

**LEISURE SERVICES CONTRACT  
MONITORING REPORT – Q1 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. This incorporates financial, customer, internal process and sustainability measures that have been agreed with the Trust as part of the Leisure Services Contract.

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 Q1 2016/17 – reporting actual performance from April to June 2016.

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

- the management fee in line with the budget and expectations at £3.2m (as reported as part of the Revenue Monitoring Report E/456/16);
- 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 £5.1m generated against a budget of £4.7m; 23% ahead of last year's first quarter income of £4.1m;
- average customer satisfaction score in the first quarter was 83%. This is the same as last year and is on target;
- the net promoter score across the venues is 42% and on target although slightly below last year's score of 46%;
- 29% of all visits were defined as regional. This performance is in line with last year but slightly below target;
- there were 773,000 visits to the Trust's venues during the first quarter – an 18% increase from the same period last year.

**RECOMMENDATION**

Members Note (1) the report.

## **BACKGROUND**

- 1 As part of the Leisure Service Contract (LSC) between the Authority and the Trust 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 Authority to report to the Executive Committee on a quarterly basis.
- 3 The KPI and venue scorecard attached to the Trust report contains data for Q1 from April to 30 June 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 Q1 2016/17

## **LIST OF ABBREVIATIONS**

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

 <p><b>VIBRANT PARTNERSHIPS</b></p> <p><b>CIRCULATED TO BOARD</b></p> <p><i>13 JULY 2016</i></p>	<p><b><u>Agenda Item No:</u></b></p>
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### ***LVRPA Contract - 2016/17 Q1 Performance Report***

#### **SUMMARY**

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

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

- Income across the 14 venues is ahead of target, with £5.1m generated against a budget of £4.7m; 23% ahead of last year's first quarter income of £4.1m.
- In the first quarter there were 773,000 visits to the venues – an 18% 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.

We experienced particularly bad weather during the quarter, which has an impact on several of the venues, especially where there is an outdoor element to the experience and the decision to visit is made on the day, for example Lee Valley Park Farms, Lee Valley Golf Course and visitors to Lee Valley Riding Centre and Lee Valley White Water Centre who come for a non-sporting day out to spectate, have a drink etc. Compared to the same period last year the average temperature was similar, but there was almost double the amount of rainfall and 20% less sunshine. This has had an impact on visitor numbers and income at some venues.

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

- 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, almost double the numbers attending last year. 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.
- 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.

### RECOMMENDATION

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 quarter of 2016/17 (April – June 2016). The following paragraphs summarise the key messages from the data.

### LV LEISURE SERVICES CONTRACT KEY PERFORMANCE INDICATORS (KPIs)

#### 6 KPI 1: Management Fee

The management fee for 2016/17 has been set at £3,159,000, a reduction from the first year management fee of £3,400,000. To date payments totalling £800,000 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 £1,389,000 income against a budget of £1,208,000, 21% ahead of the £1,149,000 achieved in the first quarter of last year. The biggest growth has been in corporate income, which has more than doubled from last year. The venue is forecast to over achieve budget by £3,000 at year end.

**Lee Valley Hockey and Tennis Centre** has achieved £113,000 income against a budget of £166,000, slightly ahead of the £112,000 achieved in the first quarter of last year. The shortfall is due to income from catering concessions for the Champions Trophy event which was budgeted in Q1 but will be received in Q2, which will put the venue on budget. The venue is forecast to achieve budget by year end.

**Lee Valley White Water Centre** has achieved £1,514,000 income against a budget of £1,378,000, 25% ahead of the £1,210,000 achieved in the first quarter of last year. Food and beverage performance has improved significantly following a number of

initiatives to improve the café offer, achieving £252,000 income against a budget of £192,000, 55% ahead of the £162,000 achieved in the first quarter of last year. The Summer Splash event was held in May, whereas last year it was held in July, so income has been received in the first quarter whereas last year it was not received until the second quarter. The venue is forecast to over achieve budget by £4,000 at year end.

**Lee Valley Ice Centre** has achieved £292,000 income against a budget of £321,000, 7% behind the £315,000 achieved in the first quarter of last year. Performance is broadly in line with last year but behind this year's increased budget; income from rink hire and patch sessions is behind last year. The venue is forecast to achieve budget by year end.

**Lee Valley Riding Centre** is forecast to under achieve budget by £12,000 at year end due to the impact of the bad weather reducing demand for lessons and overall visitor numbers which has impacted café income.

The **WaterWorks** Centre has achieved £133,000 income against a budget of £9,000, and is forecast to over achieve budget by £97,000, 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 Campsite, Sewardstone** has achieved £100,000 income against a budget of £120,000, 2% behind the £102,000 achieved in the first quarter of last year. The venue is forecast to achieve budget by year end.

**Lee Valley Park Farms** has achieved £237,000 income against a budget of £257,000, 1% behind the £239,000 achieved in the first quarter of last year. The venue is forecast to under achieve budget by £14,000 by year end. Visitor numbers have fallen due to the bad weather which has impacted income from entry fees and catering.

### 7 **KPI 2: Customer Satisfaction**

In the first quarter of the year a new research agency has been undertaking interviews with customers at venues. From these surveys we have good enough samples to report updated satisfaction and net promoter score figures for Lee Valley VeloPark (LVVP), Lee Valley Hockey and Tennis Centre (LVHTC), Lee Valley White Water Centre (LVWWC) and Lee Valley Riding Centre (LVRC).

Customers have reported increased satisfaction at LVVP, which is now the venue with the highest satisfaction score of 94%. 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.

At LVHTC customers have reported no significant changes in satisfaction, maintaining good performance.

Customers at LVWWC have continued to report very high levels of satisfaction, although there has been a slight fall in both satisfaction and net promoter score. Feedback from customers indicates that rafting and paddling experiences are still excellent, but areas for improvement have been identified with half of all comments relating to the café. This reflects the increased proportion of visitors who come to the venue for a non-sporting day out, attracted by the improved café offer and look and feel, and the increased importance of the café to their experience. A number of

initiatives have been introduced to improve the café including a new menu, customer service training, process improvements and sourcing of suppliers. As highlighted in the year-end review the café is not set up to service the significant increase in customers and needs to be expanded which will be picked up as part of the capital investment proposals.

At LVRC customer satisfaction has fallen from a very high score last year (91%) to 85%, which is still a good score. Customers identified that the most important part of their experience is the quality of instructors, and although they generally rated instruction as good they fed back ways that it could be improved to be more consistent.

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.

### 8 **KPI 3: Net Promoter Score**

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%.

Based on the updated figures for the four venues identified above, the average score has fallen slightly from 46% last year to 42%, which is on target.

### 9 **KPI 4: Regionality**

The regionality of the venues is measured by capturing postcodes across bookings, memberships and surveys. In the first quarter 29% 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 the same as last year, but due to increased usage (described below) this equates to 224,000 visits, which is an increase from 190,000 in the same period last year.

### 10 **KPI 5: Usage**

In the first quarter there were 773,000 visits to the venues – an 18% increase from the same period last year. This is despite the weather – during the quarter there was almost double the amount of rainfall and 20% less sunshine than last year, which has had an impact on visitor numbers at some venues. Below are some explanations around significant increases and decreases:

There were 294,000 visits to LVVP - 90,000 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.

LVHTC had 107,000 visits, which is 49,000 more than the same period last year. This is

mainly due to hosting the Hockey Champions Trophy in June which attracted 45,000 spectators.

Visits to LVWWC are in line with last year, but the impact of bad weather has hidden increases in visits for the activity programme and to the café, and the Summer Splash event that attracted 4,600 people. The weather has impacted visitors who come to the venue for non-sporting outdoor activity (visitors wanting to sit outside the Terrace or the Pavilion, visitors from River Lee Country Park, those spectating etc).

LVRC saw a significant fall in visits – 31,000 down from 66,000 last year. This has been partly caused by reduced demand for lessons, but increased demand in other areas such as birthday parties has covered some of the shortfall in income. 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 have been deterred by the poor weather.

There were 26,000 visits to the WaterWorks centre, increased from 9,000 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.

Lee Valley Park Farms had 38,000 visits, down from 44,000 last year, which was caused by the poor weather. The Paw Patrol event in June attracted 2,500 visitors, and planned events and promotions over the summer months should help to increase usage, assuming the bad weather does not continue.

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. However confidence is high that this is a blip rather than a long term trend and that performance will recover over the year.

### **OTHER VENUE PERFORMANCE**

#### **11 Compliments and Complaints**

In the first quarter there have been less complaints and less compliments than last year. 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.

The big fall in compliments was from LVVP, which was matched by a big fall in complaints. 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. There were also operational issues to be expected from a new venue which were resolved during the year, and the small number of complaints received this quarter in the context of such high visitor numbers reflects the high quality of customer experience.

LVHTC had a similar fall in compliments which also reflects that last year customers were keen to share their first visit on social media.

Lee Valley Camping & Caravan Park, Edmonton had an increase in complaints, the

majority of which have come through Trip Advisor. These have been mainly regarding maintenance and management issues.

Lee Valley Park Farms has received more complaints and fewer compliments. The successful Paw Patrol event in June attracted 2,500 visitors, with 1,000 pre-booking online after successful social media promotion created a buzz amongst families online. Feedback on the day was generally positive, but a number of complaints were received that were related to how busy the site was during the event and the impact this had on the experience and particularly meeting the characters. The learning from this event will be fed into plans for future events

**12 Utility Consumption**

Utility consumption has increased by 6% across all the venues compared to last year. This should be seen in the context of usage increasing by 18%. This increase has mainly been caused by the increased usage at LVVP and LVHTC, where the Hockey Champions Trophy significantly increased demand for electricity. Both marinas have also increased utility consumption as a result of increased activity on site e.g. new chandlery at Stanstead and development work on the new chandlery at Springfield.

**ENVIRONMENTAL IMPLICATIONS**

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

**EQUALITY IMPLICATIONS**

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

**FINANCIAL IMPLICATIONS**

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

**HUMAN RESOURCE IMPLICATIONS**

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

**LEGAL IMPLICATIONS**

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

**RISK MANAGEMENT IMPLICATIONS**

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



**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
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**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

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Reporting Period		2016/17 Q1																					
Venues	Income (€000s)		Usage			Customer Satisfaction		Net Promoter Score		Regionality		Complaints		Formal Compliments		H&S Audit		Quality Score		Utility Consumption (000 kwh)		Asset Protection	
	15/16	16/17	15/16	16/17	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
<b>Overall Target</b>	4,118	4,118	663,418	663,418	80-85%	40-50%	31%	41	428	95%	80%	2,794	2,794	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley VeloPark	1,149	1,389	204,179	294,176	88%	62%	45%	18	91	98%	91%	393	480	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Hockey & Tennis Centre	112	113	58,799	107,315	84%	50%	31%	0	35	96%	63%	117	224	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley White Water Centre	1,210	1,514	115,000	113,176	90%	97%	36%	4	112	96%	76%	1,221	1,611	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Athletics Centre	80	87	52,478	55,038	93%	81%	32%	0	9	98%	78%	109	122	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Ice Centre	315	292	76,360	76,794	82%	47%	38%	2	2	95%	85%	561	538	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Riding Centre	252	254	66,044	31,204	91%	80%	32%	5	2	92%	78%	38	38	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley WaterWorks Centre	6	133	8,807	25,369				0	0	86%	79%	33	37	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Golf Course	88	70	4,878	4,655	78%	32%	20%	1	1	86%	75%	21	24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Camping & Caravan Park, Edmonton	146	156	10,417	11,753	87%	43%	10%	1	5	98%	75%	129	129	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Campsite, Sewardstone	102	100	7,946	8,200	85%	49%	14%	0	1	99%	83%	33	27	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Caravan Park, Dobbs Weir	57	247	4,698	4,592	85%	50%	34%	2	7	90%	67%	9	10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Park Farms	239	237	43,812	38,260	85%	59%	28%	7	11	95%	72%	39	46	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Marina, Springfield	196	246			62%	-44%	25%	0	0	98%	91%	68	81	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lee Valley Marina, Stanstead	167	196			68%	-11%	34%	1	0	99%	93%	23	33	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>ALL VENUES</b>	<b>4,118</b>	<b>5,055</b>	<b>663,418</b>	<b>772,848</b>	<b>83%</b>	<b>46%</b>	<b>29%</b>	<b>41</b>	<b>428</b>	<b>95%</b>	<b>79%</b>	<b>2,794</b>	<b>2,968</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Performance against target																							
Achieving or exceeding target																							
Just missed target																							
Below target																							
N/A for site																							

Financial Measure	Green
Customer Measure	Yellow
Internal Process Measure	Red
Sustainability Measure	Grey

Reporting Period		2016/17 Q1	15/16 Q1 Actual	Annual Target	Performance	Q1 Actual	Expected at Year End	Comments
<b>Key Performance Indicators</b>								
Management Fee		£1,539,000	£3,159,000	80-85%	↑	£800,000	£3,159,000	
Customer satisfaction		83%	80-85%		↑	83%	83%	
Net promoter Score		46%	40-50%		↓	42%	42%	
Regionality (non-riparian)		29% (190,000)	31% (651,000)		↑	29% (224,000)	29% (640,000)	
Usage		653,418	2.1m		↑	772,846	2.2m	

<b>Direction of travel</b>
↑ Performance has improved
↓ Performance has worsened
↔ Performance has remained the same

N/A

	<b>Performance against target</b>
Green	Achieving or exceeding target
Yellow	Just missed target
Red	Below target

Blue	Financial Measure
Orange	Customer Measure
Pink	Internal Process Measure
Green	Sustainability Measure