

Minutes of a Meeting held at Riverside, Lowestoft  
on **Thursday, 7 January 2016 at 6.00 pm**

Members of the Overview & Scrutiny Committee

Councillors S Barker (Chairman), A Cackett, G Catchpole, J Ceresa, G Elliott, T Gandy, L Gooch, P Light, S Logan, T Reynolds, C Topping and S Woods

Cabinet Member present

Councillor S Ardley, Cabinet Member for Operational Partnerships and Lowestoft Rising

Other Members present

Councillor F Mortimer (as the Council's representative on the Play Partnership)  
Councillor J Murray (as the Council's representative on the Sentinel Leisure Trust Governance Board)  
Councillor N Webb (as the Council's representative on the Sentinel Leisure Trust)

Sentinel Leisure Trust

Stuart Everett, Managing Director  
Chris Ames, Head of Business Development

Infinite Management Solutions

David Gallagher, Director

Waveney District Council officers present

R Alexander (Service Manager, Strategic Partnerships), A Jarvis (Strategic Director) and A Stapleton (Democratic Services Officer)

**1 APOLOGIES FOR ABSENCE / SUBSTITUTES**

Apologies for absence were received from Councillors N Brooks and M Parsons. Councillor S Woods attended as a substitute for Councillor M Parsons.

**2 DECLARATIONS OF INTEREST**

No declarations of interest were made.

**3 MINUTES**

**RESOLVED**

That the Minutes of the Overview & Scrutiny Committee meeting held on 3 December 2015 be approved as a correct record and signed by the Chairman.

Following approval of the minutes, a Member sought clarification on the "Customer Service Centre" mentioned under the Waveney Norse Annual Report as being the most efficient way to contact Waveney Norse on individual issues. It was clarified that this referred to the Council's Customer Service Centre currently based at St Margaret's House, Lowestoft, and soon to return to the Marina Centre, Lowestoft.

**4 ANNOUNCEMENTS FROM THE CHAIRMAN, RESPONSES OF THE CABINET TO ANY REPORT OF THE COMMITTEE OR REPORTS OF ANY DISCUSSIONS WITH THE CABINET**

The Chairman reminded Members that she had received a further response from Councillor James Finch, Suffolk County Council Cabinet Member for Highways and Transport, saying that he had contacted the Leaders of Waveney and Suffolk Coastal District Councils concerning discussion of the transfer of the responsibility for on street parking and Civil Parking Enforcement to the District Councils. The Chairman advised that at the 9 December 2015 meeting of Cabinet, Councillor Law, Leader of the Council, had advised her that the two Leaders were now in negotiation with Councillor Finch on this issue. The Chairman would continue to update the Committee on the outcome of any discussions.

**5 ANNUAL PARTNERSHIP REPORT ON SENTINEL LEISURE TRUST**

The Chairman welcomed to the meeting Stuart Everett, Managing Director, and Chris Ames, Head of Business Development, from Sentinel Leisure Trust, and David Gallagher, Director of Infinite Management Solutions (IMS), a consultancy company launched by SLT in September 2015.

The Cabinet Member for Operational Partnerships & Lowestoft Rising presented the annual report on the performance of Sentinel Leisure Trust, which operated the leisure services on behalf of the Council. The Trust commenced operation on 1 April 2011, and was now trading in its fifth financial period. The Cabinet Member advised that Sentinel was a charitable not-for-profit organisation, with all profits re-distributed locally, and reminded Members of the leisure services operated by the Trust on behalf of the Council.

Mr Everett took Members through the financial performance of the Trust, the most significant issue being a change in the Trust's funding position, from a £256k annual grant paid from the Council to Sentinel in 2013/14, to a £505k annual payment from Sentinel to the Council in 2014/15, resulting in the Trust recording a loss of £140k in 2014/15. However, a £63k profit was currently forecast for 2015/16, with the Trust's turnover increasing by £387k, and operational expenditure reduced by £157k. It was acknowledged that the Trust needed to continue to expand and diversify to maintain the funding position and the service provided.

Recent successes of the Trust included a successful tender for Great Yarmouth Borough Council's (GYBC's) leisure services, private acquisition of a health and fitness facility in Oulton Broad, launch of a consultancy company, and a successful tender to operate the new Halesworth Campus facility. All current and future profits from these independent private business growth opportunities would assist the reduction of the WDC management fee, and/or be invested locally. The GYBC and WDC contracts were separate ring-fenced accounts.

Mr Ames outlined some key achievements of the Trust in the area of health improvement, including a GP referral scheme, cardio and pulmonary rehabilitation, and partnership with East Coast Community Health (ECCH). These schemes had seen over 2,000 attendances. Other key achievements included over 1,000 hours of voluntary work, support of the Christmas Day swim, support of many local events, securing of £322k of funding from Sport England to deliver a health improvement project over the next three years, the Free Access to National Sportspeople (FANS) scheme, which supported numerous local sportspeople, and the Changing Lives Scheme which supported 15 people locally.

The Trust had launched a new community college at Barnard's Soccer Centre in partnership with ADE, which currently involved 75 young people in vocational and educational programmes, and had invested in 9 modern apprentices across its leisure sites.

Focusing on key achievements, Mr Everett advised that the Trust had launched a consultancy company, IMS (Infinite Management Solutions), in September 2015, which had

already won a number of successful contracts nation-wide. Whilst the vision was to keep a local focus, the company would help other local authorities to set up their own charitable trusts on the Sentinel model.

The private acquisition of Broadlands Health and Fitness was the Trust's first private expansion, and offered a growth opportunity in health and fitness income. It had the potential to achieve profits of £120,000, and also supported the Trust's offer of 5 sites for one membership fee, as well as improving access to fitness facilities in south Lowestoft.

Appendix A to the report set out the Key Performance Indicators for the Trust.

Issues raised and questions asked following the presentation were as follows:

- The recruitment of the Director of IMS formerly from the Council's own staff had enabled the extensive skills, knowledge and expertise of that officer to be retained locally.
- A Member asked about the financial risk of the Trust's external enterprises and was advised that each was an independent contract in its own right, separate from the Waveney contract (which was a strong contract with significant governance and contractual clauses to allow early intervention on any problems), and was risk evaluated. In the unlikely event of a loss within the private enterprises, that loss would be met from Sentinel reserves, not by the Council. Additionally, indemnity insurance was in place for each contract. However, the risk of diversifying and expanding the service was far less than the risk of not doing so, which could lead to reduced services and under-investment, with competitors taking up any opportunities and working in competition with the Trust.
- There were two key benefits to Waveney of the Trust's partnership with GYBC. The first was similar to its partnership with SCDC, whereby costs were reduced over both Partnerships through a shared Head Office resource. The second benefit was in being able to offer membership of multiple sites, making Sentinel's offer very competitive. The Trust had first become involved with GYBC when it was approached by the Borough Council to undertake its operations on an emergency basis. There was no risk to Waveney as a result of this partnership.
- A Member asked about the structure of the Trust. SLT was a charity and a limited company, which increased its transparency in that it had to be registered with Companies House and the Charity Commission. As a charity, it was contracted to deliver charitable activity. In order to be able to deliver non-charitable activity, it had set up Sentinel Enterprises Ltd (SEL). This commercial arm was owned by SLT and used to deliver services which were not charitable, such as beach huts and moorings/marinas. Members requested some further information outside of the meeting separating out the activities covered by SLT, and those covered by its trading subsidiary, SEL.
- The same Member advised that he had requested figures on the cost of operating Beccles Quay but had been told these were confidential to SEL. Officers advised that the company's accounts were sent to the Council's finance team monthly, and the Beccles Quay figures formed part of these.
- Another Member asked about previously considered sports provision development in Beccles and the partnership with Pulse Fitness, and was advised that this was a partnership with WDC, not with Sentinel, but that Sentinel had recently offered free advice to support the project, as it was an aim of Sentinel to bring added value to the market towns.
- For clarification, officers advised that SLT was a non-profit distributing organisation, which meant that profits were not given to shareholders, but distributed locally. It qualified as a charity through its health and wellbeing status and its aims to enhance

leisure facilities in local communities, and to improve health and wellbeing such as through the Changing Lives Scheme.

- A Member asked how people were referred to schemes such as FAN, Changing Lives etc mentioned in the presentation, and was advised that this was through a number of avenues such as GP referrals, ECCH, health professionals in the community such as district nurses and midwives, and the governing bodies of sports and other local clubs. Councillor Mortimer added that, as Chairman of a local disability group and governor of a Pupil Referral Unit, he had seen SLT provide opportunities for a number of young people with additional needs.
- A Member asked about the Community College set up by SLT and was advised that there were few options for young people in the District between the ages of 16-18. Working with Norwich City College SLT had set up an advanced educational programme which included work experience. 75 young people so far had benefited from paid workplace opportunities over all SLT sites. This was an important innovation, and numbers were expected to increase significantly. SLT was also partnered with Lowestoft Town Football Club's under-18s academy, with 20 young people training at Barnards Centre Point.
- The £322k grant from Sport England was not a fund for distribution, but rather a National Lottery funded scheme aimed at increasing activity levels in particular groups, in this case for young mothers and older people 50+. The money was required to be delivered in wards of high deprivation in the area of physical activity, ie wards with low levels of physical activity. 15 local authority areas had received the funding, which Sport England had announced nationally in December 2015, and which the Trust would be able to publicise in February 2016. The Trust would work with clubs and community groups in the wards identified in order to best use the funds.
- The Broadlands acquisition was a partnership with the landowner of a site in the area, and as a charitable activity there were no upfront capital costs, but rather a lease dependent on performance and distribution of profits. SLT would run the site as a health and fitness site with pool, open to the public, and benefiting the local area.
- Turning to Appendix A to the report, which contained performance indicators for the Trust, it was explained that the targets shown were the 2013/14 actual performance, and the actuals shown were the actual figures for 2014/15. There was a lot of data and detail behind each figure, and these were discussed monthly with the Council through the governance. For example, usage levels were shown to have dropped, but one reason for this was that the gates into the Waterlane facility had not been working recently, meaning members were entering through the open exit gate rather than swiping in and thus not registering as an entry. Where there were no obvious reasons for a drop in performance of any indicator, the Trust was required to provide a risk reduction plan and put in place mitigating actions to increase performance. Explanations were also required to be given at the quarterly Board meetings. Another example given was the drop in net gain of members. This was due to an open weekend in April 2014 with special gym membership offers, however the financial position had been such in April 2015 that it was not necessary to make special offers, thus showing a lower net gain of members but these were not needed due to the financial position. The key indicator to look at was the average yield per member, which for 2014 was c. £28 but for 2015 c. £30.
- There had been a long waiting list for swimming lessons, and the Trust had engaged with users and clubs and now offered more lessons during quiet public swimming sessions. Pool space was also hired from Ashley Downs school, and the Oulton Broad facility would enable a further 250 childrens' swimming lesson places to be offered.
- A national company had been engaged to undertake independent "mystery shopper" visits and grade the service on a number of areas including customer service, cleanliness, ease of making bookings etc, and the results were used to train and

develop staff and increase performance. This was a relatively new scheme, but in future percentage scores would be recorded in the performance indicators.

- As part of the recovery process when Sentinel first took over the Council's leisure services, a whole company restructure had taken place, and at that point salary costs were 70% of turnover. All regular full and part time staff were moved to contracted terms and conditions. Zero hours contracts were used only in terms of casual contracts, such as students and seasonal workers. A number of zero hours contracts had been inherited with the Great Yarmouth contract, and all those positions were now also on contracted terms and conditions.
- All ongoing employment issues and liabilities inherited from Waveney by Sentinel had been completed and there were currently no outstanding challenges or concerns, although with 256 members of staff it would be unusual not to see some disciplinary issues arise.
- Moving towards the statutory National Minimum Wage would have a significant financial effect on the Trust, and whilst the contract with Waveney stated that any change in legislation was a Waveney risk, the Trust would forward plan the risk and take it into account in future budgeting. This change was another reason for the need to expand and develop to increase income.
- A Member asked whether the figures for the Beccles and Lowestoft yacht stations could be separated out, and this information would be provided outside of the meeting. Figures for moorings were included within the yacht station figures.
- Mutford Lock had been out of action for some time following the December 2013 tidal surge and flooding, and this had resulted in a loss of trade, including from Europe. The quay heading along the river at Beccles had also been out of action. Responsibility for Mutford Lock lay with the Broads Authority, and the Trust was confident that the Authority was doing all it could to resolve the situation, and had already spent thousands of pounds in the quest for a solution.
- The number of maintenance events recorded had increased, partly due to more services coming on board, and partly due to improve logging of such events.
- The number of website hits had increased following investment in a facility based website, with branding on a site by site basis rather than under the heading of SLT. It was also now possible to make bookings and payments online, which meant that people were using the website for more than just information. Court bookings for the sports hall had increased following the introduction of online booking.
- A Member asked whether the Trust had any plans to introduce initiatives into local care settings, and was advised that, through its partnership with ECCH, activities were planned such as falls prevention, chair based exercise, weight management and smoking cessation, as part of the Sport England focus on people aged 70+.
- Concessionary service users were broken down into three categories: disabled people, students and older people, and people in receipt of benefits approved by the Department for Work and Pensions.
- The concessions at Waterlane Leisure Centre were performing well, with improved food choice at the café, and a two week waiting list for treatments at the day spa.

Following the debate the Chairman thanked the officers and Members involved with the Trust for their attendance at the meeting, and for their presentation of a very thorough report.

## **RESOLVED**

That the annual report of Sentinel Leisure Trust be received.

NB: Councillors S Ardley, F Mortimer, J Murray and N Webb left the meeting at this point in the proceedings, at 7.52pm.

## **6 CURRENT POSITION OF THE WORK PROGRAMME**

The Chairman reminded Members that at the Committee's meeting on 10 September 2015 Members had expressed concern at the length of recent Committee agendas. The Chairman had therefore asked that the current position of the Committee's work programme be provided at each meeting, in order for it to be continually reviewed by the Committee.

The current position of the work programme was set out at Appendix A of the report for Members' review. The report also discussed arrangements for setting the Committee's 2016/17 work programme.

The Chairman advised Members that the further report on the implementation of the recommendations within the Flood Recovery Report, which was currently scheduled for the Committee's 11 February 2016 meeting, would be deferred until 13 April 2016 in order for all relevant information to be gathered.

The Democratic Services Officer was asked to summarise plans for the setting of the 2016/17 work programme, and advised that, as explained in the report, with the referrals from Full Council almost being completed there would be space on the forward work programme to include reviews suggested by Members of the Committee. The Chairman and Vice Chairman would complete some scrutiny scoping forms in February 2016, and would also meet with the Head of Legal and Democratic Services to discuss the resources available in the organisation to lead scrutiny reviews. These forms would provide a guide for the completion of further forms by Committee Members, and all suggestions for scrutiny would be analysed using a tool such as PICK analysis in order to rank the reviews on areas such as their potential to make positive impacts, not create duplication, be appropriate to the organisation and its resources, be in the public interest etc. Two reviews likely to be put forward by the Chairman were scrutiny of safeguarding children systems, and a review of the impact of introduction of charging for green waste collection. Members were asked to give some early thought to issues they felt would be appropriate for scrutiny.

NB: Councillor G Elliott left the meeting at this point in the proceedings, at 7.58pm.

In response to a question the Chairman advised that an initial scoping workshop for the Parishing Lowestoft review had taken place in October 2015, and that a further meeting of the Task and Finish Group was due to take place on 19 January 2016.

A Member asked for clarification of the purpose of the half-hour question setting meetings which had been introduced by the Chairman immediately prior to each meeting of the Committee, and the Chairman advised that these were to explore areas of questioning of each agenda item prior to the meeting, in order to draw out areas of concern and avoid duplication of questioning, which was more effective if co-ordinated. The Member was concerned that he had seen officers in the meeting room at 5.40pm, but the Chairman explained that this was because the Chairman's briefing, which took place prior to the question setting meeting, had over-run, but that officers were not present during the question setting meetings. The Chairman's briefing with officers was used for clarification of technical elements of reports, and to identify areas of reports which the Chairman would like explained in more detail at the meeting, but not to ask questions in advance of the meeting. These meetings were standard practice across most councils, and the Vice Chairman advised that they also took place prior to meetings of the Police Authority.

The Chairman encouraged all Committee Members to attend the question-setting meetings, as currently only two or three Members attended.

### **RESOLVED**

That the current position of the Overview & Scrutiny Committee's work programme for 2015/16, as set out in Appendix A to Report REP1328, be noted.

The meeting was concluded at 8.10pm

Chairman