

## Cheltenham Borough Council

### Social & Community Overview and Scrutiny Committee- 4<sup>th</sup> December 2008

#### Leisure@ Cheltenham Performance Report

#### Report of the Assistant Director Wellbeing & Culture

#### 1. Executive Summary and recommendation

##### 1.1 The issue

1.1.1 My report provides an overview of the performance of Leisure@Cheltenham, following the re-opening of the facilities in September, which were closed for 14 months due to extensive flood damage that occurred in July 2007.

1.1.2 The report advises Committee of performance in respect of service standards, footfall and trading since re-opening. This information is also contained within the council's performance management model (ESP). An extract from the relevant section of the ESP in relation to this report is contained within Appendix 1

##### 1.2 I therefore recommend that:

##### 1.2.1 Committee note the performance report

##### 1.3 Summary of implications

1.3.1 Financial As outlined in the report. The financial information provided is for the first two months after the re-opening of the centre and may not be representative of the income trend for a normal financial year.

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1.3.2 Legal None as a direct result of this report

1.3.3 Human Resources None as a direct result of this report

##### 1.4 Implications on corporate and community plan priorities

1.4.1 The service directly contributes to the following corporate and community priorities:

a) Healthy Communities & supporting older people

b) Stronger communities

- c) Children & Young People
- d) To be an excellent, efficient and sustainable Council

## **1.5 Statement on Risk**

An extract from the Leisure@cheltenham's Risk Register relevant to this report is contained within Appendix 2

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## **2. Introduction**

- 2.1** Leisure@cheltenham re-opened to the public on 1<sup>st</sup> September following the floods of 20<sup>th</sup> July 2007, which resulted in the Centre suffering extensive flood damage from Pittville Lake.
- 2.2** The closure of the site for 14 months provided an opportunity to review the Leisure@ Cheltenham's future business needs. The review carefully considered views and feedback of users and staff, as well as considering benchmarking data against similar local authorities and direct comparisons with the local, private sector leisure industry.
- 2.3** The need to operate the service as efficiently and commercially as possible whilst enhancing accessibility and delivering of council priorities has been a key challenge for the site since returning to an in house operation in April 2003. The service is well aware of the financial constraints that face the council, and of its non-statutory status.

## **3. Background**

- 3.1** Prior to the closure of the service in July 2007, Leisure@ Cheltenham had reported a successful first quarter's business and operational performance for the 2007/8 financial year. Service standards, footfall figures and income targets were all on or above those forecast.
- 3.2** In addition to trading and performing well, the site had also completed a staff re-structure, which resulted in redundancy of posts within those service areas which were not financially viable or where efficiencies could not be made.
- 3.3** Expenditure control and review is a key dimension to the site's financial operation. The service review undertaken during closure fully scrutinised all aspects of the site's operational expenditure and once again explored areas within the staffing structure where changes could be and were made.
- 3.4** The high level of subsidy afforded to the service is very much recognised, and the need to reduce cost a key priority. However it is also understood that Leisure@ Cheltenham has an extremely important role to play in supporting the council's aims of improving the health and wellbeing of the community.
- 3.5** During the period of closure a tremendous amount of work was done to develop working relationships with health professionals and the PCT, through the newly appointed Healthy Lifestyle Officer. Similarly the site engaged with the Council's Sport and Play professionals, who have recently relocated to the Leisure@cheltenham. The cross working and collaboration of these teams has made a fantastic impact on the range, choice and quality of activities and programme available at the centre and developed opportunities which directly respond to sporting

and social needs.

#### **4. Performance report**

- 4.1** Whilst the 2003 refurbishment project saw the wetside of the facilities improved and upgraded, the 2008 reinstatement project has resulted in the site being completely uplifted and transformed into a modern leisure facility. The response by the sporting and local community has been extremely positive. Operational standards have been high with encouraging and constructive customer comments having been received through the comment cards feedback system as well as through the Customer Forum which has met once since the site re-opened.
- 4.2** **Service Standards:** During the period 1<sup>st</sup> September – 31<sup>st</sup> October 8 complaints in respect of service failures were received, against a performance target 7. The forecast for site for the year is 30, this is on target to be achieved. None of the service failures recorded to date have been in respect of poor cleanliness standards.
- 4.3** **Footfall Figures:** The site re-opened with a free day of service to the public this had been preceded with a free day to all council, CBH & CF staff. Both days were a tremendous success, with over 4000 visitors to the site.
- 4.4** Footfall figures for the period 1<sup>st</sup> September – 31<sup>st</sup> October have been recorded at, 47,416 against a target of 48,000. Footfall for the year has been forecast at 150,000, which is anticipated to be achieved.
- 4.5** **Income:** Income levels for the first two months have been encouragingly buoyant, with business trading at a higher level than the targets forecast for the period. Members need to appreciate that forecasting income levels on the site's return to business was done with some caution given the competitive nature of the business and the local market. That said, the forecasts reflected experiences from the site's business recovery performance in 2004, following its partial closure as a result of the wetside refurbishment project.
- 4.6** Income levels for the period 1<sup>st</sup> September – 31<sup>st</sup> October are £191,042 against a target of £148,771. Activities that have traded particularly well during the first months have been casual swimming (variance of +£16k) , squash (variance of +£1.5k) and health spa (variance of +£2.7k).
- 4.7** Trading in respect of memberships has also been encouraging, with over 900 memberships having been taken up. To put this into perspective, membership numbers prior to the flood had reached 1700. The membership forecast for the period up to 31<sup>st</sup> October was 763, therefore to achieve over 900 in the first two months of trading is extremely promising.
- 4.8** As stated in the opening paragraph, officers are using the council's ESP performance management system to monitor and record the site's performance against each of the above criteria.
- 4.9** Whilst November's trading figures will not be fully known at the time of the Scrutiny meeting, officers will provide members with a further update at the meeting.

#### **5. PR & Marketing**

- 5.1** Members of the Communications Team were an integral part of the reinstatement Project Team. A marketing \ PR campaign was developed which resulted in the site receiving extremely positive press and media coverage prior to re-opening, which has

continued since.

- 5.2** Of particular note has been the high profile and positive coverage received by the site in respect of the improvements made to provide activities and facilities to customers with Disability.

## **6. Consultation**

- 6.1** In addition to members of staff being receptive to customer comments that are made and registered on the site, there is also ongoing consultation through formal meetings of Customer Forum. The Commercial Manager is a representative on the Disability Forum, and he also links with the Healthy Communities Manager who in turn represents the Division on the Children's & Young People Partnership & the Health & Wellbeing Partnership.

- 6.2** During the closure of the site, members of staff were consulted as part of the service review process. A number of the comments and suggestions put forward by the staff have subsequently been introduced on the site. Staff have received feedback on all the ideas put forward.

## **7. Conclusion**

- 7.1** Officers have been extremely encouraged with the success of the first two months of business at Leisure @cheltenham, however they are rightfully cautious of not being overly optimistic about performance, particularly with regard to its business trading activity. The business carries high fixed overheads and achieving the right balance between commercial sustainability, competitiveness and affordability of access is critical to the site's future success.

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<b>Background Papers</b>	9 October 2007, Cabinet Report – Reinstatement Leisure@ Cheltenham.  22 <sup>nd</sup> July 2008 – Cabinet Report – Leisure@ Fees & Charges Schedule.
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<b>Scrutiny Function</b>	Social & Community Overview & Scrutiny Committee