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**Report To:** Education and Communities Committee      **Date:** 1<sup>st</sup> November, 2016

**Report By:** Corporate Director Education, Communities & Organisational Development      **Report No:** EDUCOM/75/16/JA

**Contact Officer:** John Arthur      **Contact No:** 01475 714263

**Subject:** Inverclyde Leisure – Annual Review of Business Plan

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## **1.0 PURPOSE**

- 1.1 To present the second annual review of Inverclyde Leisure's 3 year Business Plan (2014-17) for approval

## **2.0 SUMMARY**

- 2.1 The terms of the funding agreement between Inverclyde Council and Inverclyde Leisure require the production of a three year Business Plan with an annual review of progress.
- 2.2 Inverclyde Leisure's draft Business Plan was approved by Committee at its meeting of 11 March, 2014. The Annual Review (appended) reports on the considerable progress and service developments which IL has implemented during 2015/16 and sets out proposed developments for 2016/17.
- 2.3 The Annual Report forms part of the overall performance management overview of IL's activities and ensures that the continued financial support of Inverclyde Leisure contributes to measurable improvements in the provision of high class facilities, improved participation in sports and leisure activities and expansion and diversification of service provision across the leisure estate.

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee approves the Annual Report for Inverclyde Leisure 2015/16.

**John Arthur**  
**Head of Safer & Inclusive Communities**

## **4.0 BACKGROUND**

- 4.1 The draft Inverclyde Leisure Business Plan 2014-17 was approved by Committee, and by the Board of Inverclyde Leisure, in March 2014. The production of a business plan, and annual review, is a condition of the funding agreement between the Council and IL.
- 4.2 The Annual Review highlights IL's achievements over the year at sections 6,7 & 8 of the Annual Report and sets out a number of further areas for development over 2016/17 at section 9.
- 4.3 The significant developments in service delivery and diversification of provision, from investment in the new Ravenscraig Activity Centre, with x-height climbing, soft paly and affordable gym, the continued success of the affordable gym at Boglestone Community Centre, implementing the latest fitness equipment technology at the Waterfront Leisure Complex and other sites, to the establishment of the Cross Fit facility at Greenock Sports Centre have all contributed to the continued success and development of Inverclyde Leisure.
- 4.4 As important has been the investment in staff development and recognition, and in customer service, through the introduction of the WOW awards, health and safety audit system, customer charter and new web based booking system.
- 4.5 Section 8 of the report highlights the capital investment made by IL over the year, including the upgrade of Ravenscraig Activity Centre, new gymnastic equipment for Greenock Sports Centre, upgrades of gyms at Boglestone and Birkmyre and investment in IT, including swim tag.

## **5.0 IMPLICATIONS**

### **Finance**

- 5.1 None

### **Legal**

- 5.2 None

### **Human Resources**

- 5.3 None

### **Equalities**

- 5.4 None

### **Repopulation**

- 5.5 High quality and diverse leisure provision make a positive contribution to the attractiveness of Inverclyde as a place to live and work.

## **6.0 BACKGROUND PAPERS**

- 6.1 None.

# ANNUAL REPORT

2015/16



[www.inverclydeleisure.com](http://www.inverclydeleisure.com)

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# WELCOME TO INVERCLYDE LEISURE'S ANNUAL REPORT

This report will cover IL's second year of the three-year business plan and update on objectives achieved within the year. The plan will also include a summary of financial performance 2015/16 and the outlook for 2016/17.



Inverclyde Leisure delivering Leisure, Cultural  
and Community activities for our customers  
throughout Inverclyde



**10**

Leisure  
Facilities

**3**

Town  
Halls

**4**

Community  
Facilities

**6**

Voluntary  
managed  
Community  
Halls

**3**

Community  
Hubs

**1**

Athletics  
Stadium

**5**

3G  
Pitches

**17**

Grass  
Pitches

INVERCLYDE  
LEISURE





IL is a registered charity, a community based and focused non-profit company established in 2001 for the purpose of delivering sport and leisure services to the community of Inverclyde. IL works in partnership with Inverclyde Council (IC) and aims to provide a quality service for its customers, employees and stakeholders by delivering high quality facilities and services.

**inverclyde leisure**  
Inverclyde Leisure Facilities

- A Waterfront Leisure Complex & Fitness Gym Culmahouse Way, Greenock. PA15 1EW
- B Greenock Sports Centre & Fitness Gym Nelson Street, Greenock. PA15 1QH
- C Bally Park Pavilion Bally Park, Eldon Street, Greenock. PA16 7QG
- D Bilmyre Park Gym Broomknowe Road, Kilmocoin, PA13 4HX
- E Beglstone Fitness Gym and Boglstone Community Centre Dubbs Place, Port Glasgow. PA14 5UD
- F Gourack Outdoor Pool & Gourack Fitness Gym Albert Road Gourack. PA19 1NQ
- G Lady Oclavia Sports Centre Bridgend Road, Greenock. PA15 2JN
- H Port Glasgow Swimming Pool Bay Street, Port Glasgow. PA14 5EB
- I Ravenecraig Activity Centre Auchmead Road, Greenock. PA16 0JE
- J Indoor Bowling Club Port Glasgow Road, Greenock. PA15 2UL
- K Greenock Town Hall Clyde Square Greenock PA15 1Y
- L Port Glasgow Town Hall 35 King Street Port Glasgow PA14 5HD
- M Gambler Halls 44 Shore Street Gourock PA19 1RG



# 2 MISSION, VISION AND VALUES

IL is a successful company well regarded by its stakeholders, customers, and users. It is well managed, innovative and resourceful allowing it to prosper and flourish.

IL aims to be the best in the eyes of our customers putting greater emphasis on customer care and feedback, developing our people in line with achieving more challenging objectives and working with our partners and stakeholders for the common good.

IL recognises that its core activities offer a range of exciting and valuable opportunities for both individuals and the community.

## INVERGLYDE LEISURE VALUES

IL seeks to achieve its vision by working within a transparent framework of core values. IL values are the following:

Enthusiasm

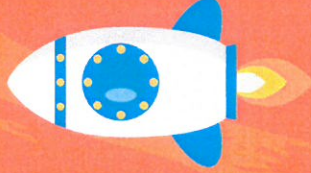
Being Positive

Being Professional

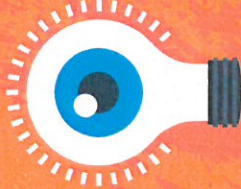
Being Open minded

Innovative

Honest



**INVERGLYDE LEISURE'S MISSION:**  
"Getting People Active"



**INVERGLYDE LEISURE VISION:**  
"Be the best in the eyes of our customers, employees and our stakeholders"



### MISSION STATEMENT:

IL's mission is to provide facilities and services for our customers to enable them to partake in activity, whether that is an event or leisure pursuit. To encourage activity, we have diversified our product range to offer good added value packages that are value for money and high quality and new products to attract customers into the facilities we manage.



It has been another fast paced year at IL building on the foundations of the previous year's work. This of course would not have been possible without the support of the Board of Directors, the hard work & dedication of our employees and part funding by IC.

The below report covers the achievements from year 2 of IL's business plan and updates on operational initiatives.

IL now employ more staff helped by the new developments and new facilities. We operate more products and services including Costa proud to serve café, fake festivals, x-height climbing, soft play facilities, low cost gyms, CrossFit, pitches, and gymnastics programs.

IL have more usage of the facilities with an additional 106,000 more customers in comparison to the previous year being involved in Activity.

Income has also improved by 9.5% on the previous year and continues to remain strong with good levels of growth predicted for next year.

The company performed well in terms of customer service with 117 customers nominating employees for great customer service through the WOW Awards and listening to our customers through 'you said we did' boards.

IL further developed its marketing and promotion through a variety of different channels increasing campaigns and digital marketing presence.

Operations went from strength to strength developing business plans for each center that saw massive increases in swimming lesson, skating, fitness memberships, health, vitality, gymnastics and the live active program.

On average our direct debit collection rate increased from 96.3% to 98.7%. Our direct debits also increased to just under £2.1 million from £1.8 million from the previous year.

IL took on new business by transferring the pitch estate over from IC and ran Inverclyde first Fake Festival with over 1700 happy customers.

Quality and health and safety scores increased from previous year with the corporate score for quality rising by 7% and Health and Safety rising by 8%.

To capture all of this good practice IL ran its 1st annual Excellence Awards. The ceremony was well attended by employees who watched their colleagues being recognised for achieving best in their category.

The year saw the migration of ICT, creating a new network for IL and investing in new desktops, VoIP phones, Microsoft 365, PDQ machines and accounts software upgrade.

IL continued to develop its staff with a mixture of CPD courses, E-learning, professional courses, training courses through the Chartered Institute of Management (CIM) and development plans. The year was one that a lot of staff will not forget through the sheer pace of change and exciting new initiatives. These initiatives will help to set a stronger foundation for IL in the future.

**Kieron Vango**  
Chief Executive

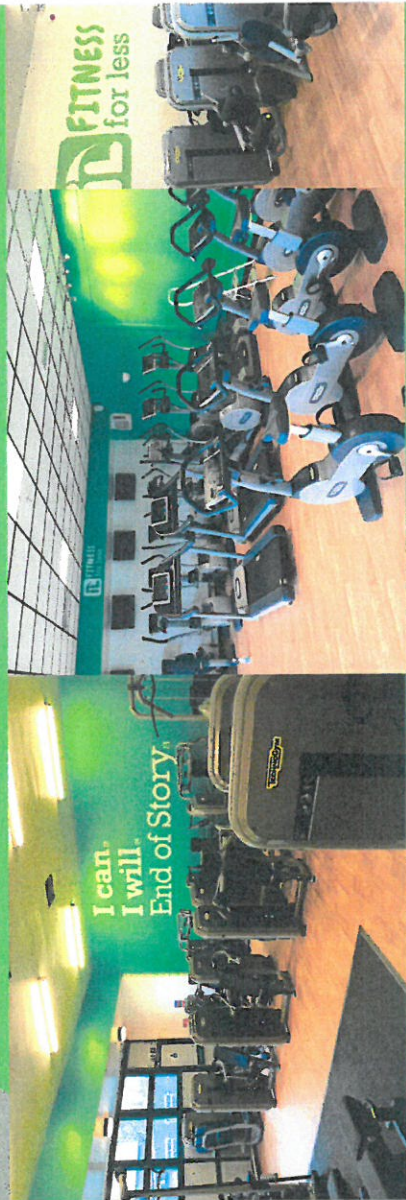


# INTRODUCTION FROM CHIEF EXECUTIVE



# 4

## COMPANY STRUCTURE



### THE DIRECTORS

There are 11 members of the company who also serve as directors. Our chairman, Bill Hawthorne, is a well respected businessman from the local community. The eleven directors consist of five elected members from IC, two employees of IL, one from Trades Union, one from the Local Sports Council and two from the Business Community.

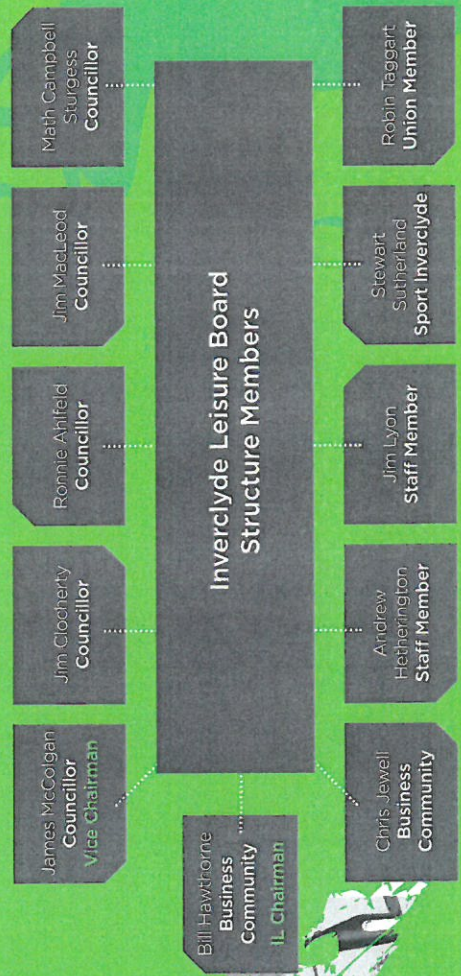
IL Limited is a registered Scottish Charity and is governed by the Office of the Scottish Charity Regulator, universally known as OSCR set up under the Charities and Trustee Investment (Scotland) Act 2005.

These are the following charitable aims:

- To provide facilities for recreational, sporting, cultural or social activities for the community
- To encourage and to promote for the purposes of social welfare, information on nutrition, health, exercise and healthy lifestyle.

### 4.1 THE GOVERNANCE AND STRUCTURE

The Executive Management Team report to the board 6 times a year and give full updates on areas of the business plan being worked on. IL's Board of Directors





**EXECUTIVE MANAGEMENT TEAM**

- IL Executive Management Team consists of:
- Kieron Vango (Chief Executive)
  - David McCorkindale (Head of Operations Leisure and Communities)
  - Audrey Lavelle (Finance Manager / Head Office)

The Executive team works closely with Directors at Board Meetings, to ensure a seamless collective approach, which forms an integral part of the organisation, contributing to its overall success.

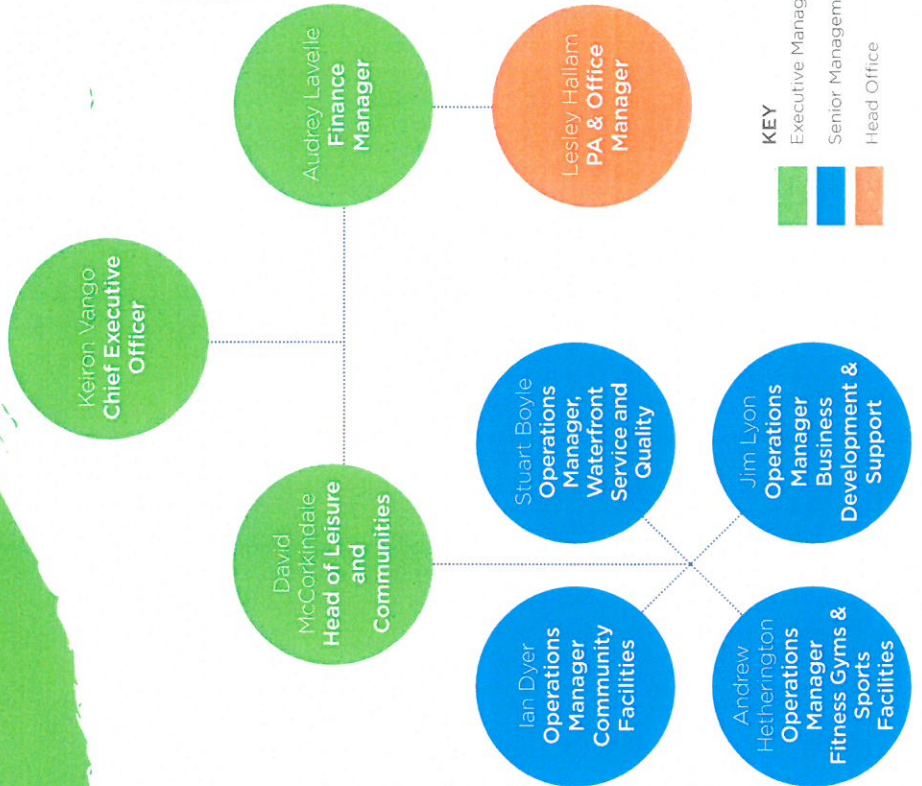
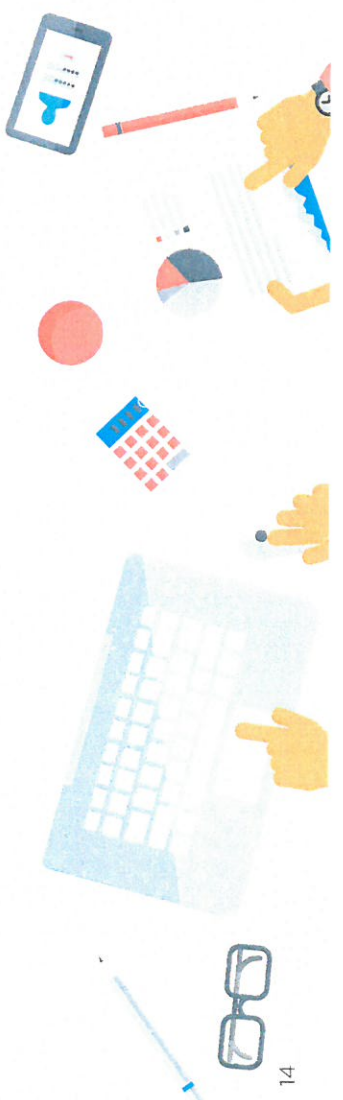
**SENIOR MANAGEMENT TEAM**

The Executive Management Team is supported and assisted by four Operations Managers, professionals within their own areas of expertise, with a range of responsibilities whilst delivering the highest levels of operational delivery and performance across the company. The Operations Managers are as follows:

- Jim Lyon (Business Support, H&S, Quality and Health and Vitality)
- Stuart Boyle (Port Glasgow Pool, Waterfront Complex and Gourrock Pool & Gym)
- Ian Dyer (Community Facilities, Town Halls, Parks and Pitches)
- Andrew Hetherington (Fitness Gyms & Sports Facilities)

The Executive Management Team are also supported by a team of head office staff based at the Waterfront headed by the Office Manager.

IL and IC have a monthly partnership meeting to update the council on Inverclyde Leisure's Business Plan, Finance, company operations and any risks in line with the funding agreement



**KEY**

- Executive Management Team
- Senior Management Team
- Head Office

IL has offered a wide range of products and services, this year these include:

WEDDINGS	COMMUNITY EVENTS
CHILDREN'S ACTIVITIES	EXERCISE REFERRALS
CARDIAC REHAB	GROUP FITNESS CLASSES
ICE SKATING LESSONS	CURLING
FOOTBALL COACHING	SWIMMING LESSONS
VENDING	PERSONAL TRAINING
COSTUMES, GOGGLES AND SPORTS GOODS	FREE WEIGHTS GYM
MEETING ROOM HIRE	TRAINING ROOMS
OUTDOOR SWIMMING POOL	INFLATABLE SESSIONS
TECHNICAL STAGE PRODUCTION	TRIATHLON
CLUB VENUE HIRE	TRAINING COURSES
PITCH BOOKINGS	X-HEIGHT CLIMBING
BOWLING	CROSSFIT
LOW COST GYMS	FREE CAR PARKING
SQUASH	FAKE FESTIVALS
RUNNING CLUBS	FUNCTIONAL TRAINING
BUSINESS FUNCTIONS	MUSIC EVENTS
LOCAL AND NATIONAL ELECTIONS	GP REFERRALS
FITNESS GYMS	FOOTBALL PARKS
ICE SKATING	CURLING LESSONS
FUN SWIMS	COSTA PROUD TO SERVE
WEIGHT MANAGEMENT	GROUP TRAINING
SAUNA AND STEAM ROOMS	EMERGENCY PLANNING VENUES
BINGO	SWIMMING GALAS
PARTY NIGHTS	HALF MARATHONS
FUN RUN	10K & 5K RUN
CHARITY EVENTS	SCHOOL BOOKINGS
WATER SLIDES AND FUN POOL	SOFT PLAY
BEAUTICIAN ROOMS	INDOOR FOOTBALL
PREMIER GYMS	BADMINTON
PLAY SCHEMES	AWARD NIGHTS
BOOT CAMPS	SWIMMING EVENTS



PRODUCTS  
AND SERVICE

# 6

## BUSINESS STRATEGY ACHIEVEMENTS



### 7.1 CUSTOMERS

Customer service is an important part of IL's business and employees have been trained in recognising the differing customer needs and adapting to ensure that each visitor to our facilities feels valued and enjoys an individual experience.

Below are this year's successes:

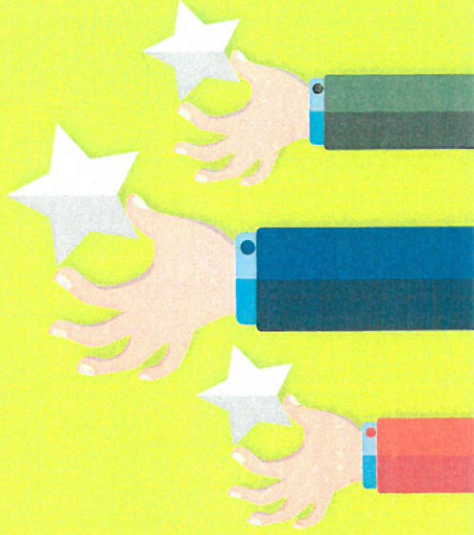
- 42 front line staff received Big Wave Media Instructors and Front of House training.
- Placed second in national WOW Customer Service Awards in the engaging with staff category.
- Received 117 WOW nominations from customers impressed by our customer service. This resulted in 92 certificates being awarded to staff by the WOW organisation.
- Developed an annual calendar of customer satisfaction surveys including; Curling Clubs, Catering, Swimming and Gym clients
- We further developed "You Said We Did" boards at sites to give feedback on actions undertaken to improve our service following customer comments.
- Embedded customer service procedures that are audited in all sites as part of IL's Quality Management System.

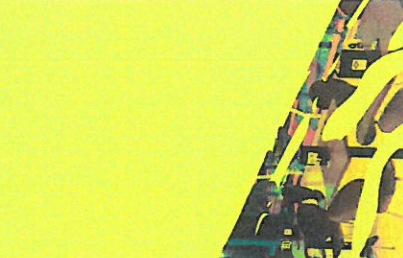
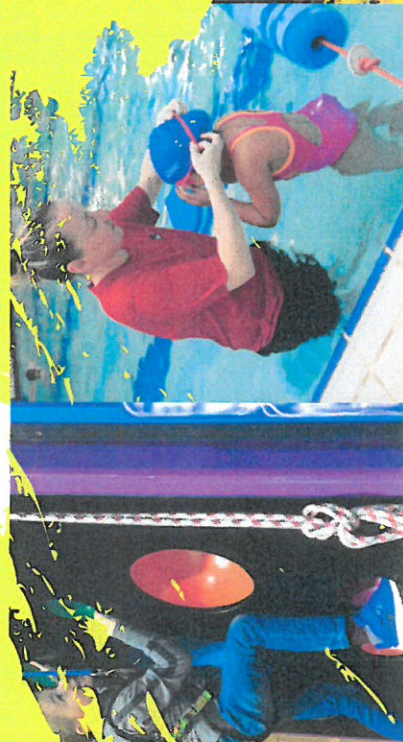
We continue to develop the WOW customer service award presentations involving all employees who are nominated. The WOW Awards are about catching employees doing the right thing and continually rewarding them for their hard work and delivering exceptional customer service.

### INVERCLYDE LEISURE'S CUSTOMER CHARTER

#### Prompt Service

- We will warmly acknowledge all our customers upon arrival or first contact, and attend to your needs as soon as possible.
- We will answer your telephone calls professionally and politely, and within five rings whenever possible.





**Personal Service**

- Our employees will be welcoming, helpful and polite at all times.
- All our facility-based employees will wear full uniform and name badges, so that they can be clearly identified.

**Professional Service**

- We will endeavour to offer value for money services at all times.
- Our employees will be appropriately trained, qualified and competent in all aspects of their work.
- We will keep our facilities clean and tidy at all times and will conduct regular checks to maintain high standards of health and hygiene.
- We will make sure that our facilities and the equipment within them are safe and effective and will take immediate action to rectify any faults found. Safety checks will take place every day and regular service and maintenance programmes will be undertaken.
- We will endeavour to provide accurate up-to-date information about our services, their programming and pricing at all times.
- Any unforeseen (emergency) interruption to services will result in either a refund and/or an offer of alternative services where applicable.

**Environmentally Friendly Service**

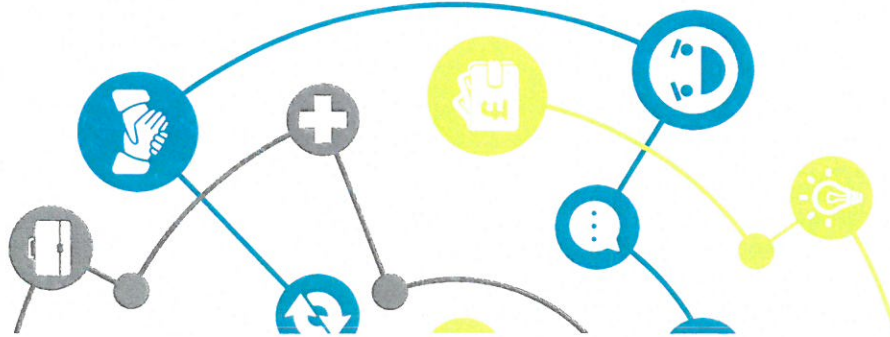
- We will maintain a pleasant and comfortable environment.

**A Service That Makes You Smile**

- We want you to enjoy your visit to us so much that you will want to come back. If anything stops you from doing so, or if you feel that we could improve our service, please let us know, either in person or by completing a customer comment card.
- If you like the way we do something, please tell us, your friends and family too!

**It's Your Service**

- We will regularly consult with our customers about our services, informally and through mechanisms such as meetings, survey questionnaires, E-marketing and nominations through the WOW awards.



**7.2 MARKETING AND PROMOTION PLAN**

IL continue to invest and develop our corporate image and membership packages through strategic marketing campaigns. Using various sources of online digital resources along with traditional leaflet, banners, magazines, national industry magazines, buses, billboards and paper advertising.

Over the recent year we have developed a chain of marketing campaigns including

- Swim School / Skate School
- CrossFit
- Fitness for Less
- Fitness Plus +
- Weddings
- Ravenscraig Opening
- Birkmyre Refurbishment Launch
- Boglestone Refurbishment Launch

We continue to work with our partners Big Wave Media who come with a wealth of knowledge and experience within the digital marketing world and have helped us develop, build a strong brand and sub brands to allow us to generate a high presence within Inverclyde.

Every six weeks team meetings are held with Big Wave to discuss ideas and plan ahead for forthcoming marketing strategies throughout the calendar year.

We continue to mail drop throughout the Inverclyde demographic area and target specific areas of the business, depending on our facility programming. Marketing presence and exposure is key to ensure we are at the forefront of the customers' minds when they decide to take part in an activity.

We have developed our website and look at the potential of ticketing to streamline the customer journey with online booking for activities.

### 7.3 OPERATIONS

IL set an ambitious business plan to diversify its products to increase activity and participation. This has been achieved by identifying strategic gaps in the market and aligning new products and services.

We continue to focus on activity across the company offering services to toddlers all the way through to customers with server health related issues. Our primary focus is to stay engaged with our customers.

Memberships continue to expand with a growth of around 28% in comparison with previous years. This predominantly comes from growth within Fitness, Swim School and Skate school. Our average direct debit collections have also improved from 96.3 percent to now 98.7 percent successful uplifts.

Overall our general usage and participation has increased by over 106,000 attendances in 2015/16. This increase demonstrates the continued growth within our activities. We had a year of continued investment into facilities that generated fantastic feedback from residents of Inverclyde and has been hugely welcomed by community groups, schools and clubs. IL continues to market and campaign to attract new members and increase usage.

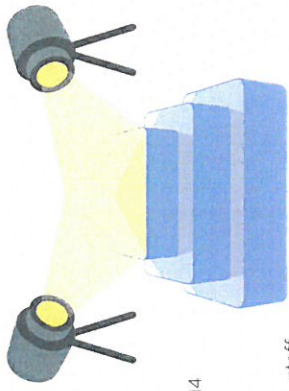
We continue to work with partners and key organisation listed below, plus many more...



### IL Excellence Awards 2015

IL hosted their first Employee Excellence Awards in June 2015 seeing a fabulous turnout from all departments and employees within the company being highly recognised for excellence in the following categories:

- Best financial performance facility department against budget
- Best year on year financial performance
- Best centre business plan
- Most improved quality performance in 2014 award
- Highest average quality award
- Highest mystery visit performance score
- Highest health & safety audit score recognition award
- Most improved health & safety audit improvement 2013-14
- Most inspiring front liner voted by the WOW team
- Most WOW awards recognised by our customers
- Most enthusiastic positive employee within IL voted by IL staff



### Site Business Plans

Each centre continues to develop their site specific business plan looking at key drivers at the facilities, identifying programme improvements, staff training, marketing, promotions, competitor analysis and key objectives. This gives the manager and employees within the centre a clear focus on objectives and targets throughout the year and is linked to their development plans.

### Business Development

We continue to work with our partners Big Wave Media on the business development front to ensure we maximise Fitness, Swim School and Skate School growth. The teams continue to work on their 1-5 sheet and allows us to forecast and develop for future years measuring continued growth within our market range. Over the recent year we have seen growth in Swim School and Skate School of around 45 percent.

In terms of measuring success and actively monitoring sales and usage patterns, we would combine the following measurement tools to gauge continued success across all key areas of the business:

- Monthly Combined KPI's
- Sales & Retention
- Income & Usage Targets
- Internal benchmarking league tables for QMS
- National benchmarking league tables
- 1-5 year monthly sales and retention measures

The Business Development meetings gives the management team a continued focus on the industry and the different concepts that are used to attract and engage with the community to improve activity and participation.



## 7.5 HEALTH AND ACTIVITY

We continued to work with external agencies including; NHS Greater Glasgow and Clyde, Inverclyde Community Health and Social Care Partnership, Inverclyde Council and Sport Inverclyde whilst also working in partnership with various community and voluntary organisations operating within the social inclusion areas throughout Inverclyde.



Submitted a successful funding bid to MacMillan cancer support resulting in an award of £113,000 to deliver the Move More programme over a three-year period.

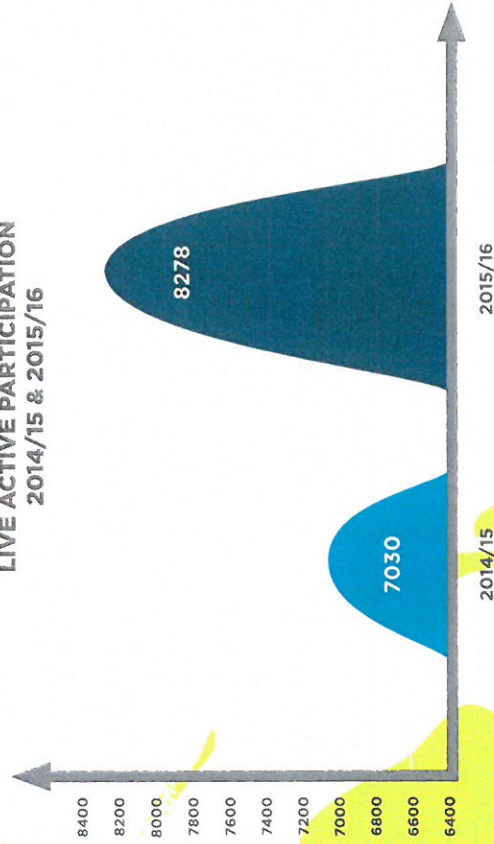
Programmes of work included the Live Active referral programme, Vitality community rehabilitation classes, ACES childhood obesity programme and Waist Winners healthy eating programme. We also continued to facilitate the Mind and Body programme aimed at those living with severe and enduring mental health.

### VITALITY CLASS PARTICIPATION COMPARISON 2014/15 & 2015/16



- Live Active programme participation showed an increase from 7030 in 2014/15 to 8278 in 2015/16

### LIVE ACTIVE PARTICIPATION 2014/15 & 2015/16



- Funding secured for continued delivery in 2015/16 of Live Active, Vitality, Mind and Body and Waist Winners
- Continued work with Sport Inverclyde to promote and administer the Talented Athlete Scheme
- Member of Inverclyde Council Active Living Strategy group

IL are committed to delivering high quality leisure and community facilities within Inverclyde driven by our committed and motivated team and this can be demonstrated below by the hard work and commitment of our four Operations Managers Jim, Stuart, Andrew and Ian.

Below are the initiatives that the Operations team have delivered with their teams.

### 8.1.1 COMMUNITY FACILITIES AND BOOKING OFFICE

#### **To develop in-house training courses that can be sold externally.**

We have provided a small selection of certificated courses in partnership with the Community Hubs at Auchmountain, Clune Park and Paton Street Community Resource Centres (food hygiene, fire safety training, health and safety).

#### **Work with Hattrick on development plan for halls usage**

The work with Hattrick Marketing continues to pay dividends as we are currently offering package bookings to clients. Working with Inverclyde Catering and Events, our catering partner, we continue to maintain a high standard of service to our customers whilst maintaining affordability in a competitive market.

The Public Halls have continued to attract support from the local charitable organisations with their use for fundraising events such as annual dances, fashion shows and concerts. Having taken the opportunity to explore the market in the special events field we were successful in working with Fake Festivals Ltd who specialise in tribute act concerts. Currently the only touring tribute act festival in the UK, with around 20 venues on their summer circuit, IL was selected as a partner to deliver Scotland's first Fake Festival event. On Saturday 25th July 2015, over 1700 people descended on the Battery Park for a magnificent day's entertainment provided by 3 of the UK's top tribute acts.

This community event was also supported by 5 local bands who were given the opportunity to display their collective talent in front of an appreciative audience. Whilst the majority of festival goers were from the local area, it was interesting to note that we attracted a number of guests from as far south as London and Aberdeen in the north. The event was a resounding success, both in raising IL's profile as innovative thinkers and as a commercial venture, it is our intention to build on this success in the coming years.

#### **Expansion of Group Fitness Classes**

We offer a programme of fitness classes within Gamble Halls and Port Glasgow Town Hall. We now provide a wide selection of group fitness classes in partnership with Kilmacoin New Community Centre which has enabled us to support business growth at Birkmyre Gym.

#### **Renewal of Catering Franchise**

Following the extended catering arrangement with Inverclyde Catering and Events (ICE) until December 2016 we embarked on a series of marketing campaigns with our partner, ICE. This involved the development of new inclusive packages at Port Glasgow Town Hall and Gamble Halls as well as campaigns on social media and visuals on ICE vehicles.

ICE continues to deliver a consistent and quality service to all sectors of the community.

# 7

## OPERATIONAL ACHIEVEMENT





### New Booking System

The new Legend booking system was introduced in November 2014. As the system has evolved we are now able to offer a comprehensive service to customers leading them from the initial booking stage, in person or online, through to payment and confirmation. The introduction of 'click and pay' for account customers was introduced in 2015. This has been successful for a number of groups/teams. It is also hoped that with ongoing developments with the system that we will have greater control over payment and debt recovery. Our reporting ability for statistical and financial purposes continues to improve as well as our reporting to IC.

### Review of Letting and Waivers Policy

The new letting and waivers policy was introduced in 2015. This piece of work, which was carried out by our council colleagues, saw a significant change in how the waivers for the use of pitches and open spaces were applied. Clubs in receipt of this allowance are now more accountable for their actions and have to adhere to a strict set of criteria to allow continued access to the funds. This has resulted in more effective and timely reconciliation of accounts.

The review of Community Waivers is ongoing.

### Transfer of Pitch Estate

The transfer of IC's pitch estate was completed in March 2015. IL now has an impressive portfolio of grass and artificial fieldturf pitches. Throughout the coming year we have endeavoured to make effective use of this new resource and, with effective management, increase our market share.



## 8.1.2 WATERFRONT LEISURE COMPLEX, PORT GLASGOW POOL AND GOUROCK POOL & GYM.

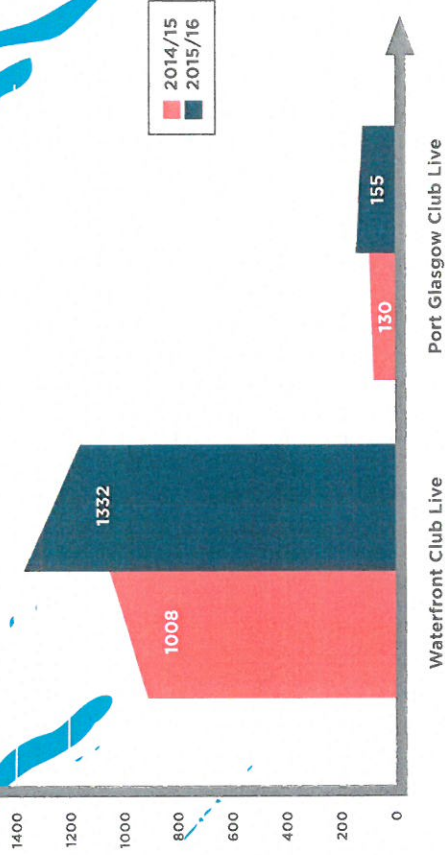
### Swim School Development

The Waterfront Swim School over the past 12 months has seen a 32% increase in club live from 1008 to 1332. Financially, the Swim School is in a strong position showing significant growth. Income has increased by £62,000 (31.6%) compared to the previous financial year and exceeded the year end budget by £26,000. 95% of the WLC Swim School is on direct debit. Staff have focussed on delivering a quality service and reducing attrition. As a result, average attrition levels have dropped by 1.4%.

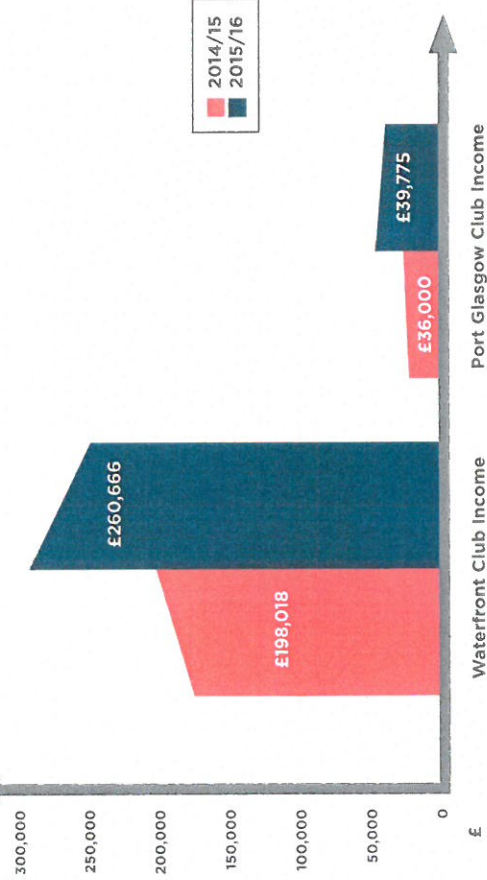
Port Glasgow Swim School has also grown its club live by 19% from 130 to 155 with income increased by £19,845 (103%) compared to previous financial year. 73% of PGSP Swim School is on direct debit with an average attrition levels have dropped by 0.9%.

One to one Lessons have been introduced at Port Glasgow which have been well received resulting in an additional income of £8,000.

## SWIM SCHOOL CLUB LIVE



## SWIM SCHOOL INCOME



January 2016, the Swim School celebrated the most successful month, even beating all national sales figures. Posting record monthly sales of 183 while maintaining an attrition level of 0.8%, resulting in a net gain of 175.

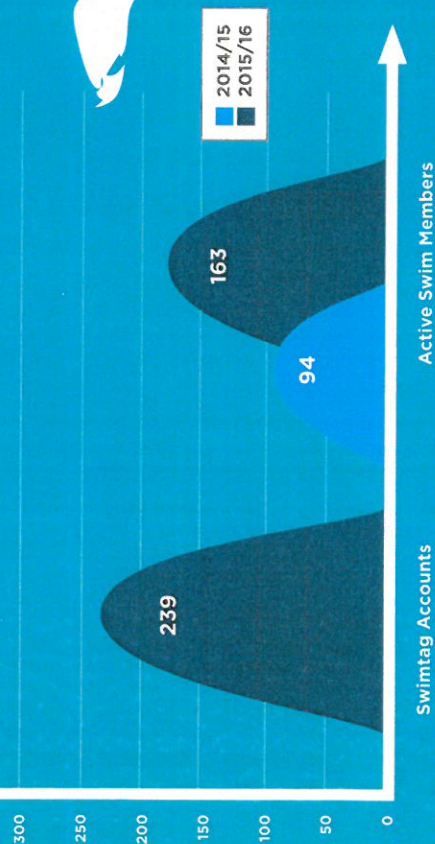
Recent restructuring of the lesson programme has created clear pathways for children to progress and investment into staff via CPDs will continue with the evolution of a quality and progressive programme.

The Swim School has and will continue to create job opportunities for qualified and unqualified individuals seeking a fun/enjoyable rewarding career in the leisure industry.

# SWIMTAG

**SWIMTAG** at the Waterfront continues to prove popular with 239 members now having tried the state of the art technology since being installed in April 2015. Since the introduction of this member benefit, Active Swim memberships have grown by 73.4% from 94 to 163.

## SWIMTAG USAGE

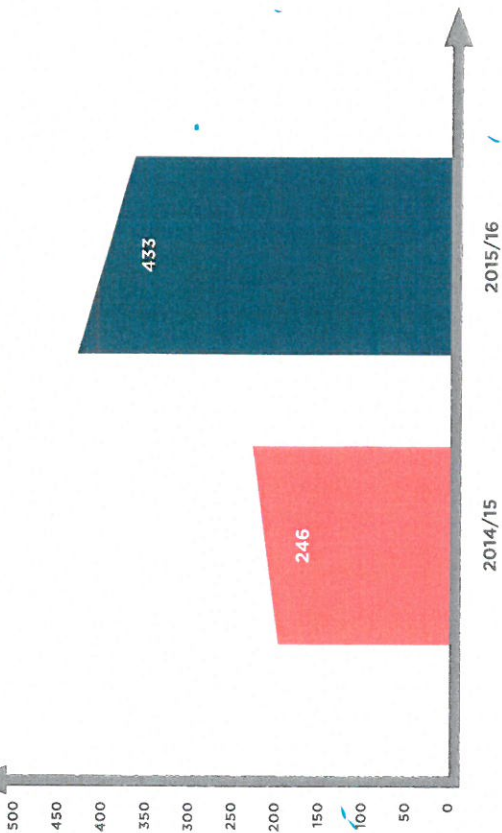


### Skate School Development

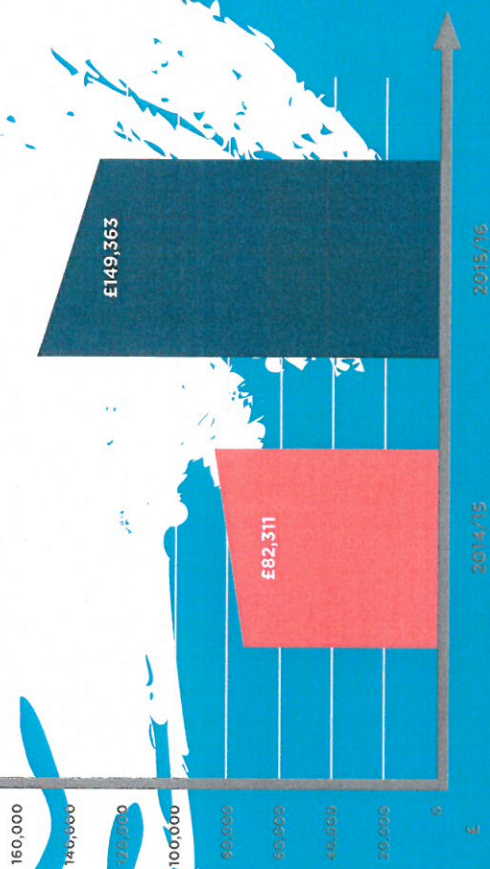
Our Skating Co-Ordinator continues to drive the Waterfront Skate School which over the past 12 months has seen a 76% increase in club live from 246 to 433. Financially, the Skate School is in a strong position showing significant growth. Income has increased by £67,000 (81.5%) compared to the previous financial year and exceeded the year end budget by £57,363.

87% of the WLC Skate School is on direct debit. Staff have focussed on delivering a quality service and reducing attrition. As a result, average attrition levels have dropped by 0.6%.

## SKATE SCHOOL CLUB LIVE



## SKATE SCHOOL INCOME



In October 2015, the skate school expanded their programme of lessons by absorbing the Waterfront Ice Skating Club (65 new skaters) which was previously run by a committee of skating parents.

In doing so, IL now have a learn to skate programme that does not peak, thus retaining members. An ice hockey class was also created which offered a different on-ice discipline, again diversifying our product offering and helping with retention.

A highlight for the Skate School this year was the production of their very successful show "Around the World in 15 Skates" on 22nd & 23rd December 2015. The school received sponsorship of £1000 and 639 tickets were sold in total. In the short period of 6 weeks, IL made just over £3,200 profit from the show.

### Ice Rink

April 2015 witnessed the introduction of various new direct debit membership options for the rink including: Active Skate, Active Skating Lessons Plus and Active Skate Club. These additions highlight that we are continually evaluating our product offering and adapting it to give our customers great value for money.

### Waterfront Leisure Complex

IC and IL have once again shown they are committed to working in partnership, commissioning a full mechanical and electrical survey at the tail end of 2015 of the Waterfront Leisure Complex with a view to implementing a capital investment strategy which should upgrade/replace high spend.

The ice rink flooring will also be replaced and will add a fresh new feel to the rink and is sure to be the start of more upgrades in this area.

The flooring project is currently being looked at by IC and dates should be confirmed in the very near future.

We are pleased to report that we have had no issues with our new ice chiller for a period of approximately 16 months. The contractor have carried out the last of their inspections and we have now appointed a multinational company who will be responsible for the ongoing maintenance of the chiller unit and associated supplies.

### Gourock Pool

Most, if not all, of the issues have now been resolved from the Gourock Pool refurbishment. IL have also planned for a refurbishment of the gym area to include new state of the art equipment, flooring and general decoration to be implemented within year 3 annual report.

## 8.1.3 FITNESS GYMS & SPORTS FACILITIES

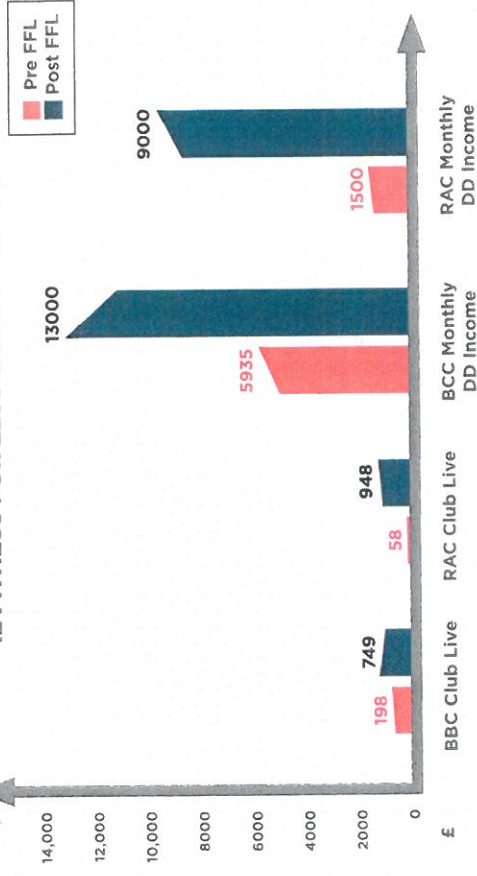
### IL Fitness for Less Launch

As planned via the corporate business plan, IL has diversified the fitness portfolio by implementing IL Fitness for Less: a new range of affordable fitness gyms. This was in response to the shift in leisure industry and the rise of private budget operators. Not only was this step taken to protect IL's strong market position but it also further reduced the barrier to exercise in social challenged areas.

In May 2015, the first model launched in Boglestone Community Centre, Port Glasgow, with an equipment investment of £82,000. At the end of April 2015, Boglestone had 198 members and this saw an impressive increase to 749 members by the end of March 2016. This was an increase on member club live of 551 new members. In April the monthly direct debit (DD) collection was £5,935 per month to £13,000 per month an increase of £7,065 per month. This has seen an increase of 119% in the monthly DD uplift and still growing.

In February 2016, the 2nd model was launched as part of the Ravenscraig refurbishment project with the gym equipment investment of £114,000. At the end of November 2015, Ravenscraig had 58 members and this saw an incredible increase to 948 members by the end of March 2016. This was an increase on member club live of 890 NEW members. In April 2015, the monthly DD collection was £1,500 per month to £9,000 per month an increase of £7,500 per month. This will continue to grow into next year as the launch promotion discounts expire in June 2016. This has seen an increase of 500% in the monthly DD uplift and still growing.

### IL FITNESS FOR LESS GROWTH TABLE



Below is a table that identifies the year on year direct debit income growth since the introduction of IL Fitness for Less compared to the previous year's performance.

Boglestone Community Centre has seen an increase year on year from £64,842 to £122,875. This equates to an increase of 58,033 or 90% improvement.

Ravenscraig Activity Centre has seen an increase year on year from £24,737 to £26,750. This equates to an increase of £2,013 or 8% improvement. It is also to be taken in consideration that the facility was closed for 6 months from September 2015 undergoing the extensive refurbishment process and only opened back up on 1st February 2016 with 2 months to trade before the end of the financial year, the fact it has still shown growth shows the extremely strong performance. The growth comparisons next year will be very exciting to see.

### IL FITNESS FOR LESS YEAR ON YEAR TOTAL DD INCOME TABLE



### Inverclyde Leisure Membership Growth

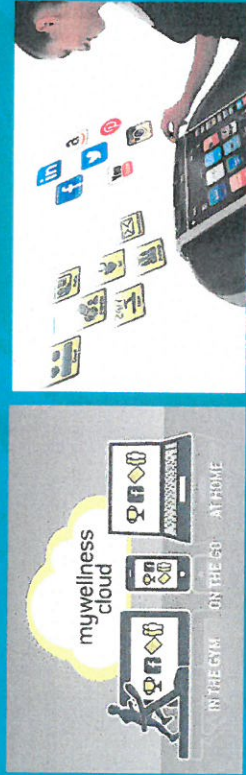
IL growth strategies identified diversifying the membership product offering, increased exposure from targeted detailed marketing campaigns, an increased digital marketing presence, an increased social media presence through Facebook & Twitter, the new website, more focus on online joining and bookings, consolidating historic membership, offering and increasing historic low yielding packages by increasing by £1.50 per month and significant investment in upgrading facilities and equipment throughout the year.

In 2014-15 there was a membership base of 5,965 members, this has now seen a year on year increase to 6,989 members an increase of 1024 or an increase of 17%. This has seen a direct impact on the year on year direct debit income increase. In 2014-15 there was a total membership direct debit income of £1,670,844 and this has now seen a year on year increase to £1,811,726, which is an increase of £140,882 or an increase of 8%.



### Monthly Key Performance Indicators (KPI's)

Detailed Monthly KPI's have been introduced in conjunction with partners at Big Wave Media and are presented and reviewed on a monthly basis to ensure membership sales, attrition and industry good practice are tightly monitored. This allows corrective action to be taken if required and provides accurate income projections to use for budgeting. Actions from these sessions have led to creating the Health & Fitness manual focusing on customer journey & systems and processes set to be launched in 2016. This will then form part of a quarterly external "Gold Standard" audit across the fitness facilities to ensure standards are maintained and create action plans for improvement.



### Technogym My Wellness System

To aid the member experience and retention, the wellness system has been integrated into the IL Fitness Plus+ facilities that have undergone refurbishment with the latest Technogym equipment. This allows gym staff to engage with members face to face & digitally, set reminder tasks to follow up, create digital programs and sent automatically to members to start their training and track member progress and usage. This year has seen 1296 accounts created at the Waterfront and 638 at Birkmyre Park. This will form the key basis of IL's member retention process in 2016-17 with Gourock being the next addition.

### Birkmyre Park Fitness Gym Refurbishment

In September 2015, Birkmyre Park Fitness gym was refurbished to bring it into line with the IL Fitness Plus+ model, similar to the Waterfront Fitness Gym. This saw an equipment investment of £108,647 on industry leading Technogym equipment that utilise digital platforms and the My Wellness member engagement system, as well as upgrading the free weights flooring and installing additional mirrors. This has helped Birkmyre show a growth in member club live by reaching over 500 members in 2015-16, this is the highest club live the facility has had since opening. The direct debit income has shown a strong growth year on year 2014-15 was £137,938 and in 2015-16 increasing to £146,543 an increase of £8,605 or 6%. This has been achieved by increasing local marketing presence in the village and offering more gym based classes and utilising KNCC for a small Group Fitness programme to try and combat prospective members going to local competitors.

### Group Fitness Development

IL continually reviews the Group Fitness program every quarter to ensure current trends and products are identified. This seen the launch of a new Les Mills class called Grit, a 30-minute high intensity interval training session which is proving very popular. Group Fitness participation continues to grow throughout IL with usage in 2014-15 of 113,899 to 2015-16 of 137,057 an increase of 23,158. This is a key retention area for IL to continue to focus on.

### Greenock CrossFit

2014-15 saw the first full year of Greenock CrossFit, the first Leisure Trust based CrossFit gym. This saw an encouraging growth this year and really identified a key niche area of leisure and fitness within Inverclyde. The club live has now risen to just under 90 members on a higher yielding membership category. Due to the format of instructor lead sessions and the community engagement & atmosphere created by the team the member attrition is very low with continued growth projected.

### Children's Activity Development

Gymnastics programme has continued to grow this year and seen an increase in child participation and more classes across inverclyde by introducing into KNCC in Kilmacolm & Lady Octavia Sports Centre. Participation has risen from 365 in 2014-15 to 3728 in 2015-16 an increase of 3,292. The programme has now passed the initial 1 year pilot and is now shown to be a sustainable product for IL to deliver.

### Events

IL hosts a very successful events calendar every year and 2015-16 saw another successful year. The Gourrock Tri-Athlon and Kilmacolm Running Festival delivered the highest attendances to date with participant feedback being overwhelming positive.

Each year our events go from strength to strength with the participation levels rising in particular the Triathlon, 3k, 10k, and half marathon attracting entries from all over the UK.

The Kilmacolm Running Festival this year attracted the biggest in its history, with over 650 people taking part in the event which included Toddle Woddle, family 3k, 10k and half marathon.

IL once again hosted the Outdoor Group Fitness launch at Battery Park astroturf in April. The sun was shining and the event was a great success with approximately 350 people attending with latest classes and releases such as Les Mills Grit, Body Attack and Combat classes.

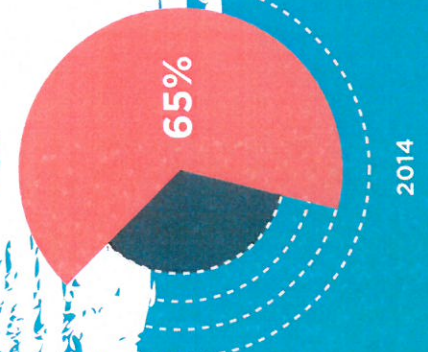
### 8.2 HEALTH AND SAFETY

IL believes that all its employees, customers and visitors have a right to work in a safe and healthy environment. This is created and maintained by the preparation of and adherence to, our own health and safety policy which has been developed with our partners Right Directions and which is reviewed annually.

This ensures full compliance of all statutory regulations and codes of practice. This requires monitoring and control of compliance within the legal regulations, non-statutory requirements and codes of practice. Below are some of our H&S achievements:

- Health and Safety management system improved and embedded across all IL facilities.
- Annual external health and safety audits performed with a corporate average score improving from 65% in 2014 to 73% 2015

### HEALTH AND SAFETY CORPORATE SCORES COMPARISON 2014/15



- Site specific risk reduction plans established
- Risk assessments, procedures and policies continually reviewed and updated to ensure that they are appropriate and fit for purpose
- Business Continuity Planning policy and procedures established
- Specific compulsory health and safety E-learning training initiated and incorporated into Staff Training Programme
- Health and safety working group established to drive health and safety priorities across IL
- Staff health and safety induction reviewed to ensure that a consistent approach is adopted across the organisation
- Corporate QMS, health and safety training matrix produced
- Risk Register regularly updated

### 8.3 HUMAN RESOURCES

IL has aimed throughout the year to create a positive, enjoyable, professional and rewarding team environment for its staff. This has been very difficult this year with the implementation of job evaluation and although most staff were positively affected by job evaluation over the next couple of years we will need to rebuild those affected negatively by offering opportunities when they occur for training and development and creating an environment for staff to flourish.

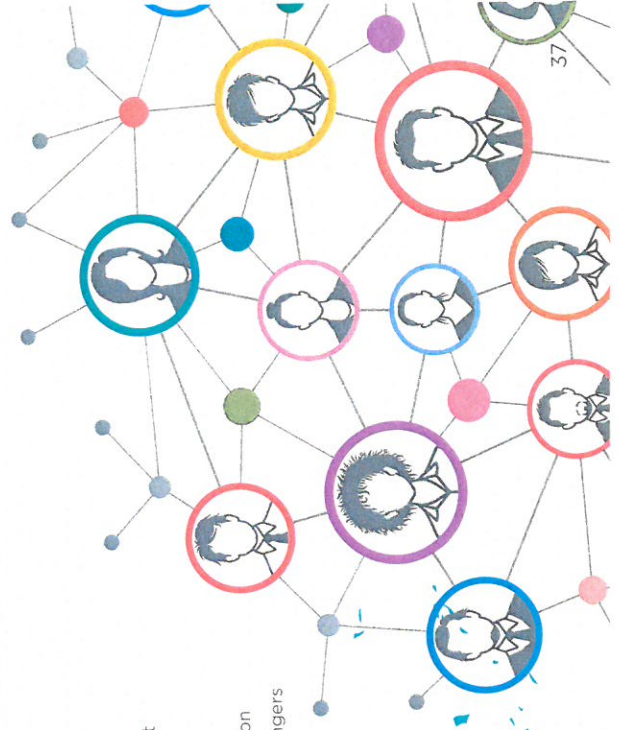
### Staff Training and Development

IL has continued to invest in training and Continued Personal Development (CDP) of its staff by providing various internal and external training courses including CPD courses through a Scottish Swimming for swimming teachers including assessing and observing/ structuring a fun and progressive programme as well as Level 6 Management Qualification for 12 Managers/supervisors through the Chartered Management Institute. The vast majority of our management team have now completed the CMI Chartered Management Institute for a Level 6 Management and Leadership course to give them the training and knowledge to assist them within their role and develop within Inverclyde Leisure.

### E-Learning

Health and Safety E-learning training has started to be incorporated into Staff Training Programme with 120 staff set up with E-learning accounts.

- Courses include:**
- Accident Investigation
  - COSHH
  - Data Protection
  - Display Screen Equipment
  - Fire Safety
  - Food Hygiene
  - Health and Safety Induction
  - Health and Safety for Managers
  - Office Safety
  - Manual Handling
  - Risk Assessments
  - Slips Trips and Falls
  - Stress for Employees
  - Stress for Managers



## COURSES COMPLETED 2015/16

TRAINING COURSE	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
National Pool Lifeguard Qualification												
First Aid at Work												
Scottish Swimming Level 1 Teachers Course												
CMI Level 6 Management Leadership Course												
Big Wave Media Front of House Training												
QMS Review												

### HR Year 2 Objectives

- Review outsourcing arrangements to see if IL are getting best value. This objective has been started but will not be finalised till April 2017 - this includes payroll and HR and we are currently working on updating SLAs.
- Carry out job evaluation. This objective has been achieved
- Continued with the 2nd year of My Development Plan appraisal system
- Developed a staff training and development matrix for policies and procedures
- Implemented government's pension reform for auto enrolment
- Staff suggestion has been looked into and will be addressed in next three-year plan
- Long service awards have been looked into and will be addressed in the next three-year plan
- Up-skilled key managers with MBA, middle management development training, CMI Leadership etc.
- E learning modules sourced in H&S food hygiene etc.
- Full training given at Ravenscraig from climbing instruction, food safety and control and first aid
- Training on wellness systems for all fitness plus team members
- Training on understating the customer journey
- Running the first IL Excellence Awards recognising employees that have excelled in their job
- Improved swim teacher training by arranging CPD through Scottish swimming
- Created 20 new posts in the area by developing Ravenscraig
- Took on and trained more swimming teachers due to expanding the programme

## 8.4 IT

### ICT Migration of Services

Mid 2015, IL embarked on migrating our ICT services away from IC and towards another supplier. The whole project meant upgrading our entire network, migrating data to our new suppliers and investing in new desktops, VoIP phones, various upgrades and systems.

### Office 365

IL made the decision to harness the power of Office 365 to handle our emails and sharing of documents via the web. The idea behind using Office 365 was to help improve productivity, collaboration and team-working within the organisation as we no longer had a client-server network. So using Office 365 was an obvious choice for us moving forward. With the move this also meant that IL also had to rebrand our email domain names to [inverclyde@leisure.com](mailto:inverclyde@leisure.com) which helped build synergy into our existing branding of our website.

### Accounts Software Upgraded

As part of the business plan we also looked at our accounting software. The software had become outdated and needed upgrading as the older version of the software could not handle cloud computing. IL worked closely with the Access Group and other parties involved to help move the database, upgrade the software and then deliver training to staff on the upgraded packages as there was a significant change to functions and the graphic user interface.

### Network Upgraded: VoIP Phones, Direct Dials & Routers

Our partners, Westcom Networks, implemented and installed two new lines per centre to help accommodate our voice and data infrastructure. Whilst overhauling the network we implemented a new phone system throughout the centres which included purchasing new VoIP phones (Yealink T23G), migrating existing direct dial numbers that we could salvage, purchasing new direct dial numbers and also creating a new interactive voice response for the Waterfront.

### Switch Machines (PDOs)

A review was carried out to identify the different models of switch machines IL had throughout their centres. The results showed that there was an array of older models and makes still in use. A decision was taken to contact our suppliers, First Data Merchant Solutions, and arrange/ implement an entire upgrade of our stock to the one model. All of the new PDOs have been successfully installed throughout all the centres allowing IL to process chip & pin transactions as well as embracing contactless payments.

### Desktop Replacement

IL during the ICT switch over evaluated their stock of desktop computers across all sites and identified that investment was needed to replace older hardware that exceeded its system life cycle. Overall, 25 desktops were replaced with newer models and IL has now set in place a 5-year life cycle for desktop computers and laptop computers.

### Printer Upgrade

Our previous contract with Konica Minolta had lapsed before the ICT switch over and was due for renewal. IL obtained quotes from several different companies to provide a specification and cost for a new printing agreement. Overall, Konica Minolta was chosen as the best supplier and a new eco-friendly upgraded printer was installed at the Waterfront.

## 8.5 FACILITIES MANAGEMENT

IL continues to work in close partnership with IC with regards to capital maintenance and continued lifecycle investment within the IL estate.

Annual maintenance schedules allow us to service and repair items during the year and maintain the buildings to a good standard

### CHP Project

We are continuing to work with IC on the combined heat and power unit that is scheduled to be installed within the Waterfront Leisure Complex. Tenders have been sought and it's likely the unit will be installed in 2016/17 after all procurement arrangements have taken place.

Combined heat and power (CHP) is a highly efficient process that captures and utilises the heat that is a by-product of the electricity generation process. By generating heat and power simultaneously, CHP can reduce carbon emissions by up to 30% compared to the separate means of conventional generation via a boiler and power station.

CHP systems are highly efficient, making use of the heat which would otherwise be wasted when generating electrical or mechanical power. This allows heat requirements to be met that would otherwise require additional fuel to be burnt.

CHP is the measure that offers the most significant single opportunity to reduce energy costs and to improve environmental performance with existing users of CHP typically saving around 20% of their energy costs.

#### Facilities Management Software

IL have recently started to roll out our Facilities Management Software to allow us to digitally and remotely update our facility checks and pre-opening and closing inspection procedures. This information then migrates back to our management software to record this information electronically via the cloud.

This process has been trialled at the Waterfront and will be later rolled out to other IL facilities.

IL continue to monitor and review the following: -

- Contractors with relevant information (permits to work etc.) and standards of work to be inspected.
- Contracts are in place to ensure that essential systems and items are maintained to high standards (e.g. alarms, extinguishers, lifesaving and safety systems, pest control, plant maintenance and all day to day requirements).
- Continue to review and replace conventional strip lighting with triphosphorous tubes or LED.
- Continue planned preventive maintenance schedules

#### Partnership and Property meeting with Inverclyde Council

IL attend a bi-monthly meeting with IC to discuss facility, property maintenance and future capital projects and investments.

The meetings allow us to look at the individual sites to establish their current condition and consider any future lifecycle costs and repairs that are required to improve the facilities in line with our capital budget allocation.

## 8.6 QUALITY MANAGEMENT

### Quality Management System

IL continue to work in close partnership with our quality management partner Right Directions. We have dedicated operational teams and managers to ensure quality improvements are continually achieved. Within the last year we have seen significant improvements and results in our facilities score.

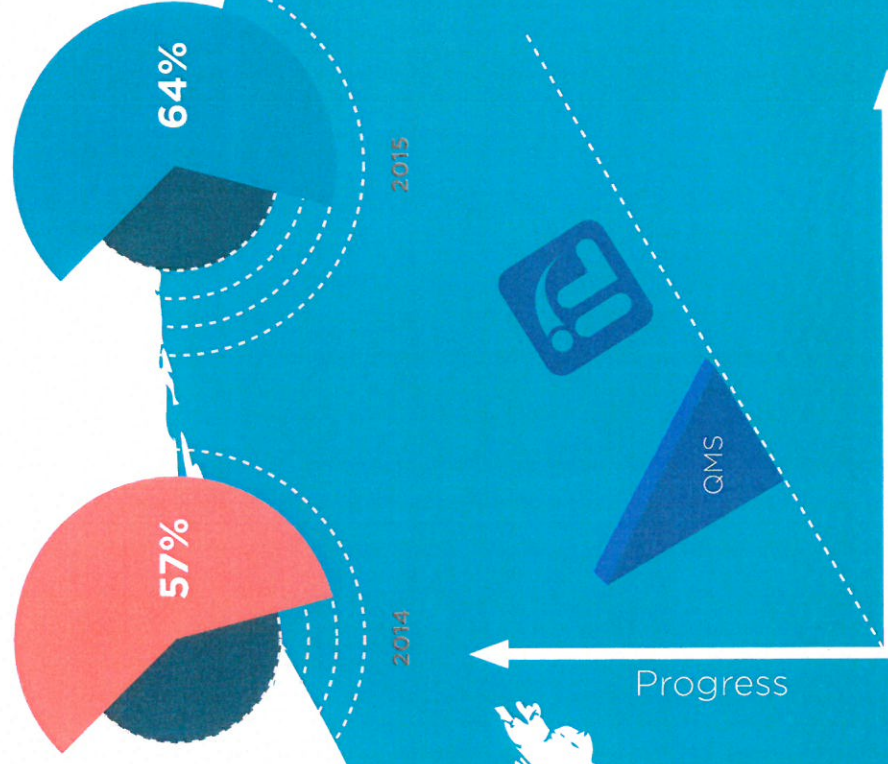
The centres are individually audited and inspected to ensure that process and procedures are being adopted and that staff are being made aware of the company's expectations. We also have a management team working group that meet every quarter and review continuous progress and implement any new changes in our policies to ensure we satisfy our customer demand.

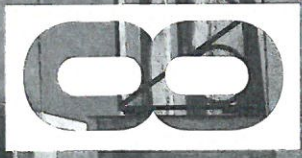
We continued the process of establishing and embedding an effective Quality Management System (QMS) as the foundation for quality at IL with the concept of the customer and supplier working together for mutual benefit.

Continuous improvement has resulted from the process, and the embedding of the QMS will continue to play a key role in IL's improvement strategy.

- Service improvement team continued to engage with external consultants, staff and other stakeholders to review policies and procedures and agree improvement plans for all IL facilities.
- Service Improvement Plans embedded in all facilities and aligned to IL's Business Plan.
- Consistent policies and procedures continue to evolve and are defined and documented as part of an integrated Quality Management System informing continuous improvement across all areas of the business.
- All staff trained in relevant procedures and policies.
- External Quality audits corporate score showed an improvement of 7% on the average from previous year.

## QUALITY AUDITS CORPORATE SCORE COMPARISON 2014/15

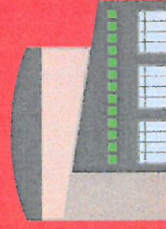




IL has had another successful year in 2015/16 in terms of income growth and has made a significant investment into the Company's future.

In 2015/16 IL has grown its income by 9.5% to £6.3m and finished the year £436k ahead of target. This has been down to the continued success of IL's Direct Debit membership packages and excellent facilities provided to our loyal customers.

2015/16 has been a year which has seen IL financially invest heavily into its facilities with the view of delivering the best and most modern facilities to our customers. IL's capital investment in the year totalled over a million pound



**£1.3M UPGRADE OF RAVENS CRAIG ACTIVITY CENTRE £600K FUNDED BY IC**



**NEW GYMNAS TIC EQUIPMENT FOR GREENOCK SPORTS CENTRE**



**UPGRADE OF BOGLESTONE COMMUNITY CENTRE**



**NEW PHONE SYSTEM**



**GYM UPGRADE BIRKMYRE**



**IT INVESTMENT**

The volume of these investments due to IL's VAT status has also seen a significant increase in our irrecoverable VAT levels.

IL has seen increased levels of staff costs in 2015/16. This increase is due to the addition of Parks & Pitches and Health & Vitality to the portfolio in the year.

IL saw a decrease in total utilities costs in 2015/16 versus target despite the additional business units added to the portfolio. This is due to efficiency savings.

Property costs and Supplies/Services increased by £21k versus target due to some significant repairs at our facilities and additional costs for service contracts.

Other expenditure finished over budget mainly due to depreciation cost.

IL used its development fund to cover the following costs:

- Annual leasing cost of new Gym equipment for the benefit of its centres and members
- Marketing initiatives
- Cost of the Job Evaluation exercise.
- Facility upgrades

IL has continued to invest in staff in terms of additional training to ensure staff have the skills to meet customer needs best.

Audited accounts will be produced to the Inverclyde Leisure board in October.





# OUTLOOK FOR YEAR THREE OF IL BUSINESS PLAN 2016/2017

IL aims to finish off the three-year Business Plan continuing our strategy of retention and extension. Below are some examples of areas of development IL will be focusing on throughout the year. IL will also be focusing on bedding in new products and services from previous years as well as the initiatives below

- Produce three-year strategic plan
  - Produce annual report
  - Drive marketing promotions through product range
  - Review Board Structure
  - Ensure initiatives from the last 2 years are fully embedded
  - Fully review play schemes
  - Fully review Parks and Pitches
  - Launch Gourock Fitness Gym
  - Carry out customer survey
  - Carry out SWOT and PEST analysis
  - Develop year's promotion plan
  - Carry out My Development Plans
  - Work with IC on the European referendum and election
  - Quest register key facilities
  - Train and Develop employees
  - Work with IC to continue essential works programme
  - Deliver Live Active DD option
  - Implement McMillian programme
  - Tender catering contact town halls
  - Tender Marketing Contract
  - Look at upgrading ice rink toilets changing and seating
  - Achieve 75 % in external H&S audit
  - Fully embed Facilities Management software
  - Achieve 67 % in quality audits
  - Carry on developing core products through monthly business development reviews
  - Embed CHP IC dependent
  - Continue Partnership working with IC
- monthly meetings
  - Develop our Health Improvement and Live Active programmes
  - Develop IL Events, Maxifit, 5k, Kilmacolm, Gourock triathlon
  - Celebrate sites success with third IL annual excellence awards
  - Carry out staff suggestion survey
  - Look into Gold Standard at key Gyms
  - Increase customer outreach and research
  - Increase DD on learn to Skate and Swimming Lesson
  - Develop KPI reporting further daily dashboards
  - Look at Fake Festivals putting on more events
  - Complete corporate training matrix
  - Reduce IC's management fee by 2 %
  - Register a centre for Quest
  - Look into services agreements to get the best fit for IL
  - Update site business plans and sites to produce detailed operational budgets for each site
  - Focus on targeting customers individually to improve health awareness and diet
  - Continue Partnership working with IC



# NOTES

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