

Taunton Deane Borough Council

Scrutiny – 18th September 2018

GLL Performance report January – July 2018

Report of the Assistant Director Operational Delivery – Chris Hall (This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

1. Executive Summary

This report and the confidential appendices set out the operational and financial performance that GLL provide for TDBC. GLL raise concerns in terms of usage numbers and income noting that they are adrift of their income budgeted position, however they are mitigating this through reduced expenditure. The current agreement does not pass any of this risk onto TDBC.

2. Recommendations

This committee is recommended to note the content of this report.

3. Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
A reduction in users impacts the viability of the arrangements with GLL	Possible (3)	Major (4)	Medium (12)
<i>GLL set their own budgets and surplus expectations, they are also required, and are financially able to operate with a reduced surplus for the term of the leases.</i>	Unlikely (2)	Major (4)	Medium (8)
Inflation and operating costs continue to rise making the service unaffordable	Possible (3)	Major (4)	Medium (12)
<i>GLL are recovering their reduced surplus and income by reducing their expenditure.</i>	Unlikely (2)	Moderate (3)	Low (6)

4. Background

- 4.1 The financial performance of GLL has no direct risk or benefit to TDBC, GLL are not required to share any profits with TDBC and TDBC don't share any operating risk with GLL. This means that TDBC's financial contribution is stable regardless of the performance of the operator. This is the agreement that was in place with Tone Leisure and is typical one created at the time.

- 4.2 The report identifies that the financial performance of the contract is not meeting GLL's budget expectations.
- 4.3 GLL have made changes to the way that central costs are recorded, this makes comparing year to year finances harder as there is no requirement for GLL to specify their central costs, GLL do note that they are no longer operating the South Hams contract and as a result there is a £225k loss of financial support, whilst reported to the last meeting this will continue to have an impact for them locally.
- 4.4 TDBC have an interest in the performance of the sites beyond just the finances, the numbers of people engaged in leisure activities and the work that GLL are doing to ensure these services remain accessible to the public should be scrutinised and the attached report covers some specific areas of success.
- 4.5 Councillors will be aware that a number of changes to resources are now being implemented as part of the transformation programme. The GLL contract will move officers on 1st October. Members are assured that this transition will not materially affect the delivery of the contract.

5. Finance / Resource implications

- 5.1 The arrangements in place with GLL are through leases on the properties included in the contract and a management fees charged by GLL to TDBC. This figure has decreased over the years and currently stands at £281k pa.
- 5.2 In the previous report Members were made aware that the high ropes loan was coming to an end. I can confirm that all payments due to the council have been received, this asset remains in GLL ownership pending the completion of the current lease and management fee agreements in July 2019. As part of the leisure procurement activity officers are looking at the need to transfer the asset to us.

6. Legal implications

- 6.1 There are no implications as a result of this update report.

7. Environmental Implications

- 7.1 There are no implications as a result of this update report.

8. Asset Management Implications

- 8.1 There are no implications as a result of this update report.

9. Equalities Impact

- 9.1 There are no implications as a result of this update report.

10. Risk Management

- 10.1 There are no implications as a result of this update report.

11. Partnership Implications

11.1 There are no implications as a result of this update report.

Democratic Path:

- **Scrutiny - Yes**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: 6 Monthly

Appendices:

1 GLL performance Report

2a Confidential site by site data

2b Confidential management accounts data

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Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%



Report of James Curry, Head of Service (South West and Wales Region)
(This matter is the responsibility of Councillor Mrs. Vivienne Stock-Williams)

EXECUTIVE SUMMARY

This report highlights the overall performance of Greenwich Leisure Limited trading as 'BETTER' for the period January-July 2018.

1. Background

- 1.1 Tone Leisure Group Limited merged with Greenwich Leisure Limited (GLL) on 1st January, 2017 following an 18 month period as a subsidiary of the same company. GLL, who operate under the 'BETTER' brand, are a Social Enterprise and Charitable Leisure Trust who will continue to work in partnership with Taunton Deane Borough Council (TDBC) to operate the Council's leisure facilities and deliver community programmes across the district.

This report summarises GLL's performance for the seven months January-July 2018.

2. Performance Report

2.1 Financial Performance of GLL

See Confidential Appendix 1 attached on pink paper.

2.2 The Four Pillars

GLL has four core pillars at the heart of everything it does; these are Better Service, Better People, Better Communities and Better Business.

An update on the four pillars in Taunton Deane is given below.

BETTER Communities

- Walk Well in Taunton Deane - GLL has had exceptional numbers so far this year, with 3,384 participations in Taunton from January-July and 1,800 participations in Wellington. The growth of the scheme is due to the support and dedication of 49 volunteers who support the programme. These volunteers have given nearly 2,000 hours of volunteer support time in 2018.
- Naturally Healthy Month - GLL took part in the annual Naturally Healthy Month initiative supported by Somerset Public Health and Somerset Wildlife Trust. The marketing for this has been advertised widely and included all of the Walk Well Health Walks.
- Taunton Deane Borough Council Staff Walk - In addition to our weekly walk programme GLL offered a number of additional walks, including a lunchtime walk for Taunton Deane staff. Meeting at The Deane House, the walkers enjoyed some of the local beauty spots to The Deane House, including Longrun Meadow and French Weir.
- Festival of Walks (26th May-3rd June) - Walk Well in Wellington took part in the county wide Festival of Walks, supported by the Ramblers Association. GLL's challenge was to organise two local walks which showcased 'Hidden Gems' in the local area. Walks were organised in Wellington Park and Swains Lane Nature Reserve.
- Dementia Awareness Week (21st-28th May) - A number of activities were planned in Wellington to support Dementia Awareness Week, including GLL's annual health walk from Wellington Sports Centre to raise awareness of the disease.

Following the walk a Fraud and Scam Workshop was held at Wellington Sports Centre. The session was led by NatWest Community Banker Trudi Henderson and, with 38 people attending, she gave everyone some very useful tips and advice for not only staying safe on line, but also protecting yourself from telephone and doorstep scams.

- Somerset Drug and Alcohol Event: Recovery in the Park - Better staff attended the Somerset Drug and Alcohol Event - Recovery in the Park in Priorswood. The aim of the event was to encourage those who are in recovery to become more physically active. The event was supported by a variety of different local organisations; GLL offered one day passes to those wanting to make lifestyle changes, enabling them to have free access to BETTER leisure centres across Taunton.
- Parkinson's Class - Two new classes started in July at Wellsprings Leisure Centre for Healthwise (GP Referral) customers who have received a Parkinson's diagnosis. The sessions are proving very popular, with eight regular attenders on each session. Physiotherapists and Occupational Therapists will be visiting the sessions over the coming months.

- Swimming Vouchers and Swimming Lessons - GLL are working with Taunton Deane Borough Council to provide swimming vouchers or swimming lessons for families in areas of higher deprivation. These vouchers are now being distributed across the district by local partner agencies.
- GLL Sport Foundation - 21 local athletes applied to the GLL Sport Foundation Programme and received a financial award for 2018, with an additional 23 athletes receiving a training award. This is a direct financial commitment to local athletes of £23,350. Athletes have access to all GLL facilities across the country to support their training programme.

The GLL Sport Foundation presentation evening was held at Wellsprings Leisure Centre in May; over 40 people, including athletes and their families, attended the event. The Regional Director, Juliette Dickinson, gave the introduction, followed by the Portfolio Holder Cllr. Vivienne Stock-Williams. A certificate, GLL Sport Foundation Pin Badge and GLL bag and water bottle were then presented by the Mayor of Taunton Deane, Cllr. Catherine Herbert, to all athletes attending the event.

- Active Communities - GLL have worked in partnership with Liverty Housing (formerly Knightstone Housing) through the Active Communities project for 3½ years. The project has provided a number of very successful programmes including Wellington Ladies Community Circuit classes at St. John's School.

One of the projects, Bumps and Beyond providing ante and post natal exercise classes for new mums and mums-to-be in partnership with Midwives from Somerset NHS Trust, has now been extended across Somerset. Aqua natal sessions led by trained instructors are currently running at Blackbrook Leisure Centre and Spa, Wellington Sports Centre and Taunton Pool.

- Revitalise - Somerset Activity and Sports Partnership and MacMillan Cancer Support launched their new 'Revitalise' initiative to help people living with cancer become more active this month. Better instructor Freddie is part of the programme and has undertaken specialised training to support those people on our programmes.
- Cancer event - Better staff have attended four cancer events this quarter in conjunction with the Beacon Centre, Musgrove Park Hospital and Macmillan. Regular health and wellbeing events and Breast Cancer Moving On days are provided in Taunton for patients across the Somerset area post treatment.

BETTER People

- Walk leaders Joy Boaden and Jenny Dillely, who are both key volunteers for Walk Well in Taunton Deane, were nominated for the GLL Nick Francis Community Award for their hard work and dedication to the Health Walk programme over many years. They both secured a place at the national finals on 9th February in London.
- GLL host an annual Communications Day to communicate key messages to the wider team, while also recognising staff achievements over the last 12

months. Taunton Deane's event was on 2nd February, 2018. Each centre recognised a staff member and one of these was shortlisted for the GLL National Awards in London. Taunton Deane's representative was Sue Gunstone from the Vivary Golf and Adventure Centre. Sue was rewarded with one of the GLL Achieving More Awards.

- GLL have 3 apprentices currently in Taunton Deane and remain committed to appointing more apprentices across the district.
- GLL celebrated their 25th anniversary in July and staff across the UK celebrated this achievement with various local and national events. This included recognition of GLL's role as a social enterprise at the Houses of Parliament and an event at the BT Tower in London for front line staff who have gone above and beyond. Ben Osborne, Assistant Manager at Blackbrook Leisure Centre and Spa, attended on behalf of the Taunton Deane contract in recognition of his 'can do' attitude.
- 68 Lifeguards in Taunton Deane have completed their Life Changing Event training, designed to ensure GLL's Lifeguards recognise the important role they have in drowning prevention.
- Sickness for the period January-July 2018 was 2.22%, falling below the 3% target.
- Staff turnover was 3.2% against a target of <10%.

BETTER Service

- GLL continues to use the Net Promoter Score (NPS) to measure customer satisfaction within Taunton Deane. At the end of July 2018 the contract is showing a 2% improvement on the same period in 2017. This is clearly positive, with the trend clearly upwards as we move through 2018. It is pleasing to see Blackbrook showing strong improvements in recent months, with a July score of 47%; this despite some challenging publicity about the cleanliness of the changing rooms, which has been positively and proactively tackled. Blackbrook now has a 'no shoe' policy in the changing rooms.

Centre	2017	2018 YTD	Change
Blackbrook Leisure Centre and Spa	21%	24%	+3%
Taunton Pool	31%	36%	+5%
Vivary Golf Course	69%	78%	+9%
Wellington Sports Centre	14%	11%	-3%
Wellsprings Leisure Centre	40%	40%	0%
Taunton Deane Contract	23%	25%	+2%

- GLL completed the Taunton Deane annual user survey earlier in 2018. This survey scores users' customer satisfaction through a portal based in the centre and on-line surveys. Taunton Deane scored very well: Blackbrook 85%, Taunton Pool 93%, Wellington 88% and Wellsprings 94%.
- GLL successfully achieved QUEST entry level at Blackbrook Leisure Centre and Spa, Taunton Pool, Wellington Sports Centre and Wellsprings Leisure Centre during the spring of 2018. The Assessor made some extremely positive comments about each centre and GLL are confident these centres will be well equipped to make the next step to QUEST plus in the next 18 months.

QUEST is a tool for continuous improvement, designed primarily for the management of leisure facilities and sports development. GLL proactively engages all of its centres in this scheme to support continuous improvement in standards across the group.

QUEST is managed by Right Directions in partnership with Leisure-net Solutions. It defines industry standards and good practice and encourages their ongoing development and delivery within a customer focused management framework. It continues to provide the sector with an effective operational quality mark in a cost effective manner.

- GLL has a strong focus on Lifeguard standards and audits centres a minimum of twice per year. All Taunton Deane centres have scored above the minimum 90%.

BETTER Business

- At the end of period 7, 2018, GLL is £60,490 better than business plan. Disappointingly, sales are missing budget by £209,539, with a positive saving on budgeted costs of £270,029.
- Membership sales across Taunton Deane have been very challenging in 2018 and this is particularly impacting Wellsprings and Wellington. Two new national fitness facilities have opened in the district: Anytime Fitness in Wellington and Snap Fitness in Taunton. With GLL at the end of its contract period, combating new competition with limited scope to invest makes it a very tough environment to operate in.
- Financial performance at Blackbrook is strong; both sales (+£32k) and costs (+£72k) are above budget and there are good improvements on last year.
- Vivary, after a broadly positive 2017, has suffered again in 2018, mainly due to the weather. The winter period and early spring were wiped out with flooding and snow accounting for over 30 full days of closure. There is no doubt this has impacted a key period to attract members onto the course and green fees have failed to pick up in the summer months.

- Taunton Pool has seen positive growth in swimming membership, but this does not mask the worrying decline in casual swimming which is impacting the bottom line, with income £46k off budget. There is no doubt Blackbrook is proving more attractive to the family market and the traditional casual swimmer.
- Wellsprings Leisure Centre has lost two major hirers in 2018. The Taunton Academy discontinued its use of the facility in autumn 2017 for the 2017/18 academic year, and the Whirlwinds Trampoline Club relocated to the new trampoline park in Wellington. This loss has contributed £35k to the £60k shortfall on income at the end of July 2018.

Recent strategic meetings between GLL and the Taunton Academy have resulted in GLL agreeing a heavily subsidised hire arrangement for the academy from September 2018 to ensure the students of this school do not face another academic year without quality sports provision. It is hoped this renewed partnership, which demonstrates GLL's status as a social enterprise, will help support the school's recovery and the health and wellbeing of this deprived area of Taunton.

- When comparing the financial position with 2017, the leisure centre sales are £222,201 worse than last year, with costs £135,185 better. This performance is representative of the highly competitive marketplace GLL are operating in now in Taunton. With less than a year left on the contract there is no scope to invest within the district, which makes it very difficult to compete with new entrants to the market.
- Health and Fitness membership across Taunton Deane continues to decline and at the end of July was 453 heads down on the same period in 2017. This can be attributed to the reasons already highlighted in this report. Conversely SwimSchool heads are growing across all centres and remain above budgeted expectations.
- Costs are £270,029 better than budget, with savings being made across all cost lines.

3. **Conclusion**

- 3.1 There is no doubt 2018 continues to be challenging with cost mitigation supporting the shortfall on income, ensuring the bottom line is positive. Increased competition in the last 6 to 8 months has made it an extremely tough marketplace to operate in, and there has been a heavy focus on delivering an efficient and effective service. It is good to see customer satisfaction is improving and there is no doubt the new management team at Blackbrook are working hard to ensure the customer experience meets expectations. The new partnership with the Taunton Academy will ensure the Wellsprings Leisure Centre continues to be used for what it was intended when built, and there remains a huge amount of community and partner engagement, supporting the wider community in helping increase activity levels and improving health. GLL, as a social enterprise, also continues to invest in local athletes who rely on our support and are gaining national recognition for their efforts in their chosen sports.

4. **Recommendation**

- 4.1 It is RECOMMENDED that the Community Scrutiny Committee notes the content of Greenwich Leisure Limited's Performance Monitoring Report.

James Curry
Head of Service