

**South Ayrshire Council**

**Report by Depute Chief Executive and Director - People  
to Partnerships Panel  
of 13 June 2018**

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**Subject: The Quay Zone Performance Report**

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**1. Purpose**

- 1.1 The purpose of this report is to invite Panel members to scrutinise the performance of The Quay Zone.

**2. Recommendation**

- 2.1 It is recommended that the Panel scrutinises the performance of the Quay Zone.**

**3. Background**

- 3.1 The Quayzone in Girvan is operated by South Carrick Community Leisure under arrangements agreed by Council in March 2017. A Service Level Agreement provides the framework for the Council's financial support of £200,000 per annum. The Partnerships Panel receives scrutiny reports on an annual basis for organisations receiving more than £50,000 in Council contribution.

**4. Proposals**

- 4.1 The Quay Zone has just completed its first year of operation and is in the process of producing its first set of annual accounts. It has provided the performance report as attached at [Appendix 1](#) to support scrutiny by the Panel.

**5. Legal and Procurement Implications**

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

**6. Financial Implications**

- 6.1 There are no financial implications arising from this report. The Service Level Agreement provides for the financial support from the Council to South Carrick Community Leisure to be reviewed on a five yearly basis with the first review due in April 2022.

**7. Human Resources Implications**

- 7.1 Not applicable.

## 8. Risk

### 8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

### 8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 If the recommendation is rejected then there is a risk that the Council is not considered to have discharged its scrutiny function appropriately.

## 9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

## 10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - The proposals in this report do not represent a qualifying plan, programme, policy or strategy for consideration for SEA. There exists therefore no obligation to contact the Scottish Government Gateway and no further action is necessary. An SEA has not been undertaken.

## 11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## 12. Link to Council Plan

12.1 The matters referred to in this report contribute to the Council strategic objective of 'Working in partnership to maximise the potential of our communities.'

## 13. Results of Consultation

13.1 There has been no consultation on the content of this report which relates to performance of an external organisation.

13.2 Consultation has taken place with Councillor Brian McGinley, Portfolio Holder for Economic Development, Tourism and Leisure, and the contents of this report reflect any feedback provided.

**Background Papers** **Report to South Ayrshire Council of 2 March 2017 - [Formal Agreements Relating to the Quayzone, Girvan](#)**

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**Date: 7 June 2018**



**Subject:** South Carrick Community Leisure – The Quay Zone – Performance Update

**Purpose:** The purpose of this report is to outline the work of South Carrick Community Leisure in its management of The Quay Zone Community Leisure Centre over its first year of operation.

**Background:**

1. South Carrick Community Leisure was formed in 2012 and is a Scottish Charitable Incorporated Organisation (SC043090). Amongst other things, it has as one of its purposes, “the establishment and operation of a community arts and leisure facility in Girvan, Ayrshire (incorporating accommodation for community groups and a cafe/restaurant)”.
2. Between its formation and 2017 the charity worked with South Ayrshire Council towards the initial goal of replacing the former Girvan Swimming Pool and Beach Pavilion complex with a new community leisure facility for which the Council committed £4m of capital funding at an early stage in the proceedings.
3. Additional capital financing was secured by the partnership from Sportscotland, the Scottish Government, wind farms in the South Carrick area and The William Grant Foundation to put together the package of nearly £6m to build and equip the Centre.
4. The partnership between the community and the Council proved very productive and as a result a new leisure center known as The Quay Zone (TQZ), comprising a 25m x 4 lane deck level swimming pool, a 70m<sup>2</sup> gym, a 70m<sup>2</sup> 2 story soft play, two 61m<sup>2</sup> studios and a reception/ café area was completed in March 2017 and opened to the public a month later on 27<sup>th</sup> April 2017.
5. The Quay Zone is operated on behalf of the community by the Board of Trustees of South Carrick Community Leisure (SCCL). SCCL has negotiated with the Council and has agreed a 40-year full repairing lease together with a Minute of Agreement that sets out the financial support provided by South Ayrshire Council (£200,000 per annum) and the conditions under which SCCL manages and operates the Leisure Center on behalf of the community.

**First Year’s Operation:**

1. The Quay Zone has now been in operation for a little over a year. Although not every facet of the facilities and services currently on offer was available on day one, they have gradually been brought on-stream over the course of the year as time, resources and competencies have allowed.
2. The Quay Zone is open seven days a week for more than 89 hours per week. At opening it had a staff complement of 20 full and part time individuals which increased in August 2017

with the addition of 4 swimming coaches. Collectively the team is responsible for managing and maintaining all aspects of the building and providing all the leisure related activities within it. The general philosophy is that wherever possible staff multi-task so that we are able to maximise the use of scarce staff resources.

3. A weekly programme of more than 28 health and fitness classes operate at the Centre and these are supplemented by regular Fun Float Sessions and monthly Giant Inflatable sessions in the pool. The class programme is varied and in the gym/ studio ranges from the gentler "Easy Tone" and "Mum Fit" to the more intense "Pump" and "Spin" sessions. More recently this core offer has been augmented by the addition of weekly Tai Chi and Yoga classes. While the core of our class programme is provided by our own staff the latter two sessions are supported by external teachers, due to the specialist nature of the classes.
4. Since opening we have focused on making TQZ as accessible as possible partly through our opening hours but also through the range and pricing of our pay as you go and membership packages. Currently we offer a dozen different membership categories involving various combinations of swim, gym and classes for individuals and couples. A monthly swim membership costs £20 while a full swim, gym and classes for a couple costs £61. We provide a range of discounts including honouring Young Scot Cards and the Council's previous Leisure Card scheme and an over 60s concession.
5. Each week approximately 300 children attend TQZ to participate in our Learn 2 swimming programme. This represents just under 50% of the primary school children in the Girvan and South Carrick area.
6. Between January and Easter 2018 we provided a ten week block of swimming lessons for mainly P5 pupils from all Girvan and South Carrick Primary School children and for Sacred Heart School pupils that services have been extended to include other year groups and involve Rookie Life Support tuition.
7. As a community leisure centre we have worked to provide a range of events that go beyond the more obvious uses for the centre. Thus, we have hosted multi cast plays, musical events, one person shows, a puppet theatre production and are looking forward to a mainstream tribute band playing an acoustic set later this year.
8. A significant challenge for an independent facility such as TQZ relates to our operational resilience. Unlike larger organisations that benefit from the economies of scale provided by large support teams, we have had to put in place operational and maintenance support to cover a range of professionalisms such as IT, marketing and accountancy as well as for a wide range of specialist equipment. While the cost of this is probably slightly higher we benefit from having responsive arrangements that help minimise any down time.
9. We have invested heavily in IT and operate Gladstone MRM for the day to day management of all bookings and sales. This system is supported by the use of Xero as our financial management and accountancy software. Back office functions are supported through Office 365 including the use of Staff Hub for timekeeping and work rotas.

**Finance:**

1. The financial year 2017/18 has been a complicated year in as far as we have been managing the finalisation of capital and start-up costs as well as transacting the day to day expenditure associated with operating TQZ.
2. Operationally, although we employed staff during March and April 2017 we did not open for trading until nearly a month after the start of our financial year. Added to this there was a delay until mid-June in beginning café operations and our Learn 2 swimming programme did not start until Schools resumed in late August. None of these delays was reflected in the initial business plan which assumed income from day one.
3. Because of the delays in certain areas of trading and a more general uncertainty about our income we adopted a cautious approach to expenditure, particularly as it related to staff costs, which we have managed tightly over the first year.
4. Notwithstanding the delays in starting some activities, trading during the first year has been good with monthly business plan income targets being met or exceeded. As a result, we expect our annual accounts, which are currently being prepared, to show trading for the year to be better than break even with an overall surplus due to donations and grants associated with our start-up costs still to work through the system.
5. Our lease agreement requires us to cover all the costs of the maintenance and replacement of both the fabric of the building but also the wide range of machinery and equipment necessary to operate it. To do this, and ensure that we have the necessary funds available in the future we have embarked on a strategy of financial planning that will identify all our assets to determine life expectancy and replacement cost.
6. During our second year of trading we are projecting our income from all sources to be around £750K which will allow us to meet our liabilities and progress the provision of a renewals fund as outlined above.

**The Quay Zone In Some Numbers For The First Year:**

<b>Criterion</b>	<b>Measurement</b>
Number of Centre Users	140,000 Attendances
Hours Open per week	89+ Hours
Number participating in Exercise Classes	250 per week
Learn 2 Swim Programme	300 Children
School Swimming	180 Children
Memberships (paying monthly or by DD)	~600
Membership Income (per month)	~£15,000
Swimming Programme Income (per month)	~£6,000
Café and Retail Income	~£80,000
Attendances at Soft Play	>11,000 Attendances
Casual Attendances Gym & Classes	1,400 Attendances
Casual Attendance Swimming	~25,000 Attendances
School Triathlon	350 Children
Rookie Lifeguards Trained	82 youngsters from Sacred Heart School
No of local business regularly supported	10+ businesses
No. people employed (full and part time)	24

**Looking Forward:**

1. A little over a year ago TQZ opened as a brand new building, with a relatively young and inexperienced team of staff. Since opening the thrust of organisational activity has centred on managing the initial burst of excitement surrounding the reintroduction of a facility, particularly the swimming pool element of it, and then gradually defining and embedding working arrangements and procedures for the myriad of day to day activities that take place.
2. As we progress our second year will be about consolidating our operating procedures. We will progressively assess what has worked and what hasn't and refine and develop our facilities and services in line with our experience and the feedback we receive every day.
3. Concurrent with this the Board of Trustees of SCCL is currently working with Community Enterprise to take stock of its position and determine what the future looks like for the Charity now that it has moved from being a campaigning organisation to one with responsibilities for the day to day operation of a Leisure Centre. It is intended that this process of reflection will provide the Centre management with the support and direction it needs over the immediate future.

Peter Linton  
General Manager The Quay Zone  
South Carrick Community Leisure  
25<sup>th</sup> May, 2018