

BABERGH DISTRICT COUNCIL

FROM: Head of Community
Development

REPORT NUMBER: **K111**

TO: OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES)
COMMITTEE

DATE OF MEETING: 5 October 2010

**BABERGH DISTRICT COUNCIL AND SOUTH SUFFOLK LEISURE -
PARTNERSHIP DEVELOPMENT REPORT**

1. **PURPOSE OF REPORT**

To report on the performance and development of a key strategic and operational partnership between the District Council and South Suffolk Leisure (SSL), an independent leisure trust with responsibility for operating the Kingfisher Leisure Centre in Sudbury and the Hadleigh Swimming Pool. This report has been jointly prepared by BDC and SSL.

2. **RECOMMENDATIONS**

2.1 That the content of the report be noted.

The Committee is able to resolve this matter.

3. **FINANCIAL IMPLICATIONS**

3.1 There are no financial implications associated with the content of this report.

4. **RISK MANAGEMENT**

4.1 The nature of this report is such that a risk assessment is not required as the Committee is not being asked to make a decision or agree any recommendations.

5. **EQUALITY AND DIVERSITY IMPACT**

5.1 The nature of this report is such that an EQIA is not required.

6. **KEY INFORMATION**

End of Year Accounts 2009/10

6.1 Overall SSL broke even for the year. This was against a predicted deficit of £6k, the management fee paid to SSL by the Council having been reduced by just over £40k, a reduction that has been sustained in the present year. The budget, however, was set before announcements about the Free Swimming

Programme, which Babergh decided to opt into. At the time of setting the budget an assumed loss of income due to declining Gym membership, accounted, in the main, for the predicted deficit.

- 6.2 The introduction of free swimming yielded very high take-up in Babergh, in the first quarter of the year increases of up to 134% for participating groups. This take-up was substantially higher than other areas across the county and the region. However, this also meant substantial additional costs, particularly in relation to staffing, against some slight increases, against budget, in catering income and other shop sales. The imbalance between the additional cost and income meant that the scheme as first introduced was unsustainable because of the massive additional costs, around £40k for the first 7 months of the year. Officers undertook rigorous scrutiny of these issues and with agreement of Council transferred funds from other existing budgets to cover these costs. Officers worked closely with colleagues at SSL to adjust the free swim programme to ensure costs were reduced going forward ensuring that the scheme could continue. As a result of opting into the free swimming scheme Babergh also benefited from £180k of additional capital investment, from lottery funds, which has been invested in improvements at Hadleigh Pool, along with over £330k of Babergh's money.
- 6.3 The election of the new Government brought with it a decision to end DCMS funding for the Free Swimming Programme. Babergh Officers worked with SSL to sustain the programmes for as long as possible, however the withdrawal of governmental funding at short notice brought the scheme to an end in August 2010. Babergh and SSL are closely monitoring the effect on swimming participation.

7. **STRATEGIC PARTNERSHIP**

- 7.1 The current financial circumstances have made it very clear that costs have to be driven down and that any opportunities to maximise income must be explored vigorously. There have been two key areas of discussion that are ongoing in this respect.
- 7.2 Discussions between the trusts across the West of Suffolk have been ongoing for sometime and more recently (from around April this year), officers of the local authorities involved and the CEOs of the trusts have been meeting to explore the potential for savings to be generated through shared services between the trusts. Discussion has ranged from options that look at shared back office services and in this respect the costs that SSL incur for such services look very favourable in relation to other trusts, to the potential for a full scale merger. At a recent meeting that brought together officers, Members, the CEOs and board members of the trusts it was agreed that a full scale evaluation of the potential for a merger, along with other options should be completed; looking at both the quality of services provision and costs of that service.
- 7.3 For SSL and Babergh the other key element is the potential to grow the Trust and to yield greater income. This has particularly focused on the potential for an extension to the Kingfisher Leisure Centre, which would provide a soft play environment for younger children. Agreements have been reached on sharing

costs of architectural planning and an outline business case has been prepared. The full details are being worked up, but the work done so far suggests that this would be a good scheme for Babergh and SSL and one that has the potential to generate additional income, even taking account of the capital costs; which would thereby ease management fee pressures in the medium to long term. Officers at both Babergh and SSL continue to rigorously evaluate and explore the potential of the scheme and will present full details for Members' approval at the appropriate time.

8. **OPERATIONAL ACHIEVEMENTS**

- 8.1 SSL continues to work closely with Babergh District Council's community sport development team. Commitment has been ongoing in supporting the work and set up of the Community Sport Network and in hosting specific partnership events with the Authority and the Primary Care Trust along with signing up to initiatives such as the 'Fit for Future' project and free swimming lessons from the ASA. One of our proudest achievements continues to be the SSL Swim School. Not only do we welcome over 1300 participants per week we were also delighted to be awarded £9,390 to introduce the Aquatics Link programme that offers a structured journey from swim school into competitive swimming with clubs.
- 8.2 SSL has continued to make significant progress with the annual service delivery plan along with a number of other key objectives. Last year's report to Overview and Scrutiny detailed a range of operations issue that would be focused upon and the list below details progress against those aims and others that have been developed through the year:

In 2009/10 we:

- Saw increased levels of swimming participation at the Kingfisher Leisure Centre of 56% and 91% at Hadleigh Swimming Pool.
- Invested £510k at Hadleigh Swimming Pool
- Introduced the Lifestyle membership - options were introduced offering users a choice of what they wanted to include within their membership package.
- Introduced the Lifestyle Journey – offering a high level of support to all new users when embarking on their fitness journey.
- Installed 'Connect' management system to aid and improve gym retention.
- Developed a comprehensive sales and marketing strategy and service delivery plan
- Introduced Power Plate – vibration training at the Kingfisher Leisure Centre achieving penetration levels of 16% of the membership base within the first 3-months of the year.
- Introduced the 'Standards Approach' document offering staff a clear guide to working for SSL.
- Delivered BEE training on a monthly basis improving customer service throughout the organisation.
- Secured £9,390 funding from Sport England's small grants programme.

- 8.3 Going forward, South Suffolk Leisure is investigating in portfolio growth, partnership working and asset development across both sites.

Our key aims continue to be:

- Developing and investing in our workforce
- Improving service standards
- Developing new opportunities with partners and the local community with the aim to improve healthy living for our local residents and customers.
- Develop subsidised gym access programmes for people that are currently classified as clinically obese or at risk of becoming so due to deprivation

SSL has a clear vision of growth and aims to take the Trust from strength to strength.

- 8.4 SSL is also working to tackle obesity in school children:

- Active 8 offers children a two hour after school activity, based around physical activity in a fun environment
- Kangoo Jump continues to be a well attended class for those aged 10 and above and is a great cardiovascular workout
- Swimming for under 17s - has seen participation levels reach an all time high, with 57,870 junior swims having taken place during 2009/10 (this includes paid swims).

9. **PERFORMANCE IN 2009/10**

- 9.1 2009/10 was the first year of free swimming with the programme extended to all public sessions until the programme was curtailed in November 2009 for cost reasons, as previously reported to Members. The scheme proved a great success in Babergh with take up levels that were amongst the very best in the region and nationally. As a result the numbers of swims saw large increases for participating groups and increases across the board. The tables below illustrate performance in these areas.

Kingfisher Leisure Centre

Swimmers	No. of Swims 09/10	Increase from 08/09	% increase
17 and under	50986	21816	75%
Adults	33001	4710	17%
60 and over	19034	9973	110%
Disabled	899	764	566%

Hadleigh Swimming Pool

Swimmers	No. of Swims 09/10	Increase from 08/09	% increase
17 and under	6884	3726	118%
Adults	5599	896	19%
60 and over	7163	4559	175%
Disabled	79	45	132%

9.2 Gym membership at KLC varied throughout the year with numbers for the 4th Qrt down on the previous year (from 1113 to 948). However numbers fluctuated throughout the year between 948 and 1120 members per Qrt. The reason for this significant drop was caused by the 99 fit for future users joining and leaving during this period. A 16% down turn in general gym membership can be attributed to the current economic downturn which has been seen throughout the industry. We have also had to compete with a new competitor in the market that opened in Sudbury in January 2010.

10. LOOKING TO THE FUTURE

10.1 In the coming year the Council will be working with SSL on a number of key issues linked to our corporate objectives. Specific areas of focus will include:

- Complete the evaluation, including full financial analysis, for a potential extension to KLC. If the business case proves sound to seek member's approval to proceed and look to start generating extra income from the second half of 2011/12.
- To review performance measure and targets following the implementation of new PIs last year.
- Jointly reviewing one year delivery plans to ensure that SSL's operational imperatives balance the need for ongoing financial stability with the needs of the Council to achieve key corporate objectives.
- Jointly look at all potential areas to grow SSL's business base and maximise income streams as well as ensuring that costs are minimised, balanced against the delivery of quality services.
- SSL to complete a tender submission for the Hadleigh Community Facility.

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