

Strategic Overview and Scrutiny Panel

**Grand Jury Room, Town Hall
14 February 2012 at 6.00pm**

The Strategic Overview and Scrutiny Panel look at policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the policies and budget of the Council. The Panel reviews corporate strategies within the Council's Strategic Plan, overviews Council partnerships, considers the Council's budgetary guidelines for the forthcoming year, and scrutinises Cabinet decisions or Cabinet Member decisions (with delegated power) which have been called in.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at www.colchester.gov.uk

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off or switched to silent before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

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telephone (01206) 282222 or textphone 18001 followed by the full number you wish
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e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

Terms of Reference (but not limited to)

To review corporate strategies and strategic partnerships to ensure the actions of the Cabinet and Portfolio Holders accord with the policies and budget of the Council.

To monitor and scrutinise the financial performance of the Council, and make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions.

To link the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic / Action Plans.

To scrutinise executive decisions made by Cabinet or a Cabinet Member, the Colchester and Ipswich Joint Museums Committee and the North Essex Parking Partnership (decisions relating to off-street parking only) which have been made but not implemented, and referred to the Panel through call-in.

To monitor the Council's operational performance in relation to the Strategic Plan and Performance Indicators, and the Cabinet's performance in relation to the Forward Plan.

The panel will be the appropriate route for any member to refer a 'local government matter' in the context of Councillor Call for Action.

Process for Councillor Call for Action

Councillors have the ability to call for debate and discussion a topic of neighbourhood concern, limited to issues affecting a single ward, in an attempt to bring about specific solutions for local problems, without going through the Council's executive decision making process.

Members may not call for debate matters relating to a planning or licensing decision, an individual complaint or where a right of recourse to a review or right of appeal is already provided for in law. Examples of where a member can bring an action to the panel's attention are poor service performance or increased anti-social behaviour.

The panel may reject a request as not within the guidance or where they consider the usual channels have not been exhausted, or accept that an investigation is the appropriate action.

The panel may conduct an investigation in the usual scrutiny manner and a report with recommendations will be compiled and brought to the Council or partners attention, with the Council or partners having a duty to respond. The panel will consider and publish the responses to their recommendations and feed back this information to the Councillor requesting the action.

Protocol for Call-in

Have Your Say – Members of the Public

Members of the public may address the Panel on the matter of the call-in for a period not exceeding three minutes.

The speaker may respond to one question asked by a Member of the Panel

Have Your Say – Councillors

Councillors may address the Panel on the matter of the call-in. There is not a limit on the time each Councillor can address the Panel, but Councillors are asked not to deviate from the reasons why the decision was called-in, and in the case of more than one speaker, not to repeat statements already made.

Presenting the Case

The Chairman of the Panel shall remind speakers that the debate is confined to the reasons stated on the call-in form.

The lead Councillor for the call-in will attend the meeting and present the case, expanding on the reasons for the call-in, but not deviating from the reasons given on the call-in form.

The Portfolio Holder will respond to the points made by the lead Councillor.

The Chairman shall afford both Councillors the opportunity to confer with the Panel before inviting them to make closing remarks prior to the Panel formally voting on the matter.

Resolution

The Panel may:

- i) confirm the decision, which may then be implemented immediately, or
- ii) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or
- iii) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

If the decision is referred back to the Portfolio Holder for reconsideration, and the Portfolio Holder agrees with the views of the Panel then the decision may be implemented immediately. If the Portfolio Holder does not agree with the views expressed then the matter will be referred to the Cabinet who will determine the matter.

The decision will not be called-in where the decision taker has previously referred a decision to a Scrutiny Panel for pre-decision scrutiny and the relevant Panel has already made recommendations to the decision taker and those recommendations have been accepted by the decision taker either in whole or without significant addition or modification.

COLCHESTER BOROUGH COUNCIL STRATEGIC OVERVIEW AND SCRUTINY PANEL

14 February 2012 at 6:00pm

Members

Chairman : Councillor Andrew Ellis.
Deputy Chairman : Councillor Dennis Willetts.
Councillors Kim Naish, Gerard Oxford, Colin Sykes,
Nigel Chapman, Nick Cope, Bill Frame, Theresa Higgins and
Will Quince.

Substitute Members : All members of the Council who are not Cabinet members or
members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that agenda items 1 to 5 are normally brief and agenda items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 13

To confirm as a correct record the minutes of the meeting held on 10 January 2012.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Items requested by members of the Panel and other Members

- (a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.
- (b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

8. Referred items under the Call in Procedure

To consider any decisions taken under the Call in Procedure.
The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

9. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

10. Fundamental Service Review of the Sport and Leisure Service 14 - 71

See report from the Head of Life Opportunities.

11. Work Programme 72 - 73

See report from the Scrutiny Officer.

12. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the

meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

STRATEGIC OVERVIEW AND SCRUTINY PANEL

10 JANUARY 2012

Present :- Councillor Andrew Ellis (Chairman)
Councillors Nigel Chapman, Bill Frame,
Theresa Higgins, Kim Naish, Gerard Oxford,
Will Quince, Colin Sykes and Dennis Willetts

Also in Attendance :- Councillor Lyn Barton
Councillor Beverley Oxford
Councillor Henry Spyvee
Councillor Martin Hunt

28. Minutes

The minutes of the meeting held on 13 December 2011 was confirmed as a correct record.

Councillor Theresa Higgins (in respect of being a Colchester Tourist Guide) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Kim Naish (in respect of being a local private hire taxi driver) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Kim Naish (in respect of being a member of ASLEF) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Theresa Higgins (in respect of her membership of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

29. A review of the current Public Transport provision in the Borough

The following people attended the meeting for the review of the provision of public transport in the Borough.

Rail Operators

Mr. Geraint Hughes, Partnership Manager, National Express East Anglia
Mr. Cameron Jones, Abellio, Greater Anglia Franchise

Bus Operators

Mr. Julian Elliot, First Group
Mr. Martin Evans, TGM (Colchester Network)

Mr. Cliff Hussey, First Group
Mr. John Kately, TGM (Colchester Network)
Mr. Robert McGregor, Hedingham Buses

Portfolio Holders and Officers

Mr. Alan Lindsay, Principal Area Transportation Co-ordinator, Essex County Council
Councillor Lyn Barton, Portfolio Holder for Renaissance
Councillor Martin Hunt, Portfolio Holder for Street and Waste Services
Ms. Lindsay Barker, Head of Strategic Policy and Regeneration
Ms. Louise Parkin, Environmental Control Officer
Mr. Paul Wilkinson, Transportation Policy Manager

Local Rail Operations

Rail Operator Presentation(s)

Mr. Geraint Hughes, Partnership Manager, National Express East Anglia (NEEA), gave an overview of rail transport in this area since 2008, providing details of train service improvements, station projects and partnership working.

Major investment to increase rail capacity had added rolling stock, forty seven four-carriage trains around the network between December 2010 and December 2011. It was anticipated that this additional rolling stock, strategically incorporated into the current network providing 3,000 additional peak period seats from Colchester to London Liverpool Street, would help reduce overcrowding issues. There were also additional journeys between Colchester and Colchester Town Station.

The main line between Colchester and London was two-track and where railway improvements are being made this does and will continue to cause disruption, e.g. at weekends due to major renewal programme.

As part of the National Stations Improvement Programme the area had seen major investment in the refurbishment of local stations undertaken in 2010, with major improvements made at Colchester Station £2.2m, The Hythe Station revitalised through Haven Gateway funding, showing a 14% increase in footfall since its reopening and Marks Tey Station £1.7m.

Mr. Hughes emphasised the importance of partnerships, working with the Colchester Travel Plan, and confirming the very good relationship between NEEA, Essex County Council (ECC) and Colchester Borough Council (CBC). Strategic Planning was undertaken in partnership, stimulating focus and development of local lines. Mr. Hughes thanked ECC and CBC for their continued support.

Mr. Cameron Jones, Abellio, spoke to the Panel, explaining that Abellio would be managing the Greater Anglia Franchise from 5 February 2012 for a contract period of two and a half years. The shortness of the contract agreement would put constraints on investment, though some adjustments and improvements would be implemented. The new contract from 2014 would be for 15 years and it was Abellio's intention to plan to

be the rail operator in this region for the next 17 years.

Whilst major investment was not possible short term, Mr. Cameron said the current fleet of trains / carriages would be refurbished. Improvement in customer services is vital and all staff will receive 3-day Customer Service training. It was envisaged all staff will have PDA Blackberries to speed-up and improve communication between staff and customers, with information kiosks to be installed at all stations and staff encouraged to be seen more on the station platforms. Investment in secure cycle and car parking would continue and all mainline stations will receive major cleaning leading up to the 2012 London Olympics. Mr. Jones said dutch employees from Abellio's European franchises would be on-hand at the Olympics, experienced in rail travel and bilingual, later confirming to Councillor Naish that they would be employed in non safety-critical roles.

Investment in improvement payment technology and systems would include an extension of the Oyster Card system, ability to purchase tickets through mobile phones and additional staff selling tickets on trains. Mr. Jones emphasised the importance of investing time in community rail schemes, to increase dialogue and maximise the effects of the investments.

In so much as the train service was concerned, services in peak periods would be maintained at maximum capacity, though a more efficient use of off-peak empty trains and trains in general would result in a net decrease of 8 carriages at peak times. It was later confirmed to Councillor Frame that capacity could be increased by increasing the number of carriages to twelve, for some of their peak period services.

Have Your Say – questions to the rail operators

Mr. Nick Chilvers

Mr. Chilvers said his daughter has been a rail commuter for twelve years, paying £4,500 per year for a season ticket. Mr. Chilvers asked whether anything could be done to improve the disruptions she experiences on some Mondays, when rail improvements on Sundays overrun.

In response to Councillor Naish, Mr. Chilvers said he believed the rail service provided now was about the same as previous years.

Mr. Peter Simpson

Mr. Simpson asked if the access via lifts for e.g. wheelchair and pushchair users, could be improved at the main Colchester Station to provide disabled access between all platforms.

Mrs. Paula Whitney

Mrs. Whitney asked whether the lost London to Peterborough service via Colchester could be re-instated, saving travellers the need to travel to Peterborough via London. Mrs. Whitney also said a lift closer to the north entrance of the main Colchester Station would improve immeasurably, access for the disabled, and those with pushchairs or

heavy cases.

Ms. Jean Quinn

Ms. Quinn, a keen cyclist asked if there are any plans to increase the number of secure cycle spaces at both the Colchester North and Colchester Town Stations and are the lock-up cabins removed from the Colchester Town Station to be replaced.

Responses and general discussions

Mr. Hughes said the objective for travel to London at peak times was to improve and increase capacity, with a need to introduce a timetable that eased congestion and encouraged individuals to consider changing travel patterns. Timetable information provides passengers with details on seating arrangements. It is part of the franchise agreement that the rail operator keeps overcrowding under constant review and Mr. Hughes said it was important that commuters experiencing problems should inform the rail operator accordingly.

Rail engineering and improvement work at weekends is undertaken by Network Rail and whilst both they and the operators continually monitor the effects of weekend work in terms of mid week disruptions, Network Rail are under continuous pressure to complete work and minimise the time railways are out of action. The interface between the operator and Network Rail needs to be closely managed and consistent, but the nature of the work suggests some overruns are unforeseen and often out of their control. Mr. Hughes later responded to Councillor Naish, saying that Network Rail do negotiate work improvement programmes with the rail operator, but works timetables can, due to unforeseen circumstances, overrun, even though every effort is made not to under-estimate the time to complete work.

With regards to lifts at the Colchester North Station, it was understood that an additional lift to the north side of the station would considerably improve disabled access, but this would be a serious piece of engineering work, very expensive, a probable long-term project for when the station undergoes major redevelopment. Mr. Hughes said the split of customers to the Station is a 50/50 split when entering by either the south or north entrances, and with disabled access available from the south side, customers who require a lift are encouraged to use the south entrance that now provides excellent disabled parking and access facilities. Mr. Hughes did however acknowledge Councillor Ellis's comment that more could be done to advertise 'Fair Access to Colchester' to users of the Station.

Mr. Hughes said the change in London to Peterborough Service was changed purely due to capacity and informed the Panel that an improved service to Peterborough was now available for Colchester users via the Ipswich Station interchange.

Mr. Hughes said the Colchester Travel Plan had resulted in a doubling of cycle users to Colchester Stations, resulting in an improved secure cycle parking facility being made available to the cyclists. The new facilities are under constant review and the current usage is between 70-80% of full capacity. Commuters are being asked not to lock their bikes to nearby railings but this continues to be an issue. An area close to the

Magistrates Courts is currently being considered to increase secure cycle parking for users of the Colchester Town Station.

In response to Councillor Quince, Mr. Hughes acknowledged the problems with the lack of meaningful information being communicated to customers on trains and platforms, saying in places the problem was significant, that the operator was battling on a daily basis. Network Rail information relayed to customers was more often than not less efficient than information received by customers via iphone. Mr. Jones recognised that the difficulty that would need to be addressed with the new franchise. The Government have stressed the need for the relationship between Network Rail and rail operator franchises needs to improve, and it was anticipated that network Rail would decentralise its operation, providing more opportunities to manage at a local level, providing the impetus for the franchises to forge better relationships and improve services. Mr. Hughes later confirmed to Councillor Oxford that the new franchise was looking to improve Customer relations, providing greater communication of information valuable to ward newsletters.

Mr. Jones confirmed that deep cleaning of trains will occur at the point of service. It was also confirmed that 50% of all trains into London have wi-fi available, and whilst this could be improved, it would again require a large capital investment.

Responding to Councillor T. Higgins, Mr. Jones said he noted her point about the improvements needed to the ticket machine at the Hythe Station, and would take away and consider replacement with a new Ticket Vending Machine (TVM). Mr. Jones later confirmed that future ticketing will be more innovative, smart cards and ticketless transactions providing ticketless travel. Mr. Jones noted the points about improved links needed between Colchester North and Colchester Town Stations and the suggestion that having one bus journey directly from Colchester to London on Sundays disrupted by line improvements, would be better than the current system of an arduous combined rail/bus journey that went to London via all intermediate stations.

Mr. Hughes confirmed to Councillor C. Sykes that there was no link between the advent of the London Olympic Games and the change in the Anglia Rail Franchise, and neither was the current overhead line improvements linked to the Olympic Games, a schedule of work that was planned for completion by 2014, well after the conclusion of the Games. Mr. Jones said the rail users would see a big difference in customer services with the new franchise, though a short term contract would not enable large infrastructure investment. Mr. Jones confirmed that there is competition between the rail operators, and Abellio are competitors to National Express as well as Go Ahead and Stagecoach.

Responding to Councillor Willetts, Mr. Hughes assured members that the ECC / CBC was pro-active in its roll of lobbying the Government for 4-track railway and motorway access from London to East Anglia, and CBC was working in harmony with the rail operators. Mr. Hughes said Passenger Transport Executives (PTE) can be advantageous, but they have to make strategic decisions where funding can be a hurdle. Mr. Hughes felt it was best to improve services whilst continuing in the same vain. Car parking facilities at Colchester North was good, though on-going dialogue with the Local authorities was imperative especially with regards to issues around on-

street parking close to railway stations, and future growth in the area with the knock-on effect of additional commuters using car transport to local railway stations.

Local Bus Operations

Have Your Say – questions to the bus operators

Mr. Peter Simpson

Mr. Peter Simpson, a trustee of AGE UK Colchester addressed the Panel.

Mr. Simpson explained that Age UK Colchester is a local charity that provides help and support to the older members of the community. It is concerned that Councils do not seem to have any co-ordinated plan in the development of transport services within the Borough of Colchester. Older people form a significant percentage of any public transport population and, because of this AGE UK Colchester had carried out a great deal of research during the past twelve months.

It identified that as far as it was aware, there is no town of an equivalent size to Colchester that does not have a proper bus station. For each community their bus station is a hub for meeting and greeting; for catching inter-city, airport and holiday coaches; and for connecting with rural bus services. AGE UK Colchester are now in the final stages of producing a paper that makes specific recommendations for the location and style of a Colchester Bus Station and this will be sent to all Colchester Borough Councillors and the relevant Essex County Councillors in the next two weeks.

In conclusion, Mr Simpson said Age UK Colchester would be more than happy to work with members of Colchester Borough Council, Essex County Council, the Chamber of Trade, the bus operators and other interested parties in forming an advisory or steering group with the objective of developing ideas for bus station that would reflect the needs and status of the fastest growing borough in the United Kingdom.

In response to Councillor Willetts, Mr. Simpson did not believe the proposal for a linear bus park facility in Osborne Street was satisfactory, and could not see how such a limited facility would manage, and with poor access for people with disabilities.

Mr. David Mummery

Mr. Mummery said he was a regular bus user in Colchester and believed it was important for all the local public that the new bus station was a convenient, fully functioning facility, though sadly what was proposed was totally inadequate, and would make for becoming a laughing stock. Mr. Mummery said Colchester was promised a new electronic information system, though the current system, not that old, does not work properly, casting doubts on whether an updated system would be an improvement.

In response to Councillor Naish, Mr. Mummery said ideally a new bus station would be sited as close to the main railway station as was possible.

Mr. Michael Allen

Mr. Allen said he believed the bus services were generally good, though the biggest impact on the effectiveness of the service was traffic congestion that above all other things needed addressing. Mr. Allen felt the new town centre initiatives should help the bus operators within the town centre.

As with other similar sized towns, Mr. Allen said Colchester should have up to date systems providing real-time information e.g. at Brighton. Mr. Allen believed the new bus terminal would create a greater conflict with bus / car traffic than the current location, asking the question as to whether there was any valid reason for reversing the decision to close the current temporary bus station.

Ms. Jean Quinn

Ms. Quinn said when she visited the firstsite building at the opening, looking out from the building you could see the movement of buses operating in the current temporary bus station and it appeared to work in harmony with the firstsite building, it seemed it was in the right place. A friend of Ms. Quinn, a local bus driver, felt the current bus station location was the ideal place. Ms. Quinn believed that given the current bus operations worked very well and bus users appeared happy with the current arrangements there was a good case for saying the argument to have the station remain in its current location had been won, and it was the Council's role to deliver what the residents want.

Mr. Andy Hamilton

Mr. Hamilton said the report "Operation of public transport in Colchester" justified relocating the bus station in only fourteen lines, a project that has caused huge disruption to the bus users and with no evidence given to support the relocation.

In respect of a new bus park facility, Mr. Hamilton said the report failed to show what consideration and conclusion was given to vehicle emissions in this semi-enclosed area, no provision of a mobility scooter service, no toilets though with a vague statement that the current NCP car park facilities are to be improved, unspecified improvements to the Vineyard Gate lift.

Mr. Hamilton said there remained many unanswered questions and no reasons given as to why the bus station had to be moved, believing that an efficient and attractive bus station could be built in the existing area.

At this point the Chairman drew a halt to Mr. Hamilton's speech, considering his comments to be unsubstantiated and vexatious.

Mrs. Paula Whitney

Mrs. Whitney said the heavy use of traffic in general in the town centre was causing congestion and poor air quality, and it was a fact that pollution kills more than accidents. Mrs. Whitney urged the Council to get to grips with these issues, and hoped the introduction of a 'car free High Street' would come as soon as possible, and start from 8 am, not the 10 am start as being considered.

Mrs. Whitney responded to Councillor Naish by saying only a mind set change would make the public move from car to public transport, but this needed to be encouraged by good quality reliable public transport.

Mr. Nick Chilvers

Mr. Chilvers said there was an ever increasing number of local people using the local bus service in Colchester, one of the fastest growing towns in England. Given this, Mr. Chilvers asked why the legal agreement could not be reopened and reconsidered in terms of relocating the bus station. Mr. Chilvers asked if Councillors are being obstructed by officers who will not budge on their plans, especially that one third of the open space in this locality was yet to be determined, stating where there is a will there is a way.

Mr. Chilvers asked the bus operators whether they shared the confidence of the ECC and CBC that the new facility in Osborne Street will work, without being a congestion, management and safety nightmare.

Mr. Chilvers believed there are safety and hazard issues with the new facility, trade and private vehicles in and out of Kwik Fit, Blue Badge motorists parking on yellow lines, delivery lorries heading for the Lion Walk Precinct and heavy pedestrian use. These issues surely merited an independent safety assessment, especially given the mayhem at stops outside Wilkinson's every afternoon because of heavy bus use at this time. Pay to use toilets was imperative in this location to avoid being hijacked by alcohol and drug users.

Mr. Chilvers urged the Panel to express to Cabinet that this was a half hearted effort, that will not work and the development should be halted until the development of the Vineyard Gate area.

Mr. Chilvers concluded by saying dedicated bus lanes for park and ride in the vicinity of Colchester North Station will cause gridlock for half a mile in all directions and the new High Street scheme should be halted until park and ride is introduced.

Councillor Laura Sykes

Councillor Sykes spoke about traffic congestion and bus services in the Stanway area, saying that with major new developments in the area, for example the largest J Sainsbury store in Europe, overall traffic levels are increasing, e.g. an increase in users in the under 50s age group, and whilst a free bus lane is helpful to bus users it will cause further congestion. Councillor Sykes felt that enabling the '65' buses to enter and exit the J Sainsbury car park would help users, relieve congestion and reduce litter and abandoned trolleys.

Councillor Henry Spyvee

Councillor Spyvee believed the perception in the region was that Colchester people used public transport to a greater level than other towns in Essex, and wondered if this was the case, why it appeared only to receive second-hand bus replacements, whilst

new bus replacements went to other similar sized towns. Was this because the overall bus service in the Borough was split between a number of bus operators, and wasn't the heavily polluted areas of the town centre in part due to, but not solely, Colchester running an overall older bus fleet than other towns. Councillor Spyvee believed the pollution problem in the Brook Street area was not helped by the large number of 'out of service' buses using this route.

Councillor Spyvee concluded by asking whether in the future time tabling information could be made available via i-phone.

Responses and general discussions

Mr. Paul Wilkinson reminded the Panel that the November meeting had set the scene for relocation of the bus station facility to Osborne Street when given an update on the St Botolphs Regeneration project. Mr. Wilkinson said officers from ECC and CBC are working closely with all bus operators on the new site, taking account of the many issues raised by members of the public, and moving forward with proposals.

Mr. Alan Lindsay said the biggest issue for the town centre was congestion, and officers from ECC and CBC are working continuously on a lot of initiatives such as 'Cycle Town' and 'Town Centre Plan' to help resolve this problem. The failings of the current real time information displayed at the town centre bus stops was been investigated with a view of ensuring the failings will be addressed with regard to any new installations. Later in the discussions Mr. Hussey said congestion does impact on the bus operators and Colchester and Hadleigh are the worst towns in the region for congestion. Other similar ancient towns and cities like Oxford and York, with similar narrow town centre roads suffer with the same problems. Councillor Naish said this gave a clear message to the Cabinet, that reducing traffic congestion in the town centre must be a top priority.

Mr. Lindsay said the new site is, and will continue to be subject to stage by stage health and safety audits, and a bus stop will remain in Queen Street close to the current Bus Station. It was also confirmed that real-time information via i-phone will be considered as part of the new real-time information system.

Councillor Lyn Barton said the main key to reducing congestion was to change people's travel patterns (PTP), and the good news was that passenger footfall and cycle travel to the Colchester train stations continues to increase. It was felt that a lot of separate but coordinated initiatives to reduce congestion would have a long-term larger impact on PTP.

Mr. Vipond, Executive Director, said in respect of the legal agreement for the current temporary bus station site, the land swaps for this regeneration area were negotiated and agreed in 2005-6 and fed into the St Botolphs Quarter Master Plan. Many of those agreements have now been implemented and are in force. The use of the land being questioned by members of the public and Councillors was agreed as educational land. Any changes like this would need the approval of the Secretary of State and suitable replacement land would be required as part of any change. That said officers believe there is no option to have these agreements renegotiated.

Mr. Hussey (First) said he would arrange to speak to Councillor Laura Sykes in reference to her query on the bus service in Stanway, though Mr. McGregor confirmed that J Sainsbury will not allow buses entry to their car park, wishing to take up all available space for car parking.

Mr. Kately said TGM (Colchester Network) are introducing six refurbished buses (one with a new engine) to the Colchester fleet, and as part of their Essex restructuring, are to employ a cleaning supervisor to ensure improvements in bus cleanliness. Mr. Elliot said First are to introduce ten refurbished buses to the local fleet, representing 16% of the entire fleet.

Responding to Councillor Willetts in regard to rural bus travel, Mr. McGregor (Hedingham Buses) said since deregulation the rural bus services had been hit because there are not enough users to increase revenues, and all the short fares that had previously been available once you entered the town centre are taken up by the other operators. Mr. McGregor also informed the Panel that two hour frequency services to rural areas are now essential, but increasing the frequency would be counter productive for the operators, with lesser income from thinner usage. Mr. Kately said bus operations are run on a commercial basis and if the operators do not make their income margins then the service has to be reduced, and he could not see the rural services improving unless there was some innovative collaborative work undertaken by the Councils and bus operators. Mr. Kately said there would also need to be life style changes against the operator's main competitor, the motor car. Mr. Hussey said there was no easy answer to improving rural bus services, that a lot of consultative work had already been undertaken though a lot of research and investment would still be needed to improve the situation. Mr. Hussey said all bus operators already operate as lean as they can just to maintain their current services.

In regards to Air Quality Management Area (AQMA) Mr. Hussey and Mr. Kately agreed all local bus operators want to work with the Councils to improve the current situation, though the impact, especially on the smaller operators would be significant as many buses in current use would not meet the European low emission standards. Mr. McGregor said in London large subsidies are paid out to the operators to contribute towards reinvestment in new vehicles. These subsidies are not available locally and new buses cost from £120k - £200k.

Responding to Councillor C. Sykes concerning the criteria for determining where, area or town, new buses are introduced Mr. Kately said it was based on where they are most needed. Mr. Hussey said they look at what services have the greatest need and depends on the circumstances at any one time. He confirmed the bus fleets in Colchester and Ipswich are of a similar age.

Mr. Hussey noted the request from Councillor Higgins, to have a direct route (one bus) from New Town to the General Hospital, given the mobility issues for many people visiting the hospital from this area and the need currently to have to make a service change to complete their journey. Mr. Hussey agreed to explore the suggestion and give it serious consideration.

In response to Councillor Frame and whether the new bus station provision would be

adequate, Mr. McGregor said the bus operators would do all they could to make it work, though they would prefer to have the current bus station. Mr. Kately said lay over buses at night would return to their bus depot, and said he would look at the 'out of service' problem in Brook Street with a view to resolving. Mr. Hussey said ideally he would like a bus station, but nevertheless, he would work with all partners to determine the best facility at the proposed site and given the current constraints.

In regards to all buses being DDA compliant, Councillor Oxford said this was not the case for the 8/8a evening and weekend service at High Woods, and why in these circumstances couldn't S106 monies be made available to invest in public transport services. Mr. Kately said he would investigate the problem of service 8/8a and respond to Councillor Oxford. Mr. Lindsay said he will look into the section 106 issue and also respond to Councillor Oxford accordingly.

In what had been considered a very informative meeting, Councillor Chapman said he hoped any future meetings would be spread across 2-3 meetings to allow visitors and Panel Members a better, less hurried opportunity to present their cases and respond fully in the discussions.

Temporary Bus Station in Queen Street

Mr. Vipond responded to Councillor Willetts who asked that Cabinet to reconsider the decision to relocate the bus station away from Queen Street to Osborne Street.

Mr. Vipond said as the Portfolio Holder for Renaissance had to the press and he had earlier in the discussions, in terms of legal agreements the decision had already been taken and a large part of the land currently occupied by the temporary bus station would, as part of the land transfer agreement, be given back for educational purposes. Mr. Vipond said even if the Administration wished to reverse this agreement it was not in their gift to do so. The policy, written into the Master Plan and upheld by this and the previous administrations, was to have the bus park provision in the Osborne Street location by the end of 2012.

Councillor Willetts said whilst he understood the legalistic view, he had not heard about any suggestion as to whether any consideration had been given to determine if alternative options could provide an opportunity to determine flexibility in the agreement.

Councillor Barton said the provision of a bus park in the Osborne Street locality had been part of the Master Plan since 2005, though the current Administration had explored the possibility of flexibility in the legal agreement. That said, there was no clear evidence that all bus users wanted a bus station in the town centre, a point later reiterated by Councillors G. Oxford and C. Sykes. The Portfolio Holder reiterated that the Secretary of State had granted permission for the land transfer, allowing the construction of firstsite, with land on the site of the temporary bus station transferred to the nearby school for educational purposes. Councillor Barton felt it was time to draw a line and move forward.

Whilst taking account of what had been previously mentioned, Councillor Quince asked

whether the one third of the piece of land currently occupied by the temporary bus station, and set aside for phase II of the St Botolphs Quarter regeneration project, could be used for the new bus terminal. Councillor Barton said this could not happen as the significant amount of secured funding for the redevelopment of this area was agreed on the principle that there would be no bus station in this area.

Mr. Vipond reiterated that a change of the current legal agreement was not in the Council's gift. Mr. Vipond also pointed out that when officers are trying to deliver a regeneration area and everything the project entails, this all relies in some part to selling a vision of what will / will not be provided. Within the vision for the St Botolphs Masterplan, the hotel developers were happy to invest in this vision, but with a proposal that would not leave a bus station in the area. Mr. Vipond said officers are committed to, and continue to work on the new facility, endeavouring to find ways to deliver a bus station that is comparable to those in other similar sized towns. Mr. Lindsay confirmed that ECC officers also believe there is no possibility to change the current legal agreement. Councillor T. Higgins said the children from the local school, who will use this piece of land, should be allowed to do so without bus pollution.

Councillor Barton confirmed to Councillor Ellis that the new bus station would be phased in. Phase I would entail the initial introduction of the facility as previously described, with phase II coming at the time of the Vineyard redevelopment.

Councillor Chapman said he was reassured about the relocation of the bus station, given the comments that the Hotel would not be developed if a bus station remained in that area, and the fact that the proposed bus park would be phased in, in stages, enabling the facility to be enhanced over time.

Air Quality Management Areas (AQMA)

Following discussion by Councillors in regards to air quality emissions, Ms. Louise Parkin explained to the Panel that the Council had applied for further AQMAs. Further assessment of all AQMAs will be undertaken to ascertain what percentage of the overall pollution is produced for each mode of transport, and this work will be carried out over the next twelve months.

Ms. Parkin said it was important that this work was undertaken to better understand all the problems before any major action is taken.

Conclusions

Councillor Frame suggested the Panel request the Cabinet to continue to promote and develop public transport travel in Colchester that will have the knock-on effect of reducing traffic congestion in the town centre.

RESOLVED that the Panel;

- i) Thanked all the public transport representatives, officers from Essex County Council and Colchester Borough Council and the Portfolio Holder for attending the meeting and contributing to the positive discussions.

- ii) Noted the report on the Operation of Public Transport in the Borough
- iii) Congratulated officers on their continued dialogue with the rail and bus operators as recognised by the operators during discussions.
- iv) Requested the Cabinet to continue to promote and develop public transport travel in Colchester that will have the knock-on effect of reducing traffic congestion in the town centre.
- v) Requested the Cabinet to consider if there would be any benefits to introducing a Travel Review Board for the purpose of inviting all public transport operators and user groups to periodical meetings.
- vi) Would consider a further review in 2012-13, after the introduction of the new bus station, and for the review to be split into a series of more manageable meetings.

30. Work Programme

RESOLVED that the Panel considered and noted the current Work Programme.

Strategic Overview and Scrutiny Panel

Item
10

14 February 2012

Report of	Head of Life Opportunities	Author	Gareth Mitchell ☎ 506972
Title	Fundamental Service Review of the Sport and Leisure Service		
Wards affected	All		

The Panel is invited to review the full business case and the draft Cabinet report relating to the Fundamental Service Review of the Sport and Leisure Service.

A Fundamental Service Review of Colchester Borough Council's Sport and Leisure Service began in March 2011. This is part of the corporate change programme of reviews.

The review has reached the full business case stage where recommendations for the future direction of the Sport and Leisure Service are made.

The attached draft report to Cabinet recommends the approval of the full business case and the release of funds from the Council's capital programme to fund investment on the service.

Strategic Overview and Scrutiny Panel is asked to review and comment on this report, so that this can be considered by the Cabinet on 14 March 2012.

The draft Cabinet report and full business case document are attached.

Report of	Head of Life Opportunities	Author	Gareth Mitchell 506972
Title	Fundamental Service Review of Sport and Leisure Services		
Wards affected	All		

This report concerns the Fundamental Service Review of the Council's Sport and Leisure Service and the full business case arising from this review

1. Decision Required

- 1.1 To approve the attached full business case resulting from the Fundamental Service Review of Colchester Borough Council's Sport and Leisure Service.
- 1.2 To agree the release of £1.621m from the Council's capital programme provision for Fundamental Service Reviews to fund the estimated capital costs set out in the Full Business case on page 40.

2. Reasons for Decision

- 2.1 The Sport and Leisure Service is undertaking a Fundamental Service Review as part of the Council's change programme. The current sport and leisure service delivers good overall levels of income and in recent years the service has reduced its net cost to the Council with relatively little investment in the facilities from Council resources, but there is evidence that this approach cannot be sustained. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, leaving a net cost to the Council of £804,000.
- 2.2 The improvement in the service revenue budget outlined in this business case delivers the aspiration of a service that incurs no revenue cost, and provides an opportunity for the Council to invest in other strategic priorities or to address the projected deficit in the budget in future years, or a mixture of both. The price for exploiting this opportunity is capital investment in the first year of implementation. The sport and leisure service is one of the few services in the Council where capital investment can produce income growth directly for the Council.
- 2.3 The service is a large operational service that opens to customers 362 days a year, generally from 6am to 11pm, and on average there are 2,700 customer visits per day. Leisure World Colchester is a dominant feature in the borough's leisure landscape, and research conducted as part of this review demonstrates how much it is admired and appreciated. However, it has also been acknowledged as part of this review that the service has a limited level of insight into its customers, both from the point of view of customer satisfaction and of customer usage and demand, and that there are aspects of the current customer experience that need improvement.

- 2.4 In the summer of 2012, the “greatest show on earth” comes to London with the staging of the 2012 Olympic and Paralympic Games. The Council and its partners have been working hard for several years to secure a legacy from the Games for Colchester borough and its residents. This business case therefore seeks not only to address the challenges facing this service and its customers, but also to play its part in securing a legacy for Colchester from the Olympic and Paralympic Games by capitalising on the “afterglow” and increased enthusiasm for all things sport-related following the Games.

3. Alternative Options

- 3.1 The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of improved customer excellence, and greater efficiency and effectiveness in the Sport and Leisure Service could be delayed or not delivered. The business case is the result of considerable research, analysis and consultation on the part of a core project team and other staff in the service and beyond.

4. Supporting Information

- 4.1 This business case sets out an ambitious proposal to pursue a business growth and cost reduction agenda for this service, centred on the Council’s Leisure World brand that is clearly associated with Colchester Borough Council, which aims to:

- deliver a customer experience that sets the service apart and ensures high levels of customer retention
- capitalise on the projected growth in the borough population by maximising commercial opportunities
- increase levels of participation in sport and leisure activities by local people to improve their health and wellbeing
- improve the utilisation of a range of community facilities to address residents’ sport and leisure needs.

To achieve this, investment is required to support the income growth objectives and improve the customer experience.

- 4.2 This Fundamental Service Review has had sponsorship from the Portfolio Holder for Communities and Diversity and the Executive Director for Customer Excellence, and has built on the experience of previous fundamental reviews. It has used a core project team, comprising service and corporate resource, from March 2011 to January 2012 to produce this full business case.
- 4.3 The Executive Summary section of the business case on pages 3 to 9 provides an overview of the Fundamental Service Review and the proposals for the new service.
- 4.4 The minutes of the Strategic Overview and Scrutiny Panel meeting on 14 February 2012 are contained in the Supplementary Agenda. The Full Business Case for this review was subject to pre-scrutiny at this meeting (*relevant following the SOSP meeting only*).

5. Proposals

- 5.1 The overarching vision for the transformed sport and leisure service is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

- 5.2 Fundamental Service Reviews have three drivers – customer excellence, efficiency and effectiveness - and the outcomes of the opportunities set out in this Full Business Case include:

Customer Excellence

- A transformed customer experience making it easier to find information, book and pay for an activity and access the service
- Visibility of a wide range of leisure activities across the whole borough
- Staff with excellent customer skills across the service.

Efficiency

- Use of new technology to reduce overheads and speed up customer transactions
- Increased multi-skilling across teams and locations
- Reduced cost base in key service areas.

Effectiveness

- Remodelling of facilities, products and working practices to drive participation and income growth
- Building on the Council's Leisure World brand across the whole service to improve profitability
- Improved use of operational data and customer insight to drive service development.

- 5.3 The proposals are described in three distinct but closely-linked opportunities:

- customer experience
- community network and commercial hub
- business development.

- 5.4 This review builds upon the recommendations of its predecessors by looking at:-

- more opportunities for customers to serve themselves
- increased multi-skilling of staff leading to greater flexibility in service delivery
- maximising income-generating business opportunities
- reduction in staffing costs in parts of the service
- opportunities for external organisations to deliver elements of the service in a more effective and efficient way
- improving customer insight.

6. Strategic Plan References

- 6.1 The proposals outlined in this full business case contribute to the broad aim in the draft Strategic Plan 2012-15 of "Creating opportunities for all its residents" and the following priority areas:

- Providing sport and leisure for all, alongside good quality green spaces and play areas
- Working in partnerships to help tackle health and crime issues
- Regenerating our borough through buildings, employment, leisure and infrastructure
- Supporting tourism, heritage and the arts
- Enabling local communities to help themselves.

The draft Strategic Plan 2012-15 is being recommended to Full Council for adoption at its meeting on 22 February 2012.

7. Consultation

- 7.1 Customers, staff, external stakeholders, other Council services and Unison have played an important part in the development of this business case. Please see section 7 of the business case for more information.

8. Publicity Considerations

- 8.1 This review has been driven using customer insight gained from using GovMetric, Mosaic and Touchstone project work, along with customer focus groups, to make sure the review will lead to services that offer a better customer experience at every level. The overall aim is make it quicker and easier for customers to access the service, to encourage more residents to use the service and to increase sports participation across the borough.
- 8.2 A communication plan has been developed as part of the business case and is included in the document as Appendix 3.
- 8.3 A news release has been issued to the local media to coincide with the publication of the Full Business Case.

9. Financial implications

- 9.1 The Executive Summary of the Business Case summarises the projected financial benefits and liabilities arising from implementation of this review as follows:

	Year 1 2012/13 (£000's)	Year 2 2013/14 (£000's)	Year 3 2014/15 (£000's)
Net direct budget (based on 2011/12 budget)	804	804	804
Efficiency savings	(229)	(387)	(387)
Income growth	(41)	(481)	(676)
Investment required (revenue)	69	99	99
Repairs and Renewal provision		125	125
Projected net direct budget position (based on 2011/12 budget)	603	160	(35)
Total revenue savings	201	644	839

- 9.2 The capital investment required to deliver this Full Business Case is estimated at £1.621m, consisting of building works at the Leisure World Colchester site, and implementation of new technology. The 2012/13 budget report recommended to Full Council includes a proposed capital programme provision of £2m to fund the investment required to support Fundamental Service Reviews. The budget report stated that Cabinet would propose the application of this budget as part of the consideration of an individual FSR business case. It is therefore recommended that £1.621m is released from this allocation to fund the estimated capital costs set out on page 40 of the Full Business Case.
- 9.3 Based on previous experience of investment in the sport and leisure service, the projected population increase in the borough and improved sales conversion from the business development capability mentioned above, the recurring revenue savings by year 3 above of £839,000 per year are projected to continue without further significant capital investment for 5 years beyond the implementation of the review.

This projection would result in total potential revenue savings over an 8-year period of £5.8 million.

Total capital investment required	£1.621m
Total potential revenue savings over 8 years	£5.879m

10. Equality and Diversity Implications

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available [by clicking this link](#), or following this pathway from the homepage of www.colchester.gov.uk: Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Life Opportunities>Sport and Leisure Full Business Case.
- 10.2 This report is about the business case at a strategic level, and whether the principles identified in the business case should be developed further. Subject to approval of the business case, Equality Impact Assessments will be carried out as part of the implementation planning stage of the review. These will be an integral part of any changes to services - an assessment of any potential direct or indirect discrimination needs to be made alongside specific proposals as they are developed.

11. Other Standard References

- 11.1 There are no specific Human Rights, Community Safety or Health and Safety implications at this point. As with Equality and Diversity above, the implications for these areas will be considered at the implementation stage.

12. Risk Management Implications

- 12.1 The high-level risks associated with this review have been identified in section 6 of the business case and a risk register is included in the full business case as appendix 2.

Background Papers

The business case with appendices is provided with this report. The Equality Impact Assessment screening document is available online (see 10.1) or in the Members' Room.

Fundamental Service Review of Sport and Leisure Services

Full Business Case

“My Leisure World”

The overarching vision for the transformed Sport and Leisure service is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

Fundamental Service Reviews have three drivers – customer excellence, efficiency and effectiveness - and the outcomes of the opportunities set out in this Full Business Case include:

Customer Excellence

- A transformed customer experience making it easier to find information, book and pay for an activity and access the service
- Visibility of a wide range of leisure activities across the whole borough
- Staff with excellent customer skills across the service.

Efficiency

- Use of new technology to reduce overheads and speed up customer transactions
- Increased multi-skilling across teams and locations
- Reduced cost base in key service areas.

Effectiveness

- Remodelling of facilities, products and working practices to drive participation and income growth
- Building on the Council's Leisure World brand across the whole service to improve profitability
- Improved use of operational data and customer insight to drive service development.

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1. EXECUTIVE SUMMARY

The overarching vision for the transformed Sport and Leisure service described in this full business case is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

The improvement in the service revenue budget outlined in this business case delivers the aspiration of a service that incurs no revenue cost, and provides an opportunity for the Council to invest in other strategic priorities or to address the projected deficit in the budget in future years, or a mixture of both. The price for exploiting this opportunity is capital investment in the first year of implementation. The Sport and Leisure service is one of the few services in the Council where capital investment can produce income growth directly for the Council.

The current Sport and Leisure service delivers good overall levels of income, but has a cost base that is high compared to other sport and leisure operations. In recent years the service has reduced its net cost to the Council with relatively little investment in the facilities from Council resources, but there is evidence that this approach cannot be sustained. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, leaving a net cost to the Council of £804,000.

The service is a large operational service that opens to customers 362 days a year, generally from 6am to 11pm, and on average there are 2,700 customer visits per day. Leisure World Colchester is a dominant feature in the borough's leisure landscape, and research conducted as part of this review demonstrates how much it is admired and appreciated by local people. However, it has also been acknowledged as part of this review that the service has a limited level of insight into its customers, both from the point of view of customer satisfaction and of customer usage and demand, and that there are aspects of the current customer experience that need improvement.

In the summer of 2012, the "greatest show on earth" comes to London with the staging of the 2012 Olympic and Paralympic Games. The Council and its partners have been working hard for several years to secure a legacy from the Games for Colchester borough and its residents. This business case therefore seeks not only to address the challenges facing this service and its customers, but also to play its part in securing a legacy for Colchester from the Olympic and Paralympic Games by capitalising on the 'afterglow' and increased enthusiasm for all things sport-related following the Games.

This business case sets out an ambitious proposal to pursue a business growth and cost reduction agenda for this service, centred on the Council's Leisure World brand that is clearly associated with Colchester Borough Council, which aims to:

- deliver a customer experience that sets the service apart and ensures high levels of customer retention
- capitalise on the projected growth in the borough population by maximising commercial opportunities
- increase levels of participation in sport and leisure activities by local people to improve their health and wellbeing
- improve the utilisation of a range of community facilities to address residents' sport and leisure needs.

To achieve this, investment is required to support the income growth objectives and improve the customer experience.

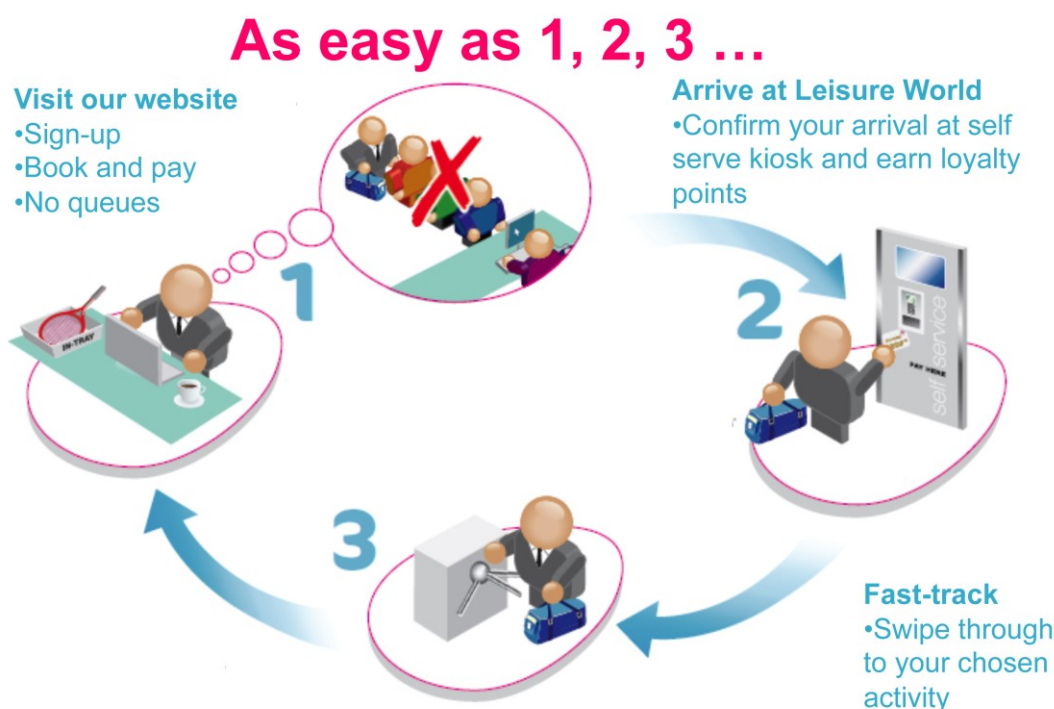
The proposals are described in three distinct but closely-linked opportunities:

- customer experience
- community network and commercial hub
- business development.

These three opportunities are summarised as follows:

A **customer experience** that is the best in the sector, delivered by staff who have excellent customer skills and enabled by technology that delivers unrivalled access to activities in the borough including:

- A “myleisureworld” website where customers can go to obtain all the information they need, and where they can book and pay for their activities
- A personal leisure card/account providing a number of benefits for the customer and customer insight and marketing information for the service
- A range of self-service opportunities for customers both online and in the facilities themselves enabling faster access, high customer satisfaction and efficiency savings for the Council
- “Welcome host” staff at the entrance to Leisure World Colchester providing consistently excellent customer service and enabling increased sales opportunities through signposting and cross-selling.



A **community network** of facilities with a **commercial hub** at the centre. The community network of facilities and partnerships will provide local opportunities to participate in sport and leisure activities for the broadest range of customer groups, and the commercial hub at the Leisure World Colchester site on Cowdray Avenue will provide the commercial foundations for the Council’s service going forward.

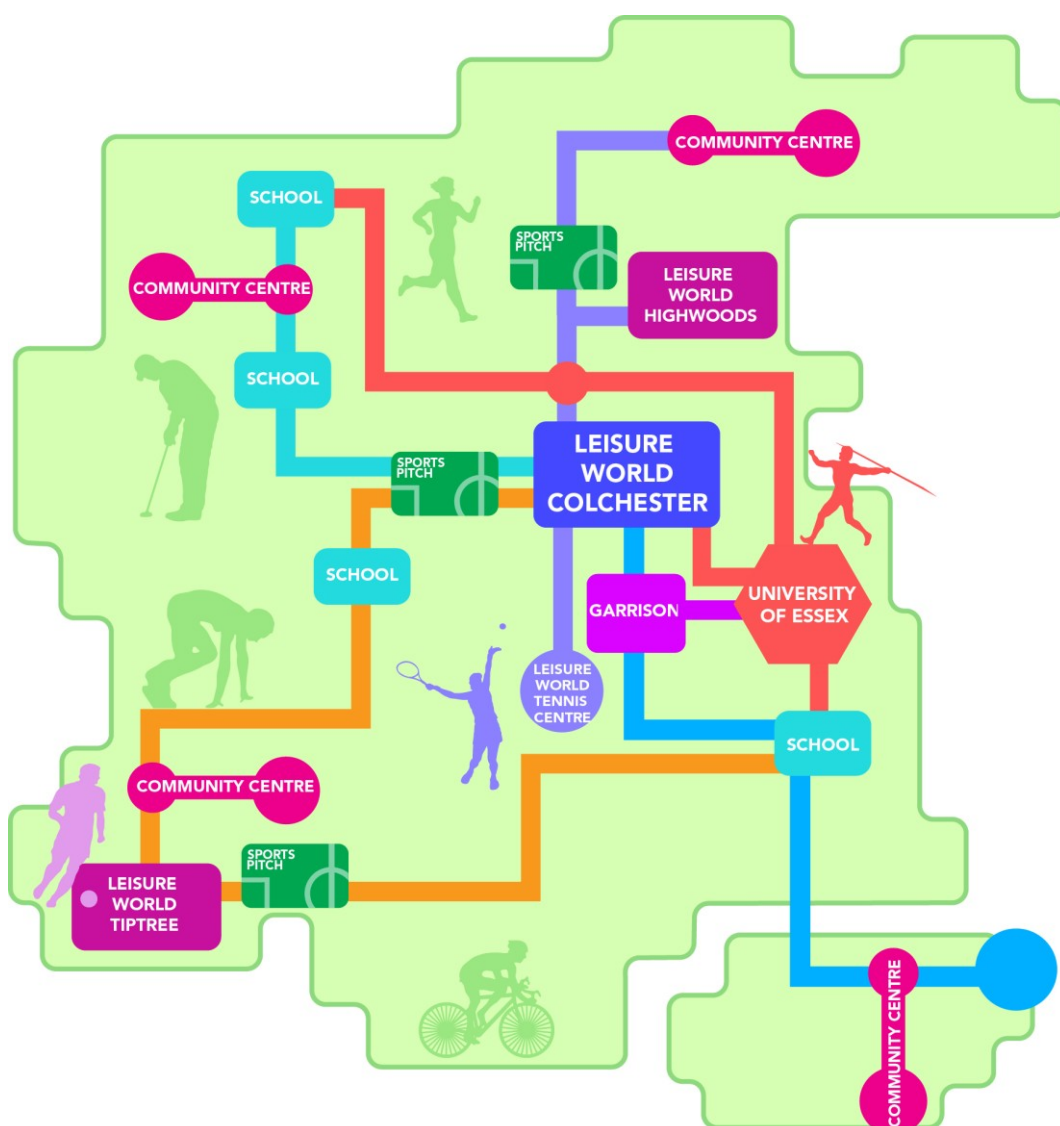
This opportunity includes enabling customers to find and book sport and leisure activities across the borough by internet, phone and in person through the bookings “brokerage service” featured in the customer experience opportunity.

This will open up under-utilised community facilities for customers to use, such as primary and secondary school halls and sports pitches, community centres and village halls, in addition to Council locations. It will also provide a service for partners who operate these facilities and a means to exploit unmet community demand through a flexible staffing model to run activities at other locations.

The Commercial Hub at the Leisure World Colchester site on Cowdray Avenue will deliver a high commercial return, high volume participation, will be family-orientated and will provide a range of relevant leisure opportunities of wide appeal.

This hub will be the commercial platform for the service - a place where families and groups of friends spend longer periods of time – getting fit, relaxing, socialising, eating and drinking, learning and playing. This will involve re-configuring the layout of the current building to drive profitability with a particular focus on opportunities to improve the contribution of the catering, events and retail aspects of the building.

This opportunity includes the restructuring of staffing arrangements at the Highwoods and Tiptree Sports Centres to reduce costs. Expressions of interest will also be sought from external operators to lease and manage the Colchester Tennis Centre and in parallel the potential for part of the site to be used for residential development will also be explored.

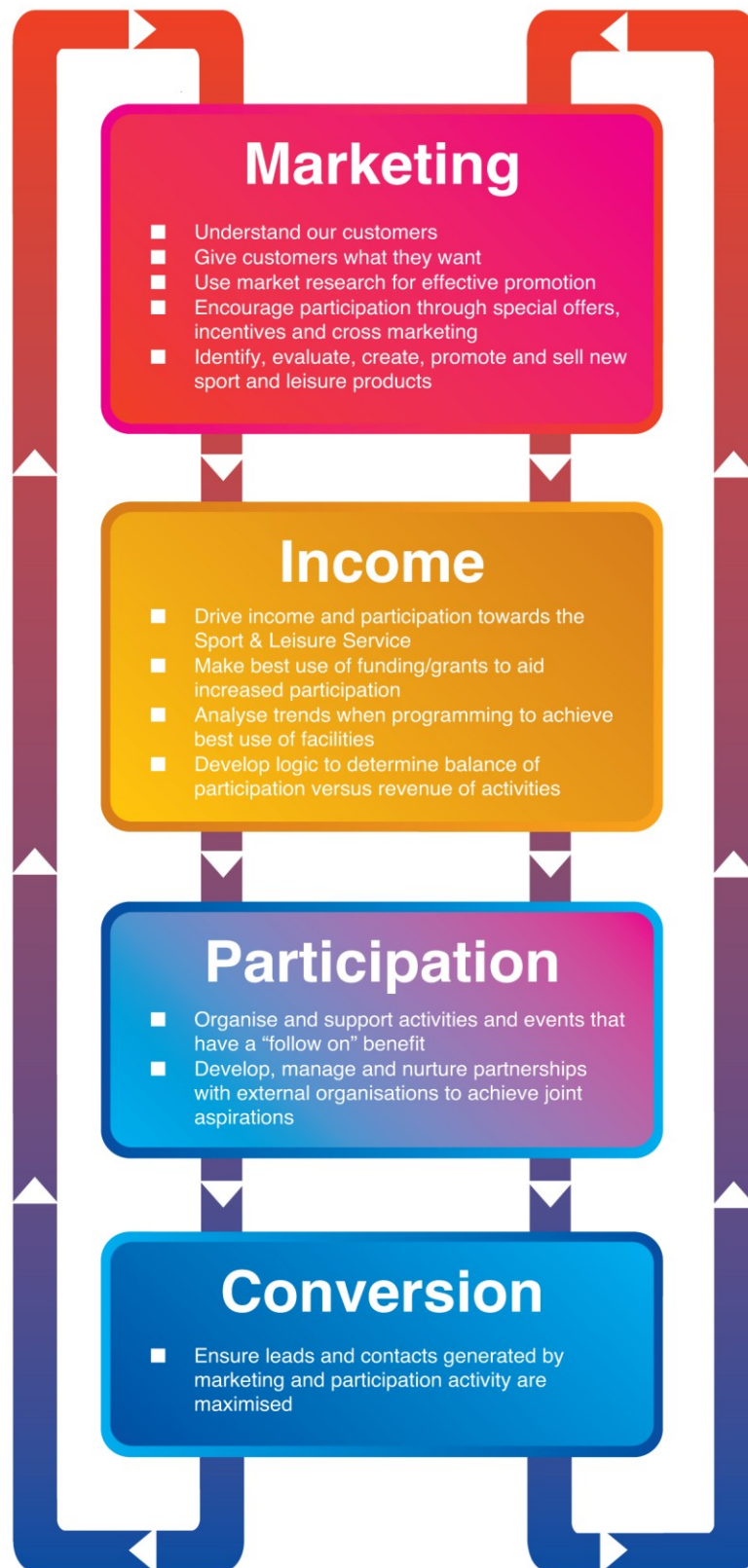


A **business development** capability that places the current sports development function at the heart of the service and focuses on increasing participation and generating additional revenue through:

- Improved insight into customer needs and wants using the information gathered through the customer experience.
- A clearer understanding of profitability across the service functions.
- A revised service pricing strategy realigned to mass participation and revenue generation.
- The promotion of targeted services and activities that meet customer needs and improve profitability in the Council's facilities.
- Conversion of sales leads generated at mass participation events into ongoing participation and income
- The operation of a bookings "brokerage service" for other community facilities in the borough.
- The development and promotion of new products and services.
- Bidding for external grant funding and commissioned services.

This business development opportunity includes proactive working with key partners in the community, such as schools, the Schools Sports Partnership, sports clubs, community organisations and NHS partners to deliver targeted projects to engage specific customer groups in sport and leisure activities.

The illustration on the opposite page shows this how this business development opportunity brings together marketing, income generation, wider participation, and converting those leads and contacts.



These three opportunities - customer experience, community network and commercial hub, business development - are explained in more detail in section 4 – The Future Service.

Performance against the objective of every borough resident participating in an active lifestyle will be measured using a scorecard including the Sport England Active People Survey data, customer usage data generated in the service and Department of Health profiles for Colchester. This scorecard will be developed as part of the review implementation plan.

The projected high-level **financial benefits and liabilities** resulting from these proposals are set out below:

	Year 1 2012/13 (£000s)	Year 2 2013/14 (£000s)	Year 3 2014/15 (£000s)
Net direct budget (based on 2011/12 budget)	804	804	804
Efficiency savings	(229)	(387)	(387)
Income growth	(41)	(481)	(676)
Investment required (revenue)	69	99	99
Repairs and Renewal provision		125	125
Projected net direct budget position (based on 2011/12 budget)	603	160	(35)
Total revenue savings	201	644	839

The capital investment required to deliver this full business case is estimated at £1.621m, consisting of building works at the Leisure World Colchester site, and implementation of new technology.

Based on previous experience of investment in the Sport and Leisure service, the projected population increase in the borough and improved sales conversion from the business development capability described above, the recurring revenue savings by year 3 above of £839,000 per year are projected to continue without further significant capital investment for 5 years beyond the implementation of the review.

This projection would result in total potential revenue savings over an 8-year period of £5.8 million.

Total capital investment required	£1.621m
Total potential revenue savings over 8 years	£5.879m

With an increasing scarcity of resources, funding a capital investment of around £1.6m is likely to involve consideration of options beyond simply the use of capital receipts.

Two examples would include consideration of availability and the ability to use Section 106 funds and also the option of borrowing to support the investment required.

For illustrative purposes, making the assumption that around £0.5m (which equates broadly to the cost of ICT and equipment investment) could be funded within the capital programme, then a borrowing requirement would be £1.1m.

The Council is able to borrow under the 'Prudential Code', and the example of an "invest to save" scheme such as this is a suitable use of these powers. Based on current interest rates and requirements to repay debt, the revenue cost would be approximately £50,000 in Year 1, rising to £120,000 in following years (this is based on a 15-year term), and these costs would be built into the corporate provision for costs of borrowing.

It is also proposed from year 2 of implementation onwards that a repairs and renewal provision of £125,000 per year is made from the revenue savings delivered to generate over time a fund which can be used for future investment in the service beyond the horizon of this full business case.

Further detail on these figures can be found on page 39 of this document.

In the absence of further investment in the service, we should expect the condition and attractiveness of the facilities to deteriorate over time, resulting in an increase in day-to-day maintenance costs, a reduction in the number of customers using the service and a consequential downward trend in income generated.

Alternative options for the delivery of the whole Sport and Leisure service have been considered and described in Appendix 1 of this business case, including the Council's recent experience of exploring Trust status for the service and the decision not to proceed down this route. This business case proposes alternative delivery of certain elements of the service which have been judged to be better delivered by others rather than externalisation of the service in its entirety.

The **key dependencies** which will enable successful implementation of this business case are:

- Financial investment in the service
- Implementation of new technology
- Improved customer insight
- Improved customer experience
- Staff incentive culture that is based on customer loyalty.

2. THE CURRENT SERVICE

Summary

The Sport and Leisure service currently comprises:

- Ownership and operation of Leisure World Colchester on Cowdray Avenue
- Operation of Highwoods and Tiptree Sports Centre from premises owned by the host schools – The Gilberd and Thurstable
- Ownership and operation of Colchester Tennis Centre at Shrub End
- The Sports Development programme, which focuses on working with schools, clubs, the University, the Garrison and Colchester United Community Sports Trust to encourage participation and on securing a Colchester legacy from the 2012 Olympics.

The Council's Sport and Leisure offer is delivered through a mixed economy of owning facilities, operating school facilities for the community and leasing out Council assets for other organisations to manage on the Council's behalf. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, which will leave a net cost to the Council of £804,000.

The current financial performance of the service suggests that it has so far been resilient to the effects of the economic downturn, although within the overall service there are business areas that are performing strongly (Lifestyles memberships, Aqua Springs) and areas that are performing less well (Events, Bar and Catering, Joint Use Sports Centres, Tennis Centre).

The Sport and Leisure service employs more casual staff than permanent staff and 95% of all staff work on a shift pattern, enabling the service to operate flexibly and for long opening hours. The 176 staff who have permanent contracts equate to 112 full-time equivalents (FTE) and the casual staffing budget is in the region of £500,000. This casual budget funds a wide diversity of staffing arrangements, with some staff working a couple of hours a week, some just in holidays, some work during their gap year or work for sport and leisure as secondary employment.

The Sport and Leisure service is consistently presented as one of the Council's services and "Leisure World" as a brand is an important asset for the Council. It has high levels of awareness and recall within the borough, largely due to the investment the Council has put into the service over the years. Customer research carried out as part of this review has confirmed the "iconic" status of Leisure World and the extent to which its facilities are admired and appreciated. In recent years the service has started to align all its sites under the 'Leisure World' brand, although it is acknowledged that customers still largely associate this brand with the site on Cowdray Avenue. This full business case seeks to capitalise on this brand value in order to build a wider sport and leisure offer for customers and to increase the dominance of the Leisure World brand locally.

The service contributes directly to the following priorities in the draft Colchester Borough Council Strategic Plan 2012-15:

- Providing sport and leisure for all, alongside good quality green spaces and play areas
- Regenerating our borough through buildings, employment, leisure and infrastructure
- Working in partnerships to help tackle health and crime issues
- Supporting tourism, heritage and the arts.

The service makes a key contribution to the wider health and wellbeing agenda, witnessed by the consistent NHS investment in the service over many years - over £150,000 over the past three years. Research has shown that if a million more people across the country played sport each week it would save the taxpayer £22.5 billion in health and associated costs.

A day in the life of Leisure World Colchester.....

Leisure World Colchester has an average 2,700 visits per day and is open from 6am to 11pm (or later at weekends), every day of the year apart from bank holidays. The centre is only closed all day on Christmas Day, Boxing Day and New Year's Day.

To staff this operation means the morning cleaner starts at 5am and so the Centre Supervisor gets up at 3.45am to open the premises. There are two manager shifts and three supervisor shifts every day, on a rota basis. The number of staff in the building increases as more facilities open, for example when the Leisure Pool opens at 10am. About 40 to 70 duty staff are needed to operate the service. The building takes up to one hour to lock up.

At Leisure World Highwoods and Tiptree the agreements with host schools give the Council a right of use of particular facilities at their schools from 5.30pm on school days and all day on non-school days. Sport and Leisure staff are often present on site during the day on school days in order to take customer bookings, take deliveries and plan activity programmes. These operations have different systems and procedures to Leisure World Colchester.

Colchester Tennis Centre provides 22 courts, with a mixture of tarmac and grass surfaces and 6 are floodlit. The centre is open every day apart from a couple of weeks around Christmas, and the Council has staff on site all the hours it is open.

Current challenges

- At peak times a number of the popular facilities within all of the Council's four sports centres are operating at full capacity
- Residents have a wide choice of venues and activities to spend their leisure time
- The Council has long-term agreements with host schools in respect of the joint use agreements
- The savings accrued from the changes to the Council's communications and marketing arrangements may impact on the service's ability to meet income targets
- The service has already sought to bring together the offer for customers under one clear "Leisure World" brand aligned to the Council and this needs further work to embed fully with staff and customers
- The fitness pool at Leisure World Colchester is the only community-use pool of its type and size in the borough
- There is a lack of detailed information collected about who our customers are and their use of our services
- Sport and Leisure has historically made Repairs and Renewals (R&R) provision each year to help meet the cost of the more significant work to repair, replace and maintain its buildings, plant and equipment. As the funds have been used, the balance has been diminishing to the point where the provision will run out at the end of 2011/12.

Key partnerships/stakeholders

These are our main external contacts. The service engages with them in a variety of ways, which confirms the service is being operated in a mixed economy.

- | | |
|---|---|
| <ul style="list-style-type: none">• NHS North East Essex• Colchester Garrison• University of Essex• Thurstable School• Sport England• Essex County Council | <ul style="list-style-type: none">• Colchester and Blackwater School Sports Partnership• Colchester United Community Sports Trust• The Gilberd School• Colchester Rugby Football Club• Colchester School of Gymnastics• Jobserve Sports and Social Club• Wivenhoe and District Sporting Facilities Trust. |
|---|---|

Sport England and the Colchester and Blackwater School Sports Partnership have contributed to the FSR process and been briefed as the review has progressed.

Current customer numbers and flow of work

The service, including the Customer Service Centre, handles a total of 1,211,120 customer contacts a year. This is made up of 935,307 at Leisure World Colchester, 180,489 at our other sites and 83,511 at the Customer Service Centre.

The highest numbers of contacts for the service were at Leisure World Colchester with 589,013 users of non-swimming activities (such as Lifestyle members, Activa, aerobics, Aqua Springs and club activities) and 318,400 users for swimming.

The top three reasons why customers contacted the Customer Service Centre in 2010/11 were for bookings/payments (24,301), general sport and leisure enquiries (14,007) and Leisure Pool times (5,234).

The flow of work varies during the year with higher demand for services during school holiday periods and also in January. On average during opening hours the Customer Service Centre received 4,339 sport and leisure enquiries a month between March 2010 and February 2011. Enquiries peak at 5,732 in August with enquiries also exceeding 5,000 a month in July and January. Enquiries are below the average in March, May, November and December.

These trends are mirrored across Leisure World sites with demand exceeding capacity for swimming, resulting in swim times being limited to specific time slots during peak holiday times. At peak times, many customers are unable to find a parking space and waiting times and queues increase. The main summer holiday periods also see a downturn in membership levels as customers choose to put their memberships on hold or not attend during this period.

Consultation with staff and customers has highlighted a number of factors which are currently inhibiting the customer flow and the provision of a consistently high standard of customer service. Although 56% (46,825) of customers contacting the Customer Service Centre receive a recorded message containing service information, there is currently no provision for customers to book or pay online which means all other enquiries across the sites are handled by phone or face-to-face.

In addition, Customer Service Centre staff are unable to make bookings or take payments leading to double-handling as customers are passed through to Leisure World Colchester. Both the Customer Service Centre and Leisure World Colchester reception staff have also highlighted the limited availability of up-to-date information making it difficult to pass on accurate information to customers about cancellations, changes or availability of facilities.

Managing the flow of customers through Leisure World Colchester reception is also problematic. Both staff and customers have highlighted the challenges staff face in handling competing priorities with “customers coming at them from all directions” as they handle phone calls and deal with face-to-face customers at the same time. Peak times such as holidays or large events result in long queues increasing pressure on the service and causing frustration for customers.

Financial performance

Sport and leisure services has performed well in recent years, despite the national economic position, with strong links and collaborations developed with local providers, clubs and other key partners.

Trading at Leisure World Colchester has been mixed with strong performance in the sale of Lifestyle memberships and entry into the Leisure Pool and Aqua Springs.

At the three other service locations trading has been mixed with certain facilities operating at capacity at peak times but operating below expectations from a financial perspective. Other areas of the business that did not perform as well as expected in 2010/11 are bar and catering at Leisure World Colchester, events at Charter Hall, the Tennis Centre, and Beauty Therapy at Aqua Springs.

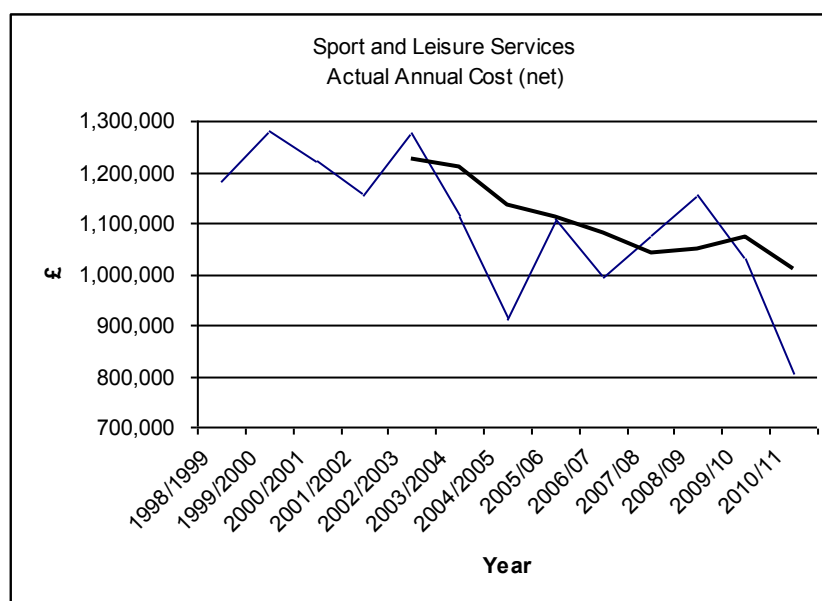
This table shows the actual cost of operating each functional area of the service in the 2010/11 financial year:

Functional Area	2010/11 Outturn Net Expenditure £000s
Leisure World Colchester	453.6
Leisure World Tiptree	124.5
Leisure World Highwoods	133.7
Leisure World Tennis Centre	21.9
Sports Development	36.3
Sport and Leisure Management	73.9
Total	843.9

The service employee budget equates to 60% of total expenditure. The other key features of the total expenditure budget are:

- National Non-Domestic Rates (NNDR) at Leisure World Colchester are £298,000 (6%)
- Energy and other utilities at Leisure World Colchester are £362,000 (7%)
- The cost of stock for resale or hire (equipment, materials, food and beverages) is 5%
- The cost of repairs and maintenance of buildings and grounds are also 5%.

The graph below shows the net cost of delivering the sport and leisure service and shows a clear reducing trend of net cost over the last ten-year period. The darker line represents the moving average net cost, and the lighter line shows the actual net cost.



Key achievements

Some recent key improvements and successes which have been delivered by the Sport and Leisure service include:

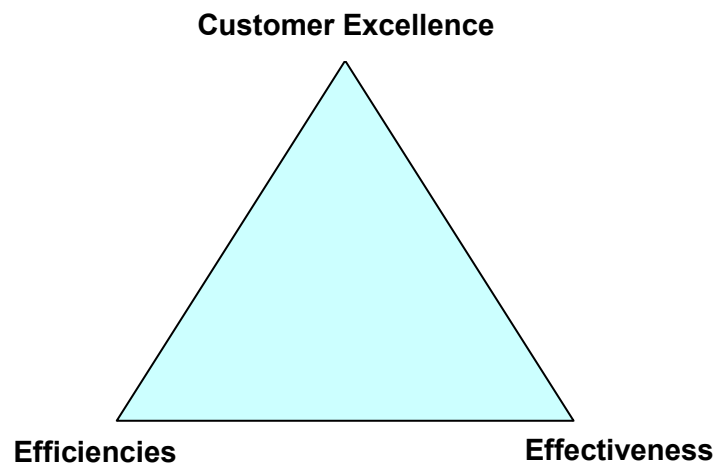
- Olympic work – the key role that the sport and leisure team play on the local Olympic partnership was highlighted at a recent scrutiny of the partnership by the Council’s Strategic Overview and Scrutiny Panel. The highlights of the Olympics work to leave a local legacy in Colchester are the provision of an Olympic and adidas-themed outdoor multi-sport play area called the ‘adiZone’ on Monkwick open space and the Sporting Champions athlete sponsorship scheme.
- The production company of the X Factor returned in 2010 for a finalist homecoming concert, which demonstrated their confidence in the Service to stage another successful event with a national audience.
- Zoggs shop - built in summer 2010 using an under-utilised area next to the Leisure World Colchester reception. The capital build was funded by the Council, and performance targets are already being met.
- The Tennis Centre achieved Beacon Status in 2010 from the Lawn Tennis Association in recognition of the quality of the coaching opportunities and the court provision.
- Fitness Pool refurbishment – with considerable funding from Sport England the main fitness pool had a refurbishment in summer 2009 along with ancillary changing rooms, spectator facilities, meeting spaces and air handling plant. This has had a significant effect on energy consumption, which has now had a positive effect on energy bills.
- In 2009 Leisure World Colchester achieved an “excellent” rating in the national QUEST accreditation scheme, placing it in the top ten sport and leisure facilities in the UK. The sport development service was also accredited by QUEST.

3. WHERE WE ARE AND HOW WE GOT HERE

Fundamental Service Reviews (FSRs) are an integral part of the Council's WayWeWork programme, which aim to use the experience of customers to drive change in the way our services are delivered.

Customer excellence, efficiency and effectiveness are the key drivers of any FSR.

Each of the three 'points of the FSR triangle' needs to be considered in terms of the benefits they offer, and this is addressed in this business case:



Each review to date has also had its own drivers, timescales, priorities, levels of engagement, and expectations.

The Sport and Leisure service is unique amongst the Council's services – it is a large high-profile operational service, open well beyond office working hours that earns significant levels of discretionary, demand-led income, and incorporates a high-maintenance asset base.

Learning from the experiences of previous reviews and then adapting the overall approach to suit the particular service being reviewed, therefore, is a critical part of the FSR programme. This will be evidenced by the adoption of the most appropriate delivery model or models for the service, and its successful implementation, monitoring and measuring of performance improvements.

This review has continued to build on the previous experience of customer engagement by testing initial concepts with customers and non-customers of the service through face-to-face and online focus groups. The Corporate Support Team has been deployed flexibly across the review as part of the wider project team resources. The input from external commercial resources has been targeted, and has been extended beyond the remits of other FSRs. The continuous development of FSR resourcing by building internal capacity has enabled access to a wider range of expertise – the core project team for this review, for example, included representation from outside the Sport and Leisure Service.

3.1 Business Insight

This section contains a summary of the insights gained during the review process in relation to 4 key elements:

1. **Customer insight** – customer profiles, current experience and future aspirations
2. **Performance** – Benchmarking, use of space within the service, trends in customer visits, the future of leisure – opportunities for change
3. **Local and national context** – Demographics and economic pressures, Sport England Local Sport Profile, a view of the sport and leisure provision landscape locally, Localism and Big Society, “Healthy lives, Healthy people”, changes in Equality and Diversity legislation
4. **Industry insight** – National Context for Sport, Leisure and Sport Market forecasts 2009-2013, Fitness Industry Confidence Survey.

3.2 Customer insight

Our customers

This section summarises the main insights we have gained from conversations with our customers about their current experience of the sport and leisure service, the use of customer profiling using both the Mosaic public sector and the Sport England profiling tools. We have also explored customers’ future aspirations for the service through the use of customer focus groups.

Customer profiles

The Mosaic and Sport England profiling tools were used to provide us with a detailed understanding of resident and customer profiles, their demographics, lifestyles and behaviour. These show that:

- More than 50% of all current Mosaic customer types were rated high or very high in their likelihood to self-serve. However currently 26% of current customers contact us via phone, 65% in person and only 5% via the web.
- Similar Mosaic types of customers are using all of our venues
- Many customers are receptive to online communication and using self-serve
- Preferences for accessing services and information varies from customer to customer, and communication channels need to be tailored to individual customers
- The knowledge gained from customer profiles could be used to cross-sell offerings to customers
- There is potential to use these tools to identify opportunities for increasing participation. For example, the 6 most likely groups (out of 19) to use the centre during the day make up 26.3% of the local population. Based on a total population of 180,000, this equates to 47,340 local people. If just 10% of these people came once per week for a year, this would equate to 236,700 visits per year.
- Many current customers are rated as not likely to use a gym. However, the profile for Colchester indicates that there is a large potential customer base for the gym product.

Customer experience

In March 2011 the views of 266 customers were gathered through online questionnaires, phone and face-to-face conversations. These highlighted high levels of satisfaction with staff knowledge (85%) and explanations given (85%) but lower levels of satisfaction for being kept informed (58%) and calls being returned when promised (25%).

Aspects which customers were satisfied with included:

- Fitness advice and knowledge of gym staff
- Friendly/helpful staff
- The “non-threatening environment”
- Good instructors
- Well-organised parties.

Aspects that customers were less satisfied with included:

- A mixed experience of customer service
- Difficult getting through on the phone and long queues in reception
- Quality and nature of facilities including cleanliness, crowded changing rooms and lack of private changing cubicles
- Equipment in need of repair
- Limited availability of equipment in Aactiva and badminton courts at peak times
- Limited availability of parking spaces at peak times
- Quality of catering facilities and variety of food available.

Customer ideas and suggestions which show a strong appetite for self-serve options:

- A fast-track system for Lifestyles members
- Better facilities for paying
- Being able to book and pay online or by phone.

Specific suggestions for other improvements include:

- A better queuing system in main reception and speedier service
- A simplified and more flexible class enrolment process
- Separate showers and changing facilities
- Cleaner facilities
- Improved supervision of swimming lanes
- Extended opening hours and more classes.

Customer aspirations – customer focus groups

During July and August 2011 a series of focus groups were run with sport and leisure customers and residents who were not currently using the service. Topics explored with customers included their views of:

- The current Leisure World Colchester offer including Aqua Springs
- Their views and priorities for change and the ‘future offer’
- Options for the Leisure World Colchester site on Cowdray Avenue
- Proposed improvements to the customer journey including the introduction of a new Leisure World card and interactive website.

Options from the customer focus groups for meeting future needs

- The variety of the current offer at Leisure World is right for now but a number of options or combined options should be considered for the future
- Improve the satellite locations (eg Tiptree and Highwoods sports centres)
- Reconfigure the interior of the Leisure World Colchester to make more efficient use of space as exemplified by more contemporary gyms and clubs
- Make use of the area around the periphery of this site (the river or the Castle Park) to provide extreme or alternative sporting facilities for athletics or less formal outdoor exercise
- Option to demolish and rebuild the Leisure World Colchester site appeared to be least favoured option
- Concern that that provision of opportunities to dwell longer in the building would exacerbate already crowded facilities unless separate entrances were used for Charter Hall and the wet/dry sports activities
- Most participants appreciated the benefits of reconfiguring the Leisure World Colchester entrance hall but also wanted to see the core offer improved.

Views on catering and retail

In terms of catering and retail offers, customer observations included:

- Few branded offers for food outlets resonated with the groups other than amongst some of the teens and pre-family adults such as Subway or Nando's
- Preference for a more generic offer of healthy food and drink
- Source of newspapers, magazines or books and a more comprehensive sports equipment and clothing retail offer would be welcomed
- "Café Society" branded offer was mostly welcomed by parents with family and empty nesters/older singles
- An extended and reconfigured multi-functional reception and catering area would appear to meet the needs of most respondents
- If branded operators were to be considered, they would need to be compatible with a health and fitness environment.

Views on customer experience

Creating an interactive system for booking activities and introducing an "Oyster" style user card for paying for bookings or services tended to be seen by the customer focus groups as a very logical next step – bringing the 21st Century to Leisure World Colchester.

Observations included:

- A need to understand how this would apply to casual as well as membership users
- Bundling of services wasn't seen as a major selling point
- The approach did appear to chime with respondents and once the concept of interactive website and "Oyster" style Leisure World card had been explained, the offers to and/or choices made by the user being refined by an initial profiling exercise were understood
- Being able to use the Leisure World card to book any activity at any of the Leisure World sites was also seen as an advantage
- There appeared to be less clarity about being able to book any sport or leisure activity in the Colchester borough or beyond through the Leisure World 'portal'
- Public transport access to the Leisure World Colchester site was raised as an issue by all groups.

Summary of findings from customer focus groups:

- Leisure World and its facilities are seen as unique in the area (flumes, leisure pool and Aqua Springs)
- Different life stages have different but not totally opposing needs
- Teen boys wanted facilities to challenge them and push them further, parents of children still at home appeared to sign up to a greater provision of facilities to suit the needs of teens into adults
- Extreme sports were particularly attractive to teens and pre-family
- Older adults expressed dissatisfaction with the cleanliness of facilities, which although would not deter them from using the facilities would make for less positive advocacy
- Participants acknowledge the need for change, recognising the pressures on the facilities and the potential impact of additional growth in terms of the numbers of young families moving into the area. Improvements would be welcome.

3.3 Performance

Performance of Sports Facilities conducted by Essex Association of Chief Leisure Officers (EACLO)

A study of income, usage data and performance of sports facilities was completed based on 2009/10 data. The following information was sought from the 12 district councils in Essex - leisure provider, footfall, population and total Income.

Seven sport and leisure services in Essex are operated through an external provider, and five operated by an in-house team. Returns were received from seven of the authorities contacted. The results were as follows:

District	Footfall (number of visits)	Population	Footfall per head of population	Income	Income per user	Income per head of population
Braintree	951,019	142,100	6.7	£3,851,687	£4.05	£27.11
Maldon	333,379	62,500	5.3	£1,203,055	£3.61	£19.25
Colchester	1,098,397	174,000	6.3	£3,994,063	£3.64	£22.95
Chelmsford	1,276,974	167,100	7.6	£3,753,600	£2.94	£22.46
Tendring	791,722	147,600	5.4	£2,176,589	£2.75	£14.75
Rochford	636,984	83,200	7.6	-	-	-
Epping	1,119,275	123,900	9.0	-	-	-
average			6.89		£3.36	£21.65

This study demonstrated that:

- Colchester's income was the highest of the five councils submitting figures.
- Colchester's footfall per head of population is slightly lower than average, but income per user and per head of population are slightly above average.

In addition to the above data, a further comparison of the net cost of delivering sport and leisure services based on 2009/10 budgets was completed using Tendring, Braintree and Chelmsford as comparators.

Benchmarking activity is important as it gives a useful snapshot into comparative performance, but there can be many differences between councils in both the range and scope of sport and leisure services, and in the way that costs are accounted for. The data was therefore collected and discussed at face-to-face meetings to reduce the risk of invalid comparisons.

The net cost of delivering the whole sport and leisure service in 2009/10 in each of the councils was as follows:

Braintree	£1.346m
Colchester	£1.062m
Chelmsford	£1.454m
Tendring	£0.979m

If the footfall figures from the table above are applied to these net costs of providing the service, the resulting "net cost per user" numbers are:

Braintree DC	£1.42
Colchester BC	£0.97
Chelmsford BC	£1.14
Tendring DC	£1.24

Current use of space within Leisure World Colchester

The table below shows usage for a recent 12-month period comparing actual bookings with the total potential bookings available for each space.

The Sports Hall and Charter Hall both have comparatively low levels of non-use at 34.4% and 31.9% respectively. The activity room and the squash courts have much higher levels of non use at 58.5% and 58.3% respectively. This reflects the clear peak and non-peak periods that provides an opportunity to develop the business at certain times of the day.

Usage from 1 April 2010 to 31 March 2011	Court bookings available per day	Courts bookings available per year	Actual court bookings in 2010/11	Actual court bookings (%)	Slots not in use (%)
Activity room	58	20,996	8,717	41.5%	58.5%
Sports Hall	140	50,680	33,222	65.6%	34.4%
Charter Hall	168	60,984	41,554	68.1%	31.9%
Squash Courts	88	31,944	13,309	41.7%	58.3%

Daily and seasonal variations

- The spaces vary in both daily and seasonal usage. Both Charter Hall and the Sports Hall are subject to increasing use during the daytime in the holiday periods. (8.30am – 3pm for Charter Hall and 9am to 3.30pm for the Sports Hall).
- The activity room has a small number of additional activities during the holiday time, whilst usage for squash remains the same throughout the holiday periods.
- Both the Sports Hall and Charter Hall tend to be at their busiest between 5.30pm and 10pm, with the second busiest period from 8.30am to 12pm. Similarly both have quieter periods between 11.30am and 1.30pm and between 3.30pm and 5.30pm.
- The activity room is busiest between 9am and 12pm with its second busiest period between 6.30pm and 9pm. The use of squash courts is below 40% until after 5pm, with peak usage between 6pm and 8.40pm.

Trends in customer visits

Leisure World Colchester, Cowdray Avenue

In 2010/11 992,698 visits were made to the site. 32% or 318,400 visits were for swimming, 59% or 589,013 were for dryside activities (such as the gym, clubs and societies, courses, aerobics and kids club) and spectators accounted by 7% or 85,285 visits.

Trends over the last four years 2007/8 to 2010/11 show:

An increase in visits for:

- The leisure pool by 8.6% from 148,282 visits to 161,037
- LEAP referrals by 24% from 7,210 to 8,943
- Dryside sports by 17% from 36,638 to 42,971
- Aerobics by 68% from 21,561 to 36,283.

A decrease in visits for:

- Dryside courses by 17% from 8,229 to 6,851
- Fitness pool by 1.6% from 71,299 to 70,132
- Aqua Springs by 11% from 66,720 to 59,217.

Joint Use Sports Centres and Sports Development activities

In 2010/11 166,355 visits were made to our Joint Use Sports Centres, Community Outreach and Sports Development activities. 48% (80,667) of these visits were to Highwoods Sports Centre and 40% (65,730) to Tiptree Sports Centre.

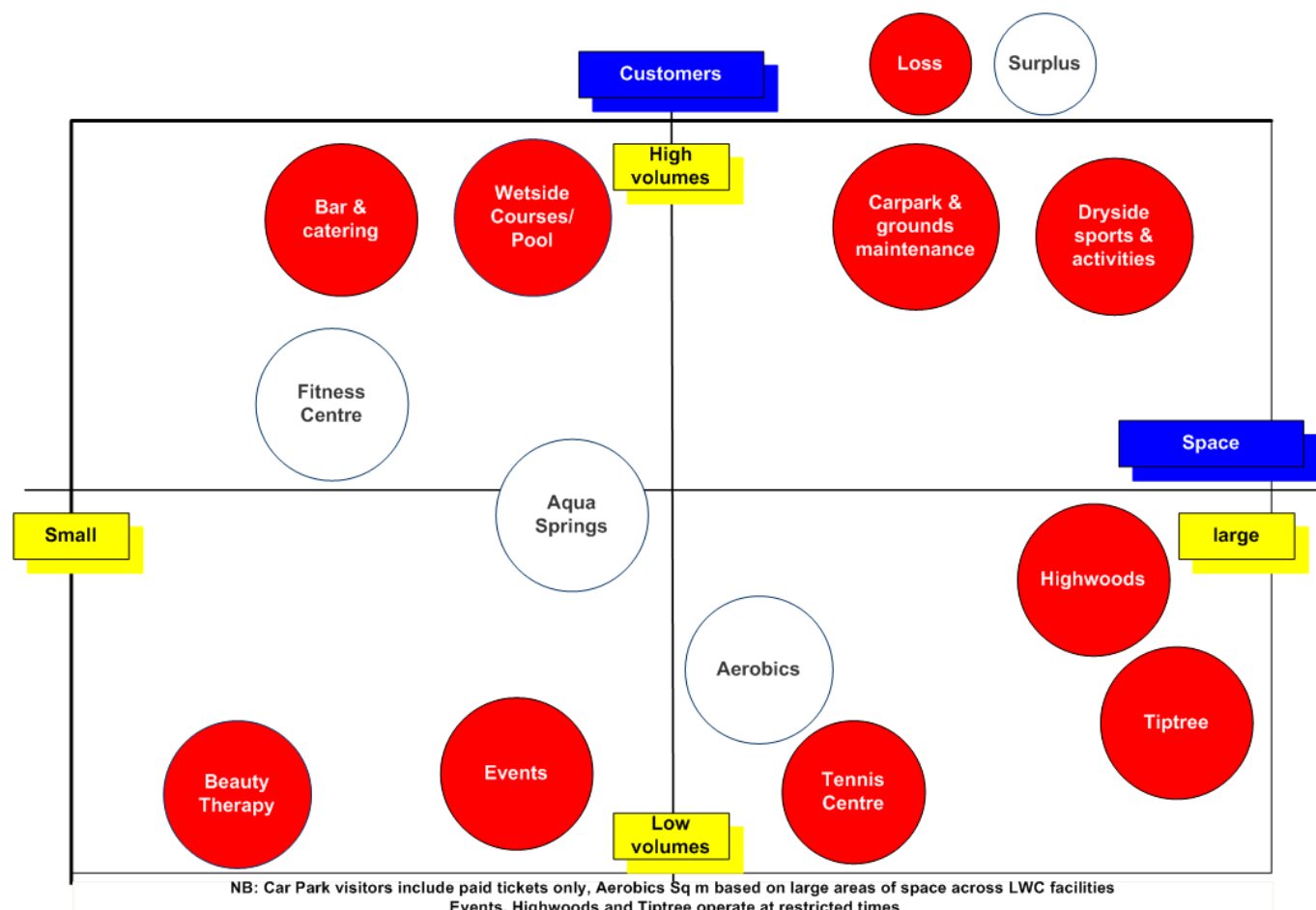
Trends over the last four years 2007/8 to 2010/11 show :

- An increase in visits to Tiptree Sports Centre of 10% from 59,391 to 65,730
- A decrease in visits to Highwoods Sports Centre of 11% from 91,340 to 80,667.

Current customer volumes, space utilisation and profitability

The following illustration plots the volume of customer use against the amount of space used for each of the key operational areas of Sport and Leisure. It also shows whether the operational area is profitable or not, with overheads apportioned.

This illustration provides a helpful perspective on space utilisation across the service and what the bottom line financial impact of each area is.



Future of Leisure – the next big thing

Sports and Leisure Management specialists FMG reviewed a summary of Leisure World Colchester's key performance data.

This independent review identified the following opportunities for change which included:

- Developing new attractions at Leisure World along the lines of extreme/non-traditional sport and leisure activity. Although Leisure World Colchester has a good mix of activities at present, another centre somewhere else, particularly given the population growth could provide the “extreme” activity
- Making savings and doing things more efficiently, particularly in terms of management overheads and cleaning
- Look to address unprofitable areas such as events, health and beauty, and bar and catering. Although income generation was generally strong, it is weaker in these areas
- Improving on the current facilities through investment - reception, café and retail, plus health and fitness.
- Considering new investment opportunities for the site to meet ambitions for Colchester as a regional/sub-regional destination
- Master planning the site as a leisure zone with cinema, ten pin, pool, health and fitness, restaurants and other related attractions.

3.4. Local and National Context

Anticipating and responding to the borough's changing profile

Colchester has become a major player in the region and sub-region over the past 15 years, securing significant public and private investment. With a thriving local economy, a growing and more diverse population, increasing visitor numbers and a wealth of amenities to offer, Colchester has also long been a centre for educational excellence and for the Army Garrison.

The borough is already the largest and fastest growing district in Essex, and the second largest district in the country. Looking ahead, the projected 21% population growth by 2021 is more than twice the national average.

Colchester needs to allocate and build a minimum provision of 17,100 homes between 2001 and 2021. Under current policies, 830 dwellings are expected to be built in the borough each year up to March 2021 and 855 per year for three years after March 2021 up to 2023/2024. This will mean an ever-increasing demand for sport and leisure activities of all types, from a much more diverse customer base.

Facing the economic, demographic and environmental 'triple lock'

At a national level, policy research highlights the importance of addressing the 'triple lock' of the economic, demographic and environmental challenges which face us. It says that councils must "think ahead and think big" about new approaches in how to deliver services and reduce costs.

The proposals in this business case seek to address these challenges by proposing an ambitious agenda for change for the service based on increased income and participation.

National Context for Sport

One of the key areas of focus for the Department of Culture, Media and Sport is around creating a sporting legacy from the Olympic and Paralympic Games, including:

"Encouraging competitive sport in schools ... is about transforming the places where people play sport, inspiring people to make sport happen at the local level and creating the sporting opportunities and challenges that give everyone the chance to become part of the mass participation legacy."

Sport England strategy 2011-12 to 2014-15

On 10 January 2012 the Secretary of State for Culture, Media, Olympics and Sport announced Sport England's strategy 2011-12 to 2014-15. Sport England is seeking a year-on-year increase in the proportion of people who play sport once a week for at least 30 minutes, particularly in the 14 – 25 year-old age group.

Some of the outcomes Sport England aims to deliver are:

- All 4,000 secondary schools in England will be offered a community sport club on its site with a direct link to one or more National Governing Bodies, depending on the local clubs in its area.
- County Sports Partnerships will be given new resources to create effective links locally between schools and sport in the community.
- All secondary schools who wish to do so, will be supported to open up, or keep open, their sports facilities for local community use and at least a third of these will receive additional funding to make this happen.

Three-quarters of sports halls and artificial sports pitches and a third of swimming pools in England are located in schools. However, many of these facilities are under-used – enjoyed by children during term time, but left dormant during the holidays or in the evening.

This FSR identified the opportunity to create a community network of facilities, enabling access by customers to sport and leisure activities across the borough through a bookings “brokerage service”. The aim is to open up under-utilised community facilities for customers to use, such as primary and secondary school halls, pools and pitches, as highlighted in the new Sport England strategy.

Sport England will make £10m of Lottery funding available to schools to enable them to open up their sports facilities for use by local communities and help to maximise the use of school pools, pitches and sports halls. This presents an even greater opportunity to increase levels of participation and improve the utilisation of community facilities than originally identified in the early stages of this FSR.

Sport England Local Sport Profile for Colchester

The Local Sport Profile tool has been developed to help local authorities in England to generate a sporting profile for their area in the form of charts and tables, bringing together data on sporting participation and provision.

Colchester has a comparatively young population and has low unemployment with 5% of the economically active population not in work (compared to 7.7% nationally).

The population is growing comparatively rapidly - by 20,000 (11.4%) between 2009 and 2015, compared to 4.4% nationally. Both adult and childhood obesity are lower in Colchester than the national average, and life expectancy is higher in Colchester than the national average.

Using the 2007 Indices of Multiple Deprivation, Colchester is the 22nd most deprived borough out of 56 in the East, and 218th most deprived out of 353 in England.

According to the Active People Survey, Colchester residents are generally more active compared regionally and nationally. In 2009/10 the Colchester population had higher club membership, participation in organised competition and satisfaction levels, but had lower levels of volunteering and less people received coaching.

In 2009/10, 70.3% of respondents living in Colchester were either fairly or very satisfied with local sports provision. This is slightly higher than both the regional and national satisfaction levels.

The top five sports played in Colchester, according to the Active People Survey 3, were Swimming (13%), Gym (9%), Football (7%), Athletics (4%) and Tennis (2%). This is more swimmers, footballers and tennis players than the national average but less gym users and athletes than the national average.

Colchester makes up 3.3% of the regional population. Based on the percentage of different facilities available in Colchester compared to the facilities available in the region, we have an over-provision of artificial turf pitches, an under-provision of golf, ice, indoor tennis and skiing, and about the right provision of athletics, pitches, gyms, indoor bowls, sports halls and squash.

A higher proportion of facilities in Colchester are delivered by the education sector compared to regionally and nationally, with lower delivery by the local authority and the same delivery by the commercial sector.

Colchester's nearest neighbours, as defined by CIPFA, are Maidstone, Charnwood, Chelmsford and Huntingdonshire. Colchester is a third of the size (geographically) of Huntingdonshire and broadly the same as the other authority areas but has the highest population. It also has the most sports facilities. Colchester is the most deprived according to 2007 Indices of Multiple Deprivation, has the lowest rate of adult obesity and an average level of childhood obesity. Colchester is the equal most active (with Huntingdonshire) from the Active People Survey 3/4 dataset.

Overall the Sport England profile suggests that Colchester has an active population who are broadly satisfied with local sports provision. The participation rates are all the better given that the borough is not over-provided for with facilities, which suggests that good use is being made of the facilities that exist (for example, community use agreements relating to University of Essex and Garrison facilities).

The increasing population provides some challenges as there is evidence of a shortage of pools and sports halls at peak times already. However, this provides an opportunity for the service to generate more income as there are more residents to attract as customers.

As well as providing an important opportunity, this increased demand for sport and leisure activity will generate challenges in terms of capacity and assets. The review seeks to address this through a "mixed economy" including public, third sector, community and private sector delivery, as exists currently, but where the Council has an even stronger commercial foundation for its services, and where the Council plays a central and strategic role in the customer relationship through investment in technology and customer data processes.

Localism and the Big Society

The Localism Act sets out a major shift away from centralisation, to "devolve power, money and knowledge to those best placed to find the best solutions, and diversify the supply of public services" as part of the Big Society initiative, including:

- **A General Power of Competence** - "allowing councils to do anything which is not specifically prohibited by law. This will set them free to innovate in response to local needs."
- **Community right to challenge** – "giving communities a right of challenge to run...get more involved in the delivery of public services and shape them in a way that will meet local preferences."
- **Community right to buy**, "to give communities powers to identify and bid for assets of value to them, from which they can deliver existing or new services. As well as empowering communities, this will diversify the providers of services and stimulate creative and imaginative new patterns of service and enterprise."
- **Neighbourhood Plans**, "to give local people more new rights to shape the development of the communities in which they live".

The opportunities identified in this full business case resonate well with this area of central government policy, and consideration of future delivery options for the sport and leisure service will include opportunities for greater community involvement.

“Healthy Lives, Healthy People“

This White Paper outlines the government’s aim “to protect the population from serious health threats; helping people live longer, healthier and more fulfilling lives; and improving the health of the poorest, fastest.” The Department of Health’s modernisation programme aims to encourage people to look after their own health by eating well and exercising more.

The Department of Health’s evidence shows that:

- “About half of all deaths in this country are preventable.
- Changing adults’ behaviour could reduce premature death, illness and costs to society, avoiding a substantial proportion of cancers, vascular dementias and over 30% of circulatory diseases; saving the NHS the £2.7 billion cost of alcohol abuse; and saving society the £13.9 billion a year spent on tackling drug-fuelled crime.
- Taking better care of children’s health and development could improve educational attainment and reduce the risks of mental illness, unhealthy lifestyles, road deaths and hospital admissions.”

Research has shown that a million more people across the country playing sport each week would save the taxpayer £22.5 billion in health and associated costs.

The Council’s Sport and Leisure services will continue to have a major part to play in improving people’s health, and in achieving local health inequality priorities. There are also opportunities to work differently with NHS partners as the reconfiguration of the NHS moves forward, both with commissioner and provider organisations.

Equality and Diversity

The developing agenda around equality and diversity nationally including the move from separation of different groups to inclusion, and the Council’s duty under the Equality Act 2010 to “foster good relations between those who have a protected characteristic and those who don’t” has significant implications for the delivery of the sport and leisure service and will have an important influence on the implementation of this business case.

3.5 Industry Insight

Leisure and Sports Market forecasts 2009-2013 – Leisure Industry Research Centre/Sport Industry Research Centre

This industry research shows that:

The recession is going to hurt primarily the sports equipment market, the sports travel market and consumer expenditure on spectator sports. Sports gambling and sports publications are also going to decline, but this is more because of the general trend than the specific economic circumstances.

The comment about sports equipment is substantiated by trading updates from companies such as JJB who have recently experienced tough conditions. Consumers will defend their participation rates, which may even increase despite the recession. As a result, the health and fitness market and participation sports will buck the economic trend. Expensive forms of participation, such as skiing will be hit badly.

This view has largely been confirmed by trading results of the Sport and Leisure business which has not suffered too badly from the recession. In terms of Leisure Market forecasts, during the period 2009/13 the market will increase by 9% in real terms, reaching £262bn in value. Home Leisure (photography, computers, toys and games) will increase by 16% in volume. Away Leisure will see growth of 6% in real terms, of which wine and cider, active sport and holidays overseas are the leading sectors in terms of overall growth rates.

It is expected that the London Olympics will boost the leisure sector significantly at the end of the forecast period. This will reflect not only rising sport participation levels and rising tourist numbers, but also rising sport and leisure investment associated with the Games.

The sports markets account for almost 2% of both Gross Domestic Product and employment and 2.5% of consumer expenditure. The sports market consists of the sports goods sector and the sports services sector. Consumer expenditure on sport in 2008 was £21.4 billion. The sports goods market accounts for 38.5% of all sport related consumer expenditure, whilst expenditure on sports services accounted for 61.5% of the total.

In terms of the breakdown of expenditure for sports goods; sports clothing and footwear is the largest segment at 20.5% followed by 7.7% on boats and 7.6% sport equipment. For sports services the largest segment of expenditure is sport gambling at 14.3%, sport TV and DVDs at 12.7%, health and fitness at 10.2%, participant sports at 9.1% and sport-related travel at 8.9%.

The two factors that will affect the long term growth of the market are sports participation and the London Olympics in 2012. The forecast growth for the period of 2008/13 is 7%. It is expected that sport gambling will increase by 4% due to the growth of online gambling, that TV and DVD will grow by 3.5%, spectator sports will increase by 3%.

Fitness industry confidence survey – Leisure-net Solutions Ltd

In the fourth quarter of 2010, Leisure-net Solutions questioned 80 operators from all sectors about their current confidence levels in light of a much longer and deeper economic downturn than many people had expected.

The findings show that:

- In terms of their own businesses and the sector in general, operators' confidence remained relatively high. Most operators thought that primary income streams (membership and usage revenue) would hold up in 2011, but secondary spend might come under increasing pressure.
- The state of the economy was the biggest concern for most with declining retention levels and falling yields.
- Two big threats included the emergence of budget clubs/gyms with the associated implications for pricing and the impact of public sector funding cuts.
- The majority of operators did not foresee reducing planned investment in their facilities as being an option in 2011. Refurbishment rather than development was likely to be the order of the day.

4. THE FUTURE SERVICE

The three key opportunities identified by this FSR for the future of the service are:

- Customer Experience
- Community Network and Commercial Hub:
- Business Development.

Each opportunity is broken down by issue, solution and core changes. These are followed by a financial overview, and a summary of the changes and benefits to the organisation, at the end of this section.

Key Opportunity - Customer Experience

Issue

In this age of an ever-increasing use of technology in our everyday lives, our customers expect us to offer a service which utilises modern up-to-date systems to provide a fast, efficient and effective service, and to offer a customer-facing service delivered by highly-trained, friendly and knowledgeable staff.

An excellent customer experience at any interaction within the sport and leisure service is the key to achieving the participation and financial outcomes of the review. Customer feedback on the current service is generally positive however there is evidence of inconsistency within individual sites and also across the locations.

The present systems in place do not offer the customer any form of self-service option whether online or on site, and the electronic information available to them is limited. Customers cannot find, book and pay for their leisure activities, without having to visit one of our Leisure World sites.

The existing leisure management system lacks robust, reliable reporting. This, together with the fact that various unconnected systems are used across the sites, leads to multiple customer records per customer, and the need for staff to collate income information – and increases the chance of both human and system errors.

We do not capture data for all of our customers. We therefore cannot offer rewards for loyalty or track customer activity, usage patterns and habits resulting in the inability to utilise opportunities for targeted marketing or joint working opportunities.

Solution

- To offer a one-stop “myleisureworld” website for customers to access all the information they need to fulfil their sport, leisure and active recreation needs.
- To offer a leisure account/card providing customers with personalised access to facilities and loyalty rewards to encourage repeat visits and to capture customer data to enable targeted offers and to increase customer insight.
- To invest in an integrated system that will deliver the needs of sport, leisure, retail and catering resulting in one database that is integrated with the corporate iConnect solution providing customers with the ability to use their loyalty and rewards across the business.

- The aspiration is to transform the quality of the customer experience at all points of contact. We will do this by investing in staff who will be ambassadors for the Leisure World brand and be equipped with the knowledge and skills to deliver consistent customer excellence. This will:
 - retain existing customers, improving “attrition” rates
 - build and enhance the Leisure World brand as one of the Council’s services and hence the Council’s reputation
 - increase the opportunity for building the overall business by generating new customers.
- To provide a welcoming, efficient, easy and fast entry for customers to access facilities and take part in activities.
- To enable customers to serve themselves both online and on site.
- To utilise the customer data captured by the “myleisureworld” website to introduce a robust marketing and reporting tool so we can analyse, monitor, track and target customer groups with general marketing, offers, promotions, loyalty, rewards and incentives to encourage repeat visits and subsequently increasing income and participation.
- To utilise technologies so that the “myleisureworld” website can provide community partners with a service where enquiries and bookings could be made on their behalf for facilities other than those operated by Sport and Leisure services.

Core Changes

Better use of technologies in order to enable the customer to:

- register with the “myleisureworld” website to obtain discounts, rewards and enable use of self-service options
- use smart-card technology for fast-track options
- have access to a one-stop website giving information and advice on all their sport, leisure and recreation needs
- use self-service/fast-track kiosks
- make online bookings
- manage and make updates to their personal information
- carry out online searches to locate the activity at a time and date of their choice
- use other technologies available such as texts and smartphone applications to both access and receive information.

And enable the service to:

- better understand who our customers are and their needs
- improve the management of customers in the building
- gain better management information on performance and income in order to develop the service meet the needs of an ever-changing customer base
- integrate with iConnect to achieve the goal of “one customer, one record”.

To introduce customer “Welcome Host” roles for the front-of-house at Leisure World Colchester, providing first-class customer service, the ability to promote and sell new products and services and to provide administrative support.

These roles will be multi-skilled roles to ensure service continuity at busy and peak times, whilst allowing some flexibility in the needs of the roles. The aim would be to have staff with a range of skills on duty at Leisure World Colchester throughout the core opening hours of 9am to 8pm Monday to Friday and 10am to 4pm at weekends to ensure a full skill set is available to deal with all types of customer enquiry and need.

There are many examples of service industry and retail brands that place staff alongside product in equal measure of importance to the success of their business. The challenge of running a large-scale operation with staff employed on a permanent and casual basis also exists in other sectors, and the recruitment, training, development and performance framework needs to be suitable for the diversity of the workforce.

There will be a mix of skills, attributes and values required for staff to then add knowledge to. We are not prescribing a standard scripted response to specific enquiries or events. We are looking for staff to have the personal skills and attributes that, together with knowledge, will deliver a customer interaction that will be positive and consistent in the way it feels to the customer and the accuracy of the information given.

Some of the behaviour, attitude and skill level we would be looking for within staff include:

Presentable	Approachable	Positive	Expert where needed
Positive body language	Ownership	Do what you say on time	General level of skill
Good communicator	Proactive	Fair	Awareness of contribution to the overall picture
Interested	Involved	Consistent	Up-to-date knowledge

The opportunity for, and our commitment to, staff would include:

- Training
- Development
- Experience
- Progression
- Building an incentive culture based on customer loyalty.

The shift in customer experience toward excellence can be achieved through the training and development of staff who have the personal attributes required within a customer centric environment.

The business will be focused upon delivering a product and building a brand for the Council that is synonymous with an excellent customer experience - it will be the staff who will deliver this experience on a daily basis.

Key Opportunity - Community Network and Commercial Hub

The Community Network of facilities and partnerships will provide local opportunities to participate in sport and leisure activities for the broadest range of customer groups, and the Commercial Hub at the Leisure World Colchester site on Cowdray Avenue will provide the commercial foundations for these services going forward.

Community Network

Issue

Participation in sport locally is a long way off our aspiration of every borough resident participating in an active lifestyle. New facilities to promote increased participation are expensive to build and manage, however the borough has many sports facilities that are under-used or unavailable to the general public.

The Council's outlying facilities - the joint-use sports centres at Highwoods and Tiptree, and the Tennis Centre – all generate valuable sports participation to help achieve our participation aspirations but these facilities currently require financial subsidies which will hinder progress towards our aspiration of the service being delivered at no recurring revenue cost.

Our shared usage of both of the joint-use sports centres is governed by legal agreements with each of the schools involved. The agreement at Highwoods runs until 2044, at Tiptree until 2036. If the Council wished to withdraw from these arrangements, it would need to breach the agreements, with a potential liability for compensation. The Council currently pays approximately £56,000 per year under the terms of the agreement at Highwoods, and approximately £80,000 at Tiptree.

Solution

Use “myleisureworld” to offer a brokerage service to local facilities and customers. This will allow facilities such as village halls or schools with halls or sports pitches to promote spare capacity or manage all their bookings for a referral fee; and enable customers to find convenient sports activities or venues.

Reduce the subsidy required at the outlying facilities by taking advantage of the self-service technology proposed as part of this business case and reducing the number of staff required to operate the facilities.

Core Changes

Borough-wide network

- Create a single point of access for customers to find and book sports and leisure activities over the internet using the “myleisureworld” IT infrastructure.
- Offer a ‘bookings brokerage’ service to community facilities such as primary and secondary schools; community centres and village halls; and parish councils. Offer two levels of brokerage depending on the nature of the need with an appropriate fee structure for each: a booking referral service and a complete booking management service.

The system software will help identify customer trends and new business opportunities, and we will use our own staff to run activities at some local facilities where unmet demand creates an opportunity to generate income.

Joint-use sports centres

- Extend Lifestyles membership scheme to these locations to encourage greater use and greater cross-use of the different sites.
- Integrate the marketing of the activities at these sites with the rest of the service.
- Implement the Aactiva gym brand at these sites.
- Introduce self-serve kiosks and online bookings.
- Review activity programme to minimise or eliminate such change-overs during opening hours and hence reduce the need to rota casual staff.
- Centralise administrative support at Leisure World Colchester.
- Reduce the number of different staff roles and the overall staffing levels.
- Introduce new staff rotas, reducing the number of staff present at each time to two people, with occasional use of casual coaches and eliminating weekday-daytime working.

Tennis Centre

Advertise for expressions of interest for an external organisation to take on a lease of the tennis centre and to operate the facility, maintaining and potentially increasing the valuable tennis participation that currently is delivered at this location.

The details of responsibilities and expectations would need to be agreed with the potential leaseholder, with the intention being to remove the financial risk to the Council from operating this facility without reducing participation levels.

In parallel with this the potential for a part of the tennis centre site to be used for residential development will also be explored.

Commercial Hub

Issue

Leisure World Colchester has a number of strengths that lends it to becoming a Commercial Hub for sport and leisure activity in the borough, for example, its location and the range of quality, flexible facilities and activities. Many of the facilities at Leisure World Colchester have spare capacity at certain times of the day, week and/or year. Conversely at peak times, parts of the centre can be so busy that the customer experience is not a positive one and income opportunities are being missed because facilities are full.

There are a number of specific issues that the review has considered:

- The 'Activa' fitness centre is reaching capacity at peak times, which is creating customer dissatisfaction, causing high "attrition rates" and means income from this profitable area of the business cannot be maximised.
- Charter Hall is the only 1,200 person capacity venue in the borough, and has the ability and flexibility to provide a good quality space for a range of different types of event. Individual events delivered in Charter Hall generally make a profit but in recent years the total income generated from all events has not been enough to cover the overheads required to deliver them.
- Food and beverage sales are not covering the cost to provide this service and there is a clear opportunity to improve income and profitability given the number of people who visit the site. The location of the centre's main catering outlet is far from ideal.
- Some other services offered are not generating as much income as they should and need a re-think. This particularly includes the artificial turf pitch and the beauty therapy service.
- The current layout of the reception is confusing for customers to use and makes managing queues difficult.
- The current pricing policy and structure does not reflect the current business as it is has not had a thorough review for many years.
- Many of the programmes (such as holiday activities and the pool) have evolved over time and the creation of a Commercial Hub provides the opportunity to check that the programmes are best meeting customer's needs whilst maximising income.
- Managing and delivering a building the size and complexity of Leisure World Colchester requires a number of support services in addition to the sport and leisure-related staff. These services have been market tested periodically and this review has provided an opportunity to confirm if services such as cleaning, catering, building and technical management could better be provided by others.

The location of the Commercial Hub has also been considered as part of the review. Two broad options present themselves – the current Leisure World Colchester location on Cowdray Avenue, or a new location elsewhere in the borough.

An appraisal of these two options has identified the current Leisure World Colchester site as the best location for the Commercial Hub given its central location, the range and condition of its facilities and the significant costs of building a new facility.

The output from the customer focus groups set out on page 17 includes concerns about public transport access to the Cowdray Avenue site. In parallel with the development of this full business case, work has been ongoing with local bus operators to address this issue. At the time of writing, one bus service has started along Cowdray Avenue, with a service linking Colchester town centre with Leisure World Colchester due to start imminently.

Solution

- To reconfigure the spaces and the use of space, and review the pricing and the programming of Leisure World Colchester to create a venue where the main focus is on high-volume participation which generates enough profit to cover costs of the whole Sport and Leisure service.
- To offer services that meet customer needs and offer great value for money along with excellent customer service.
- To market-test the catering service with a view to outsourcing the delivery to an external organisation, improving the offer for customers at no risk to the Council.
- To provide a range of retail outlets that support customer visits so that a variety of relevant products are available for them to buy on-site.
- To encourage use at all times of the day, week and year and for customers to spend more time in the Hub and increase their levels of use of it.
- To maximise use and income generation of the facilities at Leisure World Colchester that are unique to Colchester, for example, the pools and Aqua Springs.
- To keep costs under control wherever possible, test if there are any better ways of delivering and managing the service, and constantly review the delivery of the service and the systems and processes that support that delivery.

Core changes

- Redesign and enlarge the main reception and entrance to Leisure World Colchester to support the improvements to the customer journey and to accommodate a catering offer and larger retail space. As part of this redesign, remove two of the existing four squash courts and refurbish them to form part of the new front-of-house area.
- Extend the 'Activa' fitness centre into the adjacent activity rooms in order to maximise the opportunity for income growth from this facility.
- Refurbish the space currently occupied by the Classics Bar and Restaurant so that it can be used for delivering sport and leisure activity to support the aerobics programme and the other profitable activity that is being displaced from the activity hall by the extension to the fitness centre.
- Replace the Classics Bar and Restaurant on the first floor with a coffee shop/café in the reception area at the front of the building downstairs. Explore opportunities to outsource the catering service with a particular view to increasing secondary spend in the building.
- Offer opportunities for third parties to hire some of the spaces at Leisure World Colchester, potentially on a franchise basis, to increase income and/or remove risk – for example the artificial turf pitch.
- Review all programmes including for the pools, dryside activities and courses with a view to providing the popular activities that generate surplus income.

- Pro-actively pursue joint-working and integration with other local event venue providers both within the Council and externally and make changes to the structure of the events team in the service to reduce costs. Change the approach to programming events at Charter Hall to place more emphasis on financial return and participation.
- Increase levels of multi-skilling in specific staff roles to improve the efficiency of the service and adjust staff rotas to reflect changes in customer demand.
- Reduce the overall management capacity in the service focusing remaining capacity on business development, customer experience and sports participation.
- Continue to explore innovative solutions to further improve cleaning standards in response to customer feedback, within resources available.
- Reduce the provisions in the existing programme of Planned Preventative Maintenance and the level of investment in replacement of plant and refurbishments, and utilise the skills available in the service technical team to provide building maintenance services to other parts of the Council.

Key Opportunity - Business Development

Issue

Sports Development currently operates separately from the commercial side of Sport and Leisure. Its primary focus is increasing participation in sport and physical activity, not in generating income.

If a target of 100% participation is to be achieved, a comprehensive, attractive “something for everyone” sport and leisure offer has to be created, whilst recognising that the Council’s Sport and Leisure service cannot deliver all participation.

There is an opportunity to exploit the positive potential of fees and charges to encourage participation, generate income and create borough-based leisure packages that enable customers to enjoy a range of activities including arts, sports, retail and social opportunities.

Solutions

- Capitalise on the increased interest in and enthusiasm for sport participation as a result of the 2012 Olympic and Paralympic Games by securing a legacy from the Games for Colchester borough and its residents through increased participation and increased income.
- Create a Business Development operation that will deliver mass participation and revenue generation to the Council’s Sport and Leisure service. This will be coordinated with the corporate work already in progress on building the Council’s broader business development capabilities.
- A full pricing and programming review will be carried out in the first year of the FSR implementation. This will be aimed at maximising market opportunities, while ensuring access for all sections of the community, linked to the introduction of the “myleisureworld” card/account. This review will help to ensure that prices and related programmes meet the objectives outlined in this business case, align with the Council’s Strategic Plan priorities and are based on some core principles, including:
 - Customers who can afford to pay are charged a fair price to reflect the value of the product on offer.
 - Target groups who find price a barrier to participation are charged a lesser amount for off-peak times.
 - Off-peak/low-usage charges are priced to encourage optimum use.
 - Introduction of a higher non-borough resident charge on some activities.
 - Tailored packages to encourage longer stays in this service and other Council and partner services.
 - Greater incentives for Council employees to use the service to address the organisation’s wellbeing objectives and to enable employees to be ambassadors for the service.
 - Increased partnership work with health partners to offer subsidised/free activities.
- Sports Development will become a Sports / Business Development “hybrid” and include a delivery and a sales conversion element. There will be a more focused sales strategy with greater emphasis on generating and converting leads at events.

- The Business Development team will help to shape the business using a range of management information including the customer data captured by the “myleisureworld” website. This will enable strategic business development, and inform programming and future plans of activity across the commercial hub, the community network and outreach projects.
- The Business Development team will continue to ensure close working with Schools Sports Partnership to encourage P.E. and out-of-school sport with particular emphasis being placed on communicating and advertising the Council's Sport and Leisure activities to thousands of young people.

Core changes

Business Development function

Establishment of a Business Development function with the following skillset:

- analysis, research and insight
- product development
- sales
- communication and marketing
- event planning, organisation and management
- partnership development.

The communications and marketing elements of this function will be performed corporately by the Council's Communications and Marketing Team.

Information analysis

Analysis by the Business Development team of information provided by “myleisureworld” to:

- identify, evaluate, create, promote and sell new sport and leisure “products”
- develop strategy, market research and promote sport and leisure activities
- develop offers and marketing to encourage and increase participation and income (cross marketing, incentives etc) including links to national initiatives such as the Change4Life campaign.
- develop a process for managing the balance of participation versus revenue of activities, ensuring optimal use of space and maximum income.
- organise or support activities and events that have a potential follow-on income stream
- target funding and grants to enable increased participation
- identify partners to deliver activity where the Council doesn't and opportunities to work in partnership to deliver services.

Community Coaches

Creation of a Community Coach programme. Grants awarded for coaches to gain coaching qualifications in return for a number of hours coaching time at events or activities.

Working with schools

Links with schools strengthened via School Sports Partnership joint-working which will include:

- Targeted activity based on need
- Council Sport and Leisure activities and events being promoted to children and their families
- Introduction of “Sports for schools” vouchers
- In-service training (INSET) for teachers by coaches to assist in sustaining activity projects.

Working with businesses

Explore opportunities with the local business community for tailored “workplace wellbeing” and Lifestyles membership offers and for sponsorship and advertising.

Membership and pricing

Prior to the implementation of the pricing and programming review findings, the following will be introduced to capitalise on immediate opportunities:

- Adding new Lifestyles membership options that enable customers to “pick and mix” some activities
- Create a discounted member rate for “add-on” activities not included in customers’ membership package
- Create attractive pricing offers to encourage utilisation of facilities at low use periods
- Create Pay-As-You-Go packages to encourage combining of activities, leading to longer visits and increased income
- Improve corporate membership offer for Council employees increasing income, establishing “ambassadors” for the service in the community, and helping to improve employee health and wellbeing
- Develop a facility hire charging scale, offering reduced hire charges for well-organised sports clubs that have Clubmark accreditation
- Devise packages for day or ½ day visits that include other Colchester attractions
- Explore opportunities to develop offers in conjunction with, for example, Groupon, Tesco Clubcard
- Investigate opportunities for reciprocal advertising with partner organisations

The financial summary of these key opportunities – Customer Experience, Commercial Hub and Community Network, Business Development – is shown on the next page.

This is followed by a summary of the changes and benefits to the organisation arising from these key opportunities.

Financial summary of key opportunities for the future service

	2012/13 £	2013/14 £	2014/15 £
Efficiencies			
Community Networks			
Leisure World Highwoods (@ 25% full year savings in first year)	26,000	102,000	102,000
Leisure World Tiptree (@ 25% full year savings in first year)	21,000	84,000	84,000
Leisure World Tennis Centre (@ 25% full year savings in first year)	1,100	4,300	4,300
Commercial Hub			
Changes to cleaning supervision and rotas	14,000	14,000	14,000
Altering the times that some pool features are available and increasing pool staff multi-skilling	40,000	40,000	40,000
Reducing levels of Planned Preventative Maintenance and investment in plant, building and equipment replacement and refurbishment and providing trades to the Council's Building Services	80,000	80,000	80,000
Restructuring of management arrangements	32,000	48,000	48,000
Changes in approach to sports hall set ups and equipment changeovers	15,000	15,000	15,000
Total estimated efficiencies	229,100	387,300	387,300

	£	£	£
Income Growth			
Commercial Hub			
Increase in income generated by extended Fitness Centre starting from the opening of the extended facility (assumed 1 Jan 2013)	48,000	284,000	473,000
Artificial turf pitch being leased to a private operator	23,000	23,000	23,000
Growth in use of pools (including lessons)	5,000	10,000	10,000
Increased income from retail sales and rental of retail space	6,000	12,000	18,000
Budget adjustment due to the difference between recent trading position and the budget of the Events programme at Charter Hall	(41,000)	(41,000)	(41,000)
Business Development Team			
Generating and conversion of sales leads at events		91,000	91,000
Enhancements to current Lifestyle Memberships		45,000	45,000
Increased off-peak usage		37,000	37,000
Improved CBC corporate membership offer		15,000	15,000
Customer Experience			
Sponsored website buttons		3,000	3,000
Poster advertising on lobby signs		1,800	1,800
Total estimated additional income	41,000	481,000	676,000

	£	£	£
Investment required (Revenue)			
Business Development Team			
Additional Business Development/Marketing capacity	(16,000)	(31,000)	(31,000)
Outreach enabling costs	(8,000)	(15,000)	(15,000)
Customer Experience (IT support costs)			
Leisure Management System	(10,000)	(20,000)	(20,000)
Self-service & Access Control	(7,000)	(14,000)	(14,000)
Integration & Website	(2,000)	(3,000)	(3,000)
Other costs			
Staff customer skills training	(16,000)	(16,000)	(16,000)
Pricing Strategy Review	(10,000)		
Total estimated additional costs	(69,000)	(99,000)	(99,000)

	£	£	£
Investment Required (Capital)			
Includes 15% fees, overheads, prelims and contingency @ 20%			
Extending the fitness centre into the activity rooms, including building refurbishment and new equipment	(449,000)		
Reconfiguring the Classics Bar and Restaurant into a space suitable for aerobics and other activity	(224,000)		
Refurbishing the entrance and main reception area into a new front of house area to improve the customer journey also featuring a catering outlet, retail opportunities. Converting 2 squash courts and building an extension onto existing forecourt area.	(746,000)		
Technology costs to support new improved Customer Experience including Leisure Management system, website, self-service & access controls as well as queue management systems	(166,000)		
Improvements to external site signage to improve footfall	(10,000)		
Installation of DDA compliant lift		(26,000)	
Total capital investment	(1,595,000)	(26,000)	0

Key opportunities – Summary of changes and benefits to the organisation

The overarching benefit of the 3 key opportunities is that they combine to create and deliver a more efficient and effective flow of activities through the organisation. It is the combined impact of this new configuration and content of activities that will enable us to pursue the business growth and cost reduction needed to deliver our vision.

This is illustrated in the diagram on the next page.

The current service is characterised by limited customer insight and the need to improve the quality of management information; activities do not always join up leading to inconsistencies in staff knowledge and customer service. This makes it particularly challenging for the service to be responsive to changes in demand or changing trends in activities.

There is increasing pressure on the use of space in some areas such as Aactiva, whilst others such as Charter Hall and the Sports Hall are under-occupied. The layout at the front of the Leisure World Colchester building is restrictive; queues are common and frustrating for both customers and staff. Customers also find the layout of the building confusing.

The current separation between sports development and sales and marketing is restricting the commercial success of the service.

The future service is characterised by a much more streamlined approach to the flow of activities and strong links between each of the activities.

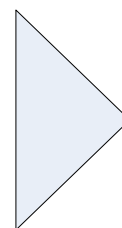
The whole business will be driven by comprehensive insight and management information. Sports development is replaced by Business Development, focusing on both commercial activity and increasing participation.

Multi-skilled staff will have the knowledge and skills to provide an excellent customer service and contribute to sales and marketing activity.

Customers will have a wide range of self-serve options, efficient and easy access to facilities, activities and personalised, timely information.

Future service

My Leisure World Business Development	Business Development	Business Development My Leisure World	Commercial Hub Community Network	My Leisure World
Insight Business/customer	Business development	Sales and marketing	Utilisation and operational management Resourcing Duty management Configuration and use of assets	Self serve Welcome host
<ul style="list-style-type: none"> Reliable and robust management information Use of customer data captured by myleisureworld.com to introduce a robust marketing and reporting tool Analyse, monitor, track and target customer groups with general marketing, offers, promotions, loyalty, Use of rewards and incentives to encourage repeat visits to increase income and participation One customer record 	<ul style="list-style-type: none"> Business development team with focus and skill set to deliver increased participation, identify and develop revenue generation Use of customer trend data to identify and generate new business opportunities Identifying income opportunities to meet demands More focussed sales strategy to generate and convert leads Insight and management information drive business development, activity plans and programming in line with business case objectives Brokerage service for community facilities 	<ul style="list-style-type: none"> Promote and sell new products and services Multi skilled staff – increased flexibility Extend lifestyles membership schemes Integrated marketing activities – eg activa brand at all sites Customer data captured by my leisureworld.com will provide a robust marketing tool Customer profiling and usage trends will enable targeted marketing to increase participation and income Cross selling to other CBC related leisure activities Smarter communication and marketing using range of technologies 	<ul style="list-style-type: none"> Joint use sites Extend lifestyles membership schemes to joint use sites to encourage greater use Implement activa brand and self serve options Reduce number of staff roles and overall staffing levels Reconfigure spaces and use of space to focus on high volume participation and generate enough profit to cover costs Extend Activa fitness centre Reconfigure and locate catering/coffee offer to ground floor Reduce staffing levels and overall management capacity Use of outside space for sports and leisure activities 	<ul style="list-style-type: none"> Efficient, easy and fast access to facilities and activities Excellent customer service Multi-skilled increasing flexibility Myleisureworld.com gives one point of access for sport, leisure and recreation Account card with personalised access and loyalty rewards Smart card enables fast track entry Self serve online and onsite – online bookings and fast track kiosks Manage and update personal information Access and receive information through a range of technologies Improved access control Promote and sell new products



5. DECISION-MAKING AND IMPLEMENTATION

The decision-making route for this full business case is as follows:

- Scrutiny by Strategic Overview and Scrutiny Panel on 14 February 2012
- Final decision by Cabinet on 14 March 2012.

Implementation

Once this formal decision-making route is complete, the review will move into the implementation phase and the Implementation Plan will be finalised to start from April 2012.

The implementation plan will be phased over a three-year period, but with staffing changes and other efficiency savings commencing in 2012. At this stage it is envisaged that a 90-day consultation period with staff will be required, meaning that staffing changes are unlikely to be implemented until the middle of the 2012/13 financial year.

Aside from staffing changes, the implementation phase will include the development, procurement and implementation of new technology, building works, and the training and cultural change necessary to deliver the customer experience ambitions.

The implementation plan will detail how this will be managed effectively to ensure the benefits to our customers can be delivered and efficiencies and income achieved as soon as possible in the implementation period.

6. RISKS

The following list of risks has been identified at this stage and an initial risk register identifying consequences, controls and probability of risks can be found at Appendix 2.

- time, skills and capability to deliver the change
- alignment of service ICT priorities and costs with those of the wider Council
- dependency on technology to deliver review objectives
- resource availability for planning, and then for implementation
- the effect on performance, income and customer service during transition
- the effect of increased fitness centre competition on achieving income targets
- securing the investment necessary to deliver review objectives
- creating the “customer focus/commercial edge” culture required to deliver review objectives
- impact of economic climate on forecasts for commercial income
- effectiveness of communications with a large dispersed staff group
- potential customer dissatisfaction with service changes and related negative media coverage.

This risk register will be developed to include potential costs and costs of risk reduction as part of the implementation phase.

7. COMMUNICATIONS

Staff have been involved and informed throughout the development of the full business case, with opportunities for them to engage with the review through:

- staff suggestion boxes
- a Facebook page
- posters in staff rooms
- regular staff newsletters
- face-to-face presentations
- meetings and e-mails.

Customers' perceptions and expectations have been researched through the use of various insight tools (see Section 3).

Other services within the Council have been involved at key stages including the workshop sessions and the initial business case.

There are regular consultation meetings with Unison, where all FSRs are discussed and feedback received.

Communication Plans for both internal and external audiences have been developed, and this work will continue throughout the implementation stage. Please see Appendix 3.

Sport and Leisure FSR Full Business Case

Alternative Delivery Options for Local Authority Sport and Leisure Services

Background and context

Since the early 1990s local councils have had options for the outsourcing of sport and leisure services to external organisations.

The overarching vision for the Sport and Leisure FSR is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

It is usual for the externalising of a sport and leisure service to result in an ongoing subsidy payment by the local authority to the external organisation.

These arrangements are usually managed through long term leases, with the local authority retaining the freehold of any premises and land and relinquishing operational management control to a third party. In many cases this means the local authority retains responsibility for certain elements of building maintenance.

What are the different delivery models available?

In recent years a complex array of different models have developed, some with only minor variations to their legal structure and others with more significant changes.

In broad terms, Councils choose to operate their sport and leisure services in one of the 3 sectors:

1. Private Sector – often large, national companies that operate the service on a commercial basis and with a subsidy paid by the local authority.
2. Public Sector – usually district councils operating their own services with a net cost to the council budget.
3. Third Sector – a number of generic terms are given to the organisations operating in this sector, for example Social Enterprises (defined as a business driven by social and/or environmental purpose), Trusts and Non-Profit Distributing Organisations (NPDO). As in the private sector, the local authority pays a subsidy to the third sector organisation. There are now some large organisations in this sector that operate over multiple local authority areas.

The way organisations within these sectors are structured varies; they can be privately owned (companies limited by shares, for example), publicly owned (local authority) or owned by its employees or by the community (mutuals or co-operatives, for example).

Charitable status gives organisations at least 80% relief on their National Non-Domestic Rates bill, and this is one of the main ways that local authorities benefit financially from outsourcing their sport and leisure services. In this scenario, non-charitable trading arms are needed to cover the non-charitable activity (such as food and beverage, events, beauty therapy).

What are other Councils doing?

1. National and Regional Picture

According to a recent Business In Sport and Leisure report, the mix of provision of sport and leisure services nationally is as follows:-

- 63% In-house
- 25% Trust
- 12% Private sector.

There are 47 unitary and district council's in the East of England - according to an Improvement East report in March 2011, the mix of provision in the region is as follows:-

- 28% In-house
- 36% Trust
- 36% Private sector.

2. Local Picture

Braintree and Maldon's sport and leisure facilities are managed by private sector operators. Chelmsford, Tendring and Ipswich operate their services in-house. Chelmsford were pursuing the trust option for its wider leisure services but decided in 2007 not to proceed with this project and remain operating in-house. It is thought that Tendring is again planning to externalise the operation of its sites, having decided in 2004 to cease its search for outside management of its leisure facilities.

Previous Experience of Outsourcing in Colchester

Plans to transfer the whole of sport and leisure services to a newly created non-profit distributing organisation (NPDO) were developed through 2005 and into 2006, but the transfer did not happen. There were a number of reasons for the transfer not happening, which serve to illustrate the issues involved in outsourcing services:

I. Financial Savings for the Council

Savings from transferring the services to a Trust were to be achieved through charitable rate relief (@ 80% of the £300,000+ annual NNDR bill at Leisure World Colchester) and the VAT benefit for operating services as a not-for-profit distributing organisation rather than a Local Authority. However, these savings were partly offset by the additional running costs of the new company leaving a projected annual revenue saving of approximately £130,000.

Furthermore the operation at Leisure World Colchester included a significant proportion of potentially non-charitable activity including, events, catering, beauty therapy and Aqua Springs.

The Council agreed to meet the costs of the new company's tenant responsibilities for building management for the first 3 years of trading, which meant that it only had provisions within its Repairs and Renewals fund to meet the cost of 3 years.

Risks for the new company

There were a number of concerns from the new company's perspective:

- It was not possible to produce a positive cash flow forecast for the new company for the first year of operation
- There was no contingency in their budget
- The company had no reserves or balances
- The newly-created board were not comfortable with arrangements in light of the above and asked the Council to provide some financial guarantees.
- The company agreed reluctantly to the split of responsibilities between landlord and tenant for building management but had no means of meeting the cost of its obligations.

Given those risks, it was possible that the transfer would not deliver any financial advantages, and the Council would lose effective control over the operations.

The cost of outsourcing sport and leisure services could range from £30,000 (for transfer to an existing organisation) to £200,000 for setting up a new company and effecting a transfer to it.

When the decision was made not to proceed with the transfer, the cost of providing the sport and leisure service was approximately £1.1million. The 2011/12 agreed base budget for the service is £804,000, which suggests there could now be less financial benefit to transferring the service. Also, the buildings and plant have aged, which could have a negative effect for the Council on the costs to meet its potential lease responsibilities.

Summary

Decisions to outsource for Councils should be based on clear organisational needs rather than for financial reasons.

Outsourcing can be a good option for Councils whose sport and leisure departments are operating inefficiently or when the overarching policy is one of external provision of services.

A number of local authorities which wanted a quick financial improvement and did not have a strong desire to keep full control of the service by operating in-house are likely to have already transferred their sport and leisure services.

The sport and leisure service in Colchester benchmarks well with other authorities and has reduced its net cost in recent years, from £1.15m in 2008/09. The Sport and Leisure FSR identifies further efficiencies that can be made over the next 3 years if capital investment is agreed.

A sport and leisure service the size and scale of Colchester's lends itself to a mixed economy of delivery, which has been at the heart of the Council's strategy for many years. The Council delivers two Joint Use Sports Centres in partnership with local schools, and has leased premises to local charities so they can deliver services on the Council's behalf (eg leasing Shrub End Sport and Community Centre to Colchester United Community Sports Trust, and Broad Lane Sports Ground to Wivenhoe and District Sporting Facilities Trust).

The FSR Full Business Case identifies a number of opportunities to extend this way of working by contracting with other partners to deliver parts of the existing service.

Sport and Leisure Fundamental Service Review –Risk Register

These risks associated with the FSR as a whole are shown in section 6 of the Full Business Document.

RISK No.	AREA	RISK	CONSEQUENCE	CONTROLS	PROBABILITY
	Resources	The investment necessary to deliver review objectives not secured	Commercial Hub not created and therefore predicted income not generated	Options to prudentially borrow if no capital available	Low
67	Resources	Wider Council ICT priorities and costs not aligned with those necessary to deliver the review objectives. No corporate ICT support to deliver the project. Failure to deliver systems integration and resulting process savings	New technology not implemented effectively	Corporate ICT team engaged at an early stage of the review and fully involved in the implementation planning. ICT Programme Board management of the corporate ICT Programme. Corporate ICT team restructure	Low
	Resources	Reduced investment in repairs and maintenance at LWC leads to more breakdown of plant and equipment	Facilities taken out of action while repairs are completed, resulting in loss of income and customer dissatisfaction	Careful control of priorities for remaining budget	Low
	Resources / change management	Lack of time, skills and capability to plan and deliver the change	Poorly managed implementation of the project would affect ability to deliver the review objectives	Recruitment of service management team Staff training. Involving wider CBC staff in project.	Medium
	Procurement	The technology necessary to deliver review objectives can not be procured as specified and within budget	Improvements such as self-serve and customer accounts can't be delivered, which will limit ability to deliver some efficiencies and to deliver improvements in customer insight	Tender documents being sent to a range of potential contractors. Involvement of corporate ICT and Procurement Hub.	Medium

Appendix 2

	Procurement	Tenders received for building work are over budget	Lack of investment to deliver all of the planned building improvements, which would impact on ability to meet the budget	Contingency sum included in initial estimates Professional input into initial estimates	Medium
	Procurement	Lack of interest from external organisations to the advertising for expressions of interest	Unable to find a suitable alternative contractor to operate services so they remain in-house	Learn lessons from other CBC services experience of expressions of interest process	Low
	Change management	Creating the “customer focus/commercial edge” culture required to deliver review objectives	Income targets not met and so revenue budget not met	Investment in staff training and development. Recruitment of service management team	Medium
68	Change management	Significant customer dissatisfaction with service changes and related negative media coverage	Reduced participation and levels of income Customers don't 'buy-in' to the leisure card	Ongoing communication with customers as part of communications plan. Staff training to enable positive interactions with customers	Medium
	Change management	Service performance is adversely affected by building work and the introduction of new working practices and technology	Reduced ability to operationally manage the service Reduced participation and income, and customer dissatisfaction	Ongoing communication with customers Staff able to discuss changes positively to customers	Low
	Commercial focus	Increased local fitness centre competition in the town that adversely affects income projections	Would make it challenging to achieve the income growth proposed in the business case from expanding the Activa gym	Benchmarking and customer insight work Ensure that the offer, particularly Activa at LWC, remains competitive	Medium

Appendix 2

	Commercial focus	The impact of the wider economic climate has an effect on local people's disposable income	Reduced participation and Income – forecasts not met	Develop customer and business insight Conduct pricing review Ongoing responsiveness to pricing and programming	Low
	Communications	Inability to effectively communicate with the large, dispersed staff group	Impact on staff morale and therefore their ability to deliver excellent customer service	Implement Communications Plan, which includes various methods of communication to meet staff preferences	Medium

Implementation Communications Plan

Throughout the Sport and Leisure FSR process ongoing communications have been taking place with staff. This has included staff suggestion boxes, a Facebook page, posters, a regular staff newsletter, face-to-face presentations/meetings and e-mails.

Moving forwards through the implementation process communication will form a vital part of the Sport and Leisure FSR. Communication activity will be segmented via Internal Communication and External Communication.

Internal Communication Plan

Communications intended for:

- Sport and Leisure staff
- Other Colchester Borough Council staff
- Councillors.

Internal Communication Plan	
Key Message/Objectives	Method
Approval of Full Business Case <i>What happens next?</i> <i>The direction being taken...</i> February 2012	<ul style="list-style-type: none"> • Sport and Leisure staff newsletter • Sport and Leisure Facebook updates • Face-to-face presentations for Sport and Leisure staff • E-mails to Sport and Leisure staff.
Proposed Staffing Changes <i>What the new staff structure means?</i> <i>What you can expect from the process etc...</i> February 2012 and ongoing	<u>In addition</u> to official correspondence from HR... <ul style="list-style-type: none"> • Sport and Leisure staff newsletter • Sport and Leisure Facebook update • E-mails/face-to-face meetings for Sport and Leisure staff.
Year 1 Implementation <i>Key milestones and changes</i> Feb 2012 – Feb 2013	<ul style="list-style-type: none"> • Sport and Leisure staff newsletters • Sport and Leisure Facebook updates • E-mails/face-to-face meetings for Sport and Leisure staff • Information on HUB (staff intranet) • Update in Members' Information Bulletin.

Year 2 Implementation <i>Key milestones and changes</i> Feb 2013 – Feb 2014	<ul style="list-style-type: none"> • Sport and Leisure staff newsletters • Sport and Leisure Facebook updates • E-mails/face-to-face meetings for Sport and Leisure staff • Update in Members' Information Bulletin.
Year 3 Implementation <i>Key milestones and changes</i> Feb 2014 – Feb 2015	<ul style="list-style-type: none"> • Sport and Leisure staff newsletters • Sport and Leisure Facebook updates • E-mails/face-to-face meetings for Sport and Leisure staff • Update in Members' Information Bulletin.

External Communication Plan

Communications intended for:

- Customers of the Sport and Leisure Service
- Non customers of the Sport and Leisure Service
- Partners
- Media.

External Communication Plan	
Key Message/Objectives	Method
Approval of Full Business Case <i>'We're making some changes...'</i> February 2012 and ongoing	<ul style="list-style-type: none"> • Press release to local media • Signage/Posters at each Leisure World site • Story on homepage of Leisure World website.
Year 1 Implementation <i>Key milestones and changes</i> Feb 2012 – Feb 2013	<ul style="list-style-type: none"> • Emails to Leisure World website newsletter subscribers (customers) • Email updates to partners • Press releases (where relevant).
Year 2 Implementation <i>Key milestones and changes</i> Feb 2013 – Feb 2014	<ul style="list-style-type: none"> • Emails to Leisure World website newsletter subscribers (customers) • Email updates to partners • Press releases (where relevant).
Year 3 Implementation <i>Key milestones and changes</i> Feb 2014 – Feb 2015	<ul style="list-style-type: none"> • Emails to Leisure World website newsletter subscribers (customers) • Email updates to partners • Press releases (where relevant).

14 February 2012

Report of	Scrutiny Officer	Author	Robert Judd Tel. 282274
Title	Work Programme 2011-12		
Wards affected	Not applicable		

This report sets out the current 2011-12 Work Programme for the Strategic Overview and Scrutiny Panel

1. Action Required

- 1.1 The Panel is asked to consider and comment the current work programme.

2. Reason for Action

- 2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

3. Update

- 3.1 At the December meeting Members considered the 2012-15 Strategic Plan. At this meeting and on this item, Mr. Nick Chilvers spoke about job creation and apprenticeships for young people and the need for the Panel to undertake a twice yearly overview of local job creation. The Panel agreed to Mr. Judd speaking to officers with a view to undertake this piece of work, possibly at the February meeting.

Mr. Nigel Myers, Enterprise and Tourism Manager, says the Policy Review and Development Panel undertake an annual review of the Economic Development Strategy 2010-15, that this year will be at the June meeting, and where representatives from the independent employment advisors Signpost, Colchester Institute and the Colchester and Essex Business Agency (COLBEA) are invited to attend. All members are welcome to attend this meeting.

4. Outstanding Items for review

- 4.1 There are no outstanding items, though the review of the Street Service FSR Business Case implementation will take place in 2012.

Meeting date / reviews	Portfolio
19 July 2011	Leader & Strategy / Resources and ICT Commerce and Sustainability Street and Waste
1. Budget Strategy, Timetable and MTFF 2. Review of the Arts 3. Trial - doorstep collection of food waste (pre scrutiny)	
30 August 2011	
1. Safer Colchester Partnership (Crime and Disorder Committee)	Housing and Community Safety
11 October 2011 (extra) (The Old Library)	Resources and Heritage
1. Consultation response – Business Rates Reform (Resolution to Cabinet 12-10-11)	
25 October (replaces 20 September 2011)	Housing and Community Safety
Colchester Borough Homes – Fundamental Service Review	
1 November 2011 (meeting cancelled)	Communities and Diversity
1. Sport and Leisure - Fundamental Services Review (to be re-arranged)	
29 November 2011 (extra meeting)	Renaissance
1. An overview of the St Botolph's Regeneration project	
13 December 2011	Leader & Strategy / Resources & Heritage
1. Review of the Budget Strategy 2. 2011-12 6-monthly Performance report 3. Strategic Plan Action Plan 2012-15	
10 January 2012	
1. Public Transport in the Borough	Renaissance / Street and Waste
14 February 2012	Communities and Diversity
1. Sport and Leisure - Fundamental Services Review	
20 March 2012	Leader & Strategy Housing and Community Safety
1. Review of Colchester Community Stadium Limited 2. Local Housing (HRA) Review	

