

# BUDGET AND PERFORMANCE PANEL

## Salt Ayre Sports Centre

26 March 2013

### Report of Head of Community Engagement and Assistant Head (Wellbeing)

#### PURPOSE OF REPORT

To update members on the continuing work in relation to the performance of Salt Ayre sports centre.

**This report is public**

#### Recommendations:

- (1) **That the report be noted and that Members consider any comments they would wish to make.**

#### Introduction

- 1.1 Following a previous report on Salt Ayre Sports Centre presented to the 23 October 2012 meeting and a subsequent report to the 12<sup>th</sup> December 2012 meeting the following resolutions remain outstanding:

- (1) *That the additional report include financial information regarding the amounts spent on leisure centres by other local authorities in the North West, in order that comparisons might be made with expenditure by Lancaster City Council on Salt Ayre Sports Centre.*

- (2) *That officers be requested to look at the various headings to consider a reduction of up to 5% (by way of example) with particular emphasis on the management and admin costs in such a way that it does not negatively impact on service provision.*

- (3) *That information regarding the marketing and advertising of Salt Ayre Sports Centre be included in the report scheduled to be considered by the Panel on 5<sup>th</sup> March 2013*

- 1.2 Accordingly this report concerns itself with the above resolutions and additionally sets out the latest position in relation to the ongoing review of Salt Ayre Sports Centre.

- 1.3 As was stated in the report to members in December, there is not a statutory requirement to provide leisure services. To do so is discretionary. However, the Council has identified the importance of providing leisure services to achieve its priorities around Health and Wellbeing and Clean Green Safe places

- 1.4 It is recognized that the health and wellbeing of local residents of all ages is improved by participation in sports and leisure activities. Health inequalities

stop people achieving their potential. Poor health and wellbeing prevents many citizens from working, learning, being involved in their community and enjoying their leisure time. Reduced productivity due to poor health also has a negative impact on the local economy. As such members have chosen to subsidise the cost of services provided at Salt Ayre Sports Centre

## 2 Report

### Salt Ayre Sports Centre: Performance Comparison

- 2.1 The sports centre is a member of the Association for Public Service Excellence (APSE) and as such submits benchmarking data each year for comparison against similar size facilities. This is not an exact science however, as facilities classed as being similar enough to be included within the appropriate 'family' grouping will always have some differences.
- 2.2 Set out in Appendices A and B are some of the current **key** indicators for the service and the current performance levels for similar sites.
- 2.3 The predominant indicators linked to income generation and usage are all in the bottom two quartiles, which would indicate that there is room for improvement at the site as far as usage and spend are concerned. 2011/12 figures are an improvement on 2010/11 indicating that the centre is travelling in the right direction although further improvements are needed.
- 2.4 The performance indicators suggest that a number of key areas should be examined:
  - PI 31 (usage per opening hour) would suggest that the centre reviews its current opening hours in direct relation to attendance during those hours, or targets specific programmes or activities during the hours when the centre is at its quietest.
  - The centre has already taken some action regarding staffing levels which could impact significantly on PI 07 (staff cost per admission) in the future.
  - P1 21 (customer spend per head) would suggest there is potential to review the café and catering areas with a view to increasing income generation within that specific area.In general, there is room for improvement on costs, which are relatively high, and usage, which is low in comparison to its family group members.
- 2.5 Benchmarking with the best performers is something that Salt Ayre has already started to undertake. This needs to be pursued in order to learn from best practice. A number of neighbouring authorities have **not** been included owing to the differing nature of the ranges of facilities at the sites. The sites included in Appendix B have been chosen deliberately due to their similarity to Salt Ayre Sports Centre and therefore broadly provide like for like comparators.

### Management and Administration Cost Reduction

- 2.6 Members will be aware that as part of the budget process for 2013/14 consideration was given to the current operating costs of Salt Ayre sports centre. As a result a review of the opening times and associated shift patterns has led to a saving of £75,000 in 2013/14. These changes were approved by Cabinet at its meeting on the 12 March 2013 (min. no. 132 refers). The figure of £75k for next financial year equates approximately to a reduction of 5% against the management and administration cost centre.

## **Marketing and Advertising**

- 2.7 Salt Ayre Sports Centre is marketed in-house by the city council's communications and marketing team. Marketing activities are primarily carried out by a dedicated marketing officer, based at the sports centre one day per week who is also responsible for marketing and promoting other leisure/sport based activity from across the council.
- 2.8 As with all services the key marketing aims are set in agreement with the relevant service and for the past year they are as follows:
- Increase the number of customers using the sports centre facilities and support the centre in achieving their income targets.
  - Maintain Reflexions gym memberships and deliver a number of specific campaigns throughout the year
  - Raise the profile of Salt Ayre Sports Centre, its role as a community resource and of the many events that take place throughout the year. Ensure that the venue maximises its role within our community.
  - Increase the level of internal communications with current Salt Ayre members and users, encourage feedback and cross-market other facilities, events and products to them.
  - Improve internal marketing and raise the profile of Salt Ayre Sports Centre within our organisation with colleagues and elected members.
- 2.9 For 2012/13 budgets were allocated for each area of marketing activity (within the overall marketing budget) to ensure that marketing officers are able to effectively plan their activities and ensure the overall marketing spend remains within budget. A range of promotional material will be on display at the meeting.
- 2.10 For 2012/13 the overall budget for Salt Ayre is £6,400, but with the flexibility for additional resources within the overall marketing budget if they have not been allocated elsewhere (for instance where there is an underspend on another portfolio area) in order that opportunities are not missed and/or where new projects come on stream that require an element of marketing resources.
- 2.11 In addition the centre benefited from the council's corporate radio advertising account (from January 2012) with Bay Radio. Adverts ran every three months at key times. Based on the cost of the package, the value received by the centre was £2,468.
- 2.12 In addition to paid for advertising in the local media, Salt Ayre benefits from advertising by way of news articles in the local press. The value of these articles can be measured in terms of how much it would cost to place a similar sized advert, or EAV (Equivalent Advertising Value). So far in 2012/13 the EAV for Salt Ayre of articles in the local media is £5,168. This is in addition to other free marketing/advertising provided as part of the council's corporate communications and marketing function.
- 2.13 Increasingly the focus for Salt Ayre, and marketing of all council services, is via the online route and in particular social media. These have particular benefits in that the costs of providing the marketing element does not cost any more, i.e. the cost of provision is included within the overall corporate budget. They can also be easily evaluated in terms of their reach and the number of people interacting with a particular service.
- 2.14 A Salt Ayre Facebook site was successfully launched in July 2012 and its audience has steadily built. Regular messages are posted to update visitors on the latest activities and to engage with potential visitors. The regular

weekly reach is now regularly more than 700 people, with the audience continuing to build.

- 2.15 Salt Ayre does not have a dedicated Twitter account but messages are posted using the corporate account (@lancastercc). Mentions of Salt Ayre by other users are monitored using the corporate facilities and replied to if a reply is necessary (to provide information, respond to customer queries etc).
- 2.16 The council's corporate e-newsletter (Connect) regularly features news stories from Salt Are and is sent to a database of more than 350 people.
- 2.17 Salt Ayre's web presence is within the council's corporate website. Since the marketing section restructuring a number of improvements have been made to both the benefit of the overall customer experience and marketing of the venue. A Google calendar includes all class timetables and is updated regularly to ensure that customers can easily access information and are kept informed of any changes which occur.
- 2.18 The main Salt Ayre webpage ([www.lancaster.gov.uk/saltayre](http://www.lancaster.gov.uk/saltayre)) is the first port of call for visitors wishing to find out more information about the centre. In turn this links to a number of other pages with specific information on a particular function (for instance the gym, swimming pool etc).
- 2.19 Visitor numbers are increasing and in 2011/12 (financial year) the main page received a total of 25,021 unique page views.
- 2.20 The most recent SOCITM (Society of Information Technology Management) annual survey of local authority websites show we have retained our 3-star rating, missing (by the narrowest possible margin) on the highest possible 4-star rating. The information relating to the swimming pool was cited as an example of national best practice.

### **Salt Ayre Sports Centre – Ongoing Review**

- 2.21 Representatives from APSE attended review meetings held at the centre on 14<sup>th</sup> and 15<sup>th</sup> January 2013. Their role was to facilitate and encourage a dialogue with staff about the review of Salt Ayre Sports Centre. On the first day a workshop was held followed by a day of one to one meetings with various staff in order to stimulate further thoughts around improvements.
- 2.22 Following on from this a number of project groups have been established to look at the following areas :
  - Business planning and performance
  - Alternative business models
  - Customer feedback
  - Marketing / Advertising / Publicity / Promotion
  - Sports Development and community outreach
  - Staffing
  - Café and catering
  - Gym and classes
- 2.23 The review process is continuing and a range of options will be produced for consideration. All options consider how the sports centre could operate more efficiently and cohesively, reduce costs and look at opportunities for income generation. Initial findings from the review will be made available to members during the coming year and it is anticipated that further financial savings will feed into budget process in future years.
- 2.24 During the review process the Active Health programme has been awarded a further £90k of funding to continue with the scheme for next financial year. The

relationship with the health sector is a particularly positive one and with the introduction of Clinical Commissioning Groups it is hoped that relationship will continue.

### **Conclusion**

Using the APSE performance data as a tool it has been possible to highlight current performance and identify key areas for improvement. Some improvements have already been implemented and achieved reductions in operating costs for future years. There remains further work still to be done and the outcomes of that work will be reported to members throughout the coming year.

<b>CONCLUSION OF IMPACT ASSESSMENT</b> (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None arising from this report.	
<b>LEGAL IMPLICATIONS</b> There are no legal implications arising as a result of this report	
<b>FINANCIAL IMPLICATIONS</b> There are no financial implications arising as a result of this report	
<b>OTHER RESOURCE IMPLICATIONS</b> <b>Human Resources / Information Services / Property / Open Spaces:</b> HR support will be required if there are any further restructuring exercises within the Service	
<b>SECTION 151 OFFICER'S COMMENTS</b> The Deputy Section 151 Officer has been consulted and has nothing further to add	
<b>MONITORING OFFICER'S COMMENTS</b> The Deputy Monitoring Officer has been consulted and has nothing further to add	
<b>BACKGROUND PAPERS</b>	<b>Contact Officer:</b> Simon Kirby : Assistant head Community Engagement - Wellbeing <b>Telephone:</b> 01524 582831 <b>E-mail:</b> skirby@lancaster.gov.uk