

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: One Leisure Facilities Annual Report 2018/19

Meeting/Date: Overview and Scrutiny Panel (Customers and Partnerships)
– 4th July 2019

Executive Portfolio: Councillor John Palmer, Executive Councillor for
Partnerships & Well-being

Report by: One Leisure Business and Operations Manager (Paul
France)

Wards affected: All

Executive Summary:

The purpose of this report is to inform Members on the performance, work programmes and highlights of One Leisure Facilities (OLF) during 2018/19, with particular emphasis on activities underway in 2019/20 to realign the operation and outcomes of the business across its five sites and key activity themes.

Recommendation:

The Panel is requested to comment on the performance of the One Leisure Facilities, with any suggestions for future areas of priority.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to inform Members about the performance of the One Leisure Facilities (OLF), comprising leisure facilities in Ramsey, St Ives, St Neots, Sawtry and Huntingdon during 2018/19 and endorse ongoing commitment to supporting health and wellbeing outcomes through Council activities by the realignment of operational processes and leisure themes.

2. BACKGROUND

- 2.1 OLF have re-established its annual report approach to inform elected Members, and partners of the activities, programmes and performance of the OLF team.
- 2.2 The OLF team deliver work that is complementary to and supportive of the One Leisure Active Lifestyles Team (OLAL). The team deliver activities throughout the District at sites in Huntingdon, Ramsey, St Neots, Sawtry and St Ives (Indoor, Outdoor Complex and Burgess Hall)
- 2.3 Since 2014/15 OLF has delivered an operating surplus (see Table 1 below). A 5 year strategy built on investment and membership growth predicted increases on this surplus each year. In 2017/18 and 2018/19 the predicted growth was not delivered due to a number of disruptions within the business in terms of staffing churn and project delivery which led to investments at St Neots and Huntingdon in particular being delayed. 2018/19 delivered a surplus of £146K which was c£300K below budget target (Table 2 below). Importantly however the delayed investments were all delivered in year and growth targets have been re-calculated to a level where 2019/20 income targets are fully expected and forecast to be achieved.

Table 1: One Leisure Facilities Financial Performance 2014-2020

	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	(Forecast)					
OLH	-200	-82	13	-6	-88	195
OLR	-14	-38	-3	6	-10	40
OLS	79	88	75	98	131	183
OLSO	68	70	91	40	26	23
OLSI	-512	-514	-553	-556	-530	-226
OLSN	-282	-201	-245	-206	-408	-293
CORP	581	531	481	411	448	122
OL TOTAL	-280	-146	-141	-213	-431	44

Table 2: One Leisure Facilities Financial Performance by Activity

	2019/20	2018/19	2018/19	2017/18
	(Forecast)	Actual	Budget	Actual
Income				
Swimming	- 1,876	- 1,737	- 1,836	- 1,777
Impressions (Gym)	- 1,896	- 1,867	- 2,010	- 1,821
Hospitality	- 506	- 499	- 569	- 468
Indoor Activities	- 1,838	- 1,707	- 1,904	- 1,674
Outdoor Activities	- 298	- 238	- 284	- 255
Burgess Hall	- 578	- 545	- 765	- 609
SUB TOTAL	- 6,992	- 6,593	- 7,368	- 6,604
Expenditure				
Employees	4,055	4,013	4,249	3,928
Transport	12	11	13	12
Buildings	1,548	1,395	1,545	1,521
Transfer (VAT)	81	81	81	95
Supplies	1,016	947	987	882
Reserves Transfer			16	25
SUB TOTAL	6,712	6,447	6,891	6,463
OL TOTAL	- 280	- 146	- 477	- 141

2.4 Income growth has been seen in swimming lessons, with fees up by 7% (excluding St Neots Pool refurbishment closure period), Impressions Memberships up by 4% and Bowling income up 15%. These successes have been set against some challenging areas, including a 1% reduction in the net position of Hospitality when growth was expected, Burgess Hall income down 12% and Schools usage 5%, the latter which may continue to decline due to changes in school curriculum emphasis and resource priorities.

2.5 The flux within the business financial performance within the 2018/9 financial year prompted a fundamental review in Q3, including external scrutiny. This led to the budget being realigned for 2019/20 and an 18 month recovery plan being put in place to bring the business into a period of stability and planned growth. A new Annual Business Plan has also been agreed and is included with Service Objectives in Appendix 1. Included in the recovery plan, which is reviewed monthly by the Corporate Director (Delivery) and Portfolio Holder are the following:-

- **Cultural Change**
 - Staffing Structure Review
 - Data and KPI driven performance analysis
 - Performance Management / Clinics to hold managers to account
- **Process Change**
 - Marketing Strategy including new website
 - Burgess Hall Management Review – initially a re-alignment of budget of -£143K with a plan to recover lost income streams within 24 months
 - Utility Service Management

- **Business Delivery**
 - Impressions Membership Review (phase 1) - + £38K
 - Group Exercise Class Review - +£9K
 - Swimming Lesson price review and course management - +£105K
 - Concessionary Pricing - +£10K

- **Business Development**
 - Impressions Membership Review (phase 2) - +£106K (after 2 years)
 - OLSIO Training Shed - +£200K (after 4 years)
 - OLS Management transferred to Sawtry Village Academy - +£70K (12 full months saving)

2.6 Attendances across the OLFs totalled 2,265,538 visits – over 6,000 admissions per day. Whilst just over 500,000 of these are school admissions, the remaining 1.8M visits are across a variety of activities such as swimming and swimming lessons, fitness, Indoor and Outdoor leisure activities and social events at the Burgess Hall. Admissions were 1.2% below target but were also affected by closures due to investment developments. The admissions across the site for 2018/19 can be seen in Table 3. The membership pattern for 2019/20 is showing a positive upturn, with total memberships currently running at their highest level since 2016 and attrition rates falling below the national industry standard of 5.5% Current attendances for Impressions are 4% ahead of target whilst swimming activities are also 4% ahead of year to date targets reflecting this upward trajectory.

Table 3: One Leisure Facilities Admissions 2018-19

	Huntingdon	Sawtry	Ramsey	St Ives	St Neots	Total
Swimming	106,847	32,786	56,290	115,704	116,570	428,197
Impressions (Gym)	87,804	22,621	39,860	144,254	112,713	407,252
Pitches	21,660	6,690	3,510	59,115	16,920	107,895
Functions - Burgess Hall				61,722		61,722
Sports Hall	59,629	15,030	20,994	108,159	68,732	272,544
Fitness Classes	34,094	9,313	16,179	62,967	44,012	166,565
Funzone	7,701				6,450	14,151
Misc (mainly spectators)	43,852	10,433	16,018	115,843	44,680	230,826
Pure Heat Experience	4,012		2,578	15,629	5,354	27,573
Squash	6,404			6,344	11,370	24,118
Track				10,240		10,240
Bowling				10,548		10,548
SUB TOTAL	372,003	96,873	155,429	710,525	426,801	1,761,631
Schools	8,026	56,675	8,435	346,086	84,685	503,907
OL TOTAL	380,029	153,548	163,864	1,056,611	511,486	2,265,538

2.7 Over the last 2 years OLF have also implemented the Net Promoter Score (NPS) methodology of measuring customer satisfaction. This is a national indicator that is divided by industry sector and measured on a monthly rolling basis. OLFs on average are at or just below the national average,. Currently OLF are at an NPS of 53 against the national average of 52. This NPS data is now supplemented by user input from 'Member Champions' allied to each OL facility, introduced in Spring 2019 and reporting to the Portfolio Holder monthly.

3. 2018/19 HIGHLIGHTS

- 3.1 **St Neots 3G Synthetic Pitch** – With 50% matched funding from Sport England the previous full sized sand dressed artificial pitch was replaced with a football and rugby specific 3rd Generation playing surface. This is expected to attract a significant number of additional bookings from local football teams where the demand for winter training facilities was extremely high.
- 3.2 **St Neots Swimming Pool Changing Rooms** – The delayed signing of a lease at One Leisure St Neots by the previous Academy Trust had huge detrimental consequences for the swimming programme in particular. Over the previous 18 months swimming related income had fallen sharply due to the deteriorating standard of the changing facility. The planned £275K refurbishment to the changing room and pool tank has already brought numbers streaming back with attendances and income set to exceed budget targets in 2019/20
- 3.3 **One Leisure Huntingdon Dry side development** – The extensive refurbishment at Huntingdon opened fully in April of 2018. As this was a delayed opening the net effect in year was delayed and produced a surplus below the budgeted target. However recovery late in the year showed that the 2019/20 financial year looks set to be a record breaking one.
- 3.4 **Fitness Instructor Pay** – Due to declining class attendance levels and commitment from some exiting Fitness Class instructors, a market supplement was provided to the hourly rate. That has had the desired effect and improved occupancy and consistent service delivery due to more motivated and committed instructors
- 3.5 **One Leisure Ramsey Net Surplus** – This was the third time in four years Ramsey has produced a net surplus, which is outstanding for a small community sized facility. In the process it exceeded its previous record by £28K.
- 3.6 **One Leisure St Ives String Pins Refurbishment and Re-branding** – The bowling facility at One Leisure St Ives was refurbished with a more efficient string pin based operating system. This has reduced the number of breakdown of the old mechanical system and delivered a record breaking year for income.

4. KEY PRIORITIES AND ACTIONS FOR 2019/20

- 4.1 **One Leisure Ramsey 3G Artificial Pitch** – the project delivery and implementation of the new full size 3G artificial pitch following the award of a Football Foundation Grant to £460k and which will help leverage a new long term lease agreement with Abbey College that will enable an ongoing OL presence at the site.
- 4.2 **One Leisure St Ives Training Shed** – a project that will see significant capital investment of £450,000 into a new and distinctly different functional fitness centre, delivering cross-training and elite performance facilities with supporting services, including body analysis, dietary and physiotherapy, that provides a holistic approach to wellbeing and an expected increase of over 900 new OL memberships.

- 4.3 **One Leisure Sawtry transfer of management to Sawtry Village College** – In October 2019 the management of One Leisure Sawtry will be handed over to Sawtry Village Academy and the CMAT Trust for operation. It currently runs at a deficit or around £80K and despite many reviews and attempts to reduce this, the overheads are simply too great for the current footfall and OL is obligated to make best use of its assets whilst providing access to health facilities across the rest of its four site portfolio.
- 4.4 **Impressions Fitness Suite Equipment Replacement** – Autumn 2019 will see wholesale replacement of ageing gym equipment at St Ives, St Neots and Ramsey. Regular replacement of fitness equipment is an industry standard practice to aid recruitment and retention of members.
- 4.5 **Access Control Improvements** – Access control facilities at St Ives and St Neots entrances and studio door readers at Ramsey will be upgraded to current technologies to allow better control of footfall and membership usage to prevent membership abuse and reduce any loss of income.
- 4.6 **One Leisure Ramsey and St Ives Swimming Pool Changing Refurbishment** – Following the successes of refurbishments at Huntingdon and St Neots and the increase in swimming numbers at both of these sites, capital investments at Ramsey (£100K) and St Ives (£250K) will be delivered in the spring and winter.
- 4.7 **Concessionary Membership Scheme** – In April 2019 a Concessionary Membership Scheme was launched for individuals who meet specific eligibility criteria. The aim this year is to ensure a full roll out and ensure it reaches those residents who need it most.
- 4.8 **St Neots Zest Refurbishment** – funded from the Planned Preventative Maintenance Programme, St Neots coffee shop and kitchen area have been refreshed (£20K)
- 4.9 **Membership review (Impressions)** – In the 4th quarter of the financial year a full review of Impressions membership categories will be undertaken looking at options for contracts, concessions, and online purchases.
- 4.10 **Financial Consolidation and Future Growth** – Following on from 2 years of disruption affecting financial performance, 2019/20 will set the base standard now of financial delivery of all One Leisure sites. Future developments at One Leisure St Ives Outdoor and potential investment at Ramsey will allow maximisation of revenues to be achieved.

5. **LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES**

- 5.1 The work of the team actively contributes to the Council to achieve its Corporate achieving its Corporate Objectives including:
- **People - We want to make Huntingdonshire a better place to live, to improve health and well-being and support people to be the best they can be**
 - ❖ Support people to improve their health and well-being
 - ❖ Develop a flexible and skilled local workforce

- ❖ Develop stronger and more resilient communities to enable people to help themselves
- **Place - We want to make Huntingdonshire a better place to work and invest and we want to deliver new and appropriate housing**
 - ❖ Create, protect and enhance our safe and clean built and green environment
 - ❖ Improve the supply of new and affordable housing, jobs and community facilities to meet future need

5.2 Increasing people's health and wellbeing has a direct impact on the economic productivity and call on wider public support services. This is reflected in the Council's key risks and Annual Governance Statement.

6. LEGAL IMPLICATIONS

6.1 None arising from this report

7. RESOURCE IMPLICATIONS

7.1 The service is funded by a combination of HDC base revenue budget, and course fees and charges.

7.2 2018/19 Outturn of £146K was significantly affected by service disruptions through delayed developments and some areas under performing – notably the Burgess Hall. All disruptions are now being actively addressed.. A number of options are currently being considered for the Burgess Hall to accelerate recovery and lead the facility back to the previous profitable position.

7.3 Revenue budgets for 2018/19 reflect the current position of the service and the trajectory of the Burgess Hall recovery that has already begun. A surplus of £280K for 2019/20 is fully expected and with the developments in year, most notably at St Ives Training Shed and One Leisure Sawtry, alongside the delivery of the wider recovery plan. This should see a further increase back towards the levels expected in the previous MTFs once realigned from the new 2019/20 baseline.

8. HEALTH IMPLICATIONS

8.1 The services and activities delivered impact on people's lives aiming to provide a positive experience of social and physical activity, whilst creating a 'habit' and improving health and wellbeing outcomes for our population.

8.2 In Huntingdonshire, One Leisure is the primary provider of multi-purpose leisure facilities. Whilst there are fitness and swimming options at other venues throughout the district, One Leisure is the only facilities that replicate these and also add other facilities and activities such as hospitality, children's play areas, bowling, spa and holistic treatment facilities and junior and adult leisure activities. All of these activities encourage family participation and this is the UK Active recognised strategy of encouraging more people to be more active, more often. It also tackles the growing health and wellness issues such as children's obesity and health related illnesses in adults and the elderly including stress and depression.

- 8.3 To summarise the work of OLFs benefits at least 25% of the population of Huntingdonshire (recorded members) to maintain and develop a healthy lifestyle. It is committed to continually delivering a high quality service for the local residents and making the best use of its assets through monitoring of leisure and health trends and adapting facilities and activities where necessary.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 The Panel is requested to comment on the performance of the One Leisure Facilities team and suggest any areas for future priority.

10. LIST OF APPENDICES INCLUDED

Appendix 1 – One Leisure Facilities Annual Business Plan

BACKGROUND PAPERS

NONE

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