

Report

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Report to:	Executive Committee
Date of Meeting:	14 December 2011
Report by:	Executive Director (Community Resources)

Subject:	South Lanarkshire Leisure and Culture Limited Performance Review 1 October 2010 to 30 September 2011
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on the financial and operational performance of South Lanarkshire Leisure and Culture Ltd (SLLC) for its first full year of operation (i.e. since its formation on 1 October 2010 to 30 September 2011).

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the financial and operational performance of South Lanarkshire Leisure and Culture Ltd (SLLC) is noted.
- (2) that subsequent performance reports are provided to the Executive Committee on a six monthly basis.

3. Background

- 3.1 On the 22 September 2010, the Executive Committee approved the establishment of a sports, culture and libraries trust with the effective commencement date of 1 October 2010.
- 3.2 The new trust was formed by extending the existing Leisure Trust, South Lanarkshire Leisure Ltd (established on 1 April 2002), to include the Council's halls, museums, cultural venues, libraries and country parks and the Outdoor Resource Base (ORB). The new extended organisation is called South Lanarkshire Leisure and Culture Ltd and continues to have its headquarters in Hamilton Academicals Football Stadium.
- 3.3 The agreed objectives of the Trust's business plan are as follows:
- ◆ to become an inclusive organisation providing quality leisure, cultural and learning opportunities for all residents and visitors to South Lanarkshire.
 - ◆ to continually improve the service to our customers by developing the effectiveness of our workforce and our working practices, as well as addressing service quality, variety and responding to changing needs, trends etc.
 - ◆ to work in partnership with local and national agencies to promote active participation in leisure, cultural and learning activities.
 - ◆ to maximise resources and operational efficiencies taking into account environmental and sustainability issues.

4. Operational Highlights

4.1 From 1 October 2010 to 30 September 2011 SLLC has operated in an efficient and effective manner or and have smoothly integrated the services that transferred from South Lanarkshire Council and the Outdoor Resource Base (ORB) within its new structure. Operational highlights include:

- ◆ The seamless transfer of over 450 employees from South Lanarkshire Council to SLLC.
- ◆ The creation of a new management structure with the following service delivery arms:
 - Outdoor Recreation and Country Parks
 - Sport and Physical Activity
 - Halls and Cultural Venues
 - Libraries and Museums
 - HQ Support Services
- ◆ The development of new corporate governance arrangements including the extension of the Trust Board to better reflect the expanded range of services delivered by the new organisation.
- ◆ The creation of new South Lanarkshire Leisure and Culture Business and Marketing Plans.
- ◆ Launch of a new 2011 Outdoor Adventure Programme in March 2011 bringing together resources and experience from James Hamilton Heritage Park and the Outdoor Resource Base.
- ◆ The successful delivery of the sixth Young at Hearts Festival from 20 to 26 March 2011.
- ◆ Delivery of the Library Service partnership with the BBC to deliver free 'First Click' IT training for the over 50s.
- ◆ The Quest quality system score of 89% for Low Parks Museum; up 8% on the previous assessment and currently the highest score for any facility in Scotland.
- ◆ The introduction within the Library Service of Share the Vision's 'Six Steps' initiative to enhance its services to 'print disabled' people in South Lanarkshire. The new service will enable library staff to assist blind and partially sighted customers.
- ◆ The successful delivery of the South Lanarkshire Track and Field Championships competition at John Cumming Stadium involving athletes from 41 South Lanarkshire Primary Schools.
- ◆ Staging of the Sri Lanka v Scotland netball match at the Ally McCoist Centre in East Kilbride and the Scottish Netball Cup finals.
- ◆ Introduction of on-line booking throughout all leisure centres in April 2011 with over 17,000 people now booking fitness classes.
- ◆ Successful staging of the 45th International Children's Games from 3rd to 8th August, with 77 worldwide cities represented by 1300 competitors and coaches.

5.0 Performance indicators

5.1 The following governance arrangements are already established:

- ◆ Annual business and marketing plans with financial requirements prepared by the SLLC and submitted to the Council for approval.
- ◆ Monthly performance reports produced by SLLC and discussed with the Executive Director of Community Resources.
- ◆ Quarterly performance reports produced by SLLC and discussed with the Executive Director of Community Resources.

- 5.2 SLLC's performance measures are recorded in Community Resources' Resource Plan and are monitored and reported each quarter through the Council's improve performance management system.
- 5.3 Performance indicator highlights up to the end of financial year 2010/2011 include:
- ◆ Over 3.6 million attendances across leisure facilities including a 3% increase in swimming attendances with an overall customer satisfaction rating of 98%.
 - ◆ Over 2.1 million attendances at cultural venues, museums and country parks (1.6% increase on 2009/10) with an overall customer satisfaction rating of 94%.
 - ◆ The provision of over 362,452 free under 16 attendances at leisure facilities and almost 104,105 at community halls and schools.
 - ◆ Over 21,000 residents now registered with the Activage scheme, with almost 300,000 attendances recorded for the year (4% up on 2009/2010)
- 5.4 For the period from 1 April 2011 to 30 September 2011 SLLC's performance against statutory indicators is as follows:

5.5 The number of attendances at swimming pools

This year	Last year	Status
784,711	682,561	Green*
The opening of the Dollan Aqua Centre in May has largely contributed to the increase of 102,150 (15%).		

5.6 The number of attendances at other indoor facilities

This year	Last year	Status
780,145	777,263	Green*
A 0.4% increase due to a general increase across a number of facilities.		

5.7 The number of museum visits

This year	Last year	Status
16,302	16,236	Green*
Figures remain on a par with the previous year. N.B. two part-time seasonal museums closed in March 2011.		

5.8 The number of visits to libraries

This year	Last year	Status
677,516	677,050	Green*
Figures remain similar to last year.		

5.9 For the period from 1 April 2011 to 30 September 2011 SLLC's performance against Community Resources' Resource plan is as follows:

Measure	Target	Year to date	Status
Maintain attendances at leisure facilities	3.612m	2.079m	Green*
Increase number of attendances at swimming pools per 1,000 population	3,988	2,524	Green*
Maintain attendances at indoor facilities per 1,000 population	5,083	2,509	Green*
Maintain attendance at outdoor recreation facilities	599,591	387,375	Green*
Maintain attendances at golf courses	192,577	126,554	Green*
Maintain customer satisfaction rates at leisure facilities	98.0%	98.0%	Green*
Maintain the number of free under 16 attendances at leisure facilities	362,452	194,445	Green*
Maintain the number of free under 16 attendances at cultural facilities (school lets and halls)	104,105	172,999	Green*
Contribute towards a successful pan-Lanarkshire delivery of the 2011 International Children's games	---	---	Complete
Publish Children's Games Legacy Plan by May 2011	---	---	Complete
Complete Children's Games environmental projects	---	---	Green*
Complete new pitch at Whitemoss, East Kilbride	---	---	Complete

*Green = achieved or due to achieve

6 Asset Management and Capital Investment

6.1 For the period after the initial transfer of facilities to SLLC on 1 October 2010 (i.e. to form the new trust) until to 30 September 2011, SLC passed the following additional facilities to SLLC to operate:

- ◆ John Cummings Stadium, Carluke. New build, replacing Loch Park Stadium, opened 7 March 2011
- ◆ The Fountain, Lesmahagow. Refurbishment, replacing the Jubilee Hall, opened 5 May 2011.
- ◆ Dollan Aqua Centre, East Kilbride. Refurbishment, opened 28 May 2011.
- ◆ Whitemoss Recreation Area Synthetic Pitch East Kilbride, opened 18 July 2011.

6.2 These projects represent an investment in excess of £15m in community facilities across South Lanarkshire.

- 6.3 For the same period the following facilities were closed by SLLC and passed to SLC for disposal or inclusion within the Council's public asset transfer process:
- ◆ Uddingston Public Hall, Uddingston. Closed 1 December 2010
 - ◆ Stonehouse Public Hall, Stonehouse. Closed 10 February 2011
 - ◆ Hunter House Museum, East Kilbride. Closed 31 March 2011.
 - ◆ John Hastie Museum, Strathaven. Closed 31 March 2011.
 - ◆ Eddlewood Sports Barn, Hamilton. Closed 31 March 2011.
 - ◆ Blackwood Hall, Blackwood. Closed 19 May 2011.
 - ◆ Jubilee Hall, Lesmahagow. Closed 18 June 2011.

7. Employee Implications

- 7.1 On 1 October 2010 over 450 employees from South Lanarkshire Council were transferred to SLLC. This proved to be a smooth transition with all employees being set up with new employee numbers, transferred onto the SLLC payroll and paid successfully on the transfer date.
- 7.2 The employee absence level for the year 2010/11 was 2.7%, a decrease of 0.7% on the previous year's figure of 3.4%.
- 7.3 The employee absence level for the first quarter of 2011/12 (i.e. 1 April to 30 September 2011) was 3.3% against an annual target of 3.5%.

8. Financial Implications

- 8.1 SLLC reported an increase of £256,000 in its General Fund achieved for the year ended 31 March 2011. This was despite a disappointing year in golf services due to the poor weather which resulted in a £211,000 shortfall in golf income against target. However, income levels across all other areas including cultural venues and community halls were very encouraging given the current financial climate and together with strict control of employee costs helped to cancel out these losses.
- 8.2 The Dollan Aqua Centre remained closed during 2010/2011 for structural repairs and the Council provided compensation amounting to £367,000 to assist in meeting the additional deficit incurred due to the closure of this facility.
- 8.3 SLLC's wholly owned subsidiary, SLL Trading Ltd achieved a profit of £24,000 for the year. This sum was donated to the parent company through the Gift Aid scheme. The principal activity of the trading company is the provision of vending, catering and beauty therapy services within the leisure and cultural facilities operated by SLLC.
- 8.4 For the first 6 months of financial year 2011/2012 (i.e. 1 April to 30 September 2011) SLLC reported a deficit in overall terms of £24,000 against target. This is due to a shortfall in golf income, as the number of season tickets fell compared to 2010 and poor weather affected pay as you play income, and the closure of the Dollan Aqua Centre for structural repairs and refurbishment.
- 8.5 SLLC will endeavour to achieve a break even position for 2011/2012 and are working with the Council in relation to the delayed opening of the Dollan Aqua Centre.
- 8.6 SLLC continues to contribute to the Council's efficiency savings exercise with savings for year 2012/13 being developed.
- 8.7 The 2011/2012 Community Resources capital budget has £12.366m allocated for investment in SLLC managed properties with £6.48m spent to end of September 2011.

9. Other Implications

- 9.1. SLLC's Business Plan for 2012/2013 will be submitted to Community Resources Committee on 17 January 2012 for consideration and referred to the Executive Committee for approval . The Business Plan also supports sustainable development and has a specific objective that takes into account environmental and sustainability issues.
- 9.2. SLLC has its own risk management process in place to ensure risks are assessed and managed appropriately.

10. Equality Impact and Consultation Arrangements

- 10.1 This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2 There was no requirement to undertake consultation in terms of the content of this report.

Norrie Anderson
Executive Director (Community Resources)

21 November 2011

Link(s) to Council Objectives/Improvement Themes/Values

- ◆ Improve health and increase physical activity
- ◆ Improve the quality of the physical environment
- ◆ Partnership working, community leadership and engagement
- ◆ Efficient and effective use of resources

Previous References

- ◆ Report to Executive Committee dated 22 September 2010 – 'Proposed Creation of a Sports, Culture and Libraries Trust'.

List of Background Papers

- ◆ South Lanarkshire Leisure and Culture 'Trust Performance Reports' for periods:
 - 1 October 2010 to 31 December 2010.
 - 1 January 2011 to 31 March 2011.
 - 1 April 2011 to 30 June 2011.
 - 1 July 2011 to 30 September 2011.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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