

BUDGET AND PERFORMANCE PANEL

Salt Ayre Sports Centre Review 5th November 2013

Report of Chief Officer Health and Housing

PURPOSE OF REPORT

To update Members of the ongoing review at Salt Ayre Sports Centre

This report is public.

Recommendations of Chief Officer Health and Housing

(1) That the report be noted.

1.0 Introduction

1.1 Following the previous report on Salt Ayre Sports Centre presented to the 26th March 2013 meeting Members resolved :

(1) That the report be noted

(2) That a further report be presented to the panel once the review is completed, which it is noted is anticipated to be September 2013.

1.2 This report updates Members on the progress of the review and highlights how the scope of the review has changed substantially since the last report to Budget and Performance Panel in March 2013.

2.0 Report

Sports and Leisure Review

2.1 Members will be aware that since the March meeting, the financial position the council is facing for 2014/15 and 2015/16 has become much clearer with the council having to find savings of £1.2m next year rising to £3.5m the year after. The council is undertaking a series of service reviews across all council activities to present options for service reductions to meet this financial challenge. The Salt Ayre review to date had focussed mainly on operational/staffing changes to generate savings and scope for improving income through investment in new

facilities and systems such as online booking. However, the scale of the savings required has meant that a much more fundamental question about the future provision of the sports centre has to become the main focus of the review going forward. In addition, the review will examine options for the provision community pools.

- 2.2 The review will take account of the views of relevant staff, trade unions and Elected Members and bring forward options that will :-
- Generate ongoing savings reducing the level of subsidy required.
 - Present options for efficiency savings and service reductions that can be implemented irrespective of how the council decides to deliver leisure services in the longer term.
 - Present options for alternative delivery models for the future and the process required to achieve this.
 - Present options that include the Council not continuing to directly provide the sports centre and other community facilities.
- 2.3 The review therefore has two elements :-
1. Short term proposals/service reductions/ income generation such as
 - Merging the sports development function with the Salt Ayre sports centre function to create a joined up sports and physical activity/health offer and a leaner management structure.
 - Review staffing and rota patterns
 - Options for continuation of the café operation.
 - Investigating business case for online bookings.
 - Improving marketing /advertising to generate more income.
 - Overhaul of the passport to leisure scheme
 2. Longer term proposals
 - Options appraisal for future management of Salt Ayre e.g. leisure trusts, in house service, partnership with private developer, charitable body or social enterprise.
 - Learning from the recent procurement experience at South Lakeland DC
 - Option appraisal for outright sale to private sector or closure.
 - As may be appropriate to the options above, soft market testing to see what potential there is for investment and development to meet demands of changing markets e.g. rope course, BMX track etc.
 - Options appraisal for continuation or otherwise of the management and delivery of the community pools.
- 2.4 Clearly progressing some of the short term proposals does depend on decisions the council takes as to the longer term future of Salt Ayre and therefore those particular issues will be considered in that context.
- 2.5 Over the past few months, officers have been working closely with South Lakeland District Council (SLDC) who have recently procured their leisure management contract. This work has been invaluable to officers who should be better placed now when exploring the various options available to the Council in terms of future leisure services provision.

3.0 Salt Ayre Sports Centre Performance Information

3.1 Work associated with improving the performance of Salt Ayre Sports Centre has continued and the table below reflects the latest position in relation to performance indicators (APSE) previously reported on :

Key Performance Indicators	Highest in Service	Lowest in Service	Salt Aye Score 2011/2012	Quartile	Salt Aye Score 2012/2013
PI 02a - Subsidy Per Visit (low is good)	£7.33	-£0.41	£1.52	3	£1.29
PI 03 - Operational Recovery Ratio	166.18%	27.00%	61.81%	3	64.65%
PI 06 - Subsidy Per Opening Hour (Excluding CEC)	£170.60	-£256.69	£105.10	4	£100.34
PI 13 - Net Cost Per Head Of Population (low is good)	£5.61	-£6.27	£4.12	4	£3.85
PI 07 - Staff Cost Per User	£7.98	£0.87	£2.24	3	*2.38
PI 21 - Customer Spend Per Head	£5.93	£1.07	£2.45	2	**2.36
PI 31 Usage Per Opening Hour	216.65	14.31	69.34	2	***77.86

* The increase shown in PI 07 relates to an increase in facility admissions (including non paying) during 2012/13.

** Customer Spend per Head (PI 21) is calculated by dividing the annual facility admissions (including none paying) by annual income.

*** Usage per Opening Hour (PI 31) has increased this year due to the increase in annual admissions and the reduction in facility opening hours.

Quartile positions are not yet available from APSE for 2012 / 13

3.2 It can be seen from the table that the trend is one of general improvement over most of the indicators.

4.0 Marketing and Advertising

4.1 Members requested specific information on the approach to marketing Salt Ayre Sports Centre with particular emphasis on social media. The marketing of Salt Ayre Sports Centre encompasses a range of different printed materials, adverts in printed publications, and cross-marketing within the council. Increasingly marketing activity is moving away from traditional forms (newspapers, magazines and broadcast media) to focus on online media platforms. Such platforms provide better value for money and also provide better evaluation tools.

Facebook

- 4.2 Salt Ayre Sports Centre has a dedicated Facebook page (www.facebook.com/saltayresportscentre) which is used to share information, promote services and answer questions from customers.
- 4.3 The audience for the page continues to build and the most recent weekly reach figures show that 7,076 saw content associated with the page compared with 700 when it was launched in July 2012.
- 4.4 Facebook advertising is also used to promote the centre. Users are targeted based on their Facebook profile and adverts appear on their Wall pages.
- 4.5 A recent ad campaign promoting the Facebook page generated an additional 158 'likes' (people engaging with the page) and the page is also promoted internally within the centre and externally on marketing materials.

Twitter

- 4.6 Salt Ayre does not have its own Twitter account but the corporate Twitter (@lancastercc) promotes events and activities. In addition, the search term Salt Ayre is monitored to engage with users who are talking about the centre and evaluate services.

Website

- 4.7 Salt Ayre's web presence is within the council's corporate website. 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. In the 12 month period from October 2012 the Salt Ayre pages were visited by a total of 77,204 unique users compared with 25,021 during 2011/12 (financial year).
- 4.8 The most recent SOCITM (Society of Information Technology Management) report has cited the Salt Ayre pages as an example of national best practice.
- 4.9 In February 2013 a new mobile website, specifically built to appeal to users of mobile phones and tablets, was launched in February 2013. The Salt Ayre pages are the most visited pages on the mobile website and has received 12,260 unique page views in the six months since launching.

Gov Radio

- 4.10 The council is in the process of signing Salt Ayre up to the Gov Radio service, which will provide an in-house radio service for the centre. This will be targeted towards existing customers and provide the opportunity to cross-market services to existing customers.

5.0 Conclusion

- 5.1 The review so far has resulted in some efficiencies, e.g. as a result of a review of opening times and associated shift patterns and further staffing restructures will generate further savings. The conclusion of the review will present members with further short term savings as well as options for more substantial longer term savings to be achieved by different delivery models.
- 5.2 It is also clear that much of the work is recognised by the health sector and previous reports have set out the social benefits that Salt Ayre Sports Centre provides. However, the Council faces difficult choices with regard to delivery of discretionary services and the future of the council's role in sport and leisure provision should be seen in the context of the council maintaining a strong commitment to health and well being through physical activity but recognising that the council does not have to directly provide sports/leisure facilities to support this commitment.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None arising from this report

LEGAL IMPLICATIONS

None directly arising from this report.

FINANCIAL IMPLICATIONS

None directly arising from this report.

The areas to be considered in this review will largely relate to the revenue budget and in relation to Salt Ayre this is currently estimated at a net £971,200. This excludes capital charges of £404,300, but does include internal recharges of £332,800. There is also a capital budget of £30,000 for replacements and refurbishments, which may also be covered by the review – decisions on whether to progress these works will be informed by short-term operational needs and the service reviews.

In relation to the Community Pools, the current estimated net revenue budget is £134,400.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

None arising from this report

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and has no further comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

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