# Pembrokeshire County Council

# Leisure Strategy

# 2018-2028




## FOREWORD

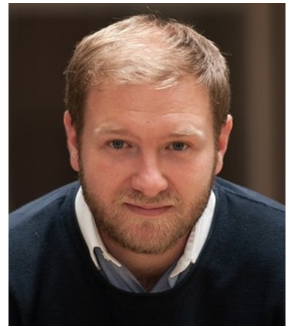
This Leisure Strategy sets out a Vision to guide the improvement of leisure services over the next 10 years. In writing this document, we have considered some of the most pressing issues of our time - an ageing society with growing health inequalities, sedentary behaviour on the increase, rising obesity levels, a National Health Service struggling to cope and seemingly endless public service austerity which threatens the future of good quality public service provision. Within these pages we outline how we intend to address some of these issues within Pembrokeshire; how we will not just survive but thrive, and in doing so, inspire our communities to become the most active in Pembrokeshire.

We know leisure services are important and that they make a real contribution towards achieving our well-being objectives. However like the rest of the public sector, we are continuing to grapple with sustained budget reductions and these financial pressures are likely to continue for at least another four years. Given that fact, we've a stark choice. We could close leisure centres, reduce provision for residents and scale back our investment. Alternatively, we could be brave. We could invest in our facilities and our services, get more of our residents through the doors of our leisure centres and seek new sources of income, providing a wider range of improved services to residents and visitors alike.

This strategy sets out the braver course. You can expect to see investment in flagship sport and leisure sites across Pembrokeshire, a deal with communities to fund new facilities and a step change in how we put our users front and centre of all that we do.

Currently, our residents are more active than people in all bar three other local authorities in Wales. In 2028, I know that's going to be all bar none.

**Councillor Paul Miller, Portfolio Holder, Economy, Tourism, Leisure and Culture**



## Mission Statement

We exist to provide a broad range of high quality, inclusive, fun and engaging Leisure Services which boost the physical, social, and emotional health and well-being of users.

We take active steps to engage with people of all ages, backgrounds and abilities to ensure that everybody in Pembrokeshire can benefit.



## Vision

By 2028 we will have inspired our communities to be the most active in Wales

### Aim One:

To provide excellent quality facilities and services

### Aim Two:

To create an inclusive leisure service, removing barriers that prevent some people from accessing leisure services

### Aim Three:

To maximise our efficiency and grow participation/revenue to ensure a sustainable future

### Aim Four:

To develop and deliver services which improve the physical, social, and emotional health and well-being of users

## Our Objectives

**01** To achieve and maintain at least good Quest assessments in at least five of our facilities

**02** To develop our workforce to ensure they have the skills and behaviours needed to take the service to the next level

**03** To improve the efficiency, timeliness and quality of our maintenance regime and put in place long-term plans to replace/upgrade equipment/facilities in line with industry standards

**04** Research and better understand the barriers (both real and perceived) that prevent some groups and individuals from engaging with our services

**05** Act on the findings of the research (objective 4) which could involve changes to: pricing structure/options, service provision, targeted outreach activity, targeted marketing activity, the creation of new partnerships, grant funded pilot projects, et cetera

**06** Modernise the service's approach to marketing through investment and exploitation of new technologies, and smarter use of data

**07** Develop invest to generate business cases relating to facility enhancement and new ventures. Deliver those that financially stack up

**08** Develop a medium-term membership and charging structure reflecting planned investments/improvements

**09** Investigate, and deliver where appropriate, technology-led and 'green' efficiency opportunities, and maximise concession contract values

**10** Develop a range of non-sport activities/programmes that contribute to the wider leisure needs of citizens and communities

**11** Further develop and broaden our health and well-being programme of activities including targeting informal and social use of our facilities

**12** Maintain, develop and enhance strategic partnerships and seek to influence policy at national level

**13** Promote and facilitate high performance and excellence, e.g. supporting an annual sports awards event



## STRATEGIC CONTEXT

Our strategy takes into account and reflects the overall provision of 'leisure' in the County, to align with the local market and attractions, provision by sports clubs and wider offers such as golf courses, commercial leisure and the great outdoors, for which Pembrokeshire is so well-known. This is to ensure a complementary approach to further enhancing and developing the County's leisure and tourism offer is achieved.

It also reflects the Welsh Government's commitment to tackling public health issues and addressing inequalities in health and recognises the contribution of leisure services to increasing physical activity as set out in the Well-Being of Future Generations Act 2015 and the Pembrokeshire Public Service Board Well Being Plan which sets out 4 priorities:

- ✓ **Living and Working;**
- ✓ **Resourceful Communities;**
- ✓ **Tackling Rurality;**
- ✓ **Protecting our Environment.**

to be addressed to improve the health and wellbeing of the County's communities.

Building on the previous 10 year's achievements and £26m of investment, this Leisure Strategy will deliver:

- ✓ **Improved performance and income generation from year one of delivery at sufficient levels to meet the financial challenges;**
- ✓ **Clarity of direction for the next decade;**
- ✓ **Buy-in from the leisure team and wider stakeholders to delivering the strategy**

We are a predominantly rural County in south-west Wales, with a strong maritime influence and a history of development based on agriculture, tourism, defence, energy and port activities centred on the Milford Haven Waterway. Our county town is Haverfordwest. Other towns include Pembroke, Pembroke Dock, Milford Haven, Fishguard, Neyland, Goodwick, St David's, Tenby and Narberth.

# Key Demographic Factors

## Current Population

122,400 at the 2011 Census, an increase of 7.2% from the 2001 figure of 114,131.

Current population approximately 124,000

## Future Population

The population is forecast to grow with net immigration being the main driver.

The Welsh government project this will increase over the next 20 years to around 128,000 (+3%).

## Population Distribution

44% of the population live in Haverfordwest, Milford Haven, Pembroke, Pembroke Dock, Fishguard, Goodwick and Tenby; 12% live in smaller settlements of Neyland, St David's, Newport, St Dogmaels, Narberth, Kilgetty, Saundersfoot.
The remaining 44% live in smaller settlements and the countryside.

## Welsh Speaking Population

16.9% of the population are Welsh speaking, with the incidence of Welsh speakers being highest in the north of the County (40%, compared to 12% in the south of the County).

## Age Structure

Significantly fewer 20-29 years olds and more people over the age of 55 than the UK as a whole. This is driven by out-migration of 18 -20-year olds.

There are approximately 30,250 people or 24.5% of the population aged 65 or over in the County which is much higher than the Welsh average of 20.2%. Population projections indicate this will increase to 26.6% by 2021 and 34% by 2039.

Pembrokeshire has an aging population which is living longer

## Ethnicity

Approximately 95.5% of people are from white UK ethnic backgrounds.

## Depravation

Life expectancy for males (79.5 years) and females (82.9 years).

9% of children live in poverty compared with Welsh average of 22%.

There are few areas of deprivation in Pembrokeshire; where there is deprivation, it tends to be marked. The more deprived areas are Llanion, Monkton and Garth (Haverfordwest).

## Participation

The National School Sports Survey which looks at active lifestyles, identified that in 2015 47% of 5 - 16-year olds were 'hooked on sport' an increase of 6% since 2013, but below the Wales average of 48%.

63% of the population of Pembrokeshire are active and participate in sports, slightly higher than the national average.

## Crime Rates

Pembrokeshire has very low levels of crime and disorder and is one of the safest places to live in the UK. 89% of Pembrokeshire respondents to the National Survey 2013-14 stated they felt safe walking in their local area after dark. Total recorded crime in 2016 was 5,457.

## Obesity

Childhood obesity is a growing issue in Pembrokeshire. 30.2% of children aged 4-5 years are classed as overweight or obese. The Welsh average is 26.2% and the UK average 23%. Evidence suggests this is not necessarily explained by traditional theories around links between obesity and deprivation. Learning about healthy eating and providing opportunities for active play may have big roles to play in changing behaviour.

Based on 2013-14 research (Hywel Dda University Health Board Research), 58.5% of all adults in Wales are overweight or obese; in Pembrokeshire this figure is 59% (Source: West Wales Population Assessment 2017).

## Health, Life Limiting Illness and Disability

10% of Pembrokeshire's children have mental health issues such as stress, anxiety and depression.

93% of schools in Pembrokeshire have achieved Phase 3 and above of the Healthy Schools scheme with 21% achieving the National Quality Award and 61% working towards it.

44% of respondents to the WellBeing Survey aged 65 and over said they have at least one health issue. It is estimated that by 2021 55,000 people in Wales will have dementia. Data suggests that there will be an increase of 70% in the number of dementia sufferers in the County between 2015 and 2035.

The proportion of people who are disabled is around the Welsh average, 23% of Pembrokeshire's residents' day to day activities are limited by long term illness or disability.

## Our Performance

We are a high performing service, provided in-house, and based at facilities owned by the Council, either on stand-alone sites or more often at shared sites with education (schools). As a consequence of £26 million investment over the last 10-years, we have very good quality facilities, and a high public profile.

We are delivering a leisure service which is efficient and performs well against industry benchmarks.

- **Current usage levels are high, given the nature of the existing facility mix, the local demographics and catchment area;**
- **Staffing costs as a proportion of total income is currently achieving towards the top of acceptable ranges for external operators (both private and trusts);**
- **The current Gross and Net Operational Recovery rates for the majority of facilities are achieving expected levels, when compared to other similar facilities. There are 3 facilities which fall below expected levels – Haverfordwest Tennis Centre, St David's Sports Hall, Thornton Sports Centre. The benchmarking outcomes are partly due to restricted opening times; in addition, there are high utility costs due to building design at Haverfordwest Tennis Centre;**
- **Income generation per fitness station is achieving towards the top end of expected levels, with the exception of two sites- Crymych Leisure Centre and St David's Sports Hall.**

## CHALLENGES

Our four main challenges are:

1. Reducing operational cost, preferably without rationalising facilities, reducing quality or accessibility, or compromising safety;
2. Generating increased revenue from both existing users, and new users/markets (income generation needs to be achieved at minimal capital cost, if possible);
3. Re-branding the service, and creating a new profile, based on increased digitalisation to underpin the above two challenges;
4. Changing perceptions of the service by clarifying what it provides and funds, particularly at corporate level. This includes finding a fairer way for some of the services that we provide to be funded by organisations who benefit



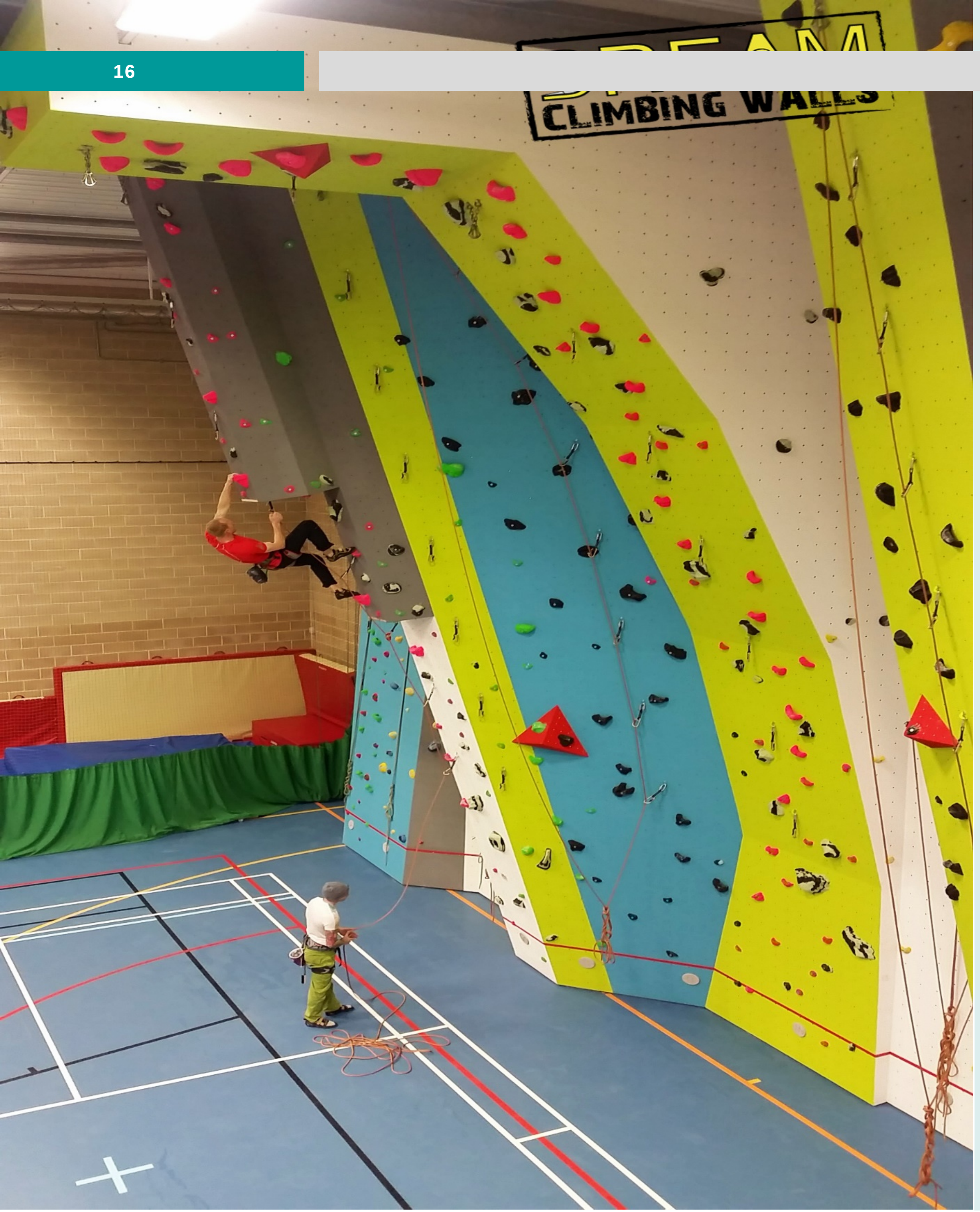
## THE OPPORTUNITIES FOR FUTURE PROVISION OF LEISURE IN PEMBROKESHIRE

01 **Cost Reduction**

02 **Income Generation**

03 **Service Improvement**

A fourth factor, which does not in itself generate any additional income, but is very important in terms of internal perception is a re-designation of the leisure budget, either taking education costs out, or ensuring they are excluded from the savings calculations, or re-naming the budget to properly reflect what it covers, to ensure that the hidden subsidies for free education use are clear.






## IMPLEMENTATION

Implementation of the Leisure Strategy will require change and action across a number of areas. Many local authorities have been through a similar series of challenges and changes in trying to achieve reduced revenue costs, whilst developing and delivery a high-quality service.

For most local authorities facing similar challenges, achieving reduced revenue costs, whilst continuing to deliver high quality services, and embracing the health and wellbeing agenda requires change on a number of fronts e.g. cost reduction, revenue generation, changes to operational management structures and deployment of resources, plus development of alternative approaches to marketing, membership and pricing.

## Strategy Development

Opportunities identified for change in Pembrokeshire include:

01

**Cost Reduction**

1. Reducing cost of operation by changing some opening hours at smaller facilities
2. Changing Membership structure and offer
3. Optimisation of the recent VAT ruling to reduce costs
4. Further extending co-location on specific sites
5. Rationalisation of provision – number or type of provision
6. Partnership working with clubs who can then potentially play a role in facility management i.e. asset transfer
7. Changing structure of operational delivery
8. Changing annual revenue agreements to a longer-term contract – more certainty on both sides, and allows for longer term planning e.g. RNLI
9. Further research into self-service kiosks

02

## Income Generation

1. Capital investment in new, and replacement facilities to generate additional income
2. Capital investment in fitness provision - larger fitness suites and spinning studios - Haverfordwest Leisure Centre. Increasing the membership and usage level will help to generate additional revenue without increasing operational costs
3. Development of new cafes – Fishguard and Pembroke Leisure Centres
4. Development of pitches in partnership with schools and clubs to ensure maximum use
5. Ensuring complementarity with private sector provision e.g. Blue Lagoon
6. Smarter use of membership data through an online app (not yet bi-lingual), and improved CRM
7. New website and digitalisation of marketing and booking
8. Development and implementation of a charging mechanism for pontoons to generate sufficient income to cover maintenance costs as a minimum
9. Concessions - Introduce alternative contract terms and conditions to benefit PCC, and generate at least some return
10. Development of increased health and well-being programming, focussed on increasing from the third sector e.g. more use by public health, mental health support organisations, stroke, diabetes, cancer support groups, blood donor organisations,
11. New pricing strategy and membership packages
12. An improved joining process, which is simpler and quicker, and enables the participant to book onto an induction course immediately, enabling them then to use facilities – it is very important to facilitate this while the customer is in the building, as part of the decision he/she has made to join the facility and become active
13. Improved approach to maintenance to support service delivery; potential to procure maintenance support for urgent/out of hours needs more flexibly
14. Increased daytime community use of sports facilities on education sites
15. Pro-active approach to attracting events – sporting and non-sporting
16. Development of additional sponsorship opportunities
17. Development of larger retail areas and a broader offer provided to generate increased income
18. Potential introduction of car parking charges at leisure centres

1. New Vision, Mission Statement, Aims and Objectives
2. Longer term partnerships
3. Transparency over 'hidden subsidies' e.g. free educational use of sports facilities
4. Alignment to Transformation Agenda

03

Service Improvement



## Strategy Implementation

Based on the identified changes set out in detail in the above table, the suggested revenue savings which could be achieved are as below:

| | |
|---|---|
| Current deficit: | £2,390,373 |
| Savings | £ 933,523 |
| Free Education Use of facilities | £1,056,919 |
| **Reduced deficit:** | **£ 399,931** |

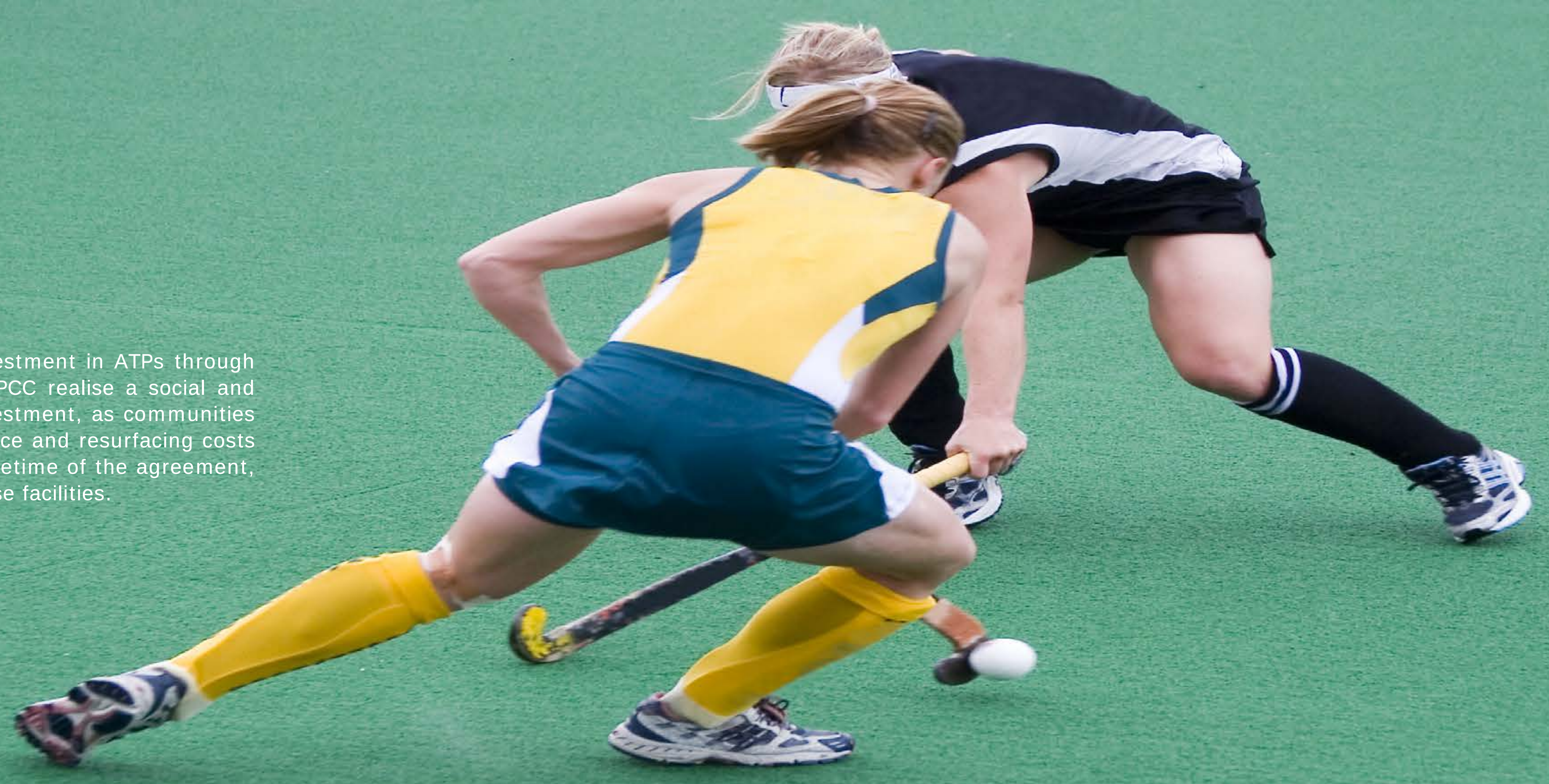
**Table 1 Summary of Prioritised Revenue Savings**

| Identified Area for Saving | Indicative Capital Cost £000s | Indicative Revenue Cost £000s | Identified Saving, by priority and year (net – includes cost of borrowing) | | | | | | | | | | TOTAL £000s |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Yr1 2018/19 | Yr2 2019/20 | Yr3 2020/21 | Yr4 2021/22 | Yr5 2022/23 | Yr6 2023/24 | Yr7 2024/25 | Yr8 2025/26 | Yr9 2026/27 | Yr10 2027/28 | |
| VAT | 0 | 0 | 370,000 | | | | | | | | | | 370,000 |
| Digitalisation of leisure bookings, website, CRM, marketing, sales team | -20,000 | -40,000 | -40,000 | | | | | | | | | | -40,000 |
| Haverfordwest new spinning studio | -30000 | -10,000 | | -10,000 | | | | | | | | | -10,000 |
| Introduction of self-service access kiosks | -20000 | -4,000 | | | -4,000 | | | | | | | | -4,000 |
| Increased leisure income targets - linked to Facility investment and digitalisation of the service | | | 62,000 | 58,080 | 58,080 | 58,080 | 52,800 | | | | | | 289,040 |
| Leisure Manager's Post | | | 53,000 | | | | | | | | | | 53,000 |
| Rath Pool | | | 3,000 | | | | | | | | | | 3,000 |
| Beach Service Costs | | | | | 40,000 | 63,243 | 80,000 | | | | | | 113,243* |
| Concessions | -30000 | | | 24,000 | | | | | | | | | 24,000 |
| Catering Outlets Fishguard and Pembroke | -10000 | | | | 6,000 | | | | | | | | 6,000 |
| New Tenby Pool | -6,000,000 | | | | | | | | 15,000 | | | | 15,000 |
| Tenby FEC | -7,500,000 | | | | | | | | | | 110000 | | 110,000 |
| St David's Reduce opening hours | | | | 4,240 | | | | | | | | | 4,240 |
| Increased retail sales | -5000 | | | | 10,000 | | | | | | | | 10,000 |
| Increased sponsorship opportunities | | | | 3,000 | 3,000 | 3,000 | 3,000 | | | | | | 12,000 |
| Crymych ATP | | | | | 5,000 | | | | | | | | 5,000 |
| 21C Schools, including 8 court sports hall | -1,000,000 | | | | | | | | | | | | -27,000 |
| Indoor Arena Development at 21c Site (more work required on this) | -2000000 | | | | | | | | | | | | |
| TOTAL | -16,615,000 | | 448,000 | 79,320 | 118,080 | 124,323 | 135,800 | 0 | 15,000 | 0 | 110,000 | 0 | 933,523 |
| Indicative Year on Year 5% Savings for MTFP | | | 201,000 | 91,000 | 95,000 | 101,000 | 108,000 | | | | | | |

* The total saving of £183,243 on beach service costs includes £70,000 for cleansing which is not within the leisure budget (managed elsewhere in PCC)

## Artificial Turf Pitches (ATPs)

In addition to the above, the potential investment in ATPs through our investment and loan scheme will see PCC realise a social and financial return on each £1m of capital investment, as communities take responsibility for paying for maintenance and resurfacing costs at a minimum of £44k per annum for the lifetime of the agreement, enabling more people to have access to these facilities.



## Retained In-House services

The existing in-house service is high quality, and already performs well as highlighted through the service benchmarking undertaken. We have considered other potential delivery models for the leisure service, but there are a number of unique factors which mean that an in-house service clearly provides the best way forward.

**These factors include:**

1

**Factor One:**
7 of the 10 leisure facilities in Pembrokeshire are on school sites which means that rates savings (NNDR) are negligible; these savings in other areas can be significant and are a real reason to change a delivery model

2

**Factor Two:**
The recent Ealing VAT case (2017) which means that local authorities can now benefit from reduced VAT costs; in real terms this means a saving to service delivery costs

3

**Factor Three:**
We have signed up to the two-tier workforce Code which effectively means employment terms and conditions cannot be changed; any change in service delivery model is likely to result in a change to employment terms and conditions

4

**Factor Four:**
Our performance is already comparable and in many cases better than contractors and Trusts

Retaining the in-house model does mean there are limited opportunities to reduce operational costs and deliver Service Improvement, because the service is already performing extremely well. However, importantly, retaining the service in-house also provides significant opportunity for increased revenue generation, if there is commitment to capital investment in both existing and new facility provision. Investing to generate is the major opportunity for the in-house leisure service. Retaining the service in-house will ensure that we benefit from the return on any investment.

Retaining the leisure service in-house means it stays within our control, which also means it is easier to negotiate long term partnerships and integrate health and well-being outcomes into service delivery. It will also provide the optimum option in terms of public sector investment, development of improved digital marketing and access to services, and community participation for health benefits.

Retaining an in-house delivery of leisure is the recommended way forward for these main reasons.

## Invest to Generate

Funding will clearly be important to us over the next few years and in implementing the Strategy, consideration should be given to both the 'mainstream; funding opportunities and to other potential pilot funding which might be available in relation to targeted groups, and/or primary care/other health-related initiatives. This may also be one area where a partnership approach across neighbouring local authorities could be an opportunity, as there may be opportunity to work with more than one public health area.

Key potential funding sources for Leisure Services are likely to be:

- PCC - direct capital or loan, based on invest to generate
- Sport Wales
- Health
- Welsh Government

The capital funding underpinning our Leisure Strategy is included in Table 1 above; this will support investment in the agreed priorities and initiatives to reduce costs and drive revenue



## Leisure Strategy Priorities

Our priorities are inspired by the potential of our services and the needs of our communities. We are focused on three priority areas:

**Cost Reduction**

**Income Generation**

**Service Improvement**

## Priority 1 – Cost Reduction

## Outcomes

1. Review and re-negotiate all existing concession contracts to better benefit PCC.

2. Consider opportunities for facility rationalisation if sufficient revenue savings cannot be identified.

3. Identify and implement asset transfer opportunities and as a minimum, opportunities for club/third sector management agreements where possible and beneficial to PCC and the local community.

4. Re-negotiate partnerships in relation to the cost of tourism infrastructure e.g. car parks, beach safety patrols, so that costs of maintenance, cleaning, supervision etc are shared by those who benefit.

5. Implement the identified cost reduction changes in the current service i.e. reduced opening hours at St David's Sports Halls, closure of the Indoor Tennis Centre, re-targeted marketing resources, etc.

6. Review all available and practical options and opportunities for utility cost reduction; as a minimum make a policy decision to switch to all LED lighting, time sensor lighting in all leisure centre areas such as toilets, changing, storage rooms.

7. Invest in self-service technology to generate efficiencies and improve reception flow/reduce queues.

8. Review current maintenance process and introduce flexibility to enable urgent/out of hours works to be addressed immediately to reduce impact on customer experience.

## Priority 2 – Income Generation

## Outcomes

1. Invest capital in identified projects – fitness, cycling studios, Tenby Swimming Pool, Tenby FEC, ATPs, cafes.

2. Invest capital in the development of extended facilities at the English Medium School (outside the building bulletin).

3. Invest in improved digitalisation of PCC Leisure; establish improved and Pembrokeshire specific website to take more and a wider range of online bookings; develop SMARTER and more effective digital marketing, and an improved CRM offer/approach.

4. Develop additional outdoor activities at Scolton Manor – Segway, extended cycling offer, high ropes.

5. Review existing membership and pricing structures following investment and develop new offer; the new structure should generate additional revenue by changing membership categories and increasing fees to reflect capital investment, and where appropriate, introduce new membership categories eg one targeted at the tourism market. The corporate membership option is currently the most popular with customers, this should be reviewed and the price increased as deemed appropriate in the local market.

6. Explore further the development of an outdoor climbing facility on South Beach, Tenby, operated under a concession.

7. Implement a meter charging system for the overnight use of pontoons if the business case supports this i.e. income needs to outweigh the capital investment.

8. Develop a proactive approach to hosting a range of events – sporting and non-sporting at the leisure centres to generate additional revenue.

9. Work with Pembroke School to develop daytime curriculum and community use as a pilot which can then be rolled out across the county to improve access, optimise use of facilities and generate additional income. This approach should then be embedded in the operation of the new English Medium and Welsh Medium Schools from opening.

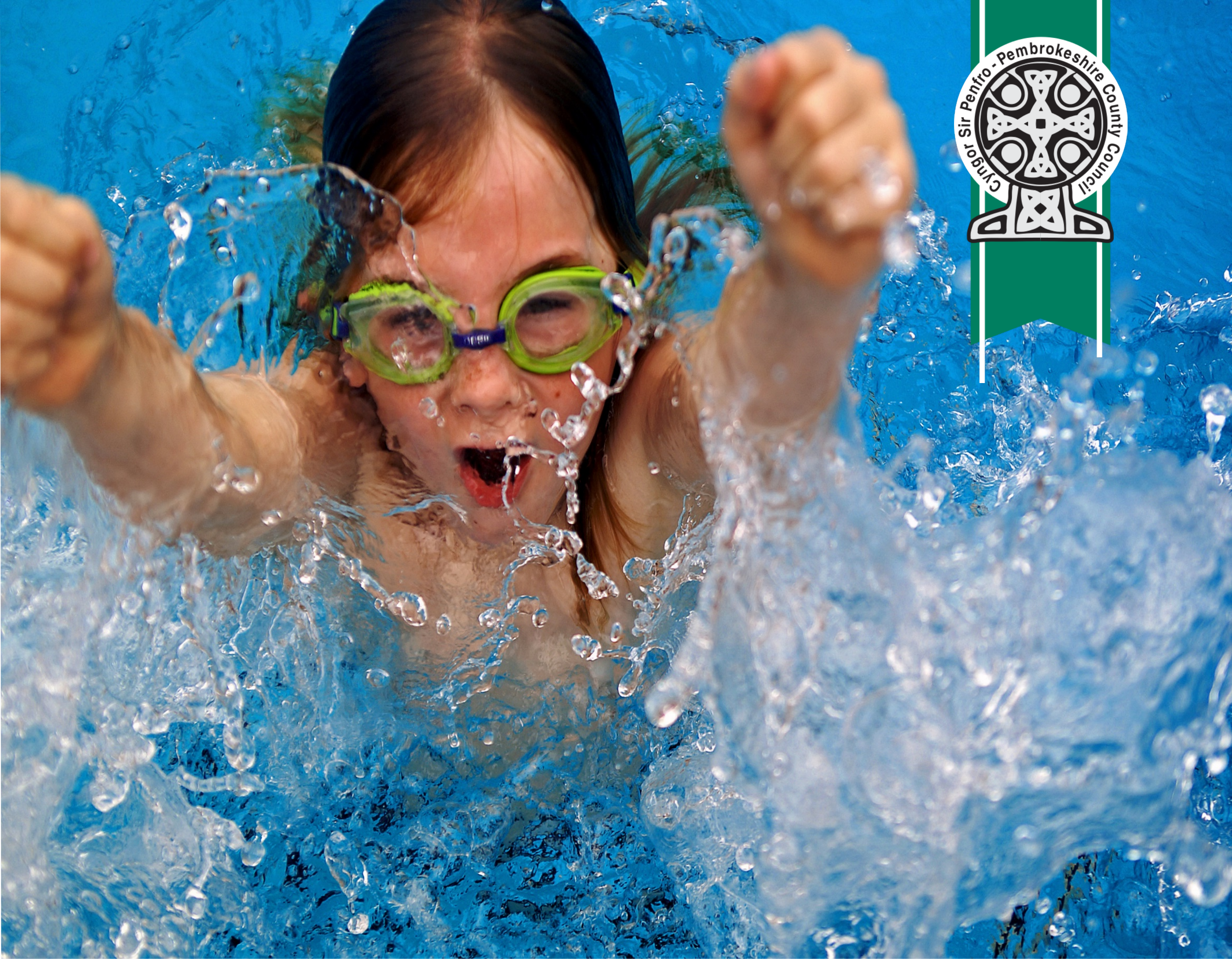
10. Develop larger retail areas in the main leisure centres, with a broader offer; ensure layout, presentation and promotion of retail opportunities is improved.

11. Develop new opportunities for sponsorship in the leisure facilities to generate additional revenue.

# Priority 3 – Service Improvement

## Outcomes

1. Increase partnership working, and specifically optimise all available pots of internal funding where it will directly benefit PCC Leisure Services in terms of service improvement, cost reduction or revenue generation.
2. Negotiate longer partnership to provide financial certainty eg with RNLI.
3. Re-structure available marketing resources and focus on CRM and smarter marketing to drive sales, improved customer communication, promotion etc.
4. Develop business case to secure internal funding for IT improvements.
5. Develop a health and well-being programme of activities targeted at informal and social use of the leisure centres
6. Ensure there is transparency over the scope of the leisure budget and the areas it subsidises.
7. Retain the PCC Leisure Service operational delivery in-house and adopt an approach of ‘Invest to Generate’.
8. Review all opening hours and consult with customers on options for specific extended opening hours; trial extended hours and activities for 3 months to monitor take-up and income impact.
9. Review existing joining process and develop a simpler, faster process, linked to immediate booking onto induction and access to the facilities to facilitate increase use e.g. pitch bookings.
10. Consider opportunities to work with neighbouring authorities on physical and mental health and wellbeing initiatives which might be more effective in attracting funding if developed across a wider area.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