

EAST RENFREWSHIRE COUNCIL28 February 2024Report by Director of EducationEAST RENFREWSHIRE CULTURE AND LEISURE TRUST 2024/25 BUSINESS PLAN**PURPOSE OF THE REPORT**

1. The purpose of this report is to seek Council approval for the East Renfrewshire Culture and Leisure Trust (ERCL) 2024/25 Business Plan.

**RECOMMENDATION**

2. That the Council approves the proposed Business Plan for 2024/25, following confirmation of the budget by the Council on 28 February 2024.

**BACKGROUND**

3. East Renfrewshire Culture and Leisure Trust was established as an independent charity, registered with the Office of the Scottish Charity Regulator (OSCR) on July 1<sup>st</sup> 2015. The Charitable objectives of the Trust are laid out in the *Articles of Association*:

*The Company will promote, advance and further Charitable Purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.*

4. A business planning process was outlined in the Services Agreement between the Trust and the Council that vested the Trust with the assets to deliver culture and leisure services on behalf of the Council. This agreement determined that:

- An annual business plan is to be presented to the Council;
- The plan is to identify the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services and complying with its contractual obligations to East Renfrewshire Council;
- In relation to the facilities occupied by the Company under licence from the Council, the plan identifies any provision required by the Council under its capital programme, or through Council revenue budgets to meet planned or remedial maintenance requirements in any of these facilities; and,
- The plan details a list of any new items of equipment that are required to deliver the contracted services in the forthcoming financial year, together with a budgeted cost for the same to be procured by the Council and/or remain the property of the Council, in accordance with charity law.

5. The Business Plan for 2024/25 (Appendix 1) is presented to Council for approval, subject to budget confirmation.

6. The Services Agreement between the Trust and the Council set outs a timeline for this process, with the business plan to be presented not less than three months before the

beginning of the financial year. However, during the Covid-19 pandemic a decision was taken to present the business plan later in the financial year. A continuation of this over the past 3 years has allowed the Trust to plan effectively and has aligned more closely the budget setting process with the development of the business plan.

## REPORT

7. The Business Plan identifies:

- The projected resources and/or expenditure of the Trust during each Financial Year in providing the Services and complying with its contractual obligations to East Renfrewshire Council (ERC);
- The Trust's current delivery structure which includes Operations, Sports and Physical Activity, Libraries and Information Services and Communities and Arts, including which includes the newly transferred pitches;
- A list of strengths, weaknesses, opportunities and threats which the Trust has identified as impacting on its ability to support the council in delivering Best Value; and,
- The Trust's proposal for the next Annual Service Payment.

8. Through consultation with staff, board members and stakeholders, the business plan was developed to plan strategically how the Trust will deliver quality and an exciting portfolio of culture and leisure programmes whilst building its resilience, sustainability and brand.

9. The vision, mission and values were considered and developed to draw on the best of the organisation's track record, skills and experiences whilst setting out a blueprint for a flourishing and entrepreneurial model for the delivery of culture, sports and leisure opportunities in East Renfrewshire.

10. The following strategic aims have been identified:

- Create a financially sustainable business model;
- Develop an understanding of customers and audiences and an offer that attracts them;
- Develop a strong, diverse, resilient and committed workforce;
- Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities; and,
- Developing resilient, dynamic and productive partnerships that are developed and nurtured.

11. These themes all support the Trust's charitable objectives and its plans for ongoing organisational development and service improvement, and reflect a shared ambition to grow culture and leisure services in East Renfrewshire, in terms of quality, range and scope. It aligns with the long term ambitions outlined through Vision for the Future and specifically supports the Council in meeting its commitments outlined in its Community Plan and Fairer East Ren Plan.

## FINANCE AND EFFICIENCY

12. The Council budget for 2024/25 will be agreed at the Council meeting on 28 February 2024; as such the Trust Business Plan and associated proposed budget are offered for approval subject to the final agreement with the Council.

13. As highlighted in the [ERCL End Year Report 2022-23](#), during 2022-23 East Renfrewshire Culture and Leisure Trust income exceeded budget which resulted in a significant improvement to the anticipated loss and a reversal of the loss to make a trading surplus for the year. This was primarily due to Sports and Theatre income. The latest forecast for 2023/24 indicates an operating loss of £0.4 million, which is an improved position from the predicted loss of £1.7 million expected this year.

14. In previous plans there has been a significant focus of the Trust to recover as fast and as efficiently as possible following the Covid-19 pandemic, however services have now been restored and performance levels have reached or exceeded the pre-pandemic levels. There has been growth in members, users, audience members and visitors which in many cases is at an all-time-high level and is commendable.

15. The Trust works closely with Council colleagues around capital planning, and plans are aligned to the Council's Capital Investment Strategy. ERCL is represented on the Council's Corporate Asset Management Group, where proposals for investment in assets (fixed and moveable) are considered. These include plans for the future of Eastwood Park Leisure Centre, which had planning permission approved in January 2022, and the longer-term vision for Neilston.

16. The Trust worked to meet its charitable aims and objectives and has ended the year in a more positive position than projected. 2022-23 was characterised by the successful re-establishment of all the Trust's services. This continues in 2023/24 and operating income of £4.8 million is forecast against a budget of £4.3 million.

17. East Renfrewshire Culture & Leisure Trust Best Value Review was considered in June 2020 by the Audit and Scrutiny Committee. The Director of Education, in consultation with the Chief Executive of the East Renfrewshire Culture and Leisure Trust, reviewed the recommendations within the Report in light of the current Covid-19 pandemic. The relevant recommendations were incorporated into a Joint Action Plan to address recommendations of Finance and Business Review and Best Value Review; this was shared with the Audit and Scrutiny Committee in March 21. Due to the progress made in the subsequent joint Trust / Council action plan, it was agreed at the 21 May 2023 ERCL Board Meeting that the joint action plan should be closed. Business will continue to be overseen by the Director of Education, the Trust's Board and its Chief Executive.

18. The Business Plan and Budget will be aligned with the Service Payment to be agreed between the Trust and Council.

## **CONSULTATION**

19. The plan has been developed through consultation with staff, the ERCL Board and stakeholders, including governing bodies, and national associations. It also responds to extensive feedback from both customers and non-users of the services.

## **PARTNERSHIP WORKING**

20. Partnership working to deliver the objectives of the plan is a key strategic aim as outlined in Section Four of the Business plan.

## IMPLICATIONS OF THE PROPOSALS

21. The approval of the Business Plan and the Budget, when confirmed, together with the Management Fee will allow the Trust to establish a stable and sustainable operating model. The ultimate aim is to strategically plan how ERCL will deliver a quality and exciting portfolio of culture and leisure programme whilst building its resilience, sustainability and brand.

22. The Business Plan provides detail of the ongoing work that will continue to further improve the customer journey through building on the new digital platforms, aligning all platforms and continuing to improve customer digital experience. There will be a renewed focus on the People Strategy with further work linked to ERCL's Mission, Vision, Value and Identify planned. A continued focus on operational planning will ensure that scheduling, dependencies and support for all activities are delivered in an efficient manner.

## CONCLUSION

23. The ninth East Renfrewshire Culture and Leisure Trust Business Plan gives clear strategic direction that is in accordance with the Council's strategies and takes account of the successful recovery following the pandemic and the current financial pressures across the Council.

24. The Plan is supported by detailed operational plans which deliver the Council's objectives under the Community Plan, Fairer East Ren Plan and Outcome Delivery Plan. The Plan will support tackling inequalities within our communities and will guide the work of the Trust and its staff to deliver high quality services for the residents of East Renfrewshire.

## RECOMMENDATION

25. It is recommended that the Council approves the proposed Business Plan for 2024/25, subject to budget to be confirmed at a full Council meeting on 28 February 2024.

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### Appendix 1

East Renfrewshire Culture and Leisure Trust Business Plan 2023/24



## **East Renfrewshire Culture & Leisure**

### **2024-25 Business Plan**

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## 1. Executive Summary

We are committed to the preparation of an annual Business Plan, created through a business planning process outlined in the Services Agreement at the Trust's establishment in July 2015.

This Business Plan identifies:

- the projected resources and/or expenditure of the Trust during each Financial Year in performing the Services and complying with its' contractual obligations to East Renfrewshire Council (ERC);
- The Trust's proposal for the next Annual Service Payment

Through consultation with staff, board and stakeholders, our business plan was developed to strategically plan how East Renfrewshire Culture and Leisure (ERCL) would deliver quality services, whilst building its resilience and sustainability, through developing strong internal competences and strong relationships in teams and between teams. The vision, mission and values were considered and developed to draw on the best of the organisation's track record, skills and experiences whilst setting out a blueprint for a flourishing and entrepreneurial model for the delivery of culture, sports and leisure opportunities in East Renfrewshire. Strategic aims are set out in Section 4.0 below.

These aims support our charitable objectives and our plans for ongoing organisational development and reflect our ambition to improve and develop our services. They reflect our commitment to ongoing service improvement, a number of which are outlined in this plan. In addition, they support our principal partner East Renfrewshire Council (ERC), in meeting its commitments as outlined in its Community Plans, and Local Outcome Improvement Plan (LOIP) Fairer East Ren.

It is clear that there are a number of related but separate measures of success for ERCL as a whole, but ultimately success will be measured against our charitable purposes, and the impact we make on our communities; the outcomes we deliver for our partners; and the effect this has on the charity itself. We will consider the questions all charities should ask of themselves, namely:

- Who are our users, and how many do we have?
- What is their experience of our services?
- How effective are we in achieving our charitable objectives?
- Are we doing the right things, are we delivering the right services?
- Can we deliver services better by working in partnership, or are we duplicating services?

Since our launch much has been done to improve management information. This will continue to constitute a key focus in our work over the coming year.

Earlier business plans necessarily focussed on the transition from council departments to a social enterprise model, whereby commercial activities generate profits to subsidise charitable activities. Whilst change programmes and organisational development work will continue to modernise the services, our focus is now on our sustainability. The growth of our commercial activities, and the associated profit margins, allied to the continued close cost control will further build upon our successes.

## 1.1 This Year's Plan

Whilst previous plans have been set in the context of recovery from the pandemic and the restrictions on operating and behaviours that accompanied it, we now consider our recovery complete. Our facilities are now fully open though there has been some displacement of activities to accommodate the continuing requirement of the mass vaccination centre at Carmichael Hall, and the continued form of mass vaccinations is itself uncertain.

Services have been restored and performance levels have reached or exceeded the pre-pandemic levels. Whilst some reporting is still benchmarked against the operational year 2019-20 (as the last virtually complete year with no restrictions or interruptions) for the most part our focus is now returned to year-on-year performance improvements, and service development. <sup>1</sup>

The pace and breadth of the recovery in East Renfrewshire reflects the quality of the work done by the team; their creativity and problem solving; and the excellent relationship they maintained with customers during the pandemic. The growth in members, users, audience members and visitors – in many cases to an all-time-high level - stands in contrast to the fortunes of some organisations and should be noted.

Last year's plan prioritised the continuation of the development and improvement plans for swimming lessons, gyms and fitness and the theatre. Pricing and product development focused on maintaining competitive pricing and introduced new products to attract younger members, the result of which – particularly in gyms and fitness membership - have been striking.

The relationship between staff and customers has been critical too, with NPS scores noting the quality of the staff interactions.

However, challenges remain. Staffing issues (recruitment, retention and sickness and absence) have all been adversely affected by the pandemic across the leisure sector, and East Renfrewshire is no different, though the teams have worked admirably to minimise the operational impacts. Scottish Trusts have seen a 27% increase in staff costs over the budgeted level, following the most recent pay award.

More generally the landscape is challenging across the sector in Scotland. 60% of Scottish Trusts face a deficit budget and anticipate having lost a third of their unrestricted reserves by the end of the financial year 2023/4. Over a third have permanently closed facilities or plan to do so soon, with a further 29% considering such plans. Prices and charges have increased nationally by anything from 6% to 20%. <sup>2</sup>

Projects to increase digitisation and automation within the customer journey are planned this year, and the hope is this will go part-way to mitigate some of the staffing resource challenges

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<sup>1</sup> Swimming lessons are at 125% the pre-covid levels; leisure centre attendances 122%; gym memberships 113%.

<sup>2</sup> *State of the Sector Report*, Autumn 2023, Community Leisure UK



Inflation is severely impacting on budgets, including goods, services, utilities and staffing; compounding supply chain volatility, and constraining, amongst other things, planned, routine and remedial maintenance.

The pandemic has undoubtedly changed customer expectations, and some media coverage has noted changes in behaviours which have impacted on sectors such as the theatre and performing arts sector. Some of the anti-social behaviour which has impacted on venues locally undoubtedly reflects the medium-term impacts of lockdown and the consequent suspension of support for some young people. On the other hand, residents working from home and increasingly exploring their local services and offerings has played a part in the growth in demand for the Trust's sports, leisure and cultural activities.

## 2. Introduction

The purpose of this business plan is to strategically plan how ERCL will deliver a quality and exciting portfolio of culture and leisure programmes whilst building its resilience, sustainability and brand.

These programmes are in sports, leisure, social and community activities; libraries, information services and learning; performing arts, visual arts and heritage.

The key purpose of the plan is to: -

- A) Develop ERCL's vision and mission to ensure it is representative of our future goals and aspirations and those of our key partners
- B) Develop the business model to enable the Trust to become resilient and sustainable
- C) Review the resources required to deliver the business
- D) Establish the sustainability of ERCL by developing a robust financial plan and sound management
- E) Identify the strategic aims and objectives which will support delivery of the plan.
- F) Develop staffing, management and governance structures to deliver our objectives
- G) Contribute to ERC's goals and community planning objectives

### 3. The Vision for East Renfrewshire Culture and Leisure

#### 3.1 Purpose (i.e. Charitable Objectives)

The Charitable objectives of the Trust are laid out in the *Articles of Association*:

*The Company will promote, advance and further Charitable Purposes and activities through the provision of services which enhance and contribute to the health, fitness, personal development and wellbeing of the residents of East Renfrewshire (and beyond) including, but not limited to, educational, sporting, culture and heritage based and community activities.*

*In promoting, advancing and furthering Charitable Purposes and activities the Company seeks to:*

- *encourage the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone;*
- *support people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources;*
- *help individuals and community groups to benefit from social engagement, community interaction and volunteering; and*
- *promote and make available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society.*

For the purposes of the Charities Act the following Charitable Purposes are relevant and have been identified as applicable from section 7 of the Charities Act:-

- the advancement of education;
- the advancement of the arts, heritage and culture;
- the advancement of public participation in sport; and
- the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the condition of life for the persons from whom the facilities or activities are primarily intended.

3.2 Vision

**“Our vision is to help and inspire people to be actively involved in sport, arts and culture.”**

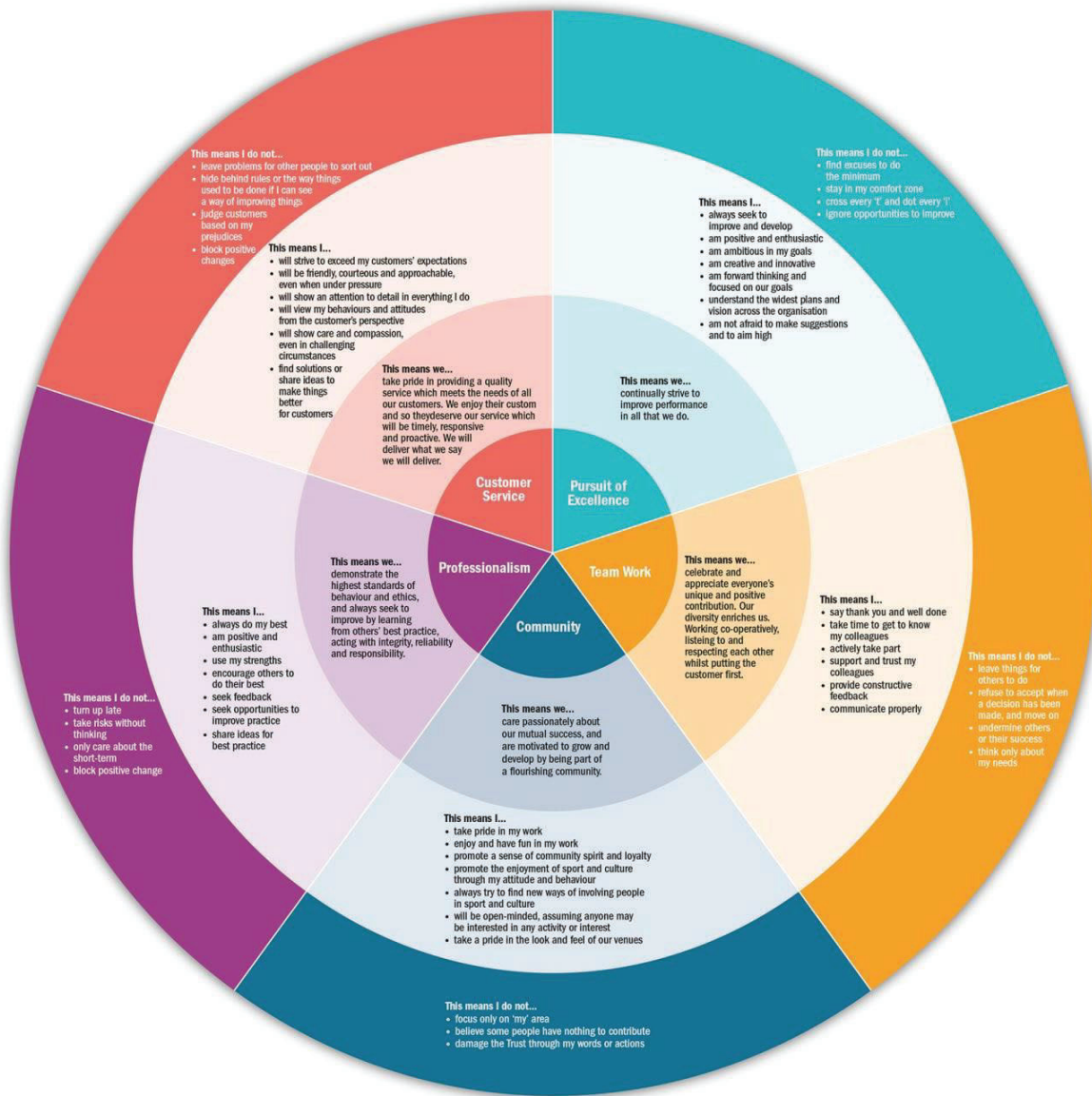
3.3 Mission

**Our mission is to be the highest-performing Leisure Trust in Scotland.**

We take this to mean that we will not only be more efficient and achieve more from our resources, but that we will grow with a view to becoming self-sufficient.

3.4 Values

**Our Values and behaviours**



4.0 Strategic Context

4.1 The Social Enterprise Model

ERCL is a social enterprise. The charitable trust - a non-profit distributing independent charity governed by a board of voluntary trustees drawn from the local community with specific expertise across a range of areas – is supported by grant funding and commercial income. This commercial income is generated through a range of activities.



Charitable trusts such as ERCL occupying the middle-ground between commercial businesses and charities. Profits generated by the commercial activities such as gyms and events fund a widening range of programmes. Many of these are in partnership with national and local organisations, other charities and sports clubs, and deliver significant social and community benefit, but are not financially viable in themselves.

These include sport, leisure and cultural activities, many for specific groups such as those who are otherwise excluded for reasons as diverse as disability, long-term illness, mental health problems, drug and alcohol dependencies, deprivation, social isolation or access.

This is also reflected in our work to use commercial strategies to maximise improvements in personal and community health, and wellbeing:

CUSTOMER	COMMERCIALISM	COMMUNITY
Avoidable Contact	Flexible Charging	Capacity Building
Channel Shift	Commercialise Services	Community Ownership
Customer Journeys	Strategic Procurement	Delegate Functions
Transactional Cost Transfer	Asset Usage	Maximise Access
Efficiencies	Fundraising	Voluntary Organisations
Rationalisation	Planned Developments	Volunteering & Leadership

The business plan aims to ensure that ERCL meets the requirements of our service agreement with ERC and can maintain the financial stability of the company. Our non-profit distributing status means that any surpluses generated are available for reinvestment in local facilities and services.

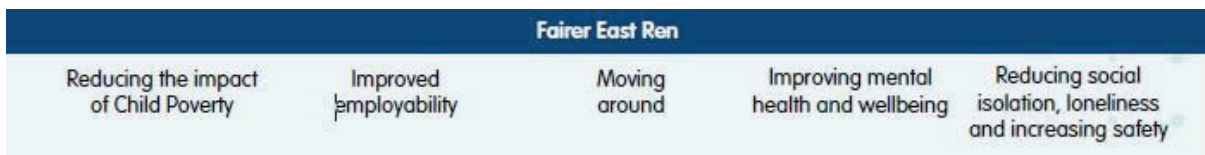
**4.2 East Renfrewshire Community Plans**

East Renfrewshire Community Planning Partnership (CPP) works for and with communities to ensure everyone has the best possible quality of life. ERCL is actively involved in the Community Planning Partnership and contributes to the delivery of outcomes together with partners.

The Community Plan is structured around five strategic priority areas following the key life stages of our residents, with a sharpened focus on inequalities. An obvious focus for ERCL will be the support of the intermediate outcome associated with Learning Life and Work (**2.4 Residents are as healthy and active as possible**), ERCL activities and programmes support a number of the outcomes associated with these themes: -



The role of work in adult education, libraries and information services, community facilities, holiday hunger programmes, GP referral schemes, the Vitality programme, Community Connections or MacMillan Cancer Support all delivered by ERCL, will all contribute to key measures for the areas of focus for the Fairer East Ren community plan:-



### 4.3 LDP2: The Local Development Plan for East Renfrewshire, 2020-2024

The First Local Development Plan for East Renfrewshire envisaged delivering growth for the authority, attracting people to live and work in the authority. A measure of success is the extent to which East Renfrewshire has established itself as one of the most desirable places to live in Scotland. The challenge now is to sustain that growth and satisfy the needs of those people attracted to live and work in the area. The current plan (LDP1), published in 2015, aimed “to maintain and build on the areas’ qualities”.

Work on reviewing the existing Local Development Plan began in 2016 and was consulted upon in late 2019. It sets out a long-term development plan for the area until 2029. It provides the opportunity to plan and deliver the priorities and needs of those who live, work, visit or want to invest in the area. The Plan was adopted in 2021 (<https://www.eastrenfrewshire.gov.uk/ldp2>)

A key challenge for us is ensuring that the infrastructure, services and facilities we need to deliver the right level of culture and leisure services can be put in place. As the plan states, new facilities will be required:

*“The proposed plan aims to create thriving, attractive and sustainable places and neighbourhoods that provide for the younger generation, so they can live and work in the area they grew up in, provide homes and facilities for families and individuals moving into the area and enable older people to live independently in their homes for longer.”*

This will require:

- Revision of the planned maintenance regime in facilities to achieve investment in them to be fit for purpose, (as envisaged by ERC’s new Corporate Landlord model)
- Upgrading of facilities through targeted capital planning (including the Leisure and Learning in Neilston and Eastwood Park Leisure Developments).
- Plans to develop facilities in existing communities which are not catered for
- Plans to accommodate the demand arising from planned housing developments
- Exploring opportunities to work with other partners to improve and develop public services with new and innovative delivery models
- Plans to meet existing demand which our existing facilities do not cater for



4.4 ERCL Strategic Aims

Reflecting our vision and objectives we have identified activity priorities which go beyond the life of this Business Plan. We feel it is important from the outset to be looking forward and to articulate how we intend the organisation to develop within its governance framework, operating environment and partnerships.

**Our strategic aims are:**

<p><b>Create a financially sustainable business model,</b> balancing strong ambitions with commercial viability</p>		<p><b>Develop an understanding of our customers and audiences and an offer that attracts them,</b> working in partnership with organisations across the region to remove barriers to participation</p>
	<p><b>Develop a strong, diverse, resilient and committed workforce,</b> building on our commitment to growing people and ideas</p>	<p><b>Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities</b> through the services we deliver, the opportunities we provide and the support we offer.</p>
<p><b>Developing resilient, dynamic and productive partnerships that are developed and nurtured</b> to grow our business and maximise the impact we have in our communities.</p>		



## 4.5 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Location of halls, venues, libraries and theatre – with good coverage geographically within local authority for access for local communities.</li> <li>• Continuous improvement approach in Services, Business Support and Management</li> <li>• Heightened recognition of the positive impacts from taking part in sports, leisure and cultural activity following their unavailability in lockdown</li> <li>• Increased home working and exploration of local services</li> <li>• Loyal customer base with extremely positive feedback from customers – strong word of mouth and survey responses.</li> <li>• Wide variety of services / classes available to customers in the area</li> <li>• Well trained front-line staff supported by innovative &amp; creative development officers</li> <li>• Business Development programme supporting Gyms, Fitness, Community Sports, Theatre and Swimming</li> </ul>	<ul style="list-style-type: none"> <li>• Resourcing is very lean, with limited ability to support development – commercial, improvement or community</li> <li>• Worsening Condition of the estate and limitations on improving it</li> <li>• Ideal staffing model, contracts and terms and conditions and operating hours do not align with customer demands – impacts recruitment and retention</li> <li>• Constraints on changing cost-base, given high proportion of staff costs-to -turnover, and limited discretionary non-pay budgets</li> <li>• Inability to respond quickly to evolving markets.</li> <li>• Car Parking at key sites</li> <li>• ICT infrastructure, systems and support, especially in relation to customer-facing ICT, not fit for purpose</li> <li>• Inadequate property maintenance budgets</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• Aligning services to government objectives</li> <li>• Heightened public valuing of culture and leisure services following their forced withdrawal during the pandemic</li> <li>• Review business/staffing model to meet customer demands</li> <li>• Increased marketing, sales and promotion</li> <li>• Access to external funding to help support recovery, growth, re-design or improvement.</li> <li>• New Eastwood facility and Neilston developments</li> <li>• LDP3 and growth of population</li> <li>• Demand analysis work has identified opportunities to increase capacity in services and staff-time.</li> <li>• Transform customer journey investment.</li> <li>• Investment in digital capability transforming operational platform to drive customer shift to digital channel</li> <li>• Improvement in quality of Theatre performances</li> <li>• Upgrade facilities through targeted refurbishment</li> <li>• Health &amp; Wellbeing partnership work with the HSCP and Education Department</li> <li>• Upgraded Swim provision at EHS following investment with Changing Spaces Changing Room has allowed significant expansion of ASN opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of income is Earned Income and at risk, with an expected reduction in year-on-year funding to Councils</li> <li>• Economic backdrop of price and pay inflation</li> <li>• Balancing Charitable and Commercial objectives.</li> <li>• Tutor / casual roles / employment status</li> <li>• Difficulties recruiting staff across several services</li> <li>• Growing competition in key commercial areas</li> <li>• High tender prices for goods, services, and rising utility costs, together with difficulties sourcing within reasonable timescales.</li> <li>• Impact of political decisions, legislation or policy changes</li> <li>• Unplanned closures, and the need to re-build customer engagement</li> <li>• Asset Transfer</li> <li>• Building Enhancement Fund over-committed</li> <li>• Capital funding constraints due to price increases and the increase in borrowing.</li> <li>• Ability to adapt to customer demands and trends</li> <li>• Condition and Vulnerability of Eastwood site</li> </ul>

## 4.6 PESTLE Analysis

<b>Political</b>	<ul style="list-style-type: none"> <li>• Local, regional and national impact</li> <li>• Scheduled local elections</li> <li>• Scottish Govt</li> <li>• UK wide issues</li> <li>• Global Pandemic consequences for public services and buildings</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Declining local-authority budgets further exacerbated by ring-fencing, meaning non-protected services such as cultural and leisure services bear brunt of budget pressures</li> <li>• fiscal receipts in Scotland below the UK level and increased demand on all public services.</li> <li>• High inflation and increased pay awards to compensate for the increase in cost of living.</li> <li>• Gig economy/temp/casual contracts</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Population growth rate/age</li> <li>• Shifts in working patterns, and growth of home-working</li> <li>• Attitudes to careers</li> <li>• Cultural barriers</li> <li>• Wellness</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>• Existing – MRM / Spektrix / Spydus operating platforms</li> <li>• New technologies/potential/options</li> <li>• Introduction of access gates to venues,</li> <li>• Increased reliance on agile-working capabilities</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>• Legislation likely to impact ERCL – Employment Law – tutors / employment status</li> <li>• H&amp;S</li> <li>• Industry Regs</li> <li>• Future Legislation</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Weather climate/impact on our buildings – aircon/heating/green</li> <li>• Refuse collection and recycling</li> <li>• Drive to reduce or eliminate single-use plastics</li> <li>• NET ZERO Target by 2045</li> </ul>

## 4.7 Horizon Scanning

### 4.7.1 Capital Investment

We will continue to work with our Council colleagues around capital planning, and ERCL plans are aligned to the Council's Capital Investment Strategy. ERCL is represented on the Council's Corporate Asset Management Group, where proposals for investment in assets (fixed and moveable) are considered. These include plans for the future of Eastwood Park Leisure Centre, which had planning permission approved in January 2022, and the longer-term vision for Neilston. We will continue to work with the Council around the maintenance of our facilities to reduce disruption caused by upgrades, maintenance or unplanned closures which continue to pose significant challenges to ourselves and our customers.

#### *4.7.2 The Customer Journey and Digital Capability*

Recent work to digital platforms such as the launch of the ERCL App, and the relaunched website which enables a smoother customer journey and an opportunity for improved customer communication, will be built on. Improved Wi-Fi, automated gates and development of out-of-hours customer support is all being progressed. Work is underway to introduce the ability to take card and online payments at libraries, and to further improve integration between the library system and the box office system with the ledger.

#### *4.7.3 Increased Competition*

Increased competition in the local sports and leisure market will continue to exert pressure on our income. Recent local developments in gyms and fitness will continue to pose a risk to that. We will seek to address this through tackling some of the maintenance and quality issues with venues; through continued improvements in customer care and quality assurance; and through ongoing business development work.

#### *4.7.4 Funding*

2023 sees the end of temporary Covid funding, which together with income from NHS Mass Vaccination Clinics (MVCs) has compensated for lost commercial revenues. The future of MVCs is uncertain, and income cannot be guaranteed, so the focus returns to commercial income and more traditional sources of funding. Strong trading performance has closed the budget gap, and reductions to Employer Pension Contributions will further help, but a draw on reserves is likely in the coming year, together with further options for mitigating an anticipated loss in 2024-25.

#### *4.7.5 Tackling Inequality*

ERCL team members are embedded within ERC's Equality Officers Working group, feeding into the wider council strategic planning, contributing to and collaborating on projects such as the Equality Outcomes 2021-2025. Being part of the working group, we have been able to influence and inform the reporting structure, format and frequency of the outcomes whilst considering ERCL's work and its active contribution to achieving the outcomes. This sits alongside our commitment to continually review and challenge our own service design to widen access to those with protected characteristics (e.g. commitment to an increased opportunity to BSL performances at the theatre).

*We will continue to work with Community Planning Partners on the development and implementation of East Renfrewshire's community plans. Tackling inequality and improving life chances for local people are at the heart of community planning partner's priorities and reflected in the Community Plan, the Local Outcome Improvement Plan Fairer East Ren, and several initiatives and programmes which ERCL will continue to deliver or develop. These include Corporate Parenting, and the For Your Entertainment programme, support for those affected by Universal Credit, support for Veterans in the form of the Health for Heroes programme, support for people with chronic conditions ( Live Active – GP Referral, Vitality, MacMillan Cancer Support, Dementia Awareness), an expanded Holiday Hunger Programme, and a number of programmes in both arts and sports designed for people who are otherwise excluded from mainstream participation. As safe, trusted spaces public libraries and community halls are at the heart of the Warm and Welcome Spaces initiative and participate in cross-sector Cost of Living working groups. The Every Child A Library Member (ECALM) initiative aims to ensure that every child born in East Renfrewshire becomes a library member and their parents are supported to read with them from an early age. We will also work in partnership with ERC and others to address any impact Covid may have had in widening inequalities, exacerbating issues, or creating new challenges for communities. These include supporting programmes in partnership with both ERC Education and Health and Social Work (such as emergency childcare for vulnerable children or key-workers' children, enrichment programmes and targeted activities).*

#### *4.7.6 Inclusivity & Diversity*

As an employer we will revisit our People Strategy to promote initiatives which support diversity of our staff, and as a provider of public services work with the community to ensure our programming is inclusive, with a focus on widening participation especially families from low-income households, black and minority ethnic groups, people with disabilities/additional support needs, vulnerable children and care experienced young people, older people and children and young people.

#### *4.7.7 Strategy Development*

ERCL takes the lead in the development and production of key strategies on behalf of ERC and its partners and stakeholders. This has included the Sport & Physical Activity Strategy, the Libraries Strategy and the Arts Strategy. These are key pieces of work setting out high level objectives and actions that optimise the resources of multiple partnerships to improve future performance and tackle key local issues.

5. Performance

east renfrewshire  
**CULTURE  
& LEISURE**

**2023 v 2022**

Comparing Q1 & Q2 2023-24  
with Q1 & Q2 2022-23



**GYM &  
FITNESS  
MEMBERS**

**Up 18%**



**VISITS TO LEISURE  
CENTRES**

**Up 31%**

**COMMUNITY  
SPORTS CUSTOMERS**



**Up 22%**



**PUBLIC SWIMMING**

**Up 4%**

**SWIMMING LESSONS**

**Up 38%**

(EHS pool closure: July 2022 to June 2023)

**PROFESSIONAL  
THEATRE  
AUDIENCES**



**Up 20%**



**LIBRARY VISITS**



**Physical visits Up 28%**



**Virtual visits Up 27%**

**COMMUNITY FACILITIES**



**Halls & Pavilions Up 21%**

**Schools Out-of-hours Up 3%**



## 6. Market Position

### 6.1 East Renfrewshire as a Market

The population of East Renfrewshire is 95,580 living in 39,275 households.

Household composition and age profile are key considerations in understanding our customer base. The age profile is:

- 20.3% aged 65 and over
- 59.7% aged 16 – 64
- 20.0% aged 15 and under

Over the next 25 years the proportion of children and young people and over 65s will increase as overall the population is projected to rise from around 96,000 at present to 101,230 by 2028.

The household composition is:

- Households with 1 or more dependent children – 31%
- Single person households – 30% (over 65yrs -14%, under 65 – 16%)
- Households with 2 adults (no dependent children) - 29%
- Households with 3+ adults – 10%

The key social grades of households in East Renfrewshire:

AB – Higher & intermediate management / admin / professional - 31.1%

C1 - Supervisory, clerical, junior management / admin / professional - 34.7%

C2 – Skilled manual workers - 15.6%

DE – semi-skilled / unskilled manual workers, on state benefit, unemployed - 18.5%

Within the Trust it is widely recognised that across our area we serve two relatively distinctive communities with differing demographic profiles.

- Eastwood (population 75%), which encompasses Busby, Clarkston, Crookfur, Eaglesham, Giffnock and Newton Mearns, is a relatively affluent area comprised predominantly of owner-occupied households with young families or households of older residents (65+ plus) living as couples or alone.
- Barrhead/Neilston (population 25%) is an area with pockets of significant social and economic deprivation and a wider spectrum of household types including: young families; older adults; and younger adults with no dependent children.

We analyse East Renfrewshire's demography regularly to assess the potential uptake and demand for existing services and the development of new services. This provides us with insight into the potential market for new services and the attractiveness of our services to different customer groups in particular areas.

Based on this broad review of household demographics we can identify four key customer groups or segments that comprise much of the market for our services.

Children & young people (under 16yrs)	Adults
Young adults (16-24yrs)	Older Adults (65yrs+)

The largest audience segment is the adult audience, and the key group within this segment is the 39% of the overall population who are between 35 – 64 years old. This group are regular users of all our services, and we market to this group digitally using social media, email marketing and google advertising.

A key customer group is families, 31% of households have one or more children and 20% of the population is aged 15yrs and under. We offer a large range of services and activities for children and young people and we predominantly market to their parents.

Older adults make up a further 20% of residents. While many are regular customers of our gyms, swimming pools, theatre and sports / arts classes, others with health and mobility issues are beneficiaries of our Live Active and Vitality exercise classes.

Young adults, 11% of the overall population, is the smallest segment but a group which is being targeted by developing range of services aimed at this age group.

## 6.2 Timing and Alignment with Core Target Demographics

Understanding our customers requires us to appreciate the way different households function. For example, young families are largely dominated by two considerations, parental employment and child education. Trust services and programmes such as Active Schools, Learn to Swim, Community Sports and Library activities for younger children are planned to take account of school terms, school holidays and school week cycles as parents (or carers) are already working and living with the school timetable.

Service planning and the development, pricing and scheduling of activities requires careful assessment of the potential uptake among different customer groups. This requires a flexible approach that will allow us to test new offerings and identify appeal.



### 6.3 Customer Journey

Improvements to the digital customer journey continue to be made including:

- continued uptake of online joining and online Direct Debits for gym and fitness memberships and swimming lesson memberships
- continued development of the website, including improvements to our Search Engine Optimisation, which increases traffic to our website from search engines like Google.
- growth of social media followers across Facebook, Twitter and Instagram giving a direct connection to target audiences, increasing website traffic and improving effectiveness of digital marketing.
- increased customer communications via the ER Leisure App
- launched Net Promoter Score surveys for gyms, fitness and swimming members to give regular feedback on product and service
- integrated library events and activities on the website with the library online booking system
- Introduction of card / online payment facilities at libraries
- introduction of new, faster public Wi-Fi services across libraries and venues

### 6.4 Vision, values and brand

East Renfrewshire Culture and Leisure's vision, values and brand were established in 2015 when ERCL launched. ERCL has grown and developed since our launch and in 2024 we will refresh our vision, values and brand to create a distinct identity that aligns with our aims, resonates with our audiences and builds on customer loyalty.

## 7. People

Internal communications were developed and improved as part of the response to Extended Leadership Group work following our most recent Staff Engagement Survey, but there is a recognition that more focus is needed on our People Strategy generally. Further work on our Mission, Vision, Value and Identify with core staff is planned for this year, together with the next Staff Engagement Survey.

### Aims of our People Strategy

Our People Strategy sets out eight inter-related strategic aims, which will support the delivery of our overall strategic priorities and will further embed our values and behaviours.



### Our Aims - we will:

- 1 **Attract** and **recruit** the best staff
- 2 **Develop** and **support** our staff to fulfil their potential and meet their career aspirations
- 3 **Retain** and **reward** our staff through recognising their contribution in the delivery of the charity's priorities
- 4 **Mobilise** our staff to become advocates for our values, and services and agents of change

### Our Outcomes – we will:

- 5 Promote and secure **excellent leadership and management** at all levels, by empowering staff and embedding everyday leadership to secure the highest returns from our creativity and commitment
- 6 Create and maintain a **progressive, collaborative and healthy working Environment**
- 7 Establish a **sustainable and stable planning and delivery model**
- 8 Deliver **measurable community impact** and **demonstrable social change**

Strategic Aims & Outcomes	Strategic Objectives <b>131</b>	Key Measures of Success and Impact	Key Risks
<p><b>Attract</b></p> <p>Recruit the best staff to drive the success of the organisation</p> <p>Develop our own workforce through internal programmes</p>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Develop our reputation to enhance our standing</li> <li>• Through our business planning processes identify the areas in which we want to excel, identifying the roles we need, and the campaigns to recruit to them</li> <li>• Develop our recruitment processes to ensure they are flexible and our partnerships and development pathways to enable us to recruit the best talent</li> <li>• Attract and maintain a diverse workforce with the relevant skills, experience and backgrounds</li> <li>• Provide specific learning and development opportunities that equip local students/people to take up employment with ERCL</li> </ul>	<ul style="list-style-type: none"> <li>• Vast majority of our posts filled first time around with the right calibre of staff</li> <li>• Increased diversity of applicants</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient staff with the right skills and experience to deliver our objectives</li> <li>• Regulatory non-compliance</li> <li>• Financial constraints reduce the ability to create or fill posts, or to compete with the market</li> </ul>
<p><b>Develop</b></p> <p>Build on our commitment to growing people and ideas</p>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Design, develop and commission relevant development programmes which meet the needs of our staff in driving the organisations' development and improvement</li> <li>• Identify and share learning and best practice internally</li> <li>• Ensure all staff at all levels are supported and developed through our appraisal process, with clear targets and expectations, and excellent support</li> <li>• Develop a culture of continuous improvement and a clear understanding of service</li> </ul>	<ul style="list-style-type: none"> <li>• Staff have a meaningful annual performance and review appraisal</li> <li>• Number of staff achieving in-work qualifications</li> <li>• Staff take part in mentoring, coaching and / or development programmes</li> <li>• Increased number of staff mentoring and supporting colleagues</li> </ul>	

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<p><b>Retain</b></p> <p>Create an environment where staff can flourish, with a clear link between their performance and the success of the organisation</p>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Develop our approach to reward and recognition, ensuring it is fair and recognises excellence and celebrates success in the most inspiring ways</li> <li>• Ensure our staffing structures and model meet the needs of our business and our customers' expectations</li> <li>• Provide at-work programmes and opportunities in sport, arts and culture which both enrich the working lives of our staff and develop the passion and enthusiasm of our staff for our organisation and the work it does</li> <li>• Identify, recognise, grow and develop our internal talent</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number of staff recognised and promoted internally</li> <li>• ERCL is recognised as a desirable place to work</li> <li>• Staff turnover rates</li> <li>• Take-up of at-work activities and the popularity</li> </ul>	<ul style="list-style-type: none"> <li>• Cycle of expectations, development, resources and recognition is not closed leading to disengagement</li> </ul>
<p><b>Mobilise</b></p> <p>Help our employees be role models and advocates for sport, arts and culture</p>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Develop a programme which provides volunteering opportunities for staff</li> <li>• Provide at-work programmes and opportunities in sport, arts and culture which both enrich the working lives of our staff and develop the passion and enthusiasm of our staff</li> </ul>	<ul style="list-style-type: none"> <li>• Staff volunteer hours (external)</li> <li>• High degree of satisfaction and motivation reported through staff engagement survey</li> </ul>	

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<p><b>Excellent Management and Leadership</b></p> <p>Establish and grow everyday leadership to realise our common goals</p>	<p><b>We will:</b></p> <p>Ensure that all leaders and managers are aware of their responsibilities and have the capacity to fulfil them</p> <p>Collaborate and learn from peers in the sector and beyond to build best practice</p> <p>Develop managers as leaders in their Disciplines</p> <p>Provide induction programmes which set the benchmark for our development programmes</p> <p>Work in partnership with our trade unions to develop our approach to staff engagement, communication and collaboration</p> <p>Ensure that leaders communicate and exemplify our values</p>	<ul style="list-style-type: none"> <li>• Excellent leadership is recognised internally (staff survey) and externally (awards)</li> <li>• The charity is recognised as an excellent place to work (staff survey and exit surveys)</li> <li>• Number and quality of internal applications and appointments for leadership roles</li> <li>• Overall staff engagement surveys scores and feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Ineffective leadership or management skills lead to high turnover of high-quality staff, or to staff working less effectively and not achieving objectives</li> </ul>
<p><b>Progressive, Collaborative and Healthy Environment</b></p> <p>Create a progressive, collaborative, healthy and enjoyable working environment which benefits both customers and staff</p>	<p><b>We will:</b></p> <p>Maintain our staff engagement surveys and listen to staff</p> <p>Actively support health and wellbeing through Healthy Working Lives, and at-work programmes.</p> <p>Maintain effective internal communications</p> <p>Enable leaders to pro-actively assess staff wellbeing, health and safety within their teams and provide their appropriate management information to enable them to ensure the maintenance and improvement of a healthy and environment</p> <p>Foster a culture of continuous improvement and learning</p>	<ul style="list-style-type: none"> <li>• Overall staff engagement surveys scores and feedback</li> <li>• Ratings of management and leadership through staff engagement surveys</li> <li>• Sickness and absence rates</li> </ul>	<ul style="list-style-type: none"> <li>• Sickness levels rise because the triggers are not identified and addressed early or properly</li> <li>• Accidents or H&amp;S issues arising from lack of training and development</li> </ul>

Strategic Aims & Outcomes	Strategic Objectives	Key Measures of Success and Impact	Key Risks
<b>Stability and Sustainability</b>	<p><b>We will:</b></p> <p>Plan, implement and communicate change clearly, sensitively and thoughtfully</p> <p>Develop apprenticeships, volunteering, internship or work placement opportunities as a means of building pathways to employment with us</p>	<ul style="list-style-type: none"> <li>• Evidence of well-managed change programmes (audits, feedback or pulse surveys)</li> <li>• Stress-related absence rates relative to the sector</li> </ul>	<ul style="list-style-type: none"> <li>• Change is implemented poorly impacting on staff morale, engagement, absenteeism and wellbeing</li> </ul>
<b>Community Impact</b>	<p><b>We will:</b></p> <p>Undertake periodic social impact surveys to evaluate our effectiveness in line with community planning</p>		

## 8. Services

### 8.1 Current Delivery Structure

ERCL is currently structured around operational services, headed by the senior management team. These differ in size and have slightly different management arrangements. These are:

- Operations (Sports and Cultural Venues comprising Eastwood Park, Barrhead Foundry, Eastwood High Sports Centre and Neilston Leisure Centre, Swimming, Health & Safety)
- Sports and Physical Activity (Sports Development, Active Schools, Gyms and Fitness, Physical Activity, Health and Wellbeing Programmes)
- Libraries & Information Services, (10 Libraries; Information Services, Digital Participation & Inclusion, Support to School Libraries, Macmillan Cancer Information Points).
- Communities and Arts (17 Community Facilities, 14 Pitch sites and Pavilions; evening and weekend school lets across all ERC schools, Heritage Services Visual and Performing Arts.

### 8.2 Services Overview

#### 8.2.1 Operations

- We operate 4 multi-function Venues which deliver Leisure and Sport Activities, Professional Theatre, Library and also facilitate Schools PE.
- Post Covid, our centres are busy, we have taken the opportunity to modernise our programmes and attendance, attendances over all activities on site are significantly higher now than pre-COVID levels.
- The swimming development programme has returned strongly to higher than pre-Covid levels, with EHS reopening, we have recovered quickly through targeted work with 850 Swimming Lesson Pupils recruited. The refurbishment allowed us also to make this site the focus of our ASN programme which has expanded from 17 to over 60 participants per week. To enable this recovery, we have invested in developing new swimming teachers by running 7 Courses, and we continue to monitor the quality of the provision with recent surveys showing good customer satisfaction. For the 2<sup>nd</sup> year in a row, we have been a finalist at the Swimming provider of the Year awards recognising the significant shift in quality to the programme.
- We have developed a new Schools Swimming programme, which links it closely to the school curriculum, this has been well received and strongly adopted, this has been highlighted nationally as an example of good practice. Participation by schools however has dropped slightly this year due to pressure on school budgets for transport costs.
- Venues are based in the larger ERC communities.
- Significant investment has been made into Barrhead Foundry and forthcoming investment in Eastwood Park and Neilston will further enhance our customer offer.

- We have rolled out OpsPal (organisation wide), this is an H&S support system which allows for scheduling and improvements to Premises operations to ensure work plans and tasks are delivered and monitored to improve the safest possible experience for our customers.

## *8.2.2 Sports and Physical Activity*

- The Sport and Physical Activity unit consists of a wide-ranging Community Sports programme which delivers sports coaching opportunities throughout East Renfrewshire, an extensive Gyms & Fitness operation, Active Schools programme, and Health & Wellbeing services
- We operate gyms and group fitness programmes in all four Sports Centres. We have recovered and exceeded our pre-Covid performance and membership is at an all-time-high. We deliver 110 fitness classes per week and we are constantly innovating. And testing new activity classes to meet demand. Junior membership has increased markedly subsequent to a full review and overhaul of our junior product. There is very high local private sector competition within the fitness market which drives our focus on developing our products, customer journey and physical spaces.



- Community Sports is focused on community capacity building and income generation, delivering 90 mixed sport and physical activity coaching classes and 17 football coaching classes per week during the school term with over 1,700 children participating in these activities weekly. During the school holiday periods we provide up to 10 weeks of holiday camp activity for children and young people with a mix of commercial and free spaces for vulnerable and children from low-income families. We also support 32 local sports clubs and 5 Community Sports Hubs which have a combined membership of approx. 8,200 members.
- Active Schools is dedicated to developing and supporting the delivery quality out of school hours sport and physical activity opportunities for children and young people in all our schools (nursery, primary, secondary), an inter school sports competition framework and sports leadership opportunities (including the East Renfrewshire Sports Leadership Academy). Developing and supporting volunteers and providing teacher training opportunities and organising school to club links.
- We operate an extensive GP Referral (Live Active) and instructor led physical activity session programme (Vitality) to support people living with medical conditions and to prevent trips, slips and falls as constituent part of the primary care pathway in East Renfrewshire. We also deliver targeted programmes such as the For Your Entertainment (FYE) scheme which provides free access for vulnerable children and the Health for Heroes scheme which provides our veterans with free gym membership.

### 8.2.3 Libraries & Information Services

- With 10 libraries of varying sizes and opening hours there is a public library in almost every community within East Renfrewshire.
- Since April 2021 the growth in library visits, both virtual and in-person, has been steady. There was an increase of 151% from 2021-22 to 2022-23 and a further 30% increase for the first 6 months of 2023-24 compared to the same period in the previous year. As we continue to recover there is a drive to maintain this growth through continued engagement with schools, partnerships with local groups and organisations, development of activities and an extended digital offering.
- This aim of continued growth is set against a backdrop of a library service review which will see a reduction of operating hours across Clarkston, Giffnock and Mearns libraries.
- In addition to promoting reading and literacy and other cultural activities we support the residents of East Renfrewshire through ICT learning opportunities & digital support to health & well-being information and activities, and economic support.
- Public libraries are universally accessible with services accessed by all demographics in the community but through programmes like Bookbug and school visits focus continues to fall on families, children and young people.

- Public libraries tackle poverty through participation in cross-sectoral Cost of Living working groups, offering a safe and trusted space for all. As part of the #RootCause project and to encourage sustainability we have introduced initiatives from welly boot swaps to Halloween costume donations which will now be an ongoing service that we provide.

- Our Digital Participation team will continue to support learners through 1:1 and group learning opportunities and will work with partners such as Barrhead Housing Association across East Renfrewshire as part of the Digital Inclusion Partnership. We aim to develop a Maker Space environment in the learning centre at Mearns Library to allow us to offer access to 3D Printers, Virtual Reality headsets, Code Club activities, etc. in an appropriate environment.
- Service development will occur in areas around sustainability by introducing Lend & Mend hubs offering access to sewing machines, and around supporting health & wellbeing through the introduction of Near Me facilities.
- Public libraries support for health and well-being takes many forms from programmes of activities aimed at tackling social isolation and loneliness, to improving mental health through reading for pleasure, to partnerships with both local and national organisations such as the Health & Social Care Alliance.
- The library service takes the lead role on GDPR and data protection for ERCL and provides professional support to ERC school libraries and librarians.
- The Macmillan Information Centre - Information and Support is delivered in libraries, specifically Barrhead and Clarkston but with outreach sessions in all libraries. Types of provision includes regular drop-ins, information stands, and financial support and outreach services. All sessions are free and delivered by volunteers.
- Every Child A Library Member (ECALM) is a national initiative aimed at ensuring each child born in East Renfrewshire automatically becomes a library member, and their parents are supported to begin reading to their children at an early age. The refresh of this programme took place in 2023 but is anticipated to become fully implemented in 2023-24.

#### 8.2.4 *Community & Arts*

- Pre-Covid we welcomed around one million visitors across our 17 halls and 35 schools every year. Services in the halls and schools have returned to a full-service offering, although social events continue to be restricted due to Carmichael Hall being used to support the Mass Vaccination Centre for the NHS.
- Customers of all ages take part in a wide range of activities and events from playgroups and lunch clubs to yoga classes and baby discos, from weddings to counselling services and everything in between.
- The team support customers to have a welcoming and safe experience when visiting halls and provide first class customer service
- We also provide support for Local and General Elections and are first responders in the event of a Civil Emergency. A member of the team is embedded within the councils' Civil Contingency Team.
- The Arts team manage the creative content and professional programming of Eastwood Park Theatre and exhibition space, provide backstage support in sound and lighting technical support in the theatre and across community halls, develop and deliver visual and performance arts classes, events, exhibitions and outreach theatre
- We work in partnership to deliver innovative participatory opportunities e.g. First Nights with HSCP or Wake Up with Solar Bear (BSL theatre), Covid Stories Project with Green Space Scotland
- We work with leading sector providers to ensure a high calibre of live and streamed performance at EWPT including Royal Opera, Royal Ballet, National Theatre Live,

international producers, performers and promoters and we support the work of Scottish Touring Theatre

- We continue to develop our reputation for carefully curated and co-produced work including “an audience with” and more traditional drama pieces such as Tallys Blood (attracting over 1000 ticket sales)
- We manage the Heritage Service, developing a dynamic range of hugely popular heritage classes and volunteering opportunities.
- The platform that hosts much of our heritage database is being developed and aims to provide a more comprehensive and improved access for customers.
- Projects such as Beyond 2020 Covid Reflections Museums Galleries Scotland featuring on Radio Scotland.
- The Business Support team support is the engine room of ERCL facilitating, processing and programming bookings, events, classes. They support all our customers to make payments, direct debits and refunds. The support ERCL staff and managers by managing procurement, scheduling staff, payroll, HR support and directorate services.

## 9. Operational Plans

To achieve our strategic aim of creating ***“a financially sustainable business model, balancing strong ambitions with commercial viability”*** we must address and reduce the budgeted operating deficit, i.e. the difference between the income we generate from commercial activities and grants and our total operating expenditure.

To support the business delivering services and ensuring that the commercial activities are driving the best value, alongside the need to meet our charitable aims, development is on-going on the operational planning to ensure that the scheduling, dependencies and support for all the activities are delivered in an efficient manner.

## 10. Financials

The Trust reported an operating deficit of £1.4m (surplus of £0.2m excluding pension service costs) for the year ended 31 March 2023 (2022: £1.0m deficit; £0.8m surplus excluding pension service costs), which was in line with expectations. This is before allowing for the net actuarial gain of £3.3m in respect of the multi-employer defined benefit pension scheme (2022: gain of £6.0m). In summary, the financial position for the period ended 31 March is noted below:

£k	Year ended 31 March 2023	Year ended 31 March 2022	Movement
Income	10,736	10,068	668
Net Expenditure	(1,414)	(1,040)	(374)
Actuarial Gains / (Losses)	3,293	5,992	(2,699)
Total funds (after retirement benefit scheme gains / losses)	2,889	1,010	1,879

The latest year of trading has supported us in meeting our charitable aims and objectives, ending the year with a strong financial position. 2022-23 was characterised by the successful re-establishment of all the Trust's services. Thanks to the swift, decisive and efficient work of all the operational teams, along with their innovation, planning and flexibility, all the Trust's buildings were re-opened and services re-established very quickly.

The Trust was therefore very prepared and receptive to heightened demand for services and this saw the Trust move beyond a process of recover during the year, to one of growth. This meant that ordinary trading activities exceeded pre-Covid levels and helped generate a surplus.

The principle funding sources are a combination of income generated through a level of sales, fees and charges for our charitable activities (£5.0m) (2022: £4.4m), as well as a Management Fee received from ERC of £5.6m (2022: £5.4m) for our work in managing the Leisure, Library, Arts and Community facilities within the local area. Funding was also provided via the CJRS was nil in 2023 (2022: £0.3m).

The primary areas of spend are people £10.2m (2022 £9.4m), Property £0.4m (2022: £0.4m) and Supplies and Services £1.5m (2022 £1.2m).

## 10.1 Reserves Policy

During 2022/23 the Trust agreed for the unrestricted non-designated reserves to be increased to £800k (2021/22: £500k). It was deemed that this increase would provide a small amount of insulation to the on-going challenges and allow for additional funds to support a reduction in income due to unknown customer behaviour as a result of both the pandemic and the current cost of living crisis together with providing the ability to fund recovery opportunities over and above those already designated, if required. This would be regularly monitored and reviewed annually by the Finance, Audit and Risk committee.

At the year end the charity had a total surplus of £2,889k (2022: surplus of £1,010k). There was a surplus of funds of £2,889k (2022: £2,736k), of which £50k (2022: £2k) was restricted and £2,839k (2022: £2,734k) was unrestricted. Of this amount, £1,591k was designated for Transformation and Recovery activities, £363k to support the Digital programme and £85k in respect of fixed assets, leaving free reserves of £800k.

The trustees will continue to strive to maintain the increased level of £800k unrestricted non-designated level of reserves in line with the reserves policy, but also to continue to rely on assurances of ERC as the sole member, to fund the Trust to meet its liabilities as they fall due, should the Trust be unable to do so.

## 10.2 Investment Policy

ERC manage investments on behalf of the Trust following their own organisational investment policy, primarily aimed at mitigating risk associated with safeguarding funds, ensuring liquidity of these funds and finally investment returns. As a result, the policy aims to invest cash and cash-like investments up to a maximum level on acceptable counterparties. Activity is monitored regularly, and the policy is reviewed annually.

Any surplus funds held by the Trust are placed on deposit in line with the Treasury Management policy.

## 10.3 Fixed assets

The Trust has a maintenance lease agreement with ERC for the use of the buildings and equipment linked with the charitable activities and as such these assets do not belong to the Trust.

## 10.4 Budget 2024-25 – to be agreed

The latest forecast for 2023-24 has an expected deficit, with a small surplus projected in 2024-25. This surplus is in the main due to the superannuation rate being temporarily reduced by 11.5%, saving the Trust £814k in payroll costs. Although the Trust has experienced a relatively strong recovery post pandemic, with most services now experiencing levels that are at, or exceeding pre-Covid levels, we are still operating against a backdrop of rising costs, both in terms of increased pay awards and the continuing pressure of high price inflation. All of these factors have put critical pressure on ERCL's ability to deliver core services within its existing financial resources. Although the ERC service fee has increased by £384k as a result of the recent pay award, it does not cover all of this increase in staff costs. For 2023-24 the pay award will increase costs by approximately £486k giving a shortfall of around £102k. We have still to finalise with ERC the service fee contribution as a result of taking over Sports Pitches.



	24/25 Draft
£k	Budget
Grant Income	350
Arts & Theatre Income	686
Theatre & Comm Facs Hire	532
Sports Income	3,122
Sports Pitches	295
Property / Other Auth / Agencies	245
Other Income	88
<b>Operating Income</b>	<b>5,318</b>
MVC	-
ERC Service Fee	6,055
ERCL Claims	11
Release from Reserves	117
<b>Total Income</b>	<b>11,501</b>
Staff Costs	9,991
Property Costs	565
Transport Costs	39
Supplies & Services / Other	1,700
<b>Total Expenses</b>	<b>12,295</b>
<b>Net Income / (Expenditure)</b>	<b>(795)</b>
Superannuation Savings (from 17.5% to 6.5%)	814
<b>Net Income after Savings</b>	<b>19</b>

## 11. Support Services

As noted in previous Business Plans, a number of key support services are provided to ERCL by ERC under Service Level Agreements. These are regularly reviewed and revised but it has been recognised that internal customer service with attendance KPIs and mechanisms for service improvement, are a developmental need across ERC generally and not just in relation to the services delivered to ERCL.

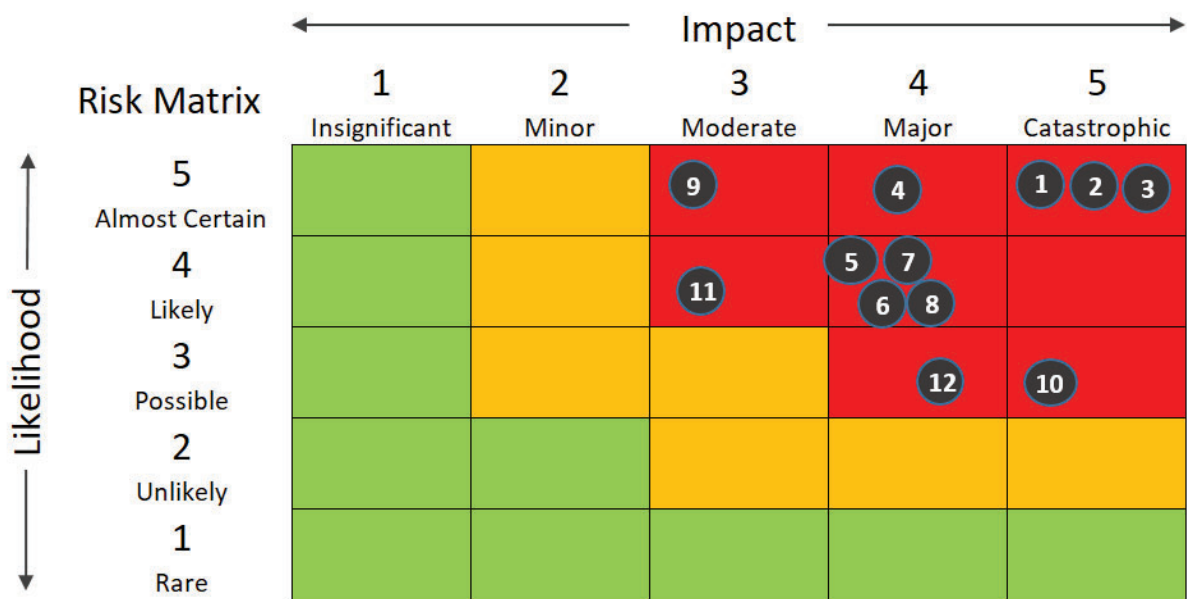
Improvement and action plans for Support Services and other interfaces between the Trust and the Council were identified in a Solace in Business (SiB) report commissioned by ERC in 2017 and was further complemented by recommendations arising out of the ERC Best Value Audit on the Trust undertaken in 2019. A review took place in August 2022 producing an updated Joint Action Plan, reflecting the latest position. This work was completed in conjunction with ERC, with the revised plan approved by the Board in August 2022. In May of 2023 the Board and Council agreed that the majority of actions in this Action Plan had either been implemented or else were covered in other planned activities, and the plan was closed.

12. Risk Management

A detailed Risk Register is presented to the Finance and Audit and Risk Committee. Following consideration by the Finance, Audit and Risk Committee, an abstract highlighting the top key risks at any given point is considered by the Board, and a joint Risk Register is maintained by ERC and ERCL capturing shared risks.

Throughout the year the Risk Register is reviewed and revised in the light of the fluidity of the current environment, with risks considered accordingly.

The following table summarises the spread of risks across the business, which incorporates risks identified due to Covid, together with a summary of the top 12 risks:



Ref	Risk Category	Summary of Risk
1	Facility Failure	Facility Failure impacts negatively on service delivery and performance, income or reputation. (Damage to key elements of the facility resulting in unbudgeted repair costs and suspension / reduction of services; maintenance backlog; H&S issues; plant failure; and/or otherwise compromised service offering).
2	Savings Targets	Challenge of creating an effective balance between achieving proposed savings targets maintaining a vibrant and relevant service.
3	Capital Projects	Capital Projects impact adversely business through slippage or impact on management and operational resources.
4	Shared vision with ERC	A single agreed ambition or vision for ERCL is not articulated and agreed by and with ERCL and ERC and its constituent departments.
5	External Providers / Contracts	Failure of external service providers to deliver on obligations, resulting in late or non-delivery of services, cancelled events, lost revenue and damaged credibility.
6	Market Changes	Changes in the competitive environment resulting in fewer customers.
7	Industrial Action	Industrial Action leading to suspension of services, cancellation of events, loss of revenue, etc.
8	Pool Plant	Mechanical failure of equipment, or operator error, leading to loss of operation, contamination and/or illness or injury to bathers.
9	Recruitment	Difficulties in recruiting to key roles impact adversely on operations, finances or performance. Risk of loss of key staff in relation to EPLC decision / uncertainty around investment commitments.
10	Finance	Insufficient cash to operate business due to continued losses and inability to generate sufficient operating income to meet liabilities. Operating expenses are primarily fixed costs, with 80% staff costs
11	Partner Agencies - Changed Priorities	Changes to partner agency priorities resulting in an inability to deliver outcomes for dependant services and projects. HSCP withdrawal of funding for Wellbeing Officer role
12	Violence & Aggression	Increased aggressive behaviour by members of the public, caused by anti-social behaviour and resulting in injury, or stress to staff or other customers, and negative impact on sales and attendance. Decline in norms of behaviour in relation to public performances and conduct in public spaces noted across the country.