

Report of	Meeting	Date
Director of Commercial	Scrutiny Committee	Tuesday, 8 February 2022

Update on South Ribble Leisure Ltd

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. An update for Scrutiny Committee on progress made by South Ribble Leisure Limited who now run the Council's Leisure Centres

Recommendations to Scrutiny Committee

2. That Scrutiny Committee note the progress of South Ribble Leisure Limited

Background to the report

3. At the last Scrutiny committee, it was requested that Leisure Services brought back to Scrutiny on a quarterly basis an update on the progress made by the new Leisure Company South Ribble Ltd in a number of areas including:
 - Leisure centre usage figures
 - Income v. expenditure against budget figures
 - Customer feedback, satisfaction and complaints, including QUEST accreditation results
 - Progress against business/delivery plan
 - Activities linked to corporate strategy
 - Future Plans

Leisure Centre usage Figures against Targets

4. The table below gives some early sample usage figures for the first four months of the new Leisure Company and compares the figures with average monthly usage during 2019 before Covid.

5. The current usage of the Leisure Centres is around 20% less than pre Covid levels which is encouraging as when the centres were first allowed to reopen back in April 20 with restrictions the drop from 2019 usage was significantly higher than 20%
6. The figures for December 21 drop off considerably. This is because of the Christmas period which traditionally is very quiet for Leisure Centres but also because of the new Omnicom Variant which appeared at that time.
7. Current member sales are very encouraging and with future initiatives planned we hope that the recovery to Pre-Covid level of usage will continue at pace.
8. The figures for children on school meals are not yet available as we need to integrate our booking system with the way that children receiving free school meals are attending our centres via Leisure Card. This will be available from April of this year

Type of Usage	How data is collected	Average Monthly usage 2019 before COVID	Sep-21 First month of Company	Oct-21	Nov-21	Dec-21
Population of South Ribble	2018 ONS UK	111,000	111,000	111,000	111,000	111,000
Total number of visits to Council sports and leisure facilities	Legend reports	65,034	56,304	54,115	55,566	29,465
Number of older people (65+) visiting Council's leisure centres	Legend Reports	3255	2,114	2,974	2,865	1,385
Percentage take up of leisure Card geared towards people in receipt of free school meals	Need to embed with LEGEND	0.00%	0.00%	0.00%	0.00%	0.00%
The number of young people visiting the Council's leisure centres	Legend Reports	26,000	22,005	21,754	21,801	11,096
Percentage take up of Leisure Card for people with a registered disability	Legend Reports	0.03%	0.03%	0.04%	0.02%	0.02%

Finance

9. Based on current assumptions, including estimates of customer usage, we are forecasting to breakeven against the budget provided to the Company by the Council by the year end, however it must be noted that significant risks remain in achieving this over the final quarter of the year in light of Covid-19 and the high levels of the Omicron variant.

Customer feedback, satisfaction and complaints, including QUEST accreditation

10. At the time of handover from Serco there were an increased number of complaints received by the Council mainly related to IT issues and not being able to get through to Centres or book on-line. Working with IT and the complaints team these have all been resolved. Things have now settled down and complaints have reduced dramatically. Customer feedback is good as received via the App and the Website which are recorded through our Communications team
11. As part of the communications plan for the Company (SLA) a full customer survey will be carried out in the new Financial year which will be part of the Company QUEST accreditation process to take place in September of this year. Quest is the benchmark quality standard for the operation of Leisure Centres

Progress against business/delivery plan

12. South Ribble Leisure Ltd is also working closely with the Council on facility improvements including:
 - a. The New Playing Pitch Hub consisting of two new 3G pitches and a new state of the art Sports Pavilion to support the new pitches is under construction at Bamber Bridge Leisure Centre and will open in May of this year.
 - b. A full Repainting of the external fabric of the four Leisure Centres is underway and will finish at the end of this month
 - c. A new Extended Car Park with an increased number of electrical charging points is now completed at South Ribble Tennis Centre.
 - d. A scheme to remodel the 4 reception areas at the Leisure Centres is at the detailed design stage and will go to March Cabinet and hopefully will be completed in Summer 2022
 - e. We will shortly receive a decision on the £5m bid submitted to central government on decarbonisation projects which includes significant investment in all the Leisure Centres.
13. The Company has produced a full draft Business Plan which has will need to be signed off by the Board of Company Directors and ultimately Cabinet acting as Corporate Shareholders of the Company.

Activities linked to corporate strategy

14. South Ribble Leisure Ltd have introduced New Leisure Card categories, enabling the monitoring of specific user groups linked to KPIs in line with the aspirations of the Leisure Facilities strategy notably children who receive Free school meals. This will be recorded from April of this year
15. The Communities Directorate has produced a new Leisure Local Action plan which articulates how the Council as a whole will look to develop Leisure, recreational and

community activity in the Borough which will look to target hard to reach groups with a view to improving Health and Wellbeing and reduce Health inequality across the Borough. The new Leisure Company has been fully involved in pulling the action plan together with colleagues in the Communities Directorate and the Executive Member where activity will take place within the Leisure Centres. This action plan maybe something that Scrutiny might wish to review progress against in the future.

16. South Ribble Leisure Ltd have also targeted activities and offers targeted to young people. A member of staff from the South Ribble Leisure team was appointed the HAF Programme co-ordinator before the Summer. The leisure service team have engaged with the Communities Team and Active Health Team and offered 240 places per day for 4 weeks on the HAF programme over Summer 2021 across South Ribble Leisure Centres. There has also been a HAF programme during the Christmas Holidays which a report will shortly be available through the Communities Directorate who lead on the scheme.

Future Plans for 2022/23

17. To finish the planned facility improvements including the remodelling of all receptions, new gym equipment for Leyland Leisure Centre
18. Open the new Playing pitch Hub at Bamber Bridge Leisure Centre
19. Deliver against the Decarbonisation bids if successful with central Government
20. Deliver against the agreed Leisure Local plan around Health and well-being in partnership with internal and external partners
21. Deliver against the agreed Business Plan for 22/23 once formally adopted as part of the budget setting process of the Council. This will involve delivering against the financial plan agreed with the Council
22. Embed the new the new proposed staffing structure for the Leisure Company

Key Challenges and Issues

23. **Finance** – The Council has put in place a 3-year plan of financial support for South Ribble Leisure Ltd. The plan is about reducing the financial support given by the Council to the Company to a net zero position by 24/25 whilst still delivering against agreed Health and Wellbeing objectives
24. **IT issues** - The Company are working closely with IT colleagues on addressing the final issues identified around IT with a clear aim of having a first-class digital offer in place integrated with all activity taking place at the Leisure Centres during this financial year
25. **Implementing a new Staffing structure and Terms and Conditions for the South Ribble Leisure Company-** The Company is currently reviewing the staffing structure to ensure it is fit for purpose. The Company is also seeking to review staff terms and conditions to address variations within the Company and wherever possible equalise them with those of the Council.
26. **Taking forward Leisure Local.** This will be a clear priority for South Ribble Leisure Ltd for the year 22/23 working closely with partners within the Council notably Active Health and the Communities team, along with external groups and organisations delivering

against an agreed Action plan pulled together by the Communities Directorate of the Council.

27. **Communications** – Working closely with the Communications team South Ribble Leisure Ltd now has a communications plan in place which is been rolled out. During 2021/22 we successfully launched a new Website, introduced a new Leisure App.

Climate change and air quality

28. The work referred to in paragraph 15 if carried out will see a significant improvement in the Carbon footprint of the four Leisure Centres

Equality and diversity

29. The work through Leisure local and changes to the Leisure Card system will seek to improve Equality and Diversity across the service through increasing accessibility

Risk

30. The Business plan for the Company includes a full risk assessment on the key risks facing the Leisure Company

Comments of the Statutory Finance Officer

31. This report is an update on South Ribble Leisure Limited but in respect of the Council the amount of contract payment for the period September to March 2022 is consistent with the approved budget of £555k.

Comments of the Monitoring Officer

32. This report is for noting. We are still in the relatively early days of the new Leisure company. The company was set up with substantial input from the Legal team to ensure that it was done in accordance with legal requirements. There are no concerns from a legal point of view with the contents of this report.

Report Author:	Email:	Telephone:	Date:
Neil Anderson, Danny Delvard, Paul Shannon	neil.anderson@southribble.gov.uk, danny.delvard@southribble.gov.uk, paul.shannon@southribble.gov.uk	01772 625540	8 th February