

Agenda Item No:

Report No:

Report Title: Wave Leisure - Annual Service Statement, Resource & Performance Requirement 2008/2009

Report To: Cabinet

Date: 23 July 2007

Lead Councillor: Cllr D Gray

Ward(s) Affected: All

Report By: Director of Finance & Community Services

Contact Officer(s): Sue Taylor, Client & Customer Services Manager

Purpose of Report:

To seek Cabinet approval to the 2008/2009 Annual Service Statement, Service Fee and Performance Indicators, prior to notifying Wave Leisure in accordance with the contractual agreement with the Council.

Officers Recommendation(s):

- 1 That Cabinet approves the Annual Service Statement, Service Fee and Performance Indicators as set out in the report.

Reasons for Recommendations

- 1 The agreement between the Council and Wave Leisure requires Cabinet to approve on an annual basis a Service Statement, proposed Resource Allocation (service fees) and set appropriate Performance Indicators and associated targets.

Information

2 Background

First successful year of operation

- 2.1 Wave Leisure completed its first year of operation at the end of March 2007. It produced its Accounts and Annual Report and they have been duly audited without qualification.
- 2.2 The first year has been a success for Wave Leisure, for the Council and of greater importance, for Leisure Centre users and council taxpayers generally.
- 2.3 The new arrangements have generated resources of £634,000 over the two year period 2006 to 2008 which have been entirely reinvested in the Leisure Centres.

- 2.4** In addition to the £634,000 Lewes District Council has also allocated £207,465 from its own reserves towards the cost of an All Weather Pitch at the Downs Leisure Centre.
- 2.5** Without the new arrangements the £634,000 would have fallen as an additional demand upon the Council's limited resources. The table below shows where these resources have been used.

Leisure facility	2006/07	2007/08	Total
	£'000	£'000	£'000
Downs Sports Hall Conversion	50	50	100
Downs Blatchington Hall Gymnasium	67		67
Lewes new Fitness suite		220	220
Peacehaven Gymnasium	10		10
Seahaven Pool UV filters	9		9
Building maintenance	103	125	228
Total reinvested funds	239	395	634

Note: this table excludes £100,000 towards set up costs for cash flow and reserves.

Annual Service Statement

- 2.6** The arrangements between the Council and Wave Leisure require the Council to prepare and approve an Annual Service Statement by the 31 July each year so that Wave Leisure may then produce an Annual Service Plan that demonstrates how it will meet the council's objectives as set out in the statement.
- 2.7** The proposed statement is shown at Appendix A and is based upon an amalgamation of the aims and objectives of the Council as set out in the Council Plan and the priorities set by the Crime Reduction Partnership (CRP) and the Local Strategic Partnership (LSP).
- 2.8** The focus of the current year will be upon provision of services and activities that are targeted at young people who may be in danger of offending and those who are not currently physically active. This reflects the priority of the CRP in reducing youth anti-social behaviour, which is currently an issue across the district as well as the need to improve access to local facilities by young people which has been identified by the LSP.
- 2.9** The Council's objective to protect and enhance the environment is reflected in the requirement of Wave leisure to reduce CO2 and other greenhouse gases and to focus on encouraging increased recycling rates.
- 2.10** Equality of opportunity is also a key Council objective, with access to services and facilities for minority groups as well as the wider community; both physical access and through improved access electronically. Equality of opportunity is also considered in relation to the staff as well as customers of Wave Leisure, in the same way that the

Council actively promotes workforce development and has in place a recruitment policy that recognises the diversity of the local community and reflects this in the make up of the organisation. Within the service fee is an element designed to support youth training opportunities.

Resource Allocation (Service Fees)

- 2.11** In return for Wave Leisure providing services and undertaking activities that meet the Council's stated objectives, the Council provides the Trust with an Annual Service Fee. The agreed Service Fee for 2008/2009 is £812,630 plus an indexed inflation allowance.
- 2.12** With the expected reduction in Government Support for the next three years Cabinet is recommended to approve a Service Fee for 2008/2009 at the level indicated in the agreement.
- 2.13** When the agreement was signed The Council outlined that it would provide additional service fees of £540,500 over the first five years of operation, 2006 to 2011. By the end of 2008 all of these fees will have been fully paid and utilised.

Performance Indicators & Targets

- 2.14** Wave Leisure Trust is required to report on its performance against a series of performance indicators set by the Council. The current indicators and associated targets are shown at Appendix B. Performance is reported by the Trust on a quarterly basis for the majority of indicators and on an annual basis for the remainder. Performance monitoring is undertaken by the Council's Client Officer throughout the year.
- 2.15** The suggested targets shown against each Indicator for 2008/2009 and beyond have been considered carefully against the aims and objectives as articulated in the Council's Annual Service Statement.
- 2.16** The targets have been set as a means of encouraging the Trust to assist the Council in meeting its agreed priorities. The Trust will respond to the Annual Service Statement and targets before 30 October 2007, by submitting a proposed Annual Service delivery plan and an updated Trust Business Plan.
- 2.17** The Council will then endeavour to approve the Service Delivery Plan by the 15 January 2008 as required in the Trust agreement.

3 Financial Implications

- 3.1** The payment of an Annual Service Fee to the Wave Leisure Trust is a contractual requirement, subject to the Trust meeting the conditions set out in this report. The Service fee for 2008/2009 is £812,630 plus an indexed inflation allowance. This has been provided for in the Council's approved 2007/2008 budget.

3.2 Additional Service Fees of £540,500 were allocated as part of the initial five year agreement. Cabinet reviewed the phasing of these fees in September 2006 and all are now payable by March 2008. No further additional service fees are payable for the remainder of the first five years of the agreed business plan.

3.3 The Service Fee and the Additional Service Fee are accounted for within the Councils base budget.

4 Environmental Implications

I have completed the Environmental Implications Questionnaire and there are no additional significant effects as a result of these recommendations over and above those previously reported to Cabinet on this subject.

5 Risk Management Implications

I have completed the Risk Management questionnaire and there are no identified additional risks over and above those previously reported to Cabinet on this subject.

6 Background Papers

Wave Leisure Agreement

Cabinet report 183/06 13 September 2006 Leisure Trust Service Fee

7 Appendices

Appendix A : Annual Service Statement

Appendix B : Performance Indicators

John Magness
Director of Finance & Community Services

Wave Leisure Annual Service Statement 2008/09

Lewes District Council is required to furnish the Trust with an "Annual Service Statement" that will provide the Trust with a framework to produce an Annual Service Delivery Plan.

The activities which the Council are keen to subsidise through the Annual Service Fee and are reflected in the Council Plan and Action Plans of the Council, are as follows:

- Activities that are aimed at reducing Crime & Disorder and anti-social behaviour, particularly targeted amongst those aged under 25.
- Activities that positively encourage and promote physical activity, particularly amongst those who are not currently active.
- Ensuring activities are accessible by the whole community including minority groups and are provided in such a way to meet the needs of specific groups and communities of interest, such as those who are disabled, elderly and those who may not be able to access facilities due to their restricted income. This includes the promotion of electronic means of accessing, booking and transacting for activities.
- Promoting activities that have a positive impact upon the environment and reduce the generation of CO2 and other harmful greenhouse gases and the active promotion and encouragement of recycling wherever possible.
- Promote opportunities for workforce development to encourage training and skills development for individual staff.
- Activities that respond to customer needs and concerns and provide continuous service improvement as a result of such customer feedback.

The Trust is required to provide an Annual Service Plan by October 2007 that takes account of the above Council priorities. This is then considered by Cabinet for approval and inclusion in the 2008/09 draft estimates.

The target date for Cabinet responding to the Trust's Annual Service Delivery Plan for 2008/09 is 15 January 2008.