



Report of the Cabinet Member for Investment, Regeneration, Events & Tourism

Cabinet – 18 April 2024

Leisure Partnership Annual Report 2022/2023

Purpose:	To advise Cabinet of the partnership operations of key facilities within the Cultural Services portfolio
Policy Framework:	Creating an Active and Healthy Swansea; City of Sport; Medium Term Financial Plan
Consultation:	Legal, Finance, Access to Services.
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FOR INFORMATION	

1. Introduction

- 1.1 A report on the performance of partner operators of key Council facilities within the Cultural Services portfolio is presented annually.
- 1.2 This report details some of the key partnership arrangements in providing leisure and cultural services, for the benefit of the residents and visitors to Swansea during 2022/23 and identifies some significant achievements during the year, along with some issues and challenges. Where available, performance outturns for the previous period have been retained in this report for comparative purposes.
- 1.3 The key arrangements outlined within this report include:
 - 1.3.1 Wales National Pool Swansea (WNPS)
 - 1.3.2 Leisure Centres – Freedom Leisure
 - 1.3.3 Plantasia Tropical Zoo – Parkwood Leisure

- 1.3.4 National Waterfront Museum Swansea (NWMS)
- 1.3.5 Other high- level information for Partnership facilities at:
Swansea Tennis Centre & Swansea Bowls Stadium

- 1.4 Each partnership has differing arrangements regarding reporting, monitoring and data collation. This report includes performance information for each partner and brings together the key financial and usage information to demonstrate the overall performance of each operation.
- 1.5 The data includes information on key income drivers, overall expenditure, including staffing costs and repairs, net cost / profit and resultant associated costs to the Council.
- 1.6 Due to the timings and financial years of all the partnerships, not all figures presented are the externally audited accounts, but represent the internal out-turns agreed with respective organisations.
- 1.7 The reporting period is 2022/23, but this report recognises that some partners' financial year ended later than 31st March 2023. Each partner's financial year is highlighted with an explanation of how it differs from the Council's financial years within each subsection.
- 1.8 2022/23 was a period of post pandemic recovery and all partners were affected by the cost-of-living crisis and increased energy costs. Separate reports outlining the implications on the partners, including requests for additional financial assistance, have previously been put forward and acted on by the Council.
- 1.9 Overall usage of the facilities is shown and in general is presented as total usage by all users, including repeat visits. Membership information generally represents the number of enrolled members through a subscription.
- 1.10 Key service outcomes, highlights and snap shots from each partner during 2022/23 have been included for context. The primary purpose of the report is to present partner performance from a financial and quantitative perspective.

2. Wales National Pool Swansea

- 2.1 The partnership arrangement at WNPS is via a tri-partite agreement between the Council, Swansea University and Wales National Pool Swansea Limited, underpinned by lease and management agreements.
- 2.2 WNPS operates within a financial year that is aligned to the University, therefore runs August 2022 to July 2023 as opposed to the Council's, which runs April to March. The out-turn reflects the WNPS financial year and the contributory Council costs in their operating period.

- 2.3 WNPS is a not-for-profit organisation governed by a board of directors, including three Council members and three University representatives, independently Chaired by Greg Garner, with advice given by the Head of Cultural Services, and the Swansea University Associate Commercial Services Director and Financial Accounting Manager. The current Council representatives are Councillors Robert Francis-Davies, Robert Smith and Nicola Matthews.
- 2.4 Day to day management is by the General Manager who reports to the Board. The General Manager is supported by a Management Group with representatives from the Council and Swansea University.
- 2.5 The funding of WNPS is on a 50% share of net cost after income received, funded by both the Council and Swansea University. As part of the agreement, Swansea Council also provides the schools' swimming programme under a Service Level Agreement (SLA) and devolved funding for the Free Swimming Initiative (FSI) under the Welsh Governments Free Swim grant.
- 2.6 WNPS have Service Level Agreements with the University and the Council for several support services. The Council provides support for delivering HR, Payroll, PR/Media and Water Safety.
- 2.7 Income levels have increased when compared with the previous year but are still some way below pre-pandemic levels of income that WNPS generated when inflation since 2019-20 is taken into account. Operating costs have significantly increased since last year, mainly due to rising insurance and utility costs, but also due to increases in staffing costs. These are all fixed costs that ensure that WNPS remains open and provides both customers and staff with a secure environment in which to operate.
- 2.8 The budgeted 2022/23 partner contribution for the Council was £302,800. However, an agreed maximum level of support of £200,000 through additional underwriting was agreed.
The additional support required was due to lost revenue largely linked to the legacy impact of the pandemic, plus the impact of the cost-of-living crisis, increased utility costs and increased staffing costs/shortages.
The Council's available funding for WNPS including base budget and additional support for the period was up to £502,800
- 2.9 Income continued to grow resulting in a 28.5% increase on the previous year. However, total visitor numbers have decreased slightly on the previous year by 5.89%.
A fees and charges review in addition to income generated through non participatory activities e.g. parking, shop sales etc will have contributed to this.
- 2.10 Due to the pandemic and significant increases in partner subsidy, it was agreed at WNPS Board that there would be no allocation to the sinking fund during 2022/23 in order to limit revenue liabilities.

- 2.11 Staffing remained challenging and whilst there was an increase in swimming teachers, WNPS continue to be affected by the ongoing national shortage of lifeguards.
Senior Sports Assistants recruitment remains problematic as does the recruitment and retaining of aquacise instructor.

Due to the increase in the national minimum wage, in April 2023 WNPS reviewed the pay scales to resolve compaction between staff grades and the issues that this created.

In addition to this, a pay award of 5% was implemented for all staff. This was the first pay award for WNPS employees since 2020.

There continues to be a vacant Maintenance Manager post. As a result the WNPS have been reviewing their current maintenance provision with a view to utilising Swansea University's estates department and their hard FM contractor.

- 2.12 With regard to maintenance in the period, the ongoing rolling replacement of internal lighting, upgrading original installations to LED, maintaining appropriate Lux levels continued and focused on the pool hall.
- 2.13 Three new car park machines were installed, along with Automatic Number Plate Recognition (ANPR) cameras that went live in January 2023 to monitor access. Both have contributed to an increase in income within this budget line.
- 2.14 WNPS hosted 27 event days in 2022/23. 15 of which were Swim Wales events, 3 Welsh Lifesaving Still Water Championships and the remainder being local swimming clubs. This was the first year post pandemic with full event numbers for participants and spectators.

2.15 Wales National Pool Swansea Performance

Table 1

WNPS	2021/2022	2022/2023
Recreational Swim	£321,234	£345,295
Aqua School	£182,163	£205,139
Other Income	£529,428	£777,025
Total Income	£1,032,825	£1,327,459
Staff Costs	£965,548**	£1,100,984
Furlough Grant (Coronavirus Job Retention Scheme)	(£1,306)	N/A
Repairs & Maintenance	£174,130	£194,667
Other Expenditure	£851,610*	£1,306,573*
Sinking Fund	£0	£0
Total Expenditure	£1,989,982	£2,602,225
Net Cost / (Surplus)	£957,157	£1,274,766
Council Contribution	£505,826	£540,049
Visitor numbers	202,884	190,894

*Includes equipment depreciation

**offset by 'Coronavirus Job retention Scheme' furlough recovery grant (80%)

3. Leisure Centres – Freedom Leisure Ltd

3.1 The operation of the LC and the Community Leisure Centres (Penlan Leisure Centre, Penyrheol Leisure Centre, Morryston Leisure Centre, Bishopston Sport Centre, Cefn Hengoed Leisure Centre and Elba Sports Complex) were transferred under a partnership arrangement to Freedom Leisure Ltd with a 19.5 year contract on the 1st of October 2018. Freedom Leisure operates within the same financial year as the Council.

3.2 Each facility has slightly different arrangements in relation to proposed legal occupancy; The LC, Penlan Leisure Centre, Penyrheol Swimming Pool and the Elba Sports Complex operate under fully repairing lease principles, as Freedom have exclusivity for their main use. The remaining dual use school facilities operate under licence, or partial lease, as it is not possible to provide exclusivity to Freedom Leisure for all areas, many of which are shared with Education/School.

3.3 In line with their bid submission and contractual terms, a Management Fee of £938,439 was paid by the Council to Freedom Leisure in 2022/23. This is broadly £1m less than the management fee paid in 2019/20, their first full year in operation of the Swansea contract, and in line with their bid submission which demonstrated how they would grow income to reduce the Council subsidy over the contractual term.

3.4 On top of the Management Fee, a level of underwriting support from the Council was agreed by Cabinet. The provision of this additional support was agreed on a monthly basis, through an open book process. The additional level of support provided in 2022/23 was £891,535.

The requirement of the support was primarily due to lost revenue alongside retained costs during and post the Covid pandemic. In addition, despite a relaxation of those restrictions, there has been a change of habit related to aging populations and 'working from home' blended approach continuing and become 'the norm'. As a result, income lines such as gym membership, car parking and indoor event/hires were taking longer to recover. This is compounded by the significant hikes in utilities and staffing costs/shortages.

3.5 Despite another challenging year, year-end accounts broke even, thanks to the tight controls by Freedom Leisure, increasing income lines, coupled with the various support packages received or applied for. Income (turnover) performance at the close of 2022/23 was 7.5% above budget and 35.8% higher than 2021/22

3.6 Across the Freedom sites in Swansea, visitor numbers in 2022/23 were 1,825,854. An increase of 28% in comparison to the previous year.

Due to the impact of the pandemic, ongoing recovery and other impacts previously mentioned, Freedom Leisure's visitor numbers across Swansea were 27% less than the contract expectation and proposed tender bid targets for 2022/23. The pandemic disruption and requirement to regrow the business lines was the critical factor in this.

- 3.7 Gym membership has been challenging to grow, with some sites doing better than others. The LC was the most heavily affected across the period. Both car parking and the new ways of working people have adapted to since the pandemic have been a contributing factor. However, although challenging, there has been continued growth with 8,286 members across the portfolio in 2022/23. A 9.4% increase on the previous year

The Learn to Swim programme continues to thrive with 3,521 students as of 31st March 2023. A 5.3% increase on the previous year.

Group exercise is still not performing at its pre pandemic levels. Income for the year was 44.6% less than target, however it has increase by 31.5% on 2021/22. In addition, there is also continued growth with participation/usage in group exercise at 106,810 which is an increase of 19.91% on the previous year.

Free Swimming Initiative (FSI) sessions at all sites remains high. Participation was at a 273% increase compared to last year. The scheme is funded by Sport Wales.

- 3.8 Asset improvements continued across the facilities. Some of these projects are listed below:
- Further high-Level perimeter LED lighting replacements completed at the LC.
 - A new make tank has been installed at Penlan Leisure Centre to further enhance the pool water quality.
 - Dilapidated fencing at the Elba was replaced with robust new fencing and new LED lighting was introduced on the five a side 3G pitch.
 - New heat exchanges were added at Penlan and Penyrheol Leisure Centres to make utility savings.
 - Pumps were replaced in Penyrheol Leisure Centre plant room to improve flow and save energy.
 - Car park lighting upgraded to LED at Penlan Leisure Centre.
- 3.9 Freedom Leisure continued to support the development and the refurbishment of the community leisure facility at Cefn Hengoed. This key strategic project and exciting facility for the city has attracted support from a number of key stakeholders and funding sources and is due to complete in 23/24 to include a new Sports Barn.
- 3.10 Energy costs have increased by C£50k per calendar month for 2022/23. This is a £600k annual increase on 2021/22.

At sites where Freedom directly procures utilities the partnership realised an electricity saving of 47% kwh against budget and a gas saving of 25% kwh against budget. The reduction of the LC pool hall air temperatures and fan speeds has been key here and continues to deliver savings month on month.

Freedom is continuing to explore, with the Council, Sport Wales and others, further energy savings across the sites with studies and proposed grant applications for new energy efficient pumps, more LED lighting schemes and consideration for solar PV.

- 3.11 Freedom continue to invest in their workforce. In 2022/23 C£15k was spent on qualifying and upskilling swimming teachers to support the growth in the swim school.

In addition 9 candidates successfully passed the water-based exercise instructing course. All are now qualified aquacise, aqua aerobics and aqua circuits instructors. All candidates are also currently undergoing their Level 3 qualification which includes post and pre-natal training. This project will conclude in quarter 1 2023/24

3.12 **Community Leisure Centre Performance - Per Facility Breakdown**
Table 2

	LC	Penlan	Penyrheol	Morrison	Bishopston	Cefnhengoed	Elba	Swansea Active Communities
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
Total Income (Excluding Management Fee)	£3,722,660	£1,560,263	£1,413,365	£827,543	£289,926	£49,253	£85,379	£113,231
Total Expenditure	£4,286,575	£1,964,749	£1,384,454	£1,230,008	£408,459	£245,576	£312,356	£59,417
Management Fee	(£131,895)	£347,411	£103,951	£366,764	£64,495	£112,469	£75,243	N/A
Total Usage	552,738	354,473	496,655	275,452	81,292	26,099	39,145	N/A

3.13 **Community Leisure Centre Performance – Overall Contract**
Table 3

	2019/2020 (Pre-Pandemic)	2020/2021	2021/2022	2022/2023
Total Income (Excluding Management Fee)	£6,111,251	£2,847,575	£6,227,961	£8,061,620
Total Expenditure	£8,080,645	£5,405,634	£8,481,463	£9,891,593
Management Fee	£1,923,370	£1,193,220	£963,488	£938,438
Contract Support (In relation to Covid-19 Pandemic & recovery)	N/A	£1,364,839*	£1,290,014	£891,535
Total Usage	1,995,013	230,633	1,426,258	1,825,854
Total Membership	10,965	6,991	10,717	11,807

*20/21 Contract Support figure includes: £946,571 Underwriting / £340,291 Furlough top up / £77,977 Pay Award

4.0 Plantasia Tropical Zoo – Parkwood Leisure Ltd.

- 4.1 Parkwood Leisure Ltd (PLL) were awarded a 15-year contract to operate Plantasia in 2018 and took over the operation, from the Council, on the 1st of February 2019.
- 4.2 PLL's financial year runs January to December. This report reflects two financial years in order to make future reports more streamline.
- Plantasia's financial year January 2022 to December 2022 and the Council's costs in that period.
- and**
- Plantasia's financial year January 2023 to December 2023 and the Council's costs in that period

January – December 2022

- 4.3 Plantasia welcomed 97,625 visitors in 2022. An exceptional 68% increase on the previous year.
- 4.4 In line with the contract and CPI provisions, a Management Fee of £129,445 was paid to Parkwood Leisure in 2022.
- 4.5 Plantasia saw an increase in income generation by 70% in 2022 compared to the previous year.
- 4.6 Plantasia's staffing structure increased with the addition of two new contracted front of house team members, due to increased footfall and sales.
In partnership with Swansea University, two full time Zoology Students were employed, as part of the 'year in industry scheme'.
- 4.7 During 2022 the following improvements were made at Plantasia:
- Invested in doubling the provision of toilets on site from 3 to 6 in total and converting all to unisex.
 - High level cleaning of the glass and paths
 - Roof repairs
- 4.8 In conjunction with Museum Wales the Alfred Russel Wallace Exhibition 'Wallace: The Forgotten Evolutionist' opened in Plantasia. Centred in and around the tree house the one-year exhibition was based on the life and work of Alfred Russel – the unsung hero of evolution.
- 4.9 2022 saw some further developments and improvements. Some key highlights for the year were:
- Introduction of new 'Magic Memories' photo kiosks that allow all visitors to receive free bespoke digital photos.
 - The launch of Plantasia's own gin range called 'Canopi Gin'. Distilled by The Gower Gin Company from the zesty Persian lime leaves of Plantasia
 - Plantasia become new members of the British and Irish Association of Zoos and Aquaria.

- Admiral renewed their annual agreement to sponsor the educational outreach programme.
- A third Egyptian Tortoise was born in Plantasia as a result of the conservation work with critically endangered species. The birth of critically endangered tortoise is a contributor towards the conservation of the species.

January to December 2023

- 4.10 Plantasia welcomed 117,212 visitors in 2023. A 20% increase on the previous year.
- 4.11 In line with the contract and CPI provisions, a Management Fee of £142,528 was paid to Parkwood Leisure in 2023.
- 4.12 Income was up by 28% compared to 2022 and the contract continued to make a surplus.

Operating surplus' can be shared with the Council or reinvested back into the services/assets as part of contractual arrangements, reviewed on a cumulative and average basis based upon a number of years performance.

- 4.13 Plantasia received a grant of £4,680 from COAST. This fund enabled Plantasia to provide free educational tours for the over 50's age group twice a week between July and September 2023.
- 4.14 As in 2022, in partnership with Swansea University, two full time Zoology Students were employed, as part of the 'year in industry scheme'.

Plantasia added to their staffing structure with a new 'Escape Game' team member employed to launch and lead a new activity.

The team of casual staff grew by three due to increased business demands, and two original team members received promotions into the positions of Operation Manager and Zoo and Education Manager.

- 4.15 During 2023 the following maintenance and improvement works were carried out:
- Renovation of the older toilets
 - New flooring and renovation of the education room
 - Repairs to high level vents
- 4.16 Plantasia's Zoo Licence was renewed. The licence covers a six year period with a mid-point review after 3 years.
- 4.17 February 2023 saw the launch of the World's biggest Escape Game - Jungle Escape. The activity has proven to be extremely popular and booked out for months in advance. The Escape Game was also nominated for the 'Most Innovative Business of the Year' award at the British Business Awards.

4.18 Some key highlights in regards to improvements and developments in 2023:

- The development of Axolotl Cove in the underground zone. This significant investment is aimed at providing the popular endangered species Axolotls with an expanded enclosure that will be accessible to the general public at all times.
This enhancement not only enriches the experience for visitors but also underscores Plantasia’s commitment to providing a more immersive and educational environment at the facility.
- Introduction of new VIP animal encounter experiences for visitors.
- Launch of bespoke Canopi Beer in conjunction with Hurns Brewery.
- The addition of a male Yemen Chameleon.

4.19 **Plantasia Performance**

Table 4

Plantasia	2021 (Jan – Dec)	2022 (Jan – Dec)	2023 (Jan – Dec)
Income (excluding management fee)	£434,441	£739,813	£946,284
Total Expenditure	£600,555	£705,484	£824,080
Management Fee	£124,720	£129,445	£142,528
Contract Support (In relation to Covid-19 Pandemic)	£80,241	N/A	N/A
Operating surplus*/Loss	£38,846	£163,774	£264,732
Total Visitors	57,783	97,625	117,212

*Operating surplus' to be shared with the Council as part of contractual arrangements, reviewed on a cumulative and average basis based upon a number of years performance.

5. National Waterfront Museum Swansea

5.1 The National Waterfront Museum, Swansea (NWMS), is a not-for-profit limited entity, facilitated by a public sector partnership between Welsh Government, via Museum Wales (Amgueddfa Cymru) and Swansea Council. The management is controlled by Museum Wales, within the terms of an Operational Agreement of the parties, signed in 2005.

- 5.2 Under the terms of this Agreement, Swansea Council contributes a proportion of the annual revenue costs. The company follows the same financial year as the Council.
- 5.3 The company is governed by a Board of representatives of the partners, and an independent Chair. This includes three elected members of Swansea Council (currently Cllrs Robert Francis-Davies, Dr Elliott King, and Hannah Lawson) and three trustees of Amgueddfa Cymru, with the late Mr Roy Phelps undertaking the role of Chair until 31st December 2023. The secretariat being provided by a remunerated post.
Day to day operational matters are monitored by a group of officers from both the Council and Amgueddfa Cymru (the Operational Review Team). Both the Board and Operational Review Team meet at least twice a year.
- 5.4 In-person usage/visits increased significantly in 2022/23. With a 91.5% increase on the previous year. Visits remain slightly lower than pre pandemic levels but are heading in the right direction.
- 5.5 Even with visitors returning in person, online activity continues. A wide range of activities and learning sessions were available online via the Amgueddfa Cymru website, which, together with enquiries and follow ups, resulted in the events, curatorial and learning staff engaging with 94,966 virtual visitors from the UK and beyond.
- 5.6 Earned Income increased by £51,856 in 2022/23
Overall income also showed an increase in comparison to the previous year and is up by 18.5%
- 5.7 Major repairs, renewals and maintenance are the responsibility of Amgueddfa Cymru/National Museum Wales, funded from the Museum's core budget and its ring-fenced Renewals & Refurbishment Fund, as required. During 2022/23 this fund financed repairs to the roof of the modern wing of the museum building, which had been damaged by storms in February 2022.
- 5.8 During 2022/23 the Museum created or hosted ten temporary exhibitions that have also been mounted in three areas of the Museum. Subjects have included food shopping in Welsh industrial communities, images and spoken testimonies of coal miners, and a contemporary art installation using images of the local tinsplate industry.
- Furthermore, the ending of Covid restrictions allowed the Museum's extensive events programme to re-commence. During this year well over a hundred events were either organised or hosted by the Museum, most notably the Swansea Science Festival, organised in partnership with Swansea University, and the launch event of Swansea Council's Cultural Service's African heritage project, *The World Re-Imagined*.
- 5.9 The Museum's formal learning activities on-site have engaged 9,302 students on-site and an additional 1,034 virtually, while the GRAFT

community garden (occupying the open area between the two wings of the museum building) continued to develop with its produce used for both educational and charitable purposes.

5.10 National Waterfront Museum Swansea Performance

Table 5

National Waterfront Museum	2021/2022	2022/2023
National Museum Wales grant	£726,800	£867,700
Welsh Government grant	£550,00	£550,000
Council contribution	£508,439	£523,895
*Council Car Park Contribution	*£135,268	* £153,327
Earned income	(£8,109)	£43,737
Total income	£1,912,405	£2,138,659
Staff costs	£1,267,820	£1,356,563
Repairs & maintenance	£246,707	£368,347
Other expenditure	£294,525	£432,633
Total expenditure	£1,818,052	£2,157,543
Carry forward (to)/from Renewals & Refurbishment Fund	(£94,353)	£18,884

Total visits	In-person: 60,107	In-person: 181,989
	Online: 191,523	Online: 94,966

**Paid centrally through the Amgueddfa Cymru Enterprises Company*

6.0 Other Partnership Facilities

- 6.1 The Council has a number of other successful partnership arrangements with leisure facilities. The most significant of these are the Swansea Indoor Bowls Centre and Swansea Tennis Centre.
- 6.2 The performance of each of these sites individually, illustrates a productive set of partnerships, with benefits to Swansea Council, our partners and Swansea's residents and visitors.
- 6.3 Each partnership operates differently, in terms of monitoring, data collection and facility operation. The flexible approach allows each partnership to operate effectively and sustainably, taking into account their individual circumstances.

Swansea Indoor Bowls Stadium

- 6.4 Swansea Indoor Bowls Ltd was established as a limited company in 2014. It manages Swansea Bowls Stadium, within a fully repairing lease agreement. They receive no subsidy and follow the same financial year as the Council.
- 6.5 Both bowls income and bar and catering income streams have improved. The only reduction of income is showing in 'other income', but this is mainly down to the ending of Government Covid subsidies. Overall, total income has increased by 4% on the previous year. Whilst the stadium is still slightly short of its pre pandemic figures there are positive signs of recovery.
- 6.6 Memberships continue to rebuild following the pandemic. Membership and rink fees were frozen at 2021/22 prices, and as an incentive for current members to renew their membership fees promptly, they would receive a £10 'Early Bird' discount if they renewed before 31st August.
- 6.7 Usage overall has increased by 17% in comparison to the previous year. And whilst still slightly down on pre pandemic levels, the stadium is heading in the right direction.
- 6.8 The stadium appointed a new local company to redesign and update their website and to 'host' it on a day-to-day basis. The stadium also invested in purpose-built Booking and League Management software.

- 6.9 During 2022/23 the Stadiums catering contractor left with no notice leaving the stadium in a position to only offer a tea/coffee service from the bar and putting additional pressure on staff. Significant progress was made to secure a new catering contract at the earliest possible date.
- 6.10 Recruitment continued to be an issue. Similar to the wider sector the recruitment process proved extremely challenging, as a result of little interest in roles.
- 6.11 A number of maintenance repairs and upgrades were carried out in 2022/23. Many being unplanned works that contributed to the increased building and maintenance cost line.
- Replacement of sections of the green ditch top surround.
 - Replacement of the main Heating control Board.
 - Replacement of AHU Fan motor & circuit board on AHU 1 & 3 respectively.
 - Repairs to outside paving slabs and car park fencing posts.
 - Replacement of outer front door drive mechanism.
 - Installation of stud wall in the ladies changing room to create a secure storage area.
- 6.12 The Stadiums Over 60s Championship team won the Welsh National over 60s title beating Blaenau Gwent in the final played at Heatherton (Tenby).

6.13 Swansea Indoor Bowls Stadium Performance

Table 6

Swansea Indoor Bowls Stadium	<i>2019/2020 (Pre-Pandemic)</i>	2021/2022	2022/2023
Bowls Income	£89,479	£76,943	£85,968
Bar & Catering Income	£21,905	£16,347	£19,419
Other Income	£13,488	£21,828	£14,302
Total Income	£124,872	£115,118	£119,689
Staff Costs	£43,619	£48,275	£46,089
Building and Maintenance	£16,318	£18,115	£25,042
Other Expenditure	£79,706	£65,444	£72,703
Total Expenditure	£139,643	£131,834	£143,834
Total Use	59,528	37,735	44,258

Swansea Tennis Centre

6.14 Tennis Swansea 365 Ltd (TS365) are the operators of Swansea Tennis Centre. They operate under a fully repairing lease, with no Council subsidy.

6.15 TS365 deliver a sustainable business model, providing indoor, outdoor and outreach Tennis development for Swansea and neighbouring counties. The facility has a thriving and busy programme, catering for all ages and abilities and considered as a Regional Performance Centre, one of twelve in the UK and acts as Wales' performance hub linking to the Lawn Tennis

Association. The Tennis Centre is often used as a benchmark or case study for similar facilities across the UK.

6.16 TS365 operates on a financial year that runs June 2022 to May 2023.

6.17 Income has slightly decreased compared to the previous year.

Expenditure continues to be tightly controlled with TS365 ending the year, with including the long-term facility investment programme, in an annual deficit of £18,758. It must be noted that post pandemic recovery and the cost-of-living rise affected expenditure and the ability to attract and retain children on the development programme.

Whilst TS365 demonstrated an operating deficit, TS365 will continue investment in both marketing and outreach work, targeting schools and community parks.

6.18 Usage saw a slight increase in comparison to 2021/22, and a continued growth of Ace Fitness Memberships (gym memberships) of 67%.

6.19 In 2022/23 TS365 visited twenty schools delivering taster sessions to 2500 children aged 4-10 years. The tennis centre also hosted 4 free weekends throughout the year.

6.20 TS365 continued to experience problems recruiting staff and coaches and has on occasions engaged with agency staff to ease operating pressures. This has resulted in an increase in staffing expenditure. TS365 has been working with Tennis Wales and hosted a level 1 and Level 2 course at the venue providing upskilling opportunities within Swansea and to support the Tennis Development programme. This will become an annual event.

6.21 In 2022/23 TS365 invested £6k replacing lamps on the outdoor courts. They also purchased the leased fitness equipment at a cost of £7.2k allowing complete ownership and increased profitability for future years.

6.22 With an ageing building, there is a need to re-invest to meet customer expectations along with safety and compliance. Discussions are underway with Tennis Wales on the opportunities for the investment over the medium to longer term. To support this TS365 will strengthen its Board and it is planned to recruit four further Board members with portfolios including partnerships (public funding opportunities); Governance; Commercial funding and Sponsorship; plus, facilities (Quantity Surveyor / Architect) in 2023/24.

6.23 TS365's long term chairperson stepped down after 12 years' service in 2023 but will continue as a Board member with a portfolio of special projects.

6.24 Some other highlights from 2022/23:

- The Head of the under 10's programme/players at Swansea Tennis Centre was awarded the Tennis Wales performance coach of the year award.
- The Performance players continue to play at the highest level representing both Swansea and Wales across the UK and European tour gaining valuable ranking points.
- On occasions, male and female players of all ages from the Centre and programmes were ranked no1 in the UK for their age group.
- One of Centre's players who graduated to the LTA performance pathway played at Junior Wimbledon in 2023.
- TS365 are extremely proud of all their performance players progress and accomplishments.

6.25 Swansea Tennis Centre Performance

Table 7

Swansea Tennis Centre	2021/2022	2022/2023
Junior Course Income	£137,936	£135,211
Adult Course Income	£24,341	£22,011
Other Income	£195,848	£200,637
Total Income	£358,126	£357,859
Staff Costs	£78,866	£91,579
Repairs and Maintenance	£14,097	£8,734
Other Expenditure	£257,891	£276,304
Total Expenditure	£350,854	£376,617
Total Ace Fitness Members	75	125
Total Usage	58,222	63,197

7.0 Monitoring Arrangements

- 7.1 Officers will continue to monitor these facilities and partnerships to ensure that they are complying with the terms of the contracted agreements and leases, and that they continue to contribute towards the objectives of the Council's ambitions as identified in the agreed Policy Commitments. Of particular interest are the contributions made to:

- The City of Sport and Culture
- Well-being of Future Generations
- A Healthy City
- Inward investment and the support of the tourism economy
- Creating an Active and Healthy Swansea
- Swansea Wellbeing Plan

8.0 Summary

- 8.1 This report describes the various agreements that are in place with partners operating Leisure and Cultural Services for Swansea Council. The report highlights the rationale for the variations in the operational year, due to the differing circumstances and requirements of each partner in sustaining the operation post covid.
- 8.2 With the differing models it is also clear that a mixed economy exists, necessitating a flexible, yet transparent and robust performance management approach to monitoring compliance to each agreement. Measures are in place to adopt and share good practice based on this approach.
- 8.3 This report is also a mechanism of identifying the successes and challenges faced by our partners, with a transparent approach to reporting the delivery, costs and outcomes of the services delivered by third parties on our behalf and from Council buildings.
- 8.4 It also demonstrates that the Council is committed to maintaining quality and improving services as a shared objective with the partners concerned.

9.0 Integrated Assessment Implications

- 9.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

- 9.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 9.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 9.4 An IIA screening form has been completed, with an agreed outcome that a full IIA report is not required at this stage.
- 9.5 This report is for information purposes only, detailing the partners who operate leisure facilities and visitor attractions within the Cultural Services portfolio, who provide services to local people, wider communities and visitors to Swansea. The report is to evidence partner performance from a financial and quantitative perspective. The monitoring arrangements that support producing this report continue to ensure partners are contributing towards the objectives of the Council's ambitions as identified within the agreed Policy Commitments.

10.0 Legal Implications

- 10.1 There are no further legal implications over and above those outlined in the body of the report and any future implications would be subject to separate reports in line with the Councils constitution.

11.0 Financial implications

- 11.1 There are no further additional financial implications over and above those outlined in the body of the report and any future implications would be subject to separate reports in line with the Councils constitution.

Background Papers: None

Appendices: IIA Screening Form