

Committee: **Cabinet**
 Date of meeting: **29th November 2023**
 Report Subject: **Aneurin Leisure Trust Performance and Monitoring**
 Portfolio Holder: **Cllr. Sue Edmunds, Cabinet Member for Education**
 Report Submitted by: **Jo Sims, Service Manager Young People and Partnerships**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
✓	✓	08.11.23			16.11.23	29.11.23		

1. Purpose of the Report

1.1 The purpose of the report is to update Members on the performance of the Aneurin Leisure Trust for April 2022-23.

2. Scope and Background

2.1 In April 2020, the lead responsibility for the client role for Leisure, Libraries and Culture services moved to the Education Directorate, with the Service Manager for Young People and Partnerships becoming the Council’s lead (link) officer with Aneurin Leisure Trust (ALT).

2.2 The Leisure and Culture Strategy 2019-29 provides strategic direction for the future of leisure services and identifies key priorities.

2.3 Since the last report to the Partnership Scrutiny, the following areas have been maintained:

- Regular meetings and protocols between the Education link officer and senior managers in the ALT;
- Implementing key areas including the service specification, governance structure including the Strategic leisure and Libraries Group, SLAs, reporting framework; and,
- Working collaboratively with ALT to understand and work through the implications of any financial impact associated with the pandemic, cost of living crisis, significant increase in utility costs and staff increases.

2.4 The Strategic Leisure and Libraries group meets quarterly and has enabled greater collaboration and understanding since it was established in 2020.

2.5 Regular scheduled meetings are held between the link officer and ALT. The partnership between the Council and ALT has significantly improved over the past few years and the relationship is strong and underpinned by transparency.

2.6 ALT has again proactively pursued all possible funding/grant schemes available, and these are set out in Appendix 2.

2.7 **Monitoring and Scrutinising Performance**

In order to monitor and scrutinise the progress and impact of the Trust, a full progress report is presented to Partnership Scrutiny Committee twice a year, reporting against the agreed Key Performance Indicators (KPIs) within the specification. The KPI balance scorecard is set out in section 6.1 and is the agreed way ALT will present their performance. Other reports may be presented throughout the year by exception.

3. **Options for Recommendation**

3.1 This report has been discussed and agreed by Education DLT and CLT.

3.2 This report will also be considered by the Partnerships Scrutiny Committee on 16th November 2023, and any feedback will be provided verbally to Cabinet.

3.3 **Option 1:** Members are requested to consider the governance arrangements, annual performance and to agree the contents of the report; or,

Option 2: Members are requested to consider the information detailed within the report and make appropriate recommendations.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 **Corporate Plan Priorities**

This report supports the Council's Performance Management Framework and the work of the Aneurin Leisure Trust contributes to the Council priorities 'Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent' and 'Empowering and supporting communities to be safe, independent and resilient'. ALT also deliver on the statutory responsibilities for providing Library Services and Adult Community Learning.

5. **Implications Against Each Option**

5.1 **Impact on Budget (short and long term impact)**

5.1.1 ALT income and expenditure is set out below. This is regularly discussed and shared with the Council through the link officer meetings, the strategic board meetings and a BGCBC Finance Officer attends as an observer at ALT's Finance Sub-Group meetings. The reporting process ensures that the Council's investment of circa £3.2 million is delivering the outcomes as articulated in the Leisure and Culture Strategy.

5.1.2 The financial year (2022-23) has not been without its challenges. ALT have achieved record catering sales and sports centres membership numbers. However, any profit has been eliminated by economic factors outside of the Trust's control. The key challenges were:

- (i) Staff pay settlement higher than anticipated. (ALT's pay and conditions are aligned to those of the Council, through prior agreement).
- (ii) Increased supply costs including utilities (ALT have endeavoured to absorb the rising costs rather than pass them on to the end user where possible however there have been some instances such as café sales where the only option was to pass the increase on as the profit margin is already set much lower than private providers)

Income & Expenditure	Forecast Estimate	Actual	Variance Fav (Adv)	Comments
	£	£	£	
Income YTD	7,003,624	7,128,272	124,658	ALT performed stronger than forecast showing that the Covid Recovery Plan (including SC refurbishments and PBB investments) were the correct approach
Expenditure YTD	7,552,889	7,578,896	-26,007	
Surplus (Deficit)	-549,265	-450,624	98,642	

Core Trust Position	Surplus/Deficit	Comments
	£	
Year end position	-450,624	Reserves were allocated through the financial year to support the recovery from Covid which had been forecast by UK Active to last approx. 18 months. Whilst ALT recovered faster, additional challenges were presented with the cost of living crisis
Reserves at March 2022	1,260,000	
Reserves at March 2023	810,000	

- 5.1.3 The full report from ALT for 2022-2023 can be accessed in Appendix 1.
- 5.1.4 This report covers the financial reporting period of April 2022 to March 2023. The impact of higher pay and price increases and particularly the growing financial pressures linked to significant increases in utilities (which have risen by 207% since 2019/20) has resulted in the organisation operating at a significant deficit for 2022/23. This deficit has reduced the organisation's reserves from £1,260,000 at the start of the financial year to £810,000 at 31 March.
- 5.1.5 A number of measures have been put in place by the Trust during 2022/23 & 2023/24, to mitigate these cost pressures including:
- installation of solar panels in Abertillery Sport Centre, Tredegar Sport centre, Brynmawr Learning Action Centre and Ebbw Vale Learning Action Centre (Decarbonisation measures).
 - Reconfiguration of swimming timetable to accommodate lesson growth.
 - Marketing plan to further grow life card membership.
- 5.1.6 The decarbonisation measures will improve the financial position by circa £90,000 per annum (based on the current utility costs) with further savings forecast following a second successful application to the Sport Wales Capital Grant to install more efficient air handling systems into the Sport Centres. This

work is currently out to tender and anticipated to be completed within this financial year (2023-24).

5.1.7 Opportunities for further grant funding are also being explored including additional Shared Prosperity Funds to further support the impact of the Libraries and Adult Community Learning.

5.1.8 However, as things stand the forecast deficit will virtually wipe out the Trust's reserves in this financial year (2023-24). This means that ALT will be in an extremely vulnerable position for 2024/25 onwards and will need to achieve significant cost reductions which is likely to lead to reduced service delivery. Business cases will be brought forward by ALT which will need to be considered alongside the Council's business cases put forward for Members consideration and / information.

5.2 **Risk including Mitigating Actions**

There is a risk associated with ineffective monitoring against the agreed performance indicators that could lead to the outcomes in the Leisure and Culture Strategy not being met, and consequently, the Trust not meeting the requirements set out in the service specification.

Financial risks and mitigating actions linked to the significant increase in cost pressures are outlined under 5.1.

5.3 **Legal**

Monitoring performance in line with the agreed performance indicators is a requirement within the Service Specification, which is part of the Finance and Management Agreement. The Finance and Management Agreement represents all the legal and financial arrangements for the relationship between the Council and ALT.

5.4 **Human Resources**

There are no direct Human Resources implications associated with this report other than the allocation of time from the link officer.


5.5 **Health & Safety**







ALT have good health and safety measures in place, in line with the Council's Corporate Health and Safety processes.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

6.1.1 The report includes progress against the following key performance indicators. Targets and measures have been agreed against each of these areas to provide clarity on what is expected for the Trust and also to ensure Members can make judgements on what is going well and what needs to improve. ALT have developed a visual dashboard which highlights progress against the KPIs and the current status is set out below:

Area	Target	Outcome	Key Drivers
Governance, Leadership & Advocacy	Green >90% Amber <90% >80% Red <80%		All meetings and communications working well
Financial Sustainability	Green 1% of Target Amber <1% of Target Red >5% of Target		ALT has performed better than forecast however the impact of the cost of living such as the staff pay award and increased supply costs has meant that the end of year outcome is not reflective of how the Trust has performed.
Use of the Services	Green Target met Amber 10% of target Red >10% of Target		all areas fully recovered from covid and seeing strong consumer confidence
Operational Performance	Green 80%-100% Amber 70%-79% Red 0%-79%		All performing as expected
Customer & Staff Satisfaction	Green >55% Amber <55% >45% Red <45%		NPS has been switched to a microsoft forms template and whilst all areas are performing well the detailed Tab is in the process of construction to show the changes
Library Services Standards	Green >80% Amber 70% -79% Red <79%		No Full audit to date. Scaled down audit 21/22 resulted in all 12 core measures being met. The report has gone to BGCBC
Environmental Sustainability	Green Within 5% of Target Amber Within 10% of Target Red >10% of Target		Overall utility Consumption for the Qtr4 and Year End Results are performing better than Target (base Year less 6%). 2023/24 will also start to report on waste using base year of 2022/23
Asset Management	Green >90% Amber <90% >80% Red <80%		The Trust only managed to complete 36 out of 44 activities schedule for the year as a result of higher than normal ALT staff absence which limits the flexibility and the non availability of Technical Services due to their limited staff

- 6.1.2 The period from April 2022 – March 2023 has seen ALT perform well against most KPI's. Whilst the primary focus on 2022/23 was to remain financially sustainable throughout the recovery period from the Covid pandemic, ALT has maintained its commitments to the company mission of 'Improving Community Life' with the introduction of several key initiatives to promote a healthy approach to mental and physical wellbeing across Blaenau Gwent.
- 6.1.3 The Financial Sustainability for 2022-23 is assessed as amber as this reflects both the level of income, which is positive, alongside the cost pressures. However, it is important for members to note that if this indicator were only focussed on Financial Resilience, then it would be assessed as Red, due to the update provided under 5.1.8.
- 6.1.4 All areas of the business have seen year on year growth which is attributed to the outstanding commitment from all the teams throughout the portfolio who have provided a consistent level of service, creating a welcoming and friendly

environment for users to enjoy with confidence whilst strategic investments have ensured that ALT facilities remain on trend and exciting for residents and visitors from outside the Borough.

6.1.5 A selection of key achievements/investments that ALT are most proud of within the financial year are:

- Introduction of Sports libraries
- Launch of the Community Kit Room (in partnership with Street Games)
- Launch of the Wellbeing Work Hub (Parc Bryn Bach)
- Peleton bikes (in each Sports Centre)
- Major ceiling repairs in partnership with BGCBC to safeguard 400 children's swimming lessons (Tredegar Sports Centre)
- Solar panels installed in Ebbw Vale and Brynmawr Learning Action Centres

6.1.6 Key funding achievements include:

- £269,000 funding secured to install solar panels in Abertillery and Tredegar Sports Centres
- Summer of Fun (supported by Sports Development, Libraries & Park teams).
- Welsh Government (WG) reward and recognition funding for Social Services staff (supported through a voucher scheme, team building days and meeting space).
- Supporting the Ukrainian refugee crisis with a relaxation hub, English speaking courses and employment support in the Adult Education buildings and a voucher scheme set up to allow access to leisure to help integrate into the community.

6.1.7 The Community Hubs have been established through the libraries in partnership with the Council and feedback from the public continues to be positive. A more detailed Library Standards report is presented to Partnership Scrutiny.

The full detailed ALT report is attached in Appendix 1.

6.2 **Expected outcome for the public**

The expected outcome for the public will be to achieve the aspirations in the Leisure and Culture Strategy.

6.3 **Involvement (consultation, engagement, participation)**

Several meetings have been held between ALT and BGCBC to discuss the growing financial pressures linked to a significant increase in utilities which have risen by 207% since 2019/20.

6.4 **Thinking for the Long term (forward planning)**

Blaenau Gwent's decision to commission the provision of Leisure and Culture Services through ALT is intended to secure the long-term provision of Leisure and Culture provision in the County Borough. The monitoring and reporting process, in line with the finance and management agreement, seeks to

strengthen the long-term provision by ensuring that provision is in line with what is required.

6.5 Preventative focus

The impact of leisure and cultural provision on wellbeing has been recognised for a long time and is preventative in its approach.

6.6 Collaboration / partnership working

The governance model within the service specification ensures that collaboration is at the heart of all decisions. The Joint Strategic Partnership Group strengthens this approach and encourages greater partnership working.

6.7 *Integration (across service areas)*

The move of the client function to Education has further enhanced opportunities for integration between the Trust and across areas within the Council.

6.8 Decarbonisation and Reducing Carbon Emissions

The Trust play a key role in working towards this area and are actively included in the approach across the Council.

6.9 Integrated Impact Assessment

N/A

7. Monitoring Arrangements

7.1 The current reporting arrangements, along with the governance structure ensures that the performance of the Trust is transparent and accountable. Reports will be presented to CLT, Partnership Scrutiny Committee, Cabinet and the Joint Strategic Partnership Group on a six-monthly basis.

Background Documents / Electronic Links

Appendix 1 – Aneurin Leisure Trust Annual Report

Appendix 2 / 2a – Funding / Grant Schemes