

Annual Report Presentation Meeting Minutes

Tuesday 29 November 2022 at 18:00

Guildford Spectrum

Present;

From GBC:

Jonathan Sewell (JS)

Kelvin Mills (KM)

Charlotte Brindley (CB)

Cllr George Potter (GP)

Cllr Dennis Booth (DB)

From Freedom Leisure;

Ivan Horsfall-Turner (IHT)

Brian Lamplough (BL)

Emma Beavis (EB)

Ref:	ITEM	Action
1.0	Apologies for absence & introductions	
1.1	Apologies were received from Cllr Nigel Manning, Cllr James Steel, Ian Doyle, Lee Thomas and Matt Wickham.	Info
2.0	Presentation of the Annual Report by Brian Lamplough	
2.1	BL began the presentation by summarising the Council's strategic priorities and priorities within the health and wellbeing strategy, and providing some background information to Freedom Leisure's portfolio.	Info
2.2	<p>BL then presented a timeline of events which summarised the Covid restrictions throughout the reporting period (1 April 2021 to 31 March 2022). BL commented that these should be considered when reviewing the figures as the pandemic and its restrictions had a direct impact on the leisure facilities in terms of how they could operate and therefore perform during the first half of the year.</p> <p>BL confirmed that indoor leisure venues opened on 12 April but were subjected to heavy restrictions which meant that the facilities couldn't operate at their full potential. Mid-May saw indoor catering facilities re-open but with covid restrictions in place, such as the 'rule of 6' or 2 households allowing to mix. Some facilities remained closed under the restrictions with the Bowl being the last to open (on 19 July).</p> <p>BL was pleased to report that Spectrum's Learn to Swim programme saw a quick recovery, with pre-covid numbers being achieved in September. October saw the Lido's first winter season for daily swimming, where previously the Lido was open only during weekends during the off-season.</p>	Info

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	<p>BL was pleased to report that the Ice Pantomime in December was a great success, with over 9,500 tickets sold. Fortunately this event was not impacted by the subsequent government restrictions that were put in place on the Monday after the pantomime.</p> <p>In January, the Spectrum achieved a record number on their Learn to Swim programme, with 3,000 participants, which had not been achieved previously. BL explained that the covid period was extremely challenging, but that Freedom Leisure have recovered well, with FL now operating over 100 leisure centres, including 2 theatres.</p> <p>BL also provided an update to some of the refurbishments and improvements which had taken place towards the end of the contract period (March), which included Spectrum's indoor cycling investment and the gym refurbishment at Ash Manor Sports Centre.</p>	
2.3	<p>BL then presented the financial summary, which showed a small surplus for Spectrum (£28,974) and losses at Ash Manor (£248,377) and Lido (£163,865) which meant the contract's overall position was a £261,005 deficit.</p> <p>BL is pleased with the performance of the venues given the impact covid had on most of the facilities for 5 out of the 12 months. GP is impressed by the figures given there were only 7 months of 'normal' operation. BL agreed and explained that Spectrum also benefited from attendance by some customers who would normally go on holiday but weren't able to due to the covid restrictions which impacted the travel industry.</p>	Info
2.4	<p>BL then highlighted that one of Spectrum and Lido's catering providers, Burrito Loco, extended their contract with FL for a further 2 years in line with the contract extension.</p>	Info
2.5	<p>BL then summarised the capital investment that had been made during the period.</p> <p>The Ash Manor gym refurbishment saw the installation of the latest state of the art kit, as well as the required data points and a full refurbishment of the gym itself. BL commented that Ash Manor has struggled to recover to pre-covid levels. Cllr DB asked what the reason for this might be. BL explained that there are a number of reasons for this; there are a number of similar competing gyms within the locality and the limited access times due to the sports centre being a dual use site with the school can also be a barrier. BL added that Spectrum's facility mix provides that added attraction for members, which Ash Manor Sports Centre cannot compete against. BL was pleased to report that indoor cycling attendance has grown since the investment there.</p>	Info

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	IHT added that the leisure sector has been impacted and whilst some areas such as swimming have recovered well, health and fitness is at about 80-85% of pre-covid levels and so it is no surprise that Ash Manor has been impacted.	
2.6	BL continued to provide examples of the investments that had been made during the period which included new bowling balls, ice disco lighting, seating and a new indoor cycling provision at Spectrum. BL confirmed that group cycling has grown exponentially as a result and was pleased to confirm that the Guildford Flames Ice Hockey team are now hiring the kit for their training because of the data and training programmes the new 'MYRIDE' technology provides. BL confirmed that the investment into the gym changing rooms at the Lido has also brought the facilities up to current standards.	Info
2.7	<p>The attendance figures for the period were then presented. BL has compared these with the 2019/20 figures. BL reminded the meeting that attendance levels could not have reached their potential until August/ September time when all restrictions had eased and operation was returning to 'normal'.</p> <p>BL explained that being an outdoor venue, the Lido was the first facility to open (from 29 March) to customers and there was certainly an appetite from customers to use the Lido, following the significant period where there was no access to swimming. BL added that many customers appeared to prefer to use outdoor swimming facilities following the pandemic and that potentially there is now more resilience as customers have become used to and have enjoyed using the Lido even during the colder months. BL added that it is important to note however that the Lido is very weather dependent, and its overall success is heavily reliant on footfall.</p> <p>The Spectrum had a fantastic October half term last year, which is usually one of Spectrum's busiest periods.</p>	Info
2.8	<p>BL then went on to provide an overview to the customer feedback that was received during the period.</p> <p>BL summarised the main cause for complaints, which related to swimming, namely the leisure pool in terms of how busy the pool hall felt. BL/EB explained that many customers had got used to the additional space and quieter experience (including no queues) which the leisure pool could provide when operating at 50% capacity (in line with covid restrictions). When restrictions had been lifted, and capacities had reverted back to pre-covid levels, this generated a significant level of feedback. The pool changing rooms was also a common complaint, and while this was not so much of</p>	Info

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	<p>an issue when the pools were operating at reduced capacities, when normal capacities had resumed, the changing areas were busier and many customers felt they were too crowded and were not meeting cleanliness standards. The busier changing rooms meant that the challenge of cleaning these areas re-presented itself as access to clean the areas is difficult when all changing areas are full of customers.</p> <p>GP referred to previous years reports and presentation meetings, whereby Councillors have requested a further breakdown of the customer feedback as the numbers provided is of limited value and does not provide an indication of what the comments relate to specifically.</p> <p>BL/EB referred to other trends in complaints which related to swim lessons, and in particular lesson handover arrangements which again relates to the building constraints due to the pinch points in these areas, which is becoming even more challenging as the swim school provision grows.</p> <p>GP commented that based on the overview FL has provided, it does not appear that the issues customers are complaining about are within FL's control.</p> <p>JS commented that while the building constraints are contributing factors, the issues and the extent of them will always be dependent on the level of resourcing FL choose to provide.</p>	
2.9	<p>BL then went on to summarise Guildford's year 'in numbers'. BL confirmed that Spectrum's Learn to Swim programme now has 3,005 swimmers, which is one of the UK's biggest swimming programmes. BL explained that there was a great deal of pent-up demand from covid and that FL are now at the point of ensuring the LTS programme is being maintained (rather than growing) due to the available pool space.</p> <p>BL confirmed that FL adapted the pools programme to enable as many customers as possible to enjoy the swimming facilities under the restrictions that were in place. As a result, more toddler splash sessions were programmed, as well as new 'Family bubble swim' sessions which were very popular and saw over 12,000 visits.</p> <p>Lane swimming arrangements were also revised during the period to coincide with restrictions during the first part of the year. Lane swim visits amounted to 181,829 compared to 197,823 in 2019.</p>	Info

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	<p>DB commented that the general usage appears to have been pretty high during the period despite the restrictions.</p> <p>EB referred to the swimming lessons and the limits that are posed on these due to the times when children are available to attend them (i.e. around school hours). There has been a big focus on adult swimming lessons during daytime and evenings to maximise the available pool space during these times.</p>	
2.10	<p>The next slide showed further visitor numbers, which BL presented.</p> <p>Group exercise has seen an increase, with customers wanting to come back and socialise following a period of time where classes were delivered remotely. The group exercise numbers were impacted during the summer months but picked up again in the winter due to the colder weather and limited daylight hours.</p> <p>The holiday camps have seen a strong recovery, with more attendances than in 2019. BL added that there has been a change in how customers use funding for the holiday camps which may have contributed to this increased uptake.</p> <p>The figure for gym visits, which is just over half of the visits made in 2019, shows the struggle the gym has had at recovering. BL confirmed that it has improved since, with current levels being at 83% which is broadly in line with industry levels.</p>	Info
2.11	<p>BL then provided an update to FL's staff and the changes during the period. Staffing levels and recruitment has been a challenge across the board, particularly relating to swim teaching and lifeguard provision.</p> <p>GP referred to BL's comment about recruitment and staffing levels, and asked what the apprentice wage was. GP is aware that other sectors are experiencing the same problems whereby the cost of living crisis has meant people are opting for minimum wage jobs instead. BL confirmed he would check and confirmed that the apprenticeship scheme FL use (Lifetime) is a Freedom Leisure wide initiative.</p> <p>GP asked how much engagement is made with local schools. EB confirmed that a significant amount of work is done with schools, as well as engagement via other means such as social media, particularly post GCSC results where students will be looking at their options.</p>	BL
2.12	<p>BL then provided an overview to the membership information which has seen a significant increase as a result of the requirement to register and pre-book every activity during</p>	Info

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	<p>Covid. This has meant that FL has more customers on its database and is able to target different groups with marketing.</p> <p>BL was asked how often customers are targeted with marketing. BL confirmed that it dependent on the time of year and what the offer is. This week for example will see membership deals as part of Black Friday. EB confirmed that those who do not wish to be contacted for marketing purposes can opt out.</p> <p>BL clarified that the slide showing the Green concessionary card figures are increases and not the actual cardholder figures.</p>	
2.13	<p>BL then provided an overview to marketing, of which social media plays a key part. The figures on the slide showed how many people are interacting with the various social media pages (Facebook and Instagram) as well as website traffic information. TikTok is also being used to target audiences and explained that one of the videos that included Spectrum went viral with around 30-40,000 views. BL outlined the importance of staying up to date with social media platforms and that FL have experts both locally and centrally to support this function.</p>	Info
2.14	<p>BL then provided an overview to the winter swimming at the Lido, which for the first time allowed customers to swim all week (rather than on weekends alone). The pool was not heated during the week which meant it fell under the cold water swimming category.</p> <p>KM asked whether FL saw the same swimmers swimming more or whether there were new swimmers as a result of the programme changes. KM asked what the usage split was for casual swimming to members. BL agreed to look into the data and confirm.</p> <p>The meeting discussed the uptake and increased popularity of cold water swimming. EB added that many lidos aren't open during the winter as well as other provisions such as lakes, and so the Lido was able to provide a safe place to swim.</p>	BL
2.15	<p>GP referred to the website and online sign up process, for example for regular swimming and noted that the basic pricing information is not there and the only option would be for a call back and to talk through the options. GP acknowledged that the end of the contract is near but asked whether this was something FL is generally exploring as the current booking systems do not appear very dynamic.</p> <p>EB explained that there are certain systems that Guildford do not have, such as an online direct debit system. IHT</p>	Info

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	<p>explained that FL generally inherit the systems and the different contractual arrangements and terms would make it difficult to renew websites across the portfolio. IHT agrees that Guildford's website does need investment, and this would be something that would generally be explored as part of a contract extension or at the start of a new contract.</p> <p>EB explained that some aspects do not lend themselves to being online or self-serve, such as the swimming lesson provision due to the complexities surrounding allocation of classes and timings. GP agreed and acknowledged that it wouldn't work for all aspects.</p>	
3.0	6 Month summary update	
3.1	BL then provided a 6 month summary update which covered April to September 2022.	Info
3.2	<p>BL confirmed that the facilities had a strong start to the year, with the Easter holidays being a success. BL explained that this was helped by the fact that the holidays weren't aligned and so there was increased footfall over a longer period.</p> <p>Power House, which is a new outdoor fitness area opened in April which has also been very popular and makes for a unique selling point for the venue. There has been a consistent following for this type of exercise and the area has now been floodlit so it can be used in the evenings.</p> <p>The Lido did not perform as well as some previous summers, with technical problems leading to capacity having to be reduced which had a direct impact on income potential. BL touched upon the issues the Lido experienced relating to anti-social behaviour and how this had been mitigated through security arrangements.</p>	Info
3.3	BL then provided some investment headlines, with Spectrum's gym refurbishment, new Zamboni as well as installation of PIR sensors and LED lighting in some areas. The leisure pool also received a significant amount of work to repair some leaks, and while these works were undertaken, the opportunity was taken to renew the wet pour.	Info
3.4	BL was asked what the challenges have been for Freedom Leisure. BL explained that the cost of living crisis and fuel have posed a significant challenge, which FL has tried to keep pace through increasing its prices. The prices were increased in November for the second time in this financial year. IHT confirmed that this issue has been experienced across the whole business, and that the industry is also still in a recovery period post-covid. The increased costs is putting pressure on operators, but also impacting on consumer expenditure levels.	Info

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	<p>IHT added that while FL is protected from utility price increases under the Guildford contract, the utility issues are having a significant impact on Freedom's service as a whole. IHT explained that there are practical steps that have been taken to address this in terms of reducing energy usage but explained that there is a balance to be made as FL must continue to operate facilities which provide a pleasant experience/ environment for customers to ensure they continue to enjoy the facilities and return.</p>	
3.5	<p>FL is working hard to promote its facilities, with the main focus on group exercise and gym memberships. JS referred to the price increases and the impact the cost of living will be having on the leisure pound and asked whether FL had concerns that they could be pricing themselves out of the market.</p> <p>IHT explained that inflation needs to be matched but that there is a difficult balance to be made. IHT commented that everyone will be under pressure regardless of the price increases, but there will always be customers who are prepared to pay the additional increase.</p> <p>BL commented that FL has tried to remain competitive and the Spectrum gym refurbishment, new outdoor exercise area and improved spinning provision has enabled this. BL added that the Spectrum's unique facility mix also acts as a monopoly in the market.</p> <p>BL was asked whether Surrey Sports Park is a main competitor. BL explained that the main competitors are low budget gyms such as The Gym Group which is able to offer a 24 hour gym for a significantly cheaper price than Spectrum's membership.</p> <p>Ice skating has also been very successful so far, and there hasn't been a reduction in attendances in the summer months this time.</p> <p>BL touched upon the gym membership base for Spectrum, which is currently sitting at 2,300. BL outlined the importance of membership retention and how the new facilities and refurbishments will help this.</p>	Info
3.6	<p>On the aquatics side, there has been a positive start to the year, but the challenges surrounding recruitment and swim teacher availability remain.</p> <p>DB asked how the lifeguard courses are run. BL confirmed that the lifeguard courses are run on site and that many are already booked on. Other sites too also attend Spectrum's</p>	Info

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	<p>courses. The challenges remain with recruitment itself. FL continue to work alongside schools, such as George Abbot where guided tours are given to those who are potentially looking for work.</p> <p>DB asked whether the NPLQ (National Pool Lifeguard Qualification) can be taken as part of the Duke of Edinburgh (DofE) scheme as a vocational option. EB confirmed that there are many DofE participants that use ice skating but is not aware of the NPLQ being a chosen option. The age limit for NPLQ is 16 years of age, which might be a reason for limited uptake.</p> <p>EB explained that swim teacher courses have been very limited, due to a low uptake and availability of ASA assessors. This has contributed to swim teacher shortages, and the earliest swim teacher course isn't until January and so FL is having to wait until then before teachers can be put through the training.</p>	
3.7	<p>BL referred to the GP referral scheme at Spectrum called Live Well and explained that this has undergone a complete review of its objectives and engagement strategy. BL is excited to see what this scheme will look like. KM is keen for this to be looked at as part of the Council's monitoring, as well as seeing how the Council could help.</p>	CB
3.8	<p>DB is aware of the variety of sessions provided at the ice rink but referred to the significant costs to maintain this facility. EB confirmed that the ice rink is open daily from 05:00 until 01:00, and is only vacant for 4 hours between 01:00 and 05:00. EB explained that the rink has to close for a period of time to allow for the ice to be built back up. EB explained the different uses which includes use by professional skaters between 5:00 and 7:00 each day, with training ice usage between 7:00 and 9:00. Courses and public ice skating take up the remainder of the time, as well as private hire, bookings and team training (such as the Police ice hockey team). EB added that public skating is very popular at weekends, including ice discos. The ice school runs 46 weeks of the year and has a long waiting list. DB thanked EB for the summary of opening hours and was pleased by the level of usage.</p> <p>EB was asked where the nearest ice rinks were to Spectrum. Streatham and Basingstoke are the nearest but do struggle to maintain coaches. Lee Valley is due to open and so this may present competition for coaches.</p> <p>The meeting discussed other competing venues such as pop-up rinks. EB explained that these did not impact on the Spectrum, and that there is still a preference for an ice rink</p>	Info

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	<p>over the temporary plastic rinks. In order to compete with other more attractive venues, such as Hampton court at Christmas time, Spectrum offer a snow globe event where snow machines are used to create a festive feel.</p> <p>DB commented that he would love to see a curling rink but appreciates this is a different type of ice. It was discussed that the only curling rink in England was at Tonbridge Wells but that has since closed.</p>	
3.9	There were no further questions and the meeting closed.	Info