



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Culture and Leisure Overview and Scrutiny Committee

5 September 2023

Report of Nicola M^cCoy-Brown,
Chairman of LeisureSK Ltd

LeisureSK Ltd Performance Report - September 2023

Report Author

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Purpose of Report

To provide an update to the Culture and Leisure Overview and Scrutiny Committee on the performance of LeisureSK Ltd against the leisure management contract objectives.

Recommendations

In noting the work being undertaken by the Board of Directors for LeisureSK Ltd to ensure the company delivers on its contractual and community outcomes, it is recommended the Culture and Leisure Overview and Scrutiny Committee:

1. **Considers whether any enhancements are required to the level of information provided for inclusion in the next six-monthly update.**

Decision Information

Does the report contain any exempt or confidential information not for publication?

No

What are the relevant corporate priorities?

- Growth and our economy
- Healthy and strong communities
- High Performing Council

Which wards are impacted?

Two or more wards

1. Background to the Report

- 1.1 The Council's Corporate Plan 2020 to 2023 sets out the key priorities for the Council and its leisure service. Investing in the health of the District and providing a high-quality leisure offer helps to support the Council's corporate ambition and provides opportunities for improved health and wellbeing outcomes for local communities. The Council's leisure contract with LeisureSK Ltd focusses on embedding an approach that seeks to continuously improve service delivery and customer experience.
- 1.2 Previously the Council's Culture and Visitor Economy Overview and Scrutiny Committee agreed to receive six monthly updates on the performance of LeisureSK Ltd. The last report was considered by Members at the meeting of the Committee held on 28 February 2023 (see **Background Papers**).
- 1.3 This report covers activities which have taken place between January 2023 and July 2023. For ease of reading, seven subsets have been created as follows:
- A. An overview of LeisureSK Ltd Operations/Staffing
 - B. An overview of LeisureSK Ltd Community and Outreach Activities
 - C. An update on the Council's Leisure Centres
 - D. An update on the work of the Council's Leisure Team
 - E. LeisureSK Ltd Performance Monitoring
 - F. Leisure Centre Condition Surveys
 - G. Quality Assurance

(A) LeisureSK Ltd Operations/Staffing

- 1.4 LeisureSK Ltd continues to face operational challenges relating to the availability of supplies and services, and increased supplier costs, especially in relation to utilities. This aligns with the national picture and the challenges being faced by other leisure providers. As a result of increased utility and staffing costs, a

management fee of £500,000 for LeisureSK Ltd was approved at Full Council on 1 March 2023 as part of the Council's annual budget setting.

- 1.5 The recruitment of suitably qualified staff continues to be a challenge within the leisure industry, this has caused difficulties at Grantham Meres Leisure Centre where there has been a higher turnover of staff. The roles which have been difficult to recruit to are Leisure Assistants, Swimming Teachers and Duty Managers.
- 1.6 The Contract Manager for LeisureSK Ltd, with the support of the Board, continues to review the company staffing structure to try and mitigate the increased cost of operating the three leisure centres without impacting upon the levels of service delivery and customer experience. National Minimum Wages increases have had an impact on previously agreed pay scales which have subsequently been reviewed to ensure levels of pay are competitive and aid the recruitment and retention of staff.
- 1.7 As a result of the pay review undertaken, the Board of Directors agreed employees in a senior management role would not receive an increment. Instead, a one-off cost of living support payment was agreed which is being paid in quarterly instalments in the current financial year.
- 1.8 The human resources (HR) consultancy firm, the HR Branch, continue to provide external professional human resources support to LeisureSK Ltd. As part of the support provided, a Management Development Course has been delivered over a six-month period, with a total of 20 Managers having completed the training. The course has provided standardisation of processes and procedures across the three leisure centres and given Managers confidence in dealing with HR related issues.
- 1.9 LeisureSK Ltd continue to work with a national apprenticeship provider, Lifetime Training, to deliver the following qualifications for staff:
 - The Chartered Institute of Management (CMI) Level 3 Team Leader Supervisor qualification
 - The CMI Level 5 Operations Departmental Manager
 - Level 2 Leisure Team Member
 - Level 3 Leisure Duty Manager
- 1.10 There are currently eight team members undertaking apprenticeship qualifications.
- 1.11 LeisureSK Ltd and the Board of Directors remain committed to growing and developing the teams. Since January 2023, the following courses have been hosted across the leisure centres to assist with the recruitment of staff and to upskill the current workforce:

- National Pool Lifeguard Qualification
- Level 1 Swim England Assistant Swim Teacher
- Level 2 Swim England Swim Teacher
- National Pool Supervisor Qualification
- Lincolnshire Co-op Wellbeing Walk Leader
- National Pool Plant Operator

1.12 In addition, team members have also undertaken the following external training courses to develop their skills and extend the range of activities on offer:

- Pre and Post-Natal Fitness
- Cancer Rehabilitation
- Level 3 Award in Education and Training
- Level 3 Fitness and Aquafit Instructor

(B) LeisureSK Ltd Community and Outreach Activities

1.13 LeisureSK Ltd continue to develop their programme of community and outreach activities, promoting and increasing their health and wellbeing offering. A wide variety of events have been attended including:

- Connected Communities Wellbeing event in Stamford
- Active Lincolnshire workshops; Older Adults and Physical Activity, Wheelchair Sports Programme launch, Women and Girls in Physical Activity and Sport (including menstrual cycle, pregnancy and menopause)
- Active Mums network meetings quarterly which has resulted in funding for three Pre and Post Natal instructor qualifications
- The Council's Healthy Living with Long Term Health Conditions at Stamford Arts Centre, Wellbeing Event at Jubilee Church Grantham, Gear Up in Grantham, and Love Parks Week
- Wyndham Park May Day Market and Get SK Moving Summer Markets
- Lincolnshire County Council's Children Centres Networking Event
- Patient Activation Measure (PAM) training with Macmillan and the NHS
- Wellbeing Walk Leader training with a total of 26 trained Walk Leaders delivering six walks per week across the District
- Wellbeing Walks and low impact exercise classes for those with long term health conditions in The Deepings area

1.14 Other initiatives introduced within the centres by LeisureSK Ltd include:

- Specialist classes at Bourne Leisure Centre which provide targeted interventions and provide enhanced health and wellbeing outcomes. These include classes for those suffering from Chronic Obstructive Pulmonary Disease (COPD), Cardiac Rehabilitation, Disability Circuits, Mindfulness Meditation, and classes to aid balance and coordination

- Good Boost, which is an app based therapeutic water exercise programme for people with musculoskeletal conditions, was initially launched at Bourne Leisure Centre, and more recently at Grantham Meres following the successful award of funding from the Together Fund (managed by Active Lincolnshire)
- A partnership arrangement has been formed with Whaplode Primary School to deliver National Rescue Awards and training for swimming teachers and coaches
- Aqua natal classes at Bourne and Stamford, and Bump Boost at Grantham
- Delivery of the Royal Lifesaving Society's Save a Life campaign in the community at various locations
- Wellbeing Walks from Grantham Meres in addition to the already established walks in Grantham
- Fighting Fit Cancer Rehabilitation classes at Grantham which are delivered in partnership with the Lincoln City Football Foundation
- Special Educational Needs and Disability (SEND) swimming lessons and family swim session at Bourne Leisure Centre
- Exercise on Prescription continues to be delivered across all the centres

1.15 LeisureSK Ltd are planning to introduce further initiatives across the centres with the team undertaking specific training to launch these and expand on the offer which includes:

- Wheels for Life with Active Lincolnshire – an application has been submitted for £7,000 funding to have a hub created at Grantham Meres
- Fighting Fit Cancer Rehabilitation at both Bourne and Stamford in partnership with the Lincoln City Football Foundation – funding of £3,500 has been confirmed to launch this activity in September 2023
- An additional ten Save a Life sessions are to be delivered within the community between September and November 2023

1.16 Partnerships continue to be developed between the Council, LeisureSK Ltd and wider organisations providing physical activity in the county including One You Lincolnshire, Active Lincolnshire and Inspire+. Work is also ongoing to develop working relationship with health providers including local general practice (GP) surgeries, social prescribers, including Shine Lincolnshire and the Grantham Partnership Board, Lincoln City Football Foundation, Macmillan, Mindspace and the Musculoskeletal Physiotherapy team at Stamford Hospital.

(C) Update on Council Leisure Centres

1.17 As a result of the rising energy costs, the Board of Directors recently commissioned energy efficiency surveys across the three leisure centres. The surveys were undertaken by an award-winning sector leading energy saving consultancy firm - Leisure Energy Ltd. The resulting reports highlighted a range of energy saving measures. The Board of Directors for LeisureSK Ltd remain

committed to working with Council Officers to explore what investment is required to reduce carbon emissions and deliver cost savings.

- 1.18 In March 2023, the Government announced the £60 million Swimming Pool Support Fund. £20 million is targeted on helping Council's mitigate increased energy and chemical costs, with the remaining £40 million to be utilised to fund energy saving capital investment projects.
- 1.19 Council Officers have already submitted a bid to the revenue support element of the fund. However, this is likely to be over-subscribed and not all authorities will benefit from funding. The capital element of the fund is due to open in September 2023.
- 1.20 There are a range of alternative funding opportunities currently being explored including the Public Sector Decarbonisation Scheme (PSDS), which is due to open in Autumn 2023, and the Council's own Climate Reserve.
- 1.21 In addition, inefficiencies have been identified with the Combined Heat and Power (CHP) units installed at Grantham Meres Leisure Centre and Bourne Leisure Centre. A specialist report has been commissioned to consider the impact of removing these in favour for an alternative more efficient heat source, which could form the basis of any funding bids.

Bourne Leisure Centre

- 1.22 The gym refurbishment undertaken in November 2022 continues to be a success and has seen a 24.5% increase in fitness members compared to December 2022, when including both monthly direct debit and advanced payment members.
- 1.23 To complement the success of the gym refurbishment programme, regular group exercise programme reviews have been undertaken to further improve the offering, with specialist classes introduced at the centre as detailed in paragraph 2.12.
- 1.24 The Swim School programme continues to perform well with a 20% increase in pupils compared to December 2022. This has also included the introduction of SEND swimming lessons and a dedicated SEND family swim session.
- 1.25 A regular monthly Farmers Market was introduced in February 2023, the market is hosted in the sports hall utilising previously empty space and attracts an average of 800 to 1,000 visitors per month, providing opportunities for local small businesses to come together.
- 1.26 Large scale pool plant maintenance upgrades have been undertaken to include the refurbishment of the pool filtration media and the replacement of the pool ultraviolet filtration system to ensure high standards of pool water quality.

Grantham Meres Leisure Centre and South Kesteven Sports Stadium

- 1.27 To compensate for the rising energy costs, the decision was made by the Board of Directors that the Table Tennis Centre (TTC) should remain closed after the National Health Service (NHS) completed the COVID-19 vaccination programme in December 2022. All bookings have continued to be accommodated in other parts of the centre.
- 1.28 The TTC at Grantham Meres Leisure Centre has been used once more by the NHS between April and June 2023 to deliver the COVID-19 Spring booster vaccinations. During this time, a total of 15,366 vaccinations were administered. Grantham Meres Leisure Centre received a hire fee for the use of the centre.
- 1.29 The Board of Directors have agreed in principle for the NHS to use the centre for their Autumn booster campaign which is due to take place between September and December 2023. Confirmation whether this is to ahead is due to be received imminently.
- 1.30 LeisureSK Ltd have continued to host Meres Lives events, securing the acts directly and utilising the Council's Arts Team to provide ticketing services. Concerts have included The Upbeat Beatles and Showaddywaddy, with an audience of 990 across both events. There are an additional five events planned for the remainder of the financial year.
- 1.31 Grantham Meres successfully relaunched Gymnastics sessions as part of their children's activity programme in March 2023, with 96 children currently being enrolled.
- 1.32 Following collaboration between LeisureSK Ltd, Grantham Athletics Club and the Council, the Sports Stadium has been awarded a Level 1 competition licence by UK Athletics. This will enable the stadium to be used for competitive athletic events.
- 1.33 During 2023, the centre has continued to see a strong return of sporting and community events. The David Ross Educational Trust (DRET) summer games returned, and the centre also hosted the Inspire+ Mini Olympic Games, which was a three-day event hosting over 2,500 primary school children participating in sports and other activities. Additional events have included local school's athletics competitions in the run up to the end of the academic year.
- 1.34 Fitness membership numbers have seen a steady growth, with an increase of 12.9% compared to December 2022, when including both monthly direct debit and advanced payment members. This has been complemented by a review of the group exercise programme with quarterly reviews taking place. There are currently 62 instructor-led classes held each week.

- 1.35 The Swim School programme continues to perform well with a growth of 10.1% in pupils compared to December 2022.

Stamford Leisure Pool

- 1.36 The centre opening hours have been extended. From February 2023, the facility is now open until 9.30pm which brings the centre's operational hours back to pre-COVID levels. This has allowed for additional group exercise classes, club swimming sessions, public lane swimming sessions, SEND lessons and increased availability to use the gym.
- 1.37 Fitness membership numbers continue to perform well with the centre seeing an increase of 25.8% in their membership base compared to December 2022, when including both monthly direct debit and advanced payment members.
- 1.38 Following on from the success of the gym refurbishment programme at Bourne Leisure Centre, the centre team are exploring options to invest in the facilities and equipment to further enhance the gym offer and introduce specialist equipment for disabled users.
- 1.39 The Swim School programme remains steady with a small growth of 1.8% in pupil numbers compared to December 2022. There have been challenges with the enrolment of new swimmers in the lower stages, however the centre has been undertaking focussed marketing to assist with attracting younger pupils. They also continue to face increased competition from the Stamford Endowed School 'learn to swim' programme which has been extended over the past year.
- 1.40 Discussions have taken place with Stamford College about the possibility of including the National Pool Lifeguard Qualification within their sports courses from September 2023. With the latest release of this qualification, this would allow students who successfully achieve the qualification, to earn University and Colleges Admissions Service (UCAS) points to support their university applications. Further meetings are due to be held once the college returns in September 2023, with an intention to host the first course in Winter 2023.

(D) Work of the Council's Leisure Team

- 1.41 The Council's Leisure Team continue to be responsible for regular contract monitoring, the results of which are reported to the Board of Directors monthly to ensure the contract outcomes and the Council's objectives are being delivered.
- 1.42 As part of the regular contract monitoring regime, organised visits and spot checks are undertaken to ensure LeisureSK Ltd are providing a high-quality service which meets the Council's desired levels of cleanliness and presentation, and the leisure

centres are offering a positive customer experience. Following the meetings, any actions necessary are recorded, monitored and signed-off once resolved.

- 1.43 Formal contract monitoring meetings, which include representatives of the senior management team at LeisureSK Ltd and Officers from the Council's Leisure and Property Teams, continue to take place quarterly. Outside of this, the Council's Team Leader for Leisure, Parks and Open Spaces meets with the LeisureSK Ltd Contract Manager on a monthly basis. Any areas of concern from the monitoring visits are raised as an emerging trend at the quarterly monitoring meeting for further discussion and resolution.
- 1.44 During the current year, because of customer complaints received, there has been a targeted focus on cleanliness as part of the monitoring visits. All complaints received are jointly investigated by the Council's Leisure Team and the relevant centre management team. As a result of this focus, there has been a marked improvement in cleanliness standards which has resulted in positive feedback being received.
- 1.45 **Table One** below outlines the findings from the leisure monitoring visits and the items raised for rectification between the period of January 2023 and July 2023.

| Table One: Findings from the leisure monitoring visits and the items raised for rectification between the period of January 2023 and July 2023 | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------|
| Facility | Total Cleanliness Items | Total Maintenance and Repair Items |
| | January – July 2023 | January – July 2023 |
| Bourne Leisure Centre | 235 | 72 |
| Grantham Meres Leisure Centre | 319 | 123 |
| South Kesteven Sports Stadium | 270 | 104 |
| Stamford Leisure Pool | 206 | 58 |

(E) LeisureSK Ltd Performance Monitoring

Balanced Scorecard

- 1.46 The balanced scorecard covering the leisure centres for the period January 2023 to July 2023 can be found at **Appendix A**. This provides detailed information on the performance of the leisure centres which is utilised by the Board to assess the performance of the company and progress against the leisure contract Key Performance Indicators (KPIs).

Customer Survey

- 1.47 The annual customer satisfaction survey was conducted in March 2023, the survey receiving a total of 845 responses which represents an increase of 56.8% compared to the previous year. Results from the most recent survey are shown in the **Table Two** below:

| Table Two: Results from March 2023 annual customer satisfaction survey | | | | | |
|-------------------------------------------------------------------------------|-----------------------|------------------|------------------------------------------|--------------------|-------------------------|
| Facility | Very Satisfied | Satisfied | Neither satisfied or dissatisfied | Unsatisfied | Very unsatisfied |
| Bourne Leisure Centre | 33.42% | 44.56% | 10.88% | 5.84% | 5.31% |
| Grantham Meres Leisure Centre | 32.32% | 47.31% | 12.69% | 3.46% | 4.23% |
| Stamford Leisure Pool | 16.35% | 55.29% | 15.87% | 6.25% | 6.25% |

Sport England Moving Communities Community Survey

- 1.48 The annual Sport England Moving Communities Community Survey was last distributed to LeisureSK Ltd's customers in September 2022. The focus of the survey was to help Sport England understand perceptions about physical activity and active leisure in local communities, and to monitor the sector's performance, sustainability and social value contribution.
- 1.49 The survey is broken down into four areas which covers satisfaction, net promotor score (NPS), which is an index ranging from -100 to 100 which measures the willingness of customers to recommend a company's products or services to others, in-centre activity and cleanliness.
- 1.50 As the annual survey is not due to be distributed until September 2023, the results from the most recent survey remain unchanged to those previously reported. For completeness, these are shown in **Table Three**.

| Table Three: The results from the most recent Sport England Moving Communities Community survey | | | | |
|--------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------|------------------------------|----------------------------------------|
| | Bourne Leisure Centre | Grantham Meres Leisure Centre | Stamford Leisure Pool | LeisureSK Ltd – Contract Result |
| Responses Received | 144 | 125 | 120 | 389 |

| | | | | |
|---------------------------|--------|--------|--------|--------|
| Satisfaction | 80.7% | 80.33% | 71.5% | 77.72% |
| NPS | 13.67 | 11.2 | -21.66 | 1.82 |
| In-centre Activity | 79.7% | 79.51% | 72.38% | 77.5% |
| Cleanliness | 73.23% | 75% | 51.76% | 68.21% |

- 1.51 The results of the survey also demonstrated that in the previous 12-month period, **LeisureSK Ltd generated a total of £4,618,208 of social value through the activities and services provided.**

(F) Leisure Centre Condition Surveys

Building condition surveys

- 1.52 The building condition surveys undertaken during 2022, continue to be reviewed by the Council's Leisure and Property Teams and the Board of Directors, with works being prioritised for completion based on the severity and risk identified. These works are taking place in addition to ongoing reactive maintenance works which are routinely identified and completed.
- 1.53 Major works have been completed across all three centres, with the extent of works completed listed below:

Bourne Leisure Centre:

- Replacement fire damper in air handling extraction system
- Upgrade to pool ultraviolet (UV) filtration system
- Pool tank Inspection – to determine future works required
- Fire door survey
- Pool chemical dosing system upgrades
- Replacement of pool filtration media
- Roofing repairs to sports hall and pool hall
- Directional car park re-lining

Stamford Leisure Pool:

- Replacement fire damper in air handling extraction system
- Pool tank inspection – to determine future works required
- Replacement air conditioning in the gym
- Fire door survey

- Upgrade of showers in changing rooms
- Decommission of header tank and upgrade of domestic water system to include pressurisation unit
- Pool chemical dosing system upgrades
- LED lighting upgrades in the pool hall

South Kesteven Sports Stadium:

- Boiler replacement in Main Stand
- Internal and external gutter repairs to the bar area
- Roofing repairs to bar area
- Athletics track surface repairs

Grantham Meres Leisure Centre:

- Pool tank inspection – to determine future works required
- Replacement of balance tank valves
- Completion of Fire Strategy works
- Upgrade of pool chemical dosing system to include installation of flocculant to help turn cloudy pool water into crystal clean

- 1.54 Other major ongoing work includes the replacement and upgrade of fire doors at Grantham Meres Leisure Centre, and further roofing repairs at Bourne Leisure Centre.

Mechanical and Electrical meetings

- 1.55 Bi-monthly Mechanical and Electrical (M&E) meetings continue to be undertaken between LeisureSK Ltd, Council Officers and Briggs and Forrester (the Council's maintenance contractor). The meetings aim to ensure maintenance issues are captured at an early stage, and any remedial works can be planned in to prevent operational issues.

(G) Quality Assurance

Annual Quest Audits

- 1.56 In January 2023 LeisureSK Ltd had their annual Quest audits which were conducted by independent consultants Right Directions Ltd. Quest is Sport England's Continuous Improvement Tool for leisure facilities and is designed to measure how effective organisations are at providing customer service.
- 1.57 Established for over 20 years Quest, in addition to being supported by Sport England, has the support of wider organisations including CIMSPA (The Chartered Institute for the Management of Sport and Physical Activity), UKActive (a not-for-profit industry association promoting the interests of commercial fitness gyms and community leisure centres) and the Chief Leisure Officers' Association (CLOA).

- 1.58 As part of the Quest assessment, the three centres received a mystery visit and a one day on site assessment. There were six core modules assessed which included: compliance declaration, operational management, environmental management, managing the team, the customer journey and tackling inequalities. Following the overall assessment, leisure centres are given a banding of either: Unsatisfactory, Satisfactory, Good, Very Good or Excellent.
- 1.59 **All three leisure centres achieved a good rating as a result of the Quest audits.** Any areas for improvement have been captured in a Quest Improvement Plan for each centre, with progress being monitored by the Board of Directors.

2. Key Considerations

- 2.1 This report seeks to provide Members with key information on the performance of LeisureSK Ltd and to demonstrate the commitment of the Board of LeisureSK Ltd to ensure the company achieves its operational and performance objectives.

3. Other Options Considered

- 3.1 The Culture and Visitor Economy Overview and Scrutiny Committee (since the 2023 local elections, now replaced by the Culture and Leisure Overview and Scrutiny Committee) have previously agreed to receive six-monthly updates on performance. Therefore the 'do nothing' option has been discounted.

4. Reasons for the Recommendations

- 4.1 The Council has a duty to ensure the leisure contract provides value for money and delivers its corporate objectives. The information detailed within the report provides Members with an opportunity to assess the performance of LeisureSK Ltd and to suggest enhancements to the level of information provided for inclusion in the next six-monthly update.

5. Background papers

- 5.1 *LeisureSK Ltd Performance Report* - Report to Culture and Visitor Economy Overview and Scrutiny Committee, published 20 February 2023, available online at:
<https://moderngov.southkesteven.gov.uk/documents/s36993/Performance%20of%20LeisureSK%20Ltd.pdf>
- 5.2 *Public Sector Decarbonisation Scheme* - provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measure, published 1 October 2020 and last updated 12 July 2023, available online at:
<https://www.gov.uk/government/collections/public-sector-decarbonisation-scheme>

6. Appendices

6.1 Appendix A: Balanced Scorecard January 2023 to July 2023.