

# WIRRAL COUNCIL

## FAMILIES & WELLBEING – POLICY & PERFORMANCE SCRUTINY COMMITTEE

2<sup>nd</sup> February 2015

<b>SUBJECT:</b>	<b>UPDATE ON THE LEISURE REVIEW</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CLARE FISH – STRATEGIC DIRECTOR – FAMILIES &amp; WELLBEING</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>CLLR CHRISTINE MEADEN</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report is to provide members of the Committee with an update on the progress of the first year of the two year Leisure review and modernisation programme.
- 1.2 The update identifies that progress has been made across all 'workstreams' including; reducing operating costs to save over £340k, restructuring programming and pricing to deliver increased income which has to date achieved an additional £200k increase above budget; and an alternative provider for the beach lifeguard service. Market testing of the Golf offer has been undertaken along with a detailed review of operating arrangements and costs, and over £2 million capital has been invested to increase and improve the leisure offer at 2 key Leisure Centres and modernise other areas.
- 1.3 The target operating saving for Year 1 was £1m. Currently the service is expected to see some slippage on the target by £260k owing to delays in implementing a number of key changes.
- 1.4 The service will be moving into Year 2 of the programme from April and plans are in place to enable the challenging target to be delivered which includes; further modernisation of operating arrangements, development of the Marine Lake operations and the review of the Golf offer.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Members of the committee will be aware of the unprecedented financial challenges the Council is facing requiring budget reductions of at least £109 million by 2017/18. As part of the budget process Cabinet agreed in September 2013 to a review of the current leisure offer and asked officers to consider a range of alternative delivery models.

2.2 The recommendations agreed by Cabinet included;

- The proposal that the Council should continue to operate the service in-house for an initial 18 months in order to deliver a transformation programme of savings and service redesign.
- Reviewing the programming and pricing scheme alongside improvements in the Invigor8 package.
- Increase investment in marketing and promotion.
- Introduce a stronger performance management regime.
- Introduce the principal of full cost recovery for services, facilities and activities provided for third parties.

2.3 Since then a detailed action plan delivered through six workstreams, monitored by the Leisure Board, chaired by the Cabinet member for the portfolio has been developed and progressed.

### 3.0 PROGRESS TO DATE

3.1 The programme of action is divided into 6 workstreams and a progress update is described against each workstream.

<b>Workstream 1 - Performance</b>
New standard operating procedures have been introduced across all Leisure Centres which include weekly / monthly monitoring of quality assurance indicators e.g. cleanliness, complaints / compliments, health & safety, appraisals, budget monitoring and management.
Weekly / monthly managers meetings are held to progress work on other key areas e.g. pricing and programming, development of the Invigor8 product.
Visits have been made to other commercially operated centres to enable managers to see different operating arrangements / best practice which could be used in Wirral.
Core competencies have been developed for managers and duty managers which will form part of a bespoke management development and support programme.

<b>Workstream 2 – New Ways of Working</b>
Management of the service has been re-structured with reductions of £340k expected to be achieved in year.
The introduction of flexible working across the service is targeted to achieve savings of just over £300k in year.
The Beach lifeguard service will be provided by the RNLI from May resulting in a saving of £70k.
The cost of sickness in the service was very high, equating to 12.9 days per annum but is now just below the Wirral Council forecast average of 6.61 days per annum (up to

and including November's figures).

Revised contracts of employment for swimming instructors have been introduced identifying 39 and 42 week contracts which will provide efficiencies and continuity to both education and Swim Wirral programmes.

### **Workstream 3 – Pricing & programming**

A report was agreed by Cabinet in July 2014, which updated the existing pricing policy and Invigor8 product. These had evolved over a number of years and had become quite complex and confusing for customers and staff.

The report enabled pricing to be standardised across all Leisure Centres, allowed centres to maximise income from those that are able to pay whilst still allowing discounts to targeted groups.

Alongside the above changes a proactive marketing and promotion campaign has been developed which includes a new promotion every month linked to events e.g. Golf, Easter, current income for play and pay is £118k and Invigor8 £83.2k over and above the 400k budget saving.

Further work has been undertaken to promote the Invigor8 product including corporate membership and to date there has been a successful take up. Following on from the success of the 14/15 campaign, a comprehensive marketing plan will be produced for 15/16. Campaigns will be delivered with the aim of increasing membership and through a sustained promotion of the Invigor8 product to encourage more Wirral residents to become more active more often by 25%.

### **Workstream 4 - Golf**

A soft market testing exercise was undertaken early last year and attracted a healthy interest from operators in the field.

Cabinet agreed in July to proceed to a full procurement exercise in conjunction with Cheshire West with whom we had undertaken the soft market testing activity.

There was a disappointing limited response to the exercise and, whilst Cheshire West decided to progress with the candidates, Wirral reluctantly decided to withdraw from the process.

We are currently reviewing the operations of each Golf Course and will come back with revised options for the future of the Council's Golf provision.

### **Workstream 5 – Capital Investment**

£2 million of capital investment is being invested to increase and enhance the leisure offer.

At Guinea Gap the former drill hall is being converted into a state of the art Gym with exercise studio. The completion has been delayed due to poor weather but is expected to be open by the end of the month. Already we have received significant interest from staff at the Wallasey Complex as well as local residents. In addition the refurbished football pitches are being well used.

West Kirby Concourse – the work which commenced this month is spread over 3 phases, the first of which will see a first floor conversion to create a contemporary 80 station fitness suite and improved changing facilities. The second and third phases will create improved activity studios and cafeteria. The six months of building work are expected to be completed in mid July 2015. This will see at minimum anticipated £120k additional income each year.

Support has been provided from the Council's Capital programme to refurbish the changing facilities at the Oval Leisure Centre which have been affected by the long standing leak from the swimming pool, which has also been repaired.

There are plans to refurbish the outdoor Tennis Courts at the Oval with financial assistance from the Lawn Tennis Association. The tennis courts are currently in a poor physical state and have a very low participation figure throughout the year. The funding stream available is through Sport England which will enable Wirral Council to upgrade the 4 tarmac courts and add two additional astro turf courts to make a total of 6 completed to Lawn Tennis Association specifications.

Reception Foyer point of sale counters – Funding of £140k has recently been approved to develop and improve reception areas at each Leisure Centre. Our aspiration is to achieve a welcoming, fresh looking feel to all centre foyers.

### **Workstream 6 – The Marine Lake**

This workstream focus is on the development of the offer from the Marine Lake supported by a marketing and promotion campaign

A recent submission to the capital programme for £690k which if approved, will give us the opportunity to enhance the facilities and offer an integrated service with improved operational control, sailing school, administration, modern changing rooms and catering facility. Existing user groups will be invited to share ideas on the design layout with the intention to engage architectural design input from April and all planning and tender approvals to be in place by Winter 2015.

A business plan will be developed to create a significant and unique leisure offer as well

as ensuring the service is self sufficient

The service has seen significant change occur over the last 12 months which has provided many challenges for managers and staff. It has also seen the creation of a range of opportunities to improve and enhance the service. To date the subsidy of the service has reduced by £1.5 million including (£420k additional savings required through the Future Council work) (from £6 million to £4.5 million) and we are focused on delivering a further £1 million in 2015/16.

#### **4.0 OTHER OPTIONS CONSIDERED**

4.1 The service is constantly reviewing its operating arrangements to identify further efficiency options.

#### **5.0 CONSULTATION**

5.1 Consultation is ongoing with staff and with customers when required. We actively encourage feedback from customers

#### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 As part of the modernisation programme the service was considering not for profit delivery arrangement (NPDO) which was intended to provide savings of over £300k. This is currently on hold and is being considered as part of the Council's review of services.

#### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 We have been working closely with the voluntary sector on initiatives where it makes sense to do so and will continue to seek those opportunities.

#### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 As described in the report.

#### **9.0 LEGAL IMPLICATIONS**

9.1 We have worked closely with legal services when required e.g. Golf Procurement.

#### **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review has been sent to the Equality and Diversity Co-ordinator.

#### **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

11.1 We seek to reduce any implications.

#### **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 N/A

### 13.0 RECOMMENDATION/S

13.1 Members of Scrutiny are requested to note the content of the update report and to provide comment on the work to date.

### 14.0 REASON/S FOR RECOMMENDATION/S

14.1 Members of scrutiny have requested the update report.

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### APPENDICES

### BACKGROUND PAPERS/REFERENCE MATERIAL

### BRIEFING NOTES HISTORY

Briefing Note	Date

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date