

## **Project Documentation**

# **POST PROJECT EVALUATION DOCUMENT (PPE)**

## **Leisure Management Project**

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<b>Date:</b>	14/07/2017
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Note: the completion of this document is only required for medium and large projects as defined by the project type matrix. The final version should be saved in a sub folder on the x drive under project management / project documentation.

**Document History**

Revision Date	Version	Summary of Changes	Reviewer(s)
13/07/17	1	Initial comments	Jane Hotchkiss

**Consideration by the Corporate Improvement Team**

Date	Reviewing Officer	Comments for Consideration
dd/mm/yy		

**Approvals**

This document requires the following approvals:

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**1. PURPOSE OF DOCUMENT**

This document provides a review of how the Leisure Management project performed against the original intentions set out in the Project Initiation Document (PID).

It allows lessons learned to be passed on to other projects and ensures that provisions have been made to address all open issues and risks alongside follow on actions and recommendations where appropriate.

It also provides the opportunity to assess any expected outcomes that have already been achieved and/or provide a review plan for those outcomes yet to be realised.

## **2. ORIGINAL PROJECT DESCRIPTION**

The procurement of Leisure Management Services for the Council's Sport and Leisure Services

## **3. PROJECT OBJECTIVES**

The objectives of the project were to investigate, analyse and advise on the options available to the Council in relation to the management and operation of the sport and leisure services whilst providing revenue savings and transfer of risk. The options appraisal confirmed that transferring the services to an external partner was the recommended option to meet the Council's objectives. Following the appraisal and procurement strategy was developed and the Council tested the market for outsourcing its leisure services.

The objectives were fully achieved through outsourcing the services to a national leisure management contractor. It has been calculated that an average saving of £1 million per annum be achieved over the 10 year contract.

### **3.1 Outputs**

The output for this project was the procurement of a management contract for the Council's sport and leisure services. This was achieved after a tender process which resulted in the appointment of Sport and Leisure Management Limited (trading as Everyone Active) for a period of 10 years with the option to extend for a further 5 years with a contract commencement date of 1 May 2016.

### **3.2 Outcomes**

The key driver for the project was to identify a long term sustainable solution for the future of the leisure facilities by transferring risk and improving the revenue position of the service. The original financial saving target identified in the Project Initiation Document (PID) was £460,000 per annum. This was achieved and exceeded by securing a 10 year contract achieving an annual average revenue saving of £1.4m. There was also expected to be some further revenue savings of circa £138k per annum from support service costs. This figure however has not been achieved and is being addressed as part of the review of the support services following the outcome of the shared services work.

Some of the risks of the service were transferred to the contractor including some of the tenant repairs and maintenance responsibilities and utility costs therefore reducing the risk for the Council for the period of the contract. All 259 staff employed in sports development and the leisure centres transferred to the contractor on 1 May 2016.

To ensure that there was no reduction in service as a result of the service transfer, a service specification was developed and a number of performance indicators developed to assist with monitoring the performance of the contract.

#### 4. PROJECT COSTS

The costs of the delivering the project was anticipated to be £110,800. There were some additional costs that had not been anticipated and these were £9,000 for building condition surveys, VAT advice costing £3,250 and pensions advice/ actuary reports for TUPE Transfer of staff at £10,000. In addition there were costs for the legal consultants due to asking for further advice and support for the preparation of Commercial Property Standard Enquiries which are documents required for commercial property transactions including where a lease of a property is being granted, lending capital funds to the leisure contractor.

The final costs for the project totalled £143,581, an overspend of £32,781.

#### 5. PROJECT PLAN

Project Stage	Scheduled Completion Date	Actual Completion Date	Comments
Options Appraisal	August 2014	August 2014	The Options Appraisal was completed in August but did not go to Cabinet until September as there was no Cabinet meeting in August.
Leisure Procurement	December 2015	January 2016	The majority of the work was completed by the end of December but we required some further clarification information from Contractors prior to the report going to Cabinet. Due to the Christmas period, this information was not available until early January and therefore it was agreed that a special Cabinet and Full Council were held at the end of January to receive the reports.
Cabinet and Council Approval	January 2016	January 2016	A special Cabinet and Full Council were held at the end of January to receive the reports.
Contract Commencement	April 2016	May 2016	Due to Cabinet and Council approval not being agreed until the end of January, this did

			not leave very long for mobilisation. It was agreed that it would be better to start the contract on 1 <sup>st</sup> May.
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## 6. PROJECT MANAGEMENT PROCESS

This was a very complex project which involved working with many partners to enable to smooth transfer of services.

An internal officer's working group consisting of Leisure, Estates, Finance, Building Services, Public Relations and Personnel, and a Members Task and Finish Group were established to assist with the project. Due to the elections, the Task and Finish Group representatives changed part way through the project. Originally there was a representative from the Overview and Scrutiny Committee on the group but after the elections this ceased to be the case and therefore the project progress was not fed back to OSC. This has since been rectified with the appointment of Cllr Cullen and then subsequently Cllr Potter.

Work was completed at an early stage with the pension actuary however close to the completion of the project it was identified that the staff would not be transferring to a single company but to three separate companies which resulted in the actuaries having to start the pension calculations again to allow for the split of staff between the three companies.

Issues regarding transfer of the lease for Bourne Community College from WSCC to Bourne Academy complicated the issue of approvals for the issue of a lease and sub lease to the contractor. This was resolved by confirmation from WSCC and Bourne Academy to acknowledge the contractor appointment and the intention to resolve lease.

## 7. FURTHER ACTION

Continue to monitor the performance of the contract to ensure SLM are continuing to deliver the services as identified in the Contract.

## 8. REVIEW PLAN

In the PID the sum of c£138,000 was identified as support services savings from the outsourcing of the leisure management contract. Due to progress of the Shared Services Agenda, the full amount of support cost savings from this project have not been realised and it was agreed that these would be picked up as part of the wider Shared Services agenda. It was agreed that the shared services project would not proceed so internally, further reviews of support services are being undertaken.