

## **Item: 8**

**Education, Leisure and Housing Committee: 14 November 2018.**

**Pickaquoy Centre Trust – End of Year Performance.**

**Report by Executive Director of Education, Leisure and Housing.**

### **1. Purpose of Report**

To review Pickaquoy Centre Trust's end of year usage and performance for 2017 to 2018.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

Pickaquoy Centre Trust's end of year usage figures and performance from 2017 to 2018, attached as Appendix 1 to this report, which indicate the following:

- Overall annual usage figures of 463,611 which represents an overall increase of 9% in usage against the same period in 2016 to 2017.
- The main positive variances against targets being gym (including strength and conditioning), group exercise, health suite and spa, other indoor leisure, swimming, climbing and bouldering, soft play, campsite, and sport courses.
- The main negative variances against targets being all-weather pitch use, junior activities, arena sports, cinema, squash, track and infield and grass pitches.

#### **2.2.**

That Pickaquoy Centre Trust's annual accounts for 2017 to 2018 have been submitted and indicate an operating deficit of £324,623.

### **3. Background**

#### **3.1.**

The agreement for the provision of services, known as the Service Agreement forms the basis of the contractual arrangement between the Council and the Pickaquoy Centre Trust. It is based on the requirement in terms of section 14 of the Local Government and Planning (Scotland) Act 1982 for the Council to ensure there is adequate provision for the facilities for the inhabitants of their area for recreational, sporting, cultural and social activities.

## **3.2**

The Council has agreed to make payments to the Pickaquoy Centre Trust for the supply of services as detailed in the Service Agreement. The amount paid for the services is reviewed annually to determine the requisite annual payment for the agreed level of service provision.

## **3.3**

Officers from the Education, Leisure and Housing Services and the Change Programme are working in partnership to review the Service Agreement between the Council and the Pickaquoy Centre Trust, in doing so ensuring it is a more robust and detailed document.

# **4. Monitoring of Pickaquoy Centre Performance**

## **4.1.**

The Council reviews the management fee on an annual basis taking into account the financial settlement and level of service required. The management fee paid by the Council for 2017 to 2018 was £792,600.

## **4.2.**

A comparison has been made with actual usage for the previous years, as detailed in Appendix 1 to this report, which indicates a positive variance of 9% in overall usage of the Pickaquoy Centre.

## **4.3.**

The main positive variances in usage figures are in the gym (including strength and conditioning), group exercise, health suite and spa, other indoor leisure, swimming, climbing and bouldering, soft play, campsite and sport courses. The main negative variances against target are all-weather pitch use, junior activities, arena sports, cinema, squash, track and infield and grass pitches.

## **4.4.**

Performance data for 2017 to 2018 show that a number of areas experienced significant growth in usage with other areas decreasing slightly and overall usage of 463,611 is a year increase in usage of 9%.

## **4.5.**

An analysis of the actual usage figures compared with the same period in 2017 to 2018 indicate that the areas of activity showing the largest increases are as follows:

- Gym (including strength and conditioning) up by 13%.
- Group exercise up by 28%.
- Health suite and spa up by 36%.
- Other outdoor leisure up by 37%.

- Climbing and bouldering up by 22%.
- Indoor soft play up by 8%.
- Swimming up by 11%.
- Sports courses up by 24%.
- Campsite up by 15%.

#### **4.6.**

Analysis of the usage figures also highlight some areas of operation where there has been little or no growth on the previous year, these include:-

- Grass pitches down by 1%.
- Junior activities down by 8%.
- Arena sports down by 10%.
- Cinema down by 11%.
- All weather pitch down by 24%.
- Track and infield down by 6%.
- Squash down by 7%.

#### **4.7.**

The commentary on the variances between 2017 to 2018 usage against 2016 to 2017 actuals has been submitted by the Pickaquooy Centre Trust and is attached as Appendix 2 to this report.

#### **4.8.**

The annual accounts for the period 2017 to 2018, have been submitted and indicate an operating deficit of £324,623. Increases in operating expenditure exceeded the growth in income that arose primarily from the ActiveLife Scheme. The main contributory factors for the deficit are due to a 16% (£218,000) increase in staff costs and a 57% (£77,000) increase in purchases for resale.

## **5. Corporate Governance**

This report relates to governance and performance monitoring processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **6. Financial Implications**

### **6.1.**

The Council paid the Pickaquooy Centre Trust a management fee of £792,600 for 2017 to 2018 to deliver a range of services, subject to the performance targets as set out within the Service agreement being met.

## **6.2.**

In accordance with the Code of Guidance on Funding External Bodies and Following the Public Pound, the Council has a duty to ensure adequate stewardship of Council funds at all times. It should be viewed as good practice that the Council ensures that the necessary systems and controls are in place to protect its investment.

## **7. Legal Aspects**

The Purpose of the Service Agreement is to provide fiscal savings, and in addition gives the Council the opportunity to monitor the Pickaquoy Centre Trust on performance management principles.

## **8. Contact Officers**

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## **9. Appendices**

Appendix 1 – Pickaquoy Centre Trust - Usage Comparisons from 2010 to 2011 to 2016 to 2017.

Appendix 2 – Pickaquoy Centre Trust - Commentary on 2017 to 2018 Usage Against Targets.

PICKAQUOY CENTRE TRUST USAGE COMPARISONS FROM 2010-11 TO 2017-18

APPENDIX 1

Activity	2010 to 2011 Actual	2011 to 2012 Actual	2012 to 2013 Actual	2013 to 2014 Actual	2014 to 2015 Actual	2015 to 2016 Actual	2016 to 2017 Actual	2017 to 2018 Actual	Variance on previous year (2016 to 2017 and 2017 to 2018) Actual	% Variance on previous year (2016 to 2017 and 2017 to 2018) Actual
Gym, Strength & Conditioning	23,612	28,316	27,583	38,948	41,501	45,055	51,434	67,420	15,986	31%
Group Exercise	15,600	29,611	33,616	35,495	34,582	30,423	36,022	46,097	10,075	28%
Junior Activities	45,228	45,572	49,943	79,432	76,335	73,507	72,710	66,867	-5,843	-8%
Sports Courses				15,500	21,222	21,816	19,914	24,760	4,846	24%
Health Suite	10,486	10,630	10,964	14,490	9,917	12,546	16,847	22,881	6,034	36%
Arena Sports	37,228	40,901	47,240	43,780	36,454	40,950	41,618	37,509	-4,109	-10%
Other Indoor Leisure	18,575	13,777	14,500	31,004	13,654	9,526	17,566	24,079	6,513	37%
Cinema	36,469	41,039	35,098	38,416	30,666	36,592	37,166	32,866	-4,300	-11%
Soft Play (Jungle World)	8,677	7,043	4,996	6,432	7,859	9,999	11,558	12,600	1,042	9%
All Weather Pitch	7,924	12,118	6,044	6,194	6,651	6,463	6,241	4,742	-1,499	-24%
Campsite	11,430	10,548	10,258	11,353	10,138	12,932	12,369	14,243	1,874	15%
Track & Infield	5,683	5,258	5,679	8,414	6,696	6,764	8,930	8,394	-536	-6%
Grass Pitches	5,026	6,807	6,233	4,802	5,326	2,039	4,618	4,579	-39	-1%
Swimming				72,525	68,780	71,632	79,334	85,437	6,103	8%
Squash				8,445	7,643	7,125	7,379	6,862	-517	-7%
Climbing & Bouldering				5,091	3,340	1,764	3,503	4,275	772	22%
<b>TOTAL</b>	<b>225,938</b>	<b>251,620</b>	<b>252,154</b>	<b>420,321</b>	<b>380,764</b>	<b>389,133</b>	<b>427,209</b>	<b>463,611</b>	<b>36,402</b>	<b>9%</b>

### THE PICKAQUOY CENTRE TRUST 2017-2018 USAGE AGAINST 2016-2017 ACTUALS

<b>Gym, Strength &amp; Conditioning &amp; Functional Training</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants attending the Gym areas	51,434	67,420	15,986 (31%)

Relocation of gym back to Grainbank Gallery attracted back users plus full year impact of ActiveLife member usage is now apparent.

<b>Group Exercise Classes</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants attending Group-X Classes	36,022	46,097	10,075 (28%)

Addition of new classes to timetable in light of ActiveLife plus full year impact of ActiveLife member usage.

<b>Junior Activities</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of juniors attending activities	72,710	66,867	-5,843 (-8%)

Delivery is mostly through clubs. There is a reliance on Duty Managers to record head counts for all club bookings, due to nature of the role this perhaps cannot be relied upon fully. There is a possibility of exploring the option of clubs providing this data for more accuracy.

<b>Sports Courses</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants Learn to Swim, gymnastics etc.	19,914	24,760	4,846 (24%)

Additional classes where possible have been added to the sports courses programme to address the waiting list. However, space and availability are still an issue currently.

<b>Health Suite</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants using the Health Suite	16,847	22,881	6,034 (36%)

Continued growth with ActiveLife membership and completed refurbishment of dry-side treatment rooms and sunbed.

<b>Arena Sports</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of sports participants using the Arena	41,618	37,509	-4,109 (-10%)

The drop in usage can be attributed to a 3-week arena shut down for maintenance work (although this was not carried out in the end, only limited casual use was recorded during this period). Increase in event bookings has affected clubs who have bookings over the weekends mostly being affected by this increase.

<b>Other Indoor Leisure Activities</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Other indoor leisure activities	17,566	24,079	6,513 (37%)

Additional events and increase in room bookings.

<b>Cinema</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of customers visiting the cinema	37,166	32,866	-4,300 (11%)

Usage has dropped due to an apparent lack of perceived blockbusters and an increase in home entertainment packages may also be responsible.

<b>Soft Play – Jungle World</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants attending indoor soft play	11,558	12,600	1,042 (9%)

Inclusion of inflatables was introduced due to demand from ActiveLife.

<b>All Weather Pitch (AWP)</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants using the AWP	6,241	4,742	-1,499 (-24%)

Mainly hockey club use. Full impact of KGS 3G facilities could be responsible for loss of other sports usage.

<b>Campsite</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants staying on the campsite	12,369	14,243	1874 (15%)

Tourism on the rise, reflected in short stays on the campsite.

<b>Track &amp; Infield</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants using the track & infield	8,930	8,394	-536 (-6%)

Most likely weather related cancellations – unplayable pitch.

<b>Grass Pitches</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants using the grass pitches	4,618	4,579	-39 (-1%)

No significant change in club usage.

<b>Swimming</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants using the swimming pool	79,334	85,437	6,103 (8%)

Additional adult and junior use continues to climb due to ActiveLife.

<b>Squash</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants playing squash	7,379	6,862	-517 (-7%)

Mostly delivered through club programme which has seen no significant membership growth, this could be due to ActiveLife membership.

<b>Climbing &amp; Bouldering</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
Number of participants climbing and bouldering	3,503	4,275	772 (22%)

Continued growth due to ActiveLife has seen usage increase through available public sessions.

<b>Total usage</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>Variance</b>
	427,209	463,611	36,402 (9%)

Prepared by: Pickaquoy Centre Trust – Senior Management Team