

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3583

Author:

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Department:

Commercial and Operations

Contact:

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Subject:

Service Improvement and Development

Total Value:

Up to £46,000 (Type: Revenue)

Decision Being Taken:

1. To grant a dispensation in accordance with Financial Regulation 3.29 from the requirement to carry out a tendering process under Contract Procedure Rule 5.1.1;
2. To award a contract to Proinsight for up to 3 years (1+1+1) to provide customer service feedback, which informs income generating opportunities.
3. To delegate authority to Director of Sport and Culture to sign the contract.

Reasons for the Decision(s)

The service operates 8 sites and signs up members across multiple channels for Fitness, Swimming Lesson and Coached Tennis products including online, face-to-face and over the phone. We want to continually understand what is happening on the front line and mystery shopping is a valuable way of providing an independent and objective view with real time feedback and learning as to how our business is perceived by customers. Mystery shops can be tailored to measure both our internal process and service standards, helping to improve business performance by making necessary changes to our operation.

We want the customer experience to be the best it can be and require mystery shopper visits and calls to monitor this against pre-determined weighted metrics including a positive welcome, data capture, needs analysis, quality of tour, presentation of staff, effective price presentation, being asked to join and follow up. In addition to having access to a reporting portal, summarised monthly reports will be provided to the management teams across each leisure centre enabling us to focus on what's needed to improve the customer experience and provide a quality service as well as effectively monitoring for gaps in training.

Whilst there are other mystery shopper providers, dispensation from financial regulations has been sought to use Proinsight as our preferred supplier due to the company providing services to a large number of private, trust and local authority leisure operators, which in turn provides valuable benchmarking and insight across the industry and with our competitors. We have used this service for a year focusing primarily on call quality and fitness membership sales. It has been successfully embedded in our day to day management operations and we are now planning on broadening the areas of focus to include Nottingham Swim School and Coached Tennis products. The commercial insight report for the industry reports 68% and places us in a good position comparatively across the industry. We have set an ambitious target within our sport and leisure business plan to increase our mystery shopper score from 67% to 70% as we continue to grow and improve as a leisure provider.

Other Options Considered:

To appoint our own mystery shoppers - this is not considered a viable option, would have a limited impact on improving our performance and would not give us external intelligence of the leisure industry. Additional indirect costs would be incurred through management time and analysis of results. ProInsight have access to a high volume of specially trained mystery shoppers who are knowledgeable in the leisure industry. Our own shoppers would not have access to comparative national or regional leisure benchmarking data as is currently provided. As the mystery shop is not an audit or compliance inspection there is a need for the individual to remain anonymous; something that would not be maintained if appointed by us to cover 8 sites. ProInsight also ensures continuity in the level of service they provide with their shoppers being able to provide impartial feedback on our services with no one mystery shopper repeating a visit within a 12 month period. The findings of the visits are fed into a bespoke system by the shopper generating comprehensive reports which inform future policies, identify training requirements and performance issues. A set of summary reports is available to allow for further cross analysis of a theme or within a specific centre and easy identification of key areas of focus within the service.

Do nothing - this is not a viable option. Membership continues to be the largest income generator for the service and the measurement of the mystery shopper metrics allows us to benchmark against local and national industry providers, remaining competitive within the marketplace. We have also committed to achieving an increase in our score by 3% to 70%.

To obtain three quotes - this was not pursued due to ProInsight being a specialist within the sport and leisure sector and being able to provide industry benchmarking data to meet service specifications.

Background Papers:

None

Published Works:

None

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Dispensation from Financial Regulations:

Yes

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality: EIA not required. Reasons: The decision does not represent a change to policy/operation of existing services.

Social Value Considerations: Not applicable

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 26/07/2019

Advice Sought: Legal, Finance, Procurement

Legal Advice:

This report is requesting a dispensation from the need to carry out a procurement process as specified in the Council's Contract Procedure Rules. Financial Regulation 3.29 permits such a dispensation for operational reasons. The author has set out the reasons in this report. If those reasons do change then consideration must be given to a procurement process being undertaken. The contract value being 1+1+1 allows for continuing review of the market.

An appropriate contract will be put in place with the provider.

There are no further legal observations and the report is supported.

Advice provided by Naomi Vass (Senior Solicitor) on 14/05/2019.

Finance Advice:

This decision seeks approval to incur expenditure up to the value of £46,000 over 3 years in respect of service improvement and development. This service will inform improvements to be made in order to ensure achievement of approved income targets. The medium term financial plan (MTFP) includes a budgeted income target of £7.230m, including £0.299m increased income target approved in the refreshed 2019/20 MTFP.

This decision seeks dispensation from contract procedure rule 5.1.1 in accordance with financial regulation 3.29 to award the contract for this service to Pro Insight as outlined in the report. This request is supported to ensure business continuity and delivery of the MTFP income targets. Failure to achieve the MTFP income targets would lead to an overspend position.

Advice provided by Maria Balchin (Finance Analyst) on 21/05/2019.

Procurement Advice:

The proposal is a request for a dispensation from contract procedure rule 5.1.1. Given the reasons for this dispensation and the associated value which falls below OJEU thresholds, there are no significant procurement concerns with this proposal. Any future procurement requirements associated with Mystery Shopping will be tendered and the Procurement Team will support this process.

Advice provided by Lauren Wheatcroft (Procurement Officer) on 15/05/2019.

Signatures

David Trimble (Portfolio Holder for Leisure, Culture and IT)
SIGNED and Dated: 19/07/2019
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 18/07/2019
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 11/07/2019
Chief Finance Officer's Comments: