

Item: 6

Education, Leisure and Housing Committee: 28 March 2018.

Pickaquoy Centre Trust - End Year Performance Monitoring.

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 2016 to 2017.

2. Recommendations

The Committee is invited to note:

2.1.

Pickaquoy Centre Trust's end of year usage figures and performance for 2016 to 2017, as detailed in Appendix 1 to this report, which indicate the following:

- Overall annual usage figures of 427,209 which represents an overall increase of 10% in usage against the same period in 2015 to 2016.
- 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 and grass pitches.
- The main negative variances against targets being sports courses, campsite and all-weather pitch use.

3. Policy Aspects

In terms of the Council Plan 2013 to 2018, the principles contained within this report adhere to Priority 2, "Promote successful, thriving communities".

4. Background

4.1.

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 facilities for the inhabitants of their area for recreational, sporting, cultural and social activities.

4.2.

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.

5. Monitoring of Pickaquoy Centre Performance

5.1.

The Council reviews the management fee on an annual basis taking into account the financial settlement and the level of service required. The management fee paid by the Council for 2016 to 2017 was £812,600.

5.2.

A comparison has been made with the actual usage figures against target, along with actual usage trends for the previous years, as detailed in Appendix 1 to this report.

5.3.

The main positive variances against targets are gym (including strength and conditioning), group exercise, health suite and spa, other indoor leisure, swimming, climbing and bouldering and grass pitches. The main negative variances against target are sports courses, campsite and the all-weather pitch.

5.4.

Performance against targets set for 2016 to 2017 show that in the main the targets were exceeded and overall usage of 427,209 exceeds the target of 389,200 by 38,009 or 10%.

5.5.

An analysis of the actual usage of the Pickaquoy Centre Trust's usage figures compared with the same period in 2015/16 indicated that the areas of activity showing the largest increase are as follows:

- Gym (including strength and conditioning) up by 14%.
- Group exercise up by 18%.
- Health suite and spa up by 34%.
- Other indoor leisure up by 84%.
- Climbing and bouldering up by 99%.
- Grass pitches up by 126%.
- Indoor soft play up by 16%.
- Track and infield up by 32% and
- Swimming up by 11%.

5.6.

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

- Sports courses down by 9%.
- All weather pitch down by 3%.
- Campsite down by 4%.

5.7.

A commentary on the variances against targets has been submitted by the Pickaquoy Centre Trust and is attached as Appendix 2 to this report.

5.8.

The annual accounts for the period 2016 to 2017 indicate an operating deficit of £75,614 which is an improvement from the previous year where a deficit of £117,663 was reported. One of the contributory factors for the deficit stated above is due to increased repairs and maintenance costs.

6. Financial Implications

6.1.

The Council paid the Pickaquoy Centre Trust a management fee of £812,600 for 2016 to 2017 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 2016 to 2017 Usage Against Targets.