

**Agenda for consultative meeting of the
LED Monitoring Forum
Tuesday, 17th January, 2023, 6.00 pm**



Members of LED Monitoring Forum

Councillors P Arnott, D Bickley, A Dent, B De Saram,
S Hawkins (Chair), P Hayward, N Hookway,
G Jung, J Loudoun, P Millar (Vice-Chair),
J Rowland.

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Venue: Online via Zoom app

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(or group number 01395 517546)

Monday, 9 January 2023; Reissued 17 January 2023

**Important - this meeting will be conducted online and recorded by Zoom only.
Please do not attend Blackdown House.**

Members are asked to follow the [Protocol for Remote Meetings](#)

This meeting is being recorded by EDDC for subsequent publication on the Council's website and will be streamed live to the Council's Youtube Channel at
<https://www.youtube.com/channel/UCmNHQruge3LVl4hcgRnbwBw>

Public speakers are now required to register to speak – for more information please use the following link: <https://eastdevon.gov.uk/council-and-democracy/have-your-say-at-meetings/all-other-public-meetings/#article-content>

1 Public Speaking

Information on [public speaking is available online](#)

2 Minutes of the previous meeting held on 18 October 2022 (Pages 3 - 8)

3 Apologies

4 Declarations of interest

Guidance is available online to Councillors and co-opted members on making
[declarations of interest](#)

5 Matters of urgency

6 Confidential/exempt item(s)

To agree any items to be dealt with after the public (including the Press) have been excluded. There is **one** item which officers recommend should be dealt with in this way.

- 7 LED Facilities and Activities Update (Pages 9 - 18)
- 8 LED Community Engagement Report (Pages 19 - 21)
- 9 LED KPI Dashboard November and December 2022 (Pages 22 - 23)
- 10 Exmouth Pavilion report (Pages 24 - 33)

Part B

- 11 LED Budget Report 2023/24 (Pages 34 - 39)

[Decision making and equalities](#)

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of LED Monitoring Forum held at Online via Zoom app on 18 October 2022

Attendance list at end of document

The meeting started at 10.00 am and ended at 12.32 pm

12 Public Speaking

The following question was read out on behalf of Miss N Ashton:

Why does Ocean – funded by council tax payers via LED – get away with not allowing people in to use their toilets and having a door guard on the door? This is not a good look.

The Ocean General Manager responded that due to the size of the operation and in response to the pandemic, Ocean had introduced a welcome post to greet guests and direct them to where they were heading or answer any questions. Ocean is a commercial operation and the toilets are for use by patrons of the building. The team make sensible decisions based on the person in front of them, allowing for disabilities, children and pregnant women, however the majority of the public are content with using public toilets which are thirty yards away from the Ocean building. He added that the costs of opening up the toilets to the wider public would run into thousands.

The Chair added that the Ocean staff do not act as door guards, and Ocean is not funded by the tax payer. Its purpose is to generate a profit for the parent charity of LED.

13 Minutes of the previous meeting held on 7 June 2022

Minutes of the previous meeting held on 7 June 2022 were noted as a true and accurate record.

14 Declarations of interest

Cllr P Arnott: Minute 24: Affects Non-Registerable Interest: District ward member for Coly Valley and Colyton Parish Councillor.

Cllr A Dent: Minutes 17 – 25; Affects Non-Registerable Interest: Member of LED Community Leisure as a service user.

Cllr P Millar: Minutes 17 – 25; Affects Non-Registerable Interest: Member of LED Community Leisure as a service user.

15 Matters of urgency

There was one matter of urgency (minute 24 refers).

16 Confidential/exempt item(s)

There was one item to be considered in private session (minute 25 refers).

17 LED Facilities and Activities Update

The LED Director of Delivery introduced the Facilities and Activities update report and invited questions.

The following points were made in discussion:

- The Big Week initiative was a success and the LED team proactively follow up with people to encourage them to join or use the facilities on a pay and play basis.
- The pool sentry system is in the process of being installed; the original business case set out anticipated cost savings annually of £15k, but savings will be higher since energy costs have increased. There will be some additional but unquantifiable cost benefits in terms of resources, with less reliance on manual intervention of physical plant.
- Another energy reduction project which uses innovative technology to reuse heat from computer servers will be installed in November, and the contractual situation is being finalised with the third party. LED will provide a space for third party servers in a secure plant room but the third party will be responsible for their hardware and data. Since LED is only housing the servers, it is understood that the third party will be responsible for insurance cover for their own assets.
- Dialogue is ongoing between LED and the EDDC Facilities Management team concerning other energy reduction projects.
- Discussions are taking place with Exeter University with a view to putting in place a high level Energy Strategy for the Council's properties and a capital budget of £50k was approved last year to appoint the consultant.
- There will be an opportunity to apply to the Rural England Prosperity Fund for energy saving technologies which could mean that swimming pools will be unreliant on gas by December 2023, with Exmouth being the only town ineligible for the fund.

18 **LED Community Engagement Report**

The LED Director of Delivery introduced the report which highlighted the breadth of what the Community Engagement team are trying to do.

Members noted the report and commented positively on the LED outreach work and the social value that it provides across the district.

19 **LED KPI Dashboard September 2022**

The Forum received and noted key details of the performance of LED Community Leisure for September 2022, including the net promotor score.

In discussion, the LED Director of Delivery remarked that in future reports to the Forum, they will look to provide a comparison of 2022 and 2019 performance data with a view to understanding how experience of the pandemic has changed people's behaviour.

20 **Leisure Strategy Action Plan delivery and reporting**

The Service Lead – Countryside and Leisure introduced the Leisure Strategy Action Plan report.

Full Council and Cabinet had formally adopted the Leisure & Built Facilities Strategy and its Action Plan, and the next stage in the process required the LED Monitoring Forum members to discuss and agree the delivery of its priorities (each action had a 1, 2 or 3 priority listing), in particular the sequencing of the 'priority 1' actions.

It was highlighted that there would be significant challenges in meeting the completion deadlines for each priority within the Action Plan. The LED Forum would need to be aware, from the key Service team areas leading the implementation of the priority actions, what the resources and realistic timelines would be in taking forward each of the priorities agreed by the Forum.

The appointment of the Leisure Enabler role provided the Council with an additional resource to help facilitate the delivery of the priority 1 actions identified in the report over the next 3 years. This would enable Officers to both plan their work programmes in the budget and Service Plan cycles and work with the Leisure Enabler to identify where, if necessary, additional resources were required to successfully complete the priority action.

The LED Monitoring Forum would be required to keep under review the timelines, implications for resources and staff capacity issues against the individual priority actions that would feed back into the regular cycle of Forum meetings.

The Service Lead – Countryside and Leisure set out how the Leisure Enabler role would facilitate delivery of the items set out in the Action Plan.

In discussion at length, Forum members commented that the items on the Action Plan were all high priority and a number of them should run simultaneously. They recognised that:

- Renegotiation of dual use facility agreements was critical in reducing the costs to EDDC.
- Moving forward with the Cranbrook Sports and Leisure Centre was important for the people of Cranbrook, and the facility would be low cost and net zero.
- Renegotiation of the LED contract and management fee must be done by Christmas, and it was sensible to take a one year view due to the ongoing volatility of the economy.

It was suggested that an update be brought to every Forum meeting reporting on progress with the items set out in the Action Plan, and flagging where there specific challenges.

The Forum agreed the programme of delivery for the key priorities identified in the Leisure Strategy Action Plan and the process for reporting progress on the Leisure & Built Facilities Strategy and that the Leisure Enabler role will both facilitate and provide support for the delivery of those key priorities.

Forum members expressed that it would be appropriate to issue a joint LED/EDC newsletter or press release, to let people know the direction of travel.

21 **Leisure Strategy enabler role**

The Strategic Lead – Housing, Health and Environment summarised the role of the Leisure Strategy Enabler, to deliver on what is an ambitious programme under the Leisure Strategy that has been adopted. Funding of £60k has been secured through the Shared Prosperity Fund to fund the post, which will be advertised once the job description has been finalised by the relevant Service Leads.

22 **Community Leisure UK Statement on Energy Bill Relief Scheme**

The Forum received the Community Leisure UK statement on the Energy Bill Relief Scheme, for information related to the LED Financial Update (minute 23 refers).

The statement highlighted that three main concerns had been identified with the Energy Bill Relief Scheme that need addressing urgently, including i) the cap only covering wholesale prices; ii) the cap still being significantly higher than energy payments the previous year and iii) the timeline for support not reflecting the impact for companies with fixed contracts due for renewal the moment the Scheme ends.

23 **LED Financial Update**

The LED CEO ran through the Financial Update report which provided a summary of the current and potential pressures faced by LED in managing the facilities including:

- The effect of the Covid-19 pandemic
- Utility and other costs
- The cost of living crisis
- Loss of income due to disruptions to some facilities
- The particularly detrimental effect of the pandemic and the cost-of-living increase on Exmouth Pavilion.

LED's current forecast is that even if income remains as originally predicted, which is unlikely given the above, and given the increase in costs, it anticipates a substantially increased financial loss on the Council's leisure facilities, which be reviewed monthly as the situation is very volatile. The management team will liaise closely with the Strategic Lead – Finance and, between them, provide regular updates as the situation develops over the coming weeks. This will be a key consideration in the setting of the Management Fee for 2023/24.

24 **Colyton ATP update**

The Service Lead – Place, Assets and Commercialisation introduced the report concerning the Council's capital contribution to Colyton Grammar School's investment works to the all-weather pitch at Colyton Leisure Centre.

Earlier reports had dealt with the overall arrangements. The works to the all-weather pitch were now almost complete and the school had therefore made staged payments. Heads of Terms were still being finalised and hence delaying the stage at which payment would be made until early/mid 2023. This created cash flow issues for the school.

The current report dealt with a request by the school that the Council makes its capital contribution in advance of the new lease and management agreement being in place. If the Council was to make this up-front capital payment prior to securing the new lease and management agreement, the School had agreed that in the event that the new lease and management agreement are not completed by Dec 31st 2023 (longstop date) then the school would be liable to repay the full capital payment. The Council's Legal Services would draft the necessary documentation to secure this commitment by the school although it needs to be acknowledged that the preferred outcome would have been as originally intended, namely that the lease and management agreement be entered into before payment.

In discussion, Forum members recognised that the proposal to make the capital contribution before Heads of Terms are finalised was not without risk, but felt the risk was minimal in the circumstances.

RECOMMENDED to Cabinet:

To delegate authority to the Service Lead – Place, Assets & Commercialisation in consultation with the Strategic Lead – Finance, Strategic Lead – Governance & Licensing and the Portfolio Holder for Economy & Assets to arrange advance payment of the capital contribution of up to £140,000 prior to completion of the new lease and management agreement.

The meeting then went into private session.

25 **Budget Variations 2022-23**

The LED CEO presented the report concerning variations to the 2022-23 budget, outlining the financial implications of the pressures facing LED, as summarised in the Financial Update (minute 23 refers); and how these would be mitigated.

The report detailed the additional contribution that LED would require from the Council, to remain close to the budgeted year-end position. Following discussion at length, and careful consideration of the context and implications, Forum members confirmed their support for an additional contribution of £326,328 to LED.

For the Forum's next meeting, the LED CEO was asked to bring a five year medium term financial plan setting out projections and what the risks are. The Forum recognised that this would need to include some caveats, given the volatility of the economy.

With input from the LED CEO, the Strategic Lead – Finance, Service Lead – Countryside and Leisure and the Service – Place, Assets and Commercialisation were asked to prepare a scoping report for a review of Exmouth Pavilion.

Attendance List

Councillors present:

P Arnott
A Dent
B De Saram
N Hookway (Vice-Chair)
G Jung
J Loudoun
P Millar (Chair)
J Rowland

Councillors also present (for some or all the meeting)

D Ledger

Representatives of LED Community Leisure in attendance:

Karen Best, Director of Finance
Jamie Bryant, Director of Delivery
Peter Gilpin, CEO
Richard Purchase, Chairman of LED Board

Also in attendance:

Justin Moore, Ocean General Manager

Officers in attendance:

Tim Child, Service Lead - Place, Assets & Commercialisation

Sarah James, Democratic Services Officer

Debbie Meakin, Democratic Services Officer

Charles Plowden, Service Lead Countryside and Leisure

Simon Davey, Strategic Lead Finance

John Golding, Strategic Lead Housing, Health and Environment

Councillor apologies:

S Hawkins

Chair

Date:

Report to: EDDC – January 2023
Subject: Facilities and Activities Update
From: Delivery Team
Date: 4th January 2023

Some customer feedback to start, why we do what we do....

"It is an amazing way to showcase their skills and especially for Grace who was petrified of the pool until age of 3 who through LED got into ducklings, she has now last week completed stage 10 so has gone through all levels and even completed rookie lifeguard bronze, silver and gold levels 1,2 and 3 on each so thank you so much LED Sidmouth, keep up your amazing work."

Operational Delivery

This report focuses mainly on November as at the time of writing detailed statistics and reports for December were not available although we have compiled the KPI Report attached from electronic sources.

It was pleasing to see that even in the current economic climate our patronage has been improving month on month to November, with a slight increase that month across the gym and group exercise classes, with swimming remaining strong. The last 3 months has seen a positive movement in membership numbers with the leisure contract closing out the November period with a net gain of +139 members, 10 out of 11 months so far this year where membership numbers (club live) have finished on a positive net gain, and this is testament to the teams driving the membership offer.

The team delivered 1,642 new memberships in September, October and November, with the club live reaching 8,900 at the end of the November, the first time it has been this high since pre-pandemic, albeit still some way off pre pandemic levels. Attrition continues to run around 5% across the contract, with a range across the sites from 4% - 8%.

However, as can be seen from the December KPI report, facilities and memberships took their traditional seasonal hit which may have been exacerbated by the inclement weather and the cost-of-living effect beginning to bite. Whether this was just the traditional seasonal December decline or perhaps a more long-lasting effect will become clear as the final quarter develops.

The Customer Engagement Team has developed a new cancellation and retention process. The system has been developed to help engage with members that maybe in risk of leaving or in limbo and just need to be re-engaged. This system will provide LED with vital stats around why people are deciding to leave to help support our future engagement strategy. The team answer on average around 6000 calls per month, with an answer rate in excess of 82% and average call duration of around 2 minutes.

Recruitment in general continues to be challenging across the EDDC Leisure Contract, both in terms of retaining (team member turnover) and attracting new team members, particularly for operational posts, the team are delivering an increased number of courses to attract candidates for qualifications such as NPLQ, swim teacher etc, along with upskilling the team. Working with national partners, CIMSPA & Swim England, LED have secured 16 courses to help support the growth of Swim School, Personal Training and Long-Term Health Conditions along with 25 team members upskilling to support the growth of teen gym and supporting children being active.

A review of the approach to delivering our all-weather pitch (AWP) programme and pricing is now underway, with pricing for a full pitch hire varying considerably, this is being led by the Area Manager for Leisure and a small group of colleagues to ensure the programming across all pitches is being maximised and priced as effectively as possible, to ensure as many teams and groups as possible can access the outdoor facilities managed by LED. Colyton's sand dressed AWP and floodlights work is now complete and we are seeing a return of clubs with positive feedback.

The community team have been awarded £12.5k for the Active Kindness project. This is a 1-year project and is based around volunteers and how we can utilise them for our projects but also for our in-club sessions. The funding is through Sport England and managed by LED Community Leisure with the support of the NVCO.

Supporting LED's agenda to support the drive to make us a greener company, LED now uses electricity that is 100% generated from renewable sources.



Health & Fitness

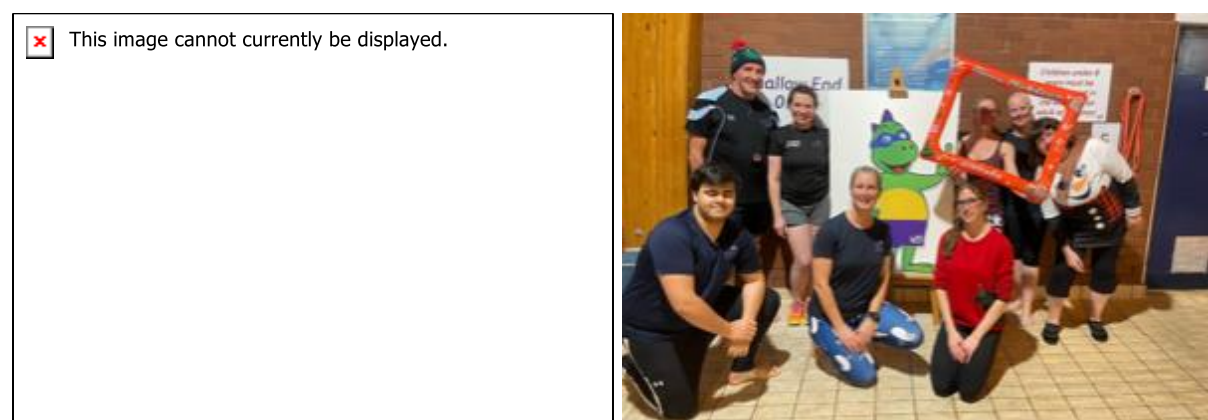
1,190 indoor classes (including 60 virtual) were offered in November with 14,234 visits, higher during peak times. Classes were up 11% on October, an increase in customers using the Virtual Wexer solution at Honiton in November, virtual solution at Seaton, Honiton and Axminster can now be booked through the LED App. Exmouth have launched Born to Move as a pilot to help support the younger age groups into exercise and this will be linking into our community programs. Mother and Toddler sessions which first started at Exmouth Tennis Centre and then onto Honiton Leisure Centre have expanded to the Seaton Gym with the plan to add Axminster in early 2023.

The gym had 15,594 visits in November which was up by 5.87% on October. The gym development at Exmouth Leisure Centre which was actioned in February 2022 has been reviewed with an average of 30 visits extra since the development. Get Active Gym numbers across LED are improving with an extra 5% across the group in November. GP Referral sessions continue; Honiton Leisure Centre has expanded its strength and conditioning area to support the members based on feedback which will help combat growing competition in the area.

The new gym journey pilots have seen an increase of 21% members moving from Step 1 – Step 2 of the gym journey at Honiton. Exmouth's targeted bespoke email has driven 15 new appointments into the team to help engage with members. There is 1 month left of the pilot which looks very positive so far and will then be rolled out across all LED sites.

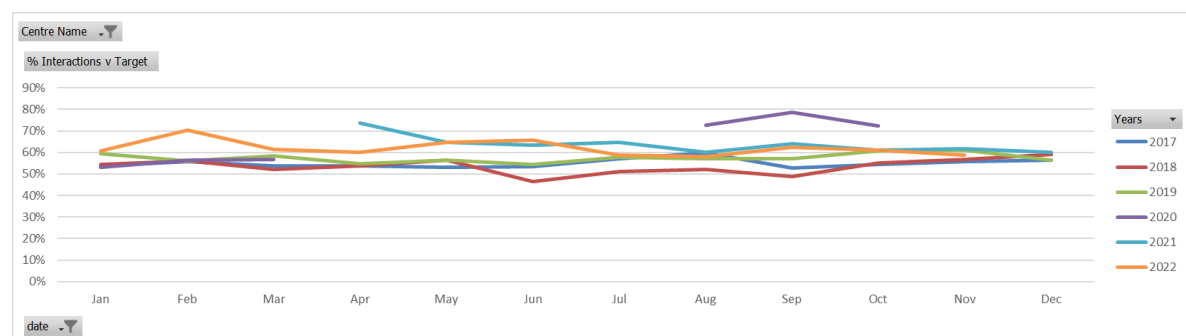
The teams are monitoring monthly health referrals and driving the health agenda to help support the business. Links with community physios and MSK physios are very strong with the community physio team hiring studio space at Exmouth Leisure Centre. Cardiac Rehab is now funded at Honiton Leisure Centre with a new funded Strength & Balance scheme started in November in Honiton and Exmouth.

The aquatics leadership team are constantly reviewing and developing the swim school pool program to support the children and adults learning to swim along with school learn to swim. The team delivered swim galas across all LED pools along with a Schools Swim Gala at Exmouth.

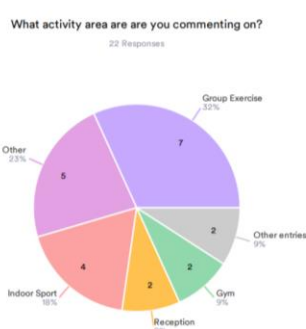
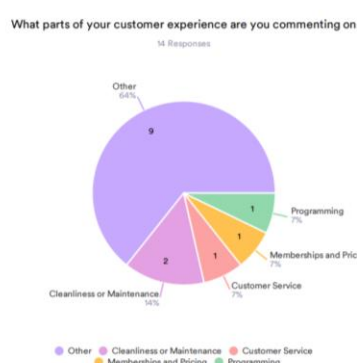
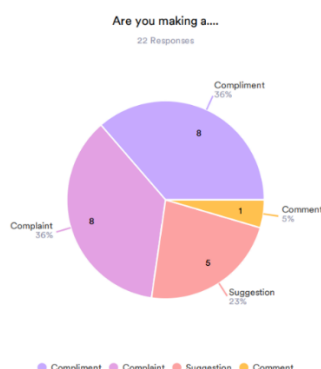
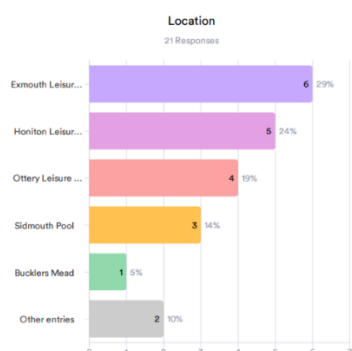


The team are now teaching 2500 people every week on the learn to swim programme. The team have developed a program called Good Boost which supports customers with long term health conditions. Sidmouth is the first of the pool sites to gain Swim England Water Wellbeing Accreditation, the Water Wellbeing accreditation process demonstrates high standards and quality of support both to health partners and members of the public.

TRP, a member interaction software system, is going well with the team using this system to engage with members to support them on their fitness journey. As a group in November 2022, we interacted with 59% of high-risk users with an effectiveness of 71%. We aim for <30% of our gym users being high risk and in November this was 28%.



Customer Feedback / Service



The team are reviewing the comments good or bad and will action appropriately. This important data allows LED to develop the programs across the centres and journey for our members. We now send out regular Swim School, Group Ex, and Gyms surveys to gather even more data from our members.

The key measure for our customer satisfaction is through NPS (Net Promoter Score), the results from November were 57 from relational surveys sent out but a score of 55 for all other surveys which was way above the industry benchmark, which is a score above 40.

There were 181 surveys returned out of 1081 sent out (17% return, historically we have achieved 14%-15%). The team continue to monitor and respond to the feedback to help improve the customer experience.

Projects Update

Energy Reduction - Pool Sentry Funder – EDDC

This project to provide a pool water intelligent management system for the 3 LED pool sites has been approved by EDDC forum members and EDDC cabinet as it gives a strong ROI and links to EDDC carbon reduction strategy. The works will cost £53k (increase due to increased cost from supplier) and will provide benefit with reduction in gas, water and electric consumption as well as improved water quality, thus aiding customer comfort and a lower reliance on team member input on pool water management. The works will be managed and delivered by EDDC's Property Team. The scheme is now completed at all 3 pools, works will continue throughout the rest of the year to optimise the investment and increased benefit.

Colyton AWP

Colyton's sand dressed AWP and floodlights work is now complete and we are seeing a return of clubs with some positive feedback.

Cloakham Lawns (The Hangar Health & Fitness)

The Hangar is on schedule to open on January 7th, with all contractors lined up and booked in. The decoration of the interior has now started and electrical work is to be completed by the 19th December with flooring to follow. An open day on the 7th is planned with a more formal ribbon cutting ceremony being planned for later in the month. We anticipate a fantastic finish and quality to make this a real statement gym from LED.

Marketing and Communications

World Cup 2022 Challenge



LED World Cup Fitness Challenge

The 'LED World Cup Fitness Challenge' was all about giving our customers an extra incentive to keep smashing their fitness goals during the World Cup/start of the Festive season. One lucky winner from each LED site won an awesome fitness clothing and accessories package worth over £100 from Honiton Sports! Ryan took responsibility for the delivery of this campaign and scheduled regular comms via the LED Leisure app to support this.

The Hangar Health & Fitness Presale

Working with Big Wave Marketing to deliver an online and royal mail distribution campaign to support membership presales at The Hangar Health & Fitness. The digital elements went live on 23rd November with social media/PPC ads driving traffic to the landing page below.

Check it out here:

<https://www.hangarhealthandfitness.co.uk>

Social Media highlights

Member achievements: Sharing our member success stories

Community Outreach: Highlighting the fantastic work of our community outreach team

What our members say: Sharing positive NPS feedback





Email

Due to the sheer volume of project updates/membership changes across the business we made the decision to move to [1 monthly newsletter](#) style email alongside the automated email journey.

November saw a 2nd round of price increase comms for Aqua members in 2022. This was a complicated comms piece with different letters required for 3 customer segments based on their current price and varying pre-agreed price change dates from previous price increase comms. Furthermore, 'supressed' contacts in our email system (those who cannot be contacted by email, even if we chose to override their marketing preferences (which we wouldn't)) meant not all affected members could be contacted by email and so we wrote them a letter instead.

Summary

As the nights start to draw in and we headed to Christmas this always proves to be a challenging time for the leisure contract. Membership sales have been strong over the past 10 months with the team driving to one aim to increase club live by focusing on acquisition and engagement campaigns. The impending cost of living crisis has seen the team having to implement price increases across the board to swimming which have caused a slight increase in negative / constructive feedback, but this has been dealt with by the team in a positive manner through positive communications and improved product offerings. Challenge continues to be felt financially around energy costs, payroll pressures and the impending cost of living crisis but the teams continue to review and drive these costs down. The delivery team retain a bright outlook and continue to drive the range of products to members and the community, with some exciting new projects moving forward we look forward to hitting January 2023 in a positive way.

Delivery Team, LED

UK Active Survey

UK swimming pools face an existential threat this summer as energy prices risk the worst spate of insolvencies in the sector's history.

Estimates suggest the cost of heating Britain's swimming pools could rise to £1.25 billion this year, from £500 million in 2019. This means a cost increase of up to 150% for larger operators.

A [survey by UK Active](#), which promotes leisure centres across the public, private and third sectors, found that as many as 79% of public leisure facilities could be forced to close their doors in the next six months.

Supply chain issues due to COVID-19 and the war in Ukraine are also adding other pressures to the beleaguered sector. A global chlorine shortage has pushed prices up 79% compared to 2019, while several pool chains have announced imminent closures due to an inability to purchase chlorine at all.

Industry leaders from UK Active, the Local Government Association, the Chief Cultural and Leisure Officers Association (CLOA), Swim England, the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA), the District Councils' Network (DCN) and Community Leisure UK (CLUK) wrote to the government last month urging prompt action to prevent a wave of leisure facility closures in the coming months.

The UK Active survey found that:

- **85% of facilities surveyed stated that they are likely or extremely likely to reduce services.**
- **63% of facilities surveyed stated that they are likely or extremely likely to reduce staffing levels.**
- **78% of facilities surveyed stated that they are likely or extremely likely to increase customer pricing.**
- *"Whilst we appreciate this is a crisis that is impacting all aspects of our economy and society, the projected figures we set out in this letter forecast the collapse of*

parts of the sport and physical activity infrastructure in this country over the coming months,' they appealed.

- *"The implications of these very important services ceasing to operate, especially given some provide statutory services, will not only be business failure and job losses, but the restriction of vital health and wellbeing services for millions of people of all ages and all backgrounds that are a core part of levelling up the UK."*

Threats that predate COVID-19

- Swim England, the national governing body for swimming in England, had already sounded the alarm for the pool industry prior to the arrival of COVID-19. Its 2019 report predicted around 1,800 pools would close by 2030 as those built during a boom in the 1960s and 1970s became too old and expensive to upgrade.
- COVID-19 hit the industry with particular force, closing premises and reducing numbers due to social distancing measures. In all, about 200 swimming pools closed during the pandemic, meaning 23% of local authorities in England [have a shortage](#) of one swimming pool, with London the worst off with a shortage of 31 pools.
- This year's rising energy costs, therefore, may prove the tipping point for many in a sector that was already fragile.
- *"Pools are hubs of the local community, helping people of all ages to lead healthier, happier lives and saving the NHS hundreds of millions of pounds each year,"* [writes Jane Nickerson](#), Swim England chief executive.
- *"We are forecasting a huge decline in the available water space by the end of the decade, threatening the future of our sports, leaving millions shut out of the activities they love and widening health inequities."*
- *"The time to act is now."*



Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
The Treasury
1 Horseguards Road
Whitehall
SW1A 2AX

15th December 2022

Dear Chancellor of the Exchequer,

Review of the Energy Bill Relief Scheme - Vulnerable Sector Designation

The UK's community leisure sector is in peril. Many of the leisure trusts which operate the swimming pools, gyms, theatres and more which are central to communities across the country are walking a financial tightrope. Any mis-step could tip them into financial crisis, to the detriment of the physical and mental wellbeing of those who rely on them as well as on the economies of the areas they serve. Collectively, this could leave us with a huge hole in national life.

Just over 80% of charitable leisure and cultural trusts in England, Scotland and Wales have told us they are at financial risk - with a picture ranging from those who describe themselves as being in crisis now to those who can see their crisis point on the horizon.

The crippling impact of rising energy costs has compounded the continued struggle for services across the board to return to pre-coronavirus pandemic levels with, on average, lower attendances hitting our members' incomes. Even with the current energy price cap, costs are exponentially higher than last year and unsustainable going forward.

Without Government interventions, leisure and culture facilities are going to close. Swimming pools, with their high energy usage, are at particular risk.

This is why our members at Community Leisure UK - the membership body representing charitable leisure and culture trusts across England, Scotland and Wales - are calling for our sector to be granted Vulnerable Sector Designation from April 1st. Without this additional support, and in the absence of support on energy costs beyond 31st March, the problems our members face are only going to deepen. We will find leisure trusts unable to cope and with no choice but to make the difficult decision to close facilities, particularly swimming pools, ice rinks and theatres. Many have

already done so, but more will follow without support. Once closed, it is hard to imagine them reopening.

We realise, as you will, that Vulnerable Sector Designation is not a magic bullet. It will not solve all the issues our members have, given that energy costs are so high. However, it is a necessary if not sufficient part of our member's survival, a critical tool in our armour as we at least attempt to stabilise and look for some kind of recovery. Every one of our members is taking a long, hard look at its finances against a backdrop of depleted reserves after almost three years of once unimaginable disruption, with local authorities - themselves under pressure - having no capacity to financially support the scale of price increases we are experiencing.

Energy efficiency and other mitigation measures have been brought into play wherever possible to try and drive costs down. This alone, though, is not enough.

Without increased UK Government support - starting with Vulnerable Sector Designation for energy use - the survival of so many valued parts of our sector is at risk. Peoples' health will suffer, jobs will be lost and communities will become worse off. We cannot afford to let that happen.

As people continue to deal with ongoing consequences of coronavirus and the personal strains caused by the cost of living crisis, it has never been more important to invest in health and wellbeing and to provide support to those charitable trusts on the frontline of delivering that support across the country.

I would ask you to consider our request as a matter of urgency as part of the review you are currently undertaking and would be pleased to meet with you or your officials to further discuss the issues our sector faces.

Yours sincerely,



Alistair S Robertson
Vice-Chair
Community Leisure UK

[Business details –
Alistair S Robertson
Managing Director, Sport Aberdeen
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Report to: LED Monitoring Forum, January 2023
Subject: LED Community Engagement
From: Andrew Dare, Lottie Edwards, Jane Nicholls – Community Team
Date: January 2023

Feedback from Withycombe Primary School

Feedback from the Head 'The sessions have been brilliant, and Wendy is such a pleasure to have in school. We have definitely seen a difference in children's anxiety levels, they are all much less anxious. I hope they can use the skills they have learned in the future. Thank you for organising this opportunity for our children.'

Active Kindness

We have been successful in a project bid to Community Leisure UK for a project called Active Kindness. This one-year project is funded by Sport England and is focused on utilising volunteers in the charitable trust sector to build more active and more connected communities. This project is partnered with the NCVO (National Council for Volunteering).

Cranbrook

- Work in Cranbrook continues with a presence at the Move More Meetings. The group facilitated the delivery of the Move More Cranbrook Buddy Boost challenge for October/November.
- A new LED/Heads up physical activity and mental health project will be starting in January working with 24 year 3 students from St Martins School. These students have been handpicked by the teacher as those socially affected by the Covid pandemic and who shy away from team activities. The sessions will be split into 2x30 minute sessions
- We have connected the team at Ottery with Aynsley Jones (Cranbrook Community Hub Manager) at the new Community HUB EX5 Alive based at the Cranbrook Education Campus. The hope is to restart classes in Cranbrook in the New Year managed through Ottery Leisure Centre.
- Liaising with PE staff at Cranbrook Education Campus regarding a Physical Activity project for the students in 2023.

Ongoing Projects

- Lottie & Jane attended the recent WEB Health Matters forum held at Ocean to help build partnerships.
- Lottie attended the Naturally Healthy Forum where there was a big focus on green and blue prescription – similar to GP referrals but signposting to countryside and coastal activities.
- We had 20 participants attend AGE UK big activity week.
- The schools work restarted in September, working with Littleham, Withycombe and Exeter Road Primary Schools in Exmouth.
 - This year we are working with 32 -Year 5 and 6 children at Littleham Primary School, Exmouth alongside "Heads up" the mental health charity to provide children that would not normally benefit from additional physical activity with some fun fitness sessions with our LED Community instructor.
 - We are continuing to provide some yoga sessions at Withycombe Primary School with 8 Year 6 children that continue to struggle with anxiety in the build up to their sats.

- In September we also started to work with Exeter Road Primary School children from Years 1, 2 and 6. 24 children from Year 1 and 2 are provided with some fun fitness team building activities within the school environment working with our LED Community Instructor alongside the Heads-Up Mental Health lead. 28 children from Year 6 have been provided with a yoga session once a week at Exmouth Leisure centre – the children first go to the swimming pool for their regular session and then join our Community Yoga Instructor for a session afterwards in the studio, the teacher has provided us with some positive feedback, 'We do appreciate the afternoons at the Leisure Centre and have seen such a change in both what the children can do and their appreciation of sport.' Year 6 teacher at Exeter Road
- A new parent and toddler sessions started in Seaton in September closely followed by Axminster in November. They offer a fitness session that parents can bring they're under 5s along to, therefore eliminating any barriers to participation. The sessions are initially subsidised to ensure access to all, the sessions offer an opportunity at the end of the session to have coffee and chat with other parents.



- Continued support of the Exmouth Stroke Survivor Club in Littleham. Funded seated exercise classes and nutrition advice with our community instructor Hayzel are provided, the group have been given their own equipment to use, alongside a letter of support from LED for any future funding bids for the club and we continue to offer a weekly swimming session for group members and their carers.
- Wellbeing Walks continue across the district ran by our volunteer walk leaders. Currently 80+ participants attending every week. With monthly dementia ambles in Honiton and Exmouth Doctor surgery walks.
- Re connected with FORCE in Exeter and attended the FORCE partner meeting on the 2nd December alongside our FORCE Instructors. Looking to help them with their community outreach delivery with classes.

Planning

- Funded Aqua Natal Classes at Honiton
- This Mum Moves Pilot with Active Devon/Active Pregnancy Foundation
- FORCE Classes at Exmouth Tennis Centre with Cheryl.
- Beginners running group Axminster/Seaton with Simon
- Beginners running group with Louise Saunders potential Sidmouth, Exmouth
- New schools work, Cranbrook Educational Campus, St Martin Primary school - Cranbrook, Broadhembury Primary School and Honiton Primary School – I've had initial meetings with all of these and looking to start in January 2023 with all alongside Heads up just working out logistics with instructors and paperwork!
- Honiton Community College – working with a group of Year 9 girls that are struggling with confidence/body image, these sessions will start in December.

- Axminster Dementia group – finalising instructor to start in January with this group at Pippins
- Health/MOT checks liaising with Coleridge Medical Centre to look at engagement with 35–50-year-old age group.

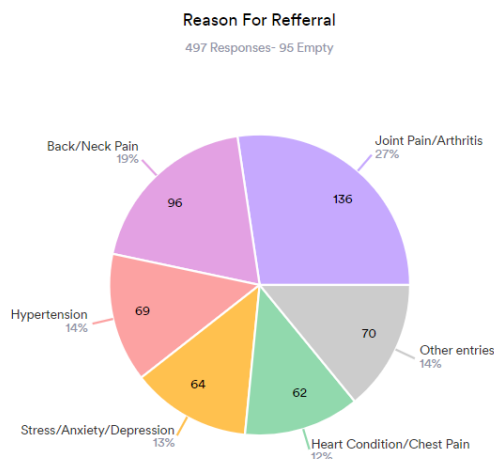


- Initial meeting held with Action East Devon – to look at closer partnership working in Sidmouth Community college alongside their mental health work.
- Met with Devon Learning to look at possibility of running family activity sessions in Littleham Primary School alongside their family Healthy Eating/cooking project.
- Funding application to go into Exmouth Town Council to look at partnership funding with Sideshore for the children's Swim to Sea sessions next year.

- In partnership with Les Mills, LED is working with the primary schools to help engage the children in regular exercise through a digital virtual platform. LED are upskilling the teachers to become activators to support the children with a new fun innovative way to exercise.

LED In Centre

- Continue to support the NHS as part of their community classes development. We now help support Strength & Balance, COPD, Falls Prevention and Activation classes at Honiton, Ottery, Sidmouth, and Exmouth. The team support these groups by providing exercise pathways after the NHS course finishes.
- Launch at Sidmouth LC as a pilot of a Gym Quiet Hour. This will make the experience more comfortable for members with autism, high levels of social anxiety and those who prefer working out in a quieter environment.
- Working with Seaton doctors' surgery to help develop a self-referral model for our GP Referral Scheme to help support more people in the community to get active if they have a long-term health condition.
- LED have launched 2 new Strength & Balance Classes at Honiton and Exmouth. The classes will be funded by the NHS for 2 years with a self-referral model developed as part of the process. The plan is to roll this out to Seaton in 2023.
- Health Referrals are improving, and numbers are starting to increase especially from the new social prescribers (Mental Health). See below some data from September 1st – November 30th, 2022. We had a 64% completion rate of the 12-week course with 30% of those joining to a membership. Joint pain is still the number one reason for referral on to the scheme with 27%.



Health Referral Consultations	76
Health Referral 12 Week Consultations	32
Health Referral Participation	1391

Axminster Leisure Centre

Broadclyst Leisure Centre

Colyton Leisure Centre

Exmouth Leisure Centre

Exmouth Tennis Centre

Honiton Leisure Centre

Ottery Leisure Centre

Seaton Fitness Centre

Sidmouth Leisure Centre

Sidmouth Swimming Pool

Club Live

Actual
8759

% Change Monthly
-0.50%

Joiners

360

-34.07%

Leavers

347

-19.30%

Memberships

£247.14K

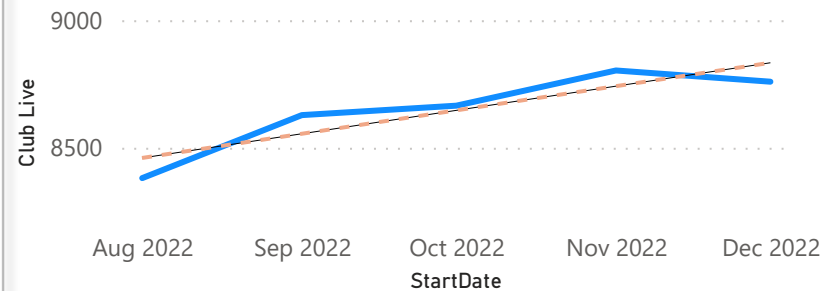
-0.01K%

Yield

£31.00

0.01%

Club Live by Month



Swimming



Gym



Group Exercise



Sports

Total Attendances

13,361

11462

9896

8606

% Change since last month

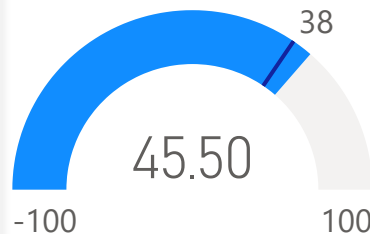
-36.06%

-25.78%

-30.44%

-44.15%

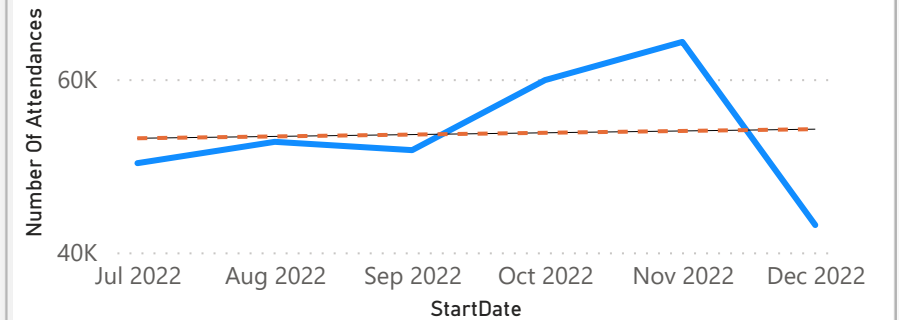
NPS Score



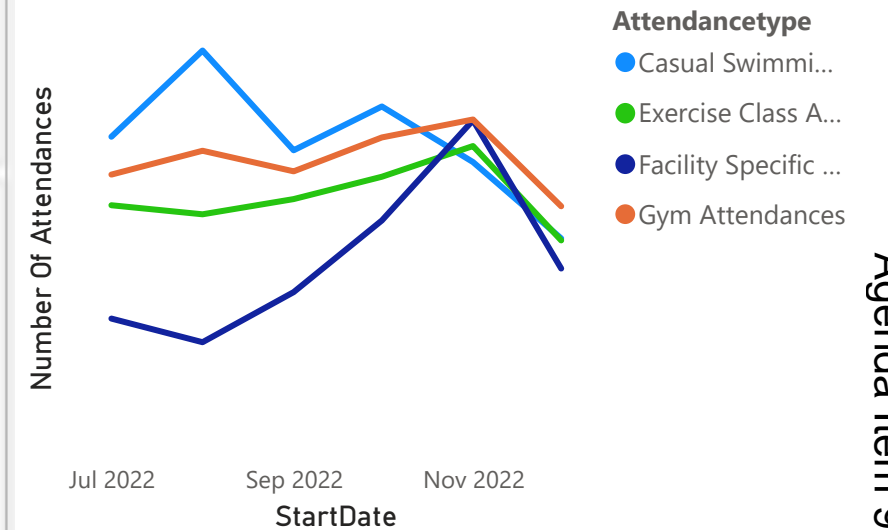
Sites Below Target

Exmouth Tennis Centre: 0
Sidmouth Leisure Centre: 17
Axminster Leisure Centre: 33
Ottery Leisure Centre: 33

Total Attendance Trend over Previous 6 Months



Attendance by type Previous 6 Months (excluding swim school)



Axminster Leisure Centre

Broadclyst Leisure Centre

Colyton Leisure Centre

Exmouth Leisure Centre

Exmouth Tennis Centre

Honiton Leisure Centre

Ottery Leisure Centre

Seaton Fitness Centre

Sidmouth Leisure Centre

Sidmouth Swimming Pool

Club Live

8803

% Change Monthly

1.59%

Joiners

546

13.28%

Leavers

430

4.62%

Memberships

£289.22K

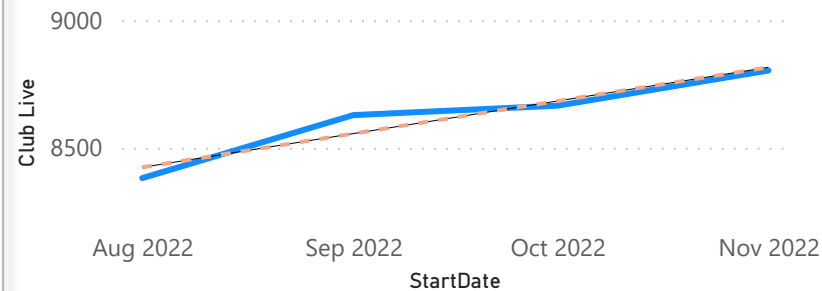
0.01K%

Yield

£31.00

-0.12%

Club Live by Month



Swimming



Gym



Group Exercise



Sports

Total Attendances

20,895

15,444

14,226

15,409

% Change since last month

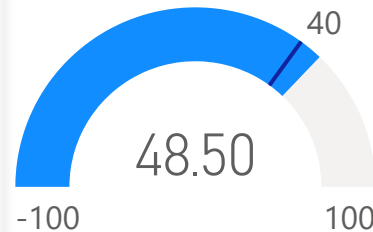
-6.50%

5.64%

10.99%

42.54%

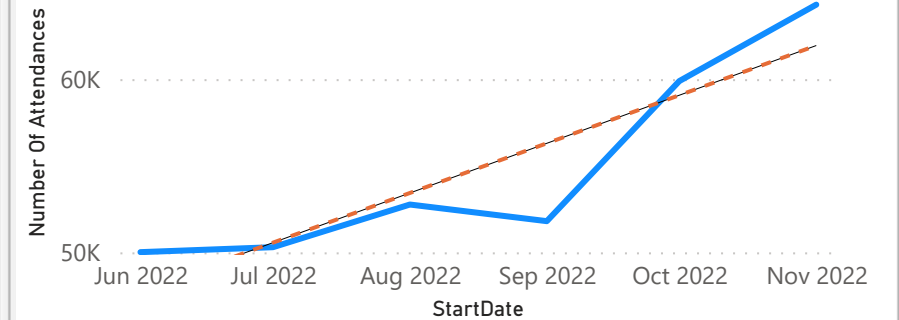
NPS Score



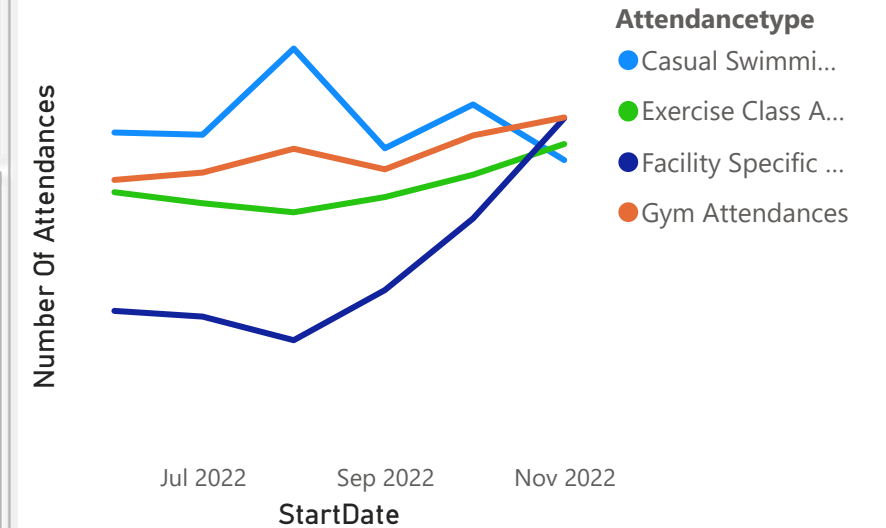
Sites Below Target

Ottery Leisure Centre: -33
Sidmouth Leisure Centre: 0

Total Attendance Trend over Previous 6 Months



Attendance by type Previous 6 Months (excluding swim school)



Report to: LED Monitoring Forum

Date of Meeting 17th January 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Exmouth Pavilion – Position Statement and options for consideration

Report summary:

This report has been requested by the LED Monitoring Forum and sets out a baseline summary of the issues arising from the Exmouth Pavilion site from an EDDC perspective and possible options that Members might wish to consider moving forward.

The report does not at this stage factor in the perspectives of LED and this will be the subject of a separate report.

The purpose of this report is to help inform the LED Monitoring Forum on the need to consider and agree a way forward in respect of Exmouth Pavilion as a site but also on the function it serves, which provides a non-core service, is on a constrained site, in a non-ideal position and requires significant investment.

The report sets out some high level options, each of which would require further detailed consideration against a general understanding that alternative options would take a number of years to be fully worked up and delivered.

It should be noted that this is an EDDC assets and place making driven report but decisions on future use needs to also consider fully the wider implications to the Council's cultural strategy, other corporate objectives and the position of LED.

Based on the recommendation, a further report is likely to be required setting out the resourcing and budgetary implications of taking forward a more detailed review.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

The LED Monitoring Forum consider the report, alongside separate report from LED and make a recommendation to Cabinet on a way forward and next steps.

Reason for recommendation:

This asset requires considerable capital investment and a sizeable revenue maintenance budget but still arguably would not provide a suitable fit for purpose offering. This report puts forward a suite of alternative options that the Forum might like to be further considered.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☒ Economy and Assets
- ☐ Finance
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☒ Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; The report sets out the current position in regards to the Pavilion and options that should be considered.

Links to background information [Ernst and Young Report 1991](#)

Link to [Council Plan](#)

Priorities (check which apply)

- ☒ Better homes and communities for all
- ☐ A greener East Devon
- ☒ A resilient economy

Report in full

- 1.1 Exmouth Pavilion consists of a large hall and a bar/catering area. The hall has a sprung floor and fixed stage. It has seating capacity for ~400 people. In addition to these facilities, there are also dressing rooms, toilets for performers as well as cloakroom, toilets and a ticket office for the public. Other ancillary facilities include a kitchen, bar (converted from the former function kitchen and servery in 2014), a manager's office, plant room, bar store and other storage areas. Virtually all areas are showing their age and the Council has had considerable expenditure to date in basic upkeep and maintenance and with significant capital investment needed in the short / medium term.
- 1.2 In 1991 (background document attached) the Council commissioned Ernst and Young to examine the market for an arts venue in Exmouth and concluded that there was – however it pointed out in the report that the Pavilion did not meet that need for various reasons eg location, lack of car parking, internal layout and the building's general condition. The report acknowledged that in its present form, the building was fast becoming a liability and set out two options – relocate alongside the leisure centre, or completely refurbish the existing pavilion, converting it to accommodate the functions of

a multi-purpose hall / arts centre, together with the construction of a new multi storey car park. That report was prepared at that time for a different purpose, is clearly now very historic, particularly pertinent for the financials included within that report, but fundamentally the issues raised and thoughts given are not that different to those that we continue to face. The advice is that Members consider this report for background but that recommendations made moving forward are based on current information only.

- 1.3 This report will set out the EDDC costs of maintaining this site but in addition (and in due course) the Forum should also consider LED's own costs and therefore indirect costs to EDDC but also of paramount importance is the offering which is provided to our residents and visitors and how this aligns to our cultural strategy and other priorities and strategies.
- 1.4 The report also considers title and other relevant background to the site before also considering links with the Culture Strategy.
- 1.5 Finally, the report sets out a series of options that could be considered.
- 1.6 Exmouth Pavilion Capital Expenditure (actual and projected over two years):
- 1.7 As the table below shows, the site requires circa £1,000,000 of investment in capital works identified as being necessary in 2021 and in 2022. These works are necessary to ensure the building more-or-less in its current form can continue operating in the short / medium term – i.e. continuing the status quo. This sum does not include for significant improvements or necessarily future proofing its viability. £395,000 of this £1,000,000 figure has been approved as related to urgent and health & safety matters and these projects are in-hand with expenditure in 2022, 2023 and early 2024. The remaining circa £600,000 still requires decisions. It is worth noting that should the building be disposed of / or demolished and rebuilt, due to the timescales that we'd be considering, further interim works would still be needed to enable the building to continue operating in its current form.

Exmouth Pavilion			
2022/23	Proposed	Approved	Comments
Refurbishment and Improvements (inc. complex structural and asbestos related works)	£ 352,000	£ 352,000	Fully approved
Alterations and refurb of Catering Areas	£ 238,000	£ -	Not approved
FRA Related works	£ 13,000	£ 13,000	Fully approved as part of a larger project, incl. other LED sites
Ventilation Improvements	£ 2,000	£ 2,000	Fully approved as part of a larger project, incl. other LED sites
Stage Equipment	£ 28,250	£ 28,250	Fully approved as part of a larger project, incl. other LED sites
2022/23 Total	£ 633,250	£ 395,250	
2023/24	Proposed	Approved	Comments

Roof works	£ 390,500	£ -	This proposal was not supported at the Budget Setting and Capital Allocation Panel - Capital Bids.
2023/24 Total	£ 390,500	£ -	
	Proposed	Approved	
Totals 2022-2024	£ 1,023,750	£ 395,250	

1.8 Historic Revenue Spend:

- 1.9 The revenue maintenance budget for LED occupied buildings is £70,000 per annum in total. This budget excludes our own EDDC Maintenance Technician costs – we have three such roles who undertake routine repairs and maintenance works and whose roles are circa 33% LED occupied buildings. Individual sites do not carry their own maintenance budgets however when apportioning that budget by gross internal floor area across the LED occupied buildings, the Pavilion is afforded a budget of £16,349 for maintenance. In 2021/22 spend was 93% over budget, in 2020/21 was 121% over budget and in 2019/20 was 45% over budget. This tells us that this building on a pro-rata basis is more costly to maintain and results in less budget being available to maintain other LED occupied buildings. In addition, we still have need for significant capital expenditure. Between 2017 and 2022, EDDC has incurred £128,781.44 in the maintenance of this building, in addition to own in-house maintenance staffing costs. The below table shows annual maintenance spend on this building.

Year	2017/18	2018/19	2019/20	2020/21	2021/22
Actual Expenditure	£18773	£17845	£24341	£36172	£31618

1.10 Title and other relevant background information on site including reference to Culture Strategy:

- 1.11 The site was originally acquired from the Rolle Estate (Now Clinton Devon Estate) in 1920 and was subject to restrictive covenants which were varied in the 1960's.
- 1.12 The restrictive covenants were bought out by the Council on the 16th of April 2010, which would now we believe permit development, subject to planning consent. Depending on recommendations to Cabinet, a formal Report on Title could be commissioned which will confirm this point.
- 1.13 The current asset valuation for the property is £1,953,608 on a DRC (depreciated replacement cost) basis. This does not reflect the market value.
- 1.14 The property is currently leased to LED Community Leisure since 2nd October 2006 on a peppercorn rent of £1. The current lease expires on 31st December 2035. There is a mutual, rolling break clause of 6 months in set circumstances. The lease sits outside the Landlord & Tenant Act and was contracted out on the 1st of September 2006.
- 1.15 The lease describes "The permitted uses" use as a Public Entertainment Hall and Theatre and Restaurant for the benefit and use of the public as shall be consistent with

the provisions of the Funding Agreement insofar as it relates to the premises and for all purposes ancillary to such uses.

- 1.16 The recently adopted Culture Strategy for East Devon 2022-31 identifies under 'Theme 5: New Places for Culture: Action 5.1.2 : Explore the potential for Exmouth Pavilion as a creative hub for young people'. The consultation process undertaken in June 2022 by the Consultants FEI Ltd identified that there is a clear demand and need for a facility within Exmouth for young people to use for music, performance arts and activities. The opportunity for providing this creative space should be considered within the plans for the Exmouth Pavilion or alternatively in a more central location within the town. A more central location would provide more ease of access for the community and encourage greater participation. The underlying issue is that there is a chronic shortage of such creative space facilities for young people within the town and all options should be considered.
- 1.17 Options for Exmouth Pavilion:
- 1.18 Whilst some high-level options are set out below they have not been given full or detailed analysis in this paper. Should there be an appetite by Forum Members, supported by Cabinet, these options (and others identified by the Forum and others) can be explored further subject to resource and budget being identified. External consultancy advice is likely to be required. These are not recommendations, merely a range of potential options that could be considered.
- 1.19 These options are driven from Assets and Place Making perspectives with less of a reflection at this stage of operational factors and having not at this stage defined what that proposed new offering, if different, would actually be.
1. Refurbishment or internal conversion of the existing Pavilion building for continued use as a theatre and multi-purpose community facility – expensive and arguably still might not be fit for purpose. Constrained by location and site size. Arguably not the best use for a prime seafront location.
 2. Close the pavilion, demolish and construct a new arts centre on the site – same potential issues as (1).
 3. Level the site and sell it for a capital receipt – implications on future cultural provision in Exmouth and might not be perceived well by community although would see investment in site.
 4. Level the site and seek a developer/joint venture partner – same potential issues as (3).
 5. Level the site and build business units/creative industry hub similar to Royal Avenue long Stay proposal for Gateway with a food and beverage or activity provider on the ground floor – loss of cultural provision in Exmouth.
 6. Level the site and provide additional multi storey or surface car parking - implications on future cultural provision in Exmouth and might not be perceived well by community although would see an income generating opportunity for Council and possibly free up other seafront sites for development.
 7. Possible public realm scheme e.g. gardens etc – Loss of cultural provision in Exmouth and cost of demolition and landscaping.
 8. Close the Pavilion and relocate elsewhere – unlikely to be viable in similar form to current.
 9. Consolidate the leisure provision in Exmouth and relocate, including leisure centre to a new purpose built facility, along with possibly relocating town hall and other public sector customer facing and back office accommodation (various such examples in Exmouth) all

into the same facility, perhaps at Imperial Road site or Estuary car park, replacing lost car parking with decking / multi storey as needed. This option (and is an option to consider, not a recommendation) might appear overly ambitious but could be a real 'game changer' for the town. If we were to take the Imperial Road site or Estuary Car Park site, the Council benefits from owning this large expanse of site, in a central location, adjacent to the railway station and, depending on outcome of levelling up bid, a Transport Interchange, with what must be some of the best – if not the best – estuary views, but is a site that is currently under-utilised. This superb location generates not only social value but also financial value and environmental value should different uses be made of this site.

By taking forward a consolidation scheme such as this, it would allow:

- a. Not only the consolidation of a leisure centre and a theatre / arts / cultural venue and the economies of scale and operational efficiencies that would arise
- b. It would also enable investment in the leisure centre provision to provide something truly special and would negate investment costs in existing leisure centre
- c. It would generate both capital receipts from disposal of a number of other assets to help fund this development, but equally importantly, by repurposing other sites there is potential for significant place making opportunities to be realised with much better uses being made of those sites and with investment into Exmouth
- d. Through something of this scale there is greater potential to leverage external DLUHC and other Government funding streams
- e. An opportunity to develop something which is truly sustainable and an exemplar to our commitment to tackle climate change
- f. Making much better use of the Imperial Road / Estuary Car Park site

- 1.20 All these options would require detailed analysis should there be an appetite to progress to either prove / disprove the financial, social and environmental viability. The last option is clearly aspirational but seeks to provide an example of what just might be possible with strong place leadership and collaborative working.
- 1.21 At this stage the above options have been prepared in isolation to the Exmouth Place Making consultation findings and could be considered alongside the work now being commissioned on that project. That said, we know that there is general support from that Place Making consultation work along with the Levelling Up work for making better use of the Imperial Road / Estuary site. The extensive consultation undertaken in summer 2022 should be used to help inform future options for the Pavilion.
- 1.22 To assist Members in understanding some of the viability issues, the below references will be helpful:
- 1.23 The typical build costs for theatres per square metre range from £2500/m² to £4000/m² (assume £3000/m²). A recent comparator is The Harlington in Fleet Town Centre, Hampshire.
- 1.24 For a 350 seat auditorium with and a net floor area of 1680m² and a gross area of 2500m² this would mean new build costs of £7.5M + fees, contingency (demolition of existing is not included) would cost an estimated £9.15M based on current rates and final specification.

- 1.25 To fund this through borrowing would cost ~£610,199 PA based on a PWLB borrowing rate of 4.7% and a 50-year term. Payback period will depend on and income/rent from the operator.
 - 1.26 As any new arts facility on its own is unlikely to generate a rental/income to meet the borrowing costs it is likely that the council will have to seek a more collaborative approach by looking at its assets (and other public sector estate providers) as outlined in Option 9 above.
-

Financial implications:

The existing financial implications are included within the report and as stated to understand options more fully that members may wish officers to explore will require scoping further and a request for budget to provide suitable resources.

Legal implications:

There is no direct comment to be made in relation to this initial report. Any issues identified for progression will need to be considered as they come forward.

Report to: LED Monitoring Forum, January 2023
Subject: Exmouth Pavilion
From: Peter Gilpin, CEO, LED Community Leisure
Date: January 2023

This report has been requested by the LED Monitoring Forum and focuses on the operational aspects of the Pavilion; a separate report from Tim Child and Property Services will cover the issue of the condition of the building and future options. The latter should perhaps be read first.

Background Information

Exmouth Pavilion was built in 1933 and is therefore 90 years old this year. Much of the theatre side of the building is probably original, albeit with numerous interior upgrades over the years; the café to the right as you look from the beach was a later addition and the servery and seating area has also been upgraded relatively recently.

Exmouth Pavilion is a popular venue and hosts a wide variety of shows and events, including pantomimes, local amateur dramatic performances, bands, comedians, plays, films, 'murder mystery' and ballet, as well as being a venue for tea dances, the blood transfusion service, Rotary, the U3A and group exercise classes. In the summer season the venue also holds numerous outdoor events on the adjoining grassed area, including live music and the Royal Marines Band, for example.

Annual attendances for shows have been in the region of 35,000 in recent years; 37,600 in 2019, the last full year's figures pre-pandemic. This figure excludes the café and outdoor events that would make the total significantly higher.

Customers predominantly come from within 25 miles of Exmouth, approximately 75% of attendances, with the remainder coming from as far afield as Plymouth and similar distances within Devon, depending upon the attractiveness of the show or event. The Pavilion has begun to attract larger acts in recent years, such as Jason Mountford last month (albeit he cancelled last minute to co-host BBC's Children in Need evening!) and Robert Plant earlier last year, who unfortunately also cancelled due to the pandemic restrictions.

The broad range of shows and events has seen a shift in the demographic of the Pavilion's customers to incorporate a larger contingent of younger customers and families, with the average age now in the early 40s. The café attracts an older customer base during the weekday in school term time, although this changes at weekends and during school holidays when many families come in.

In terms of its contribution to the local economy, there are currently 49 employees at the Pavilion broken down into 18 salaried posts, 4 contracted posts and 31 casual posts resulting in an annual payroll of circa £510,000, combined with purchases from local suppliers alone of circa £275,000.

Financially, the Pavilion has historically required an operating subsidy until recently. This has improved over the past decade due to a change in management approach and programming, and a review of operations resulting in 3 significant improvements, as follows:

In 2014 the function kitchen and servery area adjacent to the auditorium were converted to an additional bar as they were seen to be no longer fit for purpose and the bar in the cafeteria was unable to cope with the demand for beverages before shows and during the intervals. Demand for functions with meals, such as wedding receptions, had significantly diminished and other venues

were entering this market. These works were undertaken by EDDC's Property Services in conjunction with LED at a cost of circa £100,000 in total.

At the same time, LED also invested circa £60,000 in retractable tiered seating for shows that thereby improved both the seating capacity as well as the visual experience of those sitting further back in the hall.

The outcome of both investments was that with both the capacity and experience improved, attendances at shows and stage events have significantly increased, along with associated revenues.

The third improvement has been to the cafeteria, in two stages. Firstly, the catering concession was let to Posh Nosh in 2011/12, who invested in a refurbishment that significantly improved both the appearance and customer experience that resulted in a material increase in both attendances and turnover, albeit with most of the financial benefit being retained by Posh Nosh.

In 2018 LED brought the catering concession back inhouse and has run it internally since. The Trust has also invested further in the appearance of the café, most recently with a complete furniture replacement and redecoration in 2022.

The combination of the improvements to the theatre experience, enabling the Pavilion to attract better acts and attendances, combined with the significantly increased food and beverage revenues, saw the facility make its first significant operating surplus of just under £100,000 in 2019.

This compares very favourably with similar venues that we have researched; the Corn Exchange in Exeter requires a c£230k operating subsidy from Exeter City Council, and North Devon's two theatres in Barnstaple and Ilfracombe a combined operating subsidy of c£167k. The Manor Theatre in Sidmouth is not seen as a comparable venue and performance figures are not available to LED.

2020-2023 – 'the Covid Years'

The effect of the Covid pandemic on Exmouth Pavilion has already been well documented in other reports to the Monitoring Forum. In summary, the Covid lockdowns and the later restrictions (such as social distancing and ventilation) meant that the theatre was unable to open and operate at all during these periods, unlike the leisure centres that were able to reopen for periods albeit with restrictions in place that significantly reduced numbers.

This resulted in all shows during these periods being either cancelled or postponed, sometimes twice or three times, resulting in a backlog of shows this financial year. The substantial loss of income for the first two years, followed by the soaring cost of utilities and cost-of-living crisis has therefore seen the Pavilion require additional funding throughout the three-year period and into this year, and disproportionately so compared to the leisure centres, compounded by the fact that it was ineligible for additional government support.

2023/24 LED Financial Settlement

On a more positive note, the Pavilion has started to show signs of recovery with the recent pantomime season exceeding expectations as an example. The 2023/24 programme includes some 250+ shows and events and we hope to see the facility begin to return to pre-pandemic attendances during and this has been factored into our total funding request for the year as a relatively cost-neutral venue in terms of operating costs.

The unpredictable variables, however, remain the volatility of the utilities market and the potential effect of the cost-of-living crisis on ticket and café sales, as also mentioned in the funding request.

Building Maintenance and Repair Costs

Whilst the Pavilion heads back towards a financial break-even position in terms of operating costs, the greater cost to the Council is that of maintaining and repairing a facility that is now nearly 90 years old. Despite considerable investment over the years, further investment is now required to keep the facility open without significantly detracting from the customer experience, as well as addressing health and safety requirements, as referred to in the separate report from Tim Child and Property Services. It should be noted that the quoted cost in the report for alterations and the refurbishment of the catering area (£238,000, Point 1.1) is substantially over-stated, which is partly why LED did not support it and it was not approved.

However, the works potentially scheduled for January and February 2024 require the stage and backstage areas to be closed for 8 weeks and the Council needs to be aware that this will result in a loss of income to the Pavilion of circa £83,000 for the period. This is created by £30,000 of lost ticket sales from shows and a corresponding net loss of £53,000 from associated net food and beverage sales. This has not been provided for in the funding request figure submitted to the Council and it may be prudent to set aside a contingency as mentioned in the report.

Conclusion

It is LED's view that the other recommended and approved works are essential and will give the Pavilion the medium- to long-term security of operation whilst a long-term vision and strategy for the provision of a theatre and/or additional cultural amenities for Exmouth and East Devon can be determined, as outlined in Tim Child's report, particularly as these would take a number of years to be worked up and delivered, as the report states. It would also retain a facility and venue that is much appreciated, supported and visited by residents, performing arts groups, visitors, and tourists.

Postponing the works would detrimentally affect the experience, attendances, and revenue (we currently must put buckets down to catch roof leaks when it rains, for example).

Closure would result in redundancy costs, the loss of a key cultural facility in a seaside resort without a replacement offer, and the Pavilion's allocation of central overheads spread then amongst the leisure facilities, thereby increasing their cost without any financial benefit to the total cost of the Leisure Management Contract.

Option 1 in Tim Child's report would therefore be LED's preference for the short- to medium-term period whilst a long-term solution is considered and determined; the Trust has no firm views or opinions on these options at this stage.

Peter Gilpin, CEO LED Community Leisure

6th January 2023

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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