

**LEISURE SERVICES CONTRACT
MONITORING REPORT – Q2 2016/17**

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

The purpose of this report is to provide Members of the Executive Committee with a breakdown of the Trust's performance against its Key Performance Indicators during the first quarter of the second year of the Leisure Services Contract (LSC). This incorporates financial, customer, internal process and sustainability measures that have been agreed with the Trust as part of the LSC.

The scorecard provides an overview of performance across all facilities within the Trust; analysing all operational venues with their related performance indicators. Appendix A to this report contains the draft Trust report and the draft Trust scorecard for Q2 2016/17 – reporting actual performance from April to September 2016.

A summary of the key achievements in the first half of 2016:

- the management fee continues to be in line with the budget and expectations at £3.2m (as reported as part of the Revenue Monitoring Report E/463/16);
- financial performance across venues is good with the overall budget expected to be at least on target. Current income received is ahead of target with £9.7m generated against a budget of £8.2m; 18.3% ahead of last year's second quarter income of £8.2m;
- average customer satisfaction score in the second quarter was 83%. This is in line with last year and is on target;
- the net promoter score across the venues is 42% and remains on target although still slightly below last year's score at this time of 45%;
- 30% of all visits were defined as regional. This performance is an improvement on last year and just below target;
- there were 1,628,332 visits to the Trust's venues during the first half of the year – a 23% increase from the same period last year (1.3m).

RECOMMENDATION

Members Note (1) the report.

BACKGROUND

- 1 As part of the Leisure Service Contract (LSC) between the Authority and the Trust (Vibrant Partnerships) it was agreed that a range of Key Performance Indicators should be used for the Authority to monitor the Trust's performance and that this should act as a method by which the Authority can ensure that the required standards within the contract are achieved.
- 2 Commencing on 1 April 2015, the LSC included Key Performance Indicators (KPIs) based on the KPIs originally set and agreed by the Scrutiny Committee as part of the balanced scorecard which provided an overview of performance across the Authority. It was agreed that officers from the Trust would provide an update of the KPIs to the Executive Committee on a quarterly basis.
- 3 The KPI and venue scorecard attached to the Trust report contains data for Q2 from 1 April to 30 September 2016.

FINANCIAL IMPLICATIONS

- 4 There are no financial implications arising directly out of the recommendations in this report.

HUMAN RESOURCE IMPLICATIONS

- 5 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

- 6 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

- 7 Failure to deliver the contract in all aspects is a major risk for both the Authority and the Trust. As well as Executive Committee, contract compliance and performance is checked regularly and scrutinised through the Chairs/Chief Officers meeting; the Senior Officers Contract Monitoring Team; the Authority's own performance monitoring team and through planned audits as part of the internal audit contract.


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APPENDIX ATTACHED

Appendix A Draft Trust Report and Key Performance Indicators Q2
2016/17

LIST OF ABBREVIATIONS

KPI	Key Performance Indicator
LSC	Leisure Services Contract
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

 <p>VIBRANT PARTNERSHIPS</p> <p>CIRCULATED TO BOARD</p> <p>XX Oct 2016</p>	<p><u>Agenda Item No:</u></p>
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LVRPA Contract - 2016/17 Q2 Performance Report

Presentation by Director of Business Support

SUMMARY

This report presents performance for the first half of 2016/17 across the 14 venues the Trust manages on behalf of the Lee Valley Regional Park Authority (LVRPA).

The first six months of 2016/17 have seen a success:

- Income across the 14 venues is ahead of target, with £9.7m generated against a budget of £8.8m; 18% ahead of last year's mid-year income of £8.2m.
- In the first half of the year there were 1.6m visits to the venues – a 23% increase from the same period last year.
- A high level of customer satisfaction has been maintained across the venues (83%), which is above the overall UK customer satisfaction index (UKCSI) of 77% and the individual scores for the UK leisure (79%) and tourism (80%) sectors.

Following the poor weather in the spring we experienced much better weather over the summer months which had a positive impact on visitor numbers and income at some venues, especially where there is an outdoor element to the experience and the decision to visit is made on the day. The average summer temperature was 12% warmer and there was half the rainfall of last year.

A number of events were held in the first six months that attracted visitors, generated income and opened the venues to a wider audience:

- The new beach at Lee Valley White Water Centre has been a massive hit with local families throughout the summer; and Friday Night Live been a huge success, with numbers reaching capacity on the terrace.
- The pump track at Lee Valley VeloPark has proved to be extremely popular for birthday parties.
- The success of Team GB in track cycling, equestrian, hockey and tennis fuelled significant increases in interest in our venues, with related online sales more than trebling.
- In September, Lee Valley White Water Centre saw 3,000 people come over two days for the canoe slalom British Open, rafting races and canoe polo competitions. We also welcomed back athletes from the Rio Games who signed autographs and had pictures taken with the public.

- Lee Valley Park Farms extended their push on the sale of summer passes, which give unlimited visits during the season including three themed events. The passes proved to be popular for families with 449 passes sold.
- More than 6,000 visitors attended the inaugural National Triathlon Show at Lee Valley VeloPark over three days in April which hosted 72 exhibitors.
- Lee Valley White Water Centre hosted the Summer Splash event in May which drew 4,600 people, a considerable increase from last year's successful event. The day included a host of activities, a new beach and a beer festival. It was a successful event with lots of happy children and parents and the record daily income for the cafe.
- Lee Valley Hockey and Tennis Centre hosted the men and women's Hockey Champions Trophy comprising 36 matches over 12 tournament days in June, welcoming 45,000 spectators who cheered on teams from Great Britain, Australia, Belgium, Germany, India, Korea, Argentina, Netherlands, New Zealand and USA. The men's competition was originally planned to be held in Argentina but was moved at short notice to England, and Vibrant Partnerships, LVRPA and partners worked together to deliver the event successfully.
- Lee Valley Park Farms hosted a successful Paw Patrol event in June that attracted 2,500 visitors, with 1,000 pre-booking online after successful social media promotion created a buzz amongst families online.
- The WaterWorks centre hosted a temporary campsite in June as part of the Shell eco-marathon event on Queen Elizabeth Olympic Park that attracted 3,000 students from across Europe.

RECOMMENDATIONS		
Trustees note:	(1)	The report.

BACKGROUND

1	Performance of the Lee Valley Regional Park Authority venues has been reported quarterly to its Scrutiny Committee since 2010.
2	This report was based on the Authority's performance framework, which included key performance indicators (KPIs) and a venue scorecard.
3	As part of the Lee Valley Leisure Services Contract, performance of the LVRPA venues managed by the LVLT is to be reported quarterly to Authority Members.
4	The data included in this report to Trustees will form the basis of the report that Authority officers will present to Authority Members.
5	The scorecard in Appendix A to this report contains data for the first half of 2016/17 (April – Sept 2016). The following paragraphs summarise the key messages from the data.

LV LEISURE SERVICES CONTRACT KEY PERFORMANCE INDICATORS (KPIs)

6	KPI 1: Management Fee
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The management fee for 2016/17 has been set at £3.159m, a reduction from the first year management fee of £3.4m. To date payments totalling £1.6m have been made.

Overall financial performance across venues is good; and is broadly on budget to hit its management fee. The following venues are worthy of note:

Lee Valley VeloPark has achieved £2,377,000 income against a budget of £1,909,000, 25% ahead of the £1,900,000 achieved in the first half of last year. The biggest growth has been in corporate income, which has more than doubled from last year, and development of the programme to ensure more customers who complete taster sessions return to take part again. The venue is forecast to over achieve budget by £103,000 at year end.

Lee Valley Hockey and Tennis Centre has achieved £498,000 income against a budget of £385,000, ahead of the £430,000 achieved in the first half of last year. The venue is forecast to over achieve budget by £3,000 at year end.

Lee Valley White Water Centre has achieved £2,826,000 income against a budget of £2,346,000, 30% ahead of the £2,167,000 achieved in the first half of last year. Food and beverage performance has improved significantly following improvement work, achieving £713,000 income against a budget of £449,000, 67% ahead of the £427,000 achieved in the first quarter of last year. The venue is forecast to over achieve budget by £9,000 at year end.

Lee Valley Athletics Centre has achieved £332,000 income against a budget of £358,000, 10% ahead of the £300,000 achieved in the first half of last year. Income budgeted for renting the physiotherapy suite has not been achieved following an unsuccessful marketing exercise. The opportunity was advertised and potential partners were approached, but no operators were interested at this time. The CrossFit installation has been agreed, although slightly delayed, which has also impacted budgeted income. The venue is forecast to under achieve budget by £35,000 at year end.

Lee Valley Ice Centre has achieved £542,000 income against a budget of £629,000, 12% behind the £619,000 achieved in the first half of last year. The good summer weather has had a negative impact on public skating and catering income, but it is believed that this will not have a significant impact on the overall projected outturn. The venue is forecast to over achieve budget by £1,000 at year end.

Lee Valley Riding Centre has achieved £548,000 income against a budget of £526,000, 10% ahead of the £498,000 achieved in the first half of last year. There remains a shortage of riding instructors due to maternity leave and working pupils moving on from the Riding Centre which has had an impact on staffing costs. The venue is forecast to achieve budget at year end.

The **WaterWorks** Centre has achieved £147,000 income against a budget of £17,000, and is forecast to over achieve budget by £116,000, which is due to the site hire fee for the temporary campsite as part of the Shell eco-marathon event on Queen Elizabeth Olympic Park.

Lee Valley Golf Course has achieved £133,000 income against a budget of £181,000, 11% behind the £148,000 achieved in the first half of last year. The modest income

	<p>increase last year does not appear to have continued and the golf rounds for the summer period are below last year. Footgolf has been introduced to promote a wider use for the golf course and has been a success with 1,500 participants so far this year. The venue is forecast to achieve budget by year end.</p> <p>Lee Valley Campsite, Sewardstone has achieved £295,000 income against a budget of £407,000, 21% behind the £372,000 achieved in the first half of last year. Touring and site rents ended the summer season down on last year, negatively impacted by the poor weather in the Spring. This is in line with industry trends, reflecting the positive results at the other campsites. Colleagues will be reviewing early season promotions ready for next season. The venue is forecast to under achieve budget by £22,000 at year end.</p> <p>Lee Valley Park Farms has achieved £462,000 income against a budget of £535,000, 3% ahead of the £449,000 achieved in the first half of last year. The venue is forecast to under achieve budget by £11,000 by year end. Visitor numbers have fallen due to the bad weather in the spring which has impacted income from entry fees and catering. Improved weather in the summer and the successful summer pass campaign improved performance, but remains slightly behind the budgeted stretch target. Plans for weather proofing the venue are being proposed to LVRPA, subject to capital funding.</p>
<p>7</p>	<p>KPI 2: Customer Satisfaction</p> <p>Across all venues satisfaction has remained at 83%, the same score as last year. In the context of the increase in visits this is a very positive score, reflecting that the customer experience is being maintained at a high level. The highest score (94%) was recorded at Lee Valley VeloPark. Feedback from surveys found that customers particularly like that the venue is as a place for the whole family and all levels of ability to enjoy.</p> <p>At Lee Valley Marina, Springfield we have been in consultation with the user group since the significant price increases a few years ago. Following complaints we have worked with them to identify joint needs. They have had input into a newly designed facilities block, the opening of a new chandlery and new solution for their social area. As part of this consultation we surveyed the user group to understand what improvements they wanted and their satisfaction with the marina. As was to be expected, the satisfaction score was significantly lower than the last survey which was before the price rise. Another survey will be carried out later this year, by which time we hope that the improvements that have been made will have a positive impact on satisfaction.</p> <p>At Lee Valley Marina, Stanstead we surveyed customers in the chandlery for the first time. Feedback was extremely positive about the product range, value for money and the service we provide. This has brought the average satisfaction score at the marina up to 79%, which better reflects the customer view of the marina's offer.</p> <p>Across all venues the average customer satisfaction score is 83%. This is the same as last year and is on target. This is above the overall UK customer satisfaction index (UKCSI) of 77% and the individual scores for the UK leisure (79%) and tourism (80%) sectors.</p>
<p>8</p>	<p>KPI 3: Net Promoter Score</p>

	<p>Across all venues the net promoter score has remained on target, although it has fallen slightly to 42% from 46% last year. The highest scores were at Lee Valley White Water Centre and Lee Valley Ice Centre who both achieved 80% which is an excellent score.</p> <p>The score for Lee Valley Camping and Caravan Park, Edmonton has fallen to 20%. Some negative feedback was received from families regarding the behaviour of other groups and workers using the campsite. Managers have dealt with these incidents as they occurred.</p> <p>The score for Lee Valley Caravan Park, Dobbs Weir has fallen slightly out of the target range to 35%. Feedback is generally good with no obvious reason for the fall.</p> <p>The score for Lee Valley Park Farms has fallen slightly out of the target range to 33%. Feedback from customers is generally good – some commented that they would be more likely to recommend if there was more to do for older children.</p> <p>The score for Lee Valley Marina, Springfield has fallen significantly, for the same reasons as explained in paragraph 7.</p> <p>The net promoter score gives an indication of the relationship that customers have with our venues, with a higher score potentially indicating positive future business through repeat visits and recommendations. It is generated by asking customers how likely they would be to recommend the venue they visited to friends or colleagues. This categorises customers into ‘promoters’, ‘neutrals’ and ‘detractors’. The score can range from 100% to -100%, with a leisure industry average of 24%.</p>
<p>9</p>	<p>KPI 4: Regionality</p> <p>The regionality of the venues is measured by capturing postcodes across bookings, memberships and surveys. In the first half of the year 30% of all visits were defined as regional – where the visitor lives within the London, Hertfordshire and Essex region, but lives outside of the riparian boroughs whose boundaries cross into the Lee Valley Regional Park. This percentage is slightly above last year (29%), but due to increased usage (described below) this equates to 480,000 visits, which is an increase from 377,000 in the same period last year.</p>
<p>10</p>	<p>KPI 5: Usage</p> <p>In the first half of the year there were 1.6m visits to the venues – a 23% increase from the same period last year. Below are some explanations around significant increases and decreases:</p> <p>There were 600,000 visits to Lee Valley VeloPark - 189,000 more than the same period last year. This reflects the growth in the programme, increased footfall in Queen Elizabeth Olympic Park and increased events, including 6,000 people attending the National Triathlon show, 3,000 for Ride London and 2,500 for the Etape London event.</p> <p>There were 360,000 visits to Lee Valley White Water Centre – 118,000 more than the same period last year. This reflects new features including the beach that attracted families during the summer, the widening of the appeal of the café including Friday Night Live events that reached capacity, an increased activity programme, the Summer Splash event that attracted 4,600 people and the British Open that had 3,000 visitors.</p>

	<p>Lee Valley Riding Centre saw a fall in visits – 17,000 down from 112,000 last year. The majority of the decrease has been caused by non-paying visitors to the centre who come to see the horses and enjoy the atmosphere, who were deterred by the poor weather in the spring.</p> <p>There were 42,000 visits to the WaterWorks centre, increased from 20,000 last year. The centre hosted a temporary campsite as part of the Shell eco-marathon event on Queen Elizabeth Olympic Park that attracted 3,000 students from across Europe.</p> <p>Lee Valley Park Farms had 78,000 visits, down from 83,000 last year. This was caused by the poor weather in the spring, and although numbers recovered well over the summer this is still behind last year. The Paw Patrol event in June attracted 2,500 visitors, and over 400 customer purchased the summer pass for multiple visits.</p> <p>Visit England’s latest findings show that both the attractions and accommodation markets had a challenging start to the year, particular outdoor attractions and campsites that have been negatively impacted by the weather, but have recovered following the good weather in the summer.</p>
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OTHER VENUE PERFORMANCE

<p>11</p>	<p>Compliments and Complaints</p> <p>In the first half of the year there have been more compliments and more complaints than last year, as should be expected with the increase in visitors. There has been a shift in social media feedback with fewer mentions on Twitter that were positive but offered little in the way of detail of their experience, to more positive in depth reviews on Trip Advisor, particularly for LVWWC which has a 5 star rating and the Trip Advisor certificate of excellence.</p> <p>At Lee Valley White Water Centre we received more complaints, which directly correlate with the increase in visitor numbers. The majority of complaints were regarding the café which became a victim of its own success, resulting in lengthy queues and service that was inconsistent. Over the summer new processes were put in place to improve the speed and quality of service and by the end of the summer there was a clear improvement for customers. A number of investment projects have been identified to improve the catering areas to cope with the increase in demand ready for next summer.</p> <p>There was an increase in complaints at Lee Valley VeloPark which is in line with the increase in usage. Reasons for complaints included issues with bookings caused by the telephone system and the online booking process, both of which are being improved. There were also a small number of complaints regarding the introduction of car parking charges, which have successfully deterred local residents from using the car park.</p> <p>There were falls in compliments at Lee Valley VeloPark and Lee Valley Hockey and Tennis Centre. The high numbers last year reflected that it was a new venue that had the wow factor and was attracting a lot of first time visitors who wanted to share their visit with social media.</p>
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12	<p>Utility Consumption</p> <p>Utility consumption has fallen by 6% across all the venues compared to last year. This should be seen in the context of usage increasing by 23%. This has been caused by a 20% reduction in energy use at Lee Valley White Water Centre, which was mainly due to the increased usage last year for the World Championships, but also due to more efficient use of the pumps. There have been increases at Lee Valley VeloPark and Lee Valley Hockey and Tennis Centre, where the Hockey Champions Trophy significantly increased demand for electricity due to huge temporary overlay additional floodlighting and watering of pitches. Lee Valley Marina, Stanstead has also increased utility consumption as a result of increased activity on site e.g. increased rechargeable works and new chandlery.</p>
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ENVIRONMENTAL IMPLICATIONS

13	There are no environmental implications arising directly out of the recommendations in this report.
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EQUALITY IMPLICATIONS

14	There are no equality implications arising directly out of the recommendations in this report.
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FINANCIAL IMPLICATIONS

15	There are no financial implications arising directly out of the recommendations in this report.
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HUMAN RESOURCE IMPLICATIONS

16	There are no human resource implications arising directly out of the recommendations in this report.
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LEGAL IMPLICATIONS

17	There are no legal implications arising directly out of the recommendations in this report.
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RISK MANAGEMENT IMPLICATIONS

18	There are no risk management implications arising directly out of the recommendations in this report.
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AUTHORITY IMPLICATIONS

19	There are no Authority implications arising directly out of the recommendations in this report.
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PREVIOUS TRUST BOARD REPORTS

TRUST BOARD	REPORT NO.	REPORT NAME	DATE

APPENDICES ATTACHED

Appendix A	Trust KPI and Venue Scorecard

LIST OF ABBREVIATIONS

ABBREVIATION	IN FULL
KPI	Key Performance Indicator
LVVP	Lee Valley VeloPark
LVHTC	Lee Valley Hockey and Tennis Centre
LVWWC	Lee Valley White Water Centre
LVAC	Lee Valley Athletics Centre
LVIC	Lee Valley Ice Centre
LVRC	Lee Valley Riding Centre
LVPF	Lee Valley Park Farms

Reporting Period		2016/17 Q2				
Key Performance Indicators		15/16 Q2 Actual	Annual Target	Q2 Actual	Expected at Year End	Comments
Management Fee		£2,039,400	£3,159,000	£1.6m	£3,159m	
Customer satisfaction		83%	80-85%	83%	83%	
Net promoter Score		45%	40-50%	42%	45%	
Regionality (non-riparian)		29% (377,000)	31% (651,000)	30% (480,000)	30% (750,000)	
Usage		1.3m	2.1m	1.6m	2.5m	
Direction of travel				Performance		
↑	Performance has improved			↔		
↓	Performance has worsened			↓		
↔	Performance has remained the same			↔		
N/A				↑		

Performance against target
Achieving or exceeding target
Just missed target
Below target

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Reporting Period		2016/17 Q2																				
Venues	Income (£000's)		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal Compliments		H&S Audit		Quality Score		Utility Consumption (000 kwh)		Asset Protection	
	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17	15/16	16/17
	8,214	8,214	1,319,708	1,319,708	80-85%	40-50%	31%	86	1020	95%	80%	6,332	6,332	95%	95%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Overall Target																						
Lee Valley VeloPark	1,900	2,377	410,427	599,577	88%	82%	45%	27	37	92%	79%	45%	27	461	429	98%	91%	841	945	n/a	n/a	Q4
Lee Valley Hockey & Tennis Centre	430	498	120,741	123,418	84%	50%	31%	0	1	84%	45%	30%	0	101	63	96%	63%	234	391	n/a	n/a	Q4
Lee Valley White Water Centre	2,167	2,815	241,580	359,585	90%	97%	36%	13	38	80%	60%	36%	13	332	413	96%	76%	3,145	2,510	n/a	n/a	Q4
Lee Valley Athletics Centre	300	332	97,217	99,325	93%	81%	35%	0	3	85%	52%	29%	0	17	25	98%	78%	217	232	n/a	n/a	Q4
Lee Valley Ice Centre	619	542	150,871	148,447	82%	47%	36%	3	5	83%	60%	39%	3	7	13	95%	85%	1,151	1,172	n/a	n/a	Q4
Lee Valley Riding Centre	498	548	112,137	95,042	91%	80%	32%	5	6	86%	65%	32%	5	10	2	92%	78%	67	87	n/a	n/a	Q4
Lee Valley WaterWorks Centre	12	147	20,195	41,915				1	1				1	0	1	88%	79%	64	62	n/a	n/a	Q4
Lee Valley Golf Course	148	133	10,123	10,156	78%	32%	20%	1	1	84%	48%	20%	1	1	1	86%	75%	36	39	n/a	n/a	Q4
Lee Valley Camping & Caravan Park, Edmonton	361	370	31,557	31,135	87%	43%	10%	4	5	87%	20%	14%	4	9	15	96%	75%	240	240	n/a	n/a	Q4
Lee Valley Campsite, Sewardstone	372	295	26,477	25,199	85%	49%	14%	3	2	83%	52%	14%	3	10	15	99%	83%	55	54	n/a	n/a	Q4
Lee Valley Caravan Park, Dobbs Weir	220	390	15,651	15,855	85%	50%	34%	6	7	80%	35%	37%	6	20	24	90%	67%	49	23	n/a	n/a	Q4
Lee Valley Park Farms	449	462	82,732	77,665	85%	59%	28%	21	10	85%	33%	28%	21	51	61	95%	72%	72	53	n/a	n/a	Q4
Lee Valley Marina, Springfield	383	443			62%	-44%	25%	1	0	51%	-55%	25%	1	0	0	98%	91%	119	119	n/a	n/a	Q4
Lee Valley Marina, Stanstead	355	378			68%	-11%	34%	1	7	79%	28%	34%	1	1	0	95%	93%	42	55	n/a	n/a	Q4
ALL VENUES	8,214	9,729	1,319,708	1,628,332	83%	46%	29%	86	123	83%	42%	30%	86	1,020	1,012	95%	79%	6,332	6,862	n/a	n/a	Q4

Financial Measure
Customer Measure
Internal Process Measure
Sustainability Measure

Tolerance
Achieving or exceeding target <-5%
Just missed target 5-10%
Below target >10%

N/A for site