

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – Communication, Culture, Communities & Facilities

Corporate Services Committee: 11 November 2020

Subject: Annual Performance of West Dunbartonshire Leisure Trust for year to 31 March 2020

1. Purpose

- 1.1** The purpose of this report is to present to Members the annual performance of West Dunbartonshire Leisure Trust (the Trust) during the period 01 April 2019 to 31 March 2020.

2. Recommendations

- 2.1** The Committee is asked to note the contents of this report.

3. Background

- 3.1** West Dunbartonshire Leisure Trust (the Trust) is a company limited by guarantee with charitable status. In addition to being regulated by the Companies Act (2006), the company is also subject to the charities regulator in Scotland, OSCR (Office of the Scottish Charity Regulator).
- 3.2** West Dunbartonshire Leisure Trust was incorporated as a company in December 2011 and started trading on 5th April 2012.
- 3.3** There are nine members of the company who serve as trustees comprising of three (3) West Dunbartonshire Councillors (Partner Trustees), an Employee Representative Trustee and five (5) Independent Trustees. The board of Trustees (who are also directors of West Dunbartonshire Leisure Trust for the purposes of company law) has control of the company subject to providing and operating the services in accordance with the Legal Agreement reached with West Dunbartonshire Council and provides strategic direction to the General Manager and his Management Team.
- 3.4** West Dunbartonshire Leisure Trust is responsible for the strategic and operational management of West Dunbartonshire Council's Sport and Leisure Facilities, Community Facilities, Sports Development, Active Schools, for operation of Outdoor Recreation facilities and for event delivery on behalf of the Council.

- 3.5** In order to ensure that the Council meets its obligations to provide adequate provision of facilities for the residents of the area for recreational, sporting, cultural and social activities in terms of Section 14 of the Local Government and Planning (Scotland) Act 1982, there is a Services Agreement in place between the Council and the Leisure Trust. The Trust is paid a management fee for delivery of the services through an annual funding commitment. In 2019/20 the management fee paid to the Trust was £3.874m.
- 3.6** Council Officers work closely with the Trust to ensure that the organisation delivers services in line with the Council expectations. A variety of Performance Indicators have been agreed between the Leisure Trust and the Council. These cover issues such as participation, customer experience, online engagement, and financial performance. These are reported on by the Trust in their Annual Report.
- 3.7** All Scottish Charities (Trusts) are required by law to prepare annual accounts and submit these to Companies House and to the Office of the Scottish Charity Regulator (OSCR). West Dunbartonshire Leisure Trust complies with this requirement and their audited accounts are submitted accordingly. A copy of the accounts can be found within the Trust's 2019/20 Annual Report (as attached as Appendix 1) and also available to download from the Council's website.
- 3.8** This report is presented to Committee on behalf of the Trust by the Strategic Lead for Communications, Culture, Communities and Facilities (CCCCF) who is the senior officer responsible for monitoring Trust activity on behalf of the Council.

4. Main Issues

Performance Review: April 2019 to March 2020

- 4.1** Annual Performance of the Leisure Trust has been measured against the Strategic Outcomes and associated priorities outlined on pages 14 – 17 of the Trust's Annual Report (Appendix 1). Examples include:
- i) Financial re-investment – the Trust has committed £368k of surplus funds to enhance future services (£118k above the three year target of £250k);
 - ii) Increase participation – A 29% overall increase in participation has been achieved over three years against a target of 25%. This included a 53% increase in dryside activity, and 30% increase in attendances at Community Facilities. This performance coincides with the opening of the new Clydebank Leisure Centre;
 - iii) New services/opportunities – A total of 40 new programmes, projects, events and services have been introduced across all services in the past three years (10% above target of 36);

- iv) Research and Feedback – Telephone Satisfaction Survey recorded 88% satisfaction with Leisure and Community Centres in 2019/20 while a Net Promoter Questionnaires resulted in an annual score of 85 (*No targets set for these measures*);

4.2 In addition, the Trust's delivery of services is measured against a range of performance indicators agreed with the Council.

Overall, the indicators for 2019/20 show a mixed performance by the Leisure Trust with 45% of indicators (8) showing that targets have been met or exceeded, and 55% of indicators (10) where targets were not met. A few examples are outlined below however all the indicators can be seen on pages 11-13 of the aforementioned Annual Report. It should be noted that the emergence of Covid-19 in the final weeks of the financial year had a significant impact on year end figures.

4.2.1 Key Performance Indicators

Indicator	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Actual	Comments
CC1 Wet Activities. No. of attendances per 1,000 population for pools	4,650	4,368	4,594	4,387	4.5% short of target however a 0.4% increase from last year.
CC2 Dry Activities. No. of attendances per 1,000 population for indoor sports & leisure	6,198	7,014	7,154	6,999	2% short of target and a 0.2% decrease from last year.
Overall Usage	1,457,453	1,565,890	1,610,507	1,554,502	3.5% short of target and a 0.7% decrease from last year.

4.2.2 Primarily these reductions were due to a decrease in attendances from late February through to the closure of all facilities/services on 20 March 2020 due to the outbreak of COVID-19. This included 200 membership cancellations, dozens of refunds for pre-paid birthday party bookings, and widespread cancellation of indoor and outdoor football bookings. In addition, there was also a drop-off in pay-as-you-go attendances.

4.2.3 Staff Absence. The tables below show days lost per Full Time Equivalent employee.

Indicator	2017/18 Actual	2018/19 Actual	2019/20 Target	2019/20 Actual	Comments
Staff Absence (Days lost against FTE)	8.42	10.55	7.0	11.78	68% above target and a 11.6% increase from last year

4.2.4 Over 75% of total staff absence was attributed to absences over 20+ days due to underlying health conditions.

4.3 Financial monitoring of the Trust's performance takes place at regular monitoring meetings held between Council officers and Trust management. Financial performance is evaluated by analysing income and expenditure information as compared against the agreed budgets.

Income

4.3.1 The budgeted income target for the Leisure Trust in 2019/20 was £3,844,140. The actual income achieved was £3,909,730 therefore the Trust achieved £65,590 income over budget.

Expenditure

4.3.2 The Trust had a budgeted expenditure figure of £7,717,493 for 2019/20 however actual expenditure amounted at £7,788,122.

Net Profit / Loss

4.3.3 Despite the economic challenges caused by COVID-19 the financial position of the Trust realised a small deficit of £5,039 which was covered by the Trust's reserves.

Reserves

4.3.4 The reserves policy was reviewed in 2019 by the Audit and Risk Committee and a new percentage based target of 7.5% of total expenditure was agreed by the board in November 2019. The target general reserves would be £584,000 under the new policy and was sitting at £735,338 as at 31st March 2020. It should be noted that these reserves will be used in 2020/21 to offset the loss of income that is projected due to the Covid-19 closure and planned reopening with service restrictions and reduced turnover.

Further detail of the Leisure Trust's financial performance for 2019/20 is shown at pages 18 of the Leisure Trust's Annual Report.

4.4 This concludes the review of activity in 2019/20. The next annual review, which will be for 2020/21 will be presented to Committee approximately 12 months from now.

4.5 With regards to activity planned for 2021/22, this will come before Corporate Services Committee in early 2021 when the Trust brings forward its annual

Business Plan for approval. This plan will set out what activity it will deliver on behalf of the Council based on its funding commitment for 2021/22, the views of the Trust Board, and discussions with senior Council officers.

5. People Implications

5.1 There are no people implications relating to this report.

7. Financial and Procurement Implications

7.1 The Trust is paid a Management Fee for delivery of the Services through an annual Funding Commitment from the Council. The Funding Commitment is identified from an annual Delivery Plan that both the Trust and Council agree, and which sets out the resources required by the Trust to deliver the Services.

7.2 The Trust Management Fee for 2019/2020 was agreed at £3,873,790. There was no capital allocation to the Trust for 2019/20.

7.3 Financial monitoring to date indicates that the Trust's financial performance is in line with the agreed Funding Commitment and this is supported by the Trust's independently Audited Accounts.

8. Risk

8.1 The content of this report forms a core element of the Council's monitoring of the Leisure Trust's performance. Failure to gather, report and scrutinise performance in this way would mean the Council was not effectively ensuring it was getting good value for money from the Trust in return for the annual management fee.

8.2 No other risks were identified in relation to this report for the period 2019/20.

9. Equalities Impact Assessment (EIA)

9.1 No issues were identified in relation to this report.

10. Consultation

10.1 The General Manager of the Leisure Trust has been consulted in relation to this report.

10.2 Council Legal, Financial and Procurement officers have been consulted in relation to this report.

11. Strategic Assessment

11.1 This report supports the following strategic priorities:

- Efficient and effective frontline services that improve the everyday lives of residents
- Supported individuals, families and carers living independently and with dignity

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Date: 08 October 2020

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Appendices: West Dunbartonshire Leisure Trust Annual Report 2019/20

Background Papers: None

Wards Affected: All