

CHESHIRE EAST COUNCIL

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

Date of Meeting: 6th November 2014
Report of: Executive Director of Strategic Commissioning
Subject/Title: Everybody Sport & Recreation - The First Six Months
Portfolio Holder: Councillor Janet Clowes

1.0 Report Summary

- 1.1 This report provides Members of the Committee with the background information on the transfer of the leisure centre and sports development services to the newly established charitable trust "Everybody Sport & Recreation" (ESAR). It also provides an update on the first six months operation and performance of the Trust.

2.0 Recommendation

- 2.1 The Committee is requested to note the progress made by the Trust in the first six months of trading as an independent charitable trust, examine the performance information provided and submit comments to help in future monitoring of the contract to ensure that maximum benefits and required outcomes for the residents of Cheshire East. are achieved

3.0 Reasons for Recommendation

- 3.1 As the Council moves towards being a "Commissioning Council" ESAR as one of the Council's new Alternative Service Delivery Vehicles (ASDVs) is key to the delivery of a range of services and "outcomes" for local residents, in particular Outcome 5 "People Live Well & For Longer" and 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 this monitoring and challenge process

4.0 Wards Affected

- 4.1 N/A

5.0 Local Ward Members

- 5.1 N/A

6.0 Policy Implications including - Climate Change - Health

- 6.1 As set out in 3.1 above the Trust is expected to be a significant contributor to the Council's Outcome 5 in support of improving the health of local residents as set out in the Council's Three Year Plan.
- 6.2 The establishment of the Trust is in line with Council's drive to become a "Commissioning Council"

7.0 Financial Implications

- 7.1 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 from CoSocius including ICT services, Oracle and payroll support. The latter was to ensure a smooth transition into the new way of working and continuity of service to users. The Trust will consider in future years if it wishes to continue to buy these services from the company as it does at present or seek an alternative provider. 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.
- 7.2 Whilst the Trust is a fully independent organisation it is required by the Charities Commission to submit a full set of accounts which will also be reported to the Council 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 The annual management fee when negotiated will take 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.

8.0 Legal implications (authorised by the Borough Solicitor)

- 8.1 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.

9.0 Background

- 9.1 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. The Trust is part of the Council's wider drive to become a "Commissioning Council".

- 9.2 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 Swimming Pool & Fitness Centre
Holmes Chapel Leisure Centre
Knutsford 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
Sir William Stanier Leisure Centre
Victoria Community Centre – Oakley and Cumberland Arena Crewe
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..

- 9.3 The Contract 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 Schedule, Appendix 1. The Contract also has a Schedule of Payment and Performance Monitoring and an extract is set out in Appendix 2. Both these documents help form the basis by which the Council monitors that the Trust is delivering on the outcomes expected by the Council as part of its Resident First approach.

The commissioning and monitoring of these services is undertaken by the Strategic Commissioning team headed by the Executive Director of Strategic Commissioning who receives quarterly reports on the Trust’s progress against contractual performance indicators and a general financial overview of the contracts performance.

- 9.4 As a major project the creation of the new ASDV and transfer of services was undertaken and monitored as part of Council’s formal project management framework. The project was signed off on 16th June 2014 with an “End of Project Report” to the Executive Monitoring Board. In order to ensure that the Council achieves the benefits in the future of the decision to move the services to a trust part of the report included a focus on “Benefits Realisation”. This is attached Appendix 3.

- 9.5 One of the first key tasks for ESAR was the development of its “Business Plan” to determine its long term vision, strategic vision and aims. This has recently been approved and published by the Trust and is attached at Appendix 4.
- 9.6 Whilst EASR is required as part of the Contract to produce an Annual Report to the Council on its operations for the financial year, 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 active participation at leisure facilities and on develop of volunteering. These are attached (Appendix 5)
- 9.7 As part of the monitoring of the Contract, regular meetings are held with ESAR to review progress particularly during these early few months of the new company. In order to help Members see how the Trust is starting to develop and improve the service for local users a half year briefing has been provided, Appendix 6. Peter Hartwell as CEO of the Trust will be in attendance at the meeting to answer any questions in relation to progress being made from the Trust’s perspective

Appendices –

Appendix 1 – Schedule of Service Specification
Appendix 2 – Extract of Schedule of Payment and Performance Monitoring
Appendix 3 – End of Project Benefits Realisation
Appendix 4 – ESAR Business Plan 2014/17 Everybody, providing “Leisure for Life”
Appendix 5 – Half Year Performance Reporting
Appendix 6 -- Half Year update from the Trust on progress being made

10. Access to Information

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

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