

Report to:	Cabinet
Date:	17 September 2018
Title:	Wave Leisure Trust Annual Review 2017/2018
Report of:	Philip Evans, Director of Tourism and Enterprise
Cabinet member:	Cllr Tony Nicholson
Ward(s):	All
Purpose of report:	To seek Cabinet approval of the objectives stated within the 2019-20 Annual Service Statement between Lewes District Council and Wave Leisure Trust.
Decision type:	Non-key decision
Officer recommendation(s):	<p>(1) To approve the objectives identified in the 2019/2020 Annual Service Statement.</p> <p>(2) To note Wave Leisure Trust's performance against the Annual Service Delivery Plan for 2017/2018.</p>
Reasons for recommendations:	The agreement between the Council and Wave Leisure Trust requires Cabinet to approve a Service Statement on an annual basis and to receive a report on the performance of the Trust. Additionally, Cabinet is required to approve the joint objectives proposed for the forthcoming financial year.
Contact Officer(s):	Name: Mark Langridge-Kemp Post title: Interim Head of Property and Facilities E-mail: mark.langridge-kemp@lewes-eastbourne.gov.uk Telephone number: 01323 415876

Information

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- 1.1** Wave Leisure Trust (WLT) has now completed twelve successful years of operation. The partnership between the Council and WLT has matured over this period and the arrangements in place are considered to be successful in bringing about positive outcomes for the local community.
- 1.2** Since WLT took over management of the Leisure Service for LDC, they have:
 - (a)** Reduced the annual Service Fee by £653,450 since 2010-2011.

- (b) Maintained visitor numbers at just under 1 million per year.
- (c) Increased turnover to £5.374 million per year.
- 1.3 WLT achieved an operating surplus of £42,460 in 2017/2018, exceeding budget by £94,510 (181.58%). It should be noted that trading performance in 2017/18 allowed contributions of £100,000 to be made to reserves to fund future developments and business opportunities in comparison to £140,000 in the prior year.
- 1.4 A summary of the Chief Executive's Annual report is attached at Appendix A.

Annual Service Statement

3.

- 3.1 The contractual arrangements between the Council and WLT require the Council to prepare and approve an Annual Service Statement each year and to indicate the level of Service Fee to be paid for provision of services. In return, WLT Leisure is required to produce an Annual Service Delivery Plan (ASDP) and submit this to the Council for approval in January of each year.
- 3.2 The ASDP sets out how WLT intends to meet the Council's objectives based on the requirements of the Annual Statement which relates to services that are intended to be delivered in the next financial year.
- 3.3 The ASDP for the financial year 2019-20 will align with objectives of the Council as set out in the Council Plan. The specific objectives for this are set out at Appendix B. In addition, Appendix B sets out the objectives for Newhaven Fort.

Performance Against ASDP 2017/2018

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- 4.1 WLT is required to report on its performance against a series of performance indicators agreed with the Client Officer responsible for monitoring the Trust. Performance targets are set taking account of the aims and objectives of the Council and are a means for encouraging the Trust to help meet the Council's overall priorities.
- 4.2 Site specific performance targets are reported by the Trust on a quarterly basis and annually for targets relating to corporate indicators. Performance monitoring is undertaken by the Client Officer throughout the year. There are no ongoing concerns about the performance of the Trust.

4.3 Highlights from Wave's performance against the 2017-2018 Annual Service Delivery Plan include:

- The Community & Health Improvement Team has delivered to 384 older people in Q1, resulting in 2,346 attendances across delivery in Lewes District and Eastbourne Borough.
- Work continues with the Falls Prevention Team and Postural Stability Instruction in Seaford and Eastbourne. With the expansion of Eastbourne delivery this resulted in 842 attendances from 76 people.
- Rural communities continue to have access to Strength and Balance, with 34 older people resulting in 253 attendances.
- Walking Football continues to grow resulting in 90 people (male and female participants) making 681 attendances across 4 sessions.
- Wave continues to work with a network of partners to support development, promotion and delivery of activity for Children and Young People and Families on low income resulting in 2,961 attendances at sessions delivered by the Community and Health Improvement Team.
- Working with Sussex Downs College and Seahaven Academy, Satellite Clubs have been established to provide access to activities for those who otherwise are not participating in sport activity. Wave is currently working with 71 young people who have attended these sessions resulting in 204 engagements.
- Partnerships with Youth Services has resulted in 200 young people attending 8 weekly sessions and 6 taster sessions in activity.
- An extensive and diverse programme of activity is provided across Wave sites to include supportive access to activity, particularly for those being referred into services for a diagnosed health condition. Across the Community and Health Improvement Teams refereed into delivery, 139 referrals have been received with 97% attending an activity opportunity, to include support for those with dementia, frailty and pain management. 18 regular sessions are provided across Lewes District and Eastbourne Borough, resulting in 450 people making attendances of 2,524 into supported activity for those with a health condition.
- Provision of a range of holiday activities for Children and Young People of all age ranges continues and within this reporting period the Easter and May Half Term holiday programme has been the main focus of engagement, with a diverse range of activities provided across Wave sites and within the community.
- In addition to this, providing opportunities and activities for residents on low income continues and are either outreach or centre-based and includes tenants in rural communities, delivering activities within community open spaces such as parks and playingfields has resulted in 620 attendances.

- 4.4** Wave continues to work with rural partners and during Q1 the team have maintained rural delivery and started development on a new opportunity with South Downs National Park which has resulted in 33 activities being delivered to 34 people, resulting in 253 attendances within rural delivery.
- 4.5** In order to improve accessibility and social inclusion, a Community and Activities Coordinator has recently been introduced to the team, principally focused on inclusive activities within Newhaven and developing access opportunities into activity for those with Special Educational Needs and Disabilities, reflecting a growing demand for more tailored and supportive services.

Financial Appraisal

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- 5.1** In return for WLT providing services and undertaking activities that meet the Council's stated objectives, the Council provides the Trust with an Annual Service Fee. The service fees for 2018/2019 are:-

Leisure Management Contract £208,900

Newhaven Fort Contract £104,000

- 5.2** As agreed with the Council in 2014, the Service Fee for the leisure management contract will reduce in 2018/2019 by £104,000 compared with 2017/2018. The fee will continue to reduce each year so that by 2020/2021, the Council will provide no annual funding for this element of the service. The service fee for Newhaven Fort will remain fixed through to 2024-25. This represents an overall saving to the Council of £2.3m over the 10 year period 2015-16 to 2024-25.

Legal Implications

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- 6.1** Legal Services has confirmed that there are no legal implications arising from this report.

Risk Management Implications

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- 7.1** There are no additional risks arising as a result of this monitoring report.

Background Papers

8 None

Appendices

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Appendix A:
CEO 12 month report 2017/2018 Executive Summary and KPI performance

Appendix B:
Annual Service Delivery Objectives 2019-2020

Appendix A:

CEO 12 month report 2017/2018 Executive Summary

Executive Summary

Total Company

With a total annual turnover of £5,374,813 and costs of £5,332,353 a surplus of £42,460 was achieved, exceeding budget by £94,510 (181.58%).

Leisure Balance Score Card

Annual Income of £4,656,059 was £19,759 (0.43%) ahead of budget and £69,738 (1.52%) more than generated in the prior year, £4,586,321.

The accumulative expenditure for the year was £4,611,217 against a budget of £4,687,460 a positive variance of £76,243 (1.63%) which resulted in the outturn surplus for the year of £44,842 an increase of £37,897 (545.67%) in comparison to 2016/17 (£6,945).

It should be noted that trading performance in 2017/18 allowed contributions of £100,00 to be made to reserves to fund future developments and business opportunities in comparison to £140,000 in the prior year.

Health and Fitness (Membership, Gym and Group Exercise Combined Income)

Total Health and Fitness for Q4 totalled £519,016 against a prior year total of £487,945 an increase of £31,071 (6.4%). Annual income was £1,999,318 against a prior year total of £1,831,981 an increase of £167,337 (9.1%) and is a direct result of the increased number of members joining since the new committed membership was introduced in December 2015.

Live Total Memberships

Total live members have grown by 1,033 (25.2%) above projected in 2017/18. The increase has been steady with an average growth over the year of 36 members per month.

At the end of the year, total membership stood at 5,133, in comparison to 4,844 at the end of Q3, an improvement of 289 (6%).

In line with the increase in number of members reaching the end of the 12-month committed period, attrition rates have also increased to an average of 3.2% for the year. Sales have exceeded cancellations every month, with the exception of June and December, resulting in the membership growth as presented. An attrition rate below 5% would be deemed as good.

Participation

With a 2017/18 twelve-month total dry side participation figure of 711,170 against 689,151 for the same period in the previous year there has been an increase in dry side participation of 22,019 (3.2%).

Total wet side participation in 2017/18 was 315,612 compared with 325,731 in the previous year, a decrease 10,119 visits (-3.1%).

With a 2017/18 twelve-month total children and young people participation figure of 390,586 against 388,379 for the previous year there has been a small overall increase in participation of 2,207 (0.6%).

Operations

Accidents for 2017/18 totalled 470, compared to 574 in 2016/17, a reduction of 104 (-18.1%). A total of 26 incidents were reported in 2017/18, compared to 36 in the same period last year, a reduction of 10 (-27.8%).

The number of RIDDOR Reportable Accidents in 2017/18 was 4, compared to 0 in the same period in 2016/17.

Newhaven Fort Balance Score Card

Financial

With a total annual income of £335,141 and costs of £344,696 a deficit of £9,555 was achieved, below budget by £20,955 (-183.8%) and compared to a surplus of £23,315 in 2016/17.

Q4 Trading Revenue exceeded budget by £2,908 (11.1%) and was £25,937 (12.6%) above budget for the year. Overall Trading Revenue (£230,937) is £49,121 (27%) up on the previous year (£181,816).

Entrance Fees (including Events) over the Quarter were up against budget by £3,609 and above the annual budget (£120,207) by £16,202. Shop trading was positive for the final Quarter, £462 (13.5%) above target.

Income from the Tea Rooms (Catering) was £929 (13.42%) below budget for Q4 but £2,229 (3.7% ahead of budget (£60,000) for the year (3.7%).

Total Expenditure was £7,195 (9.91%) lower than budget in Q4 and £46,896 (15.7%) higher than budget for the year. This is principally due to the cancellation of a series of music festivals scheduled for the summer of 2017 which incurred a loss of £42,880.

Operations

Total visitor numbers for the year were up in comparison with 2016/17 by 864 (2.9%).

Total School visits and bookings for the financial year 2016/17 were up in comparison with 2016/17 by 127 (1.9%).

Spend per head indicators for the Shop and Catering exceeded targets set and were up on the 2016/17 actuals. Catering Gross Profit for the year (61.9%) was below target (65%) and Shop Gross

Profit (62.8%) exceeded target (60%) for the year.

Visitor Feedback

The number of actual visitor feedback forms received in Q4 was 14, a lower than average figure, reflective of the fact that the Fort was closed to general visits until mid-February. Of these 14 responses, 100% rated their visit as "Good" or "Excellent".

Year to date feedback is also very positive with 100% of 371 visitors rating their visit as good or excellent.

In relation to "Trip Advisor," at the end of the year the Fort had achieved a rating of 4.5 stars out of a maximum of 5 and awarded a "Certificate of Excellence" as rated by a total of 256 respondents and the "Number 1 place to visit in Newhaven".

Duncan Kerr
Chief Executive

Performance against KPIs 2017-2018

		Downs Leisure Centre		Lewes Leisure Centre		Peacehaven Leisure Centre		Seahaven Swim & Fitness Centre	
		17/18 YTD Actual	17/18 Annual Target	17/18 YTD Actual	17/18 Annual Target	17/18 YTD Actual	17/18 Annual Target	17/18 YTD Actual	17/18 Annual Target
1	General usage								
1.1a	Visits for dryside activities	271,003	300,000	271,628	252,000	139,050	137,000	12,828	12,500
1.1b	Visits for wetside activities			144,862	145,700			109,910	109,600
1.2a	Total visits by children and young people	70,320	54,100	160,571	166,000	67,976	69,900	51,079	50,800
1.5	Membership Retention rate	73.5%	80%	73.5%	75%	70.5%	77%	76.0%	82%
4.2	Visits at Health Walks	1,305	1,270	433	306	576	841		
2	Customer Satisfaction								
2.1	Overall user satisfaction (net promoter score)	34%	35%	31%	37%	46%	35%	25%	37%
2.2	Mystery Visit Score	80%	85%	89%	85%	86%	85%	81%	85%
5	Quality								
5.1b	Quest score	Very Good	Very Good	Very Good	Very Good	Excellent	Excellent	Very Good	Very Good
6	Environmental								
6.2a	Gas KWh per degree day	116	115	664	700	77	69	579	675
6.2b	Electricity KWh per user	0.95	0.98	1.32	1.59	0.87	0.99	2.98	2.90
6.2d	CO2 Emissions - tonnes (NI185)	154	149	488	500	81	80	376	385
7	Financial								
7.1	Utilities cost per m2	£16.17	£17.00	£39.65	£39.00	£11.58	£12.50	£67.82	£73.00

Appendix B

Annual Service Delivery Objectives Leisure 2019/2020

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 Annual Service Delivery Plan that WLT produce should complement and support the Council's objective to promote healthy lifestyles by developing a district wide leisure strategy. The Council recognises that reducing hazards like cold houses and falls in homes could save the NHS over £1 million in treatment costs.

The Council will budget to improve the condition of both private and council homes to prevent accidents and ill health. We will continue to work with the NHS and other partners in the county to improve the health and wellbeing of Lewes District residents.

Besides the major contributions to ill-health prevention from our housing programme, we will work with local communities and companies to provide sport and recreation facilities where people need them. As a result, the Council wishes to set the following objectives for WLT in relation to the Leisure contract.

1. Increasing Participation & Reducing Health Inequality:

- Provision of activities to meet the needs of the ageing population of the District, inclusive of outreach work to provide opportunities of increasing participation and wellbeing, particularly in the rural communities, where people need them.
- Seek to develop new partners as well as enhancing existing relationships with the Council and other key partners, to increase the availability and take up of positive activities for children and young people with the aim of encouraging greater participation by young children and families on a low income.
- Provide a varied programme of activities including taster sessions that positively encourage and promote physical activity, particularly amongst those who are not currently active.
- Provision of a range of holiday activities for children and young people of all age ranges.
- Give due regard to the Equality Act 2010, particularly when there is a change to policy; project development or where new services are being provided or where existing services are discontinued.
- Provide opportunities and activities for Council tenants, which are either outreach or centre-based and which include tenants in rural communities.

- Provide opportunities to engage the rural population, increasing access to activities.

2. Improving Accessibility & Social Inclusion:

- Ensuring activities are accessible by the whole community, but working particularly with people and families on a low income, ensuring that activities are provided in such a way to meet the needs of specific groups within the community.
- Working with partners to identify appropriate funding to support sessions and activities that could be offered free to users at the point of delivery as a means of overcoming lack of income as a barrier to participation.
- Promote opportunities for workforce development to encourage training and skills development for individual staff.
- Explore opportunities to increase non centre-based activity to further reduce access barriers and to encourage participation from current non-users.
- To assist Lewes District Council with undertaking ongoing equalities assessments and monitoring.

3. Reducing Environmental Impact:

- Continue to look for opportunities to increase recycling for customers and staff wherever possible.
- When planning future investment with the Council, identify opportunities to reduce energy usage and help to reduce CO2 emissions. When replacing plant and equipment, cleaner and energy efficient technology should be considered that will help to generate future efficiency savings.

The Trust is required to provide an Annual Service Plan by November 2017 that takes account of the above Council priorities. This plan will then be considered by Cabinet in January 2019, for implementation from April 2019.

Annual Service Delivery Objectives Newhaven Fort 2019-2020

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.

On 1st May 2015 WLT was granted operational management responsibility for the Newhaven Fort. The following sets out the key actions that WLT will focus on for the 2019/20 financial year.

The Fort procurement exercise focused on four core outcomes, namely:

1. Enhance the regeneration opportunities in Newhaven by increasing the number of visitors to Newhaven Fort and generating local job opportunities.
2. Maintain and grow the heritage and educational potential of Newhaven Fort in a way which is accessible to the general public.
3. Improve the current facilities on offer.
4. Minimise the ongoing liabilities of the Council and potentially produce a revenue stream for the Council.

In order to achieve the four LDC outcomes, WLT has identified three separate but interlinked areas for the Fort Management and Operational Team to focus on, namely:

1. Experience.
2. Education.
3. Events.