

Agenda Item No 7

Community and Environment Board

16 July 2018

**Report of the
Assistant Director
(Leisure and Community Development)**

**Leisure Facilities: Service
Improvement Plan and Key
Performance Indicators**

1 Summary

- 1.1 This reports asks Members to adopt or otherwise amend the draft Service Improvement Plan, which will be used to guide the work of the Borough Council's Leisure Facilities section through to March 2020. It also presents the section's latest performance against the approved set of key indicators through which the Board monitors the operational and financial performance of the leisure facilities at each of its meetings.

Recommendation to the Board

- a That Members approve or otherwise amend the draft Service Improvement Plan that will be used to guide the work of the Borough Council's Leisure Facilities section through to March 2020; and**
- b That the Board notes and comments upon the section's performance against the approved set of key indicators through which the Board monitors the operational and financial performance of the leisure facilities at each of its meetings.**

2 Consultation

- 2.1 Consultation has taken place with relevant Members and any comments received will be reported at the meeting.

3 Introduction

- 3.1 As Members are aware, Full Council, at its meeting held in February 2018, approved the recommendations made by external consultants in respect of the Leisure Facilities Operational Review and the associated Appraisal of Future Delivery Options that were part of the Strategic Leisure Review commission. Copies of both documents are available in a clearly marked file within each Political Group Room.

3.2 In order to draw conclusions about the relative effectiveness of the in-house service, the consultants, in 2017, reviewed a number of key performance indicators, as well as the challenges facing the service. They identified that the leisure facilities portfolio was challenging to manage and operate and that, with the exception of Coleshill Leisure Centre, the facilities were ageing. The consultants highlighted that usage; membership levels and operational performance were a reflection of the Borough's communities, as well as the age, nature and location of the facilities.

3.3 In recognising that there had been progress in respect of moving the in-house operation in the right direction, the consultants concluded that its performance had the potential to improve, and reduce costs, further. They advised that in-house operational effectiveness could be improved through:

- The development of a Service Improvement Plan (SIP)
- The setting of specific Key Performance Indicators (KPIs) as part of the SIP
- A review and restructuring of existing staff numbers, roles and responsibilities

3.4 Accordingly, the consultants' related key operational recommendations included the following:

- Recommendation 1

That operational management delivery arrangements be retained in-house for 24 months, with a Service Improvement Plan put in place to improve the operating position of the current service

- Recommendation 2

That the Borough Council's in-house operational team develop and implement a Service Improvement Plan to improve the current operational position and to demonstrate best value

- Recommendation 5

That the Borough Council reviews the effectiveness of implemented service improvements after the agreed period

3.5 In approving the recommendations made by the external consultants, Full Council instructed Officers to draft a Leisure Facilities Service Improvement Plan for the consideration of, and regular monitoring by, the Community and Environment Board. Accordingly, a copy of the draft SIP is attached at Appendix A for the consideration of the Board. The SIP includes the specific key performance indicators approved by the Board at its meeting held in March 2018. These indicators will be used by both Councillors and senior management to regularly monitor and direct the financial and operational performance of the leisure facilities.

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4 Service Improvement Plan and Key Performance Indicators

- 4.1 The draft Leisure Facilities Service Improvement Plan covers the period through to March 2020, in order to coincide with the approved Operational Review recommendations (see paragraph 3.4 above). The draft Plan outlines what the service intends to achieve, based on the financial and employee resources to which it has access. The draft Plan assists in shaping the direction for the service and outlines key actions, work programmes and improvements to be sought over the 24 months.
- 4.2 The major influence on the draft Plan is the need to improve the operational performance within the leisure facilities and it sets out a number of actions through which this challenge will be addressed. The draft Plan, however, is also intended to have clear links to the following corporate priorities:
- Responsible financial and resource management
 - Creating safer communities
 - Improving leisure and wellbeing opportunities
 - Promoting sustainable and vibrant communities
- 4.3 As well as highlighting a number of key actions that are specific to each individual facility, the draft Plan also identifies the improvements that will be sought within areas that are fundamental to the successful operation of any leisure facility:
- Finance and pricing
 - Staffing
 - Programming
 - Marketing and promotion
 - Key Performance Indicators (approved by the Board in March 2018)
 - Community
 - Health and safety
 - Maintenance
 - Technology
 - Monitoring, review and evaluation
- 4.4 Members are asked to consider, approve or otherwise amend the draft Service Improvement Plan that will be used to guide the work of the Borough Council's Leisure Facilities section through to March 2020.
- 4.5 Members will recall that the staff structure within the Leisure Facilities section had been revised prior to receipt of the consultants' draft proposals, both in order to reduce cost and also to provide it with a more focused, operationally efficient outlook. As such, the section is well placed to respond positively to the need for further improvement. The early work of the Business Development team has concentrated on making effective use of the Gladstone leisure management system, thereby ensuring the availability of reliable performance information, the production of the Service Improvement Plan and the associated KPIs and the development of an improvement in the

marketing and promotion of the service, including through social media channels.

4.6 Considerable time has been devoted to ensuring the integrity and consistent use of the leisure management system, which operates within Arley Sports Centre, Atherstone Leisure Complex (but not the Memorial Hall), Coleshill Leisure Centre and Polesworth Sports Centre. This has enabled the development of the key indicators that were approved by the Board in March. As well as monitoring the level of income receipts at each facility, the following suite of key performance indicators will be monitored and managed within the Leisure Facilities section:

- Total number of members
- Total number of visits
- Total income per visit
- Subsidy per visit
- Staff cost v total income
- Staff cost v total cost
- Operational recovery rate
- Income per fitness station
- Number of members per fitness station
- Average length of membership

4.7 The definitions of the listed indicators, which are widely used within the leisure industry, are identified within Appendix B, which is attached to this report.

4.8 The Business Development team, in conjunction with colleagues in the Finance Division, will collate, monitor and manage the indicators for each leisure facility on a regular (at least monthly) basis. Up-to-date (usually end of quarter) reports will be brought to each meeting of this Board, thereby affording Members the opportunity to both understand and direct financial and operational performance.

4.9 Use of the listed key performance indicators will enable the effectiveness and efficiency of each facility to be monitored, both within each financial year and over time, enabling performance comparisons to be made between different financial years. Subject to the identification of appropriate comparators, it may also be possible to benchmark local performance against that of other operators within the industry.

4.10 Appendix B includes three tables. The first table identifies the performance of each facility against each indicator at the end of, in this case, Quarter 1 (June 2018). The second table shows the performance of each facility at the end of each Quarter, thereby showing performance throughout the year. The end of March 2018 baseline position is identified in the third table. This table will be populated at the end of each financial year in order to provide an overall (year on year) picture of the financial and operational performance of the facilities. The information in this table has also been used to set performance targets

for 2018 / 19. The Board is asked to consider and comment upon the identified performance within the leisure facilities.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 Whilst there is no financial implication arising directly out of this report, the SIP and KPIs will enable the Board to monitor the financial performance of the leisure facilities at each of its meetings.

5.2 Safer Communities Implications

5.2.1 The Authority's leisure facilities contribute to community safety by providing well-managed services that afford opportunities for positive activity and, therefore, a creative alternative to potential criminal or anti-social behaviour.

5.3 Environment, Sustainability and Health Implications

5.3.1 Leisure facilities have a positive impact on the physical and mental wellbeing of individuals and the sustainability of local communities by providing opportunities for formal and informal recreation and by contributing to an improved quality of life.

5.4 Equalities Implications

5.4.1 There are no equalities implications arising directly from the report, in that the proposed SIP and approved KPIs will not have an adverse consequence on the Borough Council's drive to ensure equality of opportunity in all aspects of service provision.

5.5 Links to Council's Priorities

5.5.1 The Service Improvement Plan and Key Performance Indicators have direct links to the following corporate priorities:

- Responsible financial and resource management
- Creating safer communities
- Improving leisure and wellbeing opportunities
- Promoting sustainable and vibrant communities

5.5.2 Additionally, the Borough Council's leisure facilities contribute directly to the priorities of the Sustainable Community Strategy to:

- Raise aspirations, educational attainment and skill levels
- Develop healthier communities
- Improve access to services

The Contact Officer for this report is Simon Powell (719352).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
1	Strategic Leisure Ltd.	Draft Leisure Facilities Strategy Documents	2017

North Warwickshire Leisure Facilities Service Improvement Plan - 2018 to 2020

Aim: To improve the operational efficiency and effectiveness of the Borough Council's Leisure Facilities

Responsible Officers Key:

AD:	Assistant Director
LFM:	Leisure Facilities Manager
BSO:	Business Support Officer
LOSO:	Leisure Operations Support Officer
SSO:	Systems Support Officer
SMPO:	Sales, Marketing and Promotions Officer
LMT:	All of the above

Service Improvement Plan Last Updated: 06/07/2018

Theme	Action	Target	Timescale	Resource / Cost	Responsible Officer	Comment / Progress
Finance and Pricing	Review and consider the revision / rationalisation of pricing at all sites, having due regard to the need to reduce the revenue cost of the Leisure Facilities	Conclude review and report to Community and Environment Board by January 2019 at the latest	January 2019		LFM / BSO / SSO	Need to be mindful of the requirement for the pricing structure to be both as fair and as simple as possible
	Increase the number of concessionary memberships, which are currently offered for: Unemployed Full time students 60 plus Blue badge holder Disability allowance Personal independence letter Employment and support allowance Working Tax Credit Notification letter of Housing Benefit Carers allowance Armed forces veterans	Increase by 5%, to 1841 concessionary members	March 2020		LFM / LOSO / SMPO	
Staffing	Ensure the recruitment of a sufficient number of qualified and trained staff in order to provide appropriate levels of cover for all forms of staff leave / absence	Production of an annual divisional training plan. Engaging with further education recruitment days	31 May 2019 and 2020 December 2018	Divisional and corporate training budget	LFM / LOSO	
	Review individual and facility-based training needs at all sites and produce a prioritised Training Plan for implementation	Sectional Training Plan produced by 31 July 2018	31 July 2018	Divisional & Corporate Training budget	LFM / LOSO	
	Ensure that focused staff training sessions (including Gladstone based training workshops) are held at each site at least once a month		Monthly	Provision made within the revenue budget	LOSO / SSO	

	Ensure that regular teams meetings are held at each site, including at least once a month between Duty Officers and the Leisure Operations Support Office		Monthly	Provision made within the revenue budget	LOSO	
	Ensure that regular meetings of the Leisure Management Team are held at each site at least once a month		Monthly	Provision made within the revenue budget	BSO / LOSO	
Programming General	Improve the operational effectiveness and financial efficiency of the classes and courses programme at each facility	All classes across all sites exceed break even number	31 March 2020	Provision made within the revenue budget	BSO	Monthly occupancy reports Monthly income reports Monthly visit reports
	Create a more focused and co-ordinated holiday activity programme	Pilot summer holiday programme at Queen Elizabeth Academy Review the Bank Holiday programme at Atherstone Leisure Complex Comprehensive holiday programmes at every site during all school holidays	July 2019 January 2019 31 March 2020	Provision made within the revenue budget		
Arley Sports Centre	Conclude the asset transfer of Arley Sports Centre to Elite Sports Development in accordance with the terms agreed by Full Council	Conclude the approved asset transfer by September 2018	September 2018	To be determined by the outcome of the asset transfer Annual revenue saving	AD	Work being undertaken in conjunction with the Corporate Director (Environment), the Corporate Director (Resources) and the Corporate Property Officer
	Ensure the effective operation of Arley Sports Centre until such time as a	Maintain service programme through to	September 2018	Provision made within	LFM / LOSO	

	transfer of the Centre is complete	the formal handover of the Centre		the revenue budget		
	Increase the number of party bookings.	Increase bookings by 5% (63 to 68)	31 March 2019	Need to invest in party equipment. To be funded from the Leisure Facilities capital allocation	BSO / SMPO	
Atherstone Leisure Complex	Enhance the % occupancy of participants on the junior swimming lesson programme. This will require direct marketing to local schools, inclusion within holiday activity and events leaflets and continuous social media coverage.	Increase % occupancy by 12% (from 72% to 84%)	31 March 2020	Provision made within the revenue budget	LFM / BSO	12% equates to £15,773 per annum
	Increase the number of weekly school swimming sessions. This will require direct approaches and marketing to existing and potential new schools	Increase the number of weekly school swimming sessions from 13 to 17	31 March 2019	Business cases to cover Instructor cost	BSO / SMPO	Four new sessions with an average of 25 children equates to £7,400 per annum
	Review and, if appropriate, implement a new pricing and administrative structure for school swimming, with effect from January 2019	Report to C&E Board in October 2018 Implement any approved changes from January 2019	January 2019	Consult with schools	LFM / BSO	More efficient use of resources and issuing of invoices, so improved budgetary profiling
	Increase the number of casual swimming visits to Atherstone Swimming Pool (which have been in decline since 2014). This will require monthly promotion of	5% increase in visits from 43,250 to 45,500 Adopt Swim England's "Just Swim" initiative	31 March 2019 December 2018	Provision made within the revenue budget	LFM / BSO / SMPO	

	swimming, including via social media					
	Increase the number of pool party bookings.	Increase bookings by 9% (61 to 70)	31 March 2019	Need to invest in party equipment. To be funded from the Leisure Facilities capital allocation	BSO / SMPO	
Atherstone Memorial Hall	Introduce and launch a new FT Zone in the small hall at the Memorial Hall	Operate the new training area in accordance with the approved business case Monitor as a "profit centre" and report performance to Management Team in October 2018	April 2018 October 2018	Funding from Leisure Facilities capital allocation	LMT	This work has involved the relocation of the Phlebotomy Service to the Swimming Pool
	Increase the number of specific Memorial Hall related visits, by: Increasing the number of function (private) hirings. Creation and promotion of different party options.	Increase in visits by 5%, from 45,000 to 47,250 Increase number of Hall bookings by 10% to 48%	31 March 2019	Provision made within the revenue budget	BSO / SMPO	Projected increase in income of £1,800 per annum
Coleshill Leisure Centre	Increase the use of the Centre's two squash courts, both from casual hire and the reintroduction of a Centre-based club / team	Increase peak court occupancy by 5%, to 51%	31 March 2019		BSO / SMPO	Projected increase in income of £1,000 per annum Squash team matches started on Monday evenings. Need to

						reinvigorate related activities, such as junior coaching, competitions, etc.
	Increase the number of peak time badminton court hirings, through the use of Badminton England promotional initiatives and club development activities	Increase peak court occupancy by 5%, to 80%	31 March 2019	Provision made within the revenue budget	BSO / SMPO	Projected increase in income of £600 per annum
	Maintain the number of party bookings.	Maintain at 86%	31 March 2019	Need to invest in party equipment. To be funded from the Leisure Facilities capital allocation	BSO / SMPO	
Polesworth Sports Centre	Resolve the short-term future of Polesworth Sports Centre on the site of The Polesworth School on terms to be agreed by the Executive Board by 31 October 2018	Conclude negotiations with The School and report to Executive Board by November 2018	November 2018	Potential reduction in revenue budget	AD	Negotiations with the School have commenced with a commitment to conclude the process by October 2018
	Increase the number of party bookings.	Increase bookings by 9% (from 75% to 84%)	31 March 2020	Need to invest in party equipment. To be funded from the Leisure Facilities capital allocation	BSO / SMPO	
The Queen Elizabeth Academy	Increase indoor community use of the QE School facilities	Increase peak time occupancy of the indoor facilities at QE School by 5%,	31 March 2019	Provision made within the revenue budget	BSO / SMPO	Projected increase in income of £300 per annum

		to 68%				
		Availability of the indoor facilities to be re-promoted to local sports clubs	December 2018			
	Increase community / club use of the QE School Artificial Grass Pitch, particularly during weekday evenings	Increase occupancy of the AGP by 10%, to 45%	31 March 2019		BSO / SMPO	Projected increase in income of £3,100 per annum
		Availability of the AGP to be re-promoted to local sports clubs	December 2018			
		Consideration to be given to the holiday activity programmes at the AGP				
Marketing and Promotion	Produce a costed marketing and promotional plan for implementation at all sites	Research similar marketing plans from other organisations	December 2018	Provision made within the revenue budget	LFM / BSO / SMPO	
	Produce a distribution network and timetable for the circulation of publicity material at each site	Have an identified number of outlets within each site's catchment area	July 2018	Provision made within the revenue budget	BSO / SMPO	
	Improve the Leisure Webpage	Increase the number of website views by 5%, from 245,000 in 17/18	August 2018	Provision made within the revenue budget	SMPO	
	Improve the social media profile of the leisure facilities (Facebook and Twitter)	Post items weekly Increase the number of Facebook followers	Weekly	Provision made within the revenue budget	SMPO	

		by 10%, from 6385 in 17/18 Increase the number of Twitter followers by 5%, from 1156 in 17/18				
	Produce a quarterly Leisure Bulletin	Raise awareness of achievements for members and all employees	31 March 2020	Provision made within the revenue budget	BSO / SMPO	
KPIs	Increase the (average) number of Direct Debit members (per month) at each facility, as follows: Arley Sports Centre Atherstone Leisure Complex Coleshill Leisure Centre Polesworth Sports Centre	160 (151 in 2017 / 18) 1100 (927 in 2017 / 18) 900 (860 in 2017 / 18) 410 (377 in 2017 / 18)	31 March 2019		LFM / BSO	
	Increase the annual number of visits at each facility, as follows: Arley Sports Centre Atherstone Leisure Complex Coleshill Leisure Centre Polesworth Sports Centre	2% (41542 to 42373) 8% (197790 to 213613) 6% (130143 to 137952) 4% (71879 to 74754)	31 March 2019		LFM / BSO	
	Increase the average income per visit across all sites from 2.84 to 2.88 by 31	2.84 to 2.88	31 March 2019		LFM / BSO	

	March 2019					
	Reduce the average subsidy per visit across all sites from 0.84 to 0.82 by 31 March 2019	0.84 to 0.82	31 March 2019		LFM / BSO	
	Reduce the average staff cost v total income figure (%) across all sites from 84 to 82 by 31 March 2019	84 to 82%	31 March 2019		LFM / BSO / LOSO	
	Maintain the average staff cost v total cost figure (%) across all sites at 66% by 31 March 2019	66%	31 March 2019		LFM / BSO / LOSO	
	Improve the average operational cost recovery rate across all sites from 79% to 80% by 31 March 2019	79% to 80%	31 March 2019		LFM / BSO / LOSO	
	Increase the average fitness income received per fitness station across all sites from £5405 to £5800 by 31 March 2019	£5405 to £5800	31 March 2019		LFM / BSO	
	Increase the average number of members per fitness station across all sites from 30 to 33 by 31 March 2019	30 to 33	31 March 2019		LFM / BSO	
	Increase the average length of stay for a member across all sites from 13 months to 14 months by 31 March 2019	13 to 14 months	31 March 2019		LFM / BSO	
	Provide site performance update reports on occupancy and income levels to Duty Officers at each site, the Community and Environment Board, and Senior Management.		Monthly		BSO	
Community	Ensure the active engagement of the leisure facilities in at least four community based initiatives / programmes organised by the Community Development section (e.g. Big Day Out, Cycle Race, Health Improvement programmes, etc.)	Participation in at least four community based activities / events each year	31 March 2020		SMPO / BSO	Participation in community events is an effective means by which to embed the significance of the facilities within their communities
Health and Safety	Ensure the effective implementation of all Health and Safety (including		31 March 2020		LFM / LOSO	

	cleaning) Systems and Procedures					
Maintenance	Introduction of a Planned Preventative Maintenance Programme for each facility		31 March 2020		LFM / LOSO	Work to be undertaken in conjunction with Facilities Management (Streetscape)
Technology	Promote Connect (online booking) to all customers Launch the Get Connected card, issued with every sign up. Each site has a pop up banner promoting it.	Increase web-based bookings by 5% across all sites, to 34000 from 32000 in 2017 / 18	31 March 2019		SSO / SMPO	
	GDPR Gladstone upgrade	Achieve compliance	August 2018 2018		SSO	
	Improve onsite Internet network capability	Consistent and quick connectivity	31 March 2020	IT	SSO	
	Introduce contactless payments for onsite paying customers across all sites		December 2018	IT	SSO	
Monitoring, Review and Evaluation	Report on performance against the actions, and in respect of the KPIs, identified in this Service Improvement Plan to each meeting of the Community and Environment Board		Every Community and Environment Board		AD / LFM	
	Report to the Health and Wellbeing Working Party on the action within the Health and Wellbeing Action Plan, 2017 to 2020, which reflects work being undertaken in the Leisure Facilities		Every Health and Wellbeing Working Party		AD / LFM / CDM	

KPIs cumulative 2018	ASC	ALC	CLC	PSC	Average	Target
Total members	304	3322	1945	1016	1647	
Direct Debit members	106	1093	852	405	614	
Total visits	9066	54781	34594	16502	28736	117173
Total income per visit	£2.13	£3.10	£2.85	£3.36	£2.86	£2.88
Subsidy per visit	£2.20	£0.83	£1.10	£1.02	£1.29	£0.82
Staff cost vs total income	121%	78%	89%	98%	97%	82%
Staff cost vs total cost	59%	61%	64%	75%	65%	66%
Operating recovery rate	49%	79%	72%	77%	69%	80%
Income per station	£516	£2,007	£1,888	£1,180	£1,398	£5,800
Members per station	12	39	38	29	30	33
Length of stay	12	11	13	11	12	14

KPIs per Quarter	ASC				ALC				CLC				PSC			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Total members	304				3322				1945				1016			
Total visits	9066				54781				34594				16502			
Total income per visit	£2.13				£3.10				£2.85				£3.36			
Subsidy per visit	£2.20				£0.83				£1.10				£1.02			
Staff cost vs total income	121%				78%				89%				98%			
Staff cost vs total cost	59%				61%				64%				75%			
Operating recovery rate	49%				79%				72%				77%			
Income per station	£516				£2,007				£1,888				£1,180			
Members per station	12				39				38				29			
Length of stay	12				11				13				11			

KPIs annual comparison	Arley S C				Atherstone L C				Coleshill L C				Polesworth SC			
	16/17	17/18	18/19	19/20	16/17	17/18	18/19	19/20	16/17	17/18	18/19	19/20	16/17	17/18	18/19	19/20
Total members	448	379			2410	3307			1802	2049			1014	1023		
Total visits	38413	41542			172505	197790			120183	130143			68565	71879		
Total income per visit	£2.50	£2.16			£3.36	£2.99			£3.40	£3.32			£3.00	£2.90		
Subsidy per visit	£2.72	£1.26			£0.55	£1.01			£0.54	£0.41			£0.42	£0.70		
Staff cost vs total income	73%	95%			68%	80%			79%	72%			80%	91%		
Staff cost vs total cost	71%	60%			58%	60%			68%	64%			70%	73%		
Operating recovery rate	48%	63%			86%	75%			86%	96%			88%	80%		
Income per station	£3,112	£2,728			£7,120	£7,365			£6,611	£7,298			£3,589	£4,229		
Members per station	n/a	15			n/a	38			n/a	38			n/a	29		
Length of stay		14				12				14				12		

Definitions/Calculation	Unit	Definition
Total members	No.	All members holding a current subscription
Total visits	No.	All activity visits
Total income per visit	£	Total income <i>divided by</i> total visits, so the higher the figure the better
Subsidy per visit	£	Total costs (excludes CECs and capital repayments) <i>minus</i> total income <i>divided by</i> total visits, so the higher the figure the better
Staff cost vs total income	%	Operational facility staff cost <i>divided by</i> total income, so the lower the figure the better
Staff cost vs total cost	%	Operational facility staff cost <i>divided by</i> total cost (excludes CECs and capital repayments), so the lower the figure the better
Operating recovery rate	%	Total income <i>divided by</i> total cost (excludes CECs and capital repayments), so the higher the figure the better
Income per station	£	Gym and classes income <i>divided by</i> number of stations, so the higher the figure the better
Members per station	No.	All gym members <i>divided by</i> number of stations, so the higher the figure the better
Length of stay	No. Mths	Average length of direct debit membership (inc current members), so the higher the figure the better