



Haverling

LONDON BOROUGH

TOWNS & COMMUNITIES OVERVIEW & SCRUTINY SUB-COMMITTEE AGENDA

7.30 pm

Tuesday
4 September 2018

Town Hall, Main Road,
Romford

Members 9: Quorum 4

COUNCILLORS:

Conservative Group (4)

Robby Misir
Timothy Ryan
Carol Smith
Christine Smith

Residents' Group (2)

Paul Middleton
Gerry O'Sullivan

Upminster & Cranham Residents' Group (1)

Christopher Wilkins
(Vice-Chair)

Independent Residents' Group (1)

Tony Durdin

Labour Group (1)

Keith Darvill (Chairman)

For information about the meeting please contact:

Taiwo Adeoye - 01708 433079
taiwo.adeoye@onesource.co.uk

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

What is Overview & Scrutiny?

Each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements. Each overview and scrutiny sub-committee has its own remit as set out in the terms of reference but they each meet to consider issues of local importance.

The sub-committees have a number of key roles:

1. Providing a critical friend challenge to policy and decision makers.
2. Driving improvement in public services.
3. Holding key local partners to account.
4. Enabling the voice and concerns to the public.

The sub-committees consider issues by receiving information from, and questioning, Cabinet Members, officers and external partners to develop an understanding of proposals, policy and practices. They can then develop recommendations that they believe will improve performance, or as a response to public consultations. These are considered by the Overview

and Scrutiny Board and if approved, submitted for a response to Council, Cabinet and other relevant bodies.

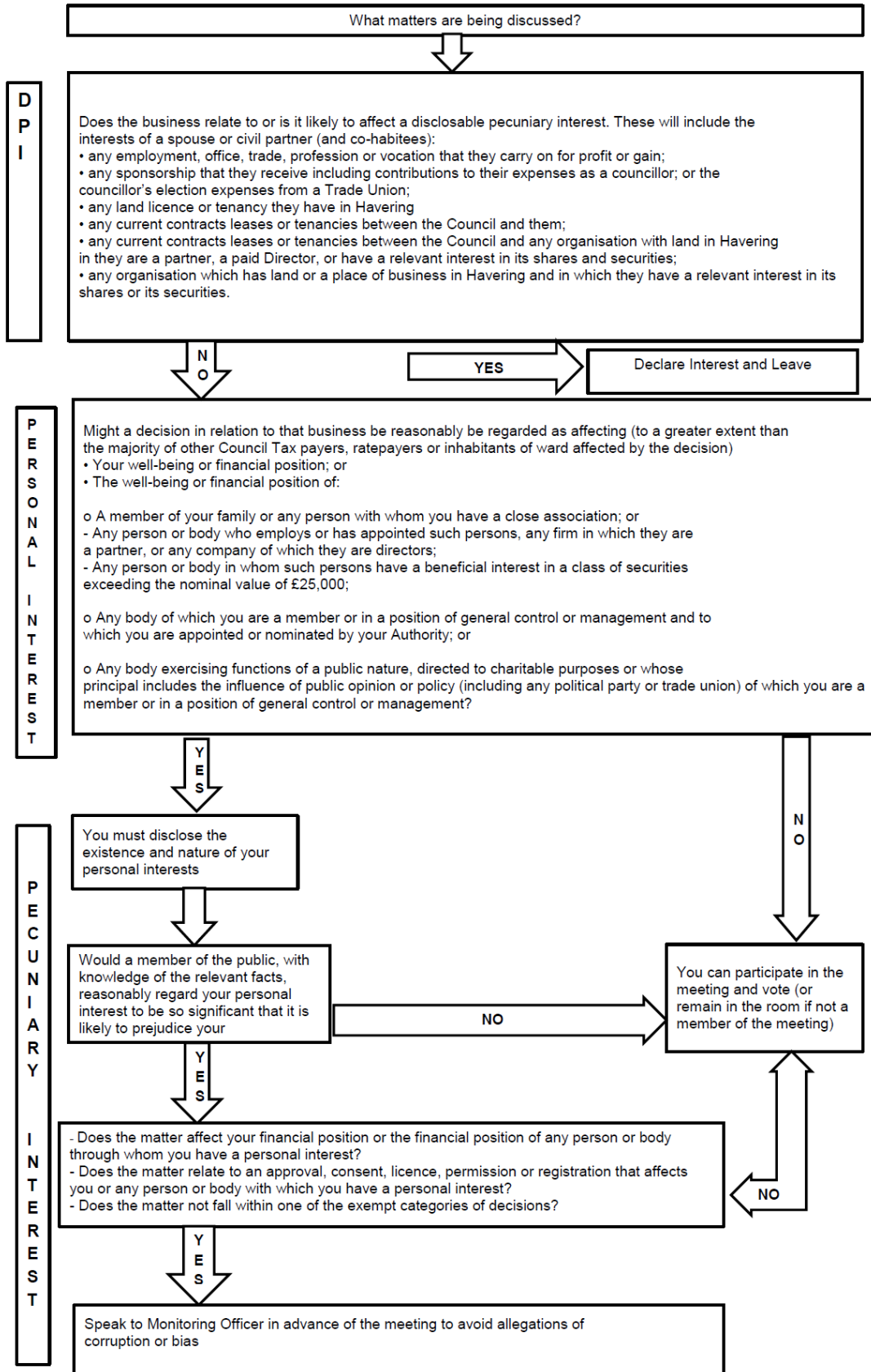
Sub-Committees will often establish Topic Groups to examine specific areas in much greater detail. These groups consist of a number of Members and the review period can last for anything from a few weeks to a year or more to allow the Members to comprehensively examine an issue through interviewing expert witnesses, conducting research or undertaking site visits. Once the topic group has finished its work it will send a report to the Sub-Committee that created it and will often suggest recommendations for the Overview and Scrutiny Board to pass to the Council's Executive.

Terms of Reference

The areas scrutinised by the Committee are:

- Regulatory Services
- Planning and Building Control
- Town Centre Strategy
- Licensing
- Leisure, arts, culture
- Housing Retained Services
- Community Safety
- Social and economic regeneration
- Parks
- Social inclusion
- Councillor call for Action

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

2 DECLARATION OF INTERESTS

Members are invited to declare any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

3 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

4 MINUTES (Pages 1 - 4)

To approve as a correct record the minutes of the meeting of 10 July 2018 and to authorise the Chairman to sign them.

5 PERFORMANCE REPORT - QUARTER ONE 2018/19 (Pages 5 - 20)

6 PRIVATE SECTOR LEASING - CURRENT UPDATES (Pages 21 - 22)

7 HOUSING REPAIRS AND GAS SAFETY CHECKS - UPDATE REPORT (Pages 23 - 26)

8 UPDATE ON THE LEISURE MANAGEMENT CONTRACT (Pages 27 - 30)

9 URGENT BUSINESS

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which shall be specified in the minutes, that the item should be considered at the meeting as a matter of urgency.

Andrew Beesley
Head of Democratic Services

This page is intentionally left blank

**MINUTES OF A MEETING OF THE
TOWNS & COMMUNITIES OVERVIEW & SCRUTINY SUB- COMMITTEE
Committee Room 3B - Town Hall
10 July 2018 (7.30 - 9.00 pm)**

Present:

Councillors Keith Darvill (Chairman), Tony Durdin, Paul Middleton, Gerry O'Sullivan, Christopher Wilkins (Vice-Chair), Robby Misir, Timothy Ryan, Christine Smith and +Ciaran White

Apologies for absence were received from Councillor Carol Smith

+Substitute Members: Councillor Ciaran White (for Councillor Carol Smith)

1 DECLARATION OF INTERESTS

There were no declarations of interest.

2 MINUTES

The minutes of the meeting held on 20 March 2018 were agreed as a correct record and signed by the Chairman.

3 CORPORATE PERFORMANCE REPORT - QUARTER FOUR

The Sub-Committee received a presentation that outlined the five corporate performance indicators for Quarter 4 that related to the Sub-Committee.

The following areas for improvement were detailed in the report:

- The number of Stage 1 complaints closed within the target timescale for all non-ASB Housing complaints was below target. For the year to date, 481 out of 575 (84%) of Stage 1 complaints were closed within 15 days against a target of 95%.

The Acting Assistant Director of Housing had instigated a new, more structured approach to achieving targets with milestones and warnings incorporated into the process.

- There were thirteen Stage 2 complaints that were not closed within the target timescale during Quarter 4 resulting in the year to date outturn being below target.
- The overall outturn took into account the performance of the contractors used for maintenance and gas repairs to the end of Quarter 4. Gas contractor performance was at 98.9% (within target). Maintenance contractor performance was being monitored through regular contract management meetings as well as separate monthly service improvement meetings.

The report informed the Sub-Committee that an improvement plan had been implemented and a series of corrective actions instigated by the contractor, which included an allocation of extra resources to manage the number of out of target orders; scrutinising employee productivity, and reviewing supply chain management to ensure timely completions, however the year to date figure had not been achieved by the year end.

Members agreed that it would be useful if they could be provided with a list of contacts and the contractors providing the service and that the Acting Assistant Director of Housing be invited to a future meeting to give an update on contractor performance.

Members also agreed that it would be useful if they received an update on the stages of complaints in general.

Members also asked that an update on fire proofing works to Council owned buildings be provided at a future meeting.

The Sub-Committee noted the contents of the report and presentation.

4 DRAFT WORK PROGRAMME

The Sub-Committee considered a report that detailed the Sub-Committee's work programme for the forthcoming year.

Appended to the report were some suggestions for areas that the Sub-Committee could consider.

Members agreed that in light of the recent decision to review Public Sector Landlord tenancies that an invitation be sent to the Acting Assistant Director of Housing to brief the Sub-Committee of the current situation.

The Chairman advised Members that any suggestions for areas for scrutiny be forwarded to him so that they could be included on the work programme.

Chairman

This page is intentionally left blank

**TOWNS AND COMMUNITIES OVERVIEW AND SCRUTINY
SUB-COMMITTEE, 4 SEPTEMBER 2018**

Subject Heading:	Quarter 1 performance report
SLT Lead:	Jane West, Chief Operating Officer
Report Author and contact details:	Thomas Goldrick, Senior Policy and Performance Officer, thomas.goldrick@havering.gov.uk
Policy context:	The report sets out Quarter 1 performance relevant to the Towns and Communities Overview and Scrutiny Sub-Committee
Financial summary:	There are no immediate financial implications. Adverse performance against some Performance Indicators may have financial implications for the Council. Whilst it is expected that targets will be delivered within existing resources, officers regularly review the level and prioritisation of resources required to achieve the targets agreed by Cabinet at the start of the year.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

This report supplements the presentation attached as **Appendix 1**, which sets out the Council's performance against indicators within the remit of the Towns and Communities Overview and Scrutiny Sub-Committee for Quarter 1 (April 2018- June 2018).

RECOMMENDATION

That the Towns and Communities Overview and Scrutiny Sub-Committee notes the contents of the report and presentation and makes any recommendations as appropriate.

REPORT DETAIL

1. The report and attached presentation provide an overview of the Council's performance against the performance indicators selected for monitoring by the Towns and Communities Overview and Scrutiny Sub-Committee. The presentation highlights areas of strong performance and potential areas for improvement.
2. The report and presentation identify where the Council is performing well (**Green**) and not so well (**Amber** and **Red**). The RAG ratings for the 2018/19 reports are as follows:
 - **Red** = more than the 'target tolerance' off the quarterly target
 - **Amber** = within the 'target tolerance' of the quarterly target
 - **Green** = on or better than the quarterly target
3. Where performance is off the quarterly target and the rating is '**Red**', 'Improvements required' are included in the presentation. This highlights what action the Council will take to address poor performance.
4. Also included in the presentation (where relevant) are Direction of Travel (DoT) columns, which compare:
 - Short-term direction of travel – with performance the previous quarter (Quarter 4 2017/18)
 - Long-term direction of travel – with performance during the same time the previous year (Quarter 1 2017/18)
5. A green arrow (↑) means performance is better and a red arrow (↓) means performance is worse. An amber arrow (→) means that performance has remained the same.
6. In total, six performance indicators have been included in the Quarter 1 2018/19 report and presentation. Of these, four have been assigned a RAG status. Three are currently rated '**red**' (off track) and the other is currently rated '**green**' (on track).

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising directly from this report which is for information only.

Adverse performance against some indicators may have financial implications for the Council, particularly where targets are explicitly linked with particular funding streams and/or levies from other bodies. Whilst it is expected that targets will be delivered within existing resources, officers regularly review the level and prioritisation of resources required to achieve the targets agreed by the Cabinet at the start of the year.

Robust ongoing monitoring is undertaken as part of the established financial and service management processes. Should it not be possible to deliver targets within approved budgets this will be raised through the appropriate channels as required.

Legal implications and risks:

Whilst reporting on performance is not a statutory requirement, it is considered best practice to regularly review the Council's progress.

Human Resources implications and risks:

There are no HR implications or risks involving the Council or its workforce that can be identified from the recommendations made in this report.

Equalities implications and risks:

There are no equalities or social inclusion implications or risks identified at present.

BACKGROUND PAPERS

Appendix 1: Quarter 1 Towns and Communities Performance Presentation 2018/19

This page is intentionally left blank



Haverling

LONDON BOROUGH

Quarter 1 Performance Report 2018/19

Towns and Communities O&S Sub-Committee

4 September 2018

About the Towns and Communities O&S Committee Performance Report

- Overview of the key performance indicators as selected by the Towns and Communities Overview and Scrutiny Sub-Committee
- The report identifies where the Council is performing well (**Green**), and not so well (**Amber** and **Red**).
- Where the RAG rating is '**Red**', '**Corrective Action**' is included. This highlights what action the Council will take to address poor performance.

OVERVIEW OF TOWNS AND COMMUNITIES INDICATORS

- 6 Performance Indicators are reported to the Towns and Communities Overview & Scrutiny Sub-Committee.
- Data is available for all the indicators.
- Performance ratings are available for 4 of the 6 indicators. 3 are **Red** (off target) and 1 is **Green** (on target)

Quarter 1 Performance

Indicator and Description	Value	2017/18 Annual Target	2017/18 Q1 Target	2017/18 Q1 Performance	Short Term DOT against Q4 (Annual) 2017/18		Long Term DOT against Q1 2017/18	
No. of Stage 1 complaints received (cumulative)	Smaller is better	N/A	N/A	192	↑	764	↑	210
% of Stage 1 complaints closed in 15 days (cumulative)	Bigger is better	95%	95%	91.1% RED	↑	87%	↑	83%
No. of Stage 2 complaints received (cumulative)	Smaller is better	N/A	N/A	49	↑	162	↓	36
% of Stage 2 complaints closed within 20 days (cumulative)	Bigger is better	95%	95%	67.3% RED	↓	86.4%	↓	94%
% of housing repairs completed within target (cumulative)	Bigger is better	96%	96%	89.4% RED	↓	91.2%	↓	94.1%
Contractor liaison with residents during regeneration work	N/A	Residents Consulted	Residents Consulted	On Track	-	NEW	-	NEW

About Complaints Data

- A breakdown of Stage 1 complaints data by service from April to June 2018 is provided below:

	No. of Stage 1 complaints received	% of Stage 1 complaints closed in 15 days
Arts Services		
Businesses		
Cemeteries		
Community involvement (incl. volunteers)		
Crematorium	1	100%
Development and Transport Planning		
Enforcement		
Housing – ASB	9	100%
Housing – Other	66	88%
Housing – Repairs	65	91%
Leisure centres and sport	1	100%
Library Services (incl. Havering Museum)	5	100%
Parks and open spaces (incl. allotments)	14	93%
Planning and Building Control	15	87%
Public Protection	12	100%
Regeneration		
Registrar Services	4	100%
TOTAL	192	91.1%

- There was a decrease of 18 Stage 1 complaints received in Quarter 1 compared to same period last year

Highlights

- To date, the regeneration consultation meetings have involved 1,482 residents across the 12 sites.
- The programme of engagement has been supported by 1-2-1 meetings with residents, newsletter and website updates and features in local publications.
- Since establishing the Joint Venture company in April 2018, Wates has completed 'Meet the Developer' consultation meetings, which 126 residents and neighbours of the estates in Phase One of the programme attended.
- The consultation programme is set to recommence in September 2018.

Improvements Required

- 89.4% (5,971 out of 6,676) of repairs were completed within the target timescale in Quarter 1.
 - Gas contractors' performance was 99.0%.
 - Main repairs contractors' performance was 87.5%.
- An improvement plan was implemented by the contractor which the Council was assured would result in improved performance during the last quarter of 2017/18. Regretfully this was not achieved and performance remains below targets.
- The main corrective actions taken by the contractor involved recruiting additional resources to assist in managing the number of "out of target orders", scrutinising employee productivity and reviewing supply chain management to ensure timely completions.
- Completion of these actions and progress in achieving performance targets is scrutinised at regular contract management meetings and at separate monthly service improvement meetings.
- The Director of Neighbourhoods has also met with the Managing Director of Breyers to highlight the importance of service delivery to Havering and gain assurance that performance will improve.
- The appointment of additional staff resources was delayed due to recruitment difficulties, and following appointment some new operatives have subsequently left and some were not considered suitable. Recruitment continues to be a problem for the contractor, however resources have now been appointed and it is anticipated that the backlog of overdue orders will now reduce.
- We will also be reviewing the contractors' action plan, to identify any further changes that could be implemented to improve performance against this KPI.

Improvements Required

- 117 out of 131 (89%) of non-ASB related Stage 1 Housing complaints were closed within 15 days in Quarter 1.
- 59 out of 65 (91%) complaints relating to Housing repairs were closed within 15 days. Whilst below target (95%) performance has significantly improved compared with the same period last year (56%).
- Issues contributing to below-target performance include:
 - The Housing Complaints Team lost two experienced officers in Quarter 1 which impacted overall performance. The team has successfully recruited to these roles in Quarter 2. Once training is completed, an increase in performance is expected in Quarters 3 and 4.
 - There has been an increase in complaints due to letters sent to Private Sector Leasing (PSL) tenants regarding the PSL review and negative publicity in the local press surrounding this.
- A new Interim Senior Complaints Officer has been put in place to manage the team and the workload.
- The Acting Assistant Director of Housing has instigated a more structured approach to achieving targets with milestones and warnings incorporated into the process. Also closer senior management scrutiny has been built into the system.

Improvements Required

- In Quarter 1 there were 49 Stage 2 complaints that fall within the remit of Towns and Communities OSC. Of these, 33 were closed on time, resulting in the outturn being significantly below target.
- Targets on Stage 2 cases can be missed due to the extreme complexity of the complaint. Some cases can be historic, involving information going back many years (sometimes in excess of 10 years), as well as the need to contact external agencies and view archived files.
- The Chief Executive signs off all Stage 2 complaint responses and is kept up to date with delays on investigations. Case officers are in regular contact with complainants.
- Targets can also be missed as complaints are investigated fully with complete transparency, so as to bring resolution to the matter for the customer without the need to escalate further to Stage 3 or the Ombudsman. The Complaints team is reliant on services to provide information in a timely fashion, which often prompts a need for further information or clarification until resolution is achieved. The reduced number of Stage 3 complaints supports the theory that a full, comprehensive investigation at Stage 2 brings a satisfactory resolution for the customer.

Any questions?



This page is intentionally left blank

**TOWNS AND COMMUNITIES OVERVIEW AND SCRUTINY
SUB-COMMITTEE
4 September 2018**

Subject Heading:	Private Sector Leasing – Current Update
CMT Lead:	Steve Moore
Report Author and contact details:	Taiwo Adeoye – Democratic Services Officer taiwo.adeoye@onesource.co.uk 01708 433079
Policy context:	The policy context is associated with the Council’s statutory duties associated with homelessness.
Financial summary:	No financial implications of this covering report itself.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

Members of the Sub-Committee will receive an update on the current position on Private Sector Leasing.

RECOMMENDATIONS

That the Sub-Committee note the update.

REPORT DETAIL

Members requested at the meeting of the Towns and Communities Overview and Scrutiny Sub-Committee on the 10 July 2018, that an update on the current position on Private Sector Leasing be provided at the next meeting.

IMPLICATIONS AND RISKS

Financial implications and risks: None of this covering report.

Legal implications and risks: None of this covering report.

Human Resources implications and risks: None of this covering report.

Equalities implications and risks: None of this covering report.

BACKGROUND PAPERS

None.

**TOWNS AND COMMUNITIES OVERVIEW AND SCRUTINY
COMMITTEE
4 September 2018**

Subject Heading:

**Housing Repairs and Gas Safety
Checks**

SLT Lead:

Steve Moore, Director of Neighbourhoods

Report Author and contact details:

Kevin Hazlewood AD of Housing(acting)
01708 434091,
kevin.hazlewood@havering.gov.uk

Policy context:

The policy context is associated with the Council's statutory duties associated with landlord responsibilities.

Financial summary:

There are no significant financial implications associated with this report, which is for information only

**The subject matter of this report deals with the following Council
Objectives**

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

SUMMARY

The purpose of this report is to provide the committee with an update on the provision of responsive repairs and carrying out gas safety checks to Council owned and managed housing stock.

RECOMMENDATIONS

That members note the contents of this report.

REPORT DETAIL

As part of its statutory duties as a landlord the Council is required to undertake responsive repairs to its properties. This includes those associated with gas appliances and heating systems.

Following a procurement exercise, in accordance with the Public Contract legislation, in 2014 a five year contract was awarded to the Breyer Group. This contract is on a fixed price basis, subject to inflation uplift. Repairs deemed “out of scope” are priced and agreed in accordance with a pre priced schedule of rates.

Due to the specialist nature of the service in 2018, two specialist providers were appointed to provide responsive repairs and planned servicing to gas appliances and heating installations. The appointed contractors are K&T Heating for domestic installations and BSW Ltd for communal (commercial) installations. The payment structure is for payment on completion of each service or repair request.

Key Issues with Responsive Repairs

Performance associated with completing repairs on time has been a significant challenge. The Contractual KPI target is 95% Repairs Completed On Time and this has been consistently missed as reported. One of the main causes of dissatisfaction in terms of those who complain about the service is the delay in carrying out works in accordance with the correct timescales

Breyer acknowledge and accept that “Repairs Completed On Time” is one of their primary failures and although we have developed action plans they have been working to for some considerable time to resolve this issue, no significant improvements have been made and no sustainable solution has been put forward by Breyer to definitively resolve this matter.

This means that the level of customer service our residents experience is lower than we consider acceptable. The Repairs Team have to manage the consequences of this service on a daily basis and have to explain to customers why their order is not being completed within the correct timescale.

During the duration of the contract several contractual corrective actions have been taken, to which there has been a positive response. However sustainability of performance remains an issue.

The contract is approaching its end date and officers are reviewing a range of different alternatives with service quality, customer satisfaction and sustainability being at the centre of new service specification.

Key Issues with Gas Servicing

The new contracts commenced in the early part of the year with a handover of outstanding works and servicing schedules being a major part of this mobilisation.

In the later stages of the previous contract the incumbent contractors, who were unsuccessful in bidding, did not provide the resources required to meet the specification compliantly..

The contractor providing the domestic installations service has not made a satisfactory start to service provision. A contributing factor has been the availability of Gas Safe qualified engineers to maintain the previous servicing programme. This has led to K&T undertaking a change in personnel. There have also been instances where customer care has fallen below the required standards.

Performance issues have been addressed through contract supervision meetings and the corrective actions in place are beginning to deliver better quality.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications as a result of this report which is for information only.

The control frameworks in place associated with contract performance are strictly adhered to.

Legal implications and risks:

There are no legal implications as a result of noting this report.

Members should note that the Gas Safety (Installation and Use) Regulations 1998 govern the Council's actions associated with gas safety management. It is understood that the requirements for a review programme on the anniversary of the safety check and a robust system for gaining access are in place.

Human Resources implications and risks:

There are no HR implications as a result of this report.

Equalities implications and risks:

An Equalities Assessment (EA) is not required associated with this report.



TOWNS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

4 September 2018

Subject Heading:	Update on the Leisure Management Contract
SLT Lead:	Jane West, Chief Operating Officer
Report Author and contact details:	Guy Selfe, 01708 433866, guy.selfe@havering.gov.uk
Policy context:	The Council's Culture Strategy

SUMMARY

On 12 July 2016 following a competitive procurement process, Cabinet agreed a report to award the Council's Sports and Leisure Management Contract for a period of 20 years from 1 October 2016 to the company SLM. The report also sought Member agreement in principle to the continued Council funding of the Chafford Sports Complex, within the parameters identified in the Cabinet report of 12 July 2016.

This report provides an update on the Sports and Leisure Management Contract with regard to Chafford Sports Complex.

RECOMMENDATIONS

That the Towns and Communities Overview and Scrutiny Committee notes progress with the Sports and Leisure Management Contract since the award of the contract that commenced on 01 October 2016 with regard to Chafford Sports Complex.

REPORT DETAIL

1. Background

1.1 Following a robust tender process lasting over two years, Sport and Leisure Management Ltd (SLM) were awarded the Sports and Leisure Management Contract. Theirs was the most financially advantageous bid to the Council and the bid met the quality requirements specified in the Tender documents. The bid generated a £1.2m revenue saving for the Council which was factored into the medium term financial strategy. The identified savings assumed that planning permission is secured for the major investment proposals included in the tender award.

1.2 SLM commenced the contract to manage the facilities below on 1 October 2016:

- Hornchurch Sports Centre
- Central Park Leisure Centre
- Noak Hill Sports Complex (from January 2017)
- Sapphire Ice and Leisure (from February 2018)

1.3 In 2011, the then Chafford School took a case to the Land Adjudication Tribunal seeking to claim ownership of the land and the sports complex. The Tribunal ruled in favour of the School, so the ownership of the land and the Chafford Sports Complex transferred to the School. The Tribunal accounted for the Sports Complex being included in the then Leisure Management Contract and judged that operation of the Sports Complex should continue within the Contract until the end date of 30 September 2016.

1.4 Chafford Sports Complex is now owned by Harris Academy Rainham as part of the wider Harris Academy Federation. The Complex is currently operated, outside of school hours, as part of the Council's current Leisure Management Contract by SLM Ltd. Cabinet previously agreed at their meeting on 17 November 2017 to continue this arrangement until December 2018 with the school's and SLM's agreement. The report included the following with regard to Chafford Sports Complex:

Chafford Sports Complex – the Complex is operated by SLM whilst discussions continue with Harris Academy Rainham (HAR) about future options for this facility. Post award of contract to SLM, it became apparent that the proposed investment and status of ownership of the site placed restrictions upon the ability of the Council to invest capital resources in improvement. Whilst it is possible to fund investment from revenue resources, this is considered unaffordable. Further, such investment may have adverse VAT implications for both HAR and the Council.

With no capital investment, SLM have indicated that there is a limited time that they would be able to operate the facility. This is due to its condition and the adverse impact to the commercial aspect of delivery, combined with the inability to maintain customer satisfaction levels.

The Chafford facility is currently the subject of further negotiations between Council Officers, SLM and the Harris Academy due to complexities of managing the VAT position of the parties and the capital investment required to be made by either the Council or the Academy to enable SLM to continue to operate the facility under the new contract. A further update will be brought to Cabinet in due course. It should be noted that the updated financial position does not take account of the longer term income and expenditure relating to the Chafford facility.

- 1.5 The Sports Complex is now 47 years old and in need of significant capital investment if it is to continue to operate as a publicly accessible sports complex. Indeed, it could be said that the Complex is at the end of its life with ongoing investment being required just to keep it open due to the age of the buildings. The Complex would also require a significant ongoing revenue subsidy for a management fee to SLM. In a competitive market, the Complex does not meet with current expectations for the quality of facilities. Even with a new build on the site, the ongoing revenue subsidy increases largely due to it being a dual use site.
- 1.6 The Cabinet report of 15 November 2017 included funding for the management of Chafford Sports Complex up to and including December 2018.
- 1.7 A further report to Cabinet on 25 July 2018 on the Council's Medium Term Financial Strategy agreed that a number of options are considered as service reductions to meet a funding gap of £37.8m faced by the Council over the next four years. One of the options was to carry out a review of Chafford Sports Complex. The detail in the report is as follows:

The Chafford Sports Complex is owned by the Harris Academy Rainham but is run by the Council's Leisure contractor, SLM Ltd, on a short term contract that ends in December 2018. This contract is currently funded by the Council from one-off reserves. There is no funding for the Complex in the Council's base budget. This review will consider the options for the future of Chafford Sports Centre.

2. Review

- 2.1 At the time of writing this report, the review will consist of a consultation regarding the future of Chafford Sports Complex, including seeking to identify the impact were the Complex to cease to be included within the Sports and Leisure Management Contract
- 2.2 The Consultation, subject to final confirmation, will include meetings with key stakeholders including Harris Academy Rainham, SLM, and

groups that hire the Complex. There will also be a questionnaire, available both online and as hard copy, that will be available from a number of locations including Chafford Sports Complex, Rainham Library, Town Hall, Harris Academy Rainham. The Consultation will be advertised and promoted via the Council's website, press releases, Council publications, posters and an advert in at least one local paper. The Consultation will last for eight weeks.

- 2.3 Once the Consultation has been completed, and the results have been analysed, a further report will be prepared for Cabinet. This report will seek a decision on the future of Chafford Sports Complex.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report is for information only. Overall there are significant financial implications associated with the operation of the Contract with regard to Chafford Sports Complex and associated capital works. The report to Cabinet will include further details on the financial implications and risks.

Legal implications and risks:

This report is for information only. Full Legal implications and risks will be considered during the Consultation period and will be included within the report to Cabinet.

Human Resources implications and risks:

This report is for information only. Full Human Resource implications and risks will be considered during the Consultation period and will be included within the report to Cabinet.

Equalities implications and risks:

This report is for information only. Full Equalities implications and risks will be considered during the Consultation period and will be included within the report to Cabinet. An Equalities Impact Assessment will be included with the Cabinet report.

BACKGROUND PAPERS