



**Killamarsh Sports Centre**  
**Subsidy Reduction Plan 2020**  
**(Advisory Document Only)**

**Prepared by: North East Derbyshire District Council**

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# Background to the Plan

In September 2019, North East Derbyshire District Council (North East Derbyshire District Council) Leader, Cllr Thacker, directed Officers of the Council to support Killamarsh Parish Council in the review the operation of Killamarsh Sports Centre in order to develop a subsidy reduction plan which when implemented would improve the performance and sustainability of the facility whilst reducing the precept for the local community.

For the avoidance of doubt, this plan considered the operation of the whole facility on Stanley Street, Killamarsh which includes Leisure, Bar and Catering. Little consideration has been given to the Parish Council Office and meeting room within the facility although some elements, for example H&S will be relevant.

Whilst this plan is aimed at improving the financial performance of Killamarsh Sports Centre, public leisure facilities play a wider role in our community and this should not be overlooked when considering the recommendations in this report.

Public leisure facilities helps raise the level of participation in sport, leisure, active recreation and social activity offering good quality facilities and services that are equally accessible to all, encouraging the achievement of personal goals and positively drives forward the health and social fabric of our communities. Against a backdrop of health inequalities, with particular challenges regarding 'limited' day-to-day activities which is some way below national average, public leisure provision is key to engaging residents of all ages to get fitter, more active, live healthier lifestyles and reduce health inequalities.

Facilities such as Killamarsh Sports Centre make a considerable contribution to helping to resolve important national and local issues, here are some examples:

- tackling social isolation
- encouraging a healthier lifestyle and sense of well being
- providing opportunities for voluntary and community activity
- assisting community regeneration and community sustainability
- reducing ASB and Crime
- Providing a facility where the community can come together to participate in activities, celebrate or simply enjoy some leisure time with friends and family.

This plan has been developed alongside the staff and members of Killamarsh Parish Council. North East Derbyshire District Council Officers with a broad range of expertise have engaged at all levels of the Parish Council. Contributors to the plan are:

- Joint Strategic Director – People
- Head of Service – Partnership and Transformation
- Head of Service – Finance
- Leisure Operations Manager
- Health & Safety Manager
- Health & Safety Coordinator
- North East Derbyshire District Council’s wider Leisure Team

Over a period of five months, North East Derbyshire District Council officers worked with staff and members at Killamarsh Parish Council to fully understand the current operational strengths and weaknesses of the facility. This included:

- Several familiarisation visits
- 3 staff consultation events
- Budget & Finance Review
- H&S Inspection and Report
- Meetings with political leaders

The three staff consultation events were designed to assist us to better understand the organisation, the challenges and the views of staff. The format of the consultation was structured in to two main parts:

- SWOT Analysis
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats
- Symptoms, Causes and Treatments
  - Current situation
  - Where we need/want to be
  - How do we get there

**SWOT** – The SWOT analysis exercise was an engagement and ice breaking tool to encourage staff to ‘open up’ and share their opinions to prompt discussion and contributions from all staff. Table 1 is what was recorded from this process.

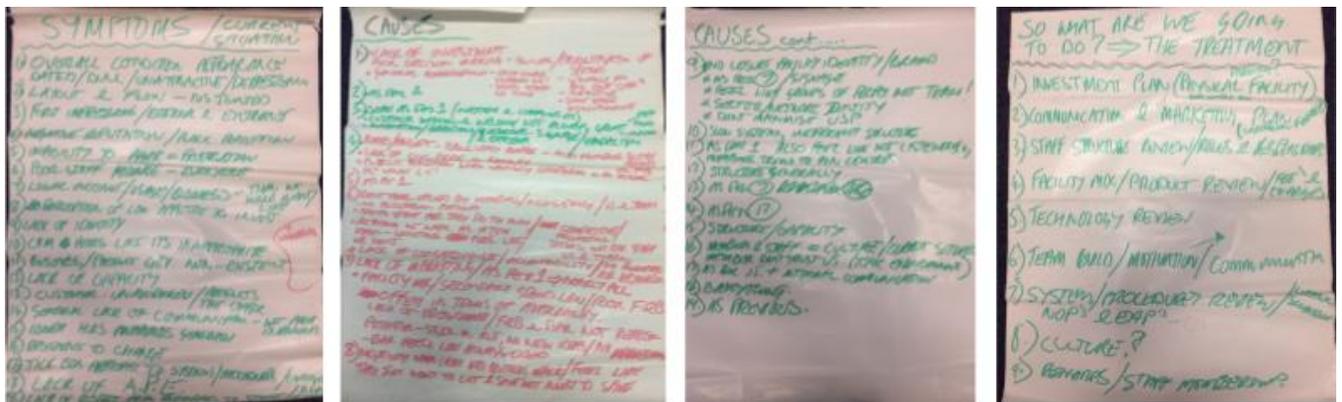
**Table 1:**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• <i>Location</i></li> <li>• <i>Good staff / experience</i></li> <li>• <i>Equipment gym</i></li> <li>• <i>Space / inside / outside</i></li> <li>• <i>Community facilities</i></li> <li>• <i>Good relations with clubs</i></li> <li>• <i>Good relations with customers</i></li> <li>• <i>Functions generally (facilities are specifically good for this)</i></li> <li>• <i>Catering 121s</i></li> <li>• <i>10,000 Households</i></li> <li>• <i>Nuts &amp; bolts H&amp;S/procedures</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Hostile environment (staff motivation)</i></li> <li>• <i>Behaviours – Style, expectation, rules</i></li> <li>• <i>Management</i></li> <li>• <i>Bureaucratic process Via Parish Council</i></li> <li>• <i>Parish Clerk seen as overall manager of facility</i></li> <li>• <i>Communication through the changes</i></li> <li>• <i>Lack of time</i></li> <li>• <i>Sports side – no meetings / 1:1s / Appraisals / no probationary reviews. This is not the same within bar &amp; catering</i></li> <li>• <i>Structure changes implemented by Clerk/Cllrs without staff input</i></li> <li>• <i>Budget – Told how to spend it, nothing to spend on improvements, limited marketing</i></li> <li>• <i>Different management approach from Clerk to Sports Manager and Bar &amp; Catering Manager</i></li> <li>• <i>Insufficient staffing levels</i></li> <li>• <i>Manager on front line</i></li> <li>• <i>Staff not used to full potential</i></li> <li>• <i>See each other as two teams (sports v bar and catering)</i></li> <li>• <i>Parking (non-users taking up space)</i></li> <li>• <i>First impressions</i></li> <li>• <i>Underutilised space</i></li> <li>• <i>No clear vision</i></li> <li>• <i>Lack of policies</i></li> <li>• <i>Perception of Councillors towards us is negative</i></li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• <i>New Councillors</i></li> <li>• <i>Restrict parking / non users</i></li> <li>• <i>Better utilisation of facilities particularly daytime</i></li> <li>• <i>Create greater awareness of what we do and have – in relation to 10,000 captive market</i></li> <li>• <i>Communication generally – meetings/1:1/appraisals</i></li> <li>• <i>Create a ‘one team’ environment</i></li> <li>• <i>Creation of a collective vision for the site</i></li> <li>• <i>Facilities and space usage</i></li> <li>• <i>Investment</i></li> <li>• <i>Work with North East Derbyshire District Council better</i></li> <li>• <i>Joint procurement/strategies etc.</i></li> <li>• <i>Pooling resources</i></li> <li>• <i>Roles/responsibilities and structure</i></li> <li>• <i>Management style and culture/behaviours</i></li> <li>• <i>Facility presentation</i></li> <li>• <i>Business plan creation</i></li> <li>• <i>Better comms with members</i></li> <li>• <i>Job security</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Competitors</i></li> <li>• <i>Burying head in sand</i></li> <li>• <i>Lack of policies</i></li> <li>• <i>Public perception (negative)</i></li> <li>• <i>Closure – job losses / lack of facilities</i> <ul style="list-style-type: none"> <li>- <i>Unemployment</i></li> <li>- <i>Social isolation</i></li> <li>- <i>Inactivity</i></li> </ul> </li> <li>• <i>Councillor perception</i></li> <li>• <i>Hostile / unhappy environment</i></li> <li>• <i>Unhappy staff</i></li> <li>• <i>Lack of ownership</i></li> <li>• <i>Rumour mill / lack of communication</i></li> <li>• <i>False hope</i></li> </ul>

**Symptoms, Causes and Treatments:** This exercise was completed over a period of approximately 10 hours and is designed to probe further into issues where there is a strong consensus to determine the root cause and how each can be addressed. This process was designed to inform this report highlighting key areas of focus from an operational perspective.

Similar to a medical diagnosis of a patient, this exercise aims to establish first of all the symptoms of the facility – What is wrong? What do we need to change? The next step is to establish the cause or causes of the symptoms – People? Product? Systems & Procedures? Promotion? Investment (or lack of)? The final step of this process is to establish the treatment – What are we going to do? How can we do it?

Fig. is a selection of flip chart sheets from the consultation events.



### Current Performance

Participation/memberships – On average 3100 attendances per month and 600 memberships, although the membership numbers are complex with 15 different membership types. As a comparator, a similar size facility (although with a pool) Eckington Pool has on average 4000 dry side attendances and 800 memberships.

Financial – In the financial year 18/19, the outturn of the facility was a subsidy of £345k. The forecast outturn for 19/20 is anticipated to be a subsidy of £357k.

Staffing – It is evident from staff engagement events that staff morale is very low with signs of visible anger and frustration at the current situation. There is a clear need for improved leadership throughout the organisation and the stability of a permanent Parish Clark.

It was also evident that the staffing structure left some areas under resourced and created a culture of 'us and them' between the Parish Council, Leisure and Bar/Catering. Staff were unclear of their roles and responsibilities, especially relating to H&S.

Risk – It was apparent that risk, especially relating to Finance, H&S and Safeguarding was not given the required attention and consideration. It should be noted that the financial risks are addressed in a separate report titled ‘Audit of Financial Arrangements’ and are not addressed in this report.

Vision – It was clear from members that the aim of the Parish Council was to improve the facility to become more financially sustainable and reduce the burden on the tax payer. However, this was not clearly communicated or understood by the whole organisation. Alarmingly, staff thought that the first consultation meeting we held was to close the facility.

Technology – It was evident from staff consultation along with discussions with providers that the front of house software which supports the operation of the facility, provides reports and holds customer details is outdated. It wasn’t clear that staff knew who the software provider was and had no regular meetings with an account manager. In addition, no preparations or consideration was apparent regarding PCI compliance.

### **New challenges**

Given all of the above and any areas for improvement highlighted in this report, it is evident that the staff are up for the challenge ahead and see the need to change. With strong leadership and the delivery of the actions in this report, it is achievable to significantly improve the performance of the facility and significantly reduce the subsidy of recent years.

### **Achievements along the way**

During the review period there have been some improvements that were implemented as we went along. These were:

**Benchmarking and learning from others (undertaken throughout the plan period)** – One of the issues evident and raised by staff was that there was little opportunity for leisure industry technical/professional development. Over the review period, the Operations Manager has attended North East Derbyshire District Council Leisure Management Meetings which review the performance, risks, programme, projects and future direction of the 3 North East Derbyshire District Council leisure facilities at Dronfield, Eckington and Sharley Park. This provides the opportunity to share best practice, discuss common issues/solutions, provide sounding board advice and draw upon industry knowledge and initiatives through professional bodies such as UK Active and Swim England.

**Safeguarding (November and December 2019)** – When undertaking an analysis of operational risks it became apparent that Killamarsh Parish Council

don't have established safeguarding policies or procedures. As a short-term resolution and in order to inform Killamarsh Sports Centre's future Safeguarding Policy, Killamarsh Sports Centre staff were invited to attend North East Derbyshire District Council hosted safeguarding training events in December 2019 and were provided with North East Derbyshire District Council's safeguarding leads should they need advice on any particular incident. This is an area for further work.

**H&S Inspection (November 2020)** - When undertaking an analysis of operational risks it became apparent that staff were not fully informed on H&S matters with some questionable areas regarding certification. With this in mind, North East Derbyshire District Council's H&S team carried out a workplace inspection and provided a report highlighting the severity of risk and suggested remedies. A meeting with the Parish Clerk was also held to explain the findings of the report and offer solutions. Whilst at the time of writing it is understood that a number of risks, some high in severity, remain and should be considered a priority, one major fire risk was resolved. A copy of the report can be found in Appendix A.

It was apparent that the Sauna had been in operation for many years without an appropriate inspection certificate. On Inspection the wood in the sauna was showing signs of scorching. North East Derbyshire District Council shared a contact of a company who had undertaken such inspections in the past. Sauna Tec commented "it doesn't look fit to use. Severe scorching on the walls and it would only be a matter of time before it went on fire." Following this information Killamarsh Parish Council took the decision to close the sauna. Whilst closing a facility for customers without consultation isn't advised, the closure addressed an immediate H&S risk and reduced the operating costs by approximately £6k and a 13T CO2 reduction.

**Vending Contract (October 2020)** – During the budget review it became apparent that the vending machines were owned and stocked by Killamarsh Parish Council, were outdated (not equipped for card payments) and making little or no profit. Following a discussion with North East Derbyshire District Council's contractor Wilkes, the account manager agreed to offer Killamarsh Parish Council the same lease contract terms as North East Derbyshire District Council vending contract. This change ensures the most up to date machines (Debit/Credit Card availability), removes the maintenance liability, removes the need to stock the machine and generates a small profit.

**VAT Sporting Exemption (September/October 2020)** – During the Finance review North East Derbyshire District Council finance team reviewed the potential of applying to HMRC for a VAT Sporting Exemption. Following consultation with Killamarsh Parish Council's accountant, DKN, the conclusion was reached that there is no benefit to Killamarsh Parish Council's pursuit of the exemption as the

Council would breach its de-minimis limit for exempt activity and therefore not be able to reclaim any VAT at all.

In addition, DKN advised that at some point in the past Killamarsh Parish Council opted to tax the whole of the parish building including the leisure centre therefore, until 20 years has passed this cannot be considered for revocation. This maybe something to contact HMRC about because there doesn't seem to be a record of when this decision was taken.

**Performance reporting (October 2020)** – During the review of the performance of Killamarsh Sports Centre in relation to attendances, the information provided seemed limited and unreliable. To improve the reporting, North East Derbyshire District Council Leisure Management Team have shared all relevant performance reporting spreadsheets with Killamarsh Sports Centre.

**Normal Operating Procedures (NOP) and Emergency Operating Procedures (EOP) – (Ongoing)** - An exercise of 'sharing learning' and 'sharing procedures' has been undertaken since this project commenced. North East Derbyshire District Council are now in the process of undertaking a systems and procedures audit at Killamarsh Sports Centre with a view to determining any gaps along with any improvements to existing systems and procedures that might be considered.

Officers from North East Derbyshire District Council are supporting the Operations Manager at Killamarsh Sports Centre to produce an up to date document that meets the required safety standards and identifies safe systems of work. The document will be made available to all employees within the facility which needs to be followed up with adequate training to existing staff and new starters via the induction process.

# Income generation

## Staff / Colleagues

Killamarsh Parish Council, like any other organisation, achieves its organisational goals through its workforce. If the workforce is not productive, the efficiency of goals-achievement suffers and costs of achievement go up.

This plan aims to contribute to effective workforce management which in turn develops a workforce consisting of happy and productive staff through:

- Training and developing the staff/colleagues into a team with the right mix of skills and fitting in with the organisational culture
- Monitoring performance
- Creating an environment where staff/colleagues want to be successful and achieve
- Creating an environment where ownership and responsibility for the Authorities goals is bought into

This is an area of work which for little investment can generate significant improvements in performance. At the moment, all of the above points require significant improvement.

**Action Ref 1: Establish and communicate clear organisational aims and vision and use this to develop training plans, appraisals, reward and recognition, team meetings, 121's, etc.**

## Programming

Effective programming helps the facility to meet the needs of the client/customer/community whilst meeting the aims/objectives/goals of the Killamarsh Parish Council. Effective programming should be an ongoing process of planning, implementation, evaluation and review - it should also facilitate maximum utilisation of resources.

This plan aims to contribute to the effective programming of the facility and services which in turn will offer:

- Excellent choice for the client/customer/community
- A balanced approach to provision
- A mechanism to attract specific markets/audiences
- Responsiveness to the client/customer/community
- Increased participation
- Increased revenue

**Action Ref 2: Undertake a customer satisfaction survey to fully understand the thoughts, opinions and aspirations of customers. North East Derbyshire District Council can share their Leisure Customer Satisfaction Template, if required. The survey must be followed by an action plan to address issues raised.**

### **Marketing, Advertising, Sales and Retention**

Getting the market (customers) to come to use the facility is an area for improvement. Creating new income streams via new sales or improving current income streams by growing sales to existing customers takes time. It should not be a stop-start activity as and when time allows. A marketing plan, focused heavily on branding, product offer and data driven marketing, is required to establish marketing and sales activity as something that is done daily, weekly and monthly – and do it consistently.

This plan aims to contribute to the effective marketing/advertising/selling and retaining customers by answering:

#### Marketing & Advertising

- How can we market to our customers? Along with people already active, should we target inactive people to improve the health of the community?
- How can we use our experience and market knowledge to develop and promote Killamarsh Sports Centre brand?
- How can we apply our knowledge of our customer segments to our marketing strategy?
- How can we tailor activity and further analyse our customer segments?
- How can communications strengthen the brand/facility?

#### Sales & Retention

- How can we launch and position our products/services in the market?
- How can we use marketing strategies to drive sales?
- How can we use 'effective enquiry management' to increase sales?
- How can we use effective data capture to drive sales?
- How can we gain market share?
- How can we increase retention rates and reduce attrition?

#### Products / Services

- Which products should we market?
- How should the product be priced?
- How should we position and market the products?
- How can we benefit from the reputation of Killamarsh Parish Council?

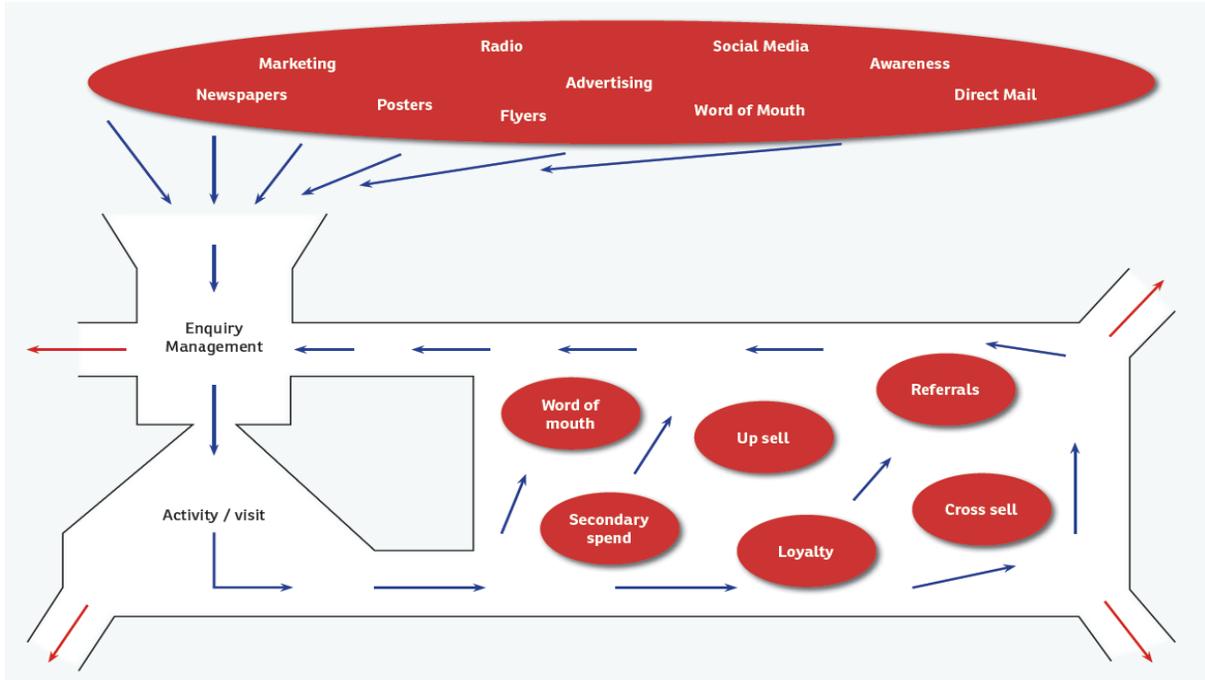
- How can we continually test and research our products to improve (where possible) accessibility?
- How can we deliver a quality customer service?
- How do we ensure standards are met/exceeded consistently?

## Technology

- How can we use existing technology to drive sales e.g. Web pages, XN leisure, etc.?
- How can we use technology to enhance existing and new products?
- How can we create a workable customer and marketing database?
- How can we use the data to our marketing advantage?
- How can we maintain momentum – ensure plan implementation?
- How can we measure our campaigns?

### Action Ref 3: Develop a sales and marketing Plan which should include branding.

The image below represents the **Marketing/sales/retention continuum**. This captures the ‘touch points’ that a facility needs to focus on to ensure customers are first of all attracted and then retained. The image also demonstrates the exit routes (red arrows) for customers if the facility operators get it wrong.



## **Pricing**

We need to match people's needs with products at a price they are willing to pay. The pricing policy is an important factor in financial planning and in the overall plan. Commercial marketing is profit orientated therefore it is price sensitive, products need to be gauged at the right price to attract customers to buy – the commercial sector have a far easier task than that of the public sector – they merely set the price that is most profitable. In the public sector greater commercial reality and awareness now exists but there are many social service elements to consider: should we charge some people at all?

Pricing Approach;

Killamarsh Sports Centre pricing is largely based on tradition, and what is an acceptable level compared with other authorities. There is a great deal of similarity between Killamarsh Sports Centre and neighbouring public facilities in terms of pricing levels, although there is a range of charges levied for different activities. These are expressed 'in theory' along a charging continuum, which extends from a social/community approach, where no charges are imposed (Play areas), to a commercial approach at the other end of the continuum (Full Membership).

At the social/community end of the continuum it is the belief that the intrinsic value of leisure and recreation is beneficial both to the participants and the community and that the opportunities should be equally available to all members of the community. Consequently, no charge for using the facilities and services is made e.g. parks, playgrounds etc.

For some activities a profit based approach is applied in the belief that the benefits obtained are exclusively restricted to the participants, hence charges are levied not only to cover costs, but also a profit that can be utilised to subsidise social/community activities.

Should subsidy be given in greater measure to certain sectors of the community? This is the question that should inform the concessionary membership scheme which has discounted & reduced price packages for some sectors of the community.

Pricing has always been a vitally important element in commercial business, now it is more important for local authorities because of the increasing financial pressures that are present today. A balance needs to be struck between the profitable activities, health and fitness, shows, birthday parties, retail (Secondary spend), etc. and the concessions and activities that the Council wish to subsidise.

**Action Ref 4: Seek member approval for a pricing policy that informs the concessions and fees & charges. Prices should be benchmarked against public/private sector direct competitors.**

### **Invest to save**

Simplistically, reducing the subsidy can be achieved by cutting cost. However, to remain competitive in the market there is a need to operate a well maintained facility and purchase new products and equipment to secure new business and enhance the existing offer. Whilst the structure of the facility seems fine, the condition of Killamarsh Sports Centre is poor. There are basic 'attention to detail' issues present such as lights out, storage in corridors, scuffs and lumps out of walls and smells of urine in the changing facilities. These are compounded by poor housekeeping, cleanliness and maintenance which will contribute to a spiral of decline, loss of income from memberships and sales which in turn reduces the amount of money available to invest in the facility and the decline continues.

In terms of subsidy reduction, investing to save or to generate more income is the other side of the coin. To ensure long-term income growth and subsidy reductions the following should be considered:

- Purchasing expert sales training for teams to maximize sales opportunities
- Working in partnership with commercial companies to drive (and incentivise) sales.
- Purchasing items that will reduce energy consumption, carbon footprint and ultimately reduce costs
- Large scale refurbishment and investment (addressed later in the report)

### **External Funding Opportunities**

Whilst external funding sources can seem attractive, it can often lead to unintended consequences including; inappropriate facilities; delays to progress; and facilities that do not meet the objectives of the business plan. The latter was noticed during the period of review where LEADER funding was secured for air conditioning spending Killamarsh Parish Council's limited financial resource on match funding, rather than addressing the more pressing issue such as Health & Safety and general poor condition of the facility.

There are grant funding sources, community share schemes and loans which are accessible to Parish Council's however, any investment should be fully considered against the Parish Council's aims and supported by a fully costed business plan.

## **Ensuring High Standards of Delivery**

A facility that is operated in a safe, well maintained and customer friendly way will improve the customer experience and subsequently improve membership numbers. The way staff carry out their duties impacts on the quality of experience that our customers, staff and visitors are exposed to.

In order to ensure Killamarsh Sports Centre delivers a high quality experience to customers, staff and visitors, North East Derbyshire District Council have worked with Killamarsh Sports Centre to develop operating procedures which set the expectations of staff, provide guidance and ensure that all staff know their role in an emergency situation.

The facility required a complete overhaul of its operating procedures in order to ensure the building is operating safely, on a daily basis, and the customers are entering an environment that is safe and free from risk. These procedures, operating guidance and safety check sheets will provide staff with clear instruction and guidance on the safe operation of the building and more importantly the roles they play in all situations.

As a starting point, the centre has produced a document which contains an EAP (emergency action plan) and NOP (normal operating procedures) and adequate training should be offered to ALL employees, of its content, within the facility. Likewise all employees should receive a copy of the document and understand the content within it and the role they play.

Further records are required to identify safety checks within the building and any action that has been taken or is required. A full audit should be carried out to establish the current position but ideally check sheets should be in place and updated either daily or weekly for things such as; building inspections, gym kit daily inspection, mechanical & electrical recording (boiler temps etc.), Sports Hall/Small Hall equipment checks (weekly), cleaning, etc.

There is a significant amount of work to do in delivering these items. North East Derbyshire District Council Officers have supported Killamarsh Sports Centre in producing these documents and provided assistance to their team throughout the process. An initial audit was carried out by the Leisure Operations Manager (North East Derbyshire District Council), Lead Facility Officer (Eckington Swimming Pool - North East Derbyshire District Council) & Operations Manager (Killamarsh Sports Centre) to identify the gaps and associated timescales to implement.

**Action Ref 6: Ensure the NOP and EOP are embedded in the operation of the facility, valued by staff, regularly refreshed and 'checked and challenged' often by management.**

# Cost reduction & efficiencies

## Staff/Colleagues

During the consultation events with staff a number of staffing issues were raised by the team which indicated that a review of the staffing structure would be prudent. Some of these issues were:

- Lack of leadership
- Lack of respect for staff
- Little or no positive feedback
- It doesn't feel like one team
- No consequence if something isn't done
- Lack of ownership of duties/tasks

Having the right number of people to deliver the required service is the fundamental goal, if eight people can deliver the required service, you don't need nine people. Equally however, having the resource in the right area with the right skills/knowledge is critical too.

Whilst the overall number of staff working in the facility seems adequate, on occasions it is clear that the facility operates with only one sports assistant on shift supported by a Receptionist. This has the potential to cause a number of issues, including Health & Safety concerns (manual handling, building/fire evacuation & first aid support) and the overall operation of the facility in achieving high standards of cleanliness & professionalism.

It is evident that the Management roles within the facility are not being effectively utilised to provide strategic direction and managing risk. The role of the Operations Manager should be about business/facility development, ensuring Health & Safety standards are maintained, regular communication is offered to staff teams, monitoring and improving performance, budget/financial performance, operational issues, audit reviews and recommendations, to name a few. From the programming and rotas management posts are performing duties such as reception cover, cleaning, equipment set up and change overs, fitness class and Personal Training session cover which results in a lack of organisational control around key issues and no business development.

Clear roles and responsibilities are critical in ensuring ownership of tasks and maximising the amount of time people spend on directly delivering & improving the facility. A lack of clarity and direction can divert staff from applying their knowledge and skills in tasks that are of high value/high impact.

Developing a culture of ownership and creating a mind-set where people think of the business as their own makes for a safe and efficiently run facility. Staff at all levels should be empowered and encouraged to take ownership of their roles and duties, having the ability to influence change if they see the need.

Appendix B provides proposed structure. The proposed structure represents a 1.5% annual salary cost increase (£4,000) however, the investment will go some way to address the issues raised by staff whilst ensuring enough capacity to safely operate the facility and resource business development activities.

**Action Ref 6: Consider changing the staffing structure to address some of the issues outlined above.**

### **Utilities & Energy Management**

Reducing the energy usage of a facility should be a key driver. Whatever the perspective, reducing the facility costs or carbon means being serious about reducing energy consumption without compromising the delivery of the services.

The decision to close the Sauna, all be it on Health & Safety grounds (separate report), has actually delivered a 13T reduction in Carbon and a £6k per annum saving.

**Action Ref 7: Provide staff training on 'good housekeeping' when it comes to energy efficiency of the facility.**

**Action Ref 8: Undertake an energy audit to identify the high energy consuming process/activity and identify any invest to save opportunities.**

### **Expenditure Budgets**

Through staff consultation it was noted that managers didn't feel in control of their budgets. It is important to delegate some control of budget, with effective oversight, to allow for the efficient operation of a facility.

However, to effectively manage a budget, managers need to understand the detail codes within the cost centre and understand the importance of ongoing monitoring and analysis of these individual component parts. The ability to reflect on past budget performance, project future need and recognise potential to reduce budgets or need to increase in some areas is of the highest importance.

**Action Ref 9: Ensure managers lead (with check and challenge) the budget setting process (Income and Expenditure), have ownership of the budgets and regularly report on budget (Income and Expenditure)**

### **Operating Hours**

As an observation, the opening hours of the facility seem to open later in the morning (7.30am) than local competitors and also later in the evening (10pm).

Whilst this may be driven by demand (supported by usage figures), it is recommended that this is reviewed and forms part of the customer satisfaction questionnaire.

**Action Ref 10: Review demand/usage, benchmarking against others and customer satisfaction survey to determine the appropriate opening times and programming.**

### **Partnership Working**

Unlike in the commercial sector, public sector providers have a common goal to improve the communities we live in. Whilst other public leisure facilities should be considered competition when considering sales and marketing, working with public partners can bring significant improvements to benefit the Parish Council and the community. Sharing learning and best practice, new initiatives, solutions to common problems, joint procurement, external benchmarking and the development of a professional network are all achieved through partnership working.

Through the work to date, a stronger partnership with North East Derbyshire District Council has been developed and is starting to have an impact in how the facility operates. This should be developed further and ensure that Killamarsh Sports Centre is known and considered by all local partners.

**Action Ref 11: Invest time in developing partnerships with key organisations such as North East Derbyshire District Council, Active Derbyshire, Public Health, GP Surgery's, etc**

# People

## Customer Insight

The standard definition of Customer Insight is 'the collection, deployment and translation of information that allows a business to acquire, develop and retain their customers.

Customer insight, as a process, begins with knowing and understanding what the customers want, and ends with proof of their satisfaction with the products and services we offer. This process breaks down into component parts including;

- Identifying customer needs and expectations, not only of the products and services offered, but also, the level of customer service we deliver.
- Ensuring that our systems, procedures and functions are customer-focused
- Encouraging and empowering staff/colleagues to be able to own the problems and rescue the situations that lead to customer dissatisfaction
- Implementing actions to improve the customer experience
- Measuring internal performance, customer behaviour and customer perception to determine what further action is required

What is the value of the customer? How much will the average customer of our service spend with us over their lifetime? This is extremely important for our teams to understand when encouraging great performance in health & safety, facility cleanliness, programming, customer satisfaction, making a difference, owning a problem, taking action and all other elements that make a difference when it comes to customer loyalty and retention (see continuum image on page 12).

For example; A customer takes out a gym membership. The customer pays us £30 each month, whilst the first transaction is only £30, they spend that each month so annually they spend about £360. They stay with us for five years so they actually spend £1,800 with our service. So is this a £30 customer or a £1,800 customer? In addition over the past five years, the same customer spent £5 in the vending machines every session, purchased £20 of retail goods per year, has held their kids birthday party here every year at approx. £100 per party - this customer also referred 10 of their friends and family to the centre over the 5 year period who all spent a similar amount ..... So now what are they worth?

Lifetime value of customers will be a feature of the staff training identified within the plan.

**Action Ref 12: Undertake an annual customer satisfaction survey, develop an action plan to address key issues raised and promote to customers the improvements (you said, we did).**

**Action Ref 13: Consider other forms of customer insight available to the Council and customer service training for staff.**

### **Effective Delegation**

Delegation is one of the most important management skills, good delegation saves time, develops our staff/colleagues, assists succession training and motivates. Poor delegation can cause frustration, be de-motivating, cause confusion and can fail to achieve the task itself.

A key task of a leader/manager in any organisation is to develop the team, when this happens everyone can move on to higher things and the business develops. When it fails to happen, the succession and progression of staff becomes dependent on bringing in new people from outside.

Delegation should **not** be viewed as a management technique for freeing up the managers time only.

It is evident that the delegation of duties and roles is a weakness of the organisation as a whole which is leading to poor decision making, underutilisation of resource and frustration at all levels, including elected Members. For example, we held a consultation event with staff early 2020 when the interim Parish Clerk had left. We asked the question, who was responsible for the Health & Safety of the centre? It was apparent that no one in the room thought it was them, and a suggestion was made that it may be the elected Members. Whilst the buck may stop with elected Members, there was a lack of understanding around delegation and ownership of duties.

**Action Ref 14: The Parish Council, Parish Clerk and Operations Manager, develop clear roles and responsibilities for all staff including the clear delegation of duties.**

**Action Ref 15: Following the above, and a general improvement action, the elected Members and staff meet to clarify vision, collective goals and the expectations of staff, through clear roles and responsibilities.**

### **Accountability & Consequence**

What is accountability? Everyone has a sense of what accountability means to them, a leisure attendant may be accountable for a clean and safe activity area on a given day or time relating to their shift. A leisure centre manager is accountable for ensuring the building is safe for their team to operate in and

customers to visit. For each of these examples, the word "accountable" could be replaced by "responsible." Each person is responsible for achieving a result.

Accountability is meaningless without consequences, positive or negative. If someone accomplishes the results they set out to achieve or were asked to achieve, then they should be **Acknowledged, Praised & Encouraged (APE)** to continue their good performance. However if someone performs poorly then this too should be recognised and consequence applied.

All staff are responsible for the success or failure that we experience, every last member of the team plays a part – this is accepted more widely when things are going well – however the facility team needs to get better at applying consequence to under/poor performance. Improvement in this area will ultimately lead to improved business success.

During the staff consultation event, staff were honest enough to state that they felt that underperformance had no consequence. Equally, they also suggested that good performance is not recognized either.

**Action Ref 16: Improve the focus on results by explicitly defining accountability and setting clear guidelines for holding people accountable.**

**Action Ref 17: Through annual appraisals and regular performance reviews by line managers develop a process of reviewing performance (Good and bad).**

**Action Ref 18: That the Parish Council considers reward and recognition and how that can be implemented. This may not be formal, it could simply be saying well done and thanking staff for their efforts more frequently.**

# Products and resources

## Quality

Quality refers to the ability for our product to satisfy the customers, quality assurance/control refers to the processes we use to demonstrate the ability of the product to satisfy customers.

Quality is the main pillar of any business, quality is the most important aspect which affects the level of success of the business against the potential. In the earlier sections of the document we mentioned cost reduction and pricing. Effective pricing is one way to increase participation and cutting costs is also a way of increasing the profit margin. However, if our product or service does not achieve good quality status, then our customers will not use it in future, even if it has the lowest price. Thus, you have to assure the quality of the product or service by ensuring we have effective quality control procedures in place.

The way that we deliver our services and the way we as individuals carry out our duties also impacts on the quality of experience that our customers, staff and visitors are exposed to.

**As part of Action Ref 5 - Through the development of Normal Operating Procedures (NOP), ensure that quality assurance measures such as check lists are in place for key areas that impact on quality such as cleanliness and well maintained equipment.**

## Trends

Lifestyles are always subject to change, over the course of time patterns emerge in people's behaviour, demographics and the economy etc. – trends. Interest in Leisure and Recreational activities are no exception to this rule, therefore trend analysis is a vital tool in effective management.

The past 20 years has seen increases in disposable income and higher customer spends in relation to leisure activities which in turn increased customer expectation and ultimately a massive growth in terms of provision. In more recent times and up to the present day we have seen an economic downturn and reduced spend per head is likely to be a feature within the leisure provider market.

Changes in leisure lifestyles and the economic climate has meant that often the success of leisure providers has relied less upon technical progress and more on innovation, quality and marketing activity.

Demographic changes have also influenced the demand for different leisure products. The population is becoming older, the household size is becoming smaller and more women are getting involved in leisure related activity.

The ability to recognise changes and trends in society and respond to those trends in order to maximise our potential is a vital component in a successful facility.

**Action Ref 19: Through partnership working and industry bodies, ensure that new initiatives and innovations are considered and applied at Killamarsh Sports Centre.**

### **Momentum**

The single most important element in this plan will be to ensure that a framework is in place to maintain momentum. New initiatives/ideas can often be seen as great at the time of introduction and even if the team buys in, we can often allow the initiative/idea to fail simply because it falls off the radar. This plan is being developed with this in mind, therefore we will put in place a mechanism to ensure momentum/check/challenge performance against targets reviewed in 121 line management sessions.

### **Investment in the Product**

All of the above 'Products and Resources' section demonstrates that as a facility 'standing still' isn't an option. Whilst good practice was recognised through the introduction of functional training and in reviewing the demand and popularity of classes to ensure the offer was on trend, the facility in general looks to have stood still for many years.

The quality of the facility, and therefore the product is poor. The facility isn't well configured, has facilities that are perhaps less desirable nowadays (current bar offering and sauna) and is poorly presented with unfinished decoration, questionable cleanliness, untidy and generally poorly maintained.

The proposal in Appendix C is a proposal for a largescale refurbishment of the facility to improve the quality of the product (facility), squeeze more income from 'high potential' income generators such as Health and Fitness, address issues such as car parking and anti-Social behaviour (ASB) and reduce the overall subsidy of the of the facility. The proposal includes indicative costs and income forecasts for the new facility.

Should the Parish Council be minded to pursue the refurbishment, the next steps should be:

- Expert consultancy to develop an outline business case for refurbishment. This should include a 'latent demand' exercise, possibly using the 'UKactive' data insight service, to help predict member numbers, the impact of nearby competitors & known planning applications, as well as the social value that the site could generate. The insight data can also suggest optimum pricing models and mix of facilities (including number of gym stations) based on demographics and socio-economics of the local area.
- Community consultation to understand what products and services should be included in the facility and promote investment which will lead to an improved and more sustainable facility in the future.
- Develop the outline business case with consultation responses to develop a full business case to be considered by the Parish Council.

**Action Ref 20: The Parish Council to fully consider the potential of investing in the facility and if support, undertake feasibility the steps above.**

In addition to the refurbishment, the facility has lacked significant investment in technology over recent years and is operating a 'Point of Sale' (POS) system that is outdated and in need of software updates or system renewal without which the Parish Council could be exposed to data security risks. There are no regular meetings with the provider (Jonas Group) to discuss its performance and operation. Likewise there is no provision to book classes or activities on-line or the option to sign up to the monthly membership schemes via an on-line portal. The facility would benefit from improved/increased hardware at Reception supported by further technology such as fast track entry to improve overall customer experience when visiting the site.

The facility would benefit by providing free WIFI to its customers/members. This function has become popular within Leisure sites, especially for spectating parents, and will support the retention rates in all areas of the business. It is also a welcomed addition for those who are using the catering service within the centre.

The equipment in the fitness suite and functional areas consist of 7 machines only (cybex) that are capable of offering integrated TV consoles. These machines do not have the ability to access internet or social media. The lease agreement for the downstairs gym is due to finish in December 2020 consideration should be given to introduce equipment that is able to offer state of the art functionality.

**Action Ref 20: To improved technology infrastructure, irrespective of if refurbishment is pursued, by:**

- a. A meeting with the Account Manager at Jonas Group to discuss & understand the current operating system and potential upgrades**
- b. Request quotes for POS upgrades**
- c. Request quotes for fast track entry to be located in the foyer area (Low priority)**
- d. Request quotes to provide online booking, course payments and membership sign up**
- e. Request quotes from Free Runner (or alternative) for public Wi-Fi installation**
- f. Ensure payment machines are able to take contactless and apple pay**
- g. The facility needs to consider solutions to be 'Payment card Industry' (PCI) compliant this would need to be discussed with the POS supplier (Jonas Group)**
- h. Introduce state of the latest fitness equipment capable of providing TV consoles, internet/social media access & Bluetooth connectivity**

### **Estates Management**

During the staff consultation process, discussion took place regarding buildings surrounding the facility owned and leased out by the Parish Council along with the child centre within the facility.

This report has focused upon improving the sports facility in the main however, consideration should be given to reviewing the various lease/letting arrangements in the immediate vicinity. This should consider the impact of National Non Domestic Rates (NNDR) (who pays it, are they exempt?), responsibilities for statutory issues (fire safety, asbestos), contributions to shared services such as cleaning, utilities, etc.

The investment plan assumes that the vacant building next to the facility that is leased to DCC can be included in the refurbishment by demolition and increasing car parking, along with reducing ASB through better surveillance. This needs further consideration as to if the lease arrangement allows for this and if not, would DCC be open to it.

**Action Ref 21: Undertake a review of all leases (in or out) in the vicinity and consider a formal lease agreement with the child service provider.**

## Action Plan

The following action plan details many quantifiable savings/efficiencies or income amounts that are there to be counted – the less tangible however are the changes in culture and approach to service delivery which will potentially have the power to multiply the hard cash figures over the course of time. The action plan below details the area of improvement and type of activity i.e. *income generation, cost reduction and efficiencies, people, products and resources.*

Reference	Action	Priority
1	Establish and communicate clear organizational aims and vision and use this to develop training plans, appraisals, reward and recognition, team meetings, 121's, etc.	High
2	Undertake a customer satisfaction survey annually to fully understand the thoughts, opinions and aspirations of our customers. The survey must be followed by an action plan to address issues raised.	High
3	Develop a sales and marketing Plan which should include branding.	Medium
4	Seek member approval for a pricing policy that informs the concessions and fees & charges. Prices should be benchmarked against public/private sector direct competitors.	Medium
5	Ensure the NOP and EOP are embedded in the operation of the facility, valued by staff and regularly refreshed.	High
6	Consider changing the staffing structure to address some of the issues outlined.	High
7	Provide staff training on 'good housekeeping' when it comes to energy efficiency of the facility.	Medium
8	Undertake an energy audit to identify the high energy consuming process/activity and identify any invest to save opportunities.	Medium
9	Ensure managers lead (with check and challenge) the budget setting process (Income and Expenditure), have ownership of the budgets and regularly report on budget (Income and Expenditure)	High
10	Review demand/usage, benchmarking against others and customer feedback to determine the appropriate opening times and programming.	Medium
11	Invest time in developing partnerships with key organisations such as North East Derbyshire District Council, Active Derbyshire, Public Health, GP Surgery's, etc.	Low
12	Undertake an annual customer satisfaction survey, develop an action plan to address key issues raised and promote to customers the improvements (you said, we did).	
13	Consider other forms of customer insight available to the Council and customer service training for staff.	Medium
14	The Parish Council, Parish Clerk and Operations Manager, develop clear roles and responsibilities for all staff including the clear delegation of duties.	High
15	Following the completion of 14 above, and a general improvement action, the Councillor's and staff meet to clarify vision, collective goals and the expectations of staff, through clear roles and responsibilities.	High

<b>16</b>	Improve the focus on results by explicitly defining accountability and setting clear guidelines for holding people accountable.	Medium
<b>17</b>	Through annual appraisals and regular performance reviews by line managers develop a process of reviewing performance (Good and bad).	Medium
<b>18</b>	That the Parish Council considers reward and recognition and how that can be implemented. This may not be formal, it could simply be saying well done and thanking staff for their efforts more frequently.	Medium
<b>19</b>	Through partnership working and industry bodies, ensure that new initiatives and innovations are considered and applied at Killamarsh Sports Centre.	Low
<b>20</b>	The Parish Council to fully consider the potential of investing in the facility and if support, undertake feasibility the steps outlined in the report.	High
<b>21</b>	To improve technology infrastructure, irrespective of if refurbishment is pursued, by: <ul style="list-style-type: none"> <li>a. A meeting with the Account Manager at Jonas Group to discuss &amp; understand the current operating system and potential upgrades</li> <li>b. Request quotes for POS upgrades</li> <li>c. Request quotes for fast track entry to be located in the foyer area (Low priority)</li> <li>d. Request quotes to provide online booking, course payments and membership sign up</li> <li>e. Request quotes from Free Runner (or alternative) for public Wi-Fi installation</li> <li>f. Ensure payment machines are able to take contactless and apple pay</li> <li>g. The facility needs to consider solutions to be PCI compliant this would need to be discussed with the POS supplier (Jonas Group)</li> <li>h. Introduce state of the latest fitness equipment capable of providing TV consoles, internet/social media access &amp; Bluetooth connectivity</li> </ul>	High
<b>22</b>	Undertake a review of all leases (in or out) in the vicinity and consider a formal lease agreement with the child service provider.	Medium

# Conclusion

Like all public leisure facilities, Killamarsh Sports Centre is a place for the community to socialise, celebrate special occasions and improve their health and wellbeing. However, as a facility, Killamarsh Sports Centre is significantly underperforming and during the process of developing the report it became evident that the facility faces significant challenges, such as:

- The facility operates with a significant subsidy
- Poor public perceptions and value
- A lack of leadership and direction
- Years of underinvestment and little product development
- Low staff morale and performance
- A lack of customer focus
- Little or no consideration and ownership of risks

This report and the action plan within it provides Killamarsh Parish Council with practical and deliverable steps that should be considered to improve the facility, not only financially but to develop a facility that the community values and are proud of.

Generally, the actions in the action plan aims to address the issues outlined in the report. The actions can be generally categorised into the following groups:

**Staffing** – This is a significant weakness of the organisation. A lack of leadership and consistent/clear direction, at all levels, is apparent resulting low morale, underperformance of staff, lack of ownership, drive and creativity.

**Investment in the facility** – A lack of investment in the broadest sense is evident throughout the facility. From poor housekeeping, unfinished decoration, condemned equipment, outdated facilities, lack of technology and low spec equipment this all contributes to the overall value customers and the community place in the facility. The highest priority and most alarming finding was the Laissez-Faire approach to Health & Safety. North East Derbyshire District Council have provided some guidance and support on Health & Safety however, the staff must be made accountable for resolving current Health & Safety issues and putting in inspection and preventative routines to ensure ongoing risk mitigation. A copy of the Health and Safety report can be found in Appendix A.

**Lack of customer focus** – Throughout all of the process of developing the report, at no stage was it apparent that the customer was central to operation and development of the facility. At staff consultation events, customers were rarely mentioned, there was no evidence of obtaining the views and feedback from customers.

It will be no surprise that for any organisation, skilled and motivated staff, the quality of the product and ensuring customer expectations are met/exceeded are key components to success. There are clear failings in all of these areas which are contributing to more negative outcomes such as financial difficulties and poor perceptions of the facility.

The overarching aim of this report is to provide the Parish Council a plan that would lead to the reduction in financial subsidy. To achieve the desired and significant reduction in subsidy, all of the actions are important and contribute to that aim. Most of the actions are low or no cost and require good organisational processes, leadership and direction. However, two of the actions **Ref 6 (Staffing Structure)** and **Ref 20 (refurbishment)** require further consideration as significant investment is required and timing of these actions will influence the majority of other actions.

Should all actions be implemented, in particular Ref 6 and 20, then a subsidy reduction in excess of **£126,000 per annum** is achievable. When this subsidy reduction is achieved, requires detailed consideration and financial profiling as part of the feasibility work for refurbishment. Based upon North East Derbyshire District Council's experience of refurbishments of this type, it is likely to be 3 years from the start of the work until the full financial benefit of the refurbishment is realised. The breakdown of how the subsidy reduction is estimated can be found in Appendix D.

In addition to a facility which is more financially viable, the action plan will deliver a family friendly, higher quality, leisure and community facility that the community are proud of.

Next steps:

Over the coming months (April – May 2020), North East Derbyshire District Council will continue to support improving the day-to-day performance of the Killamarsh Sports Centre committing up to two days per week of support to assist in addressing known risks, implementing operating procedures and defining/reinforcing roles and responsibilities. The outcome of this work is to improve staff morale and performance, improve communication, improve general housekeeping and improve the overall offer to the customer.

Alongside this Killamarsh Parish Council should consider this report in full and consider future options which should include Action Ref 6 and 20.