

Decision Maker: Renewal and Recreation Portfolio Holder

Date: For Pre-Decision Scrutiny by the Renewal and Recreation Portfolio on Tuesday 27 October 2015

Decision Type: Non-Urgent Non Executive Non-Key

Title: **MYTIME ACTIVE ANNUAL REPORT 2014/15**

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Chief Officer: Executive Director of Environment & Community Services

Ward: (All Wards)

1. Reason for report

This report updates the Renewal and Recreation Policy Development and Scrutiny Committee and the Executive Portfolio Holder on the Mytime Active Annual Report for 2014/15 and their future proposals in respect to the Investment Fund that the Council provides annually to Mytime. The Mytime Active Annual Report 2014/15 is included as Appendix 1.

2. **RECOMMENDATION(S)**

2.1 **The Renewal and Recreation Performance and Development Scrutiny Committee is asked to:**

2.1.1 **Consider the commentary within this report and make any recommendations to the Executive Portfolio Holder for Renewal and Recreation.**

2.2 **The Portfolio Holder is asked to:**

2.2.1 **Consider the commentary within this report.**

2.2.2 **Agree to release £1.51m from the current balance of the Investment Fund to upgrade facilities as detailed within Appendix 3 of Mytime's Annual Report.**

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment:
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Financial

1. Cost of proposal: Estimated Cost: £1.51m
 2. Ongoing costs: Recurring Cost: N/A
 3. Budget head/performance centre: Capital Programme and Bromley Mytime Grant Budget 2016/17
 4. Total current budget for this head: £1.51m and £804k (estimated)
 5. Source of funding: Capital Programme (Investment Fund) and Existing revenue budget for 2016/17
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Staff

1. Number of staff (current and additional): n/a
 2. If from existing staff resources, number of staff hours: n/a
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Legal

1. Legal Requirement: None:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):

2014-15:

2,540,879	Leisure Centres
48,007	Childcare places
261,002	Halls
157,395	Golf
39,818	Community Programmes
495,547	Attendances for swim lessons, parties, school swimming lessons, and club hire
3,542,648	Total Mytime Active

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: n/a

3. COMMENTARY

- 3.1 Mytime Active (Mytime) provide the Council each autumn their Annual Report (Report) which is included as Appendix 1. The Report outlines Mytime's achievements for the year 2014/15 and also previews their future spending proposals from the Investment Fund, along with their 2016 pricing review.
- 3.2 The Report highlights that in 2014/15 Mytime achieved over 3.5 million visits across their facilities and now they now have a membership base in excess of 13,500. Mytime invested around £240k of capital expenditure for refurbishments, upgrades and improvement projects, and also secured £90k of external funding for free sports, dance and creative music activities.
- 3.3 Mytime have provided in their Report the attendance figures across their facilities for the last five years showing a growth from 2.2 million visits in 2009-10 to over 3.0 million visits in 2014-15 (plus an additional 495k attendances that have not historically been recorded. This is a reduction on like for like attendances of around 230k compared to 2013-14, with Mytime highlighting the growing competition from other providers, notably where Mytime's broader offer is competing against single activities such as cycling or gym usage. Swimming figures are also marginally down, in line with national trends.
- 3.4 The MyFuture and Arts Train community projects, continue to engage and empower young people to take ownership of their personal, social and community development, and the MyFuture project is now recognised as 'best in industry' after winning the ukactive flame award. Over 6,600 children attend learn to swim lessons each week across Mytimes facilities, and attendances in golf have increased, overcoming the national decline in participation in the sport. The Primetime programme for over adults over 60 continues to grow and now has 1,975 members.
- 3.5 The Report contains Maytime's pricing review (Appendix 2) which seeks to harmonise some historic pricing arrangements, benchmark prices against the competition, provide affordability to selected groups through concessions, and to ensure prices remain value for money. Mytime continue to offer a wide range of pay and play opportunities along with a number of concessions for particular target groups.
- 3.6 The Mytime proposals for pricing 2015/16 are based on the following principles:
- a) A flat 2% increase rounded to the nearest 5p for casual paying services, with exception(s)
 - b) A number of prices being frozen and these include:
 - All membership categories
 - Under 3s swimming will remain free of charge
 - Primetime prices for the 60+ market, including swimming and group exercise classes
 - Concessionary prices for those on low incomes, including swimming and group exercise sessions
 - Swimming lessons on Get Active in swimming courses
 - Children's parties, with the exception of exclusive party hire packages where an above inflation increase will be applied.
 - c) In line with inflation, increases will be applied to a number of community hirers (some will be frozen).
 - d) Before and after school childcare provision prices will remain at the current price point until September 2016, and if a price increase is to be applied at this time, it will be below inflation.

- 3.7 Mytime are seeking to spend £2,176,689 from the Investment Fund to upgrade facilities as detailed within Appendix 3 of the Mytime Report. This is summarised as follows:

Proposals for spending the current Investment Fund balance of £1.51m

£500k	Pavilion swimming pool upgrades
£110k	Spa facility improvement to key customer facing facilities
£200k	Wet side changing room and sanitary upgrades at Beckenham Spa
£100k	Wet side changing room and sanitary upgrades at Walnuts and West Wickham
£150k	High Elms Club House improvement
£140k	Upgrade facilities at the Walnuts Leisure Centre
£310k	Gym kit improvements
£1.51m	Total

Proposals for spending 2016/17 Investment Fund (subject to discussion & agreement)

£300k	Bromley Golf Course, install adventure golf into BGC
£250k	Gym Kit Rolling improvements (Walnuts) Portfolio security
£117k	Renewal and upgrade of all CCTV operations in Bromley portfolio.
£667k	Total

£2,177k Total accumulated sum including 2016/17 proposals

- 3.8 The proposals for the unallocated balance of the Investment Fund are in line with historic Investment Fund schemes and do not conflict with any wider Council aspirations. The proposals for 2016 /17 however include the installation of adventure golf at Bromley Golf course. Officers believe that this represents a commercial venture for Mytime in that they are seeking to develop a brand new facility that will generate revenue for Mytime, this is essentially a commercial operation and not an appropriate use of the Investment Fund.
- 3.9 The Council is already in discussions with golf operators who are seeking to install adventure golf courses in the Borough within the parks and open spaces and Officers believe these are commercial investments likely to be installed at no cost to the Council. Officers have previously advised Mytime that an adventure golf scheme may not be an appropriate scheme for Investment Fund proposals. Officers therefore do not recommend that this scheme is approved and suggest further discussions between the Council and Mytime take place on an updated set of proposals for the Investment Fund 2016/17, and that these are then considered at the next meeting of the Renewal and Recreation PDS Committee and Portfolio Holder.
- 3.10 Members may be aware that the Council and Mytime are currently having discussions into the long term contractual relationship between both parties. Some of the longer term issues around Mytimes future operation and service planning, are included within those discussions, and as such it is not possible to provide Members with the outcome position around those areas within this report.

4. FINANCIAL IMPLICATIONS

- 4.1 The Deed of Variation dated 1st November 2011, states that the Core Funding for the period 1st April 2013 to 31st March 2024 be reduced to zero and that there will be no further financial contribution from the Council to the Trust in terms of Core Funding. The contribution towards accommodation costs and the investment fund will continue to be inflated by RPIX published in January 2016, in accordance with Schedule 2 of the original Funding Agreement

4.2 Assuming inflation of 1.2% will be built into the 2016/17 budget, the breakdown of the grant payable to Mytime is shown below:

	2016/17
	£
Contribution towards accommodation costs	160,476
Investment Fund	<u>643,652</u>
Total grant payable	<u>804,128</u>

4.3 Mytime has submitted proposals to spend the remaining unallocated balance of the investment fund totalling £1.51m and this report is seeking Portfolio Holder approval to release this sum from the capital programme.

4.4 Mytime has also submitted proposals to spend the 2016/17 investment fund. The three schemes put forward total £667k which is in excess of the estimated value of next years' fund of £644k, (assuming current RPIX value of 1.2%). Given the issues highlighted in 3.8 and 3.9, Officers are recommending that further discussions take place with Mytime, around updating these proposals so that they can be considered at the next meeting of this committee.

5. LEGAL IMPLICATIONS

5.1 As per the Agreements between the Council and Mytime at the point of transfer of the services, and the updated agreement between the Council and Mytime Active dated 1st November 2011.

Non-Applicable Sections:	Policy and Personnel Implications
Background Documents: (Access via Contact Officer)	Agreements between the Council and Mytime at the point of transfer of the services. Agreement between the Council and Mytime Active dated 1 st November 2011.