

Report of	Head of Operational Services	Author	Matthew Young
Title	Leisure World Colchester Strategy and Business Plan		
Wards affected	Not applicable		

This report concerns the next level of development in Leisure World Colchester to ensure it can grow its income as well as maintain its market share

1. Decision(s) Required

- 1.1 The Cabinet are asked to approve the Strategy and Business Plan for Leisure World Colchester that covers the period 2016 to 2020.
- 1.2 Cabinet to confirm the funding proposal set out in Section 9 of this report for the investment required by this Strategy and Business Plan.

2. Reasons for Decision(s)

- 2.1 The Strategy and Plan is designed to ensure that Leisure World Colchester is given the opportunity to continue the growth that has resulted from the improvements introduced as part of the Fundamental Service Review (FSR) of Sport & Leisure. This will put it in the best position to maintain its share in a competitive marketplace as well as grow its income by attracting new customers.
- 2.2 As the Strategy and Plan does contain commercially sensitive information that would be useful to direct competitors of individual services provided at Leisure World Colchester the detailed Plan is on Part B of this meeting's agenda.

3. Alternative Options

- 3.1 Other options could range from no investment to even further expansion of the facilities available. However, it is felt that the option presented in this Business Plan represents the best option for retaining customers and growing the business.

4. Supporting Information

- 4.1 The FSR of Sport & Leisure set out a plan for the development and commercialisation of the Sport and Leisure Service over a three year period with the aim of achieving recurring annual savings and income of £0.8m by the end of the 2014/15 financial year.
- 4.2 By the end of the last financial year the service had achieved the objectives and targets set out in the FSR and the Sport & Leisure service has proved itself to be a successful commercial business for the Council.
- 4.3 However, it is important that the business does not stand still as it exists in a crowded and competitive market which moves rapidly to attract people's disposable income. The

Strategy and Business Plan document on Part B of this agenda sets out the next level of development for the service to ensure it can grow as well as maintain its market share.

- 4.4 It is important to note that this Plan has been created by analysing the market opportunities and studying the latest successful developments in the sport and leisure industry.
- 4.5 The Strategy and Business Plan is attached as Appendix One to the report on Part B of this agenda. It focusses on the commercial business at Leisure World Colchester rather than the wider Sport & Leisure service as that is where the opportunity to generate more income lies. It contains a vision for this part of the service moving forward and the opportunities for growth based on market insights ranging from national policy to local indicators. It sets out in detail the business growth plan and the financial investment and income growth projections.
- 4.6 The Strategy and Plan was submitted to the Trading Board and their comments in relation to the document are included as Appendix One to this report. The Trading Board recommended that the Cabinet approve the Strategy and Business Plan for Leisure World Colchester 2016-20 and consider how it fund the investment required.

5. Proposals

- 5.1 When it comes to investment and growth the Strategy and Business Plan focusses on four areas in detail:
- Two which have capacity to grow and earn significantly more income
 - One which needs to be improved and refreshed to retain its market share that will also allow modest income increases
 - One which has capacity to bring in more income although not at the levels of the other two identified

All need levels of investment, but payback can be demonstrated.

- 5.2 There are other areas of growth and service improvement identified across the business that will be funded from existing revenue budgets.

6. Strategic Plan References

- 6.1 The Strategy and Business Plan directly links to the following objectives in the Strategic Plan for Colchester:
- VIBRANT: Enhance the diverse retail and leisure mix supporting independent businesses valued by residents and visitors
 - VIBRANT: Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life
 - VIBRANT: Create the right environment for people to develop and flourish in all aspects of life both business and pleasure
 - THRIVING: Promote Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination
 - WELCOMING: Improve sustainability, cleanliness and health of the place by supporting events that promote fun and wellbeing

7. Consultation

- 7.1 Following a thorough consultation exercise in the sport and leisure industry, the Plan sets out evidence from national, regional and local sources that demonstrate there is potential to increase Leisure World Colchester's market share even further.
- 7.2 However, it is recognised that one of the areas for improvement is customer consultation and it is planned to establish a customer panel that will be active in advising how the Plan should be implemented. This should be an important tool for customer retention which is as vital as attracting new business.

8. Publicity Considerations

- 8.1 If the plan is agreed by Cabinet the improvements at Leisure World Colchester will be publicised to existing and potential customers through a variety of media. There will be a full and detailed Marketing Plan drawn up to ensure that every opportunity to advertise the developments is grasped.
- 8.2 It is recognised that 'word of mouth' has been very successful over the last two to three years in attracting new customers to the facility and a campaign to encourage existing customers to talk positively to their friends and family will be undertaken.

9. Financial Implications

- 9.1 All the financial details are set out in the Strategy and Business Plan on Part B of this agenda in the individual section requiring investment and summarised in section 5. The Sport & Leisure Budget for 2015/16 is attached to the Plan as appendix A
- 9.2. The projected high-level financial benefits and investment resulting from all the proposals in the business plan show:-
- A required investment of £1.5m
 - Total additional net income over 2016/17 to 2019/20 of £987k
 - A corporate inflation saving of £500k over the same period
- 9.3. The projections over the next four years are summarised in the following table

	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000
Investment	1,500	0	0	0	1,500
Forecast additional income	(51)	(199)	(351)	(422)	(1,023)
Additional revenue costs	3	7	11	15	36
Net additional income	(48)	(192)	(340)	(407)	(987)
Reduction in corporate inflation allowance	(50)	(100)	(150)	(200)	(500)

- 9.4. The investment required of £1.5million is currently not in the budget. The majority of the cost is likely to be charged to capital. The budget update report on this agenda provides an update on the capital programme and also forecasts for the New Homes Bonus in 2016/17. At this stage it is assumed that the majority of investment will come from the New Homes Bonus, with some possible sums also coming from relevant S106 sums.

- 9.5. This will be dependent on the actual New Homes Bonus grant for 2016/17 which is expected to be announced in December. It is therefore recommended that Cabinet approve the plan subject to a final decision on funding being dealt with as part of the 2016/17 budget.

10. Equality, Diversity and Human Rights implications

- 10.1 The Strategy and Business Plan responds directly to customer demand and feedback. It is built upon meeting customer needs for the period 2016-20 including the needs of vulnerable groups such as people with disabilities.

The Strategy and Business Plan helps us to 'advance equality of opportunity...' in the following way(s):

- Leisure World Colchester facilities are available to the whole community, regardless of gender, gender reassignment, disability, sexual orientation, religion or belief, age and ethnicity; on a pay-as-you-go basis as well as via membership. Concession rates are available and are based on entitlement to national means tested benefits, giving those on low income the opportunity to access good quality sport and leisure facilities.

The policy helps us to 'foster good relations...' in the following way(s):

- Leisure World Colchester facilities are available to the whole community, regardless of gender, gender reassignment, disability, sexual orientation, religion or belief, age and ethnicity. This encourages integration, and therefore the opportunity to foster better relations between those who share a protected characteristic and those who do not.

- 10.2 The full Equality Impact Assessment for the Strategy and Business Plan can be found at the following link to the Colchester Borough Council website:

[Equality Impact Assessment for Leisure World Colchester Strategy & Business Plan 2016 - 2020](#)

11. Risk Management Implications

- 11.1 If the Plan is supported a full risk analysis will be undertaken of the developments identified to ensure that any risks are mitigated. It has to be recognised that in a commercial environment there will always be risks involved, however any successful organisation will put in measures that limit the impact to the overall business.

12. Standard References

- 12.1 There are no particular references to community safety or health and safety implications.