

Overview and Scrutiny Committee



Forest Heath
District Council

Title of Report:	Review of Performance of Leisure Trust 2012-2016	
Report No:	OAS/FH/17/002	
Report to and dates:	Overview and Scrutiny Committee	12 January, 2017
	Cabinet	14 February 2017
	Council	22 February 2017
Portfolio holder:	Cllr Andy Drummond Portfolio Holder for Leisure and Culture Tel: 01638 751411 Email: andy.drummond@forest-heath.gov.uk	
Lead officer:	Jill Korwin Director Tel: 01284 757252 Email: jill.korwin@westsuffolk.gov.uk	
Purpose of report:	To review the performance of Abbeycroft Leisure in Forest Heath to inform the development of a new Partnership Agreement.	

Recommendation:	<p>1) The Overview and Scrutiny Committee reviews the performance of Abbeycroft Leisure; and</p> <p>2) <u>RECOMMENDS</u> to Cabinet and Council that, note is taken of the findings of the scrutiny in developing a new partnership agreement with Abbeycroft moving forward in particular:</p> <p>(a) The need for full transparency in costs to the Council of providing leisure services; and</p> <p>(b) The need for the agreement to focus on the outcomes for the health and wellbeing of communities.</p> <p>(c) Further it is recommended that the approach to developing a Partnership agreement with Abbeycroft for at least 10 years and alignment of leases will deliver a value for money service for the Council.</p>
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
Consultation:	<ul style="list-style-type: none"> This report has been produced with the support of Abbeycroft
Alternative option(s):	<ul style="list-style-type: none">
Implications:	
<i>Are there any financial implications? If yes, please give details</i>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The Council pays Abbeycroft a management fee and has obligations for maintenance of its assets. It is essential Abbeycroft delivers a efficient service to reduce those cost
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none">
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> Existing management agreements and leases are legal documents that will need updating

<p>Are there any equality implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Leisure services need to be developed in an inclusive accessible way. Adhering to the principles of the Council's Promoting Physical Activity Framework will deliver this. 	
<p>Risk/opportunity assessment:</p>		<p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Abbeycroft is not run in an efficient way resulting in increased costs to the Council	Low	Effective board of trustees; support through stakeholder group; effective monitoring of performance	Low
Increased competition in the leisure sector means that Abbeycroft loses market share and costs increase	Medium	Investment in facilities to ensure they remain attractive to users, continued development of offer to meet current needs and trends	Low
<p>Wards affected:</p>		<p>All wards</p>	
<p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p>		<p>Promoting Physical Activity Framework: https://democracy.westsuffolk.gov.uk/documents/s15009/CAB.FH.16.029%20Appendix%20A%20-%20Framework%20Guidelines.pdf Abbeycroft Leisure Annual report 2015-16 http://apps.charitycommission.gov.uk/Accounts/Ends38/0001117138_AC_2_0160331_E_C.pdf Decision to create leisure merged trust for Forest Heath https://democracy.westsuffolk.gov.uk/documents/s6205/CAB.FH.15.002%20Anglia%20Community%20Leisure%20-%20Changes%20to%20Governance.pdf Investment in Council's leisure facilities: https://democracy.westsuffolk.gov.uk/ieListDocuments.aspx?CIId=129&MIId=3315&Ver=4</p>	

Documents attached:

Appendix 1: Governance arrangements

Appendix 2: Summary of other leisure provision arrangements

Appendix 3 – CONFIDENTIAL Business information

Appendix 4 –User stories

1. Key issues and reasons for recommendations

1.1 Background

1.1.1 In 2008, Forest Heath District Council created a Leisure Trust, Anglia Community Leisure (ACL), to manage its leisure facilities. In February 2013, as part of the shared services journey, ACL started to work in partnership with Abbeycroft Leisure, the trust providing leisure services for St Edmundsbury Borough Council and in 2015 both Trusts merged and Abbeycroft took on responsibility for Forest Heath Leisure Services.

The Council leases the buildings of Newmarket and Brandon Leisure Centres and Mildenhall Swimming Pool to Abbeycroft and management agreements support those lease arrangements.

1.1.2 The Council pays Abbeycroft Leisure a management fee to support the operation of sports and leisure services in those centres and across the district. In addition Abbeycroft runs the George Lambton pavilion and the Dome Leisure Centre on behalf of the Council.

1.1.3 Further, since the merger Abbeycroft also delivers the following services for the Council:

- Sports and Physical Activity Development Team
- Project Management of Mass Participation of Events
- Strategic Leisure Advice
- Management of Outdoor Pitches at George Lambton Playing Fields

1.1.4 The principle of the agreements is that both organisations are working in partnership to achieve the best for its local communities and provide opportunities to enjoy the broadest range of services. As shown above, Abbeycroft Leisure now provides a wide range of services that goes beyond the scope set out in the original management agreements with ACL.

1.1.5 This report aims to demonstrate what the Trust has delivered to achieve the Council's aspirations for sport and leisure since 2015 and how its role has developed not only within West Suffolk but also across the County. This report will feed into the development of a new partnership agreement that will be considered at Full Council on 22nd February 2017. (Note: When the merged Leisure Trust was created, the Council committed to developing a long term reduction in management fee and a new partnership agreement with Abbeycroft as the merged Trust).

1.2 Development of the merged Trust

1.2.1 In 2013, the shared approach commenced with the appointment of a joint Chief Executive Officer (CEO) across both Trusts and progressed to sharing a management team and other staff resources, along with some service and systems alignment. It saw the creation of a sports and physical activity development service. This helped address some financial issues that ACL were then facing and delivered some efficiencies that enabled the Council to reduce the management fee paid to ACL.

- 1.2.2 In 2015, in pursuit of further service improvements and savings, and following a due diligence exercise, The Council agreed that a single merged trust should be created, and the existing management and funding agreements between Forest Heath District Council and Anglia Community Leisure were novated to Abbeycroft Leisure. So, since April 2015, Abbeycroft Leisure has delivered sports and leisure services for Forest Heath District Council.
- 1.2.3 Abbeycroft Leisure itself was established as a Company Limited by guarantee with charitable status in 2005, operating Bury St Edmunds and Haverhill Leisure Centres along with sport development and outreach programmes on behalf of St Edmundsbury Borough Council.
- 1.2.4 The Trust acquired Social Enterprise status in 2010 and has continued to grow and now operates 12 facilities across Suffolk and Cambridgeshire attracting in excess of 1.6 million visits and employs 450 staff.
- 1.2.5 The Trust has also engaged in a large number of national and local initiatives that has contributed to the Council's objectives and encouraging local communities to be active and some of these are referenced later in this report.

2. Trustees and Governance

- 2.1 The Abbeycroft Board of Trustee has always looked to strengthen the skills base of the organisation and has concentrated on recruiting to the board. This proved to be successful this year and the organisation now has 10 trustees that oversee the strategy and policy of the organisation.
- 2.2 Board members have been recruited based on the requirements of the organisation and have skills in health, property, business development, marketing, finance, education and local government. The Board is supported by a strong leadership team with experience in leisure provision, physical activity development, event management, facilities management, finance marketing and commercial sponsorship. Full details of the Governance are included in **Appendix 1**.
- 2.3 The Board is also supported by two sub-committees: The Finance and Business Development Sub-Committee and The Human Resources sub-committee.
- 2.4 The Board has recently set up a stakeholder sub-committee that will examine the various social initiatives that Abbeycroft Leisure operates. This committee is made up of co-opted members with specialisms in Public Health, Primary Health Care, secondary Health Care, Education and Employment. This group will meet for the first time in January 2017 and will focus on how initiatives that are demonstrating strong social outcomes are sustained and embedded within existing systems or continue with a suitable financial model that reduces the need to secure external funding.

3. Core Business for West Suffolk

- 3.1 The original management agreements with Anglia Community Leisure

supported the leases for each of the leisure centres and specified that ACL would:

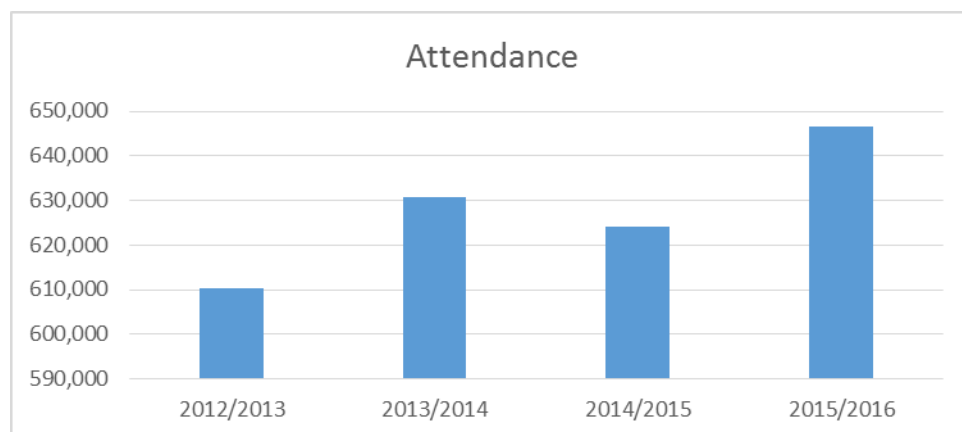
- a. Provide maximum opportunities for the community, including clubs and organisations, to participate in sport, leisure and recreational activities and to develop their interest and skills, particularly among low participant groups
- b. To establish the Leisure centre as a local centre for community sports leisure and recreation
- c. To provide an increase where practical the quality of sporting opportunities for the students of the college and local schools and encourage their curricular and extra-curricular sports, leisure and recreational activities.

3.2 Both Mildenhall and Newmarket Leisure Centres are operated as dual use facilities with the respective college or academy, and the inclusion of the schools objective reflects this. These objectives have not been reviewed since 2009 and were not updated in 2015 when the merger of the trusts took place.

3.3 This reports sets out the activities that the Abbeycroft now undertakes going wider than the original agreements with ACL and shows how the business has changed over the last 8 years.

4. Attendance

4.1 Total attendance has grown against the prior three years of operation and reflects the quality of the services that are being provided for the leisure facilities in Forest Heath. The number of visits to facilities in Forest Heath rose to 646,670 during 2015/2016.



4.2 A further set of statistics linked to the performance of Abbeycroft Leisure's operation of leisure facilities and services can be found in **Appendix 3 – Confidential Business Information.**

5. Continuous Improvement and Quality Management

5.1 The organisation has continued to develop its approach to continuous

improvement and quality management and engages in the following initiatives:

- a. **Quest (UK Quality Award for Sport and Leisure)** – All of the facilities operated by Abbeycroft Leisure hold Quest Accreditation. This process involves a constant internal review of the services provided together with an independent audit being carried out an industry expert.
- b. **Mystery Visit Programme** – Each facility receives a mystery visit 3 times a year and aims to develop the front facing customer experience.
- c. **Service Audits** – There are four service audits at each centre per year and these examine how effective the systems and processes are in delivering the services with aim of improving and developing these.
- d. **Health and Safety Audits** -Each Centre receives an independent health and safety each year ensuring that the centre not only meets statutory requirements but also how it develops its systems in line with best practice.

5.2 **Active People Survey Results:** Whilst Abbeycroft Leisure is not solely responsible for increasing physical activity in Forest Heath it does have a role to play and it is pleasing to see that the most recent set of results sees Forest Heath seeing a small increase with 33.6% of people now active at least once a week for 30 mins in the district.

6. **Initiatives and Projects**

6.1 Abbeycroft has undertaken outreach work to contribute to the Council's objectives. Such initiatives are very much in line with the Council's new Promoting Physical Activity Framework that was adopted in July 2016. Examples of some of the projects that Abbeycroft has run are included below with a more detailed list of all projects included in Abbeycroft Leisure's Annual Report that can be found at http://apps.charitycommission.gov.uk/Accounts/Ends38/0001117138_AC_20160331_E_C.pdf.

6.2 **Keep Active:** Successful applications to the Sport England Community Sport Activation Fund has seen key projects delivered in Forest Heath to engage both the older and younger populations within the district with the aim of increasing participation rates in these target groups. £148,000 was secured for a three year period and the initiative will be rolled out to the different communities within Forest Heath over that period. The progress of the scheme is summarised in the text below.

6.3 **Over 55 Population:** Progress to date has seen community engagement sessions taking place in 4 locations throughout the target town of Newmarket – at Exning Church Hall, Newmarket Day Centre, Newmarket Library and Newmarket Leisure Centre. Male and female participants from aged 55 - 92 are participating in the programme. Free taster sessions were used successfully to generate interest in users at the start of the year and begin to build the sessions to a sustainable level of participation. Taster sessions have included bowls, boccia, badminton, short tennis and a resounding favourite, table tennis. The programme is now transitioning from a multi-

activity session to more structured 'single sport' sessions based on feedback. A successful walking football session has been created and these have been followed by the development of Walking Netball.

6.3.2 The key successes for the programme to date are:

- a. Regular users from the age of 55 to 92 attend our sessions, which suggests that the sessions are suited to a large span of age and ability. Activators have been extremely successful in ensuring the attendees experience a variety of sport during the session.
- b. The start-up of the Newmarket walking football session has been a terrific success, even to the point that in May 2016 a team was created and entered (linking with a team from Stowmarket) into the first Ipswich Walking Football tournament organised by the Suffolk F.A. The team made it through the group stage and was knocked out in the Semi-Final by the overall winning team.
- c. Participants are now taking the initiative and taking ownership of the sessions, providing regular feedback to assist in the development of the activity and informing the process for marketing and promotion to attract new people to attend the sessions.
- d. Partnership development between Keep Active and GP Referral Scheme – A developing partnership is being created to support people 55+ remain in physical activity between the Keep Active programme and the GP Exercise on Referral Team at the Leisure Centre. Participants that cite reasons for not using the gym are encouraged to take part in the Keep Active programme and vice versa, participants whom find their confidence in physical activity through Keep Active are now progressing to other activities within the Centre.

6.3.3 The next phase of development of this programme will see the project open in Brandon, with work commencing on this in 2017.

6.4 **14-25 Population:** This element of the programme aims to engage young people in sport and dance in an informal and enjoyable environment, encouraging them to be more physically active and initiate behaviour change. The programme is on target to fulfil commitment in terms of numbers of sessions delivered in Mildenhall, Newmarket and Brandon currently standing at 23 sessions completed in each venue.

6.4.1 The success of the 14-25 activities has been formed through community partnership working between Catch 22, local schools and youth groups. The correct age range has therefore been targeted ensuring programmes are run in the key priority geographical areas working closely with schools and other local youth and sport agencies in order to promote each individual project. The Mildenhall project has already reached its annual target for individual attendees with others making progress.

6.5 **Monday Mums:** Abbeycroft Leisure's partnership programme with Community Midwives operates in West Suffolk and is an antenatal group held at both Newmarket and Bury St Edmunds Leisure Centre. Its purpose is to educate and empower pregnant women who are overweight or obese to support them to have a healthy pregnancy and birth experience. The group

sessions include discussing healthy eating, antenatal education, 1-2-1 consultation with the Midwife and a final half an hour dedicated to exercise.

- 6.5.1 The programme has audited 40 women with positive results and feedback. Average weight gain during the period of the programme was low – averaging 1.46kg. Of the women that did not attend Monday Mums only 53% had a vaginal birth, whereas 86% of women who attended Monday Mums had a vaginal delivery. In addition to this 73% of mums breastfed their children upon discharge from the midwifery service. The programme continues with scope to be replicated across a wider geographical area.
- 6.6 **Exercise on Referral:** The Exercise on Referral Scheme has seen 309 people for the first six months of the 2016/2017 financial year across West Suffolk. The programme has seen positive retention with 51% of those clients who started going on to complete the scheme and 93% of those people remaining active following completion of the programme. Outcomes have included clients reducing blood pressure, weight and even medication. Two case studies demonstrating the results from this scheme are included at **Appendix 4.**
- 6.6.1 With a range of more than 60 referral partners, each scheme has built relationships in many health settings. The coordinator team continue to promote the scheme with a range of outreach centres and activities. These included the Lymphedema Open Day, Osteoporosis Day, Burwell Surgery, Guildhall Surgery, Orchard House Surgery, Pulmonary Rehabilitation West Suffolk Hospital, Staploe Medical Centre, West Suffolk Hospital Physio, Cancer Education Day and many more.
- 6.6.2 The programme has also seen the development of a new partnership with Allied Health Professionals in Brandon whereby the current provider for West Suffolk Clinical Commissioning Group (WSCCG) is co-located at the leisure centre, uses the facilities to assist with treatment and then refers patients to the health and fitness team to continue their rehabilitation at an appropriate point.
- 6.6.3 Future developments include a large training initiative with at least 10 existing fitness staff undertaking an Abbeycroft Leisure funded “Exercise on Referral” course, supported through our training partner YMCAFit. The growth of the scheme is being supported through the establishment of 3 coordinators to oversee its operation. Key responsibilities will be to develop the services on offer such as supervised sessions, aqua gym, aqua exercise classes, falls prevention classes and linking with other programmes such as health walks.
- 6.7 **Mass Participation Events:** Abbeycroft Leisure believe that mass participation events have a role to play in further inspiring people to participate in physical activity that leads to longer term behaviour change. The principle behind this is that an individual can be motivated to participate in physical activity after seeing a high profile event or building a personal connection to an activity through its fundraising purpose. On that basis Abbeycroft Leisure have developed and supported a wide range of high profile events as well as organising local initiatives that engage a broad audience.

- 6.8 **Sport Relief:** Sport Relief is a national initiative that encourages people to take part in swimming, cycling or running to raise money for Comic Relief. This year Abbeycroft Leisure facilities were selected by event organisers after applications were submitted in 2015 for Newmarket, Brandon, Haverhill and Bury St Edmunds Leisure Centres. Events taking place were 1, 3 and 6 mile walk/runs in Brandon and Haverhill and Bury St Edmunds as well as individual and team 1, 2.5 and 5km swims at Newmarket and Haverhill. Total attendance across all sites including running and swimming stood at 330.
- 6.9 **Great East Swim:** Working in partnership with Suffolk County Council, Abbeycroft Leisure delivered a 12 week training programme for 48 inactive 14-25 and 50+ years leading up to the Great East Swim. All achieved a minimum of ½ a mile in the Great East Swim with many completing a mile and continue to remain active after the event. This Programme will extend into Mildenhall in 2017, although it will focus on a different age group.
- 6.10 It is anticipated that the programme of high profile events will expand in Forest Heath during 2017 with final negotiations taking place with regard to two major sporting opportunities. Both of these events will also have a community programme running alongside the event which aims to create exit routes into physical activity opportunities.

7. Business Development and Diversification

- 7.1 Abbeycroft Leisure has actively looked at growth opportunities in order to reduce its core overhead, create economies of scale with suppliers, create new employment opportunities in the sport and physical activity industry and offer more choice to customers.
- 7.2 As a result, Abbeycroft Leisure has grown beyond West Suffolk and has diversified into different markets in response to consumer trends and opportunities presented. The other facilities operated by Abbeycroft Leisure are as follows:
- The Gym Ipswich (Low Cost Gym)
 - The Self Centre, Bury St Edmunds (Health and Wellbeing Facility)
 - The Port of Felixstowe Fitness Centre (Corporate Fitness Facility)
 - Thurston Sports Education Centre (Community Use Sports Facility)
 - Trumpington Community College Sports Centre (Community Use Sports Facility)
- 7.3 In addition to this the organisation has also developed some of its own services that are now operated beyond Suffolk's borders. An example of this is the development of "Explore Outdoor" which is a product that provides schools and businesses the opportunity to develop leadership and team building through the delivering of outdoor pursuits.
- 7.4 The following factors are considered when examining growth opportunities:
- a. The impact on existing relationships with clients and customers and the ability to meet those obligations;
 - b. Ensuring that the opportunity can be serviced and is within reasonable distance of the support infrastructure required;

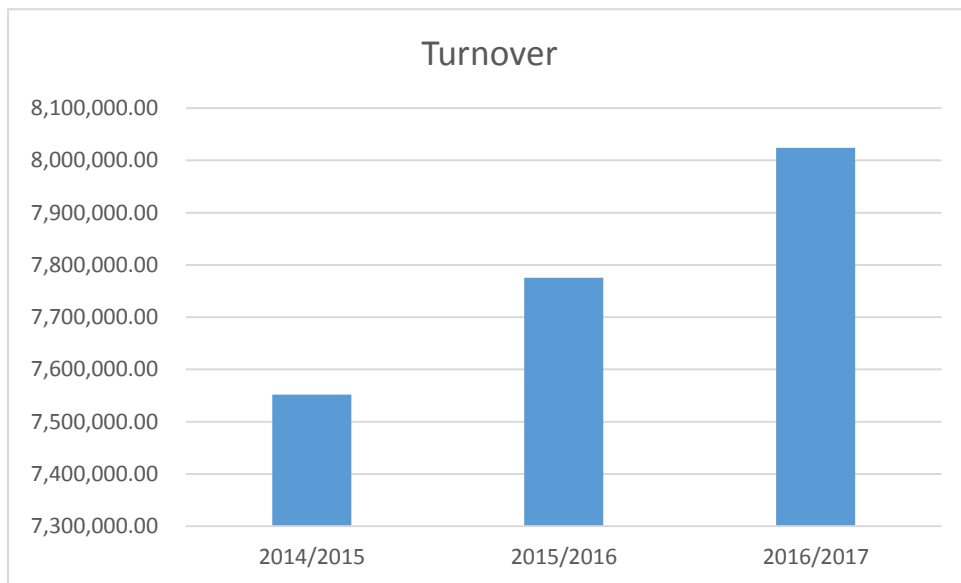
- c. How the development of these services offer more choice to customers;
- d. That the growth is underpinned by strong financially sustainable business plan that does not put other aspects of the charity at risk;
- e. The opportunity to work with a broader range of partners that adds value to everyone involved.

7.5 Abbeycroft will continue to examine growth opportunities but considers West Suffolk as the heart of its work and in fact the biggest growth opportunities to date have been realised within the West Suffolk area.

8. Financial Performance

8.1 A strong financial footing is essential for Abbeycroft Leisure to succeed. As a social enterprise it invests profits back into the services it provides whilst also ensuring that it is as efficient and as effective as possible. Its full financial performance is included in its annual report referred to above.

8.2 Generally the organisation has been successful and continues to grow its overall income base with the graph showing a strong increases in turnover over the past three years.



Please note that 2016/2017 is a forecast figure.

- 8.3 In addition to turnover growth the reliance upon the management fee the Council has paid to ACL and more recently Abbeycroft Leisure has reduced significantly over a period of years as follows:

Year	Management Fee payments by FHDC
2009/2010	£1,044,823
2010/2011	£963,940
2011/2012	£824,048
2012/2013	£753,100
2013/2014	£723,000
2014/2015	£625,500
2015/2016	£523,000
2016/2017	£474,000
2017/2018	£414,000
Total Accumulative Saving	£630,823

- 8.4 When taking account of the management fee reductions across West Suffolk the organisation has grown its turnover in excess of 100% (£4.8 million) since the charity was created which in turn demonstrates how the trust has met the challenge of reducing public sector resources by growing its income base rather than cutting services.

- 8.5 The ability to reduce the management fee has also been supported by investments that have been made in the services to date which are as follows:

Project	Amount	Investment Type
Newmarket Gym Investment	£15,000	Abbeycroft Investment
The Gym Mildenhall	£100,000	FHDC investment for management fee reduction
Legend Installation (Customer Management System)	£30,000	Abbeycroft Investment
Newmarket Leisure Centre – Gym Refurbishment	£204,000	FHDC Investment for management fee reduction.

- 8.6 These investments have enabled Abbeycroft to provide good services and facilities ensuring it remains competitive in a very commercial market place.

8.7 During the 2014/15 financial year Abbeycroft Leisure engaged an independent consultant to review the operation and efficiency of the various facilities across West Suffolk. This enabled the organisation to benchmark each facility and compare it to other operators within the sector. The results of this review are included in Appendix 3 for members to review.

8.8 It is important to note the current lease and management agreement means that the Council is responsible for the fabric of the centres and key capital expenditure such as renewal of swimming pools or heating systems. A 5 year asset management plan sets out planned maintenance and renewal and anticipated cost and the Council makes an annual contribution of £53,000 into that capital fund that is topped up as required. For each facility there is a list of maintenance and repair obligations included in the lease for the property.

9. Strategic Leisure Support and Advice

9.1 In addition to the core work, Abbeycroft provides Strategic Leisure Advice to the Council. The Council is able to benefit from the specialist knowledge of Abbeycroft's Chief Executive and his team when considering leisure related developments or projects. Examples of the support that Abbeycroft has provided in this regard include:

- i. **Built Facilities and Playing Pitch Strategy:** Abbeycroft Leisure led on the development of the review and development of the Built Facilities Strategy and assisted the Leisure Operations Manager with the Playing Pitch Strategy.
- ii. **Mildenhall Hub:** Advice on design of the proposed new facility and working with various stakeholders in the formation of the business plans to date.
- iii. **Promoting Physical Activity Framework:** Support to the Council in developing the new strategy for physical activity.
- iv. **Most Active County and County Sports Partnership:** Represents the Council on these partnerships.
- v. **Sports and Physical Activity Development:** Abbeycroft Leisure have also extended the operation of sports and physical activity development to include the Forest Heath District. This team have been key in securing Sport England funding for the Keep Active initiative.

10. Approaches and costs of other Local Authorities

10.1 A trust model such as this offers a number of benefits to the local authority in that it avoids costly and lengthy procurement exercises nor does it require the same level of contract management that a commercial contract would typically require. However it is essential to understand whether the arrangement offers value for money and delivers the best possible service. In evaluating Abbeycroft's performance and considering a future partnership agreement it is helpful to look at the arrangements other local authorities have to deliver sports and leisure. There are a range of delivery models and

these are summarised in **Appendix 1**.

- 10.2 This table shows a range of provision models from in house to commercial providers to leisure trust and a wide range of costs. The information has been taken from published annual reports and budget statements, and they must be treated with some caution as different approaches can be taken to account for back office costs such as HR, IT and Finance, particularly for in house operators where such costs may be met corporately. As shown by the Council's own figures, cost for maintenance and repair can also be held in different funds. However the information gathered provides a helpful benchmark.
- 10.3 Huntingdonshire DC who own and operate 5 leisure centres including 5 pools, had hoped to achieve an operating surplus, following significant investment into sites to provide a "gold standard" leisure offer. However budget figures show a cost of leisure centre operation of £580,782.
- 10.4 Breckland DC have developed 4 leisure centres under a PFI contract that is costing the authority £1.008m per annum.
- 10.5 Clearly all local authorities are looking at ways to reduce cost and increase income, but the figures indicate that Abbeycroft deliver a broad service offer at a competitive cost and the intention to ultimately reduce the management fee to zero is a direction of travel other Councils aspire to.

11. Challenges

- 11.1 Whilst Abbeycroft have grown their business it is a competitive market and any operator faces a number of challenges, including:
- 11.2 **Workforce – Recruitment:** In recent years the leisure industry has faced increased difficulty recruiting to the sector and this is predominantly due to further and higher education courses now reflecting traditional sport rather than the broader leisure sector. This has resulted in a skills shortage and Abbeycroft Leisure is now working with a broad range of partners to address this locally and sure that the organisation can grow its own staff. This includes:
- a. Partnership with West Suffolk College to further enhance students' qualifications and increases opportunities to gain employment in the sector.
 - b. Abbeycroft Leisure committing to be an Employer Partner for the Chartered Institute of Sport and Physical Activity Management and providing access to a comprehensive continuous professional development scheme.
 - c. The development of an apprenticeship programme providing opportunities to for 10 apprenticeships across all departments.
 - d. Development of the workforce's knowledge and skills within health and wellbeing including a national pilot for Make Every Contact Count Training (MECC) for the Leisure Sector
- 11.2.1 These approaches will ensure that staff have the skills and knowledge to assist the organisation in its next stage of development.

- 11.3 **Workforce- Terms and Conditions:** Abbeycroft Leisure's merger with Anglia Community Leisure has led to the organisation having some slightly different terms and conditions across the organisation with differing pay scales, different approaches to pensions variations in annual leave year etc. The organisation is now progressing an organisational development plan which incorporates not only the development of a new set of terms and conditions but also a better approach to employee engagement which will create a platform for the organisation to develop in the future.
- 11.4 **Funding:** Abbeycroft Leisure has had some success in securing external funding for project delivery in recent years. This has been beneficial in developing successful projects that have produced social outcomes. Whilst opportunities for securing such investment still exist the challenge is ensuring that projects that are producing strong social outcomes are sustainable beyond the pilot phase without having to continuously bid for money. This is an area of work that the trust's stakeholder committee will examine to identify opportunities to develop successful models and where possible embed these into existing services provided to individuals.
- 11.5 **Engagement of the Inactive Population:** Whilst the trust captures the imagination of a broad range of communities there are still many people who remain inactive. The cause of this inactivity is down to a number of complex factors but the trust needs to consider how it will engage hard to reach groups to become active to benefit their quality of life through the broadest range of opportunities possible.
- 11.6 **Competition:** Competition will continue to be a challenge and not purely linked to competitors in the leisure market place but also linked to pressures on people's time and what they choose to do with their leisure time. The trust will need to be able to continue to move rapidly and adapt and change based on consumer trends and the needs of local communities.

12. The Future

- 12.1 **Promoting Physical Activity Framework:** The production of the new framework provides a new set of parameters for Abbeycroft Leisure to work within, focused on outcomes for local communities rather than outputs. Whilst the trust works in partnership with many organisations the new framework will encourage this partnership approach to develop further to create the right services to encourage more people to be active. In addition, the framework will also assist the trust develop its own strategy, policies and initiatives.
- 12.2 **Leisure Facilities:** The Council has agreed to create an investment fund that Abbeycroft Leisure can apply to for capital funding to improve and develop its facilities and reduce operating costs. As such, Abbeycroft Leisure is reviewing the current portfolio of leisure facilities and examining the possibilities for future development on those sites. This work will identify a facility mix that will aid both commercial development, broaden opportunities to co-locate with other stakeholders, engage a broader audience in different forms of physical activity and improve the quality of services to customers. The feasibility work is already underway and will complete in early 2017.

- 12.3 **Consumer Trends:** Abbeycroft Leisure is conducting significant research using customer insight data and market segmentation tools to further inform programming of leisure facilities and the provision of outreach work. This will be complemented by information on local needs and priorities. The outcome expected is to create a community focused physical activity plan that truly meets the needs of local communities whilst also being commercially successful.
- 12.4 **Technology:** The use of technology is more prevalent in society today than ever before. This has brought some interesting opportunities for the leisure industry and there are a wide range of tools available to people to encourage, support and engage people in physical activity. The trust is examining how to harness the use of technology to support and motivate people to engage in physical activity whilst ensuring that face to face interventions are also included where necessary.
- 12.5 **Health and Wellbeing Agenda:** The benefits of physical activity on peoples' health and quality of life are now well documented and this presents an opportunity to engage with organisations and stakeholders within public health, primary care and secondary care settings around the prevention and rehabilitation agenda and reducing the pressures on these services.
- 12.5.1 The trust is actively working in these areas to further develop referral routes for rehabilitation but also working to create opportunities for people to engage in a variety of forms of physical activity early in their life to stop the onset of a variety of medical conditions.
- 12.5.2 Abbeycroft Leisure see this as a core element of their work and are developing their workforce accordingly.

Appendix One: Summary of Leisure Provision in other Local Authorities

Local Authority	Services Offered	Operating Model	Costs per annum (2016/17)	Notes	No of centres	No of pools (main and children's)
Forest Heath DC – Population 63,691 Cost per centre per head of population – £2.76	Newmarket, Brandon and Mildenhall Leisure Centres; Sports Development	Trust	£474,000 + annual contribution to maintenance £53,000		3	2 main pools 1 children's pools
St Edmundsbury BC – Population 112523 Cost per centre per head of population – £2.09	Bury St Edmunds and Haverhill Leisure Centres (and Skyliner Sports Centre from Jan '17) ; Sports Development	Trust	£212, 000 + annual contribution to maintenance £259,350		2	2 main and 4 children's pools
Babergh DC – Population 89,215 Cost per centre per head of population – £5.46	Hadleigh Leisure Centre and Kingfisher leisure centre	South Suffolk Leisure Trust	Operating £225,000 Capital & Improvement £750,000	Contract ends 2031	2	2 main pools 0 children's pools
Breckland DC – Population 135,480 Cost per centre per head of population – £1.86	Parkwood Leisure operates the four leisure centres. All offer a range of sports and fitness activities ranging from team games to racquet sports, fitness classes and swimming tuition (Swimming in Thetford and Dereham only).	PFI (Private Finance Initiative) leisure contract	PFI charge £1,008,660	Contract ends 2039	4	2 main pools 2 children's pools

Local Authority	Services Offered	Operating Model	Costs per annum (2016/17)	Notes	No of centres	No of pools (main and children's)
East Cambs DC – Population 87,306 Cost per centre per head of population – £1.50	A New District Sports Centre being constructed by Pellikann.	Currently all the leisure centres and sport facilities are operated by independent community leisure trusts. GLL (a large leisure trust) will be managing the new facilities.	2016/17 £525,000	Contract ends 2043. All other leisure centres and sport facilities are operated by independent community leisure trusts. <i>Eg Bottisham Sports Centre is operated by Bottisham Village College</i> <i>Burwell Community Sports Centre is operated by Burwell Community Sport Centre Limited</i>	4	2 main pools 0 children's pools
Huntingdonshire DC - Population 174,966 Cost per centre per head of population – £0.92	Five Leisure Centres are provided and managed by Huntingdonshire District Council which include: swimming pools, sports halls, health and fitness and outdoor provision.	In house	£580,782 One Leisure 2016/17 updated budget £222,879 One Leisure Active Lifestyles	In January 2010, five individual leisure centres in Huntingdon, Ramsey, Sawtry, St Ives and St Neots were rebranded as One Leisure. The principal objective of this was to reinforce the use of all One Leisure sites with a single membership.	5	5 main pools 0 children's pools

Local Authority	Services Offered	Operating Model	Costs per annum (2016/17)	Notes	No of centres	No of pools (main and children's)
Ipswich BC – Population 135,600 (Advised that they do not have 2016/17 budget figures) Cost per centre per head of population – £3.11	4 leisure centres, a gym and two pools	In house	2015/16 £1,688,520 (advised that 2016/17 budget not yet available)		4	2 main pools 2 children's pools
Mid Suffolk DC – Population 99632 Cost per centre per head of population – £3.04	Mid Suffolk Leisure Centre and Stradbroke Leisure Centre	Contract with SLM-Everyone Active	Operating £422,000 Capital & Improvement £184,000	Contract ends 2020	2	2 main pools, 2 children's pools
Waveney DC and Suffolk Coastal DC - Population 241,234 Cost per centre per head of population – £0.98	4 leisure centres, a soccer centre and golf course	Trusts – Places for People and Sentinel Leisure	£941,700	Contract ends 2029	4	5 main pools 4 children's pools

Appendix 2: Abbeycroft Governance Arrangements

Board members:

Sarah Howard MBE
David Howells
Anne Greenfield
Diane Saunders
Ian Runnacles
Cllr Terry Clements
Selina Austin
Anthony Preece
Lois Wreathall
Simon Burton

The Board produces an annual report that complies with both companies house and charities commission legislation. The most current report for the year ending March 2016 is a supporting paper to this report and historical reports can be found online on the Charity Commission website

<http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/FinancialHistory.aspx?RegisteredCharityNumber=1117138&SubsidiaryNumber=0>. In addition to its formal reporting the board meets on a quarterly basis to review the performance of the organisation and the effectiveness of initiatives and policies and reviews risks. The board also undertake a review of its five strategy on an annual basis.

The Finance and Business Development Sub-Committee undertake a statutory function with regard to annual reporting but this group also examines any new opportunities to grow existing and new income streams. A current piece of work includes the creation of a trading subsidiary allow it to develop some of the more commercial aspects of the operation.

The Human Resources sub-committee considers organizational development and is currently working through an organizational development plan that incorporates a review of the culture of the organisation and aligning its training programme as well reviewing the current terms and conditions to address the National Living Wage.