

EAST RENFREWSHIRE COUNCIL26 February 2025Report 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) 2025/26 Business Plan.

RECOMMENDATION

2. That the Council approves the proposed Business Plan for 2025/26 following confirmation of the budget by the Council on 26 February 2025.

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 1 July 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 2025/26 (Appendix 1) is presented to Council for approval, subject to budget confirmation.

REPORT

6. 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;
- 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.

7. Earlier business plans focused on the transition from council departments to a social enterprise model. Whilst change programmes and organisational development work will continue to modernise the services, the focus is now on sustainability. The growth of commercial activities, and the associated profit margins, allied to the continued close cost control will further build upon the Trust's successes.

8. 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.

9. 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.

10. 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 A Place to Grow and the Trust will take a key role in contributing to the three strategic pillars of A Place to Grow.

FINANCE AND EFFICIENCY

11. The Council budget for 2025/26 will be agreed at the Council meeting on 26 February 2025; as such the Trust Business Plan and associated proposed budget are offered for approval subject to the final agreement with the Council.

12. The Trust reported an operating surplus of £572k (loss of £66k excluding pension service costs) for the year ended 31 March 2024. The final financial position was in line with expectations and allowed for a prudent level of reserves to be retained. The latest forecast for 2024/25 indicates a small surplus.

13. In last year's plan there was a focus on the development and improvement of swimming, gyms, fitness and theatre. Pricing and product development focused on maintaining competitive pricing and introduced new products to attract younger members in gyms and fitness. Projects to increase digitisation and automation within the customer journey were implemented in Community Sport. The relationship between staff and customers was a key success in last year's plan with Net Promotor Scores noting the quality of the staff interactions.

14 Key areas of work which will be undertaken in during 2025-26 includes:

- Continuing to improve the customer journey and digital capability through improvements such as integration between library and box office systems;
- Mitigating increased competition through initiatives such as innovative use of space and staff training and development;
- Tackling inequality through service design to widen access to those with protected characteristics;
- Implementation of key strategies which have been developed including Sport and Physical Activity, Library and Arts and Heritage Strategies, and;
- Increased focus on People Strategy with further work on ERCL Mission, Vision, Value and Identity.

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 is scheduled for completion in 2027.

16. The Trust worked to meet its charitable aims and objectives and 2023-24 saw the Trust continue to build on the growth of the prior year with sustained increases in all key services. The latest forecast for 2024-25 has a higher than expected surplus with a deficit of £691k projected in 2025-26 due to the continued backdrop of rising costs related to inflation and pay awards. Income of £11.804 million is forecast against expenditure of £12.496 million.

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

CONSULTATION

18. 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

19. 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

20. 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.

21. 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

22. East Renfrewshire Culture and Leisure Trust Business Plan gives clear strategic direction that is in accordance with the Council's strategies.

23. The Plan is supported by detailed operational plans which deliver the Community Planning 3 key pillars under A Place to Grow. 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.

24. An Equality, Fairness and Rights Impact Assessment has been undertaken to support the development of this Business Plan.

RECOMMENDATION

25. It is recommended that the Council approves the proposed Business Plan for 2025/26, subject to budget to be confirmed at a full Council meeting on 26 February 2025.

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Appendix 1

East Renfrewshire Culture and Leisure Trust Business Plan 2025/26

east renfrewshire
**CULTURE
& LEISURE**

East Renfrewshire Culture and Leisure

2025-26 Business Plan

1. Executive Summary
 - 1.1 This Year's Plan
2. Introduction
3. The Vision for East Renfrewshire Culture and Leisure
 - 3.1 Purpose (i.e. Charitable Objectives)
 - 3.2 Vision
 - 3.3 Mission
 - 3.4 Values
4. Strategic Context
 - 4.0 East Renfrewshire Community Plans
 - 4.1 ERCL Strategic Aims
 - 4.2 SWOT Analysis
 - 4.3 PESTLE Analysis
 - 4.4 Horizon Scanning
5. Market Position
 - 5.1 East Renfrewshire as a Market
 - 5.2 Timing and Alignment with Core Target Demographics
 - 5.3 Customer Journey
 - 5.4 Vision, values and brand
6. People
7. Services
 - 7.1 Current Delivery Structure
 - 7.2 Services Overview
8. Operational Plans
9. Financials
 - 9.1 Reserves Policy
 - 9.2 Investment Policy
 - 9.3 Fixed assets
 - 9.4 Budget 2025–26 to be agreed
10. Support Services
11. Risk Management

1. Executive Summary

East Renfrewshire Culture and Leisure (ERCL) are committed to the preparation of an annual Business Plan, created through a business planning process outlined in the Services Agreement at ERCL's establishment in July 2015.

This Business Plan identifies:

- the projected resources and/or expenditure of ERCL during each Financial Year in performing the Services and complying with its' contractual obligations to East Renfrewshire Council (ERC);
- ERCL'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 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, several 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.

There are several related but separate measures of success for ERCL, 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 focused 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

Last year's plan outlined the continued development of, 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 in gyms and fitness, the result of which – particularly in gyms and fitness membership - have been striking. The continued impact of the new gym at Barrhead Foundry, The Grid, has contributed significantly to the overall performance of gyms and fitness.

Notable sustained growth in gyms, fitness, swimming, Vitality and Live Active, and theatre has underpinned financial results, and a continued growth in library figures (physical and online) is pleasing. Our success this year in sustaining growth or maintaining numbers will reflect increasing capacity issues, at least until the new Eastwood and/or Neilston centres become available. Projects to increase digitisation and automation within the customer journey were implemented in Community Sport and further work will be undertaken this year to build upon that in the hope of optimising class occupancy levels.

Similarly, we have been reviewing our ancillary income in general and catering and hospitality performance and provision in particular and will be implementing changes with some new products. Financial returns may be initially modest, and budget provision is prudent, but the vision is to improve the overall offer; enhance the operation of sports pitches following their integration into the Trust; and position the Trust for the opening of the new Eastwood Centre

The relationship between staff and customers has been critical too, with NPS scores noting the quality of the staff interactions, increased quality engagement and the dynamic refreshing of the fitness offer in particular.

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. Recent pay awards and changes to National Insurance exert further pressure and, in most cases, outstrip the ability of Trusts to increase income to mitigate cost rises.

Whilst we have successfully managed disruption to supply chains with regards to our day-today operations in recent years, it has had an impact on capital works, and inflation is severely impacting on budgets, including goods, services, and utilities and staffing; and constraining, amongst other things, planned, routine and remedial maintenance.

The standard and conditions of our buildings directly impact our ability to develop, grow and generate new income streams but we are working hard to make the best use of the facilities we have, to improve our product range and quality. Planned works will be undertaken this year to Barrhead Foundry and we will endeavor to minimise consequent disruption.

More generally the landscape is challenging across the sector in Scotland. The recent EKOS report commissioned by sector partners noted that, depending on the data used, local government investment in these services has reduced by at least 20% in real terms between 2010/11 and 2022/23. Over the same period, analysis suggests that net revenue expenditure on culture has fallen by as much as 33% in real terms with sport and leisure reducing by around 25% again in real terms. 85% of Councils and 50% of Trusts reported making savings to culture and leisure post pandemic, and 25% noted they had stopped some sport and culture services altogether. ¹

¹ *Review of Culture and Leisure Services in Scotland: Report for Community Leisure UK, Creative Scotland and Sport Scotland Final Report, August 2024*

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 ERCL 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, reading for pleasure, 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 people for 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.

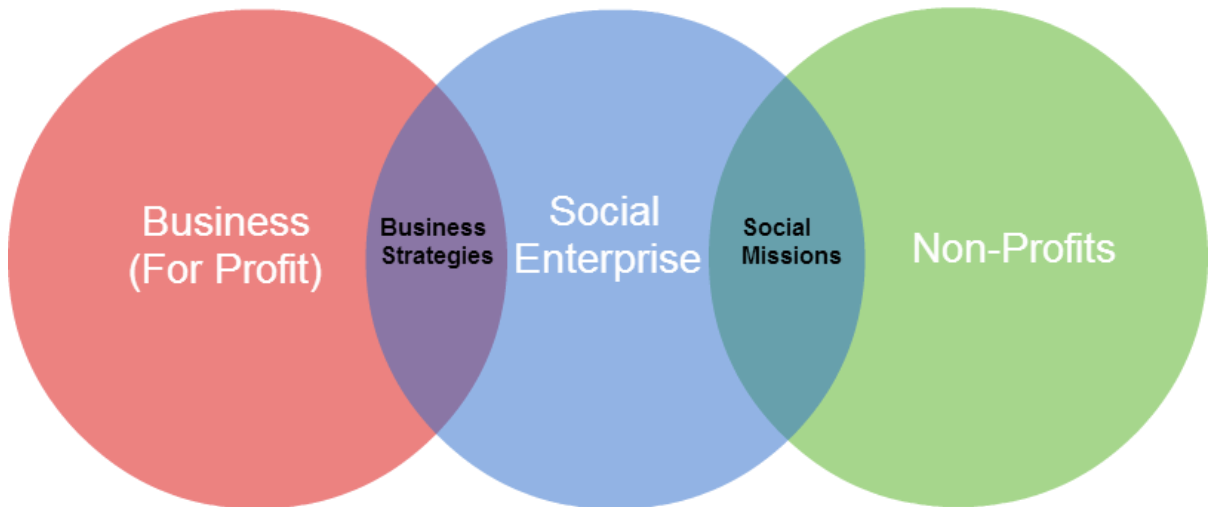
3.4 Values



4. Strategic Context

The Social Enterprise Model

ERCL is a social enterprise. A 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, occupy the middle ground between commercial businesses and charities. Profits generated by 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 and its charitable objectives. Our non-profit distributing status means that any surpluses generated are available for reinvestment in local facilities and services.

4.1 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.

4.2 A Place to Grow, 2040

ERCL has been a key contributor to the development of the Council's new Community Plan and vision for East Renfrewshire, **A Place to Grow**.



The role of our work in supporting **young people** and their development through sports, physical activity, arts, culture and literacy and holiday hunger activities; **supporting communities** through the operation of vibrant public facilities, through our community development work with partners, or by creating a sense of place with heritage, history or other public programmes, and as an employer and training organisation; and driving **health and wellbeing** through our services and interventions in partnership with the NHS, HSCP or third sector partners such as MacMillan Cancer Support will all contribute to the three strategic outcomes of *A Place to Grow*.

4.3 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 look forward and to articulate how we intend the organisation to develop within its governance framework, operating environment and partnerships.

Our strategic aims are:

Create a financially sustainable business model, balancing strong ambitions with commercial viability



Develop an understanding of our customers and audiences and an offer that attracts them, working in partnership with organisations across the region to remove barriers to participation



Develop a strong, diverse, resilient and committed workforce, building on our commitment to growing people and ideas

Establishing East Renfrewshire Culture and Leisure's role at the heart of Vibrant Communities through the services we deliver, the opportunities we provide and the support we offer.

Developing resilient, dynamic and productive partnerships that are developed and nurtured to grow our business and maximise the impact we have in our communities.



4.4 Business Plan Contextual Analysis

4.4.1 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>Geographical Coverage: Halls, venues, libraries, and theatres are well-distributed for community access.</p> <p>Continuous Improvement: Ongoing enhancements in services, business support, and management.</p> <p>Positive Impact Recognition: Increased appreciation for sports, leisure, and cultural activities post-lockdown.</p> <p>Local Service Exploration: Rise in home working leading to more local service usage. Loyal Customer Base: Strong word-of-mouth and positive survey feedback.</p> <p>Variety of Services: Wide range of services and classes available.</p> <p>Well-Trained Staff: Front-line staff supported by innovative and creative development officers.</p> <p>Business Development: Improvement programmes for key business areas.</p> <p>Volunteers: High-calibre volunteers passionate about the area.</p>	<p>Lean Resourcing: Limited ability to support commercial, improvement, or community development.</p> <p>Estate Condition: Worsening condition of the estate with limitations on improvements.</p> <p>Staffing Model Misalignment: Current staffing model, contracts, and operating hours do not meet customer demands, affecting recruitment and retention.</p> <p>Cost-Base Constraints: High staff costs relative to turnover and limited discretionary budgets.</p> <p>Market Responsiveness: Inability to quickly adapt to evolving markets.</p> <p>Car Parking: Insufficient parking availability at key sites.</p> <p>Digital Enablement: Work still needs to be done on removing the friction in our digital access and booking platforms</p> <p>Maintenance Budgets: Inadequate property maintenance budgets.</p> <p>Size and Range of Facilities: Size and availability of space and access in key facilities (gyms, theatre, sports pitches) limits growth</p> <p>Catering Provision: Issues with catering service</p>
OPPORTUNITIES	THREATS
<p>Aligning Services with Government Objectives: Ensuring initiatives are in sync with local and national policies, and the vision of <i>A Place to Grow, 2040</i></p> <p>Increased Public Valuing of Culture and Leisure: Leveraging post-pandemic appreciation for services.</p> <p>Reviewing Business/Staffing Model: Adapting to meet customer demands.</p> <p>Enhanced Marketing and Promotion: Boosting awareness and engagement.</p> <p>Access to External Funding: Supporting recovery, growth, and improvement.</p> <p>New Developments: Progress on Eastwood facility and Neilston developments.</p> <p>Planning for Population Growth: Adjusting services based on demographic trends.</p> <p>Demand Analysis: Identifying opportunities to increase capacity.</p> <p>Customer Journey Investment: Enhancing digital capabilities to improve customer experience.</p> <p>Improving Theatre Performances: Upgrading experience.</p> <p>Facility Upgrades: Targeted refurbishments to enhance user experience.</p> <p>Health & Wellbeing Partnerships: Collaborating with HSCP and Education Department.</p> <p>Upgraded Swim Provision: Expanding ASN opportunities.</p> <p>Redesigning Business Model for Tutors: Adapting to changing demand.</p> <p>Catering Review and Development: focus on selected un-catered sites / general quality improvements</p>	<p>Income Risk: 50% of income is earned and at risk, with expected reductions in council funding.</p> <p>Economic Challenges: Price and pay inflation impacting budgets.</p> <p>Balancing Objectives: Struggling to balance charitable and commercial goals.</p> <p>Employment Issues: Challenges with tutor/casual roles and employment status.</p> <p>Staff Recruitment: Difficulties in recruiting staff across several services.</p> <p>Growing Competition: Increased competition in key commercial areas.</p> <p>High Costs: Rising tender prices, utility costs, and sourcing difficulties.</p> <p>Political Impact: Effects of political decisions, legislation, or policy changes.</p> <p>Unplanned Closures: Need to rebuild customer engagement after closures.</p> <p>Asset Transfer: Risks associated with transferring assets.</p> <p>Over-committed Funds: Building Enhancement Fund over-committed.</p> <p>Capital Funding Constraints: Price increases and borrowing costs limiting capital funding.</p> <p>Adaptability: Challenges in adapting to customer demands and trends.</p> <p>Site Vulnerability: Condition and vulnerability of the Eastwood site.</p> <p>Space Competition: Increased competition and demand for space at venues.</p>

4.4.2 PESTLE Analysis

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

4.5 Horizon Scanning

4.5.1 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 is scheduled for completion in 2027, 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

4.5.2 The Customer Journey and Digital Capability

Recent work on digital platforms such as the launch of the ERCL Leisure App and the relaunched website, which enables a smoother customer journey and an opportunity for improved customer communication, will be built on. Improved public Wi-Fi, automated gates and the 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.

4.5.3 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 income. 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, improving our product through innovative use of space and staff training and development.

4.5.4 Funding

2023 saw the end of temporary Covid funding, which together with income from NHS Mass Vaccination Clinics, has compensated for lost commercial revenues. Mass Vaccination Clinics are no longer required, 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 2025-26.

4.5.5 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 for 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.

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 enrichment programmes and targeted activities).

4.5.6 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.

4.5.7 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 and Physical Activity Strategy, the Public Libraries Strategy and the Arts and Heritage 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. Market Position

5.1 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.

The smallest segment is young adults, 11% of the overall population, which is targeted by developing services aimed at this age group.

5.2 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.

5.3 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
- launched new book and pay service for sports and arts classes moving from pre-payment of 'blocks' of classes to monthly payments spread over the year, increasing customer satisfaction and participation
- integrated library events and activities on the website with the library online booking system
- improvements to the online library catalogue enabling better resource discovery and promoting usage
- introduction of card payment facilities at libraries
- introduction of new, faster public Wi-Fi services across libraries and venues

5.4 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 following our brand refresh in 2024/25, we will roll out our vision, values and brand to create a distinct identity that aligns with our aims, resonates with our audiences and builds on customer loyalty.

6. 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 Objective	Key measures of success and impact	Key Risks
Attract	<p>Recruit the best staff to drive the success of the organisation.</p> <p>Develop our own workforce through internal programmes, especially targeted at Senior Pupils.</p>	<p>Enhance our reputation to improve our standing.</p> <p>Identify areas of excellence through business planning, pinpointing necessary roles and recruitment campaigns.</p> <p>Ensure flexible recruitment processes and develop partnerships and pathways to attract top talent.</p> <p>Maintain a diverse workforce with relevant skills, experience, and backgrounds.</p> <p>Provide learning and development opportunities for local Students/people to join ERCL.</p>	<p>Majority of posts filled first time with the right calibre of staff.</p> <p>Increased diversity of applicants.</p>	<p>Insufficient staff with the right skills and experience.</p> <p>Regulatory non-compliance.</p> <p>Financial constraints affecting the ability to create or fill posts or compete in the market.</p>
Development	<p>Commit to growing people and ideas.</p>	<p>Design, develop, and commission development programmes to meet staff needs and drive organisational improvement.</p> <p>Share learning and best practices internally.</p> <p>Support and develop all staff through appraisals with clear targets and expectations.</p> <p>Foster a culture of continuous improvement and service Understanding.</p>	<p>Meaningful annual performance and review appraisals for staff.</p> <p>Increased number of staff achieving in-work qualifications.</p> <p>Participation in mentoring, coaching, and development programmes.</p> <p>More staff mentoring and supporting colleagues.</p>	<p>Disengagement due to unclosed cycles of expectations, development, resources, and recognition.</p>
Retain	<p>Create an environment where staff can flourish, linking their performance to organisational success.</p>	<p>Develop fair reward and recognition approaches that celebrate excellence.</p> <p>Ensure staffing structures and models meet business and customer needs. Provide at-work programmes in sport, arts, and culture to enrich staff lives and foster passion for the organisation.</p>	<p>Increased internal recognition and promotion of staff.</p> <p>ERCL recognised as a desirable workplace.</p> <p>Staff turnover rates.</p> <p>Popularity and take-up of at-work activities.</p>	<p>Disengagement due to unclosed cycles of expectations, development, resources, and recognition.</p>
Mobilise	<p>We will help our employees be role models and advocates for sport, arts, and culture.</p>	<p>Develop a programme that provides volunteering opportunities for staff.</p> <p>Offer at-work programmes and opportunities in sport, arts, and culture to enrich the working lives of our staff and foster their passion and enthusiasm for our organisation.</p>	<p>Staff volunteer hours (external).</p> <p>High degree of satisfaction and motivation reported through staff engagement surveys.</p>	

	Strategic Aims & Outcomes	Strategic Objective	Key measures of success and impact	Key Risks
Excellent Management and Leadership	Establish and grow everyday leadership to realise our common goals.	<p>Ensure 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 practices.</p> <p>Develop managers as leaders in their disciplines.</p> <p>Provide an induction programme that sets the benchmark for our development programme.</p> <p>Work in partnership with our trade unions to develop our approach to staff engagement, communication, and collaboration.</p> <p>Ensure leaders communicate and exemplify our values.</p>	<p>Excellent leadership recognised internally (staff survey) and externally</p> <p>The charity is recognised as an excellent place to work (staff survey and exit surveys).</p> <p>Number and quality of internal applications and appointments for leadership roles.</p> <p>Overall staff engagement survey scores and feedback.</p>	Ineffective leadership or management skills leading to high turnover of high-quality
Progressive, Collaborative, and Healthy Environment	Create a progressive, collaborative, healthy, and enjoyable working environment that benefits both customers and staff.	<p>Maintain our staff engagement surveys and listen to staff.</p> <p>Actively support health and wellbeing through Healthy Working Lives and at- work programme.</p> <p>Maintain effective internal communications.</p> <p>Enable leaders to proactively assess staff wellbeing, health, and safety within their teams and provide appropriate management information to ensure the maintenance and improvement of a healthy environment.</p> <p>Foster a culture of continuous improvement and learning.</p>	<p>Overall staff engagement survey scores and feedback.</p> <p>Ratings of management and leadership through staff engagement surveys.</p> <p>Sickness and absence rates.</p>	<p>Sickness levels rise because triggers are not identified and addressed early or properly.</p> <p>Accidents or health and safety issues arising from lack of training and development.</p>
Stability and Sustainability	Develop apprenticeships, volunteering, internships, or work placement opportunities as pathways to employment with us.	Plan, implement, and communicate change clearly, sensitively, and thoughtfully.	<p>Evidence of well-managed change programme (audits, feedback, or pulse surveys).</p> <p>Stress-related absence rates relative to the sector.</p>	Poorly implemented change impacting staff morale, engagement, absenteeism, and wellbeing.
Community Impact	Undertake periodic social impact surveys to evaluate our effectiveness in line with community planning.			

7. Services

7.1 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 and Business Support. There are 17 Community Facilities, 14 outdoor Pitches and Pavilions; evening and weekend school lets across all 35 ERC schools, Heritage Services, Visual and Performing Arts and the professional programming of Eastwood Park Theatre.

7.2 Services Overview

7.2.1 Operations

- We operate four multi-function venues offering leisure and sport activities, professional theatre, library services, and facilitating school physical education. Our centres are busier than ever, with modernised programmes and significantly higher attendance across all activities.
- Our venues are strategically located in larger East Renfrewshire communities. Significant investments in Barrhead Foundry, Eastwood Park, and Neilston will further enhance our offerings.
- Our swimming development program has surpassed pre-COVID levels, the reopening of the pool in Eastwood High Sports Centre following refurbishment has also expanded our programme for people with Additional Support Needs from 17 to over 60 participants per week. The pools in Barrhead Foundry are due to reopen in February 2025, we expect continued growth. We've invested in developing new swimming teachers through seven training courses, maintaining high-quality provision with strong customer satisfaction.
- We've introduced a new school swimming programme, closely linked to the school curriculum, which has been nationally recognised as good practice. However, participation has slightly declined due to school budget pressures for transport costs.
- We will continue to embed and develop OpsPal, a health and safety support system, to improve premises operations and ensure a safe experience for our customers

7.2.2 Sport and Physical Activity

- The Sport and Physical Activity unit consists of an extensive Gyms and Fitness operation, a wide-ranging Community Sports programme which delivers sports coaching opportunities throughout East Renfrewshire, Active Schools programme, and Health and Wellbeing services
- We operate gyms and group fitness programmes in all four leisure 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, which we are constantly innovating, and testing new activity classes to meet demand. Junior membership has increased markedly after a full review and overhaul of our junior product. There is a high level of local private sector competition within the fitness market which drives us to 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 1,850 children participating in these activities weekly. This is a new high in participation. 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 five 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. Demand and participation in these programmes have increased markedly with ERCL being a brand leader in the Greater Glasgow and Clyde NHS area. We also deliver targeted programmes such as the For Your Entertainment scheme, which provides free access for vulnerable children, and the Health for Heroes scheme which provides our veterans with free gym membership.

7.2.3 Libraries and Information Services

- East Renfrewshire boasts 10 public libraries, ensuring almost every community has access. Since April 2021, library visits have steadily grown, with physical visits holding steady and virtual visits increasing slightly in the first half of 2024/25. Efforts to maintain this growth include engaging with schools, local groups, and expanding digital offerings.
- This aim of continued growth is set against a backdrop of the library service review which took place in early 2024. While this has resulted in increased capacity for staff this review has seen 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 and 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 the focus continues to be 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 and Mend hubs offering access to sewing machines and around supporting health and 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 and 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 include regular drop-ins, information stands, and financial support and outreach services. All sessions are free and delivered by volunteers.
- Every Child A Library Member 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 and became fully embedded in 2023-24.

7.2.4 *Community and Arts*

- We welcome over one million visitors annually across our 17 halls, pitches, and pavilions, as well as through our school letting program. We provide spaces for community groups, commercial organisations, and individuals to meet and participate in activities and events at the heart of their community.
- Our customers, ranging from all age groups, engage in a variety of activities and events, including playgroups, lunch clubs, yoga classes, baby discos, weddings, and counselling services. Our team of hall keepers ensures a welcoming and safe experience, delivering first-class customer service.
- We support local and general elections and act as first responders in civil emergencies, with a team member embedded in the council's Civil Contingency Response Team.
- The Arts and Heritage team offers diverse programs for engaging with arts, heritage, and cultural activities in East Renfrewshire. We manage the creative content and professional programming of Eastwood Park Theatre and Exhibition/Gallery Space, providing technical theatre support in sound, lighting, and stagecraft. We also develop and deliver visual and performance art classes, workshops, events, exhibitions, and outreach theatre.
- We collaborate with partners to deliver innovative participatory opportunities, such as Wake Up with Solar Bear (BSL theatre) and the Covid Stories Project with Green Space Scotland. We work with leading sector providers to ensure high-calibre live and streamed performances at Eastwood Park Theatre, including Royal Opera, Royal Ballet, National Theatre Live, and support Scottish Touring Theatre.
- Our reputation for carefully curated and co-produced work continues to grow, with events like "An Audience With" and traditional drama pieces such as Tally's Blood, which attracted over 1,000 ticket sales. We manage the Heritage Service, offering popular heritage classes and supporting a dynamic group of volunteers. Our heritage database platform is being developed to provide better access for customers.
- Projects like Beyond 2020 Covid Reflections with Museums Galleries Scotland have been featured on Radio Scotland.
- The Business Support team underpins the work of the Arts and Heritage Team and all other services within ERCL. They handle bookings, events, classes, payments, direct debits, and refunds, supporting both customers and the wider ERCL staff. In 2023/24, they managed over 8,000 email inquiries, processed 20,000 booking requests, issued over 2,000 customer invoices, and raised 880 purchase orders. They also manage gym memberships and swimming lessons.
- Since the pitch function transferred to ERCL in September 2023, we have implemented efficiency measures, including a bookings process review, cancellation process review, and the implementation of Ops Pal across all sites. We have improved staff access to digital information and the live booking system, streamlined payroll and leave request submissions, harmonized cleaning processes, and invested in new equipment and staff development.

8. 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.

9. Financials

The Trust reported an operating surplus of £572k (loss of £66k excluding pension service costs) for the year ended 31 March 2024 (2023: £1,414k deficit; £87k surplus excluding pension service costs), which was in line with expectations. This is before allowing for the net actuarial gain of £638k in respect of the multi-employer defined benefit pension scheme (2023: gain of £3,293k). In summary, the financial position for the period ended 31 March is noted below:

£k	Year ended 31 March 2024	Year ended 31 March 2023	Movement
Income	12,476	10,736	1,740
Net Income / (Expenditure)	572	(1,414)	1,986
Actuarial Gains / (Losses)	(638)	3,293	(3,931)
Total funds (after retirement benefit scheme gains / losses)	2,823	2,889	(66)

The latest year of trading has supported us in meeting our charitable aims and objectives, ending the year with a strong financial position. 2023-24 saw the Trust continue to build on the growth of the prior year, with sustained increases in all the key services. This was despite market factors such as increased competition in key areas such as gyms and fitness, or the cost-of-living crisis on the one hand, or continued internal pressures, principally in staff shortages.

The principal funding sources are a combination of income generated through a level of sales, fees and charges for our charitable activities (£5.3m) (2023: £5.0m), as well as a Management Fee received from ERC of £6.0m (2023: £5.6m) for our work in managing the Leisure, Library, Arts and Community facilities within the local area.

The primary areas of spend are people £9.6m (2023 £10.2m), Property £0.5m (2023: £0.4m) and Supplies and Services £1.5m (2023 £1.5m).

9.1 Reserves Policy

During 2023/24, ERCL agreed for the unrestricted non-designated reserves to remain at £800k (increased from £500k in 2021/22). 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 deficit of £66k (2023: surplus of £1,879k). There was a surplus of funds of £2,823k (2023: £2,889k), of which £35k (2023: restated surplus of £106k) was restricted and £2,788k (2023: restated surplus of £2,783k) was unrestricted. Of this amount, £1,588k was designated for Transformation and Recovery activities, £317k to support the Digital Programme and £83k 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.

9.2 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.

9.3 Fixed assets

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

9.4 Budget 2025–26 to be agreed

The latest forecast for 2024-25 has a higher-than-expected small surplus, with a deficit of £477k projected in 2025-26. This deficit is despite still having the benefit of the superannuation rate being temporarily reduced by 11.5%, saving the Trust £956k in payroll costs. Although the Trust has experienced strong trading across all services, 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. The pay award for 2024-25 will cost the Trust £114k above budgeted levels. All these factors have put critical pressure on ERCL's ability to deliver core services within its existing financial resources. It is assumed that the ERC service fee for 2025-26 will remain the same as 2024-25, however this is not guaranteed and is still under review by ERC.

	25/26
	Draft Budget
£k	
Income	
Grant Income	331
Arts & Theatre Income	676
Theatre & Comm Facs Hire	567
Sports Income	3,399
Sports Pitches	328
Property / Other Auth & Agencies	182
Other Income	88
Operating Income	5,572
ERC Service Fee	6,055
ERC Claims	0
Release from Reserves	0
Total Income	11,627
Staff Costs	10,647
Property Costs	594
Transport	30
Supplies & Services / Other	1,789
Total Expenses	13,060
<i>Superannuation Saving</i>	956
OPERATING SURPLUS / (LOSS)	(477)

10. Support Services

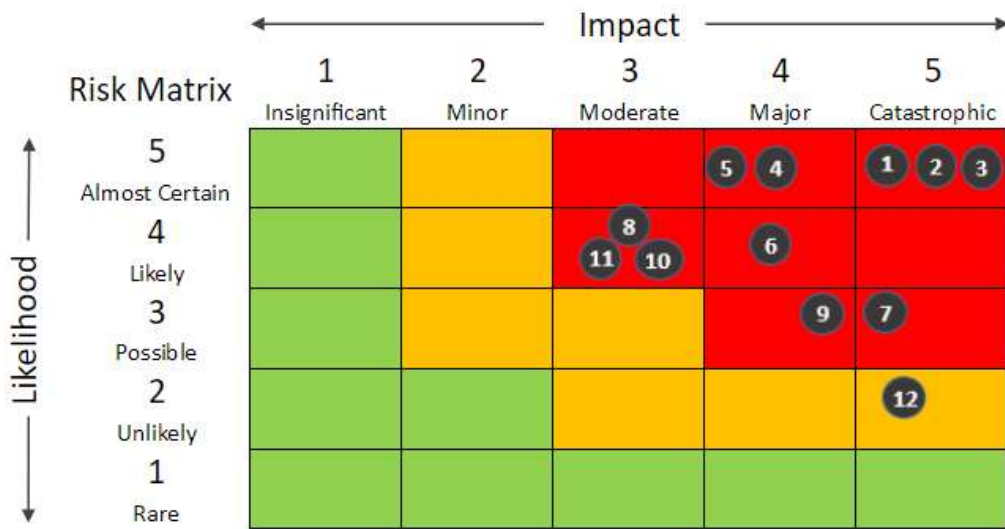
As noted in previous Business Plans, several key support services are provided to ERCL by ERC under Service Level Agreements. These are regularly reviewed and revised, it has been recognised that internal customer service with attendance KPIs and mechanisms for service improvement, are a developmental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

11. 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, 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; Health and Safety 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	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.
6	Pool Plant	Mechanical failure of equipment, or operator error, leading to loss of operation, contamination and/or illness or injury to bathers.
7	Finance	Insufficient cash to operate the 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
8	Market Changes	Changes in the competitive environment resulting in fewer customers.
9	Industrial Action	Industrial Action leading to suspension of services, cancellation of events, loss of revenue, etc.
10	Partner Agencies - Changed Priorities	Changes to partner agency priorities resulting in an inability to deliver outcomes for dependent services and projects. HSCP withdrawal of funding for Wellbeing Officer role
11	Violence and 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.
12	Civil Contingencies	Closure of buildings or cessation of service due to a major incident resulting in loss of use of the facility and 1) withdrawal of the service from customers and 2) loss of income.