



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE AND PERFORMANCE SCRUTINY 17 DECEMBER 2018

WARDS AFFECTED: ALL WARDS

Hinckley Leisure Centre Performance

REPORT OF DIRECTOR (COMMUNITY DIRECTION)

1. PURPOSE OF REPORT

- 1.1 To provide Finance and Performance Scrutiny an update report and presentation on the performance of Hinckley Leisure Centre since its opening in Argents Mead, under the operation of Places Leisure (*formerly Places for People Leisure*) on 6 May 2016.

2. RECOMMENDATION

- 2.1 That, committee acknowledges the performance of Hinckley Leisure Centre as detailed within this report.
- 2.2 That the performance of Hinckley Leisure Centre is reported to Finance and Performance Scrutiny on an annual basis.

3. BACKGROUND TO THE REPORT

- 3.1 In June 2014 Places Leisure were awarded the Leisure Management contract for the Design, Build, Operate and Maintain of the new Hinckley Leisure Centre on Argents Mead, replacing what was the existing facility on Coventry Road.
- 3.2 The contract was signed in September 2014 for a 20 year management period, with construction commencing shortly after.
- 3.3 Hinckley Leisure Centre was built at a cost of £15million.
- 3.4 The state of the art facility, located within the Argents Mead conservation area, includes:-
- 2 community pools, with moveable floors and children's splash zone
 - Wet side village changing
 - Sauna and steam room

- Children's adventure soft play
- 8 court sports hall
- 144 station fitness suite and cycling studio
- 2 large fitness studios
- Multi purpose function room
- Reception area, Café and outdoor seating

- 3.5 The facility opened on 6th May 2016, on time and on budget.
- 3.6 Places Leisure is a leading leisure and wellness partner delivering fitness, sport, health and wellbeing. The business works with 33 Local Authorities, operating 100 leisure centres, to deliver the right kinds of health and physical activity outcomes that make a difference to the lives of people and their communities.
- 3.7 Under the legal requirements of the Leisure Management Contract there are a number of reporting requirements which must be fulfilled by Places Leisure, included in this is the production of monthly Performance reports, enabling council officers to track progress and challenge accordingly.
- 3.8 On 22 February 2018, Council gave consideration to a restricted report which proposed negotiations on the management contract. It was suggested that the terms proposed be accepted as a gesture of goodwill, to retain the relationship and protect the reputation of both organisations (minute no. 374).

4. PERFORMANCE HIGHLIGHTS

- 4.1 There are a number of key highlights to note.
- 4.2 **Participation** - Since opening on 6th May 2016 the leisure centre has had 1.8 million visits with 1.3 million participation in activity. (Data taken up until 31st October 2018) Average monthly footfall has increased by 33% comparing to the old leisure centre.
- 4.3 **Memberships** stand at 3,379 (31/10/18). Fitness membership is at 2,796, Swim 583 and Swim Lessons at 2,047.
- 4.4 **Swimming** performance at the centre is strong. There are 2,047 children and young people attending swimming lessons on a weekly basis with more capacity to grow. The contract includes a free swimming offer which Places Leisure must honour. This includes free swimming for under 8's and free swim sessions for 60+ and this offer contributes to the strong casual swimming output.
- 4.5 **Family offer** - Places Leisure, in line with health and well being objectives of the contract have since opening the facility pursued a family offer for the community. Regular under 5's external providers are now hosted at the leisure centre for example; Didi Rugby, Bare Foot Yoga and Mini Bikers.

The Adventure Soft Play area contributes to addressing our offer for children and families and provided the centre with a unique selling point. This area of the facility performs very well and regularly achieves its income target. Average monthly participation is 1,000 visits, rising to 1,500 across school holiday periods.

- 4.6 **Green Credentials** - The old Hinckley Leisure Centre contributed over 50% of the total CO2 emissions for council premises and its closure and replacement with the

new leisure centre has dramatically reduced emissions. The premises now have a high thermally efficient design with many energy efficiency measures. The new leisure centre has generated 30% less CO2 than the old leisure centre and achieved a 58% reduction in grid electricity.

- 4.7 **Outreach** – Places Leisure undertake regular promotion of its offer to our rural communities. Data informs us that participants from each corner of the borough utilise the Hinckley Leisure Centre.

5. CHALLENGES

- 5.1 It has been no secret that the rise of the 'budget gym' offer in Hinckley town centre, since late 2015, placed a challenge on the leisure centres original bid targets for fitness memberships. In year 1 of the contract, customers were able to consider other local providers.
- 5.2 In November 2017 Places Leisure acquired Simply Gym in the Crescent. Since the start of the year the management team have been working hard to ensure that the acquisition of the fitness facility is aligned to the fitness services offered at Hinckley Leisure Centre. At the start of 2019 both facilities will make changes to align their membership offers. Fitness membership across both sites is 5,500.
- 5.3 There are many variables that can impact both participation and footfall. The weather played a significant role this summer, seeing Pay As You Move swimming hit all time high attendances. However, the previous winter during the period where we saw the 'Beast from the East' participation fell sharply. Our business is inextricably linked to Household Consumer Spending and in recent months has certainly impacted our financial performance. By far the biggest factor is competition.

6. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 6.1 To be taken in open session.

7. FINANCIAL IMPLICATIONS [DW]

- 7.1 The council receives an annual management fee for the provision of the Leisure Centre contract. This income has already been allowed for within the MTFS. The annual fee income for the next five years is summarised in the table below.

	2018-19	2019-20	2020-21	2021-22	2022-23
Management Fee (£)	1,015,747	1012,647	935,809	897,213	934,324

8. LEGAL IMPLICATIONS [FA]

- 8.1 The reporting requirements should be undertaken in accordance with the Leisure Management Contract.

9. CORPORATE PLAN IMPLICATIONS

- 9.1 The services of Hinckley Leisure Centre contribute to all three of the Corporate Plan 2017-2021 aims;
People – Helping people to stay healthy, active and protected from harm.

Places – Creating clean and attractive places to live and work.
Prosperity – Encouraging growth, attracting businesses, improving skills and supporting regeneration.

10. CONSULTATION

- 10.1 As the main key stakeholder, Places Leisure have been consulted on in the production of this report.

11. RISK IMPLICATIONS

- 11.1 There are no significant risks associated with this report.

12. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 12.1 Through the Leisure Management Contract Places Leisure are responsible for ensuring that the service provision of Hinckley Leisure Centre is equitable. Requirement of the contract states the following; *“Hinckley Leisure Centre will provide equitable delivery across the Borough, including the rural areas, targeted delivery to priority communities and social groups.”*

13. CORPORATE IMPLICATIONS

- 13.1 Officers have consulted and engaged with a number of internal service areas in the production of this report, to review Environmental and Asset Management implications.

Background papers: None

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