

29th February 2024

Agenda Item No.

Fife Sports and Leisure Trust (FSLT)- Annual Performance Report

Report by: Paul Vaughan, Head of Communities and Neighbourhoods

Wards Affected: All

Purpose

The purpose of the report is to review the performance of Fife Sports and Leisure Trust for 2022/23, its fifteenth year of operation.

Recommendation(s)

Members are asked to consider and review the Fife Sports and Leisure Trust performance information.

Resource Implications

There are no specific resource implications.

Legal & Risk Implications

There are no legal and risk implications.

Impact Assessment

An Equality Impact Assessment is not required as this is an annual report on the performance of FSLT.

Consultation

FSLT's Annual Report and Accounts for 22/23 was approved by the FSLT Board and accepted by the Council, as the sole member of FSLT at its Annual General Meeting on 13th October 2023.

1.0 Background

- 1.1 FSLT commenced trading on 1st April 2008, as a company limited by guarantee, with charitable status. Fife Council is the sole member of the registered company.
- 1.2 FSLT is a non-profit distributing company which is able to retain and invest any surpluses it generates to improve the services and programmes it provides to communities across Fife. A Board of thirteen Directors govern the company and gives strategic guidance and support to the Chief Executive Officer and the Executive Management Team. The Board consists of six Partner Directors (appointed Elected Members of Fife Council) and seven independent Directors.
- 1.3 FSLT has a Services Agreement to deliver services from the fourteen facilities it manages on behalf of the Council in line with a service specification which requires FSLT to deliver its service in three key strategic areas:
 - Widening the level of participation in sports and active recreation.
 - Developing opportunities and pathways for people to take up and fulfil their potential in sport.
 - Providing good quality, adequately resourced facilities and services, which meet the needs and aspirations of the people of Fife.
- 1.4 The continued funding support from Fife Council in addition to the Core Services Fee allowed FSLT to open all of its facilities, all be it with reduced operating hours at some venues, a position not widely replicated across the Scottish Public Leisure Sector to provide the best possible recovery position for FSLT and best serve the needs of the community to allow them to become more active more often, particularly after the impact of a pandemic.

2.0 Review of the Year

- 2.1 For 2022/23 the focus was on getting people active and engaged back in our centres, increasing footfall providing vital, health and wellbeing and social support that our customers need and want. The key highlights and testimonials from customers and staff are included in the FSLT 2022/23 Performance Review contained within Appendix 1 of this report.

Health and Wellbeing Programmes

- 2.2 The Trust's health and wellbeing programmes have always been about supporting those with a health condition to safely engage in physical activity. The impact of the pandemic, and the adaptations made to continue to support people during those challenging times, provided useful learning about how best to serve the residents of Fife and further condition-specific specialist programmes have been developed as a result.
- 2.3 The Trust works in partnership with Fife Health and Social Care, on developing further programmes and looking to increase effectiveness by expanding the range of specialist classes provided. Along with programmes for those with a cancer diagnosis, or living with heart disease, a new programme focused on falls prevention is being developed. Physical activity is vital: it has been shown to prevent disease, lower the risk of falls, improve mental health and wellbeing, and class participation also provides important social benefits.

- 2.4 A number of key projects were delivered during the year:
- Active Move – Supporting those with a cancer diagnosis.
 - Get moving with Counterweight – a referral programme on weight management to counter the effects of diabetes.
 - Winter Wellness cafes – to provide warm social spaces in a difficult economic period and promote physical activity.

Increasing access to physical activity

- 2.5 A key priority for FSLT is encouraging children and young people to get active, through positive experiences, growing their confidence and ability, and motivating them towards healthy life choices. At a time when household budgets are stretched through the cost-of-living crisis, increasing access to physical activity is hugely important if the Trust is to serve the communities of Fife well.
- 2.6 Through the school holiday periods, initiatives supported increased access such as the summer free swimming programme and Quid-a-Kid promotions, which saw over 49,000 attendances and 5,000 attendances respectively, a 24.65% increase on the previous year, with attendances improving across seven of nine venues. This provision was repeated for the October schools break and saw over 11,700 attendances for free swimming and nearly 2,000 attendances for Quid-a-Kid.
- 2.7 Fife Council provided Winter Concessionary funding to support families throughout Fife, many of whom faced tough decisions about their financial priorities. This support made it possible for children to engage in 'Splash out for Nowt', an initiative that allowed juniors, aged 17 and under, to swim for free. In the first three months of 2023, we had over 42,000 visits for this initiative.
- 2.8 During the year the Trust also launched a specially designed programme to support youngsters living in kinship, in recognition of the financial barriers they can face to accessing physical activity. The programme offered funded places to our multi-sports Active Kidz camps, as well as gym induction sessions and two months free membership to access our sport and leisure facilities. The Trust also offered free swimming lessons for a 12-month period. This targeted help was a valuable way to support children in kinship care to be active in a safe, fun and nurturing environment, and enjoy the social and health benefits that their peers experience more easily.

Operational Recovery and Growth

- 2.9 To measure the recovery rate of each of the venues, and FSLT overall, FSLT used figures from the last full year of business (2019/20) as a benchmark. Overall, for the full year of 2022/23, 90% recovery rate was achieved by the end of March. FSLT achieved 2,277,379 attendances overall, a significant improvement of over 570,000 visits in relation to the previous year, with recovery rates of 96% for wetside attendances, an 82% recovery rate for dryside and 98% recovery rate for outdoor attendances.
- 2.10 The Learn to Swim programme also went from strength to strength with over 8,000 learners by the end of the year, with the inclusion of a pilot programme for FSLT to deliver the Community Use of Schools swimming programme for the first time, and ongoing work with Active Schools saw funded provision for young people in the programme for those who might not otherwise be able to participate.

- 2.11 FSLT was recognised for its delivery of the programme by being selected as a finalist in the “Provider of the Year” category by Scottish Swimming, the national governing body for the sport.
- 2.12 Work has been ongoing to develop the recovery of group fitness and the gym product, which had seen major changes in the fitness landscape since the pandemic, with more alternative exercise methods being developed at that time, in particular, with exercise at home due to the development of online classes and other outdoor fitness replacing traditional fitness classes during the pandemic restrictions. Developing an attractive fitness programme, in the competitive marketplace, FSLT has to continually review and offer new products and a new studio was developed to deliver a more social and connected way to inspire customers to improve their fitness levels.
- 2.13 A new fitness programme for teenagers was also introduced, under the “Teen Rebel” banner and in partnership with Kingdom Works, the employability project supported by Kingdom Housing Association, jobseekers over the age of 19 were given the opportunity to attend fitness classes at Michael Woods Leisure Centre for free, as well as having Kingdom Works on hand to provide advice and support.
- 2.14 Access to gyms are also really important for many people across Fife and FSLT looks for new and imaginative ways to extend its gym capacity. During the year the size of the gym provision at Cupar Leisure Centre was doubled by repurposing an under-used squash court into a permanent circuit gym to provide customers with more variety and access to new equipment for their workouts.
- 2.15 A key focus for the year was to build back Leisure Active Memberships and a good result was achieved with a recovery rate of 93%, in particular when the impact of the economy on the customer’s disposable income is considered and in particular, was impacting on the leisure membership across the fitness sector. The membership product achieved over 12,600 members, approximately 1,000 below the level at the start of the pandemic.

Enhancing the Customer Experience

- 2.16 During the year a Customer Charter and Customer Evaluation Programme was developed to define FSLT’s commitment to customer service and take on feedback from customers to ensure the right services are being provided in the right way. This also includes a mystery visit programme across all of the venues.
- 2.17 Results from the Customer Satisfaction Survey reviews key business areas across categories such as staffing, catering, quality and cleanliness. Over 4,400 responses were received from customers during 22/23, with “overall satisfaction” at 86%, and “High Satisfaction” at 57%. The survey helps to highlight areas for service improvement so the FSLT can improve its standards and approach.

3.0 Plan 4 Fife

- 3.1 FSLT supports the Council's Journey towards a Fairer Fife by providing:
Opportunities for all
- 3.2 Concessionary rates and free access to health and physical activities within the centres targeted to those most in need financially, such as those with long-term health conditions right through to providing support for talented athletes.

Thriving Places

- 3.3 Access to facilities for a huge range of clubs and programmes targeted to provide support for those who need it and access such as respite for people with caring responsibilities who need to look after their own health and physical activity levels.

Inclusive Growth and Jobs

- 3.4 Promotion of corporate packages for local businesses to promote a healthy workforce and delivery of work-based placements from schools and providing opportunities for the people of Fife to develop their skills and come and work for FSLT.

Community Led Services

- 3.5 Partnerships with local organisations such as health and social care partnership and other local organisation to provide opportunities to improve essential services, with the impact of health and physical activity creating cost avoidance for other public authority partners such as social work and the NHS, which is vital to deliver the best value for public services.
- 3.6 Partnership working with Fife Council to achieve more locally based – joined-up services to deliver the same quality service to whoever provides it at the required point of use The pilot of Delivery of swimming lessons in Community Use Schools is a good example.
- 3.7 The 21-24 focused priorities for community wealth building are supported by FSLT in the following ways:

Tackling poverty and preventing Crisis

- 3.8 As well as the opportunities highlighted in this section of the report the covid recovery funding provided free access to swimming and also lessons for those most in need and centres opened up social spaces called winter wellness cafes to assist those in need due to crisis or lack of social interaction. FSLT continues to ensure that it has products and services that can be accessed by all.

Leading the economic recovery

- 3.9 Funding places and opportunities to allow young people and adults to start their career with FSLT following access to free training helps people to get work ready, enhance their prospects and employability with local employers while also tackling poverty, helps people to contribute more effectively to the local economic recovery. By being given funding to allow the trust to open all of its facilities and retain all its staff it makes a significant contribution to economic recovery overall.

4.0 Financial Review

- 4.1 In the course of a normal year, almost 80% of the Trust's funding would come from paying customers and an element of grant funding, with the remainder coming from Fife Council in the form of a fee to operate the leisure centres on the Council's behalf, fund specific Council priorities and ensure that the Trust can promote its charitable objects, in particular enabling the Trust to provide affordable access for all.
- 4.2 At the time the budget was placed before Directors in March 2022 there was a continuing challenge to assess how income would recover and at what rate, taking into account the economic conditions and the impact of inflationary pressures on our customers' disposable income.

- 4.3 We are pleased to report that the levels of income generated for the year exceeded budget expectations by over £1million, generating £8.2million, a 22% increase over the previous year's results, and overall reduced the total level of support from Fife Council to £4.1million for the year.
- 4.4 Budgets are regularly being realigned to react to changes as the Trust seeks to maximise its recovery and adapt to the changing needs of the customer in a challenging economy. It is difficult to accurately predict the path to full recovery, however, indications are that the full-year effect of income growth achieved so far has consolidated going forward and the Trust is continuing to change its offering to ensure that it can maximise attendance and income ensuring that products continue to meet expectations and its pre-pandemic targets by the end of the year. Work is ongoing throughout 23/24 on new products and a new membership offering to be launched towards the end of the financial year to maximise the income potential.
- 4.5 Average Income per visit stayed broadly in line with last year at £3.69 (2021-22 £3.70), another fantastic achievement in the current financial climate, and demonstrating the continued commitment of our customers.
- 4.6 The increased level of attendance achieved during 2022/23 reduced the Fife Council subsidy per head from £2.47 in 2021-22 to £1.85 for this year, a 25% reduction overall.

5.0 Future Challenges and Plans

- 5.1 Work was ongoing during 2022/23 to refocus the strategic direction of FSLT Board and Committees and towards the end of the year a new fourth Strategic pillar was introduced, "Develop Our People" recognising the importance of our People resource, adding to the existing pillars of: "Improving the Customer Experience", "Growing the Business" and "Making a Difference". This new pillar ensures the business has a resilient workforce and can adapt to the current recruitment challenges post -covid ensuring FSLT is seen as an employer of choice and that it has the staffing resource it needs to deliver its services.
- 5.2 As a result of this change the Committee Structure was realigned to more closely link to the four strategic pillars with new main committees as follows: People Committee, Awareness Health and Impact Committee, Service Performance Committee and the Governance and Compliance Committee. This allows for some delegated decision – making at committees, freeing up the Board Meeting to take a more strategic view of the business and the key decisions required in this vital final period to recover to pre-pandemic levels of attendances and also income and subsequently develop the business further into a sustainable business which can react to the changing environment in which it operates.
- 5.3 Towards the end of the year the Trust refreshed the 2022-25 business plan, updating the plan after a further years' experience post-covid and with the progress during 2022-23 determining the best way to proceed, grow and develop through the next two years, 2023-25.
- 5.4 The overarching vision, to make a difference by 'supporting Fife communities to become and stay active' is as important as ever. To achieve this vision, the Trust must provide a breadth of well-managed, high-quality services and develop those services to deliver what people need and want. This requires a strong financial base, commitment of staff, and support from Fife Council.

- 5.5 The focus must be on positively impacting the health and wellbeing of the people of Fife, encouraging as many as possible to participate in physical activity and sport, including those living with long term health conditions. It will be essential that resources are targeted to those who most need support and to ensure that affordability is not a barrier to participation.
- 5.6 This plan demonstrates our direction of travel towards our vision and details how the Trust can serve the people of Fife while creating a strong and successful business.
- 5.7 The focus for 23-24 using the principles of the 4DX model experience gained working in partnership with Fife Council is to fully recover pre-pandemic attendances in a “Back to 100” project and consequently seek to fully recover our income levels from 24/25 onwards as there continues to be ongoing growth required 2023/24 to achieve that goal. The 23-25 Business Plan: Moving Forward Together outlines the key areas of business pressures:
- Reduction in the management fee due to local authority funding pressures
 - The impact of the current economic climate
 - Market competition and pricing.
 - High customer expectations – changing demands from the customer looking for more services at less cost.
 - Workforce retention and staff development to ensure FSLT delivers quality services.
- 5.8 A refreshed membership model will be developed along with a number of other strategic projects to strengthen the business and react to these pressures, with key performance measures being implemented to ensure projects are delivered efficiently and effectively.

6.0 Performance Measures

- 6.1 As part of the Local Government Benchmarking framework there is a requirement to return Statutory performance Indicators under three categories:
- Number of attendances for all pools – 1,098,006
 - Number of attendances for indoor sport and leisure facilities excluding pools – 1,304,970
 - Number of attendances at outdoor facilities – 687,145
- 6.2 A breakdown of overall attendances per centre has been provided at Appendix 2 to provide context on the level of attendances achievable in normal years prior to pandemic and to demonstrate the journey of recovery to pre-pandemic attendance levels.
- 6.3 The internal Financial Benchmarking information is also provided at Appendix 3 to provide background on the level of subsidy provided by the Services Fee from Fife Council since the inception of FSLT.

7.0 Conclusion

- 7.1 The first full year of operations following the full removal of pandemic restrictions achieved almost 2.28 million attendances with recovery reaching 90% of pre-

pandemic levels of attendances, highlights of the year are included within the 22-23 performance review attached in Appendix 1.

- 7.2 The overall support from the council reduced considerably from a budgeted position of £5.3m to £4.4m as FSLT managed to avoid the impact of the economy on customer discretionary spend. average Income per visit stayed broadly in line with last year at £3.69 (2021-22 £3.70), another fantastic achievement in the current financial climate, and demonstrating the continued commitment of our customers.
- 7.3 The increased level of attendance achieved during 2022/23 reduced the Fife Council subsidy per head from £2.47 in 2021-22 to £1.85 for this year, a 25% reduction overall. primarily due to the significant growth in attendances and increased customer income.
- 7.4 The deficit funding support from the Council allowed the Trust to continue to work hard on recovering the footfall in centres and allowing the business to thrive.
- 7.5 The additional COVID recovery funding in particular provided access to centres for a number of participants for the first time with free access and new social initiatives which sought to widen the appeal of FSLT and also meet the Council objectives within the Plan 4 Fife and FSLT's charitable objective of affordable access for all.
- 7.6 FSLT continues to work closely with the Council, to agree a sustainable funding model for the Trust going forward and to explore how best the Trust and the Council can work together to jointly provide sports and leisure facilities and activities which are fit for purpose and the most efficient and effective use of local authority funding available for the provision of sports and physical activity to meet the needs of the people of Fife.
- 7.7 FSLT's 23-25 Business Plan: Moving Forward Together identifies the way forward for 23-24, and the key projects and performance measures to return the business to pre-pandemic attendance and income levels.

List of Appendices

1. Comparative five-year facility attendances
2. Comparative Performance Benchmarking

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973: -

- The Report and financial statements for the year ended 31st March 2023 can be viewed online at <https://www.fifeleisure-org.uk>.

Report Contact

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FIFE SPORTS AND LEISURE TRUST
Leisure Information Management System
Attendance Comparison - Venues
Per Financial Year - Up To March

Venue	18/19	19/20	20/21	21/22	22/23	Difference	%age
Beacon	147649	136276	956	64551	108304	43753	67.78%
Bowhill	64761	58133	4616	39102	44702	5600	14.32%
Carnegie	445695	460065	46483	281344	422532	141188	50.18%
Cowdenbeath	206260	202257	24414	146427	175170	28743	19.63%
Cupar	143863	134076	20711	102706	120581	17875	17.40%
Dalgety Bay	140196	160840	23249	101710	129920	28210	27.74%
Dulloch	163334	157729	15727	98976	126990	28014	28.30%
East Sands	132314	127717	12258	74635	101467	26832	35.95%
Kirkcaldy	289064	253646	35025	178294	235637	57343	32.16%
Levenmouth	98651	190175	14172	132295	201725	69430	52.48%
Lumphinnans	38062	44806	6043	24829	24367	-462	-1.86%
Michael Woods	580814	545904	80772	391745	483683	91938	23.47%
Pitreavie	39186	33626	5459	30951	38613	7662	24.76%
Waterstone Crook	28310	25663	2824	18072	23037	4965	27.47%
Outreach		2890		829	1537	708	85.40%
Community Use				19630	39114	19484	99.26%
TOTAL	2518159	2533803	292709	1706096	2277379	571283	100.00%

Fife Sports and Leisure Trust
Annual Financial Performance Measures

Year	Expenditure*	Visits	Cost per Visit	Management Fee	Mgt Fee %	Income (Excl Mgt Fee)*	Inc per Visit	Mgt Fee Subsidy per Visit	Staff Costs	% Staff Cost	Staff Cost per Visit	Recovery Rate	Income as % of Emp Costs	New	New
														Total Subsidy (Mgt Fee +Deficit)	Total Subsidy per visit
2008-09	£8,411,513	1,822,780	£4.61	£5,632,299	60%	£3,831,875	£2.10	£3.09	£7,130,381	85%	£3.91	46%	54%		£0.00
2009-10	£9,147,282	1,564,687	£5.85	£6,078,467	62%	£3,744,092	£2.39	£3.88	£7,462,283	82%	£4.77	41%	50%		£0.00
2010-11	£9,368,314	1,891,868	£4.95	£5,546,512	55%	£4,628,036	£2.45	£2.93	£7,471,886	80%	£3.95	49%	62%		£0.00
2011-12	£10,499,609	2,039,418	£5.15	£3,905,829	41%	£5,643,665	£2.77	£1.92	£8,089,992	77%	£3.97	54%	70%		£0.00
2012-13	£10,277,000	2,114,840	£4.86	£3,395,000	35%	£6,441,000	£3.05	£1.61	£7,990,000	78%	£3.78	63%	81%		£0.00
2013-14	£11,192,185	2,433,648	£4.60	£3,163,923	30%	£7,217,772	£2.97	£1.30	£8,267,678	74%	£3.40	64%	87%		£0.00
2014-15	£11,816,817	2,609,424	£4.53	£2,733,509	25%	£8,222,037	£3.15	£1.05	£9,074,118	77%	£3.48	70%	91%		£0.00
2015-16	£11,253,305	2,673,064	£4.21	£2,706,026	24%	£8,726,228	£3.26	£1.01	£8,596,523	76%	£3.22	78%	102%		£0.00
2016-17	£11,749,432	2,692,894	£4.36	£2,343,396	21%	£8,975,290	£3.33	£0.87	£8,992,520	77%	£3.34	76%	100%	£2,559,522	£0.95
2017-18	£11,595,337	2,575,688	£4.50	£2,202,328	20%	£9,008,782	£3.50	£0.86	£9,162,841	79%	£3.56	78%	98%	£2,544,476	£0.99
2018-19	£11,707,677	2,518,159	£4.65	£2,270,290	21%	£8,634,186	£3.43	£0.90	£9,094,919	78%	£3.61	74%	95%	£3,047,924	£1.21
2019-20	£11,797,194	2,533,803	£4.66	£2,478,288	22%	£8,681,536	£3.43	£0.98	£9,261,042	79%	£3.65	74%	94%	£2,967,239	£1.17
2020-21	£9,494,519	292,709	£32.44	£5,353,288	82%	1,199,362.00	£4.10	£18.29	£8,331,323	88%	£28.46	13%	14%	£5,353,288	£18.29
2021-22	£9,666,640	1,706,096	£5.67	£4,211,152	40%	6,312,759.16	£3.70	£2.47	£9,176,463	95%	£5.38	65%	69%	£4,211,152	£2.47
2022-23 (subject to audit)	£12,355,504	2,227,379	£5.55	£4,126,480	33%	8,229,023.96	£3.69	£1.85	£9,628,449	78%	£4.32	67%	85%	£4,126,480	£1.85

* Expenditure and Income exclude In Kind Support from Fife Council and accounting adjustment for pension costs and for 20/21 and 21/22 CJRS income and other grant income.