

CHESHIRE EAST COUNCIL

REPORT TO: Health & Adult Social Care and Communities Overview and Scrutiny Committee

Date of Meeting: 9th November 2017
Report of: Chief Operating Officer
Subject/Title: Everybody Sport & Recreation
Portfolio Holder: Councillor Liz Wardlaw

1.0 Report Summary

- 1.1 This report provides Members of the Committee with the background information on the leisure centre and sports development services transferred from the Council to management of the charitable trust “Everybody Sport & Recreation” (Everybody). It also provides an update on the third year of its operation and performance.

2.0 Recommendation

- 2.1 The Committee is requested to note the progress made by the Trust in its third year of trading as an independent Charitable Trust. It is requested to examine the performance information provided in the Trust’s Annual Report, and suggest ways that members of the committee can work to help ensure that maximum benefits and required outcomes, in particular improved health for the residents of Cheshire East are achieved.

3.0 Reasons for Recommendation

- 3.1 “Everybody” as one of the Council’s Alternative Service Delivery Vehicles (ASDVs) is in line with the Council’s “best fit” approach as it works to establish the most appropriate provider for the delivery of a range of services and “outcomes” for local residents, in particular Outcome Five “People Live Well & For Longer.” It is important to ensure that these are achieved through the ongoing monitoring of the Contract
- 3.2 Responses and comments from Members will further help strengthen and support the monitoring and challenge process

4.0 Other Options Considered

Under the Performance Reporting Framework for the Council’s ASDV’s there is a requirement on Everybody Sport & Recreation to report back to the Council on its Annual Performance Report

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5.0 Background

- 5.1** Members are reminded that in February 2014 Cabinet approved the transfer of the management of a range of services to the new Charitable Trust “Everybody Sport & Recreation”. The new Trust was formally established in March 2014 with a Board of eleven including two Cheshire East Council representatives.
- 5.2** The services and staff formally transferred to the Trust on the 1st May 2014. In addition to the leisure and sports development team the management of the following leisure facilities was also transferred –

Alsager Leisure Centre
Barony Park Sports Complex
Congleton Leisure Centre
Crewe Lifestyle Centre (since April 2016) and Cumberland Arena
Holmes Chapel Leisure Centre
Knutsford Leisure Centre
Macclesfield Leisure Centre
Middlewich Leisure Centre
Nantwich Swimming Pool and Fitness Centre
Poynton Leisure Centre
Sandbach Leisure Centre
Shavington Leisure Centre
Wilmslow Leisure Centre

Over 750 staff transferred under TUPE and in addition to those from the original leisure service also included a small number of “support service” staff from the Council’s finance and human resources teams. The Trust were also provided with the required accommodation, plant and equipment to continue to operate.

- 5.3** The Leisure Operating Agreement between the Council and the Trust contains a range of elements to ensure that the Trust provides the services required by the Council. These are set out in a Service Specification which helps form the basis by which the Council monitors that the Trust is delivering on the outcomes expected by the Council.
- 5.4** The commissioning and monitoring of these services is undertaken by the Strategic Commissioning team who receive quarterly reports on the Trust’s progress against contractual performance indicators and a general overview of the contract’s performance.
- 5.5** Whilst Everybody Leisure is required as part of the Leisure Operating Agreement to present an Annual Performance Report to the Council on its operations for the financial year, Appendix 1, it is also required to report on a number of quarterly performance indicators as part of the Council’s Performance Management Framework - in particular on increasing active participation at leisure facilities, delivery of “Bikeability” and on the development of volunteering. Those for the third year of operation are attached at Appendix 2.

- 5.6 In order to allow Members the chance to ask questions on the performance of both the Trust and its progress in delivering on the “One You Cheshire East” contract, Peter Hartwell as Chief Executive Officer of the Trust will be in attendance at the meeting.

6.0 Wards Affected & Local Ward Members

- 6.1 Everybody Sport and Recreation provides a service across the whole of Cheshire East Borough

7.0 Implications of the Recommendation

7.1 Policy Implications including Health and Wellbeing

The establishment of the Trust was in line with Council's drive to become a “Commissioning Council” and as set out in 3.1 above the Trust is expected to be a significant contributor to the Council's “Outcome Five” in support of improving the health of local residents as set out in the Council's Corporate Plan. The Trust's Annual Report 2016/17 evidences this in more detail.

In addition Public Health has commissioned ESAR to deliver services as part of its integrated lifestyle programme ‘One You Cheshire East’. These cover; healthy eating, weight management, physical activity and falls prevention services. These aim to address lifestyle related issues within the local community such as obesity and physical inactivity using an approach based on national recommendations, thereby improving the long-term health of the local population. Residents must meet screening criteria such as BMI in order to be eligible. One You Cheshire East was formally launched to the public in March 2017.

Formal contract management for these services occurs on a quarterly basis via a face to face meeting. This is conducted by review of outcomes, which are evidenced through supporting material such as key indicators (such as number of residents completing a programme). See Appendix 3 for a list of these outcomes and indicators.

7.2 Legal implications

- 7.2.1 ESAR currently operates a contract of ten years in length which can be extended for a further five years subject to agreement by both parties. The contract commenced on 1st May 2014 and includes a range of leisure centre leases that also run co-terminus with this timescale.

7.3 Financial Implications

- 7.3.1 The Trust receives a Management Fee for the delivery of service to be renegotiated annually with the Council. In addition the Trust also “buys back” a range of services including ICT services. The latter was to ensure a smooth transition into the new way of working. In the current financial year the Trust has transferred over to using its own HR and payroll system. Whilst the Council has transferred the majority of the

leisure centre sites to the trust via way of a lease the responsibility for the buildings remains with the Council as corporate landlord. This at present includes the provision of elements such as repairs and maintenance, capital improvements and energy provision.

- 7.3.2 Whilst the Trust is a fully independent organisation it is required by the Charities Commission to submit a full set of accounts as recently presented to Cabinet on the 10th October as part of the company's Annual Report. As a company limited by guarantee, under this status the Trust is a "not for profit" organisation and has to reinvest any surpluses into services and facilities.
- 7.3.3 The annual Management Fee takes into account a number of elements including the success of the previous financial year and the commissioning requirements of the Council for the forthcoming year. Whilst the Leisure Operating Agreement has a default of a 3% reduction in the management fee year on year, the management fee for 2017/18 is £1.845m which represents a reduction of 10% on 2016/17 offered by the Trust.

8.0 Access to Information

Appendix 1 - Everybody Sport & Recreation – Performance Report 2016/17
Appendix 2 - ESAR Performance Indicators - Annual Monitoring Report 2016/17
Appendix 3 – Outcomes Monitored as part of the One You Cheshire East Service

9.0 Contact information

The background papers relating to this report can be inspected by contacting the report writer:

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