



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

Cabinet – 20 April 2023

### Leisure Partnerships Annual Report 2021/2022

<b>Purpose:</b>	To advise Cabinet of the partnership operations of key facilities within the Cultural Services portfolio
<b>Policy Framework:</b>	Creating an Active and Healthy Swansea; City of Sport; Medium Term Financial Plan
<b>Consultation:</b>	Legal, Finance, Access to Services.
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#### 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 2021/22 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 – 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 2021/22, but this report recognises that some partners' financial year ended later than 31<sup>st</sup> March 2022. 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 May 2021 saw the end of the forced closures by the UK and Welsh Government caused by the Covid-19 pandemic. Restrictions were reduced and phased out throughout the year, with the exception of a temporary increase in restrictions during December 2021 and January 2022 due to an increase in cases of the Omicron variant. Depending on the partner and their reporting period, the pandemic will have impacted their performance to a greater or lesser extent. 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 Details of support received in relation to the pandemic is, provided per partner, in terms of Welsh/Central Government and/or other grants during this period, which have been outlined within each subsection.
- 1.10 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.
- 1.11 Key service outcomes, highlights and snap shots from each partner during 2021/22 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 2021 to July 2022 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, 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. Cllr Mark Child stepped down from the role in May 2022. Greg Garner was appointed Chair in March 2022 following the resignation of Anne Ellis MBE in March 2021.
- 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 The effects of the pandemic were still present during 2021/22 and therefore was another challenging year with continued but relaxing restrictions and the continued recovery. Operating costs have increased over the last few years, mainly due to increases in salaries, insurance and utilities, all of which are largely uncontrollable costs to ensure that WNPS remains open and to provide the required services and outcome within a safe and well managed facility for customers and staff alike.
- 2.8 The budgeted 2021/22 partner contribution for the Council was £302,800. However, due to the pandemic, an agreed maximum level of support through additional underwriting was agreed. The total additional cost for 2021/22 was £223,123. The additional support required due to lost revenue largely linked to Covid recovery and continued restriction, and therefore the Council was able to reclaim these additional monies through the Welsh Government's Hardship Fund, as 'lost income'. The total Council agreed contribution from the Council to WNPS for the period was up to £525,923
- 2.9 At the end of this challenging year and largely due to reduced expenditure in a number of areas, WNPS performed considerably better than its early projections of anticipated losses. The partners' contribution at £525,923

each was based on a 'worst case scenario' and outturn resulting in the contribution required reducing to £505,826 each. An overpayment of £20,098 per partner was deferred to 2022/23 to cover future anticipated losses.

- 2.10 Income significantly increased in comparison to the previous year, although remains below pre pandemic levels by 22%.
- 2.11 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 2021/22 in order to limit revenue liabilities.
- 2.12 Total visitor numbers have increased significantly on the previous year, although lower than pre pandemic levels by 16%.
- 2.13 Staffing has been problematic post pandemic, WNPS have been affected by the ongoing national shortage of both swimming teachers and lifeguards. There were occasions in 2021/22 where programmes were reduced or temporary closures enforced due to staff shortages, especially lifeguards. WNPS are continually carrying out recruitment drives and have implemented 'train to post' opportunities to bridge the gap.

A review of the staffing structure following resignations of key senior personnel, which resulted in a revised structure and a decision for an appointment of an Operations Manager role to meet the needs of the business.

No pay award was agreed in 2021/22 has been a matter of concern to staff and impacted upon recruitment, retention and staff morale. Matters regarding pay structure, pay awards and general longer term staffing matters were considered in detail by the board over the period.

- 2.14 WNPS received a grant for £48,704 from Sport Wales for the refurbishment of the submersible boom, which allows the configuration of the 50m swimming pool to be altered. Total cost of the works was £78,240 with the remainder funded from the Major repairs fund.
- 2.15 With regard to maintenance in the period, the ongoing rolling replacement of the internal lighting, upgrading original installations to LED, has continued.
- 2.16 From Autumn through to Spring there were national chlorine shortages. WNPS managed to source new suppliers, chemicals, and ways of working to counteract the challenges during the period. In conjunction with this WNPS looked at innovative ways of working to combat future challenges, for example changing chemicals, chemical dosing systems and procedures, to help maintain business continuity and reduce costs. WNPS will continue to drive forward facility improvement projects to ensure sustainability both in respect of finances and carbon footprint.

2.17 This year saw the return of event hosting, including the British Para Champs hosted in December 2021.

2.18 Eight swimmers based at the WNPS attended the Commonwealth Games in July 2022, WNPS has a strong track record of supporting elite swimmers reach the Commonwealth Games, the Olympics, Paralympics and World Championships. Such successes demonstrate the benefits the facility yields as a community pool for recreation, learn to swim and clubs, but also a performance and an elite training centre for Swansea Aquatics and Swim Wales respectively.

## 2.19 Wales National Pool Swansea Performance

**Table 1**

<b>WNPS</b>	<b>2020/2021</b>	<b>2021/2022</b>
<b>Recreational Swim</b>	£81,592	£321,234
<b>Aqua School</b>	£24,940	£182,163
<b>Other Income</b>	£345,435	£529,428
<b>Total Income</b>	<b>£451,967</b>	<b>£1,032,825</b>
<b>Staff Costs</b>	£843,581**	£965,548**
<b>Furlough Grant</b> (Coronavirus Job Retention Scheme)	(£163,198)	(£1,306)
<b>Repairs &amp; Maintenance</b>	£124,108	£174,130
<b>Other Expenditure</b>	£615,457*	£851,610*
<b>Sinking Fund</b>	£0	£0
<b>Total Expenditure</b>	<b>£1,419,948</b>	<b>£1,989,982</b>

<b>Net Cost / (Surplus)</b>	<b>£967,981</b>	<b>£957,157</b>
<b>Council Contribution</b>	<b>£483,990</b>	<b>£505,826</b>
<b>Visitor numbers</b>	<b>45,700</b>	<b>202,884</b>

\*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 on the 1<sup>st</sup> of October 2018. The contract is for 19.5 years. Freedom 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 Following the final forced closure due to the Covid-19 pandemic, all Freedom Leisure facilities re-opened on the 3<sup>rd</sup> May 2021, whilst following Government instructions and guidance.
- 3.4 During the closures a high proportion of staff were furloughed under the Government's Job Retention Scheme (JRS), with a handful of staff retained to undertake regular building and safety checks, and routine maintenance to plant and equipment. All staff returned to their posts in May 2021. In the early stages of the year, staffing levels were very challenging due to staff changing careers post lockdown and the continued pressure of Covid-19 infection. Approximately 10% of the staff base were sick at any one time during the first few months.
- 3.5 In line with their bid submission and contractual terms, a Management Fee of £963,488 was paid to Freedom Leisure in 2021/22.
- 3.6 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 2021/22 was £1,290,014

The requirement was primarily due to lost revenue alongside retained costs. The Council was able to reclaim the majority of these monies through the Welsh Government Hardship Scheme, as lost income.

3.7 Freedom Leisure received £154,642 relating to the Swansea contract from the Government for the 'Coronavirus Job Retention Scheme' in 2021/22. Staff furloughed during the final lockdown received the salary percentage as per the Government guidelines.

3.8 Freedom Leisure received £232,157 through other grants during 2021/22.

3.9 Despite the pandemic impact, year-end accounts broke even, thanks to the tight controls by Freedom Leisure, coupled with the various support packages received or applied for

Due to periods of no and/or limited trading and 2021/22 being primarily a 'recovery' year, contracted income expectations based on 2018 bid were not achieved, and the Capital investment made into the contract pre-pandemic had not yet materialised. The aim for 2022/23 will be to return to a pre pandemic trading position, particularly rebuilding membership levels.

3.10 Across the Freedom sites in Swansea, visitor numbers in 2021/22 were 1,426,258. An increase of 84% in comparison to the previous year. Due to the impact of the pandemic, Freedom Leisure were 42% less than the contract expectation and proposed bid targets for 2021/22.

3.11 Gym membership has been challenging to grow, with some sites doing better than others. The LC was the most heavily affected and across the period and remained only at 61% of pre pandemic levels. The contract expectation post Capital investment was in excess of 10,000 members across the city, Freedom were 25% short of meeting this target and have highlighted that it not only impacts 2021/22 but future months and years will show this lag whilst business and membership recovers

Positively casual swimming has seen strong attendance despite the initial restrictions on capacity. The Learn to Swim programme is thriving and grew by 63% in comparison to pre pandemic levels, and was one of the highest growth in programme across all the Freedom sites and performed exceptionally compared to other providers.

3.12 Freedom Leisure's Active Communities Plan (Swansea Active Communities) saw some initial challenges engaging with Schools, businesses and residents at the start of the year, however with perseverance, revised programmes and new activities, participation is increasing and customer confidence is returning.

A few new initiatives highlighted below:

- A new youth club was launched in Penlan Leisure Centre
- Swimming sessions for the African Community Centre (ACC)
- The M Word – Class and support group at Penyrheol Leisure Centre to help those members going through the menopause
- Quiet Swim at the LC – for those who find it hard to be in large groups and find noise overstimulating.

3.13 Despite disruptions from the pandemic, improvements to the sites continued through various funding sources and grants. Some key schemes listed below:

- Penyrheol Swimming Pool reception was redesigned and refurbished
- Costa Coffee services were added to Morriston and Penyrheol leisure centres to improve overall catering offer
- Upgrades in CCTV systems
- Bishopston Sport Centre sports hall floor was replaced and upgraded in partnership with the School
- A new women's only workout area introduced at the LC
- Upgrade the gymnasium in Morriston leisure centre in partnership with the School and grand funders. The project completed in late 2022.

3.14 Freedom Leisure continued to support the development into 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.

3.15 Projects to support carbon neutral have been identified and all sites have established energy management plans, however, Penlan Leisure Centre and The LC started to see significant increases in their utility costs in January 2022, which will result in significant pressures on future months and years.

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

	<b>LC</b>	<b>Penlan</b>	<b>Penyrheol</b>	<b>Morriston</b>	<b>Bishopston</b>	<b>Cefnhengoed</b>	<b>Elba</b>	<b>Swansea Active Communities</b>
	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>
<b>Total Income</b> (Excluding Management Fee)	£2,774,970	£1,210,129	£1,145,430	£623,331	£222,995	£42,699	£88,411	£119,996
<b>Total Expenditure</b>	£3,672,389	£1,711,391	£1,311,090	£1,034,009	£356,752	£171,605	£165,772	£58,454
<b>Management Fee</b>	(£96,312)	£343,142	£109,438	£354,725	£66,539	£110,569	£75,387	N/A
<b>Total Usage</b>	403,420	290,770	357,931	232,171	77,169	26,985	37,812	N/A

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

	<b>2019/2020</b> (Pre-Pandemic)	<b>2020/2021</b>	<b>2021/2022</b>
<b>Total Income</b> (Excluding Management Fee)	£6,111,251	£2,847,575	£6,227,961
<b>Total Expenditure</b>	£8,080,645	£5,405,634	£8,481,463
<b>Management Fee</b>	£1,923,370	£1,193,220	£963,488
<b>Contract Support</b> (In relation to Covid-19 Pandemic)	N/A	£1,364,839*	£1,290,014
<b>Total Usage</b>	1,995,013	230,633	1,426,258
<b>Total Membership</b>	10,965	6,991	10,717

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

#### **4.0 Plantasia – 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 1<sup>st</sup> of February 2019.
- 4.2 PLL's financial year runs January to December. This report reflects Plantasia's financial year January 2021 to December 2021 and the Council's costs in that period.
- 4.3 Following the latest closure due to the Covid-19 pandemic, Plantasia re-opened on the 17<sup>th</sup> May 2021 in time for the Whitsun Half Term, and restrictions around visitor numbers were gradually lifted through the year.
- 4.4 During the closure between January 2021 and May 2021, a high proportion of staff were furloughed under the Government's Job Retention Scheme, with only a few staff retained to undertake daily building and safety checks, routine maintenance to plant and equipment and to provide specialist care for the animals and plants.
- 4.5 Whilst only open for just over seven months of this financial year for PLL, Plantasia welcomed 57,783 visitors in 2021. A 15% increase on the previous year.
- 4.6 In line with the contract, a Management Fee of £124,720 was paid to Parkwood Leisure in 2021.
- 4.7 On top of the Management Fee, an additional level of underwriting losses was agreed. Actual amounts were agreed on a monthly basis, through an open book process. The cost for 2021 was £80,241. As the impact was primarily due to lost revenue, the Council was able to reclaim these monies through the Welsh Government Hardship Fund, as lost income.
- 4.8 Even with the closure between January and May, Plantasia saw an increase in income generation by 45% in 2021 compared to the previous year
- 4.9 Due to the operating restrictions as a result of the pandemic, a workforce planning exercise was undertaken in 2020 resulting in the reduction of operational staff and a new flexible way of working. However, in 2021 plans to make the venue more successful meant the team needed to grow with the appropriate staffing structure in place. The establishment in 2021 increased from 8.5 FTE to 10 FTE's and a greater emphasis was placed on use of a dedicated casual workforce during peak periods. New contracted positions were a Marketing Executive and Gardener.
- 4.10 During 2021 Parkwood Leisure committed £32k of capital expenditure to the improvement of Plantasia. The following improvements were made:
  - Invested in doubling the provision of toilets on site from 3 to 6 in total and converting all to unisex.

- Invested in developing and installing 5 interactive, educational games, aimed at extending the stay of visitors.
- Developed new customer trails, aimed at extending the stay of visitors.

#### 4.11 Some other highlights of 2021:

- Two Egyptian Tortoise were 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.
- The launch of Wales' only Crocodile Feeding Experience
- 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

#### 4.12 Plantasia Performance

**Table 4**

<b>Plantasia</b>	<b>2020</b> (Jan – Dec)	<b>2021</b> (Jan – Dec)
<b>Income</b> (excluding management fee)	<b>£300,207</b>	<b>£434,441</b>
<b>Total Expenditure</b>	<b>£493,892</b>	<b>£600,555</b>
NET expenditure/ Management Fee	£127,383	£124,720
Contract Support (In relation to Covid-19 Pandemic)	£112,235	£80,241
Operating surplus/Loss	£45,933	£38,846
<b>Total Visitors</b>	<b>49,183</b>	<b>57,783</b>

\*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 around one third 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 Mr Roy Phelps undertaking the role of Chair, and 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 Following the last closure period due to the Covid-19 pandemic, the museum reopened on the 18<sup>th</sup> May 2021. The museum reopened on a five day a week basis from the 18<sup>th</sup> May until the 20<sup>th</sup> July and then returned to its usual opening pattern of seven days per week from the 21<sup>st</sup> July 2021. Some restrictions continued, although reduced throughout the year.
- 5.5 An online booking/free ticket system was implemented in May 2021 until 1<sup>st</sup> March 2022 to manage capacity, maintain social distancing and collate Test and Trace details.
- 5.6 In-person usage/visits increased significantly in 2021/22. Visits remain lower than pre pandemic levels but have made a modest start toward recovery.
- 5.7 Online activity continues to grow. A wide range of activities and learning sessions were provided online via the Amgueddfa Cymru website, which, together with enquiries and follow ups, resulted in the events, curatorial and learning staff engaging with 191,523 people in the UK and beyond through online platforms.
- 5.8 Earned Income increased by 45% in 2020/21 although still lower than pre pandemic levels.
- Overall income also showed an increase in comparison to the previous year and but remains lower than pre pandemic by 6%
- 5.9 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.
- 5.10 Between May 2021 and March 2022 the Museum created and/or hosted 13 temporary exhibitions, dealing with subjects ranging from the centenary of Swansea University and the Windrush generation in Wales to the natural history of worms, and the North Wales slate World Heritage Site.

Its larger, free public events gradually returned as visitors regained confidence with gathering in public spaces, and formal learning activities on-site re-started in the Autumn term, which engaged with over 3,000 students by March 2022.

The GRAFT community garden, occupying the open area between the two wings of the museum building continued to develop with the garden's produce used for both educational and charitable purposes.

#### 5.11 National Waterfront Museum Swansea Performance

**Table 5**

<b>National Waterfront Museum</b>	<b>2020/2021</b>	<b>2021/2022</b>
<b>National Museum Wales grant</b>	£504,809	£726,800
<b>Welsh Government grant</b>	£550,000	£550,00
<b>Council contribution</b>	£491,161	£508,439
<b>*Council Car Park Contribution</b>	*£125,432	*£135,268
<b>Earned income</b>	(£14,866)	(£8,109)
<b>Furlough Grant</b> (Coronavirus Job Retention Scheme)	£76,434	N/A
<b>Total income</b>	<b>£1,732,970</b>	<b>£1,912,405</b>
<b>Staff costs</b>	£1,284,828	£1,267,820
<b>Repairs &amp; maintenance</b>	£124,394	£246,707
<b>Other expenditure</b>	£247,314	£294,525

<b>Total expenditure</b>	<b>£1,656,536</b>	<b>£1,818,052</b>
<b>Carry forward (to)/from Renewals &amp; Refurbishment Fund</b>	(£76,434)	(£94,353)
<b>Total visits</b>	In Person: <b>2,298</b> Online: <b>132,485</b>	In-person: <b>60,107</b> Online: <b>191,523</b>

*\*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, 9 years ago. 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 For all the same reasons as the other sports and leisure facilities, the stadium re-opened in May 2021. The pandemic continued to have a major impact on the stadium in both revenue and usage throughout 2021/22.
- 6.6 Membership as at the 31<sup>st</sup> March 2022 was 582 members: a 19% increase on the previous year, but still 10% below pre pandemic levels.
- 6.7 Whilst many members continued to pay their memberships, they were extremely reluctant to return to playing in the stadium, which impacted the overall usage for the year. Despite 2021/2022 seeing a significant increase in comparison to the previous year, we cannot compare like for like as the stadium was only open for 9 weeks during 2020/21. A more realistic

comparison is against pre pandemic levels, which are showed a 36% decrease in usage in 2021/22 when compared to 2019/20

- 6.8 Income streams have improved but continue to remain lower than pre pandemic. A full pricing review was carried out, which saw high percentage increases on a number of fees and memberships and whilst a difficult decision for the board was considered acceptable as this was only the second increase since the stadium opened and five years since the previous uplift.
- 6.9 Recruitment has been an issue. With two key members of staff resigning in 2021/22 and similar to the wider sector the recruitment process being extremely difficult as a result of little interest or no shows at point of interview.
- 6.10 The board and company continue to invest in the upkeep of the stadium.
- 6.11 **Swansea Indoor Bowls Stadium Performance**

**Table 6**

<b>Swansea Indoor Bowls Stadium</b>	<b>2019/2020 (Pre-Pandemic)</b>	<b>2020/2021</b>	<b>2021/2022</b>
<b>Bowls Income</b>	£89,479	£111,414	£76,943
<b>Bar &amp; Catering Income</b>	£21,905	£975	£16,347
<b>Other Income</b>	£13,488	£82,402	£21,828
<b>Total Income</b>	<b>£124,872</b>	<b>£94,791</b>	<b>£115,118</b>
<b>Staff Costs</b>	£43,619	£40,342	£48,275
<b>Building and Maintenance</b>	£16,318	£10,715	£18,115
<b>Other Expenditure</b>	£79,706	£32,821	£65,444
<b>Total Expenditure</b>	<b>£139,643</b>	<b>£83,878</b>	<b>£131,834</b>

<b>Total Use</b>	<b>59,528</b>	<b>5,483</b>	<b>37,735</b>

### Swansea Tennis Centre

- 6.12 Tennis Swansea 365 Ltd (TS365) are the operators of Swansea Tennis Centre. They operate under a fully repairing lease, with no Council subsidy.
- 6.13 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 and are often used as a benchmark or case study for similar facilities across the UK.
- 6.14 TS365 operates on a financial year that runs June 2021 to May 2022.
- 6.15 Following the last closure due to the Covid-19 pandemic, the Tennis Centre re-opened on the 3<sup>rd</sup> May 2021. TS365 continued to abide by restrictions and follow Government advice and guidance through 2021/22.
- 6.16 During the period, there was a high turnover of staff and like other partners, TS365 have found it very difficult to recruit and replace. Although this has resulted in a reduction in staffing expenditure, it has presented TS365 with additional operational pressures and a reduction in time to focus on business development.
- 6.17 To assist through the pandemic, TS365 received a Sports Resilience Fund of £9k. This is shown in the table below under 'other income'.
- 6.18 Earned income has increased on the previous year and is continuing to increase to pre pandemic levels. Expenditure continues to be tightly controlled with TS365 ending the year with an operating surplus of £7,272

It must be noted, whilst TS365 demonstrated an operating surplus, there will need to be continual investment in both marketing and outreach work in the post pandemic period, to increase pre pandemic revenue and usage. In addition, with an aging building, there is a need to re-invest into the building to satisfy customer expectations, and there have been discussions underway with Tennis Wales of the opportunities for the investment over the medium to longer term.

- 6.19 Usage saw a significant increase in comparison to 2020/21 and a slight increase on pre pandemic levels. Ace Fitness Members (Gym Membership) reduced by 40%
- 6.20 In 2021/22 TS365 invested £12k replacing lamps on the indoor courts hall and refurbished the reception / spectator area. A barista coffee machine and fridge counter were installed, and menu options updated. A Digital

Advertisement screen has been installed for promoting both activities and customer communication and the centre underwent a re-branding to support future promotional activity.

- 6.21 The Head of Performance at Swansea Tennis Centre was awarded the LTA performance coach of the year award.

A number of performance players played at 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.

## 6.22 Swansea Tennis Centre Performance

**Table 7**

<b>Swansea Tennis Centre</b>	<b>2019/2020 (Pre-Pandemic)</b>	<b>2020/2021</b>	<b>2021/2022</b>
<b>Junior Course Income</b>	£132,501	£87,652	£137,936
<b>Adult Course Income</b>	£22,264	£6,668	£24,341
<b>Other Income</b>	£171,929	£186,940	£195,848
<b>Total Income</b>	<b>£326,694</b>	<b>£281,260</b>	<b>£358,126</b>
<b>Staff Costs</b>	£113,310	£87,265	£78,866
<b>Repairs and Maintenance</b>	£6,968	£5,545	£14,097
<b>Other Expenditure</b>	£216,593	£155,783	£257,891
<b>Total Expenditure</b>	<b>£336,871</b>	<b>£248,593</b>	<b>£350,854</b>
<b>Total Ace Fitness Members</b>	<b>1392</b>	<b>125</b>	<b>75</b>

<b>Total Usage</b>	<b>57,985</b>	<b>16,805</b>	<b>58,222</b>
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## **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
- The support of the tourism economy
- Creating an Active and Healthy Swansea

## **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 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:**

Appendix A - IIA Screening Form