

Report	East Lothian Council Audit and Governance Committee
Author	Bill Axon
Date	24 <sup>th</sup> November 2020
Action	To note

## Recommendation

That the Committee notes the information contained within this report.

## Background

In October 2009, Enjoy East Lothian Limited (**enjoy**) was established to manage, under contract, sports and leisure facilities and services on behalf of East Lothian Council (ELC).

The facilities managed by **enjoy** comprise six major sites and a number of satellites -

- Aubigny Sport Centre, Haddington.
- Loch Centre, Tranent.
- Musselburgh Sport Centre
- North Berwick Sport Centre
- Meadowmill Sport Centre, Tranent
- Dunbar Leisure Pool, Dunbar
- Recreation Park, North Berwick
- Foresters Park, Tranent
- Pinkie Playing Fields, Musselburgh
- Middleshot Square, Prestonpans
- Fisherow Bowling Green

**enjoy** also manages a variety of other sports facilities throughout East Lothian, which include -

- Grass Pitches and Pavilions
- Synthetic Pitches (2G, 3G, and water based)
- Seasonal Facilities (putting, pitch and putt, etc.)
- Tennis Courts
- Golf Courses (Musselburgh Old Course and Winterfield, Dunbar)
- Athletics Arena
- Climbing Wall
- Stables Pavilion (catering provision)

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Delivering services for East Lothian Council. **Enjoy** East Lothian Ltd, also known as 'Enjoy' and 'Enjoyleisure'. Scottish Registered Charity Number: SC040527



All of the facilities are held on ELC's property portfolio with the exception of Dunbar Leisure Pool, which is wholly owned by **enjoy**.

**enjoy** is a company limited by guarantee, governed by its memorandum and articles of association, and does not have a share capital. The company has charitable status under sections 466 to 493 Corporation Tax Act 2010 and its Scottish Charity Number is SC040527.

In order to secure charitable status, **enjoy** must be entirely independent of ELC. Any perceived control exerted by ELC over **enjoy's** business activities could threaten **enjoy's** charitable status and be scrutinised by the Scottish Government.

The provision of services by **enjoy** to ELC is governed by a contract between the two organisations. The only influence ELC is able to exert over **enjoy** is in terms of this contractual arrangement for the management of its sport facilities, for which ELC makes a contract payment.

All of the circa **320** employees engaged in the provision of the services are wholly employed by **enjoy**, with **90%** residency within East Lothian.

**enjoy** is Governed by a Board of voluntary Directors (non-executive) who have a wide and diverse range of skills and add value not only to **enjoy**, but the partnership as a whole. East Lothian Council have four nominated representatives (Directors) on the Board who are, currently, Cllr John McMillan, Cllr Jim Goodfellow, Cllr Colin McGinn and Cllr Gordon Mackett. **enjoy** is audited on an annual basis by an officially appointed professional auditor – currently Scott Moncrieff (from 2020 known as AZETS).

**enjoy** has robust internal governance arrangements which are evidenced by a strong independent financial audit report. **Unqualified** Accounts for 2019/2020 were also reported. Additionally, Health and Safety and operating procedures are considered through external examination by our insurers.

In terms of contract governance:

- There are four Directors appointed by East Lothian Council to the Board of **enjoy** (all Elected Members).
- The Council have an appointed contract monitoring officer at Senior Level.
- There are quarterly contract meetings held, chaired by ELC.
- Communication regarding service delivery between **enjoy**, the Council and where necessary all local Elected Members is maintained at all times.
- Senior Council staff are also invited to attend **enjoy** Board Meetings as observers.

The Business Executive/leadership team is led by Bill Axon who are responsible for the day-to-day management of **enjoy's** affairs, who are accountable to the Board of Directors.

The Non-Executive Board of Directors ensures that **enjoy** conducts its affairs in accordance with its stated purpose. It sets the policies, strategies and objectives, and then presides over the Chief Executive who in turn has charge for all other staff who are responsible for delivering them.

The Board operated with a full complement of 12 Directors during 2019/2020.



## Business Context

**The information contained within this report is based, in the main on predated information for the period 2019/2020. However, it would be remiss of me not to concentrate this section of the report on the crisis currently being experienced globally, and the impact for us locally.**

Like local authorities, the next few years will be the most challenging for **enjoy**. COVID-19 and the requirement to implement Government mandates and guidance have hit **enjoy** extremely hard and whilst **enjoy** has managed its finances extremely diligently since 2009 and have operated with a healthy reserve, based on current projections, and through no fault of our own, this will no longer be the case post 1<sup>st</sup> April 2021.

If **enjoy** had not succeeded in maintaining a required and robust working reserve, we would have been in this position much earlier and during 2020.

**enjoy**, like all other public leisure providers, have suffered the consequences of being forced to close its doors and being in receipt of **zero** income. As this report is written we have also received **NO** financial assistance from either Governments, although we currently await the detail of any income loss scheme, which we understand will be administered by Local Authorities, which in our case is East Lothian Council.

Notwithstanding, the partnership between ELC and **enjoy** has only been strengthened during this period. We achieved our joint commitment, which was to ensure that **enjoy** facilities, which are a major hub for our communities, were not neglected, remained functional and also offered a safe environment for returning customers. This was to ensure that our facilities were rejuvenated and ready once again to serve our communities, increase wellbeing and receive some welcomed income. The importance and worth of our co-operation was further confirmed by ELC maintaining full contract payments for the entire period of lockdown.

The cumulative effect of not being able to open and then having restricted space/facilities has been a significant loss of memberships (collected by direct debit) as we had limited space or no activities to offer.

Due to the ongoing uncertainty of Government guidance and regulatory measures covering COVID-19, our business focus for 2020 has been, and will remain for 2021, be about business regeneration, revival and safe opening. Our envisioned approach to operating our facilities through the re-opening and recovery period will include:

- Ongoing re-opening of facilities and re-commencement of connected activities and services;
- Re-instatement/re-calibration of opening hours and activity programmes;
- Re-instatement and un-furloughing of all staff on a function-by-function basis;
- Pricing/charging policies, including membership and concessionary price schemes;
- Staffing policies and levels, re-training, etc.;
- Health and safety management, including access control, PPE, cleaning regimes, management of customer journeys, social distancing, etc.

We also appreciate that communication with key stakeholders requires to be robust throughout the recovery period, this includes staff, customers, non-customers, members. We will ensure this continues to be properly co-ordinated and that key messages are clearly set-out.

### Partnership with East Lothian Council

An external review commissioned by East Lothian Council confirmed that the existing contractual arrangement between ELC and **enjoy** can easily demonstrate the benefits of the current partnership between us, which include:



- Community benefiting from improved and extended services
- Significantly reduced cost for ELC and East Lothian tax payers
- Annual fixed amount for the provision of service

As confirmed by the 2020 external review, this all adds up to the Council receiving a 'value for money' return for its annually reducing contract payment to **enjoy** and the partnership was deemed to be a good example of good/best practice.

As a major employer with 90% of staff residing in East Lothian **enjoy**leisure's success or failure will have a significant economic impact.

I would also wish to confirm that **enjoy** and ELC have, and will remain working in partnership to agree both financial and operational arrangements moving forward, with a strategy of achieving the values of the primary agreement. There is currently no intention to reduce the services managed by **enjoy** and indeed our strategic objective has been to reintroduce as many services as we can, to each and every one of the major towns and its surrounding communities.

This strategy puts **enjoy** and ELC at the forefront of offering opportunities by significantly contributing to the physical and mental wellbeing of everyone, whether they live in a town, village or hamlet, which is vital, especially in this current pandemic.

### **Keeping the County Active**

NHS recommendations are clear and the following is an extract of these:

*“Being physically active during the coronavirus (COVID-19) outbreak is very important for your physical and mental health. It can enhance your mood, wellbeing and energy levels by helping to reduce stress, anxiety and depression.”*

- **Keep moving to stay healthy** - any amount of physical activity, however small, is good for you.
- **Staying active during the COVID outbreak** – There's a risk of becoming less active as we spend more time at home. It's important to stay active, sit less and move more for your physical and mental health and wellbeing. Being active is for everyone, regardless of age, ability or personal circumstances.
- Using indoor sports and leisure facilities.
- Find the right activity for you.
- Keeping safe while active.
- If you are over-70 or have underlying health conditions – as we get older our muscle strength and bone health start to decline, so it's important we all do strength and balance exercise. These exercises helps to build or maintain healthy bones and muscles that essential for daily tasks.
- Children and young people – physical activity and exercise helps stimulate learning – children and young people should if possible take part in activities organised by leisure providers.

East Lothian Council and **enjoy** can confidently declare and evidence that in East Lothian we are not only offering these opportunities but also promoting the real health and wellbeing benefits of Physical Activity. This without a doubt confirms that we collectively take extremely seriously our responsibilities to help them 'stay well' in terms of maintaining the fitness, safety and prosperity of our communities. This also assist in making NHS services locally and nationally more sustainable and relieving pressure hotspots, especially during this pandemic.

As stated last year, **enjoy** like other publically funded bodies, have a challenge of reduced funds available for public services. We were committed to addressing this by:



- reducing management and administration costs
- targeted price increases
- developing new business opportunities
- workforce management
- changing staff terms and conditions

I can report this year that these have been achieved.

**enjoy** and all its partners will need to work closely together to look at alternative ways of increasing income, to invest in developing future opportunities and a sustainable sport and leisure infrastructure, which will get more people physically active. As stated previously in this report, it is accepted by all related professional bodies that such an approach will support and help to tackle some of the major health issues facing our region, such as obesity, diabetes, and heart disease etc.

It should be noted that **enjoy continues to deliver annual** business rate saving to East Lothian Council, due to its charitable status, of circa **£750,000**. This is in addition to the reduction in contract payment, which equates circa £0.9 million pounds since 2009, with **enjoy** significantly increasing participation, opening hours and its support of local clubs during the same period. Whilst, this will be an extremely challenging benchmark to maintain **enjoy** remains up for the challenge.

## Business Performance 2019/20

Since its creation in 2009, **enjoy** has seen continuing growth in its income streams, despite reductions in the contract payment by East Lothian Council year on year.

### Contract Payment from East Lothian Council

2010/11 (first full year)	2019/20
£2,787,612	£1,974,600

The above £1,974,600 contract payment equates to:

- 31% of **enjoy's** total income

Since the first **full** financial year of operation 2010-11 to last year 2019-20 ELC's contract payment has decreased by 29% (£813,012).

Please note that if the figure for 2020/2021 is included, the above rises further and based on the reduction for 2020/2021, this will have reached circa £1 million.

This is a significant saving for the Council and Council Tax payers. However, **enjoy** has also provided a positive outcome of increased accessibility, business activity and users.

### Challenges

2019/20 was **enjoy's** most challenging financial year to date, which started with a £100k reduction in its contract payment from East Lothian Council.

**enjoy** also started the financial year in a deficit position, and as such the strategic objective for 2019/20 was to deliver efficiency savings across the organisation, whilst developing income generation initiatives, with a view to subsequently breaking even in 2020/21.



The onset of the COVID-19 pandemic in the last quarter of 2019/20 meant that visitor numbers dropped considerably in February 2020 until we closed our facilities in March 2020. We lost a significant amount of income in this quarter, circa £100k, and also saw the onset of a reduction in our membership base.

While we were able to deliver cost savings earlier in 2019/20 and had healthy cash reserves, the pandemic presents **enjoy** with a significant challenge and the budgeted break even position in 2020/21 will not be achievable given the loss of income of circa £3m we have experienced.

## Headline Figures

### Visitor Numbers

Total visits across **enjoy's** services between 1<sup>st</sup> April 2019 – 31<sup>st</sup> March 2020 were 1,047,820.

### Membership Figures

Membership figures at April 2020:

1. Gym membership: **4,019 at April 2020** (compared to 4,350 in March 2020 (pre COVID-19))
2. Swimming Lesson Membership: **2,248**
3. Golf Course Membership (two courses): **1029** (total members for the year 2019/20)
4. Access to Leisure (low income scheme): **2,645**
5. Leisure Pass Discount Card: **150**
6. Swim Tickets: **1,144**

This gives **enjoy** a total of **12,977** affiliates within East Lothian, which is approximately **8.5%** of the population.

## Efficiency Savings

### Streamlining of Staffing Rotas

With the aim of delivering a more efficient and effective staffing structure, an extensive exercise was carried out to review each Sports Centre's staffing rota, and align this to needs of the organisation in terms of the activity programme delivered at each site.

This included analysing the centre programme in 15min segments to identify the appropriate number of staffing required to achieve each task. In doing so we were able to identify opportunity for growth/expansion of our coached activity programmes, whilst also make efficiency savings on staffing costs. In addition, we were able to appropriately allocate sufficient time to the Assistant Service Managers to be able to undertake all of their necessary administrative responsibilities.

All sites have now been completed, with processes in place to ensure staffing levels meet set criteria and match closely with facility's programmes. Rotas are formally reviewed every 3 months to coincide with the programme timetable cycle but are also reviewed on an ongoing basis as and when there are changes to the activity programmes. Information is then transferred to our staff scheduling system, Planday, to ensure staff are aware of their working hours. We have been able to achieve 5-8% savings on staffing costs and an average 98% efficiency in Leisure Assistant time.

We have identified ways in which we can ensure staffing levels are targeted at times of greatest need and ensured consistency across all sites. Our ability to 'cover' shifts due to sickness or holiday absence has been improved. We



have factored in the need to provide cover for additional swimming lessons teachers to cope with our ambitious Learn to Swim programme development plans, although more teacher resource will be required in order to fully implement these expansion plans.

### **Staff Terms & Conditions**

During March and April 2019, following consultations with colleagues and recognised Unions, we reached an agreement to amend pay rates that removed time and a half overtime, changed Night Hours to 12am to 6am and amend recognised public holidays to 2 days at Christmas and 2 days at New Year.

This is a significant step towards achieving our turnaround strategy and has positioned **enjoy** more competitively in our sector. The attitude of colleagues was very positive, given the impact on them, and this should be recognised and noted. The effective date of the changes was 12<sup>th</sup> May 2019. These changes will generate savings of upwards of £100k per year for **enjoy**.

### **Closure of Crèche and Soft Play Facilities**

On 26<sup>th</sup> April 2019, following colleague and Union consultations, the decision was taken to close the crèches and withdraw the staffing provision within our soft play facilities across **enjoy**. The crèche and soft play facilities continually incurred significant deficits and it was unfortunately no longer viable to operate the services. This closure will generate annual savings of £60k. This resulted in 11 redundancies, and one colleague opted to take a role within the organisation. Throughout this period, the professionalism and dignity of the colleagues was exemplary given the circumstances.

## **Headline Achievements**

### **COUNCIL OBJECTIVE: INCLUSION / SOCIAL BENEFIT**

Across East Lothian, **enjoy** actively supports and encourages the participation of all ages and abilities within our sports facilities. The focus is on providing active choices as well as developing and delivering opportunities for the communities at large to engage and participate in activities to improve their overall health and wellbeing.

As such, **enjoy** keeps the social benefit for East Lothian at the forefront of its day-to-day decision making. Some of these benefits can be challenging to directly quantify; however examples of specific initiatives that are in place include:

- Operation of fully disabled access facilities and a range of activities for people with disabilities
- Delivering the Access to Leisure Scheme for eligible customers which allows reduced rates including use of facilities at certain times for an enhanced reduced rate
- Availability of low impact classes / activities for users with limited or restricted movement
- Offering discounted rates for Community Clubs
- Commitment to providing Employability Placements & Vocational Volunteer opportunities within our communities.
- Establishing links with the NHS & Macmillan to deliver the Macmillan Move More Programme across East Lothian to engage with local people living with cancer and beyond.
- Provision of a safe, comfortable environment within café areas for people to meet

## Disabled Access

**enjoy** actively encourages participation by all ages and abilities. Disabled friendly and accessible activities provided by **enjoy** leisure and local clubs offers customers access to athletics, badminton, archery, bowling, multi-sports, fitness classes, swimming lessons (for both infants and children) and a dedicated swimming club which has members that compete at a national level.

Via the Access to Leisure Scheme, qualifying East Lothian applicants are able to **enjoy** significantly discounted rates to make use of the facilities, making physical activity both accessible and affordable.

Furthermore, support was offered to casual customers visiting our facilities for the first time through links with specialist websites [www.disabledgo.com](http://www.disabledgo.com) and [www.euansguide.com](http://www.euansguide.com) which provide detailed descriptions to access and facilities available within the Sports Centres.

## Administering the Access to Leisure Scheme

Throughout 2019/20 the Access to Leisure scheme, which **enjoy** administers on behalf of East Lothian Council, provided entry to **enjoy** facilities for **£1.50** per activity between the hours of 9:30am – 4:30pm Monday - Friday and discounted entry at all other times.

The Access to Leisure Scheme continues to be a popular and a well-utilised pathway for disadvantaged individuals and families across East Lothian to access sport and leisure activities.

## Access to Leisure Admissions

		2017-18	2018-19	2019-20
<b>Access to Leisure</b>		<b>40,698</b>	<b>35,609</b>	<b>28,102</b>
Single Admissions	Bodyworks Gym	10,011	8,639	7,942
	Free Weights Room	787	571	516
	Swimming	12,512	11,498	9,167
	Health Suite	2,847	2,451	1,853
	Racket Sports	1,699	1,845	1,634
	Crèche	1,183	1,086	77
	NB Trampolines	745	425	470
Classes	ASN Activities	799	363	289
	Fitness Classes	5,415	4,790	3,401
Booked Activities	Gymnastics	2,038	2,565	2,380
	Climbing Wall	61	67	134
	Swimming Lessons	1,788	312	148
	Summer Activities	190	132	91
Get in the Swim – Swim Lesson Admissions				6,414

### Please note:


- The above figure for “swimming lessons” includes lessons paid by “cash” and does not include the children’s group lessons which are listed under the heading “Get in the Swim”.





- The Get in the Swim swimming lesson membership scheme is primarily paid by direct debit. A separate system (Learn2) manages lesson occupancy and attendance, of which Access to Leisure customers account for approx. 10%.

### **Availability of Low Impact Fitness Classes**

Being able to provide a pathway and foundation for participation is an important aspect of **enjoy's** pledge to "inspire active living". As such, as of April 2020 **enjoy's** fitness class offering included 71 'Low Impact' classes - 25% of the classes on offer. Highlighted with a  symbol, these classes are suitable for individuals looking to make a return to exercise, without putting too much stress on joints. These classes have also attracted a significant portion of the 'senior' market and are incredibly well attended.

These classes include: Aqua Circuits | AquaFit | Ballet Stretches | BodyBalance | Fitness for All  
Funky Fitness | Fitness Fun | Fitness Pilates | Functional Fitness | Pilates | Stretch & Strength |  
Swimming | Yoga.

### **Discounted Rates for Community Clubs**

Throughout its history, **enjoy** has worked in collaboration with the Sports Clubs and organisations and (since their creation) the East Lothian Sports Hubs, to deliver a commitment to provide community access to East Lothian's Sporting Facilities.

A key focus of maintaining these relationships is being able to offer the clubs and groups, fit for purpose, well maintained and importantly affordable facilities. This not only ensures the clubs' long-term viability, but further enhances our commitment to deliver more specialised coaching and development activities for the benefit of the community.

### **Modern Apprenticeships & Vocational Volunteer Opportunities**

**enjoy** continues to develop its partnership links with Direct Partners and East Lothian Works to offer work placements and volunteering opportunities across the organisation.

This relationship has allowed a further 6 Employability Placements to take place across the organisation. Two candidates went on to accept relief Leisure Assistant posts with **enjoyleisure**.

For the first time this included a café placement and facility attendant placement. Going forward **enjoy** will work with Direct Partners to explore other job roles that could form part of the Employability framework.

Through its relationship with East Lothian Works, **enjoy** has 9 long-standing vocational volunteers who work alongside leisure and café staff within main sites. These individuals subsequently benefit from an invaluable social engagement opportunity in a workplace environment.

Additionally 4 employees started Modern Apprenticeships in Level 2 Facility Operations, one employee completed a Level 3 MAs in Supervisory Management, and 2 were still to complete prior to the centre closures due to COVID-19 in March 2020.

These partnerships allow **enjoy** to provide training, development and volunteering opportunities; therefore providing a meaningful contribution to employment within East Lothian.

## COUNCIL OBJECTIVE: HEALTH & WELLBEING

### Sports Centre Visitor Numbers

**enjoy's** services and facilities are at the core of East Lothian's major neighbourhoods. It is committed along with its partners, to continuing to improve facilities by making them sustainable, accessible and equipped to the highest standard. This includes an extensive outdoor portfolio.

Total visitor numbers, including school use, clubs, spectators, and event use and café visitors in 2019-20 were **1,047,820** across all Sports Centres, Pitches, Seasonal Facilities and both Golf Courses.

When comparing 'transactional customers' - those customers who physically interact with reception - (listed below) **enjoy** saw a decrease of -11%.

	2017-18	2018-19	2019-20
3G Synthetic Pitch	3,354	7,774	4,342
ASN Activities - Dry	9,931	3,895	766
Athletics	347	589	667
Birthday Party Activities	13,665	12,308	8,737
Bodyworks Gym	117,992	117,084	99,190
Climbing Wall Activities	3,924	3,132	2,094
Crèche Activities	3,265	3,107	228
Dry Coached Activities	908	704	456
FASIC	236	172	135
Fitness Classes	153,966	152,838	141,398
Free Weights Room	11,904	11,984	8,815
Golf Visits	51,497	53,814	51,316
Grass Pitch & Pavilion	12,487	13,724	9,828
Gymnastics	24,985	24,361	20,569
Hall Events	1,643	1,440	990
Hall Hire	10,756	9,066	9,918
Health Suite	19,344	18,505	15,903
NB Trampolines	10,888	9,016	9,491
NPLQ Courses	146	69	106
Racket Sports	34,136	33,579	32,859
Room Hire	13,310	13,935	21,722
Seasonal Facilities	15,377	15,313	14,764
Soft Play	15,528	15,174	16,341
Summer Activities	1,797	750	741
Swimming	258,087	242,317	220,171
Swimming Lessons	75,909	101,551	86,886
Synthetic Pitch	3,274	1,940	260
<b>Grand Total</b>	<b>868,656</b>	<b>869,202</b>	<b>778,693</b>
	<b>0.5%</b>	<b>0.1%</b>	<b>-11.6%</b>

### Some notable differences:

- Swimming and Swimming Lessons in particular are showing a considerable drop in numbers, however this was expected as Aubigny Swimming Pool was closed for 13 weeks in 2019 for a refurbishment of the pool hall. As Aubigny has the largest number of swimming lesson participants within the Swimming Lesson programme, the closure had a significant impact on the user numbers.
- The above detailed 3G Pitch figures relate to casual, pay and play use only. The total user figures of these facilities is significantly higher, when you include the club and local team use which is circa 60,500 for 2019/20. This figure is based on estimated user figures in line with the number of 3G pitch bookings.
- The crèche figures shown are for the final month that this service ran in April 2019, before it was withdrawn from operation.
- ASN Activities are now recorded and invoiced differently, and therefore are no longer recorded under 'transactional' customers but under group visits. As such, the drop in numbers indicated above only relates to 'pay and play' rather than ASN activities as a whole.
- In 2019, **enjoy** experienced an increase in competition within the fitness market. As reported in 2018/19, commercial entity Pure Gym opened up a new fitness facility at Fort Kinnaird retail park, on the western outskirts of East Lothian. The larger range of gym equipment and significantly reduced membership price attracted many **enjoy** members, especially those located in the west of the county.

Additionally 2 further independent fitness facilities opened their doors in the east of the county in 2019. Platinum Fitness Gym opened in Dunbar in a converted warehouse. Although rustic in nature, the size and nature of the facility, along with a larger range of equipment yet similar price offering was attractive to many of **enjoy's** Dunbar based members.

Whitekirk Hill, a 'fitness and county club' opened on the outskirts of North Berwick. However the fitness and leisure membership packages offered at this venue are significantly higher than that of **enjoy's**, and as such did not have a big impact on membership figures at North Berwick.

The introduction of these fitness competitors has led to a reduction in the attendance figures of the gym, free weights, and fitness class attendances.

## SPECIFIC ACTIVITY PROGRAMMES

### Learn to Swim Programme

Following the launch of the new 'Get in the Swim' swimming lesson membership programme in September 2017, the initiative has grown from strength to strength. There has been a further 15% increase in swimming lesson memberships in 19/20 and 70% of children receiving free lessons through the school scheme stay in our Learn to Swim programme after their free allocation.

As the expansion of lesson provision continues, we have introduced a recruitment, training and development programme to internally progress the development of Leisure Assistants through their Swimming Teachers qualifications. Furthermore the swimming lesson schedule provides for dedicated CPD sessions for swim teachers to enhance and develop their skill sets. Courses were run throughout the year to allow for more swimming teachers



to deliver lessons and 89% of permanent staff are now fully qualified UKCC Level 2 teachers or SSTQ teachers (an increase of 20% from 18/19).

Our Swimming Development Manager, Karen Ferguson, has been upskilled to deliver a new SSTQ qualification meaning that we can progress the development of our internal staff without sourcing external tutors. It also provides an opportunity to increase income by opening spaces up on courses to members of the public.

We successfully recruited two permanent full time Swimming Coordinators to assist in delivering this expanded initiative.

### **Learn to Swim Provider of the Year Winner**

We were absolutely delighted to have successes within our Swimming Lesson programme recognised by industry partner Scottish Swimming with the award of their 'Scottish Water Learn to Swim Provider of the Year Award'. As part of our finalist nomination, Scottish Swimming attended lessons at the newly refurbished Aubigny Sports Centre, creating a promotional video with interviews with swimming teachers, parents, and Swimming Development Manager Karen Ferguson.

We were thrilled to be presented with the award at a ceremony in Glasgow in September 2019 where Scottish Swimming cited the significant advances made by **enjoy** over the last two years in upskilling staff, expanding the programme, introducing new digital software to improve processes and efficiencies, and making the programme more inclusive.

We are immensely proud of the efforts that have gone into the continued development of **enjoy's** swimming programme.

### **Gymnastics**

This year the gymnastics programme has grown as we added classes to our 5<sup>th</sup> centre, North Berwick Sports Centre. Following a successful feasibility study, a programme of eight classes a week, offering spaces for 144 children began in August 2019, and within weeks classes were at over 80% capacity. Classes have also continued at the original sites; Aubigny, Loch Centre, Musselburgh Sports Centre and Meadowmill.

With increased demand, enquiry listings have been launched at Aubigny and North Berwick to allow customers to register their interests in classes. Part-time Gymnastics Coordinators were appointed to assist with the management of the waiting lists.

As part of the continued development of the programme, the first phase of the **enjoy** Gymnastics Framework was also launched for Gymnastics classes, offering a detailed curriculum for participants.

The Gymnastics and Trampolining programme also moved onto the new Learn2 system, allowing for easier and more controlled booking and administration of classes. Feedback from staff has been positive to the change, and steps for launching more of the customer side of the system are planned for later in 2020.

### **Fitness Classes**

Fitness classes continue to be the biggest draw for fitness membership applications. It is therefore not surprising to see that 91% of fitness class attendees come from the membership base.

Keep Fit Classes	2019/20	%
Access to Leisure	3,401	2.4%
Casual Customers	8,810	6%
Discounted Customers	66	0.4%
Leisure Pass	1,047	0.7%
Membership Inclusive	128,074	91%
<b>Grand Total</b>	<b>141,398</b>	

The fitness class programme is reviewed quarterly. At these points the class timetable is revised, introducing new classes in response to fitness trends and customer interest and popularity. At all times, **enjoy** strives for a balance between cardio, endurance, low impact and strength and conditioning classes to appeal to as large a customer base as possible.

In an effort to make efficiency savings, a number of under-performing classes were withdrawn from the programme, so that the focus is on delivering choice and variety to customers, without excessive costs.

	April 2015	April 2016	April 2017	April 2018	April 2019	April 2020
<b>Total Number of Classes</b>	288	303	309	317	302	282

## NPLQ Courses

**enjoy** has maintained the Institute of Qualified Lifeguard Approved Training Centre Status, which allows professionally trained staff to maintain their qualifications through in-house training. It also allows **enjoy** to offer National Pool Lifeguard Qualifications to the general public and through this the opportunity to explore additional income streams.

During 2019/20, we hosting 4 NPLQ courses across the county which were attended by 35 attendees. These courses generated £7,772 worth of income for the business.

The delivery of external NPLQ training courses now feature as a vital element of **enjoy's** continuing recruitment process, and frequently result in attendees going on to become relief and on occasion temporary and permanent members of staff.

## Membership Schemes

### Fitness Memberships

**enjoy's** Fitness Membership Scheme offers adults (aged 16+) the opportunity to access the Bodyworks Gyms, Free Weights facilities, Swimming Pools, Health Suites and c.300 Fitness Classes across each of East Lothian's 7 Sports Centres for a monthly direct debit fee.

### Memberships Agreement with Mercat Gait Centre

A revised agreement with the Mercat Gait Centre (MGC) in Prestonpans (which is managed by a commercial entity FES FM) was confirmed in 2018. This enables customers signing up to the membership scheme at the MGC to also



gain access to the gyms/swimming pools/health suites & fitness classes at the 6 East Lothian Sports Centres managed by **enjoy** and vice-versa.

The new agreement took into account the increased level of usage of **enjoy** facilities and we now retain a greater share of the income than under the previous agreement. This has continued to be beneficial for **enjoy**, with an increase in income of £80k.

## Membership Promotions & Incentives

Following a drop in memberships coinciding with the opening of competitor budget gym provider Pure Gym near Musselburgh, and further independent operators opening in the east of the county, **enjoy** launched a proactive marketing and promotional campaign to enrol new members into its membership scheme.

In September 2019, we launched a staff incentive campaign, actively engaging with the competitiveness of our colleagues, pitching centre against centre in a membership sales drive. Each centre was provided a membership sales target to reach, with a cash incentive for each centre that reached their sales target and an extra bonus for the centre that most exceeded their target. Every centre achieved their sales target, with 4 out of 6 exceeding their target. In total 275 new memberships were sold during the month, one of the highest sales months of the year.

In November, we introduced 3 different offers over the course of Black Friday Weekend: a membership offer, a retail swimming costume discount, and a free tea/coffee with purchase of another item in the café. The membership offer resulted in 43 new membership sales over one weekend (equivalent of £1,454 in monthly income), compared to 19 new memberships the previous weekend. There was an uplift of 41% in retail sales, and 98 tea/coffee redemptions.

In early 2020, we launched further outdoor and social media marketing campaigns and a targeted competition in conjunction with Radio Forth, which ran from February to March and included a 10 day on air radio advert, 4 presenter reads, a feature page on their website, inclusion within the Radio Forth e-newsletter, and social media posts.

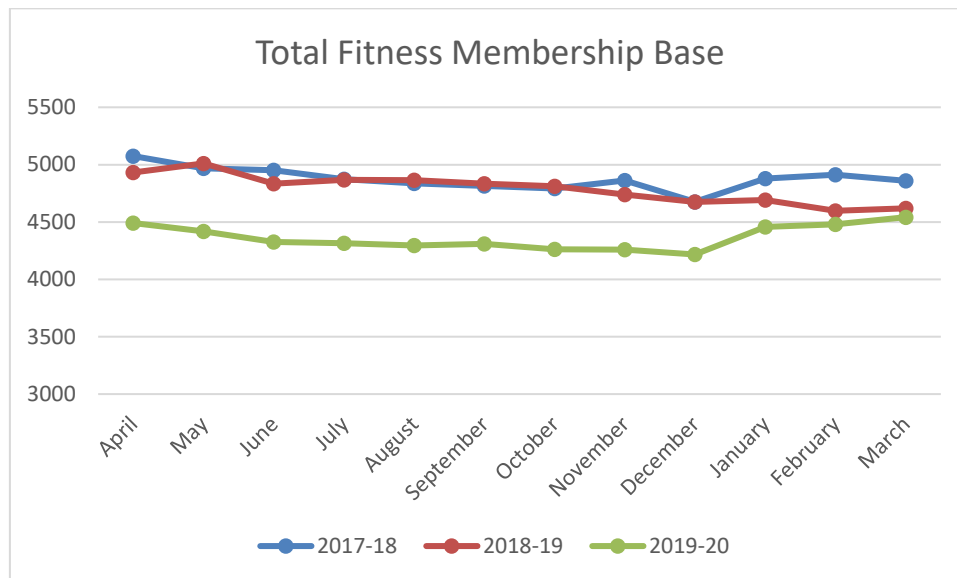
The actions of the proactive marketing and promotional incentives had a significant impact and reversed the downturn in membership figures that had been incurred in the previous year.

## Coronavirus Pandemic

As the increase of news reports regarding the rise of COVID-19 spread across Europe and into Britain, **enjoy** experienced an increase of membership suspension and cancellation requests. The facilities became quieter as news reports increased regarding the transmission of the virus, and the safety of gym and fitness facilities.

The total number of fitness direct debit paying members:

	April 2018	April 2019	April 2020
<b>Fitness Memberships</b>	<b>4,931</b>	<b>4,491</b>	<b>4,019</b>



## Service Level Agreements with ELC

Partnership Service Level Agreements with East Lothian Council are reviewed annually. Throughout 2019/20 **enjoy** reviewed and confirmed extensions of its SLA agreements with Payroll services and IT.

A further agreement was renewed to provide **enjoy** employees with links and access to ELC's Training & Development opportunities. Likewise, **enjoy** renewed its Health & Safety SLA with the East / Midlothian partnership.

## Our People

The HR function plays a critical part in achieving efficiencies with the ongoing development of an HR and People Development strategy that supports future work and embeds **enjoy** as an employer of choice within the County.

### Colleague Health & Wellbeing

In February we were delighted to partner with Health Assured to provide all our colleagues with an Employee Assistance Programme (EAP). An EAP is a confidential employee benefit designed to help our colleagues deal with personal and professional problems that could be affecting their home life or work life, health and general wellbeing. The EAP service provides a complete support network that offers expert advice and compassionate guidance 24/7, covering a wide range of issues. We strongly believe in providing the EAP service that offers not only reactive support when someone needs it but also proactive and preventative support to deliver the best possible outcomes. We continue to communicate regularly with our colleagues, the benefits of positive mental and physical wellbeing.

### Listening to our Colleagues

Through our 2019/20 annual colleague engagement survey, we continue to listen to our colleagues and act on



requests such as communication. Our survey returned a response rate with 153/304 colleagues completing the survey. We are keen to build on the feedback through ongoing communication through newsletters and our Sport Centre colleague Connection meetings, these are currently under review due to COVID restrictions but we are confident in providing a safe face to face forum for this to continue. Our quarterly Joint Consultative Group meeting is held with members of the **enjoy** Leadership Team, Union Representatives and Colleague Representatives from each Sports Centre, with the purpose of providing an business update and listening to feedback from representatives of challenges faced by colleagues and seeking solutions to support them.

## Staffing Establishment

There were a number of staffing changes throughout 2019/20. **enjoy** upheld its commitment to the Trade Unions, however where we had members of staff retiring, their positions were not refilled, and their responsibilities were absorbed by the existing staffing complement.

- There was turnover in the Financial Controller role, which led to challenges for **enjoy** in the loss of system knowledge and a backlog of work. An Interim Financial Controller was appointed in October 2019 on a contract basis. This was an expensive but highly beneficial appointment and meant that a successful handover could be completed when a permanent appointment was made in May 2020.
- 37 Leavers, including 11 redundancies related to the crèche and soft play closures.
- 19 New Starts.
- 304 colleagues in total. 184 female and 120 male.
- 149 permanent/temporary and 155 Relief.
- 90% of our establishment reside in East Lothian.

## Colleague Training

Through the Future Workforce Development Fund we engaged with Edinburgh College in order to deliver a second year of specific training courses for our employees. This included Conflict Management, Coaching & Mentoring, Digital Marketing, Change Management, Train the Trainer, Communication Skills, Leading & Motivating and Mental Health Workshops (on Anxiety, Depression, Self-Harm and Suicide awareness). The Train the Trainer courses were intended to form part of a long term programme of customer service focused training for all employees, but this is now on hold due to COVID-19 but will be revisited in line with restrictions and safe adjustments.

Mental Health First Aid training took place for staff; the aim being to have a cadre of colleagues at each main site and Head Office, able to identify and support those in need; and be known point of contacts for employees. Post COVID-19 there may be increased mental health issues amongst employees and this together with the Employee Assistant Programme will provide a good level of support for staff. As part of **enjoy's** participation in the Leisure Watch Scheme, the annual 3 training sessions were delivered for new staff and to refresh training for existing employees. The training provides and support to recognise concerning behaviour and act to stop it, making our public spaces safer for us all. Leisure Watch emphasises a "customer care" approach to tackling potential sexual abuse issues.

**enjoy's** marketing strategy for 2019/20 was to drive brand awareness through community engagement. The use of social media played a significant role in the execution of this strategy. Initially, all social media activity was administered by the marketing team. This was limiting the opportunity for customers to engage with Centres directly and so a proposal was put together to empower Sports Centres to take a more active role in engaging with their customers online via social media. Using **enjoy's** partnership with Edinburgh College via the Future Workforce Development Fund, we were able to provide Social Media Training to a number of front line key users. Dunbar Leisure Pool volunteered to be the pilot site, and their training took place in November 2019, with Centre staff gaining access to the Dunbar Leisure Pool Facebook page in December. Almost





immediately the online presence of the Centre grew through increasing the number of regular posts on the page, providing real time updates of class availability and quirky images, graphics and stories. Page likes increased, as did the engagement with customers on individual posts, extending our reach, growing our audience and community engagement.

## Community Economic Investment

### Aubigny Pool Refurbishment

Aubigny Sports Centre's Swimming Pool was closed for 13 weeks for refurbishment to take place. This work was completed in July 2019 and it would not be an exaggeration to say that the work has completely transformed the pool hall, updating it from a 1970's building to a modern, clean, and bright space. The refurbishment included a complete covering of walls and ceiling in a composite boarding, hiding the dated tiling, and wooden cladding allowing for splashes of colour around the pool hall walls and showers.

We took the opportunity to carry out some much needed painting work in the pool changing rooms and the replacement of pool changing room lockers. New high performance lighting was also installed in the pool hall, adding to the light and open space, and the roof lights were replaced with new double glazed units to provide natural light for the pool area.

Customers new and old have been extremely appreciative of the work carried out to modernise Aubigny Sports Centre.

## IT Development

In February 2019, **enjoy** completed the first installation of a new software programme, Learn2, provided by Gladstone which allows for the electronic tracking and monitoring of participants within coached activity programmes. Linked via handheld iPads used by coaches, participants can be monitored and assessed against set criteria. This links back to a management portal used by administrators to manage the booking, movement and allocation of classes across the programme.

Rollout of the iPads began in July 2019, with both swimming lesson and gymnastics coaches being trained on the iPads and tracking of participant progress at each of the 6 Sports Centres. After an initial month's bedding in, we were able to progress to the next stage in the development, where we introduced the Learn2 booking and course management system at receptions in August 2019. This was a significant development with training provided for all reception and reception cover staff.

Since its introduction the benefits of the system were instantly evident, especially in terms of efficiency, administration, communication and the reporting. The system also plays a major part in the development of our coached activity programmes, aiding our ability to manage waiting lists and assessing opportunities for expansion of the lesson programme.

## Sustainable East Lothian

**enjoy** is a key economic driver within East Lothian, not only as a major employer, but also in attracting events and investment to underpin new activities for the benefit of targeted groups.

The organisation also contributes in making East Lothian a destination of choice to live, visit and work.



It is committed to working with its partners, East Lothian Council, to ensure environmental sustainability through investment when modernising the estate. This is entrenched in management decision making and the administration of the existing estate and in all planned refurbishments agreed with our partners East Lothian Council.

## Financial Performance

An annual audit of **enjoy** was undertaken by an external auditor (Scott-Moncrieff), which reported an unqualified audit opinion. Extracts from latest audited accounts are shown below.

### Group Statement of Financial Activity For the year ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Year to 31 March 2020 £	Year to 31 March 2019 £
<b>Incoming and endowments from:</b>					
<i>Donations and legacies</i>					
Voluntary income	4	67,082	-	67,082	32,309
<i>Charitable activities</i>					
Membership fees		1,657,221	-	1,657,221	1,794,168
Services		2,224,758	-	2,224,758	2,224,932
Management service fee	5	1,915,260	-	1,915,260	2,015,262
<i>Other trading activities</i>					
Trading subsidiary	18	565,735	-	565,735	639,139
<i>Investments</i>					
Investment income		-	-	-	-
<b>Total</b>		<b>6,430,056</b>	<b>-</b>	<b>6,430,056</b>	<b>6,705,810</b>
<b>Expenditure on:</b>					
<i>Charitable activities</i>					
Membership services	7	(6,860,872)	-	(6,860,872)	(7,260,567)
<i>Other</i>					
Trading Subsidiary	18	(546,387)	-	(546,387)	(661,267)
Net interest defined benefit scheme	10	(133,000)	-	(133,000)	(101,000)
<b>Total</b>		<b>(7,540,259)</b>	<b>-</b>	<b>(7,540,259)</b>	<b>(8,022,834)</b>
Net gains/(losses) on investments		-	-	-	-
<b>Net income/(expenditure)</b>		<b>(1,110,203)</b>	<b>-</b>	<b>(1,110,203)</b>	<b>(1,317,024)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	10	1,493,000	-	1,493,000	(658,000)
<b>Net movement in funds</b>		<b>382,797</b>	<b>-</b>	<b>382,797</b>	<b>(1,975,024)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,938,309	15,855	1,954,164	3,929,188
<b>Fund balances carried forward</b>		<b>2,321,106</b>	<b>15,855</b>	<b>2,336,961</b>	<b>1,954,164</b>

**Group and Charity Balance Sheet  
As at 31 March 2020**

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
<b>Fixed Assets</b>					
Tangible fixed assets	11	5,892,838	6,183,131	5,892,839	6,183,131
<b>Current assets</b>					
Stock		58,158	80,909	58,158	61,749
Debtors	12	225,994	175,014	429,544	723,841
Cash at bank and in hand		990,551	1,159,351	808,496	622,520
		<u>1,274,703</u>	<u>1,415,274</u>	<u>1,296,198</u>	<u>1,408,110</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(482,580)</u>	<u>(651,241)</u>	<u>(461,596)</u>	<u>(582,248)</u>
<b>Net current assets</b>		<u>792,123</u>	<u>764,033</u>	<u>834,602</u>	<u>825,862</u>
<b>Total assets less current liabilities excluding retirement benefit scheme</b>		<u>6,684,961</u>	<u>6,947,164</u>	<u>6,727,441</u>	<u>7,008,992</u>
<b>Retirement benefit scheme (deficit)/asset</b>	10	<u>(4,348,000)</u>	<u>(4,993,000)</u>	<u>(4,348,000)</u>	<u>(4,993,000)</u>
<b>Net assets including retirement benefit scheme asset/(deficit)</b>		<u>2,336,961</u>	<u>1,954,164</u>	<u>2,379,441</u>	<u>2,015,992</u>
<b>Funds</b>	15				
Unrestricted funds		4,065,228	4,166,730	4,107,708	4,228,558
Unrestricted- Revaluation Reserve		2,603,878	2,764,579	2,603,878	2,764,579
Unrestricted- Pension Reserve		(4,348,000)	(4,993,000)	(4,348,000)	(4,993,000)
Restricted funds		15,855	15,855	15,855	15,855
<b>Total funds</b>		<u>2,336,961</u>	<u>1,954,164</u>	<u>2,379,441</u>	<u>2,015,992</u>