

SALT AYRE LEISURE CENTRE

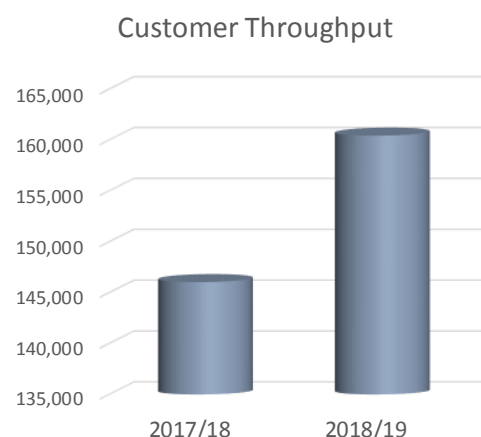
2018/19 QUARTER 2 PERFORMANCE MONITORING

Key messages

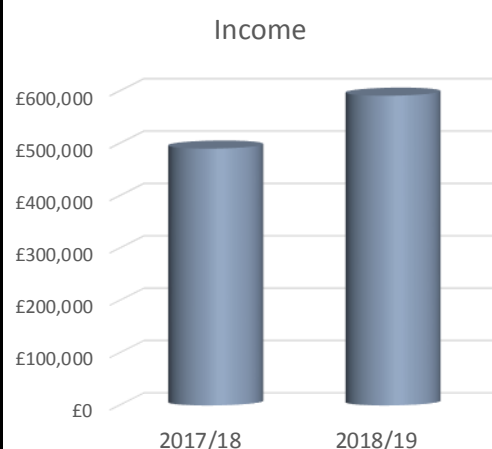
- This years predicted operating subsidy for Salt Ayre Leisure Centre (SALC) is £200k compared with £700k pre development.
- There have been significant gains against anticipated income targets in a number of cost centres which have outweighed any shortfalls in other areas.
- Swimming income continues to increase as a result of a number of improvements in the way lessons are managed. As previously mentioned in monitoring reports, introducing the direct debit option has resulted in easier payment options for customers and a more regular flow of income to the Centre. The income target has been increased by £112k.
- An increase in National Non Domestic Rates (NNDR) of £21k and as previously mentioned in monitoring reports, previous over optimistic reduction in energy budgets has resulted in the need to increase budgets to a more realistic position by some £71k.
- Additions to budget forecast include £37k for staff turnover which is a figure set as part of a Council wide approach and not in direct control by Management of the Centre. General reductions as a result of staff turnover are already included within management of wages and salaries.
- The café continues to perform well and is on track to meet or exceed the target of £413k.
- Following the initial opening of the redeveloped Leisure Centre the budgets are in a much improved position against actual performance and this includes for future years where lessons learned are being applied.

	2017/18 Full Year Actuals	2018/19 Original Full Year Budget	Qtr2 Budget	Qtr2 Actual	Qtr2 Variance	Full Year Projection	Variance to Original Budget	% of Original Budget
	£	£	£	£	(Favourable) / Adverse £	£	(Favourable) / Adverse £	
<u>Expenditure</u>								
Employees	1,259,787	1,396,400	665,379	650,279	(15,100)	1,381,300	(15,100)	-1%
Premises Costs	589,995	548,900	372,620	466,420	93,800	642,700	93,800	17%
Transport Costs	23,000	14,600	12,106	11,706	(400)	14,200	(400)	-3%
Supplies and Services	538,632	539,000	317,269	314,969	(2,300)	536,700	(2,300)	
Funding from Renewals Reserve	(89,814)	0	0	0	0	0	0	0%
<u>Income</u>								
Fees and Charges	(2,123,387)	(2,354,500)	(1,126,344)	(1,203,344)	(77,000)	(2,431,500)	(77,000)	3%
Direct Net Operating Cost/(-) Surplus	198,213	144,400	241,030	240,030	(1,000)	143,400	(1,000)	
Support Service Costs	399,292	361,800	180,900	180,900	0	361,800	0	
Total Net Operating Cost	597,505	506,200	421,930	420,930	(1,000)	505,200	(1,000)	
Renewals Res Contribution	150,000	150,000	0	0	0	150,000	0	
Capital Financing Costs - MRP re £5M development	177,973	218,500	109,250	109,250	0	218,500	0	
Total Net Cost	925,478	874,700	531,180	530,180	(1,000)	873,700	(1,000)	

Customer Throughput	Qtr2 2017/18 £	Qtr2 2018/19 £	(Favourable) / Adverse	(Favourable) / Adverse %
Shop				
Health & Fitness	23,135	29,470	(6,335)	(27.4%)
SASC Café	58,504	58,948	(444)	(0.8%)
Sports Hall	13,563	17,944	(4,381)	(32.3%)
Studio	10,547	10,648	(101)	(9.6%)
Swimming	25,572	27,043	(1,471)	(5.8%)
Spa				
Gravity	258	397	(139)	(53.9%)
Xheight	2,414	2,110	304	12.60%
Energy	12,044	13,871	(1,827)	(15.2%)
	146,037	160,431	(14,394)	(9.9%)



Income	Qtr2 2017/18 £	Qtr2 2018/19 £	(Favourable) / Adverse £	(Favourable) / Adverse %
Shop	3,814	3,427	387	10.1%
Health & Fitness	249,490	228,351	21,139	8.5%
SASC Café	86,961	108,408	(21,447)	(24.7%)
Sports Hall	36,502	37,457	(955)	(2.6%)
Studio	4,606	4,608	(2)	0.0%
Swimming	59,426	120,482	(61,056)	(102.7%)
Spa	0	41,240	(41,240)	0.0%
Gravity	4,053	2,630	1,423	35.1%
Xheight	20,006	17,201	2,805	14.1%
Energy	25,552	27,629	(2,077)	(8.1%)
	490,410	591,433	(101,023)	(20.6%)



Comments from Sport and Leisure Manager

- Quarter two has seen a marked improvement in a number of cost centres and is the result of extremely hard work by all staff and continuing the culture of a much more commercially minded approach. The mantra of 'every day counts' is prevalent throughout the Centre and there is an improved understanding of the importance to both market and promote for future periods combined with a short term (daily) need to respond in an agile manner when performance demands.
- The need for staff to work in a meaningful commercial manner is making a difference in the performance of activity areas and has worked well for example throughout the warm summer period when many people preferred to undertake leisure activity outdoors. Figures for the gym and café remained positive throughout the summer period.
- The partnership with the University of Cumbria continues to grow with a renegotiated figure of £100k Inc. vat for annual use by students of the gym (and some other areas) demonstrating the healthy relationship that exists between the two organisations. An extension of the partnership currently being trialled is the introduction of a rehabilitation clinic offered to all customers at discounted rates. This should in turn provide useful experience for third year students (supervised) and act as a retention tool for gym memberships.
- The Spa facility is a reasonably new and unique service to the Council and as a new business has a growing reputation within the District. Having just celebrated its first year of operation it is an example of how commercially minded staff can make a true difference to performance. The first three days of the celebratory week saw one member of staff sell in excess of £600 of products and

is testament to both people management skills by managers and applying effective promotional campaigns.

- The café income target of £413k is a good example of setting challenging targets and how staff from across all areas work hard to support performance. For example, lifeguards will assist with cleaning of tables, management of queues and general front of house customer service when high demands are placed on the catering team.
- As reported in the Council's performance indicator data, the Centre benefits from over 700,000 visits per annum and clearly this places demands on ensuring facilities remain clean and well maintained. The repairs and maintenance budget continues to feel pressure and has been increased by an amount of £10k for the current year. Whilst additional income has helped offset this figure the importance of continuing to invest in the asset is vital to maintaining performance levels. The recent building condition survey has revealed a number of areas for investment and officers are in dialogue over these issues and some other important items of plant that will need replacing.

Education

- Work continues to grow with the School Sport Partnership with a start of year Healthy Schools launch with 180 children attendance.
- CPD workshops have been delivered at Salt Ayre for primary and secondary school teachers.
- New partnership has been developed with the Chadwick Centre for excluded children. SALC will provide venue and staff to help the support the delivery of their P.E Curriculum.
- Work experience opportunities have been created with the local college and high schools and the team at SALC also provide tours and workshops on health & safety, facility management and Spa operation.

Disability sessions

- The ongoing programme continues to grow. Around 150 visits per week attending the regular programme.
- Piccadilly Gardens, centre for adults with learning disabilities, now access SALC on a weekly basis taking part in a range of activities.
- The Centre hosted the 'CANDO' event that saw over 150 families with children with additional needs attending a range of activities.

Partnership working / Community Support

- The Midwives have added a 4th clinic to their programme at SALC. This has been very well received due to the closure of community venues such as Children's Centres.
- University Of Cumbria have started their Rehabilitation Clinics running 2 days per week. This enables 3rd year students to hone their skills for the benefit of Centre users and the general public.

- SALC provides support for victims of domestic abuse by providing bespoke sessions in partnership with SafeNet.

Programme development

- SALC have developed some new holiday activities to stimulate the creative side of child development. Creation station and Pyjama Drama have been successful in attracting a new audience.
- Learn to cycle programmes are now a fixture on the holiday programmes.
- SALC now has pre-school offer every day. The introduction of a new pre-school swim to complement our children's play Zappers sessions.

In conclusion, the Centre continues to be an asset the Council is proud of and having recently been a finalist in two APSE categories for UK 'Best Efficiency and Transformation Initiative' and 'Best Public / Private Partnership Working Initiative' further demonstrates the high reputation the Centre has nationwide.

The centre has also been shortlisted for the Bay Business Awards taking place in November, in 3 categories, Leisure venue of the year, Health & Fitness Venue of the year and Beauty Venue of the Year.

The Cafe was shortlisted for the National Sport and leisure Catering operation of the year, narrowly missing out to the Etihad Stadium.

The Centre is an exemplar of combining a commercial approach whilst delivering against Sport England's five outcomes:

- Physical Wellbeing
- Mental Wellbeing
- Individual Development
- Social and Community Development
- Economic Development

Similarly the Centre contributes greatly to the Council's 'Ambitions' plan and has this new vibrant ethos at its heart.