

Leisure in-depth scrutiny working group

Pre-October 2014

- Members of the group have viewed and discussed the following information:
 - A postcode breakdown of users at WOLC
 - Asset Maintenance expenditure per leisure centre 2013/14
 - Budget Breakdown 14/15
 - Benchmarking information for other Leisure operators across Kent
 - Customer Satisfaction June 2014 per centre
 - Final Audited Accounts 2012
 - Leisure Facilities Operational Arrangements
 - Annual Management Fee, Usage and cost per user
 - Fairfield Pool Refurbishment details
- Members attended a tour of Sevenoaks Leisure Centre which incorporated a meeting with the Chief Executive, Jane Parish, Director, Adam Perry and Marketing Manager, Sarah McDonnell to receive information on their business plan and marketing strategies for the leisure centres.

Outcomes:

- The postcode breakdown showed a wide range of customers travel to visit WOLC; however the majority of its customers live within the Swanley area and surrounding parishes.
- The benchmarking data demonstrates a range of operational models are in place to deliver leisure facilities across Kent. It also demonstrates that SDC pay a very low annual subsidy to our Trust, compared to some of the other Kent local authorities who operate a similar leisure delivery model.
- The management fee and usage summary shows the reduction of the management fee paid to the Trust by the Council from £486K in 2004/5 to £80,950 in 2014/15, meaning that the subsidy paid by the Council has reduced from 52p per use in 04/05 to 8p per use in 14/15.
- Sencio have increased the annual usage fees in centres during this period (929,289 in 04/05 to 988,625 in 13/14).
- This increase in value for money and efficiency has been the result of Sencio's continuous adjustments to their operations, management arrangements and business plans for each centre, as well as a well structured and implemented marketing strategy.
- Customer satisfaction surveys carried out in June 2014 showed high levels of customer satisfaction at each centre in the following areas (from a snap shot of customers in the same week at each centre, approx. 150 customers surveyed at each centre:

- Over 90% of customers thought the range of facilities were excellent, good or average
- Over 90% thought the centre their value for money was excellent, good or average
- Over 90% felt the staff were helpful and friendly
- When asked if they would recommend the centre to a friend: 82% at Edenbridge said yes, 91% at Sevenoaks said yes and 89% at White Oak stated yes. Only 1% of people stated no (the others did not respond to this question).

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Interim Report

Introduction

The working group has met twice since the Scrutiny Committee meeting of 2nd October, supported by officers.

Tasked with determining 'value for money' and the subsidy provided by SDC in supporting leisure provision, initial discussions raised the question of what *is* the amount contributed by SDC. To this end, the working group has sought to determine what the Council pays for leisure provision, directly and indirectly, before it turns its attention to the 'value for money' issue.

What does the council own and who is the operator?

Facility	Use	Tenant
Edenbridge Leisure Centre	Leisure Centre	Sencio
Sevenoaks Leisure Centre	Leisure Centre	Sencio
White Oak (Swanley) Leisure Centre	Leisure Centre	Sencio
Lullingstone Park	Golf Course	Sencio
Lodge, Lullingstone Park	Bar/restaurant	Private co.
Hollybush, Sevenoaks	Indoor bowls club All weather pitch Lodge, lower floor Cafe, Lodge, upper floor Tennis courts Outdoor bowls club	Sevenoaks Indoor BC Sevenoaks Vine Club Sevenoaks Vine Club Heurman Tennis Acy Heurman Tennis Acy Sevenoaks BC
White Oak Bowls centre	Indoor bowls club	White Oak Bowls Club

Other facilities

Facility	Use	Tenant
Stangrove Park, Edenbridge	Public open space	Edenbridge TC
Hale Lane Recreation ground	Recreation Ground	Otford PC
Watercress Drive, Sevenoaks	Children's Play Area	SDC
Oliver Crescent, Farningham	Children's Play Area	SDC
Park Avenue, Edenbridge	Children's Play Area	SDC
Field Drive, Edenbridge	Children's Play Area	SDC
Hilda May Avenue, Swanley	Children's Play Area	SDC
Cherry Avenue, Swanley	Children's Play Area	SDC
Conifer Way, Swanley	Children's Play Area	SDC

Members of the working group were surprised at the variance of terms for the various facilities, with some let at peppercorn rents and others for 'commercial' rents, though members thought that these seemed low.

Value of assets let

Members were interested in the value of the leisure centres and golf course, as a guide to what might be a commercial rental. Valuations provided initially were very low, as they were determined for 'Capital Accounting Purposes', based upon the 'Existing Use Value'. Valuation for insurance replacement purposes were provided later, which gave a more realistic indication of the value of the Council's assets.

Cost of providing leisure centres

Information was provided initially on the annual management fee payable to *Sencio* for the management of the three leisure centres, together with the annual total usage of the centres, which was used to determine a 'cost per use' subsidy. With the management fee paid by SDC declining from £370,950 in 2005/6 to £80,950 in 2012/3 and 2013/4, the headline support dropped from 39p per use to 8p per use. However, with the maintenance costs incurred by the council factored in, the support ranges from 58p in 2005/6 down to 18p (2012/3) and 25p (2013/4). Though significantly reduced, the total support element is markedly greater than the 'headline' figure. The 'hidden' costs of maintenance are both variable and likely to increase in the future as the facilities age, with White Oak at the point where maintenance is so significant that replacement of the facility is considered to be the cost effective option.

It remains for this evaluation to be compared with that of other authorities. Coupled with this, the other areas of the Terms of Reference relating to customer satisfaction, user retention and initiatives to improve income and retention remain to be investigated.

Benchmarking

This area is about to be explored, with initial information being provided in general on other Kent and Medway authorities (KALCO), plus Tandridge DC, and a more detailed paper on the approach of TMBC.