 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>EXECUTIVE COMMITTEE</b></p> <p><b>30 JULY 2015 AT 10:30</b></p>	<p><b>Agenda Item No:</b></p> <p style="text-align: center;"><b>7</b></p> <p><b>Report No:</b></p> <p style="text-align: center;"><b>E/414/15</b></p>
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**LEISURE SERVICES CONTRACT  
MONITORING REPORT - Q1 2015**

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 first 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 Trust report and the Trust scorecard for Q1 2015/16 – reporting actual performance from April to June 2015.

A summary of the key achievements in the first quarter of 2015:

- management fee in line with expectations (see Revenue Monitoring Report E/411/15);
- financial performance across venues is good, with income increased from £3.7m last year to £4.2m;
- average customer satisfaction score in the first quarter was 83%. This is the same as last year and is on target;
- there has been an upward trend in net promoter score across the venues from 44% last year to 47%, which is ahead of the stretch target of 46%;
- 31% of all visits were defined as regional. This performance is in line with last year;
- there were 656,000 visits to the Trust's venues during the first quarter – a 25% 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 (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 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 2015.

#### **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 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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Author: Simon Sheldon, 01992 709 859, [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

#### **APPENDIX ATTACHED**

Appendix A Trust Report and Key Performance Indicators Q1 2015/16

#### **LIST OF ABBREVIATIONS**

KPI	Key Performance Indicator
LSC	Leisure Services Contract

 <p><b>LEE VALLEY LEISURE TRUST</b></p> <p><b>REPORT CIRCULATED</b></p> <p>22 JULY 2015</p>	<p><b><u>Agenda Item</u></b> <b><u>No:</u></b></p> <p>N/A</p>
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### **LVRPA Contract - 2015/16 Q1 Performance Report**

Circulated

#### **SUMMARY**

This report presents the first quarter performance for 2015/16 across the 14 venues the Trust manages on behalf of the Lee Valley Regional Park Authority (LVRPA).

<b>RECOMMENDATIONS</b>		
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 2015/16 (April-June). The following paragraphs summarise the key messages from the data.

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

6	<p><b>KPI 1: Management Fee</b></p> <p>The adjusted management fee for the first year of the contract is £3,607m. The first quarter payment of £1,539m was made in early April with the second quarter payment of £0.5m recently transferred. Indications are that the original management fee may still need further adjustment (circa £250K) for any level of VAT benefits that may not accrue from the transfer. The VAT benefit is also</p>
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intrinsically linked to the volume and type of sales that are transacted over the year. Certainty in this area is only likely to materialise as the Trust submits its quarterly VAT claims over the next two quarters. Officers view is that a prudent estimate of £250,000 against a targeted £500,000 saving is more likely for this year and may improve as the Trust continues to develop its own business model. A summary of this is included within the Revenue Monitoring report covering the current management fee adjustment, the achievement of Business Rates savings and VAT.

Work is continuing in a number of areas including staff training and development, food and beverage offer, customer experience/service, marketing, packaging of products/services, cross selling and developing partnerships; which will enable the shift from sporting venues to leisure destinations.

Overall financial performance across venues is good, with income increased from £3.7m last year to £4.2m. The following venues are worthy of note:

Works to complete phase two developments at **Dobbs Weir campsite** have been delayed by 14 weeks due to a collapsed drain but are due to open before the end of July. There was also a delay in installing infrastructure for the new Wigwams; these are now open with initial bookings going well. Officers were able to offset lost income by pushing the touring business which has doubled from last year. The resulting impact on income is a forecasted £20,000 under achievement of budget.

The **White Water Centre** is on target to achieve budget. Officers have identified sensitivity to pricing on Friday rafting sessions and have made up for an initial fall in sales through promotional activity. The World Championships in September will have an impact on rafting income (it is anticipated that this could be in the region of £100k loss of income), with two weeks of peak season unavailable for bookings.

As a result of officers reviewing and integrating the golf and campsite operation at **Pickett's Lock** there have been efficiency savings and increased income for the **golf course**. Expressions of interest for golf management have been received and will be reviewed over the summer.

**7 KPI 2: Customer Satisfaction**

Across all venues the average customer satisfaction score in the first quarter was 83%. This is the same as last year and is on target. This score is captured through a robust sample of exit surveys undertaken by an external research agency and self-completion surveys.

The Riding Centre was the highest scoring venue with 95%. Customers gave positive feedback about the staff, horses and the facilities.

As Trustees are aware, Pickett's Lock Golf Course is under review and no improvements have been made to facilities since last year. As a result, satisfaction has fallen below target, with negative feedback from customers regarding the lack of a clubhouse and catering / changing facilities. The review of the golf management has been undertaken; and expressions of interest that could include facilities for golfers have been invited and are currently being reviewed and will be reported to the Board in the Autumn.

8	<p><b>KPI 3: Net Promoter Score</b></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>There has been an upward trend in net promoter score across the venues from 44% last year to 47%, which is ahead of the stretch target of 46%.</p> <p>Pickett's Lock Golf Course saw a fall in its score from last year. This can be attributed to the reasons above, and also because regular users of the course gave more positive feedback last year when they were concerned about the closure of the course and perhaps wanted to show their support to keep it open.</p>
9	<p><b>KPI 4: Regionality</b></p> <p>The regionality of the venues is measured by capturing postcodes across bookings, memberships and surveys. In the first quarter 31% 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. Visitors from these riparian boroughs are defined as 'local'. This performance is in line with last year.</p>
10	<p><b>KPI 5: Usage</b></p> <p>There were 656,000 visits to the Trust's venues during the first quarter – a 25% increase from the same period last year. This has mainly been the result of the Hockey &amp; Tennis Centre being fully open to the public this year, and a 35% increase in visits to the VeloPark as the venue has established and developed its programme attracting more visitors.</p> <p>The remaining increase was spread across other venues, where there is a focus on increasing and widening the appeal, notably:</p> <p>The Riding Centre increased usage by 9,000 (16%) compared to last year. This has been due to significant increases in group and adult lesson bookings, reflected in the £42,000 (20%) increase in income compared to last year.</p> <p>Dobbs Weir Campsite has more than doubled its usage compared to last year. Despite the issues mentioned in this report, the touring business has been grown with income up 30% on last year.</p> <p>The only venue with a fall in visits was the WaterWorks Centre, where usage fell by 1,000 (13%) compared to last year. This is due to the reduction in opening hours and café hours to weekends to save expenditure.</p> <p>Weather can have an impact on visitor numbers. Compared to the same period last year temperatures were 7% colder, but there was nearly half as much rain and 8% more sunshine.</p> <p>The first quarter performance outperforms the industry trend, with Visit England's latest findings showing increased visits compared to last year nationally across attractions (3%) and accommodation (0%).</p>

<b>OTHER VENUE PERFORMANCE</b>	
11	<p><b>Compliments</b></p> <p>The number of formal compliments received has increased from 158 last year to 428. The majority of this increase in compliments was received at the VeloPark, White Water Centre, Hockey &amp; Tennis Centre and Hayes Hill Farm and can be attributed to increased usage and greater engagement with social media.</p>
12	<p><b>Complaints</b></p> <p>In the context of increased visitor numbers and positive feedback, there was also an increase in formal complaints, with 41 received in the first quarter.</p> <p>The increase has mainly come from the VeloPark that received 18 formal complaints compared to 8 last year. The most prominent themes in these complaints were value for money, problems with making bookings and service received during sessions. To date the taster sessions at the peak times continue to sell out very quickly indeed – sometimes within hours of being released. More sessions have been programmed into the venue. The feedback to customers who are 'referred' (fail to pass the track accreditation) has been reviewed and customers are provided with additional feedback on the requirements of bike skills and general length of time on the track that is normally needed to gain the accreditation.</p> <p>Hayes Hill received 7 formal complaints compared to 1 last year. These complaints were about a range of operational issues which were responded to and dealt with in line with the Trust's complaints procedure.</p> <p>These increases at the VeloPark and Hayes Hill should be viewed in the context of an increase in visitor numbers, increase in compliments (see above) and the achievement of the TripAdvisor certificate of excellence at both venues - awarded to attractions that consistently achieve outstanding reviews.</p> <p>The Riding Centre received 5 formal complaints (4 of these came via TripAdvisor) compared to 2 last year. These complaints ranged from customers believing that the ponies appeared miserable (when resting in the stables after lessons) to having insufficient bedding (the stable units have rubber floor comfort matting). There were some complaints about service received from instructors that the manager has actioned and where appropriate fed back to the customers where requested. This should be viewed in the context of the Riding Centre scoring 95% customer satisfaction and 80% net promoter score and significantly increasing visitor numbers.</p>
13	<p><b>Utility Consumption</b></p> <p>In line with usage increasing by 25% across the venues, utility consumption has increased, albeit by a much smaller percentage. Comparable use of gas and electricity has increased by 3% across all venues compared to last year. This increase has been caused specifically by increased visitor numbers at the White Water Centre and Riding Centre. The Trust is looking at ways of increasing energy efficiency.</p>

**ENVIRONMENTAL IMPLICATIONS**

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

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

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

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

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

19	There are no risk management implications arising directly out of the recommendations in this report.
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Author: Michael Sterry, Performance & Information Manager

**PREVIOUS TRUST BOARD REPORTS**

TRUST BOARD	REPORT NO.	REPORT NAME	DATE

**APPENDICES ATTACHED**

Appendix A	Trust KPI and Venue Scorecard
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**LIST OF ABBREVIATIONS**

ABBREVIATION	IN FULL
KPI	Key Performance Indicator

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Reporting Period		2015/16 Q1						
Key Performance Indicators		14/15 Q1 Actual	Annual Target	Stretch Target	Performance	Q1 Actual	Expected at Year End	Comments
Management Fee		n/a	£3,607,000	£3,607,000		£1,539,000	£3,607,000	
Customer satisfaction		83%	83%	85%	↔	83%	83%	
Net promoter Score		44%	44%	46%	↑	47%	46%	
Regionality (non-riparian)		31%	31%	33%	↔	31%	31%	
Usage		523,925	1.9m	1.95m	↑	656,000	2.0m	

Direction of travel	Performance against target
↑	Achieving or exceeding target
↓	Just missed target
↔	Below target

N/A	Financial Measure
	Customer Measure
	Internal Process Measure
	Sustainability Measure

2015/16 Q1

Trust Venues	Income (£000's)		Usage		Customer Satisfaction		Net Promoter Score		Regionality		Formal Complaints		Formal Comments		H&S Audit		Quality Score		Utility Consumption (000 kwh)		Asset Protection	
	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16	14/15	15/16
	Overall Target		1.9m		83%		44%		31%		32		158		95%		80%		2,788		95%	
VeloPark	80.5	150,778	87%	62%	47%	46%	8	18	62	98%	Q4	91%	Q4	397	396	n/a	Q4	n/a	Q4	Q4	Q4	Q4
Hockey & Tennis Centre	22	N/A	91%	15%	33%	30%	0	0	0	92%	Q4	80%	Q4	n/a	117	n/a	Q4	n/a	Q4	Q4	Q4	Q4
White Water Centre	1,165	103,853	91%	99%	38%	35%	2	4	50	96%	Q4	81%	Q4	1,212	1,311	n/a	Q4	n/a	Q4	Q4	Q4	
Athletics Centre	158	52,150	89%	73%	38%	35%	0	0	0	90%	Q4	83%	Q4	99	109	n/a	Q4	n/a	Q4	Q4	Q4	
Ice Centre	309	79,282	82%	42%	43%	32%	1	2	4	96%	Q4	87%	Q4	561	561	n/a	Q4	n/a	Q4	Q4	Q4	
Riding Centre	210	57,179	89%	56%	35%	32%	2	5	3	88%	Q4	74%	Q4	21	38	n/a	Q4	n/a	Q4	Q4	Q4	
WaterWorks	6	10,145					0	0	1	88%	Q4	73%	Q4	36		n/a	Q4	n/a	Q4	Q4	Q4	
Picketts Lock Golf	73	6,956	86%	70%	22%	22%	15	0	0	88%	Q4	77%	Q4	21	21	n/a	Q4	n/a	Q4	Q4	Q4	
Edmonton Campsite	152	11,224	87%	43%	9%	9%	1	1	17	98%	Q4	77%	Q4	129	129	n/a	Q4	n/a	Q4	Q4	Q4	
Sewardstone Campsite	163	7,060	85%	49%	12%	12%	0	0	3	97%	Q4	79%	Q4	34		n/a	Q4	n/a	Q4	Q4	Q4	
Dobbs Weir Campsite	92	3,200	85%	50%	38%	37%	2	2	12	83%	Q4	n/a	Q4	5		n/a	Q4	n/a	Q4	Q4	Q4	
Hayes Hill Farm	214	42,096	85%	67%	33%	26%	1	7	5	88%	Q4	64%	Q4	65		n/a	Q4	n/a	Q4	Q4	Q4	
Springfield Marina	175		52%	-44%	25%	25%	0	0	0	87%	Q4	85%	Q4	60	68	n/a	Q4	n/a	Q4	Q4	Q4	
Stanstead Marina	140		66%	-11%	34%	34%	0	1	1	91%	Q4	86%	Q4	31		n/a	Q4	n/a	Q4	Q4	Q4	
<b>ALL VENUES</b>	<b>3,684</b>	<b>523,925</b>	<b>83%</b>	<b>44%</b>	<b>31%</b>	<b>31%</b>	<b>32</b>	<b>41</b>	<b>158</b>	<b>91%</b>	<b>Q4</b>	<b>80%</b>	<b>Q4</b>	<b>2,671</b>	<b>2,884</b>	<b>n/a</b>	<b>Q4</b>	<b>n/a</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>	<b>Q4</b>

Performance against target  
 Achieving or exceeding target  
 Just missed target  
 Below target  
 N/A for site

Financial Measure  
 Customer Measure  
 Internal Process Measure  
 Sustainability Measure