

Committee: COMMUNITY AND HOUSING COMMITTEE

Agenda Item

Date: 17 MARCH 2010

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Title: LORD BUTLER FITNESS & LEISURE
CENTRE – DISCOUNT PACKAGE

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Summary

- 1 The purpose of this report is to provide members with an update on the discount package provided for customers of the Lord Butler Fitness & Leisure Centre during the closure of the swimming pool.

Recommendations

- 2 Members note the report.

Background Papers

- 3 Minutes of PFI Liaison Meetings

Impact

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Communication/Consultation	Press Releases and Customer Forum Meetings
Community Safety	None
Equalities	None
Finance	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	All Saffron Walden Wards
Workforce/Workplace	None

Situation

5. On the 17 August 2009 the swimming pool at the Lord Butler Fitness & Leisure Centre was closed due to the fact that it was losing water.
6. Investigations revealed a cracked pipe under the poolside and subsidence in the medium supporting the pipes buried along pool-side. Quotations were sought from specialist companies to undertake the repair work required and negotiations commenced with the Insurers to establish the level of financial cover relating to this type of work.
7. The repairs were undertaken and the pool was refilled at a much slower rate than normally recommended. However, unfortunately the pool tank still suffered from thermal shock and the tiles along the expansion joints lifted. Further investigation revealed that the expansion joints needed to be replaced due to the age of the facility. This was extremely disappointing news for all parties involved and resulted in a much larger scale of work required with the pool being closed over a longer timescale than previously envisaged.
8. The plan of action was then to have all of the tiles in the pool tap tested and companies were secured to undertake the replacement of the expansion joints and the re-tiling.
9. Leisure Connection Ltd., the Operator, issued press releases in October 2009 and February 2010 to explain the situation to customers and ensure that they were aware they would be able to use the Great Dunmow Leisure Centre pool. A regular Customer Forum was held on 16 February, about half a dozen members attended. One representative was from a swimming club and expressed the view that the loss of the pool had been detrimental to the club and it was hoped that it would re-open very soon. The remaining representatives were class attendees and made various minor comments about the types of classes required and timings etc.
10. Leisure Connection Ltd. has received 84 complaints about the pool closure since 17 August 2009.
11. With regard to a discount package, the Company stated that it would suspend all of the Pure Water (swimming only) memberships and apply a 10% discount to the other Active memberships. Additionally, some of the Active members were identified as using the pool very regularly and a greater discount was negotiated with them. The balance that the Company needs to strike is to provide an appropriate level of discount to satisfy the customers whilst ensuring that it continues to be profitable. (For information, under the PFI agreement there is the requirement for the Council to participate in a small amount of profit share once a certain level of profit is achieved by Leisure Connection Ltd.)

12. At that stage it was not clear how long the repair work would take so the Company did not indicate the length of time that the discounts would be applied for.
13. The current situation is that the repair work is nearing completion and it is still anticipated that the pool will be re-opening in mid March. On that basis, Leisure Connection Ltd. has confirmed that the Pure Water memberships will be suspended and a 10% discount will be applied, retrospectively, to all Active memberships from September 2009.
14. On the 21 January representatives from Leisure Connection Ltd., and Linteum Uttlesford Ltd., met with some of the Members of this Committee to discuss the situation regarding the pool and the discount package. Members took the view that the general discount of 10% was insufficient. However, it is recognised that the Company has lost a considerable amount of income due to the pool closure and that not all of the Active memberships use the pool or only use it occasionally.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
If the pool does not re-open as anticipated in Mid March there will be additional impact on the Customers, Company and the Council.	3	3	All parties are working closely to ensure that the pool re-opens in mid March.
If the Customers do not receive a discount for the inconvenience of the loss of the pool then they might be unwilling to return to the Centre when it re-opens.	3	3	Leisure Connection Ltd., needs to ensure that an appropriate level of discount is offered to Customers. However, the Company needs to remain viable.

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.