding for the work. For this reason the approach by the team was one of benchmarking and seeking actions which would add value to the performance of the facility.

A review of current performance of the service delivery, usage and cost was undertaken and compared against the relevant Accounts Commission Performance Indicator data.

9. CRITICAL SUCCESS FACTORS

9.1 Stakeholder

The Centre is used by a number of groups such as the general public, combinations of individual school groups, clubs and other groups.

The Council itself is a key stakeholder and has a duty to ensure that quality, accessible and effective services are delivered efficiently and at optimum cost.

9.2 Consultation

The Department commissioned a customer survey to be carried out by T L Dempster Strategy & Research which focused on the uses of the 'Centre'. A copy of the report 'Survey of Sports Centre users, Lochee Swimming & Leisure Centre is available in the Best Value file.

The main findings indicate:-

The user profile of Lochee Leisure Centre is more likely to be male than female with only 1 in 5 being local residents. The cost of use is the predominant factor in their choice to use the Centre and the majority of visits are to the swimming pool. Half of the swimming visitors use it at least once a week and the majority of visitors consider they are unable to use it more often due to lack of available time. A third of the visitors use Concession Cards. A high level of satisfaction was recorded in respect of customer care and the overall facility.

The important factors from the findings are the high price sensitivity of the users and the repetitive nature of their visits, with the majority not being local residents. Also important is the factor that most consider they could not increase the number of their visits due to lack of time. Therefore quality of the service is the critical factor in Lochee Swimming & Leisure Centre continued usage. The most encouraging factor from the survey is the high score in respect of customer care which assist in repeat visits.

9.3 From this the critical success factors were identified as:-

- | | | |
|----------------|---|--|
| Cost | - | charges, income and expenditure

In particular the variability of these factors in relationship to each other have a major impact on the financial efficiency and visitor numbers at each facility. |
| Usage | - | Optimum use of the available time slots |
| Quality | - | Customer Care, quality and variety of activities, quality of the environment, customer services and quality management. The quality of the facilities and how the service is delivered has a direct impact on customer satisfaction, operational management of the facility and thus overall performance of the service. |

10. **PERFORMANCE REVIEW**

10.1 Performance in relation to the critical success factors was reviewed by conducting a financial and usage appraisal of the facility and through

comparisons of data from the Accounts Commission for Scotland and Association for Public Service Excellence (APSE) "performance network" summary. In addition a review was undertaken of the key findings from customer surveys.

10.2 Cost

(i) Charges

An evaluation of the current charges was undertaken and compared to current and previous years income targets. A copy of the Income Targets Review which includes charges is available within the Best Value file.

(ii) Income/Expenditure

The performance of each activity was reviewed in relation to the income, expenditure and visitor numbers. Activity based performance data relative to each of the key areas of sports centres is available within the Best Value audit file.

- **Financial information for years 1999/2000 and 2000/2001 is as follows:-**

	<u>99/00</u>		<u>00/01</u>	
	<u>Excl Cap</u>	<u>Incl Cap</u>	<u>Excl Cap</u>	<u>Incl Cap</u>
	<u>Charges</u>	<u>Charges</u>	<u>Charges</u>	<u>Charges</u>
gross Expenditure	£364,825	£422,917	£363,191	£465,381
Client Income	£135,163	£135,163	£137,929	£137,929
Net Expenditure	£229,662	£287,754	£225,262	£327,452
No of users	85,417	85,417	80,696	80,696
<u>Subsidy per head</u>	<u>£2.69</u>	<u>£3.37</u>	<u>£2.79</u>	<u>£4.06</u>

A comparison was undertaken with the Olympia and the corresponding subsidy per head is shown below.

Olympia subsidy per head is as follows:-

	<u>99/00</u>	<u>99/00</u>	<u>00/01</u>	<u>00/01</u>
<u>Subsidy per head</u>	<u>3.71</u>	<u>5.21</u>	<u>3.86</u>	<u>8.10</u>

Benchmarking against other Local Authorities has proved difficult due to the fact that no two Centres are similar. However data produced through APSE Performance Network for Sport and Leisure Management for "year 2" 2000 indicated that from a family group of 21 pools UK wide the subsidy per head (including

Departmental cost and Central Establishment Charges are as follows:-

Highest in group £9.72, average £2.08, lowest £0.04.

The conclusion to the above comparison would indicate that while the figure for Lochee appears favourable compared to the Olympia that it is still above the average outlined in APSE performance network.

Methods to improve the figures are suggested in Section 13 Continuous Improvement Proposals and in addition the further research will be carried out on the APSE Performance Network for Sport & Leisure Management with the objective of identifying any other areas which can be improved.

The financial information includes cost incurred by Client and DSO costs. The Leisure Management Contract was awarded for a six year period up to 31 December 1995 and through Government regulation has been extended through a moratorium on CCT. The DSO to produce the total cost of running the facilities.

- **Human Resources**

As part of the analysis of costs the overtime and sickness rates were investigated.

The conclusion of the analysis is that sickness and overtime compare favourably within the Council, however both are subject to constant monitoring and control.

A copy of the analysis is in the Best Value file.

10.3 **Usage**

10.3.1 **Facility Programming**

There currently is no off peak charge and concessionary prices for minority sports are available at all times. This highlights a conflict between maximising income while encouraging social inclusion.

This is an issue that needs further investigation with a report detailing the findings and recommendations to be brought forward for completion by December 2001.

10.3.2 **Statutory Performance Indicators – Number of attendances per 1,000 population to traditional pools**

A comparison and evaluation on the above newly introduced Performance Indicator was carried out. The details are as follows:-

Comparative details from 28 Councils (i.e. number of attendance per 1,000 population).

Highest	5,254
Lowest	544
Average	2,573
Dundee	1,324
Olympia	754
Lochee	570

From the comparisons and evaluation it was noted that Dundee's figures only include for users of Leisure & Parks Department's facilities and include both the Olympia traditional pool as well as Lochee. This is reflected in the ranking position, therefore of 25th. This does not provide a holistic view of usage in the City. For example there is paid use of Education Department pools during the evening. As a result of the evaluation, therefore, a working group which includes Officers from Finance, Education, Neighbourhood Resources and Leisure & Parks now meet on a regular basis with the objective of gathering and pulling information to properly reflect Dundee's position and assist in a joined up working approach.

10.4 **Quality**

10.4.1 **Performance Ratings**

From the T L Dempster Survey respondents were asked to rate each of the facilities available at the Lochee Centre.

The vast majority rated the Swimming Pool, Fitness/Weights Room, Sauna and Steam Room as being either good or excellent.

	Poor	Only fair	Good	Excellent	No of Respondents
Swimming Pool	3%	12%	63%	22%	180
Fitness/Weights Room	0%	2%	52%	45%	129
Sauna	0%	10%	77%	13%	30
Sunbed	0%	9%	55%	36%	11

On the whole existing users of the Lochee facility are happy with what they have available.

Respondents were also asked to rate the performance of the staff in 3 key areas. On the whole the ratings were very favourable with the vast majority of visitors happy with the service provided and a high level of excellent ratings given.

	Poor	Only fair	Good	Excellent	No of Respondents
Reception/Cashiers	1%	2%	48%	48%	233

Pool/Fitness Suite Staff	0%	3%	44%	43%	233
Sauna/Sunbed Staff	0%	0%	34%	66%	35

10.4.2 Performance Measures

It is proposed that the results from the Council's Annual Consumer Survey and Scottish Tourist Board Visitor Attraction Grading Scheme will be continued to be utilised in order to compare results and take appropriate continuous improvement action.

Specific proposals to improve current performance are recommended in Section 13 of this report.

11. **RESULT OF COMPARISONS**

11.1 Reference is made to section 10 above and data is presented which summarises comparisons with other Local Authorities in Scotland and information from the T L Dempster Strategy & Research survey.

A full copy of the data is available in the Best Value Audit file.

12. **OPTION APPRAISAL**

12.1 Conversion to a Leisure Trust

Initial research indicates that there are potential benefits through a Leisure Trust approach in respect of VAT and rates savings. This has to be balanced against issues such as staffing requirements and democratic accountability and ensuring that regard to the future viability of the facility would be secure. The intention is to examine this option further.

12.2 Management of Lochee Swimming & Leisure Centres by competitive tendering

Submitting the service to competition by competitive tender is not recommended on the basis of previous experience where no alternative offer was received from the tenders invited as part of the Local Government Act 1989. There is no further evidence that this situation is likely to change in the near future.

In addition the Client/Contractor split created from CCT legislation involves a degree of bureaucracy and duplication. For example two revenue monitoring systems are currently in operation. This will have to be further examined to eliminate duplication of costs.

12.3 Management of Lochee Swimming & Leisure Centres through In-house provision

It is recommended that the facility continues to be managed by the Council on the basis of added value which includes the continuous improvement proposals outlined in section 13 below which will

enhance performance in regard to efficiency measures and customer care through the eventual removal of the Client/Contractor split.

During the review the opportunity was taken to consider the opening times and as part of the implementation of Single Status. This met the aims of reducing the working week in line with Single Status but minimising the impact.

12.4 Recommendation

It is recommended that option 12.3 is adopted.

13. **CONTINUOUS IMPROVEMENT PROPOSALS**

Noting the recommendations in Section 12 Option Appraisal above and until further reports are considered, as a result of the review, a number of key areas were identified for improvement as outlined below. In general, however, there is an initial need to improve the business planning process and management information system which are reflected in the continual improvement proposals below.

13.1 Cost

Continuous improvement proposals for addressing issue of costs include the following:-

- Improve business planning – it is recommended that the overall business planning for the Centre to be continually improved to include financial targets both for expenditure and income. The outcomes of this business planning will include a review of the facility programme, marketing and planning based on the fact that the users are cost sensitive.

The output will be to:-

- Improve on the efficiency targets identified in the Statutory Performance Indicator as the percentage of total operating expenditure met from income, by over 1% per annum.

13.2 Usage

Continuous improvement proposals to enhance usage include the following:-

- A Membership Scheme/Loyalty Card Scheme be introduced during 2002/03 which will encourage greater usage through both ordinary membership and corporate membership.
- In order to improve usage monitoring to assist market decision making, the existing IT Management System for ticketing and administration will be upgraded so that reports are available directly to frontline Supervisors and Management both timeously, accurate and in a user friendly manner. This will have the effect of enhancing the opportunity for efficient use of resources and customer care. In particular the technology will allow usage

patterns to be determined quickly, allowing immediate actions to be taken to remedy quiet periods and therefore increase usage.

The outputs are therefore:-

- Enhance usage by 1% per annum as measured by the new statutory indicator to the baseline figure outlined earlier in 10.3 of the report.
- Introduction of adult and child swimming instructions
- Introduction of aquafit classes
- Introduction of added-value coaching service in relation to fitness suite
- Seek to introduce Personal fitness programmes and personal training, GP and cardiac rehabilitation in partnership with Tayside Health proposals.
- Joined up Working – enhance joined up working opportunities with Education and Neighbourhood Resources Department including potential bookings and marketing initiatives.

13.3 Quality

The general objective is to continue the high level of customer services thus establishing a wider customer base and a greater number of repeat visits. The specific proposals include the following:

- Physical Improvements

3 year programme of physical improvements is being implemented to include décor improvements built on the fitness equipment renewals as well as other non-recurring items such as structural repairs and improvements. Final programme will depend on available finance, however funding has been identified within the Leisure & Parks Capital Budgets 2001/03.

- Quality Care and Quality Assurance

In light of gradual incorporation of best management practice Officers will bring forward a report in relation to introducing a quality management tool for Leisure Centres which will best suit the principle of continuous improvement of services delivery and performance. Specific consideration will be given to 'QUEST',

The outputs will include the identification of a quality system which effectively administrates quality processes, a programme which delivers appropriate customer care training and assists in culture change and a review of methods and procedures which improves throughput and enhances customer experience both on route to and within facilities.

Consultation

The Department will continue to consult user groups and gather information from surveys such as the Annual Consumer Survey and Tourist Board Visitor Attracting Grading Scheme in order to consider further service improvements.

▪ Best Practice

The target is to identify the areas of best practice, and subject to resources, staff and Trade Union consultations, adopt them within the other Centres by 2002.

The outputs are therefore to enhance the general quality of experience within the Centres and retain repeat visitors and attract non-users thus contributing to the usage outputs.

14. **CONSULTATION**

Director of Leisure & Parks, Director of Finance, Director of Support Services, Director of Personnel and Management Services and the Chief Corporate Planning Officer have been consulted in the preparation of this report.

15. **BACKGROUND PAPERS**

Best Value Submission to the Secretary of State for Scotland, December 1997. Policy & Resources Committee – 11 December 1997.

Audit Commission for Scotland – Company the Performance of Scottish Councils Leisure & Libraries 1997/98.

16. **SIGNED**

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Chief Executive

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Date