



Vibrant Safe and Sustainable Communities Scrutiny Panel

5 February 2015

Report title	WV Active Business Transformation	
Cabinet member with lead responsibility	Councillor Elias Mattu Leisure and Communities	
Wards affected	All	
Accountable director	Tim Johnson, Place	
Originating service	City Environment	
Accountable employee(s)	Chris Huddart	Head of Service 01902 55(6788) chris.huddart@wolverhampton.gov.uk
	Peter Connelly	Project Manager 01902 55(5089) peter.connelly@wolverhampton.gov.uk
Report to be/has been considered by	N/A	

Recommendations for action:

Councillors are requested to note the progress achieved to date to transform the business and discuss further opportunities to increase the participation rates across the city through the utilisation of the mainstream facilities.

1.0 Purpose

- 1.1 A fundamental business review has been undertaken of Leisure Services that has covered operational performance and identified opportunities for significant increases in the generation of income, to reduce the level of subsidy provided by the council.
- 1.2 The purpose of this report is to brief Councillors on the work that has been completed to date to transform Leisure Services and seek the views of Panel Members on further opportunities to increase participation rates within the leisure centres.

2.0 Background

- 2.1 The former Delivery directorate took responsibility for Leisure Services from 1 December 2013 and a new senior management team is now in place. Leisure services are responsible for the management of three mainstream leisure centres:-
 - 2.1.1 **Bert Williams Leisure Centre** – this facility was opened to the public in December 2011 at a cost of £18.6M which included a contribution of £900,000 from Sport England.
 - 2.1.2 **Aldersley Leisure Village** – opened in 1999 and is a key venue for regional and national events and is the operational base for a number of the key sporting clubs within the city.
 - 2.1.3 **Central Baths** – opened in 1990 and is a designated competition venue for swimming within the region. The centre is open to the general public but is often unavailable at weekends due to the demand to stage competitive galas. Some internal works are required to reconfigure and improve the facilities to a much higher standard to that currently available to generate more income from this venue.
- 2.2 A fundamental business review has been completed and Cabinet of 26 March 2014 approved a business transformation programme. A key driver of the new business model is to significantly improve the customer experience whilst generating additional revenue for the business. A critical element is the ease by which customers can book and pay for their fitness choices. This is an important factor acknowledged by high performing operators to attract and retain their customer base. This will make a significant contribution towards the greater utilisation of the assets which is essential in order to reduce the current level of subsidy.
- 2.3 Management are proactively strengthening relationships with key partners to capitalise on the mutual benefit that will be realised. In particular, work with the University of Wolverhampton and Wolverhampton Public Health are a priority and following initial meetings there are significant opportunities for greater utilisation of facilities to support the strategic priorities of Public Health across the city.

2.4 Four key strategic goals sit at the heart of the new approach to the business:

Key Strategic Goals

1. Strengthen branding, marketing and communications to become the leading fitness provider in the local area.
2. A customer centred approach to decision making processes.
3. Recruit, appoint and train staff to achieve the highest standards
4. Control and optimise all operating costs to deliver sustainable, accessible high quality facilities and services.

3. **Strategic Goal 1- Branding, Marketing and Communications**

3.1. It is important for the business to effectively compete and attract new users through the implementation of a comprehensive branding, marketing and communications plan. This enables the business to budget, plan and focus communications effectively, including targeting messages to the key stakeholders, by using a range of media and languages that is appropriate to that audience. Achievements to date include:

3.2. Achievements to date include:

- A marketing and communications plan has been produced to proactively target key stakeholders and customers.
- A major re-branding exercise of Leisure has been completed and the new name of the business is WV Active. A launch of the new brand name took place on 10 January 2015 at Aldersley Leisure Village and a further event is planned at the Bert Williams Leisure Centre in April 2015.
- New internal and external signage is in place at Aldersley Leisure Village and Central Baths. A totem sign is planned to be installed along the Black Country route to promote the Bert Williams Leisure Centre in March 2015.
- A new on line booking system is now operational *for* customers to book through a web based system for activities such as group exercise classes, which is common practice for leisure operators. The data captured, will enable direct marketing to customers (email, text campaigns, social networks).

- All employees have been issued with new uniforms that are consistent with the new brand image.

4. Strategic Goal 2 - Customer Centred Approach to Decision Making

4.1 The effective and efficient programming of facilities is vital to the achievement of the goals to increase and sustain participation levels. A review of programming and utilisation has highlighted the need to radically change the programmes of use to engage the latent demand within the city. The review also identified the potential to grow the membership base by offering low cost packages that are better value for money, when compared with other providers.

4.2 Achievements to date include:-

- The launch of the WV Active membership offering two types of packages namely a “Gold Active” membership which includes unlimited gym and swimming activities and the “Platinum Active” membership, that has the added benefit of unlimited access to group exercise classes held in both the fitness studios and swimming pools. Following the launch of the new scheme significant interest has been generated for corporate memberships, which is currently open to employees of the council, the emergency services, other public sector bodies and the University of Wolverhampton.
- Entering in to an agreement with Les Mills, a leading worldwide group exercise class provider, to develop a new group exercise programme for the business. The business currently delivers 100 classes a month which is planned to increase to 180 by the end of the year.
- In conjunction with the Amateur Swimming Association, a fundamental review of the swimming programmes has been completed and a Swimming Improvement Plan has been produced.
- A review of the schools swimming lessons programme has been completed that resulted in the more efficient scheduling of school bookings to maximise the pool space and swim teacher resource.
- Secured a long term partnership agreement with England Handball to use Aldersley Leisure Village as a competition and training base for the governing body.
- Increased income generation by hosting a broader range of one off events such as “Zero to Hero” staged at Aldersley Leisure Village.
- The introduction of “aqua-run” fun sessions at the Bert Williams leisure centre for children at weekends and school holidays.

5. Strategic Goal 3 – Develop And Empower Staff

5.1 The commercialisation of the business requires managers to have a set of key competencies focused on performance management and customer relations that is consistent with a commercially operated leisure facility. The previous employee structure

was traditional and municipal in the delegation of duties and required a step change in order to align the structure to the new business model. The new structure is set out in Appendix 1 and focuses on key income generating teams within the business.

5.2 Achievements to date include:-

- The new structure has been approved and currently being implemented. The new structure focuses on key income generating teams within the business.
- The line management of the reception teams has transferred to Customer Services. The rationale for this change is to strengthen this area of the business to enhance the customer experience and encourage return visits. As a result the following customer contact points have been implemented:-
 - Telephone enquiries: there is one telephone number for all leisure centres in order to be certain of capturing all calls made to the centres by customers.
 - Reception enquiries: Customer Services have responsibility for reception staff at the centres and focus on the customer experience.
 - All customer communication via email/online/social media are directed to customer services to action according to the agreed corporate standards for all three facilities.
- Delegated authority has been approved to vary activity prices in line with market conditions to ensure the business can effectively compete against other leisure operators.

6. **Strategic Goal 4 – High Quality Facilities**

6.1 Within the context of the council's corporate landlord model, targeted investment is being undertaken to upgrade areas at all three facilities.

6.2 Achievements to date include:-

- Sport England funding of £150,000 has been secured for the refurbishment of changing facilities and the extension of the main function room at Central Baths that will generate significant levels of additional revenue for the facility
- Work has commenced to upgrade the catering operations summarised below:-
 - Minor refurbishment and decoration to the catering kiosk at Central Baths to serve refreshments during swimming galas.
 - The provision of a catering counter service in the main reception area at Aldersley Leisure Village

- Facility development plans are being produced in conjunction with the corporate landlord that set out an investment programme to maintain the facilities to pre-determined standards but also include facility improvements to maintain and grow the customer base.

7.0 Financial implications

7.1 The Medium Term Financial Strategy sets out efficiency savings to reduce the level of subsidy required to operate the leisure centres. The reduction in operational subsidy for the business for the period 2014/15 to 2018/9 is £0.902M. This will be generated through the new employee structure and additional income from the implementation of the new membership scheme and structured activity programmes. Service improvements will be funded through a combination of external grant, capital programme resources and the Transformation Reserve. [GE/2301205/V]

8.0 Legal implications

8.1 There are no direct legal implications as a result of this report. The procurement of the proposed new management information system will follow the corporate procedures. [Legal Code: TS/21012015/M]

9.0 Equalities implications

9.1 The development of the new business model has been subject to an equality analysis to ensure that the core equality commitments are met by the business going forward.

10 Environmental implications

10.1 There are no environmental implications as a result of this report.

11 Human resources implications

11.1 A critical success factor of this new business plan is the implementation of a new employee structure that takes in to account the need to create environment within the facilities that meets customer expectations. The re-structure continues to follow the corporate guidelines and ensure that all employees directly affected are fully consulted.

12.0 Corporate landlord implications

12.1 The Corporate Landlord service has been fully sighted on the proposals contained within this report.

12.2 The proposed targeted investment for all three facilities will improve the utilisation of the assets and subsequently generate additional income. The works are essential to deliver sustainable and accessible high quality facilities and will assist in the enablement of the current level of subsidy being reduced.

12.3 Facility development plans are being produced in conjunction with the Corporate Landlord that will set out an investment programme to maintain the facilities to pre-determined standards but also include facility improvements to maintain and grow the customer base.

13.0 Schedule of background papers

13.1 Cabinet meeting, 26 March 2014 – Leisure Services Business Transformation.