

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**COMMUNITY SCRUTINY COMMITTEE – THURSDAY, 19  
SEPTEMBER 2024**



<b>Title of Report</b>	<b>LEISURE CENTRES ANNUAL REVIEW</b>	
<b>Presented by</b>	Paul Sanders Head of Community Services	
<b>Background Papers</b>	<a href="#">Leisure Centres 2022/23 Annual Review report to Community Scrutiny – September 2023</a>	<b>Public Report:</b> Yes, apart from Appendices D and E which are confidential
<b>Financial Implications</b>	The financial implications are set out in Section 4 of the report and Appendices D and E	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	None	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To update members on the performance of the leisure partnership with Everyone Active for the period May 2023 to April 2024 (year 5 of the partnership).	
<b>Recommendations</b>	<b>THAT COMMUNITY SCRUTINY COMMITTEE NOTES AND COMMENTS ON THE PERFORMANCE OF THE LEISURE PARTNERSHIP WITH EVERYONE ACTIVE FOR THE PERIOD MAY 2023 TO APRIL 2024 (YEAR 5 OF THE PARTNERSHIP).</b>	

**1.0 BACKGROUND**

- 1.1 The leisure partnership commenced on 1 May 2019 when Everyone Active (EA) was appointed as the Council’s partner to manage the leisure centres in Whitwick and Ashby, currently Whitwick and Coalville Leisure Centre (WCLC) and Ashby Leisure Centre and Lido (ALCL).
- 1.2 As part of the performance management of the leisure centres, an annual report is presented to Community Scrutiny Committee outlining performance for the previous year, alongside the impacts and outcomes some of the services delivered have had on improving the health and wellbeing of residents.
- 1.3 The last Leisure Centres Annual Review report for 2022/23 was presented to Community Scrutiny in September 2023 (see background papers). At this meeting it

was requested that postcode and socio-economic data, to demonstrate the effectiveness of schemes such as Club Activ8, Leisure Link and Community Outreach, be reported on in future reports. The collation and monitoring of this data commenced in April 2024 as part of the Everyone Active Community Wellbeing Plan 2024/25 and so whilst an overview of progress to date will be given as part of this report, full data analysis will not be available until the 2025 Leisure Centres Annual Review report.

- 1.4 Members will receive a presentation from Council and Everyone Active officers. Attached at **Appendix A** is a copy of Everyone Active’s Annual Services Report which gives more details on service provision during the period 1 May 2023 until 30 April 2024 in addition to the report detail below.

## 2.0 KEY PERFORMANCE INDICATORS

- 2.1 There are a number of key performance indicators used to monitor performance of the leisure centres. These include:

### Levels of Participation

- 2.2 Participation targets are set out in the contract and were initially based on historical usage at Hermitage and Hood Park Leisure Centres. However, these have been reviewed and revised due to the impact of the Covid pandemic.
- 2.3 Below is an overview of participation against targets for year five of the contract as compared to year four;

	Q1	Q2	Q3	Q4	Total
<b>2022/23 Actual</b>	304,991	304,543	275,132	325,829	<b>1,210,495</b>
<b>2023/24 Actual</b>	336,332	345,025	283,608	320,978	<b>1,285,943</b>
<b>2023/24 Predicted</b>	290,031	300,846	261,376	303,046	<b>1,155,299</b>
<b>2023/24 Difference between Actual and Predicted</b>	+46,301	+44,179	+22,232	+17,932	<b>130,644</b>

- 2.4 The table below highlights the monthly usage at each site against target:

Centre	May 2023	June 2023	July 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar2024	Apr 2024	Totals 2023/2024
ALC & Lido Target	34,087	33,645	35,403	36,028	31,770	30,935	30,921	21,608	35,128	35,478	37,255	35,447	397,705
Actual	38,250	50,893	40,451	49,069	39,976	33,695	34,272	26,156	34,201	34,181	35,489	33,967	450,600
Difference	+4,163	+17,248	+5,048	+13,041	+8,206	+2,760	+3,351	+4,548	-927	-1,297	-1,766	-1480	+52,985
W&CLC Target	62,645	63,335	65,002	70,021	62,622	65,735	66,316	45,861	65,145	65,923	64,117	64,236	760,958
Actual	70,908	69,170	71,954	75,916	67,659	69,544	68,527	51,414	70,493	73,197	73,417	73,354	835,553
Difference	+8,263	+5,835	+6,952	+5,895	+5,037	+3,809	+2,211	+5,553	+5,348	+7,274	+9,300	+9,118	+74,595
Total Target	96,732	96,980	100,405	106,049	94,392	96,670	97,237	67,469	100,273	101,401	101,372	99,683	1,158,663
Actual	109,158	120,063	112,405	124,985	107,635	103,239	102,799	77,570	104,694	107,378	108,906	107,321	1,286,153
Difference	+12,839	+23,083	+12,000	+18,936	+13,243	+6,569	+5,562	+10,101	+4,421	+5,977	+7,534	+7,638	+127,490

2.5 It is pleasing to note that actual usage in 2023/24 exceeded targets at both sites for the year, and that there was also an increase of 75,448 visits to the leisure centres compared to 2022/23.

2.6 The table below gives an overview of targeted participation at both sites:

Targeted	Target May 23 – April 24	Actual May 23 – April 24	Variance (+/-)	% Increase/Decrease
Under 5's	94,370	95,865	1,495	1.5%
5 – 10	201,043	194,245	-6,798	-3.4%
11- 16	94,603	95,655	1,349	1.4%
Club Activ8 Schools	38	38	0	0
CA8 Card Holder Usage	24%	18.6%	-5.4%	-22.4%
Over 60's	49,572	50,610	1,038	2.1%
Accessible Users	2,590	2,728	138	5.3%
Club Engagement	57	58	1	1.7%
Community Activities	74	76	2	2.7%

2.7 Participation rates by targeted groups generally exceeded targets, and this can be attributed to the following factors:

- An increase in the number of external weekly partner led sessions including Clubs Complete After School club, Enrych inclusive session, and an extended After School Club Badminton session.
- An increase in Pickleball sessions.
- The addition of Space SK8 sessions.
- Additional engagement with local schools to deliver learning, skills, achievement and celebration events within the centres.

- Refinements to the swimming pool programmes to include additional casual, laned, and fun-based child and family sessions.

2.8 The failure to hit target in the 5-10 years age group and Club Activ8 is predominantly down to the following;

- A reduction in swim lesson attendances and school swimming sessions.
- The removal of a number of active Club Activ8 users who were not eligible to participate in the scheme.
- A more targeted approach to Club Activ8 with a view to engaging children in more deprived areas and who would not normally partake in physical activity.

## Membership Levels

2.9 The table below shows a decrease in fitness members across each site:

	<b>April 2023</b>	<b>April 2024</b>	<b>Decrease</b>
<b>WCLC</b>	3,933	3,702	-231
<b>ALCL</b>	1,672	1,635	-37
<b>Total</b>	<b>5,605</b>	<b>5,337</b>	<b>-268</b>

2.10 The reduction in membership levels can be directly attributed to the opening of Pure Gym in Coalville. Despite this, casual attendance of the fitness room and fitness classes increased during the year meaning that overall fitness usage increased from 488,108 in 2022/23 to 518,768 in 2023/24. However, the reduction in memberships has had a detrimental impact on income levels.

2.11 The table below shows a decrease in swimming lesson members across both sites:

	<b>April 2023</b>	<b>April 2024</b>	<b>Decrease</b>
<b>WCLC</b>	2,154	1,972	-182
<b>ALCL</b>	1,378	1,183	-195
<b>Total</b>	<b>3,532</b>	<b>3,155</b>	<b>-377</b>

2.12 The reduction in swimming lesson members is due to the amount of local competition within the district that far exceeds the amount that would normally be expected within an area of this size and population, with six direct competitors. Despite this, casual swimming attendances have increase during the year meaning that overall swimming usage has increased from 529,476 in 2022/23 to 550,457 in 2023/24. However, the reduction in memberships has had a detrimental impact on income levels.

## Utility Consumption

2.13 EA is committed to supporting the Council to achieve its net carbon zero ambitions through the reduction of utility consumption and carbon emissions. Interventions funded and supported by EA to facilitate reductions in 2023/24 include:

- A further replacement of internal lighting at ALCL with LED lamps
- A refinement of the Building Management System (BMS) so that pumps can be ramped down more effectively overnight and at quieter times.
- Automated Meter Readings which provide half hourly usage data
- The delivery of an Environmental Improvement Plan
- Supporting a successful funding bid to Sport England of £242,000 for additional solar panels at WCLC.

2.14 The tables below show the utility consumption at each site in 2023/24 (year five of the contract) as compared to 2022/23 (year four), which highlights the following:

- A reduction of 149,341 kwh of electricity used, or 27%
- An increase of 323,853 kwh of gas used, or 7.5%

The increase in gas usage can be attributed to longer running hours and improved efficiency of running the Combined Heat and Power (CHP) units at each site which turn gas into electricity thereby making a financial saving, as well as the increased usage at each site.

Partnership Year 5	Whitwick & Coalville	Ashby LC	Total
Gas (kWh)	2,196,373	2,266,485	4,462,858
Electricity (kWh)	270,532	124,499	395,031
<b>Total (kWh)</b>	<b>2,466,905</b>	<b>2,390,984</b>	<b>4,857,889</b>

Partnership Year 4	Whitwick & Coalville	Ashby LC	Total
Gas (kwh)	2,108,651 kwh	2,030,354 kwh	4,139,005 kwh
Electricity (kwh)	377,216 kwh	167,156 kwh	544,372 kwh
<b>Total (kwh)</b>	<b>2,485,867 kwh</b>	<b>2,197,510 kwh</b>	<b>4,683,377 kwh</b>

### 3. OUTCOMES

3.1 The contract initiated the appointment of an Active Communities Manager which is integral to ensuring delivery of outcomes. Although employed by EA, a large proportion of their time is spent working as part of the NWL Health and Wellbeing team to ensure there is a joined up and synergised approach to delivering outcomes and supporting delivery of the NWL Health and Wellbeing Strategy and targeted groups within the Sport and Physical Activity Commissioning Plan. This work is underpinned by delivery of the EA Community Wellbeing Action Plan, and the 2023/24 version of this can be found at **Appendix B**. The Action Plan includes a number of outcomes, some of which are captured below.

#### Improving Health and Wellbeing and Reducing Health Inequalities

3.2 Examples of this during 2023/24 include:

- A social value return of £712,974 for NWL residents on improved physical and mental health. This is calculated based on the health care cost savings for eight identified health outcomes (depression, dementia, back pain, hip fractures, type 2 diabetes, colon cancer, breast cancer, and CHD/stroke) based on the reduced risk and prevented cases combined with the reduced GP visits and psychotherapy usage for physically active people
- A social value return of £2,260,413 for NWL residents on improved subjective wellbeing. This refers to the increase in life satisfaction. It is calculated by multiplying the value of increased wellbeing derived from a participant's engagement in sport by the number of people taking part
- Working in partnership with the Vita Health Group, 12 EA staff have been trained in Talking Therapies Mental Health support and an information event on mental health and support services saw 40 centre user interactions

- Working in partnership with Ivanhoe School, delivery of an Increasing Activity Awareness project which targeted and engaged 12 sedentary children and saw full attendance over a six week programme based in the fitness room
- The training of a Walk Leader and the delivery of an Active Mums walk from WCLC
- Ten EA staff trained as Mental Health First Aiders (Level 2)
- The appointment of two EA staff as Menopause Champions
- The delivery of a Health and Wellbeing Roadshow to which 250 attendees visited 40 stall holders
- 22 previously inactive NWL residents are now achieving 150 minutes of moderate physical activity per week following attendance on a twelve-week Exercise Referral Course
- 24 previously inactive NWL residents are now achieving two sessions of resistance training per week following attendance on a twelve-week Exercise Referral Course
- 76% of those who completed the twelve-week Exercise Referral Course stated that their health was either somewhat better or much better than prior to the course
- 24% of those who completed the twelve-week Exercise Referral Course stated that they had made fewer visits to their health care practitioner
- 100% of those who completed the twelve-week Exercise Referral Course stated that they were either somewhat likely or very likely to continue being active
- 16 previously inactive NWL residents are now achieving 150 minutes of moderate physical activity per week following attendance on a Cardiopulmonary Course
- 9 previously inactive NWL residents are now achieving two sessions of resistance training per week following attendance on a Cardiopulmonary Course
- 13 attendees of the Cardiopulmonary Course stated they were very likely to continue with physical activity

3.3 The interventions and initiatives being delivered by the partnership extend beyond health outcomes:

### Providing Local Economic Benefit

3.4 Examples of this include:

- The appointment of 35 new members of leisure centre staff who live within the district
- 91 weekly sessions delivered in partnership with local clubs and organisations
- The delivery of national events that draw audiences from wider afield than North West Leicestershire. It is anticipated the events programme delivered between May 2023 and April 2024 brought £833,521 of economic benefit to North West Leicestershire through participants using local taxi firms, hotels, pubs, and eateries, an increase of £127,665 on the previous years' amount of £705,856.

Attendee Type	Number of Attendees	Local Spend Value Per Head (£)	Value (£)
Non-Local Resident	10,120	41-67	421,700
Local Resident	21,505	19-15	411,821
<b>Total</b>	<b>36,625</b>	<b>N/A</b>	<b>833,521</b>

- As highlighted in the table below, a total value of £315,717 in ongoing discounted or free usage arrangements with local community partners, a 44% uplift on the previous year's £218,284;

Description	Number	Unit Value (£)	Total Value (£)
(CA8) Primary School	20,267	3-50	70,934
(CA8) Upper School	26,740	8-80	235,312
Talented Athletes Complimentary Annual Membership	7	399-90	2,799
Complimentary Swim Pass	36	5-25	189
Disabled User Complimentary Passes	20	3-95	79
Various Requests Complimentary Passes	98	10-75	1,054
NWLDC Employee Membership Discount	25	100-00	2,500
NWLDC Event & Local Team Sponsorship	6	Various	2,550
School Sports Partnership (SSP) Events	6	50-00	300
<b>Total</b>			<b>315,717</b>

### Supporting Safe and Inclusive Neighbourhoods

#### 3.5 Examples of this include:

- A social value return of £1,032,300 for NWL residents on improved social and community development. This represents the reduction in crime rates for young males and the social capital based on improved networks, trust, and reciprocity
- Assisting with the delivery of four Making Every Contact Count (MECC) training sessions to twelve EA and thirty NWLDC staff
- Working in partnership with the Youth Justice System, nine children and young people identified as likely to participate in anti-social behaviour have been engaged in using the leisure centres.

### Educating, protecting and providing opportunities for young people

#### 3.6 Examples of this include:

- A social value return of £29,832 for NWL residents on improved individual development. This refers to the improvement in educational attainment and higher starting salaries gained through participating in sport at university
- The appointment of 24 new members of leisure centre staff aged under 19

- The hosting of a Collaborative School event aimed at giving district based children basic and essential skills, to which 120 children from eight schools attended
- Supporting delivery of the REACH programme by facilitating access to the fitness rooms and sports halls for eight students at risk of exclusion as part of an intervention aimed at engaging them back into education
- Supporting four NWL Care Leavers with free activities in the leisure centres
- One apprenticeship delivered who is now employed in the leisure centres
- Fourteen work experience placements delivered to students from nine different schools

### **Providing high quality services**

3.7 Examples of this include:

- WCLC secured an 'Excellent' Quest assessment banding, the highest banding possible and ranking it in the top 22% of over 700 assessed leisure centres in the country, to add to the previous banding of 'Very Good' that ALCL secured in 2022/23
- WCLC was shortlisted in the 2023 annual UK Active Awards Regional Centre of the Year.

### **Postcode and Socio-Economic Data**

3.8 At the presenting of the 2022/23 Leisure Centres Annual Review report to Community Scrutiny in September 2023, it was requested that postcode and socio-economic data be used to demonstrate the effectiveness of schemes such as Club Activ8, Leisure Link and Community Outreach, and this be reported on in future reports.

3.9 The Exercise Referral Scheme and Club Activ8 have been selected as pilot projects and the collation of data to understand where users who attend these sessions live, which localities should be targeted, and the effectiveness of this targeting commenced in April 2024 for the reporting year 2024/25. Consequently, further detail will be reported to Community Scrutiny as part of the 2024/25 Leisure Centres Annual Review Report.

3.10 A copy of the 2024/25 EA Community Wellbeing Action Plan can be found at **Appendix C**.

## **4. FINANCIAL PERFORMANCE**

4.1 The contract with EA stipulates that a management fee will be paid annually for each contract year from May until April due to the contract commencing on 1 May 2019. Details of this can be found in **Appendix D**.

4.2 In addition to the management fee, there are three further factors within the leisure contract which impact on the Council's financial position. These are surplus share, utility benchmarking, and National Non-Domestic Rates (NNDR).

### **Surplus Share**

4.3 As part of the contract, EA has projected their income and expenditure for each site on an annual basis. Any surplus above the financial projections, based on a rolling three-year average, results in a profit share between EA and the Council. Details of this can also be found in **Appendix D**.



- 4.4 As EA is still awaiting some outstanding year end utility bills for 2022/23 and 2023/24, and due to it being calculated on a rolling three-year average, the amount of surplus share is still to be finalised for 2021/22, 2022/23 and 2023/24. It is anticipated that the Council may receive a nominal surplus share payment for 2023/24 due to better than anticipated performance, although the impact of Covid means that a surplus share payment for any years previous to this is unlikely.

### **Utility Benchmarking**

- 4.5 The current leisure contract with EA includes a utility benchmarking clause which allows either party to call for a utility benchmarking exercise if energy prices increase or decrease by amounts greater than inflation.
- 4.6 This is a standard clause within the sector recommended by Sport England as best practice through their procurement methodology template for leisure contracts. This approach was an integral aspect of the Council's decision making at Cabinet in 2017 and 2018 to appoint a leisure partner.
- 4.7 Utility benchmarking is included in leisure contracts to ensure that councils only pay for the actual utility costs and leisure partners do not price in risk factors for increased utilities as part of their submission bids which may never occur and, therefore, the council ends up paying for inflated utility costs. In addition, it only relates to increased prices and EA take the risk on increased consumption.
- 4.8 As a result of the significant increases in energy costs, EA triggered the utility benchmarking during the financial year 2022/23. This is a one-off trigger that then applies permanently unless either the Council or EA trigger it again.
- 4.9 Any surplus share generated in 2023/24 will be used to offset the costs of utility benchmarking, with any additional costs above and beyond the amount of the surplus share generated being covered from the management fee, meaning this amount may be reduced.
- 4.10 In order to help mitigate against the impact of rising utility costs, EA has taken a number of actions as highlighted in section 2.13. It is anticipated that the installation of additional solar panels at WCLC as funded by Sport England will affect the Council a saving which will also be used to offset the costs of utility benchmarking.
- 4.11 It is also hoped that capital funding can be secured through the Council's budget setting process for 2025/26 to install solar panels at ALCL which would have a further positive impact on utility benchmarking costs.

### **National Non-Domestic Rates (NNDR) (Business Rates)**

- 4.12 As part of building WCLC, the business rates for the centre were estimated based on those being paid at Hermitage Leisure Centre. As part of the contract with EA, the Council is liable for any unforeseen increases to the anticipated business rates.
- 4.13 As WCLC has been considerably busier than anticipated, the business rates are higher than estimated. Consequently, the Council is liable for the difference.
- 4.14 In order to mitigate against the increase in business rates, EA has engaged a specialist who is in the process of challenging the rateable value of WCLC with a view to reducing the amount of NNDR payable.

4.15 **Appendix E** gives a financial overview of the contract as a whole for NWLDC's financial year (April until March) for the duration of the contract. This includes the following:

- Management Fee
- An estimated annual inflationary increase to the Management Fee (CPI)
- The estimated financial impact of the installation of solar panels at WCLC and ALCL
- Estimated utility benchmarking costs
- Estimated NNDR costs prior to the challenge being made
- Estimated surplus share payments

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	- Communities and housing - Clean, green and Zero Carbon
Policy Considerations:	Supporting delivery of the NWL Health and Wellbeing Strategy and the Zero Carbon Project
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	Ensuring customers have access to high quality and affordable leisure facilities
Economic and Social Impact:	As highlighted within the report
Environment, Climate Change and zero carbon:	As highlighted within the report
Consultation/Community Engagement:	None
Risks:	None
Officer Contact	Paul Sanders Head of Community Services <a href="mailto:paul.sanders@nwleicestershire.gov.uk">paul.sanders@nwleicestershire.gov.uk</a>