

HERTSMERE LEISURE CONTRACT REVIEW

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Executive Summary:

To provide the Audit Committee with the Internal Audit report commissioned by the Committee at its June 2017 meeting re: Hertsmere Leisure contract relating to the three sites at Tattenhoe, Westcroft and Furzton.

1. Recommendation(s)

- 1.1 That the report be noted.

2. Issues

- 2.1 The full report is annexed.
- 2.2 **Appendix A** to the Internal Audit report is the full Leisure consultant's report (circulated as a separate document).
- 2.3 **Appendix B** provides the full, unedited comments from Shenley Brooke End Parish Council including and on behalf of relevant ward councillors.
- 2.4 **Appendix C** provides the full, unedited comments from Hertsmere Leisure Trust.
- 2.5 The Director of Place (as lead for the Client service) will attend the Committee meeting on 28 November 2017 to provide the management response to this report (and also provide an update on the fire escape issue).

3. Options

- 3.1 In order to address the Committee's resolutions, a detailed audit has been completed to cover the following issues:
- Document contract terms and management arrangements;
 - Assess the performance of Hertsmere Leisure Trust;
 - Review contract management arrangements;
 - Review complaints management and resolution processes, including the reconciliation of issues highlighted by users / stakeholders;
 - Review the above re statutory and contract compliance.
- 3.2 The Audit Report is structured into the above 5 headings providing both a summary of each issue (in section 5) and more detailed basis for that summary in sections 6-11. Additionally two issues are also reported:
- (a) Pricing

During the review it became clear that the Council has not completed annual reviews of Core Prices as required by the contract.

(b) User Survey responses

As part of the review a survey was prepared and issued to current users of Furzton, Westcroft and Tattenhoe Pavilions. A total of 24 user groups were contacted with 7 responses received. The survey was designed to obtain the views of users with regards to the standards and conditions of the facilities used, the customer service experience and the nature of any complaints. The responses were invited on the basis that they would be confidential ie individual responses not attributed to individuals and are summarised to that effect at section 11.1.2 of the report.

4. Implications

4.1 Policy

This review was undertaken in accordance with the Internal Audit methodology consistent with the Public Sector Internal Audit Standards. The report and its consideration should be within the formal terms of reference of the Audit Committee.

4.2 Resources and Risk

No resource implications arise from the report except it is recognised that to reflect the Leisure Client resources for managing this contract the 2018/19 budget proposals contain a recommendations for some additional resources.

Asset Management implications are highlighted below as the review relates to service delivery from specific community based assets of the Council.

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

None

4.4 Legal

Relevant legal advice has been sought in respect of some detail within the report e.g. health and safety issues.

The recommended review of Key Performance Indicators is an example of proposed action that will engage the Council's Legal Team as appropriate.

4.5 Other Implications

None, however, stakeholders are highlighted below as the review included information submitted by and consultation with stakeholders of the service delivery of this contract.

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: Audit Committee June 2017 meeting minutes
Annex: Annex – Hertsmere Leisure Trust Audit Report