

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive Committee</b>
<b>Date:</b>	<b>16<sup>th</sup> February 2015</b>
<b>Subject:</b>	<b>Leisure Function Plan: Responding Effectively to the Immediate Efficiency Challenges</b>
<b>Portfolio Holder(s):</b>	<b>Councillor Aled Morris Jones</b>
<b>Head of Service:</b>	<b>Dylan J. Williams – Economic &amp; Community Regeneration</b>
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<b>Local Members:</b>	<b>Relevant to all Members as the Leisure Function provides facilities and activities for all the Island's residents</b>

<b>A –Recommendation/s and reason/s</b>
<p>To support and endorse the 'Leisure Function Plan: Responding effectively to the immediate efficiency challenges'.</p> <p>The Economic &amp; Community Regeneration Service (E&amp;CR) is undergoing a period of transition which has identified the need to change the culture of its functions to become more customer focussed. This need has arisen from Corporate requirements to identify savings/ efficiencies, improve effectiveness and performance and increase income generation to support and maintain service provision.</p> <p>The Leisure Function Plan presents and considers high level, short-term conceptual options for modernising, improving, and safeguarding the County Council's future leisure provision on Anglesey. The Plan outlines the Leisure Function's commitment to undertaking a number of significant improvements to underpin (both now and in the longer term) the provision of a quality, customer focused service that maximises income.</p>

<b>B – What other options did you consider and why did you reject them and/or opt for this option?</b>
<p>Since early 2014, the Service has been reviewing and evaluating the Leisure Function's performance in order to ensure that it is able to capitalise on all opportunities, as well as respond to future challenges and pressures, it expects to experience during 2014-2017 (in particular in relation to the need to deliver significant efficiency savings).</p> <p>The review has been integral to the development of more consistent and robust approaches to service delivery, performance and income generation, in addition to maintaining the E&amp;CR's commitment to providing opportunities for people on Anglesey to live their lives in a healthy way to improve their quality of life.</p>

Officers from the Service have undertaken significant sector research; sought advice from key stakeholders and engaged with neighbouring local authorities and operators to establish and learn from their experiences in delivering an effective and efficient leisure provision. The principles, objectives, and lessons learnt of each approach have provided valuable evidence to inform the preparation of the Plan.

The core principle of the Leisure Function Plan is the need to adopt a more commercial approach and culture to underpin a modernisation and improvement in leisure provision. Five improvement objectives have been identified to drive the required critical changes:

- 1) Improving customer focus and satisfaction;
- 2) Enhancing commercial awareness and mentality to reduce the reliance on core County Council funding;
- 3) Modernising processes to improve efficiency, effectiveness and performance;
- 4) Improving core facilities to better meet customer expectations and demands;
- 5) Improving the health and well-being of service users.

The benefits of adopting and fully embracing a more commercial approach can be summarised as:

- Improved public health and a more confident and vibrant society;
- More flexible facilities to respond to future leisure trends to ensure sustained use;
- Increased participation in leisure activities leading to improved income generation and a reduction in Council subsidy;
- Enhanced customer care and greater alignment to the changing needs of users and stakeholders;
- A healthier workforce with less absenteeism and improved productivity;
- Improved reputation for the County Council with users and stakeholders.

### **C – Why is this a decision for the Executive?**

Despite being a discretionary (non-statutory) service area, the Leisure Function is highly valued and popular. 729,000 customers participated in physical and/ or leisure activities in 2013-2014.

The Executive Committee is requested to support and formally endorse the Leisure Function Plan so that Officers can proceed with greater certainty and clarity to implement the required radical changes to the way the Function is managed between now and 2017.

### **D – Is this decision consistent with policy approved by the full Council?**

The purpose and objectives of the Leisure Function Plan (as well as the identified priority projects), are consistent with the aims of the County Council's Corporate Plan and the Economic & Community Regeneration Service's current 2014-2015 and draft 2015-2016 Service Delivery Plans.

**DD – Is this decision within the budget approved by the Council?**

Resources to implement the Plan's priority projects have been secured from existing Service revenue budgets, Corporate capital funds and external funding opportunities (based upon robust business cases).

<b>E – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	The draft Leisure Function Plan was presented to the SLT on the 24 <sup>th</sup> November, 2014. Their comments and feedback have been incorporated to ensure that the Plan is realistic and achievable.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	Informal engagement has been undertaken with the Interim Head of Resources / Section 151 Officer in relation to the funding of the Plan's priority projects.
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	
<b>5</b>	<b>Human Resources (HR)</b>	
<b>6</b>	<b>Property</b>	
<b>7</b>	<b>Information Communication Technology (ICT)</b>	
<b>8</b>	<b>Scrutiny</b>	
<b>9</b>	<b>Local Members</b>	The Service Performance Review process during the Summer of 2014 enabled wider Elected Member dialogue and engagement in relation to the challenges, threats and opportunities facing the Leisure Function, as well as the identification of potential options to improve service provision and financial performance.
<b>10</b>	<b>Any external bodies / other/s</b>	Engagement has been undertaken with Sports Wales to secure their support for the Service's approach to modernising leisure provision on Anglesey; as well as identify opportunities to achieve shared outcomes in relation to improving participation in sport and physical activity.

**F – Risks and any mitigation (if relevant)**

<b>1</b>	<b>Economic</b>	A modern and commercial Leisure Function will contribute towards the provision of direct and in-direct employment opportunities, as well as the provision of high quality facilities for visitors.
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<b>2</b>	<b>Anti-poverty</b>	Participation in leisure activities can support improved social interaction, mobility and attainment, as well as enhanced well-being and a quality of life.
<b>3</b>	<b>Crime and Disorder</b>	The Leisure Function Plan aims to provide valuable activities and high quality facilities that contribute a reduction in crime and anti-social behavior through improved social inclusion and community cohesion.
<b>4</b>	<b>Environmental</b>	<p>The Leisure Function provides safe and accessible facilities for people to participate in leisure activities and experience the high quality of the island's natural environment.</p> <p>Any implications for the County Council statutory duties under the Countryside and Rights of Way (CROW) Act 2000 and the Natural Resources and Rural Communities (NERC) Act 2006 will be considered as projects are developed.</p>
<b>5</b>	<b>Equalities</b>	The Function is committed to providing opportunities and quality, flexible facilities for all residents to participate in leisure activities and to live their lives in a healthy way.
<b>6</b>	<b>Outcome Agreements</b>	The Leisure Function is responsible for a number of targets included in the County Council's 2013-2016 Outcome Agreement with the Welsh Government
<b>7</b>	<b>Other</b>	Participation in recreation and leisure activities improves quality of life, enhances well-being and prevents ill health through reducing the risks of heart disease, diabetes and obesity.

**FF - Appendices:**

Draft Leisure Function Plan: Responding effectively to the immediate efficiency challenges (2014-2017)

**G - Background papers (please contact the author of the Report for any further information):**

None.



CYNGOR SIR  
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ISLE OF ANGLESEY  
COUNTY COUNCIL

## **Economic & Community Regeneration**

### **Leisure Function Plan: Responding effectively to the immediate efficiency challenges (2014-2017)**

**January 2015**

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## 1. Purpose

- 1.1 The purpose of this Plan is to outline the Economic and Community Regeneration Service's approach to (and recent progress in) reconfiguring the Isle of Anglesey County Council's (IACC) Leisure function during 2014-2017.
- 1.2 The Plan presents and considers high level, short-term conceptual options for modernising, improving, and safeguarding future leisure provision on Anglesey by the IACC. The Plan outlines the Service's preferred approach to responding effectively to the various challenges and opportunities it expects to experience during 2014-2017 - in particular in relation to the need to deliver significant efficiency savings.
- 1.3 To ensure that the County Council can continue to provide local leisure facilities, the Service fully recognises that all current running costs must be kept to a minimum through efficient and effective service delivery whilst income levels must grow – reducing the net cost further still.
- 1.4 As a result, the Leisure function is committed to implementing a number of crucial improvements that will underpin (now and in the longer term) the **provision of a quality, customer focused service that maximises income**. This core objective puts the customers at the centre of the function's efforts, and links directly to the aims of the County Council's Corporate Plan.
- 1.5 The Paper aims to secure support and endorsement from senior stakeholders for the preferred option to improve service delivery (as already outlined in the Services 2014-2015 Delivery Plan). It must be recognised that a number of improvements are already being progressed – this Plan aims to provide additional clarity on how the required radical changes are being delivered and will be achieved between now and 2017.
- 1.6 Officers from the Service have undertaken significant sector research; sought advice from key stakeholders and engaged with neighbouring local authorities and operators to establish and learn from their experiences in delivering an effective and efficient leisure provision. The principles, objectives, and lessons learnt of each approach have provided valuable evidence to inform the preparation of the Plan.

## 2. Context

- 2.1 The Economic & Community Regeneration Service was established on the 1<sup>st</sup> November 2013. The new Service (part of the Sustainable Development Directorate) integrated the Economic Development, Leisure and Maritime functions. The Service aspires to create a better Island to live, work and visit.
- 2.2 The Service is committed to providing opportunities for people on Anglesey to live their lives in a healthy way to improve their quality of life. The type, nature and impacts of the activities undertaken by the Leisure function since the inception of the Service demonstrates how the need to change and improve service delivery is already being embraced by Officers.
- 2.3 Leisure is a discretionary service area and as such the County Council is not legally obliged to provide the service to residents (although all local authorities have the power under the Local Government Act 2000 to secure the economic, social and environmental well-being of the residents). Leisure is a highly valued service area with 728,816 customers participating in physical activities provided by the Function during 2013-2014. (**Annex A** provides a breakdown of these customer numbers by Facility).
- 2.4 Since early 2014, the Service has been reviewing and evaluating the Leisure function's performance in order to ensure that it is able to address future challenges and pressures, as well as respond to opportunities. This review has been integral to the establishment of the new Service and its attempts to develop and maintain a consistent and robust approach to service delivery, performance and income generation.
- 2.5 The review has enabled the Service to:
  - Develop a better understating of existing leisure facilities, activities and resources;
  - Understand the continued liabilities of past efficiency decisions (e.g. the outsourcing of parks and facilities);
  - Understand the consequences of recent budget savings;
  - Analyse past and current financial performance, overheads and income generation;
  - Identify potential opportunities to maximise income generation;
  - Consider how to improve delivery, effectiveness and performance;
  - Understand how other County Councils have responded successfully to similar challenges; and
  - Understand competing and differing internal and external expectations.
- 2.6 As part of the review, officers have engaged (formally and informally) with senior officers and members of the Executive to better understand their ambitions for the Leisure function, including:
  - The Leader;
  - Economic & Community Regeneration Portfolio Holder;
  - Chief Executive;
  - Corporate Director – Sustainable Development;
  - Corporate Director – Education;
  - Acting Head of Corporate Finance/ Section 151 Officer.

- 2.7 In addition, the Service Performance Review process over the summer (2014) enabled broader Elected Member dialogue and input, with initial views and scrutiny on the potential options, challenges and threats.
- 2.8 This Plan has been informed by these discussions with senior stakeholders.
- 2.9 In addition to the preparation of this Plan, the Service is also undertaking a thorough assessment of potential future delivery options for Llangefni Golf Course. The viability of the Golf Course is uncertain given severe financial pressures as a result of annual losses of £28,000 over the last seven years, together with a continual reduction in participation numbers. The Service cannot continue to subsidise the Golf Course's financial losses from its (decreasing) budget.



### 3. Overview of Leisure Function

3.1 An effective and modern Leisure function is integral to the provision of opportunities for people on Anglesey to live their lives in a healthy way. Participation in recreation and leisure activities improves quality of life, enhances wellbeing and prevents ill-health (leading to increased pressures on public health services). Leisure activities can also provide life skills and increase confidence; improve social inclusion and community cohesion; underpin educational achievement; reduce anti-social behaviour; support the independence of older people as well as being integral to local economic development and tourism.

3.2 The benefits of providing a leisure function can be summarised as:

<b>Benefit Provided</b>	<b>What the Leisure Function Contributes</b>
<b>Health &amp; wellbeing</b> – improves health and well-being and reduces risks such as heart disease, diabetes and obesity	<ul style="list-style-type: none"> <li>• Specific Leisure Centre and Sports Development programmes</li> <li>• Exercise Referral Scheme</li> </ul>
<b>Attainment and Self Confidence</b> – provides life skills and encourages an ability to perform under pressure, solve problems, and achieve goals	<ul style="list-style-type: none"> <li>• Arranging tournaments/ competitions</li> <li>• Supporting community events</li> <li>• Improved social inclusion</li> </ul>
<b>Opportunities for children and young people</b> – provides valuable activities for young people which result in the reduction of crime and anti-social behaviour	<ul style="list-style-type: none"> <li>• Facilities and activities to improve life chances</li> <li>• Improved social inclusion</li> </ul>
<b>Economic Development &amp; Tourism</b> – contributes towards the provision of direct and indirect employment opportunities, as well as the provision of facilities for visitors	<ul style="list-style-type: none"> <li>• Employment of over 100 leisure staff</li> <li>• Voluntary/ Coaching opportunities</li> <li>• Wet weather facilities</li> <li>• Supporting the Anglesey Destination Management Plan</li> <li>• Sustaining the island's quality of life which is key to inward investors</li> </ul>
<b>Social &amp; Community cohesion</b> - facilities make an important contribution to the physical infrastructure of communities	<ul style="list-style-type: none"> <li>• Leisure Centres are community hubs</li> <li>• Partnerships with Community Bodies</li> <li>• Clubs provides sense of community,</li> <li>• Improved social inclusion</li> </ul>
<b>Environmental</b> – providing safe, open spaces for recreation use as well as encouraging outdoor activities	<ul style="list-style-type: none"> <li>• Swimming/ sub aqua/ kayaking lessons to encourage outdoor activities</li> <li>• Anglesey Outdoor Adventure Club</li> <li>• N.W. Outdoor Partnership link</li> </ul>

- 3.3 The Leisure function's current provision consists of 4 Leisure Centres; a Sports Development Team, Golf Course, Outdoor Facilities and an Exercise Referral Scheme (**Annex A** provides a baseline of current facilities and activities).
- 3.3 The Leisure function's budget for 2014/2015 is **£2,853,000** (comprising of £1,027,000 core revenue and £1,826,000 income & grant funding).
- 3.4 The County Council's Corporate Plan (2013-2017) identifies the need to review, redefine and transform leisure provision on Anglesey so that it is both fit for purpose and delivers the best value for money. The overall aim is to reduce the costs to the IACC of the existing Leisure provision by a further 60% by 2017.
- 3.5 Since 2007, the Leisure function's budget has already reduced by £796,400 (39.6%) which has been achieved through efficiency savings (e.g. the outsourcing of parks and facilities) and increased income generation. As a result, this Strategic Plan does not represent the beginning of a new process.
- 3.6 **The Leisure function has identified further efficiency savings of £229,650 for 2015-2016. This equates to 10% of the Function's gross adjusted budget - as well as 22.36% of the 60% target to reduce the Function's costs by 2017.**
- 3.7 Whilst operational costs have been reduced, the Function continues to maintain and increase its levels of income generation. The Function's income target for 2014-2015 is £94,000.
- 3.8 The Leisure function is now at a point where the annual cycle of budget reductions (efficiency savings) will impact significantly on the type and number of its facilities and activities, unless there is a more decisive response which reduces the scope of its provision.
- 3.9 The anticipated impacts include:
- An inability to maintain current standards;
  - Reduced participation opportunities;
  - Public dissatisfaction (leading to criticism of the County Council)
  - Failure to meet customer expectations;
  - A deterioration in levels of poverty and quality of life;
  - Increased future demand on health services;
  - A reduction in staff morale, commitment and confidence.

3.10 **Annex B** summarises the financial performance of the County Council's Leisure Centre's since 2012-2013. Key messages from this information includes:

- All Leisure Centres are performing within budget expectations;
- The Leisure Centres have maintained, and are increasing, levels of income generation;
- In 2013-2014, the IACC's subsidy to the Leisure Centres was £157,614 less than expected;
- In 2014-2015, the IACC's subsidy will have reduced by £255,380;
- Amlwch is the best performing Leisure Centre (in relation to its allocated budget).

3.11 **A clear outcome from the review has been a recognition that the intelligence, awareness and understanding of facilities, service users, their needs, and commercial opportunities is not in place to enable the Leisure Function to make informed decisions. This is essential to ensure decisions are made to meet the needs of customers and respond effectively to efficiency requirements. The function's IT systems are currently being modernised which will provide more reliable raw data, and it is hoped that commercial capacity, capability and awareness can be increased to enable effective analysis (to inform future decision making).**

#### **4. Strategic Context**

4.1 The Leisure function contributes towards the strategic objectives of a number of national and local strategies and Plans, including:

- The Welsh Governments' 'Creating an Active Wales' Action Plan which aims to encourage increased physical activity to deliver benefits in terms of health and well-being. The Action Plan seeks to develop the physical environment to make it easier for people to be more active; support young children and young people to live active lives; encourage more adults to be more active, more often, throughout life; and to increase participation in sport by all groups of the population.
- Sport Wales' 'Vision for Sport in Wales' which aims to "unite a proud sporting nation, where every child is hooked on sport for life". The vision is underpinned by priorities that promote sporting innovation to deliver opportunities to increase participation; encourage skills and confidence for a life in sport to ensure every child and young person can be physically active as a result of high quality, engaging sporting experiences; support sporting communities that provide integrated opportunities for every child and young person and sustain their engagement throughout their adult life; nurture sporting talent; and develop a skilled and passionate workforce to share their experience and skills to the people of Wales.
- IACC's Corporate Plan (2013-17) which recognises that sport and leisure facilities, and the programmes of activity they support, contribute significantly to the health of communities and in increasing resident's self-confidence.

#### **5. Challenges to the Leisure Function**

5.1 Given the discretionary nature of the Function/ Service, the immediate (high level) challenges and threats to it can be summarised as:

- Meeting the annual corporate efficiency saving targets;
- The agreed corporate aim of a 60% core budget reduction target over 3 years;
- The need to maintain the provision of facilities and activities;
- Negative perceptions and a poor image;
- Poor quality of facilities (due to age and lack of investment);
- The costs and overheads associated with ageing buildings and wet side facilities;
- Increasing user expectations;
- Failure to maintain and increase income generation;
- The need to establish a new customer focussed and commercial driven outlook and culture;
- Lack of capacity and capability to drive change; and
- Differing political expectations and ambitions.

## 6. Lessons from Denbighshire County Council

- 6.1 Denbighshire County Council's approach to modernising and transforming its Leisure Service over the last five years is widely recognised as a highly successful and credible model of public sector service delivery.
- 6.2 Their approach has consisted of modernising their working practices, enhancing key facilities and revising management structures to be more commercially and customer focussed. Changing the culture of the Service has underpinned the whole modernisation programme.
- 6.3 Important lessons from Denbighshire's experiences include:
- The need to invest in flexible facilities and infrastructure to meet modern requirements and leisure patterns;
  - Success has been dependent upon active engagement with Elected Members and communities to ensure common understanding and buy-in;
  - Fully embracing a more commercial approach has meant that visits to the Authority's Leisure Centres have grown by 17% leading to an increase in income of over £600,000. Direct Debit memberships have also increased by 54%.
  - The costs of Denbighshire's leisure service have reduced by £200,000 (leading to a reduction in the County Council's subsidy). The Service is close to achieving a level of zero leisure subsidy within 5 years;
  - The level of sickness amongst Leisure Centre staff has reduced considerably;
  - Effective and visible leadership has driven the new commercial approach. A Commercial Manager was appointed to drive the required changes leading to better, fit for purpose/ future service delivery;
  - The role of leisure in supporting other key services areas such as education and social services;
  - Integrating the needs of schools into local leisure facilities should be integral to any future approach;
  - Improving performance and risk management have been critical, as has transforming the services management culture and behaviours;
  - Outsourcing should only be considered when the service is in a healthy position. Outsourcing an inefficient service or inappropriate infrastructure does no deliver any benefits to the community.
- 6.3 Strong collaborative relationships and trust have been developed with Denbighshire County Council to ensure the IACC can capitalise fully upon their experiences, capabilities and learning.
- 6.4 More detailed information regarding Denbighshire County Council's approach is included in **Annex C**.

## **7. Sports Wales' Expectations**

- 7.1 During the preparation of the Plan, informal engagement has been undertaken (and is on-going) with Sports Wales to ensure support for the review process and the Service's approach to modernising leisure provision – in particular in relation to achieving both organisations' shared outcomes, and any potential impacts on the availability of future funding.
- 7.2 Their feedback on the review can be summarised as:
- Sports Wales welcomes and supports the review as it is clear that change is required to the way leisure services are provided on Anglesey;
  - The clear risk of an uncoordinated decommissioning of facilities and activities based purely on an annual cycle of budget cuts;
  - The need to clarify what the leisure function's future core facilities and activities are likely to be;
  - The risk to future Sports Wales funding support for new leisure opportunities if appropriate community facilities do not exist;
  - There must be greater recognition of the health benefits arising from leisure activities;
  - The need to better integrate leisure, education and health prioritisation, interventions and decision making;
  - The need to consider all potential equality and health impacts of any future rationalisation proposals;
  - The leisure function must improve its understanding of service user's needs and requirements;
  - The leisure function's staff will be integral to the success of any future changes. Their skills and capabilities must be developed to contribute to and underpin all modernisation activities.

## **8. Improvement Objectives**

- 8.1 The Economic and Community Regeneration Service is undergoing a period of transition which has identified the need to change the culture of its functions to become more customer focussed. This need has arisen from corporate requirements to identify savings/ efficiencies, improve effectiveness and performance and increase income generation to support and maintain service provision.
- 8.2 The review of the Leisure Function, together with a consideration of future challenges, constraints and opportunities, has identified clear objectives and themes which are driving the required decisive changes:
- 8.3 These improvement objectives can be defined as:
- a) Improving customer focus and satisfaction**
- The function must be more efficient, integrated and cohesive, and improve its understanding of its customers' needs and requirements. The culture of the function must focus on improved customer care – with staff demonstrating high standards at all times; with a clear aim to reduce the number of complaints.

Current management arrangements must be modernised, coupled with broadened roles and responsibilities, to embrace a more private sector mentality and approach to service delivery.

A positive culture will be based on effective communication, collaboration and customer engagement, underpinning more capable, integrated and high performing Leisure Centres.

The staff must contribute positively to the profile of the function (and the County Council), with improved morale leading to reduced costs, improved service delivery and outcomes and a decrease in sickness absence. Greater empowerment, accountability and commitment to personal development will also enable staff to fully realise their potential.

**b) Enhancing commercial awareness and mentality to reduce the reliance on core County Council funding**

The County Council must significantly reduce its expenditure over the next three years by approximately £15 million, and the Leisure function must deliver and fully embrace changes to meet future financial challenges (i.e. the 60% reduction in its costs by 2017) and continue to provide a high quality service. A reduction of 22.36% in costs for 2015-2016 has already been identified which should give confidence to Senior Officers and Elected Members of the Function's commitment to delivering change.

Our efforts must focus on increasing participation in leisure activities, and a subsequent increase in income generation, to ensure the function has a financially sustainable future (given its discretionary nature).

**c) Modernising processes to improve efficiency, effectiveness and performance**

To achieve more modern and lean service delivery, existing business practices, methods and standards must be challenged and improved to encourage greater efficiency and performance and to support an increase in leisure demand and are more customer focussed.

Existing financial planning systems and resource management processes must be reviewed and improved; whilst the function must also embrace and make effective use of its IT systems and software to inform future decision making (in line with customer's needs and expectations); engage with users; receive feedback on service provision and raise awareness of activities.

All standards and processes must be also revised where necessary to maintain and improve the customers' experience of the Leisure function.

**d) Improving core facilities to better meet customer expectations and demands**

A decrease in funding means that the Function must reduce its scope of provision by focussing on the four current Leisure Centres, supplemented by repositioning and investment. In order to deliver benefits for the island's residents – whilst responding to changing customer needs and patterns of use – existing facilities must be transformed to be more modern, attractive, flexible, inspiring and fit for the future.

Customers' expectations of the facilities that the Function provides are changing. People are more discerning in relation to quality and standards, as well as the type and variety activities which are offered.

The Function must invest in improvements to the quality, availability, and accessibility of its facilities and services in order to maintain and increase participation levels. Failure to change and modernise poses a risk to the reputation of the Service and the County Council.

**e) Improving the health and well-being of service users**

Facilities must be improved in order to significantly increase the number of residents taking part in physical activities to maximise local health benefits (as part of the Function's commitment to a "preventative approach").

Health inequalities, including conditions such as heart disease, vascular disease, obesity, diabetes, cancer, strokes and osteoporosis are linked to little or no physical activity. Increased levels of physical activity, exercise and social interaction are integral to health and well-being, personal happiness and a feeling of worth.

In 2012-2013, 57% of adults on Anglesey were reported as being overweight or obese; whilst only 32% of adults met the recommended weekly physical activity guidelines.

The type and nature of activity programmes to be delivered must be aligned to the changing needs of customers, with greater emphasis being placed on a "family" approach to getting more people active.



## **9. Options Appraisal**

- 9.1 A strategic appraisal of conceptual options has been undertaken by the Service to identify its preferred approach to safeguarding and improving leisure provision on Anglesey, whilst responding decisively to the County Council's on-going efficiency challenges.
- 9.2 The appraisal is based on the professional judgement of relevant Service officers, together with consideration of comments and feedback received from key internal and external stakeholders.
- 9.3 The conceptual options have been selected on the basis that they represent potential (realistic and achievable) solutions to the challenges and opportunities facing the Leisure function – as well as delivering the radical change required.
- 9.4 The options which have been identified can be summarised as:

### **Option 1 – Do Nothing**

The existing capacity, capability and facilities of the function are retained and no changes are made to the way services are delivered.

### **Option 2 – Rationalise to fit budget**

Facilities are closed, and/ or activities and support programmes are no longer provided in order to conform to the limitations of a reduced budget i.e. the Function's scope of provision is reduced.

### **Option 3 – Commercial Culture Change**

Establish a modern and commercially driven Leisure function, which focusses upon improved customer satisfaction and targeted investment in core facilities, to support an increase in participation in leisure activities and income generation.

### **Option 4 – Outsource**

Consider and pursue alternative management arrangements for core leisure facilities to respond to the challenges of the reduction in budgets.

### **Option 5 – Stop delivering a Leisure Function**

Given the discretionary nature of the function, its services are discontinued; the teams are disbanded and all facilities are closed.

- 9.5 For clarity and consistency, each of the five options has been appraised against the need for the function to address the five recognised improvement objectives (see Section 8).
- 9.6 Each option is given a score from 0-2 as to whether it will address each improvement objective (as the recognised drivers for change).
- 9.7 The outcome of this process is summarised in **Table 1**.

**Table 1: High Level Appraisal of Potential Options to Modernise, Improve, and Safeguard Leisure Provision**

Appraisal Criteria – Investment Objectives	Agreed Weighting	Options Overview									
		Option 1 – Do Nothing		Option 2 – Rationalise to fit budget		Option 3 – Commercial Culture Change		Option 4 – Outsource		Option 5 – Stop delivering a Leisure Function	
		Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted
Improving customer focus and satisfaction	20	0	0	0	0	2	40	1	20	0	0
Enhancing commercial awareness and mentality to reduce the reliance on core County Council funding	20	1	20	1	20	2	40	1	20	0	0
Modernising processes to improve efficiency, effectiveness and performance	20	1	20	0	0	2	40	0	0	0	0
Improving core facilities to better meet customer expectations and demands	20	0	0	1	20	2	40	1	20	0	0
Improving the health and well-being of service users	20	1	20	1	20	1	20	1	20	0	0
<b>Sub Totals</b>		<b>3</b>	<b>60</b>	<b>3</b>	<b>60</b>	<b>9</b>	<b>180</b>	<b>4</b>	<b>80</b>	<b>0</b>	<b>0</b>
<b>Financial Information</b>											
Impact on Function’s core budget		0	0	2	40	2	40	2	40	2	40
<b>Totals</b>		<b>3</b>	<b>60</b>	<b>5</b>	<b>100</b>	<b>11</b>	<b>220</b>	<b>6</b>	<b>120</b>	<b>2</b>	<b>40</b>

Investment Objectives		Financial Information	
2	Fully addresses the objective	2	Positive Impact
1	Partially addresses the objective	1	No impact
0	Does not address the objective	0	Negative impact

9.8 The Options Appraisal has identified that **Option 3 - Commercial Culture Change** as the Service's preferred way forward as it will support and lead to the creation of a more financially sustainable Leisure function with robust, modern systems and processes to facilitate improved performance; improve income generation to reduce the reliance on the County Council's subsidy; contribute towards efficiency savings and ensure greater alignment to the changing needs of customers and stakeholders.

9.9 The other options have been discounted because:

- **Option 1 Do Nothing** - Whilst income generation and the health of service users have both improved recently, this option will not provide the required radical change to support the modernisation of leisure provision and an improvement in service delivery.
- **Option 2 Rationalise to Fit Budget** – An excessive rationalisation of facilities will lead to inequalities in terms of health and accessibility to services. There will be no standardised leisure offer across Anglesey as the level of service deteriorates, which could impact on participation figures and resident's health and well-being. This option would restrict the Function's ability to fully capitalise upon opportunities to maximise income generation.
- **Option 4 Outsource** – Outsourcing leisure facilities is not considered to be a viable option at present given the prohibitive costs associated with maintaining ageing buildings and wet-side facilities. Outsourcing will require ongoing financial support from the County Council, whilst the long term future of facilities will be dependent on retaining community support. The (financial) sustainability of this option is also heavily dependent on the expertise and resources of the alternative management organisation. In addition, limited opportunities to fund capital investments currently exist, whilst potential legal and employment implications can also be restrictive. Little or no interest has been shown in the Function's existing facilities (although it is accepted that this is usually the case until closure is imminent).

The viability and benefits of outsourcing should be reconsidered in the future (i.e. post 2017) if the proposed Commercial Change Programme is successful and the Function is able to create more modern, flexible facilities that are both financially sustainable and of interest to alternative management organisations.

- **Option 5 Stop delivering a Leisure Function** – This is not a viable or realistic option given the importance of leisure activities to improving health and well-being on Anglesey. Given the clear interdependencies between leisure, health and education, discontinuing the Function will directly impact upon the ability of the County Council's statutory services to comply with their legal obligations. This option also poses a threat to the County Council's reputation and credibility with both residents and stakeholders. Following discussions with Elected Members, there is no political support for this option.

**10. Leisure Commercial Change Programme**

10.1 To progress the required cultural change throughout the Leisure function, a number of priority projects are currently being developed and implemented as part of a co-ordinated Change Programme. The Programme (**summarised in Table 2**) has been identified as being of critical importance to improving the efficiency, effectiveness and performance of the Function; as well as introducing the scale of change required to meet the increasing challenges, pressures and expectations facing the island's Leisure Centres.

10.2 The Function recognises that improved intelligence and a better understanding of the customer's needs are required in order to make informed decisions. Reliable data, together with effective analysis, will underpin and inform more effective and efficient service provision.

10.3 In order to ensure effective delivery, the Programme is being delivered through in a controlled Programme environment. Resources to implement the Projects have been secured from existing Service revenue budgets; corporate capital funds and external funding opportunities (based upon robust business cases). The estimated impacts on the Service's Core Budget are based on the professional judgement of Service officers. These estimates are to be reviewed following the appointment of the Function's Commercial Leisure Manager.

10.4 As noted previously, many of these Projects have been identified in the Service's 2014/15 Delivery Plan and are already being progressed.

**Table 2: Leisure Function Priority Projects**

Ref.	Project	Desired Outcome	Responsible Officer	Capital Investment Required		Revenue Investment Required		Estimated Impact on Service's Core Budget		Targeted Completion Date
				Amount	Source	Amount	Source	2015/16	2016/17	
1	Create commercial capacity/ capability to drive future change  Summary of Commercial Leisure Manager's Job Description outlined in <b>Annex D</b>	Improved commercial culture and customer focus to maintain and increase income generation	Dylan J. Williams	N/A	N/A	£55,000 per annum	Funding secured from 2013/14 Service carry-over commitments	Additional £56,600 of income generated	Additional £68,030 of income generated (TBC)	February 2015
2	Modernise payment and booking systems and processes in Leisure Centres	Efficient and integrated systems that improve service deliver to meet customer expectations and requirements	Dave Barker	N/A	N/A	£53,750	Funding secured from Function's Budget and 2013/14 Service carry-over commitments	Additional £15,000 of income generated	Additional £20,000 of income generated	March 2015
3	Capital investment at Holyhead Leisure Centre to refurbish key facilities to improve participation, customer experience, and increase income	Refurbished, modern facilities (sports hall, pool changing rooms and fitness room) to address negative perceptions and meet customer expectations and demands	Dave Barker	£350,000	Funding secured through Vibrant & Viable Places Programme  IACC match funding based on cost of refurbishing roof following storm damage	N/A	N/A	Additional income of £20,000 at Holyhead Leisure Centre	Additional income of £21,000 at Holyhead Leisure Centre	March 2015

4	Capital investments at Amlwch Leisure Centre to provide enhanced facilities to improve participation, customer experience, and increase income	Enhanced, modern facilities (fitness room and dry changing room) to address negative perceptions and meet customer expectations and demands	Dave Barker	£85,000	Funding secured from 2014/15 Capital Budget – Leisure Improvements Reserve	N/A	N/A	Additional income of £21,400 at Amlwch Leisure Centres	Additional income of £22,470 at Amlwch Leisure Centres	March 2015
5	Capital investments at Llangefni Leisure Centre to provide enhanced facilities to improve participation, customer experience, and increase income	Enhanced, modern facility (fitness room) to address negative perceptions and meet customer expectations and demands	Dave Barker	£85,000	Funding secured from 2014/15 Capital Budget – Leisure Improvements Reserve	N/A	N/A	Additional income of £30,000 at Llangefni Leisure Centres	Additional income of £31,500 at Llangefni Leisure Centres	March 2015
6	Fully utilise electronic systems to inform commercial decisions	Robust service user intelligence to inform decision making and underpin improved efficiency and performance	Mark Hughes	N/A	N/A	N/A	N/A	Contribution to Function's income target of £143,000	Contribution to Function's income target of £163,000 (TBC)	March 2015
7	Customer Care Improvement Programme	Improved customer care standards (as applied by private sector) which align with customer expectations	Mark Hughes	N/A	N/A	£20,000	2015/16 Leisure Function Budget	Impacts to be quantified once scope of Programme defined and agreed	Impacts to be quantified once scope of Programme defined and agreed	June 2015
8	Review of Sports Development Team's capacity, capability and resources	Rationalisation of posts to contribute towards Service efficiencies	Sian Mai Jones	N/A	N/A	N/A	N/A	Saving of £16,690 due to deletion of 1 post and part reduction in hours of 3 three posts	Further savings depending on further rationalisation	November 2014

9	Capital investment at Holyhead Stadium to facilitate outsourcing	Improved facilities (stadium roof replaced and changing rooms refurbished) to enable outsourcing of stadium	Sian Mai Jones	£110,000	Funding secured through Vibrant & Viable Places Programme and 2014/15 Capital Budget	N/A	N/A	No budget for Outdoor Facilities	No budget for Outdoor Facilities	Works to be completed by March 2015  Stadium to be outsourced by September 2015
10	Capital investment at Holyhead Park to facilitate outsourcing	Improved facilities to enable transfer of asset to alternate management organisation	Sian Mai Jones	TBC	Funding to be sought from Vibrant & Viable Places Programme	N/A	N/A	No budget for Outdoor Facilities	No budget for Outdoor Facilities	Works scheduled to be completed by June 2015  Park to be outsourced by September 2015
11	Complete outsourcing of Outdoor Facilities (Holyhead area)	Alternate management arrangements achieved to fully comply with previous efficiency decision	Sian Mai Jones	N/A	N/A	N/A	N/A	No budget for Outdoor Facilities	No budget for Outdoor Facilities	June 2015
12	Resolve future of Llangefni Golf Course	Golf Course to be closed in April 2015 and land leased for agricultural use	Sian Mai Jones	N/A	N/A	Costs to be confirmed following discussions with HR	2015/16 Leisure Function Budget	Value of savings dependent upon redundancy costs and tenancy agreement	Value of savings dependent upon tenancy agreement	Golf Course to be closed in April 2015  Land to be leased during 2015/16
		Driving range and artificial practice areas to be closed in April 2017 and site sold	TBC	N/A	N/A	Costs to be confirmed following discussions with HR and Environment and Technical Service (Estates)	2017/18 Leisure Function and Environment and Technical Service (Estates) Budgets	Capital income derived from sale to be reinvested into IACC statutory services.	N/A	Driving range to be closed in April 2017  Site to be sold during 2017/18

## **11. Conclusions**

11.1 This Strategic Plan has enabled the Economic and Community Regeneration Service to demonstrate the importance of the Leisure function to the island's residents so that they can live their lives in a healthy way; provide a summary of the Function's past and current financial performance; identify the immediate challenges and threats to the Function; highlight experiences from other local authorities; and outline why radical change is a necessity, and how it is being progressed, to facilitate an improvement in service delivery, effectiveness and performance.

11.2 The benefits of adopting and fully embracing a more commercial approach and culture to modernising future leisure provision on Anglesey can be summarised as:

- Improved public health and a more confident and vibrant society;
- More flexible facilities to respond to future leisure trends to ensure sustained use;
- Increased participation in leisure activities leading to improved income generation and a reduction in Council subsidy;
- Enhanced customer care and greater alignment to the changing needs of users and stakeholders;
- A healthier workforce with less absenteeism and improved productivity;
- Improved reputation for the County Council with users and stakeholders.

## **12. Next Steps**

12.1 As a result of the review and evaluation of the Leisure function's performance, the Service is committed to:

- Establishing a more commercial management approach and culture to raise income levels and reduce the net cost of service provision;
- Investing to improve the availability of flexible, fit for the future facilities to offer more varied activities;
- Ensuring that all facilities and activities are more attractive to target user groups;
- Introducing modern leisure payment and booking systems to improve performance and assess the return on investments (based on accurate customer information, usage levels and changing leisure patterns);
- Rebranding and marketing to improve the Function's appeal to customers;
- Positioning the needs of customers at the centre of decisions and activities;
- Closer integration between the Sports Development Team and Leisure Centres to increase participation and to support local sports clubs;
- Reducing the scope of current service provision (i.e. resolving the future management of outdoor facilities and the golf course);
- Developing a long term Leisure Strategy for Anglesey (which will consider opportunities associated with the proposed major developments on the island).

- 12.2 The costs of the Leisure function should decrease by 22.36% during 2015-2016 which is a significant contribution towards achieving the target of a reduction of 60% by 2017. This progress is a clear demonstration of the Function's commitment to implementing changes to modernise service delivery.
- 12.3 The Service is fully aware that any change in service delivery is accompanied by uncertainties and risks. However, we believe that the required changes can be successfully achieved and deliver the anticipated benefits through improved collaboration, effort and commitment across the County Council.



**Annex A - Baseline of Existing Facilities, Activities and Resources** (based on 2013/14 figures)

	<b>Facilities</b>	<b>Examples of Activities Offered</b>	<b>Resources</b>	<b>Participation Numbers</b>	<b>Budget</b>	<b>Actual Costs</b>
<b>Amlwch Leisure Centre</b>	<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Sports Hall</li> <li>• Fitness Suite</li> <li>• Café</li> <li>• Multi-purpose room</li> <li>• External synthetic 5 a side court</li> <li>• Two Tennis Courts</li> <li>• Multi Use Games Area</li> <li>• Crèche</li> </ul>	<ul style="list-style-type: none"> <li>• Badminton</li> <li>• Basketball</li> <li>• Fitness classes</li> <li>• Football</li> <li>• Gymnastics</li> <li>• Judo</li> <li>• Karate</li> <li>• Netball</li> <li>• Rollerskating</li> <li>• Swimming</li> <li>• Sea Scooters, Aqua Paddlerz &amp; Water Walkerz</li> <li>• Trampolining</li> <li>• Yoga</li> </ul>	<ul style="list-style-type: none"> <li>• 17 members of staff (full or part time)</li> <li>• Casual staff</li> <li>• External coaches</li> </ul>	158,821	£388,350	£318,737
<b>David Hughes Leisure Centre</b>  Management of Centre shared between Learning and Leisure Function	<ul style="list-style-type: none"> <li>• Sports Hall</li> <li>• Fitness Suite</li> <li>• Spinning Room</li> <li>• Dance Studio</li> <li>• Lecture Room</li> <li>• Multi Use Games Area (5 a side court or 3 tennis courts)</li> <li>• Kitchenette</li> </ul>	<ul style="list-style-type: none"> <li>• Badminton</li> <li>• Basketball</li> <li>• Fitness classes</li> <li>• Netball</li> <li>• North West Wales Centre for Cricket</li> <li>• Zumba</li> <li>• Spinning</li> </ul>	<ul style="list-style-type: none"> <li>• 3 members of staff (part time)</li> <li>• External coaches</li> </ul>	33,173	£19,370	-£7283

<b>Holyhead Leisure Centre</b>	<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Teaching Pool</li> <li>• Sports Hall</li> <li>• Fitness Suite</li> <li>• Café</li> <li>• Two Squash Courts</li> <li>• Multi-purpose room</li> <li>• Committee Room</li> <li>• Crèche</li> </ul>	<ul style="list-style-type: none"> <li>• Aerobics</li> <li>• Badminton</li> <li>• Basketball</li> <li>• Bowling</li> <li>• Fitness classes</li> <li>• Football</li> <li>• Gymnastics</li> <li>• In-Line Hockey</li> <li>• Karate</li> <li>• Netball</li> <li>• Short tennis</li> <li>• Swimming</li> <li>• Table tennis</li> <li>• Trampolining</li> </ul>	<ul style="list-style-type: none"> <li>• 18 members of staff (full or part time)</li> <li>• Casual Staff</li> <li>• External coaches</li> </ul>	150,991	£378,280	£375,354
<b>Plas Arthur Leisure Centre</b>	<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Teaching Pool</li> <li>• Sports Hall</li> <li>• Fitness Suite</li> <li>• Café</li> <li>• Two Squash Courts</li> <li>• External Synthetic Pitch (full size)</li> <li>• Skate Park</li> <li>• Committee Room</li> <li>• Youth Wing</li> </ul>	<ul style="list-style-type: none"> <li>• Aerobics</li> <li>• Badminton</li> <li>• Basketball</li> <li>• Bowling</li> <li>• Fitness classes</li> <li>• Football</li> <li>• Gymnastics</li> <li>• Hockey</li> <li>• Karate</li> <li>• Netball</li> <li>• Swimming</li> <li>• Trampolining</li> </ul>	<ul style="list-style-type: none"> <li>• 18 members of staff (full or part time)</li> <li>• Casual Staff</li> <li>• External coaches</li> </ul>	210,754	£297,240	£238,818

<b>Sports Development Team</b>	Not Applicable	Targeted activity programmes for schools, sports clubs and communities to encourage people to be more active, more often	<ul style="list-style-type: none"> <li>• 13 members of staff <ul style="list-style-type: none"> <li>▪ 2 100% core funded</li> <li>▪ 3 part grant funded</li> <li>▪ 8 100% grant funded</li> </ul> </li> </ul>	129,508 Under 18s  27,944 Over 18s	£141,950	£118,677
<b>Llangefni Golf Course</b>	<ul style="list-style-type: none"> <li>• 9 Hole Course</li> <li>• 16 bay floodlight driving range</li> </ul>	Golf	<ul style="list-style-type: none"> <li>• 4 members of staff</li> </ul>	17,625	-£14,480	£30,080
<b>Outdoor Facilities</b>	<ul style="list-style-type: none"> <li>• Millbank Playing Fields</li> <li>• Holyhead Park</li> <li>• Peibio Recreation Area</li> <li>• Trearddur Bay Recreation Area</li> <li>• Holyhead Football Stadium</li> </ul>	Various outdoor recreation activities	<ul style="list-style-type: none"> <li>• 8 members of staff</li> </ul>	Unknown	£30,300	£102,914

## Annex B - Leisure Centres' Financial Performance since 2012/13

<u>Leisure Centres</u>		<u>Budget</u> <u>2012/13</u>	<u>Actual</u> <u>2012/13</u>	<u>Performance</u> <u>2012/13</u>	<u>Budget</u> <u>2013/14</u>	<u>Actual</u> <u>2013/14</u>	<u>Performance</u> <u>2013/14</u>	<u>Budget</u> <u>2014/15</u>
<b>Amlwch Leisure Centre</b>	Expenditure Budget	625,560	769,322		828,170	837,584		806,630
	Less:							
	Capital Charges	-81,740	-242,575		-242,580	-258,254		-258,260
	<b>Adjusted Gross budget</b>	<b>543,820</b>	<b>526,747</b>	<b>-17,073</b>	<b>585,590</b>	<b>579,330</b>	<b>-6,260</b>	<b>548,370</b>
	Income	-210,430	-259,848		-213,980	-275,737		-258,240
	Adjusted for Central Recharges & Contributions	16,280	13,245		16,740	15,144		22,110
	<b>Adjusted income</b>	<b>-194,150</b>	<b>-246,603</b>	<b>-52,453</b>	<b>-197,240</b>	<b>-260,593</b>	<b>-63,353</b>	<b>-236,130</b>
	<b>Net adjusted figures</b>	<b>349,670</b>	<b>280,144</b>	<b>-69,526</b>	<b>388,350</b>	<b>318,737</b>	<b>-69,613</b>	<b>312,240</b>
	<b>Subsidised by authority Performance</b>	<b>349,670</b>		<b>-69,526</b>	<b>388,350</b>	<b>318,737</b>	<b>-69,613</b>	<b>312,240</b>
	<b>Holyhead Leisure Centre</b>	Expenditure Budget	792,750	1,067,117		1,123,870	1,164,044	
Less:								
Capital Charges		-97,800	-401,248		-401,250	-415,023		-415,020
<b>Adjusted Gross budget</b>		<b>694,950</b>	<b>665,869</b>	<b>-29,081</b>	<b>722,620</b>	<b>749,021</b>	<b>26,401</b>	<b>670,910</b>
Income		-354,040	-319,684		-365,790	-390,854		-409,000
Adjusted for Central Recharges & Contributions		20,870	20,748		21,450	17,187		26,920
<b>Adjusted income</b>		<b>-333,170</b>	<b>-298,936</b>	<b>34,234</b>	<b>-344,340</b>	<b>-373,667</b>	<b>-29,327</b>	<b>-382,080</b>
<b>Net adjusted figures</b>		<b>361,780</b>	<b>366,933</b>	<b>5,153</b>	<b>378,280</b>	<b>375,354</b>	<b>-2,926</b>	<b>288,830</b>
<b>Subsidised by authority Performance</b>		<b>361,780</b>		<b>5,153</b>	<b>378,280</b>	<b>375,354</b>	<b>-2,926</b>	<b>288,830</b>
<b>Plas Arthur Leisure Centre</b>		Expenditure Budget	779,240	909,222		933,320	925,453	
	Less:							
	Capital Charges	-92,370	-253,744		-253,740	-281,668		-281,670
	<b>Adjusted Gross budget</b>	<b>686,870</b>	<b>655,478</b>	<b>-31,392</b>	<b>679,580</b>	<b>643,785</b>	<b>-35,795</b>	<b>650,100</b>
	Income	-412,190	-420,736		-425,720	-435,168		-479,770
	Adjusted for Central Recharges & Contributions	42,190	42,101		43,380	30,201		49,320
	<b>Adjusted income</b>	<b>-370,000</b>	<b>-378,635</b>	<b>-8,635</b>	<b>-382,340</b>	<b>-404,967</b>	<b>-22,627</b>	<b>-430,450</b>
	<b>Net adjusted figures</b>	<b>316,870</b>	<b>276,843</b>	<b>-40,027</b>	<b>297,240</b>	<b>238,818</b>	<b>-58,422</b>	<b>219,650</b>
	<b>Subsidised by authority Performance</b>	<b>316,870</b>		<b>-40,027</b>	<b>297,240</b>	<b>238,818</b>	<b>-58,422</b>	<b>219,650</b>
	<b>David Hughes Sports Centre</b>	Expenditure Budget	56,460	52,695		65,220	54,434	
Less:								
Capital Charges		0	0		0	0		0
<b>Adjusted Gross budget</b>		<b>56,460</b>	<b>52,695</b>	<b>-3,765</b>	<b>65,220</b>	<b>54,434</b>	<b>-10,786</b>	<b>59,340</b>
Income		-43,760	-67,408		-45,850	-61,717		-52,150
Adjusted for Central Recharges		0	-478		0	0		0
<b>Adjusted income</b>		<b>-43,760</b>	<b>-67,886</b>	<b>-24,126</b>	<b>-45,850</b>	<b>-61,717</b>	<b>-15,867</b>	<b>-52,150</b>
<b>Net adjusted figures</b>		<b>12,700</b>	<b>-15,191</b>	<b>-27,891</b>	<b>19,370</b>	<b>-7,283</b>	<b>-26,653</b>	<b>7,190</b>
<b>Subsidised by authority Performance</b>		<b>12,700</b>	<b>-15,191</b>	<b>-27,891</b>	<b>19,370</b>	<b>-7,283</b>	<b>-26,653</b>	<b>7,190</b>
<b>Total subsidy for all centres</b>		<b>1,041,020</b>			<b>1,083,240</b>	<b>925,626</b>		<b>827,910</b>
<b>Total Performance for all centres</b>			<b>-132,291</b>			<b>-157,614</b>		

# The ‘Denbighshire Way’

Sara Green, Just Solutions Leisure Consultants

Welsh Government Conference on Leisure Services for Physical Activity  
18<sup>th</sup> September 2014

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## Foreword – Headline Messages

▶ Key words:

- I. Appropriate...
- II. Culture
  - I. Inspire...
  - II. Innovate ...
  - III. Commercialise...

▶ Key themes:

- I. Don't 'rush' into Trust management solutions to safeguard a failing facility or inefficient service ... Trusts might be the answer but only where the offer is appropriate, bespoke to each community and fit for the future... the Local Authority model can be efficient and effective and of course if the tax benefits are removed externalised management advantages will disappear
- II. Schools must be integral to/at the heart of the approach ... otherwise it will be 'catch-up forever' ... commission fit for the future, inspiring facilities and approaches to secure youth engagement
- III. A 'wider than Leisure' holistic service approach to community modelling and solutions is necessary to maximise efficiencies and betterment
- IV. Corporate, whole Authority 'buy-in' to the vision and plan, is essential
- V. Invest to save – don't declare efficiencies without an invest to improve vision and plan – investment is key to securing long term savings

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## What did the Service Look Like

- **'In special measures'** – without sufficient arrangements in place to fully support a coherent and effective Leisure provision” *WAO 2008*
- **'Small' isolated service in difficulty – poor profile – no Member ownership/confidence**
- Significant budget cuts
- Poor facilities
- Lack of leadership and direction
- No business plan
- Leisure Trust operating flagship coastal leisure offer – proposed to embrace the whole
- **A risk to the Authority**
- The Challenge – Cuts & closures ... or improve and save
- **Under threat**

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## The Journey – The Whole Approach

- **Modernising delivery models**
  - Getting the **business** fit for the future
  - Getting the **'buildings'** fit for the future
  - **Transforming the management approach** – leadership and political support
- **More Efficient and Effective Doors Open**
  - **Reduced subsidy**
  - **Increased Income**
  - Key approaches include:
    - **Investment**
    - More **commercial** and **customer** focus
    - **Effective leadership**
    - High corporate **profile/presence**
    - Very active **engagement** with members, localities/communities
    - **Pro-active** and effective model of risk management

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## The Journey – Not Any One Thing!

- **Understanding and Buy-In to the Importance of Leisure i.e.:**
  - Member understanding – Lead members engaged with progress and direction
  - Leisure Strategy
  - Corporate understanding
- **New Business Plan including:**
  - Efficiency Savings
  - Income generation models
  - Tight financial controls
- **Appropriate Community Models and Options achieved by:**
  - Outside perspective – sufficiency reviews
  - Locality reviews
  - Engagement
- **Widening Portfolio but Streamlined Management Team i.e.:**
  - Commercial Leisure – Strategic Leisure – Youth/Arts/Libraries – Marketing/Tourism/Communications – Performance and Finance – Projects

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## Decommissioning a Failing Leisure Trust

- **A Trust model would not have delivered the ‘Denbighshire Way’ ...**
- **But ...**
  - *Trusts can provide an efficient and effective operating model – following transformation of provision, ensuring an appropriate, fit for future offer*
  - *Properly procured – Trusts can ensure best VFM – i.e. LT contracts allowing advantageous borrowing/capital investment – a longer term service agreement = EU procurement*
  - *Trusts can deliver efficient management and staffing models, appropriate opening hours and pricing policies – alongside flexible delivery expectations from the Council*
- **However...**
  - *A long-term vision for Leisure alongside other community services is needed in place of a focus on short-term budget savings*
  - *Out-sourcing should only be considered when the ‘business’ is in a good shape – where the infrastructure is appropriate to serve the defined needs of the community and where the service delivery outcomes are known and can be measured*

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# Some Headline Results

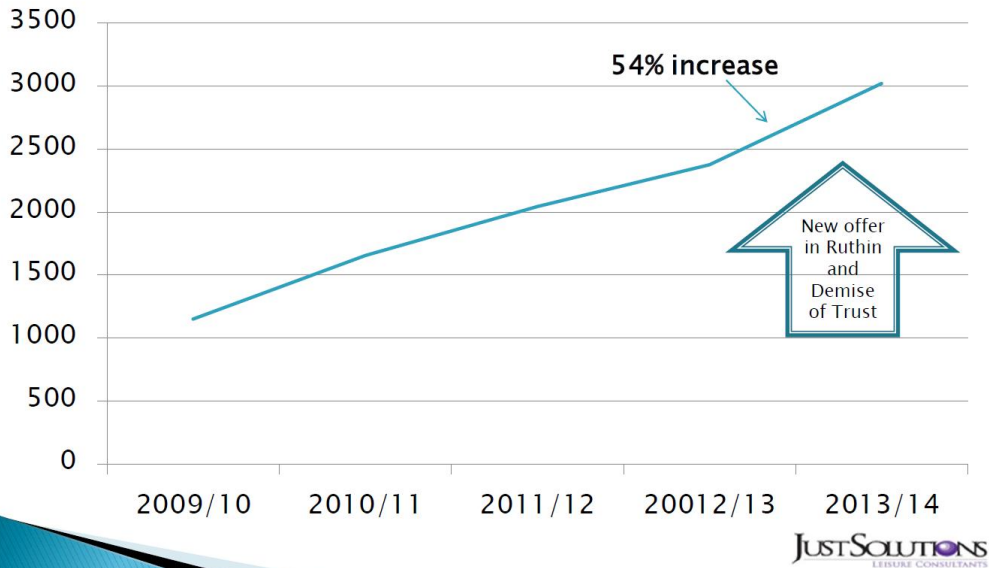


## Increased Footfalls and Reduced Leisure Subsidy

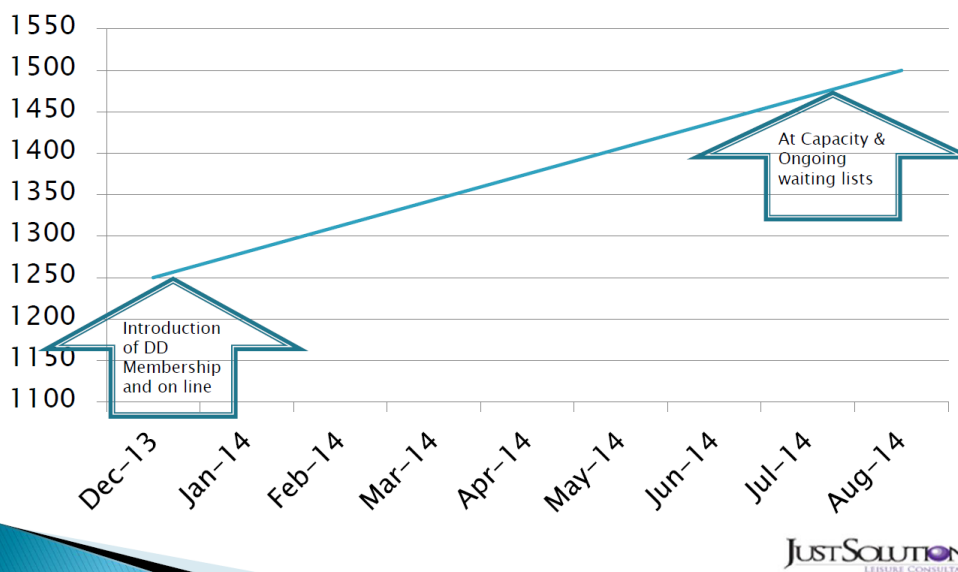
- **LC Visits Increasing** – over 17% in the last year (year 1 of new MIS)
- **Income Increasing** – over £600k
- **Costs Reducing** – over £200k



## Increased Income DD Fitness Members



## Increased Income DD Swim Members



## Increased Investment A Better – Fit for the Future Offer

- Investment of over £5m
  - Direct investment leveraging £9m from others
  - Including new ATPs; Fitness Suites; Dance Studios
- Better School facilities – facilities were at risk to curriculum – under regulatory plan

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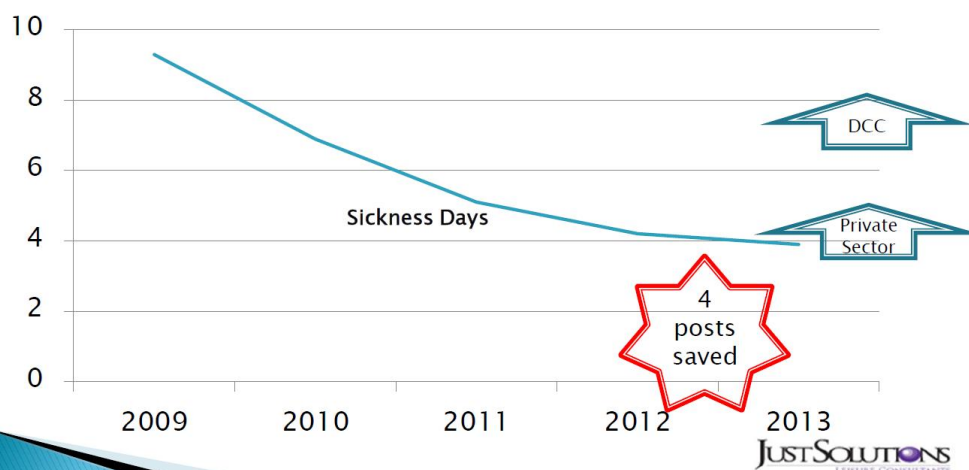
## Efficiencies – Leisure Facilities – 7 centres (6 dual use )

- **Management reduced by over 50%** – with more facilities i.e. harbour & coast
- **New Commercial Manager appointed**
- **Leisure Subsidy down to £460,000** (including £210k capital repayments)  
– Less than 75p subsidy per visit
- **On-going financial improvements**
  - Savings invested to save (i.e. 1 Centre's £47k budget improvements in 2014)
  - **Target zero** Leisure subsidy in 3–5 years
- **Saved Schools £125k – costs reduced – better quality – more effective use**
- **Whole Service**
  - Over £1.4m efficiencies over last 5 years (Reduced by 21% in 4 years)
  - £1.5m offered over next 3 years

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## More Efficient – Sickness Absence

- Low sickness absence = improved customer service = less back filling
- Staff engaged and understand impact on budget and customer service



## Good Reputation – Valued

- Involvement in other service areas – cross-over contributions – examples:
  - **Children’s Services Board** – issue – children with disability referrals 365 cases – £250k to reduce referrals – through Leisure/youth/libraries i.e. staff training – support worker – appraisal of buildings – programmes etc.
  - **Supporting Education** in delivering ESTYN recommendations i.e. work with 80 NEETS (@£160k) – 76 retained in education
  - **Communications** – putting forward multi-skilled services for **key role in flood recovery**
  - **Influencing upwards** – Strategy Boards – Essential role in ‘Big Plan 2’ Independence; Resilience; Well Being

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## Clear Rationale

- Service Plan Outcomes
  - **Health social care and community safety** – improving health and well being of our communities through increased participation –
  - **Improved partnership and collaborative working**
    - Supporting other providers e.g. the voluntary and private sectors
  - **Young People**
    - Motivating children and young people to adopt and maintain healthy, active lifestyles
    - Supporting YP to reduce risk of disengaging in education and community to achieve and have skills for life
  - **Supporting older people** to lead independent and fulfilled lives – helping to keep older people involved and active in their local communities
  - **Providing specialist interventions** – to overcome inequalities – target those most in need etc.. only where there is both evidence of need and no other alternative provider – a clear priority
  - **Encouraging greater use of the natural environment** and helping people in rural areas have access to appropriate activities that meet their needs
  - **Modernising the Council** to deliver efficiencies and improve services for our customers

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## Management Culture

- **Member Engagement**
  - The beginning – met with all members individually to impress importance of leisure – built on that ever since
  - A Council closer to the community includes locality reviews and community engagement
  - Importance of external reviews to establish independent view in contrast to perceived views

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# Management Culture

## ➤ Performance Management

- Customer Care (mentality)
  - Front line approach i.e. staff know the cost of losing 4 DD members
- Reducing Sickness absence
- Staff driven/owned customer service group e.g.s:
  - Mystery calling – prompt sheets – customer service standards – front line training– feedback cards
  - Measured – increased customer satisfaction rates; membership levels; compliments; low complaint levels

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# Management Culture

## ➤ Leadership and communication

- Walk the floor – positive role models
- Team communications – all levels/staff:  
Monthly 1-1; 360 Self Assessments; Staff conference once a year (350 –200 FTEs); SMT every 6 weeks; Lead Officers every 2 weeks
- **Culture of creating solutions – ideas turned into tasks**
- **Coaching – emphasis on the right way to do things**
- **Branding – ‘proud to serve’**

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## What Other Services Say...

- “Leisure is not a stand-alone service but an essential part of healthy living, education, children’s services, adult services, regeneration, parks and countryside provision.”
- “The look and feel of the Leisure Services are more attractive to the customer than those with a ‘social services’ label”
- “Leisure are now delivering more opportunities like an activities service for disabled children – without the need for a social services assessment”

## We need to ‘live in the future not the past .....’

- Be mindful of current pressures to pursue ‘quick fix’ solutions and instant but not long term financial gain
- Design modern, attractive, inspiring, fit for the future, flexible/evolving, efficient and effective facilities and business models, avoid:
  - Single one-size-fits-all models
  - ‘Locking into the future’ services designed in the past ... out-sourcing unfit for the future offers

## Annex D – Commercial Leisure Manager Job Description

### Isle of Anglesey County Council Job Description

**Job Title:** Commercial Leisure Officer (Temporary post until XXth XXXX 2016 - may be subject to extension)

**Post Number:**

**Directorate:** Sustainable Development

**Service Unit:** Economic and Community Regeneration

**Grade:**

#### **Overall Job Purpose:**

To improve the commercial performance, culture and working practices of the County Council's Leisure Centres.

The role of Commercial Leisure Officer has been identified to drive the change required to meet the increasing challenges, pressures and expectations facing the island's Leisure Centres. The post will be integral to changing the culture of the Leisure Centres to become more commercially sustainable and customer focussed by maintaining/ increasing income generation and delivering more modern and appealing facilities and activities. The post will be accountable for delivering the radical change required to safeguard and improve leisure provision on Anglesey.

#### **Principal Accountabilities / Key Tasks:**

1. Lead and manage the staff, budget and performance of the island's Leisure Centres.
2. Provide leadership on all aspects of commercial leisure development.
3. Lead on—the development of more modern, integrated, robust, capable and commercially aware Leisure Centres.
4. Champion and deliver a programme of change in the Leisure Centres, ensuring an improvement in efficiency, effectiveness and performance.
5. Review and improve existing financial planning systems and resource management processes to ensure the commercial viability of the Leisure Centres.
6. Identify and exploit all potential opportunities to increase participation levels; improve membership numbers and maintain and increase in income generation at all Leisure Centres.

7. Identify and develop new income opportunities to reduce the Leisure Centres' reliance on the County Council's core funding.
8. Continually review and challenge standards and processes where necessary, to maintain and improve the customer experience.
9. Review and monitor performance standards to ensure the Leisure Centre's targets are achieved.
10. Maximise and encourage the effective use of the Leisure Centres' new IT systems, software and digital practices to drive an improvement in the Leisure Centres' culture and performance.
11. Actively engage with Staff and Stakeholders to ensure commercial sustainability remains a key priority across the Leisure Centres.
12. Challenge and improve existing business practices, methods and standards to encourage greater efficiency, effectiveness and performance; and lead on the development of innovative new solutions to reduce future cost pressures, support an increase in leisure demand and are more customer focussed.
13. Ensure that the Leisure Centres' budget and resource management reflects Corporate and Service aspirations and is used effectively to deliver a commercially sustainable leisure provision.
14. Develop and maintain strong working relationships with Elected Members and relevant Senior Officers to help foster high levels of trust and confidence.
15. Ensure all new facilities, activities and practices underpin an improvement in the experiences of the Leisure Centres' customers.
16. The post-holder maybe required to carry out any other responsibilities as appropriate with the nature of the post and its grade.