

Report to: South Ribble Borough Council Scrutiny Committee



OUR VISION

“South Ribble to be a healthy active Borough, to be known for its richness of accessible high quality leisure activities and services and where every resident and visitor will have the opportunity to improve their health, wellbeing and quality of life”

1. Introduction

Thank you for giving me the opportunity to report to this Scrutiny Committee the significant achievements made last year through the South Ribble Community Leisure Partnership. We continue to provide top quality services to the community within South Ribble and beyond and with this report I aim to show the commitment of the Leisure partnership to increasing sport and physical activity uptake in the coming years.

The Leisure Trust welcomed the support that this Committee gave to the work of the Partnership in March 2015 and now welcomes the opportunity to present a further report for the period to 31st December 2016. The recommendations made at the last Scrutiny Committee have been considered by the Trust and agreed as appropriate. This report includes reference to some of the recommendations, however I will expand on these at the Scrutiny Committee on the 14th March.

Firstly, I start my report with headlines which give an overview of the impact the Leisure Trust has had since its inception and continues to have within the community as well as some financial information to demonstrate our drive to ensure continued value for money to both the Council and our customers.

Secondly, this is followed by highlighting particular activities undertaken by the Partnership within the facilities and wider community. These I present under the current four Strategic objectives of

- a. Developing Active Lifestyles
- b. Enhancing Facility Provision
- c. Raising the Profile of Sport and Active Leisure
- d. Supporting Community Sport

The penultimate section of this progress report will give a broad overview of our activities during 2016.

And finally, I will outline our delivery plan for this year, identifying the aims of South Ribble Community Leisure and clearly identify what we plan to achieve.

2. Headlines

Since the inception of the Partnership (June 2005):-

- Swimming Participation – the swimming pools annually attract over 250,000 swimmers per annum, resulting in over 2,768,000 swimming visits have been enjoyed.
- 48 primary schools make use of the swimming pools on a weekly basis for the Educational Swimming Programme, 27,456 school children in years 4 & 5 have been taught to swim since 2005.
- In addition, our SWIMLIFE programme has taught 46,540 individuals to swim in the same period. Now have over 3,100 taking up weekly swimming lessons, just over 1,500 in 2005.
- Over 6 million visits to the fitness suites (Gyms) have taken place since June 2005, with circa 10,000 individuals using our 4 suites on a regular basis.
- Over 320 individuals play tennis on a weekly basis, with over 90 adults taking part in weekly organised coaching sessions and now over 500 children per week taking part in lessons. A total of over 40,000 visits to play tennis each year.

Since January 2016:-

- 767,894 attendances were recorded across the facilities between January and December 2016, this compares to 764,847 during the same period in 2015, and shows a slight increase in overall attendances.
- Since the beginning of 2016, we have recorded a positive movement in Fitness Suite Memberships and we have now started to recover from an 18-month slump, with a very positive net growth to 4,988, 373 (8%) more members than 2015. The impact of 'Budget Gyms' that have opened in and around South Ribble in recent years, has definitely impacted on our membership platform, resulting in us further addressing the issues that have arisen via this external competitive environment. We continue to invest in our gym equipment, and boast an extensive range of top quality equipment catering for all needs.
- In comparison, Swimming Lessons continue to be a major focus and continue to perform very strongly, with an overall 9% increase in participation since 2015, we now have over 3,100 children taking part on a weekly basis.
- Tennis courses also continue to perform well, with an impressive 8% growth from 2015.
- During 2016, we have seen a reduction in overall costs to SRBC for the Leisure Partnership, with the Leisure Management Fee itself reducing by a further £14,000 on the previous year.
- Operational Income during 2016 provided an overall operating surplus of £302,633 (including Leisure Services Fees); income generated during the year was £3,319,280, which is a 1% increase on 2015 (£3,292,942).
- Utilities – show a saving of £40,000 (12%) when compared to 2015, undoubtedly helped by the milder weather and the introduction of some additional technology efficiencies, such as LED lighting and movement sensors.
- The refurbishment of the Artificial Turf Pitch at Penwortham Leisure Centre (Mid 2015) has led to a significant increase in usage (overall 60% on 2015) in real terms a 5% increase year on year. The conversion of the outside Tennis Courts at the Tennis Centre to create 4 No. 5 a-side 3G has enabled further growth, we now have over 30 teams per week utilising the facilities.

3. Highlights

a) Developing Active Lifestyles

We continue to address the physical activity needs and participation of the local communities; the further development of the 'Ladies Only' gym at Penwortham is testament to this. We now have a unique and qualitative product which opened in early 2016, with two dedicated employees who are operating and developing the offer. We currently have 157 ladies taking part in regular fitness activities, this is set to continue to grow over the coming months.

Attendances on the SWIMLIFE programme (Swimming Lessons) have continued to increase by about 8% during 2016, with over 3,100 children now taking part in the programme, compared to 2,872 in 2015 and 2,790 in 2014.

Our previous work to further develop the existing partnership with Leyland Barracudas Swimming Club continues to pay dividends, resulting in the development of clear pathways for swimmers engaged on our programmes (both SWIMLIFE and Educational Swimming) to develop their competitive swimming skills across our three swimming pools. The development of these links with the Swimming Club have enabled a more proactive approach to the provision of school

swimming galas, Leyland Barracudas continue organise and staff the events with their own volunteers.

Gymnastics continue to perform well, with over 570 children now regularly attending weekly sessions, equating to a near 27% increase on 2015. The development of Gymnastics Courses has been a major focus of 2016, particularly at the Tennis Centre, here alone we have seen a near 50% increase in Gymnastic participation. We are currently working with Serco and British Gymnastics to further develop opportunities at the Tennis Centre.

Tennis course utilisation continues to increase, with over 480 individuals taking part on a weekly basis, an overall 8% increase on the previous year. South Ribble Tennis and Fitness Centre remains in the top three of UK indoor tennis centres in terms of course usage.

b) Enhancing Facility Provision

2016 saw the commencement and conclusion of a number of developments to enhance our facilities, and South Ribble Community Leisure wishes to place on record our sincere gratitude to the Officers and Members of South Ribble Borough Council for their continued support.

Improvement works carried out since January 2016 with the support of South Ribble Borough Council includes: -

- Conversion of a Squash Court at Penwortham Leisure Centre to create a 'Ladies Only' Gym.
- The installation of new 'energy efficient' lighting within the operational buildings, on-going replacement programme.
- Refurbishment of the Fitness Suite and Free Weights Zone at South Ribble Tennis and Fitness Centre.
- New 'Spinning Studios' created at both Leyland Leisure Centre and South Ribble Tennis Centre.
- Conversion of outside tennis courts to 3G pitches at the Tennis Centre
- Reconfiguration of the fitness suite at Leyland Leisure Centre, with additional equipment and new flooring installed.
- Completion of works to refurbish the wet side changing areas at Penwortham and Bamber Bridge Leisure Centres.
- Refurbishment of the Male Dryside Changing Area and also the Shower Areas within the Communal Changing Village at Leyland Leisure Centre.

c) Raising the Profile of Sport and Active Leisure

A customer satisfaction assessment was undertaken during 2016.

South Ribble Community Leisure has reviewed the outcomes emanating from the review, and has where appropriate put measures in place to assist in satisfying customer requirements. Improvements made as a result of customer feedback are as follows:

- Revised opening times and additional aerobic and fitness classes, including the addition of 'virtual spinning and fitness classes'.
- Develop proposals for additional car parking at South Ribble Tennis and Fitness Centre.
- LED Lighting replacements across all facilities.

- Development of a refurbishment program to the male dryside changing areas at Leyland Leisure Centre.
- Newly refurbished showers in the Village Change at Leyland Leisure Centre.
- Creation of the Spinning Studio at the South Ribble Tennis and Fitness Centre.
- Installation of new 3G 5 a-side pitches at South Ribble Tennis and Fitness Centre.

South Ribble Community Leisure is pleased to announce that they have hosted and supported a number of prestigious events during 2016, these include:

- SPAR Youth Games (Tennis Finals)
- Lancashire Schools Indoor Cricket competition
- The 'Northwest Challenge', an International Tennis Federation world ranking 'wheelchair' tournament
- South Ribble Schools Swimming Galas
- Leyland Barracudas Swimming Gala

A number of outreach activities were undertaken throughout 2016 in association with a number of partners, including the School Sports Partnership, Lancashire Sport, Amateur Swimming Association, Lawn Tennis Association and England Squash and Racketball.

d) Supporting Community Sport

We continue to provide additional support to a number of local organisations and sports clubs, assisting with funding bids where appropriate and also providing accessible facilities for group meetings etc. Recent initiatives include working with the South Ribble Women's Runners Group to provide access to meeting venues and also working with various junior football clubs to provide inexpensive access to 3G artificial playing pitches.

4. Overview

Performance

Admission charges are reviewed annually; at the beginning of 2016 there were no increases to Fitness Suite Memberships, prices remained frozen at 2015 levels. All junior prices, including swimming lessons, tennis lessons, gymnastic coaching and junior swimming remained at 2015 levels. It was felt that this decision would assist us in our aim to 'get more people, more active, more often' by keeping many of the key areas of service very competitive and affordable for the local community.

Investment programme delivered on time and within budget.

All pre-planned maintenance carried out according to programme timetable.

Leyland, Bamber Bridge and Penwortham Leisure Centres, along with South Ribble Tennis and Fitness Centre maintained their 'QUEST Accreditation' and their respective qualitative scores; the independent external assessors have commended all facilities.

The Board is pleased to announce that a new 'enhanced' two-day QUEST Assessment is being rolled out across all facilities, which will include an independently verified assessment of our Safeguarding policies, procedures and training programmes.

Financial Performance

INCOME GENERATION

YEAR	Bamber Bridge LC	Leyland LC	Penwortham LC	Tennis Centre
2006	£545,328	£731,704	£641,511	£550,587
2007	£551,238	£912,788	£642,696	£602,589
2008	£582,964	£961,994	£623,520	£626,936
2009	£566,545	£961,094	£554,322	£565,030
2010	£548,792	£917,365	£539,875	£532,213
2011	£527,111	£969,520	£619,844	£571,700
2012	£673,338	£1,094,490	£673,338	£621,774
2013	£736,198	£1,290,803	£826,873	£647,076
2014	£728,290	£1,240,536	£667,516	£576,548
2015	£679,712	£1,137,809	£645,040	£557,715
2016	£682,904	£1,131,420	£748,256	£601,027

Note: The Income figures above include the Leisure Services Fees payable by SRBC.

EXPENDITURE

YEAR	Bamber Bridge LC	Leyland LC	Penwortham LC	Tennis Centre
2006	£757,088	£921,884	£790,459	£634,411
2007	£716,560	£823,409	£685,417	£594,758
2008	£684,026	£799,622	£668,773	£620,323
2009	£617,237	£819,709	£668,381	£553,188
2010	£628,614	£841,201	£678,748	£500,389
2011	£640,245	£910,796	£670,871	£479,419
2012	£652,017	£977,054	£678,915	£505,715
2013	£645,606	£977,948	£701,961	£482,053
2014	£646,164	£985,718	£648,863	£463,045
2015	£601,372	£964,177	£656,097	£452,974
2016	£632,421	£1,023,478	£589,356	£479,105

Note: The Expenditure figures above do not include any costs associated with Repairs, Maintenance or Facility Investment nor do they include any management costs from an South Ribble Borough Council perspective.

2016/17 Delivery Plan

To complete the development of our Sport and Physical Activity Strategy

a) Developing Active Lifestyles - Increase Participation / Attendances

- Retain and build upon our existing clientele
- Continue to review our existing programmes, with a view to providing a much wider and varied programme of activities across all disciplines
- Further develop our programme of junior activities across the Borough
- Work with relevant organisations and agencies (including Lancashire County Council, Clinical Commissioning Groups and their respective commissioned service providers) to address the physical activity needs of South Ribble residents with Health Conditions.

b) Developing Active Lifestyles - Be 'More' Inclusive

- Provide additional activity sessions across the Borough for people with disabilities
- Increase the number of opportunities available for older people to participate in physical activities.

c) Supporting Community Sport - Work with Neighbourhoods

- Host a series of outreach events across the Borough to raise the profile and awareness of physical activity opportunities available within local communities.
- Work with South Ribble Borough Council to provide other opportunities across the Borough for the local community to undertake physical activity, particularly within local green spaces and parks.
- Ensure sport and leisure contributes to the local neighbourhood priorities.

d) Raising the Profile of Sport & Active Leisure - Inspire People

- Increase the number of girls participating in physical activity, working with Secondary Schools, Colleges and Sport England, embracing the 'This Girl Can' campaign.
- Continue to increase the number of participants in Gymnastics Activities by offering additional classes and assist in developing an 'Excellence' pathway in collaboration with relevant partners.
- Increase the number of children participating in Tennis based activities, particularly working with primary schools.
- Develop additional opportunities for more children and young people to progress into 'Leyland Barracudas' swimming squad.

e) Enhancing Facility Provision - Improve Facilities and Operations

- Complete the review of Safeguarding, to ensure that the operation across all our facilities fully complies with legislation.
- Continue to work with academics at Lancaster University and Liverpool John Moores University to complete the review to identify 'Barriers to Accessing Local Authority Leisure Facilities Provision'.
- Ensure that all employees receive adequate training in Customer Care and related disciplines.



South Ribble Leisure Financial Statements 2015

Registered number: 5396330

**SOUTH RIBBLE COMMUNITY LEISURE
LIMITED**
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

PM+M Solutions for Business LLP
Chartered Accountants
Statutory Auditors
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

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COMPANIES HOUSE

SOUTH RIBBLE COMMUNITY LEISURE LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO SOUTH RIBBLE COMMUNITY LEISURE LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of South Ribble Community Leisure Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with the regulations made under that section.

pm+m solutions for Business LLP

Helen Clayton BSc. FCA (Senior statutory auditor)

for and on behalf of
PM+M Solutions for Business LLP

Chartered Accountants
Statutory Auditors

Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

11 July 2016

SOUTH RIBBLE COMMUNITY LEISURE LIMITED
 (A company limited by guarantee)
 REGISTERED NUMBER: 5396330

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
CURRENT ASSETS					
Stocks		5,580		12,598	
Debtors		315,431		117,057	
Cash at bank and in hand		385,566		434,768	
		<u>706,577</u>		<u>564,423</u>	
CREDITORS: amounts falling due within one year		<u>(675,484)</u>		<u>(537,342)</u>	
NET CURRENT ASSETS			31,093		27,081
TOTAL ASSETS LESS CURRENT LIABILITIES			31,093		27,081
ACCRUALS AND DEFERRED INCOME			(31,093)		(27,081)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY					
Defined benefit pension scheme liability			<u>(3,087,000)</u>		<u>(3,538,000)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY			(3,087,000)		(3,538,000)
CAPITAL AND RESERVES					
Profit and loss account			<u>(3,087,000)</u>		<u>(3,538,000)</u>
MEMBERS' FUNDS			(3,087,000)		(3,538,000)

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on *20 June 2016*.


 Director *P.L. Dodd*

The notes on pages 3 to 5 form part of these financial statements.

SOUTH RIBBLE COMMUNITY LEISURE LIMITED
(A company limited by guarantee)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

Since the company's incorporation, the impact of FRS17 "Retirement Benefits" has generally resulted in a significant liability being shown on the balance sheet and an increase in the pension costs included in the income and expenditure accounts. This together with the lower than expected performance in the company's initial periods of trading, has led the directors to consider the application of the going concern basis in preparing these financial statements. Based on the continued contractual commitment of South Ribble Borough Council and SERCO Leisure Operating Limited, the directors believe it is appropriate to adopt the going concern basis in preparing these financial statements, while recognising that the company is dependant on the continued receipt of annual funding from South Ribble Borough Council and the financial commitment of SERCO Leisure Operating Limited, who have contracted to fund any shortfall in the company's operational financial performance. All parties remain committed to taking the company to a surplus level of financial performance and will take appropriate action as required to achieve this having due regard to the generally difficult and uncertain environment in which the company operates.

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Income represents turnover and grants receivable and are described below:

Sales in respect of the use of leisure facilities are accounted for on a receivable basis net of value added tax where applicable. Where membership income is received in advance of usage, its recognition is deferred and included in creditors.

Local authority fees are credited as income when they are receivable provided any conditions for receipt have been complied with, unless they relate to a specified future year, in which case they are deferred.

SOUTH RIBBLE COMMUNITY LEISURE LIMITED
(A company limited by guarantee)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

The financial statements do not include the cost of the land, building and equipment used at nominal rent by South Ribble Community Leisure Limited, whose title rests with either South Ribble Borough Council or SERCO Leisure Operating Limited. It is not practicably possible to attribute a value to this benefit.

A minimal amount of assets have been acquired and capitalised by the company and are stated at cost net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	-	3 years straight line
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1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

SOUTH RIBBLE COMMUNITY LEISURE LIMITED
(A company limited by guarantee)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.9 Pensions

The company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2013.

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Retirement benefits other than pensions are accounted for in the same way.

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2015 and 31 December 2015	7,169
Depreciation	
At 1 January 2015 and 31 December 2015	7,169
Net book value	
At 31 December 2015	-
At 31 December 2014	-

3. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.