

west lothian leisure



www.westlothianleisure.com

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Introduction

'The true measure of our success is the positive difference we make to the lives of people'

West Lothian Leisure had its most challenging year ever in 2018/19 as we commenced a widespread restructuring of the company to address our financial pressures, created by reduced public funding via West Lothian Council, increased cost pressures and the impact of private sector competition. However, despite this the number of attendances at our sites has increased, and we reached the year end with previous members returning, new members joining and importantly in a better financial situation than we anticipated.

As a charity we have furthered our charitable aims (to improve the physical, mental health and social wellbeing of our communities) by providing a wide range of activities for all of the community to accommodate individual interests, fitness levels, age group and ability to pay. The total number of visits to West Lothian Leisure venues and activities during the year was over 2.8 million, a 4% increase and the highest ever number of visits in one year that we have ever experienced. This was boosted by an increase in Xcite memberships (7% growth) and attendances at group fitness classes (3% growth).

Of particular note was a 30% increase in health referrals and a 40% increase in attendance by people in receipt of benefits, two key target groups.

We are pleased to announce a trading surplus of £411,000 for the year which significantly helps our financial position and will be reinvested to improve facilities and services for the communities of West Lothian in the future.

Key to this success has been our well trained and dedicated team of people who have supported more people than ever to be active, and these customers have reported consistently high levels of satisfaction with the services they receive. In December 2018 we won gold in the UK Customer Experience Awards, the only leisure operator in Scotland to receive a gold award.

During the year we were nominated by Scottish Swimming as a finalist for the Scottish Water 'Learn to Swim' provider of the year. The nomination recognises the exceptional work and commitment of the team who deliver the programme and highlights the quality of delivery. Our 'Learn to Swim' programme is extensive with over 5,000 local children attending each week and over 300,000 visits to the programme each year.

Our three Xcite cafes were awarded the Healthy Living Award supported by the Scottish Government and NHS Health Scotland. This recognises our commitment to offering healthy food. Our next step is to aim for Healthy Living Plus status.

In addition to the other school services we operate, at the start of the 2018/19 academic year we were invited by the Council to operate the sports facilities at the new West Calder High School. These facilities are open for club and community use outside of school hours and will add to the impressive range of facilities we operate in partnership with West Lothian Council.

We have as yet to improve the services we can provide by the recent transfer to us of the management of Howden Park Arts Centre, Low Port Outdoor Centre and Polkemmet Park Golf Course and Driving Range. Unfortunately the cost constraints we have to accommodate in getting back into a strong financial position will mean that there will be changes in opening hours, but we anticipate improvement in the these new services in the longer term.

During the year we developed a Three Year Financial Plan (2019/20 to 2021/22) to address reducing public funding and increasing cost pressures. The implementation of the plan, which will ensure the long term financial sustainability of the charity, started in January 2019 with the restructuring of head office and the management team. This restructure saw the retirement of the two longest serving senior managers, Billy Key and Eric Stafford. I'd like to thank them both for the considerable contribution they have made to the success of West Lothian Leisure and to the communities of West Lothian.

Towards the end of the financial year our Chief Executive, Robin Strang announced his plans to retire in September 2019. His key focus before retiring has been to implement the wider restructuring programme, a key part of the Three-Year Financial Plan. I'd also like to take this opportunity to thank Robin for leading and developing the company over the last 10 years to become one of the best performing culture and leisure trusts in the country.

And finally, I'd like to thank the Board of Directors, who give up their time on a voluntary basis, for their advice and direction during the year.



Dr Cindy Brook Chair

Who are we?

'An organisation can only become a charity if it meets the 'charity test', meaning that it must show it has only charitable purposes and benefits the public'

Office of the Scottish Charity Regulator (OSCR)

Company Profile

West Lothian Leisure is a Company Limited by Guarantee and has charitable status granted by HM Revenue and Customs in Scotland. All bodies which are registered as charities must comply with the Charities and Trustee Investment (Scotland) Act 2005. This sets out requirements for charities and also for their Trustees. Charities listed on the Scottish Charity Register (overseen by OSCR) must meet the charity test, which (in terms of the 2005 Act) means: its purposes are charitable and that it provides public benefit.

West Lothian Leisure was incorporated on 1 February 1998 (initially as an Industrial and Provident Society but converted to a Company Limited by Guarantee with West Lothian Council as sole member in August 2016) and provides sports, leisure, outdoor education and cultural facilities and activities to the community of West Lothian. It operates as a not for profit distributing organisation and is a social enterprise. Surplus, other than reserves, if generated is available to reinvest in the facilities to benefit the community.

In April 2017 eleven further facilities and additional services were transferred from West Lothian Council to West Lothian Leisure in recognition of the success of the Trust and the impact it makes in the community. West Lothian Leisure is responsible for the operation of the following facilities:

XCITE Armadale XCITE Bathgate XCITE Broxburn Sports Centre XCITE Broxburn Pool XCITE Craigswood XCITE Craigswood XCITE Fauldhouse Gym XCITE Linlithgow XCITE Livingston XCITE Whitburn

Low Port Outdoor Education Centre, Linlithgow

Howden Park Centre Arts Centre, Livingston

Polkemmet Country Park Golf Course and Driving Range

The sport and cultural facilities at 8 West Lothian secondary schools

These facilities provide a strong infrastructure of community leisure centres, community arts venues, swimming pools, sports halls, outdoor sports pitches, health and fitness centres for sport and physical activity and centres of excellence for sports development, sports clubs, outdoor education and events.

In delivering its services West Lothian Leisure works with many partners including West Lothian Council, NHS Lothian, West Lothian Integration Joint Board (Health and Social Care), Creative Scotland, sportscotland and many Governing Bodies of Sport. In doing so we make a significant contribution to many of the outcomes in West Lothian Community Planning Partner's Local Outcomes Improvement Plan and to the Scottish Government's vision for Scotland where more people are more active more often.

In delivering and developing services, the customer and our communities are put at the centre of decision making. It is our belief that doing well (financially) and doing good (in our communities) are compatible objectives. The better we are at doing business the more we can do to help those in our communities who need additional support

Our Vision

To be an organisation that is at the heart of our growing community, helping residents to improve their wellbeing, and offering opportunities for all to make healthy lifestyle choices. Our service and facilities are best in class and our sustainable business practices enable us to re-invest for the benefit of future generations of West Lothian people.

As a valued organisation that understands, cares about and engages with its community, we are the delivery partner of choice for West Lothian organisations responsible for improving people's lives through culture, education, sport and physical activity.

Key Aims and Outcomes

Strategic Outcomes	Local Outcomes	Key Aims
We encourage and enable the inactive to be more active.	Increased engagement and participation in sport and physical activity by inactive communities	 To provide opportunities and easy access for inactive members of our communities to join in, get started, stay active and to set and reach their own personal goals
We encourage and enable the active to stay active throughout life	Our services are attractive, affordable and meet the needs of the community, across all life stages and that the physical activity habit is sustained through the key transitions in life	2. To develop greater and speedier communication channels and access to our services and people through investment in on-line and social technology
	Our customers feel valued, engaged and listened to	 To continually improve, innovate and provide attractive programmes of activities for our customers
		4. To regularly engage with our customers and other members of our communities so that we can ensure that we deliver what they need
		5. To promote our values, that we are a local charity and our unique selling points to our communities
We develop physical confidence and competence from the earliest age	Increased engagement and participation in sport and physical activity by children	6. To provide attractive and affordable activities so that our children can be regularly active and encouraged to set and reach their own personal goals
We improve our active infrastructure – people and places	Our buildings are clean, safe and attractive places for our communities to be active within	 To have plans in place to ensure that our facilities are well maintained and developed to meet community needs
	We continually develop our buildings and 'active spaces' to meet our communities needs	 8. To be recognised by our employees as an excellent organisation to work for
	Our employees and volunteers are well trained and motivated to provide an excellent customer service	
	Our employees and volunteers are fully engaged with our customers, our business plan and our vision and values	
	Our employees are proud of their workplace and are ambassadors for the organisation	
We improve opportunities to progress and achieve in sport	Clubs and individuals reach their full potential	 To deliver and support sports development, active schools and community sports hub programmes
We live longer, healthier lives and have reduced health inequalities	Our communities are proactive about looking after their health and wellbeing, developing good healthy lifestyle habits and feel a greater sense of belonging and	10. To work with partner organisations to deliver (physical and mental) health improving activities and services
We support wellbeing and resilience in communities through physical activity and sport	achievement Increased participation in sport and physical activity which will lead to improved health and life expectancy across all the life stages	
Older people are able to live independently in the community with an improved quality of life	Older people in West Lothian have improved and maintained physical and mental health and wellbeing and improve their quality of life through an attractive and affordable programme of activities and services.	 To have in place attractive and affordable activities and services for older people
We make the most efficient use of resources minimising our impact on the built and natural environment	Our partners, colleagues and customers trust us and know that we are a sustainable business. We have greater reserves for reinvestment and are able	12. To further build and maintain a successful business that meets and exceeds financial expectations
	We note greater reserves to reinvestment and are able to plan for long term sustainability We consistently use our knowledge, business acumen,	13. To maximise opportunities that arise or are created to develop and grow the business
	 innovation and understanding of the industry to inspire everyone throughout our organisation to create and recognise opportunities for growth 	14. To further reduce the impact our business has on the environment through good practices, education and measurement systems
	We have an environmentally aware workforce who take ownership and personal responsibility for playing their part in meeting our targets	15. To have in place processes that ensure that the principles of best value and continuous improvement are applied to all areas of the organisation
	We continually and consistently apply the principles of best value and continuous improvement to all areas of the business	

How did we do?

The availability, accessibility and quality of Scotland's sporting facilities directly influence whether people take part in sport, which sports they play and how well they perform'

Sportscotland

Key Facts and Figures

Physical Activity

Overall Activity Rates

The total number of visits to West Lothian Leisure managed sites and activities for the year increased to 2,805,864, a 4% increase and the highest number of visits ever recorded. That's over 7,700 visits every day and represents more people being more active more often. Of particular note was a 10% increase in attendances by adults and a 14% increase in attendances by women over 60 years of age.

The attendances at our fitness classes were up by 3% to 313,061. This is an increasingly popular way to exercise, in particular by women.

There were 313,875 attendances on 'Learn to Swim' classes throughout the year, 7% more than last year.

21,011 people used one of our membership packages, which offer great value and access to a wider range of activities than the private sector together with tailored support and advice for customers. That's over 21,000 people taking part in regular physical activity each month. These members use our facilities on average 6 times per month. Although referred to as members these users are not in fact members of the organisation but choose to pay by direct debit each month or annually in advance and enjoy the financial benefit that these packages offer. The number of members are up

on last year by 7% despite strong private sector competition.

Membership retention rates have also improved due to the introduction of a new service plan called 'Total Wellness Journey'. This plan supports customers through their path to fitness.

Active Older People

The Ageing Well programme, run in partnership with NHS Lothian, helped many older people become and stay active throughout the year with 30,554 visits (33% increase) to activities such as tea dancing, social evenings, environmental activities, line dancing, seated exercise, tai chi, walking football and walking groups. The programme has continued to develop with new activities including Fitsteps, Yoga and Knit and Natter. Priority areas are; working across health barriers, the hard to reach (home alone), older men, and falls prevention.

There were 62,853 Over 60's free swimming attendances, an increase of 1% on last year and remains a popular way for this age group to exercise.

14% of visits to our facilities are by men or women over 60 years of age, and attendances by this age group have increased by 7%.

Active Young People

reflecting a 14% drop in attendances by 5 to 15 year old girls. The Scottish Government wish to see an increase in activity levels by girls so we need to review our activities to reverse this decline. There has also been a drop in attendances by under 5's (both girls and boys), this too needs to be reviewed.

West Lothian Leisure provides a range of activities for young people including:

- Under 5's free swimming, 27,866 visits (up by 24%)
- Free swimming for under 16's during school holidays and on Friday afternoon's after school, 22,242 visits (down by 38%) Note: from 2017 we started charging for use of Xcite Livingston leisure pool
- School Holiday Activity Programmes at free or subsidised prices
- Teen Tone supervised gym sessions for 12 to 15 year olds, 14,715 visits (up by 30%)

Support for those in Need

In partnership with West Lothian Council we have a Concessionary Access Scheme which gives residents in receipt of certain benefits reduced rate access to activities. There were 54,913 concessionary visits during the year, a 40% increase on last year.

Corporate Activity

Xcite offers a 20% discount on membership rates for employees of local organisations. This includes West Lothian Council, NHS, Police, Fire and Rescue Service, Scottish Ambulance Service, Job Centre Plus and West Lothian Drug and Alcohol Service. We currently have 2,651 Corporate Members, 4% more last year.

'Physical activity is the best buy in public health'

Faculty of Public Health

Health

Exercise Referrals from health professionals in West Lothian into our 'First and Further Steps' to health and wellbeing programme continues to grow with 1,618 referrals during the year. We are now receiving over 130 referrals per month. The growth has, in particular, been from patients referred from acute care services. 43% of all referrals remained active at WLL sites beyond 12 weeks (the national average is 15%).

25 families have been referred to us for the Child Healthy Lifestyle Programme which addresses childhood obesity and is delivered in partnership with NHS Lothian.

The McMillan cancer rehabilitation, cardiac rehabilitation and community based pulmonary rehabilitation programmes continued to be successful with many patients going onto the Exercise Referral programme from these projects.

To meet demand we now have 'Keep Going' outreach classes for patients with long term health conditions at Craig Inn Blackridge, Stoneyburn Community Centre, Whitburn Army Cadet Centre and the Fauldhouse Partnership Centre. Attendance at these classes are up by 32%, including annual events such as Silver Sunday and the Care Activity Network Olympics.

Sport

Sports Clubs

• A large number of sports clubs regularly used WLL facilities during the year, with 286,652 attendances, a 22% increase on last year. WLL provides 5 hours per week of free use of pool space to Swim West Lothian for the development of competitive swimming across West Lothian

Sports Development

West Lothian Leisure works in partnership with West Lothian Council, sportscotland and local sports clubs to provide opportunities, pathways and coaching to enable local people to develop their skills in a range of sports. We are also a founding partner of West Lothian Youth Foundation which develops grassroots football across West Lothian.

In partnership with Scottish Swimming and West Lothian Council we employ a West Lothian Aquatics Activities Coordinator to develop a sustainable swimming development pathway for the West Lothian Community.

In partnership with West Lothian Council and Cycling Scotland we employ a Bikeability Officer to promote and increase the uptake of Bikeability across West Lothian Primary Schools with specific focus on Linlithgow and Broxburn clusters.

Arts and Culture

Through our work at Howden Park Centre and in partnership with Creative Scotland and West Lothian Council we develop and promote the Arts in West Lothian. During the year we had 144,787 attendances at Howden Park Centre. This was a reduction on the previous year of 2%. We have taken steps to improve our programming and events which are designed to increase participation rates.

Outdoor Education

There were 33,722 attendances at the Low Port Outdoor Education Centre, an increase of 65%. West Lothian Leisure is committed to providing exciting outdoor activities for children and adults and will be launching a new programme in the autumn of 2019.

Other performance measures

The number of website hits for the year was 747,186 (an increase of 6% on last year). The number of Facebook followers increased by 8% to 14,548. Instagram use was up by 49% and twitter by 27%. During the year we launched a new Xcite App which had over 362,000 hits by March 2019. This reflects our drive to use online communication more with customers, including a drive to move more bookings online.

Our Net Promoter Score (NPS) across the sites for the year was 68, up on last year and well above the UK average for Cultural and Leisure Trusts (48). NPS is a good measure of customer satisfaction asking a randomly selected group of customers every day the question 'how likely is it that you would recommend West Lothian Leisure to a friend or colleague?' (rated on a scale of 0 to 10). Thousands of innovative companies such as Apple, eBay and American Express have adopted NPS.

The cost per visit was £4.81, below last year and well below the national average for Scottish Leisure Trusts.

The measure we use for energy efficiency is the combined consumption of gas and electricity across all sites per visit, and in 2018/18 this was 6.86 kWh per visit, a drop of 13% on last year.

Overall Attendance Figures

Usage by Gender and Age	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18*	2018-19*	
16 to 59 yrs (adult) Male Customers	§580,156	§602,939	8692,952	8 687,699	8707,375	653,15	8789,277	825,165	+5%
16 to 59 yrs (adult) Female Customers	8467,371	8494,650	\$563,206	\$ 554,815	586,806	536,260	622,940	8723,273	\$+16%
§ 5 to 15 yrs (juvenile) Male Customers	\$318,253	§328,515	\$357,031	\$ 368,926	\$374,041	402,065	464,238	8471,203	+2%
5 to 15 yrs (juvenile) Female Customers	8241,512	8260,148	\$304,089	8 325,139	402,621	378,004	427,592	8366,279	§-14%
Over 60 (senior) Male Customers	894,980	89,855	\$104,020	8 113,777	\$137,823	144,790	8182,244	§183,418	\$ +1%
Over 60 (senior) Female Customers	83,365	82,923	897,784	898,541	8 122,229	138,640	183,580	8209,170	\$+14%
Under 5 yrs (infant) Male Customers	\$35,215	833,841	\$37,827	\$ 36,959	22,686	15,243	\$14,396	813,465	8-6%
Under 5 yrs (infant) Female Customers	\$36,969	§35,542	834,648	8 34,446	\$17,647	14,898	\$14,814	§13,891	§-6%
Total number of visits	1,857,821	1,928,413	2,191,557	2,220,302	2,371,228	2,283,051	2,699,081	2,805,864	+4%

*Includes additional sites transferred in April 2017

Total number of visits per year



Attendance at specific programmes	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017/18	2018/19	Variation from previous year
Concessionary Access – the number of visits by concessionary scheme card holders. This scheme is operated in partnership with West Lothian Council offering reduced rate access for those in receipt of certain benefits	11,832	10,644	12,743	14,817	12,239	20,992	39,106	54,913	+40%
60+ Free Swimming – West Lothian residents who are 60 years old or over can swim for free	51,844	47,450	59,497	54,518	58,052	59,345	62,138	62,853	+1%
Under 5's free swimming - West Lothian children under 5 years of age swim for free	21,918	21,194	21,989	19,289	20,243	21,344	22,452	27,866	+24%
Under 16's free swimming 5 to 15 year olds swim free during school holidays and on Fridays from 1 to 4 pm (note: from 2017 we starting charging for use of Xcite Livingston leisure pool)	64,646	56,312	62,588	62,002	58,745	54,776	35,654	22,242	-38%
Health (Exercise) Referrals – number of people referred to WLL for a 12 week (free) exercise referral programme	1,341	1,344	1,717	1,884	3,081	1,982	1,236	1,618	+31%
Ageing Well - the number of attendances on our Ageing Well programme for over 50's. Activities range from tea dances to tai chi to seated exercise.	23,523	26,076	27,694	32,222	33,868	34,887	23,041	30,554	+33%
Total Number of Xcite Members : those paying monthly by direct debit for one of our membership packages	13,322	14,325	16,556	21,345	19,792	19,369	19,621	21,011	+7%
Fitness Classes – The number of visits to group fitness classes	178,695	199,809	241,050	261,588	277,443	287,986	302,610	313,061	+3%
Learn to swim – The number of attendances on one of our learn to swim programmes	199,434	221,635	254,642	290,842	328,450	278,450	292,714	313,875	+7%
Sports Clubs – The number of attendances at club sessions	132,941	150,105	151,573	165,584	139,504	142,654	234,543	286,652	+22%
TeenTone – The number of attendances at our Teen Tone sessions, supervised gym sessions for 12 to 15 year olds	7,424	9,867	11,576	11,386	11,815	11,214	11,326	14,715	+30%

	Success Measure	2017/18	2018/19	On Target?	Comments
1.	Net Promoter Score (customer satisfaction)	64	68		Significantly better than the UK benchmark score for leisure and cultural trusts (48) and an improvement on last year
2.	Total Customer visits	2,690,672	2,805,864		A 4% increase on last year and the highest number of annual visits to WLL managed facilities
3.	E-Communication: Website Visits App Visits	702,871	747,186 362,196		Web hits 6% ahead of last year. A new Xcite App was launched in 2018 and had 362,000 hits by March 2019
4.	Facebook Followers	13,862	14,548		An 8% increase on last year Instagram up by 49% on last year and Twitter up by 27%
5.	Number of Members (the number of people who have a membership package paying by direct debit monthly or annually in advance)	19,621	21,011		The number of members increased by 7% and this growth has continued into 2019/20. Particularly pleasing given strong local private sector competition.
6.	Employee Turnover (the proportion of employees with contracted hours that have left the organisation)	18%	21%		A higher level of turnover than last year as we began implementing significant structural changes
7.	Sickness Absence Rate	4%	4.6%		A higher level than last year, reflecting significant change across the business and additional work pressures
8.	Number of Concessionary Scheme Visits	39,106	54,913		Visits by those in receipt of benefits continues to rise with 40% increase on last year
9.	Energy Consumption (KWH per visit)	7.91	6.86		Combined electricity (HH, NHH) and gas consumption (KW) per visit continues to improve reflecting our drive to improve our energy efficiency
10	. Referrals that continue beyond weeks (the % of people who continue to be members after their 12. week free referral from their GP)	33%	43%		From 2018/19 we have four different types of referrals, so not a true comparison on last year. However, we continue to support an increasing number of health referrals

Review of the Year

'Physical activity: the best present we can offer our children'

Doctor Andrew Murray, GP and former Scottish Government Physical Activity Champion

Key Tasks

Our key tasks during the year were to drive growth in income and usage and to develop and begin implementing a Three Year Plan to address reducing public funding and increasing cost pressures.

Overall attendances were up by 4% and we out turned with a healthy trading surplus. Key to this was a growth in membership numbers by 7%, our main income generator. This growth has continued into the 2019/20 financial year. We are grateful for the additional support from West Lothian Council during 2018/19 whilst we recovered memberships lost to the private sector.

The implementation of the Three Year Plan, which will ensure the long term financial sustainability of the charity, started in January 2019 with the restructuring of head office and the management team. Restructuring across our facilities will begin in the summer of 2019.

On 31 March 2019 we stopped operating our gym service at Fauldhouse Partnership Centre as usage had dropped considerably since the gym opened in 2011 and had become unviable. Customers were offered alternative gym facilities.

Investing in our Communities

We invested in the following projects during the year:

- New Technogym equipment and minor refurbishments in the gyms at Xcite Linlithgow, Broxburn and Armadale;
- New sound equipment in the auditorium at Howden Park Centre; and
- IT systems at the facilities transferred to WLL in 2017 so that they are on the same finance and booking systems as our other facilities.
- Launch of West Lothian Leisure Xcite App

Social Enterprises are businesses that operate to tackle social problems, improve communities, people's life chances, or the environment'

Social Enterprise UK

Supporting our Employees & Partnership Working

To be successful West Lothian Leisure must be supported by well trained and knowledgeable employees who are motivated to deliver excellent services to customers.

This is achieved by putting people at the heart of our decisions, treating them fairly and by giving them the skills knowledge and support they need to do a good job.

The organisation employed 505 people in 2018/19.

The main people management challenges we faced were:

- recruiting and selecting high quality people
- training and developing these people to meet the changing needs and priorities of the business
- aligning people's efforts and motivations with the changing needs and priorities of the business; and of course
- implementing the restructuring of the workforce (part of our Three Year Financial Plan) which began with a reduction in management and head office from January 2019.

Turnover

73 employees (with contracted hours) left the company voluntarily during 2018/19 representing an employee turnover of 21%. This is a higher level of turnover than in previous years and is likely to be because of the uncertainty as we consulted on and began implementing the restructure. Sickness absence levels were also slightly higher at 4.6% perhaps reflecting increased workloads and stress levels due to planning for and then implementing the organisational changes.

Training and Development

4,763 employee attendances were recorded at 749 separate training events as we continued our commitment to provide a well-trained and competent workforce.

Partnership Working

Throughout the year we worked closely with West Lothian Council to develop the Three Year Financial Plan, which was approved by the Board in December 2018.

West Lothian Leisure and West Lothian Council continue to work with sportscotland to deliver a range of sports initiatives and to support local sports clubs to develop and thrive.

Our partnership with NHS Lothian and the West Lothian Community Health and Care Partnership (and now the Integration Joint Board) goes from strength to strength as we expand the range of the health and wellbeing programmes on offer. In delivering the programmes we work in partnership with many other organisations including Livingston St John's Hospital, Alzheimers Scotland, Linburn War blinded, Chest Heart and Stroke groups, Bield Sheltered Housing and Templar Day Hospital. In partnership with Swim West Lothian and West Lothian Council we deliver the Learn to Swim Plus programme which replaced primary school curricular swimming. Children in P5 who cannot swim are given free intensive learn to swim lessons outside of school time. This partnership also delivers the Early Years Swim Programme aimed at encouraging the parents of pre school aged children to learn to swim.

In partnership with Scottish Swimming and West Lothian Council we engage a West Lothian Aquatics Activities Co-ordinator to develop a sustainable swimming development pathway for the West Lothian Community.

We are a founding partner of the West Lothian Youth Foundation, a charity which aims to use football and other activities to promote the educational and health benefits of sport to young people in West Lothian who are typically less engaged and may be failing to achieve their full potential. The partners in the Foundation are West Lothian Council, Livingston Football Club, West Lothian College, West Lothian Football Forum (which represents West Lothian football clubs), the Scottish FA and West Lothian Leisure. The Foundation has been chaired by Robin Strang, WLL's Chief Executive, for the past four years. Robin stepped down as Chair in March 2019, after another successful year for the Foundation (Note: West Lothian Youth Foundation produce a separate annual report).

Financial Statements

'As a mother and a doctor, I know that regular exercise is one of the best things we can do for our health - both physical and mental health'

Doctor Catherine Calderwood, Chief Medical Officer for Scotland

Focus for the Future

We have a busy year ahead as we continue to implement the Three Year Financial Plan, which will ensure West Lothian Leisure is fit for the future, including a significant restructure of staffing at the sites and implementing revised opening hours to better reflect usage patterns.

We will continue to offer great value health and fitness membership packages and support our customers through their wellness journey to ensure that membership numbers continue to grow.

We will carry out minor gym refurbishments at Xcite Craigswood, Livingston, Whitburn and East Calder. This will include some new Technogym equipment.

We will support West Lothian Council to develop Active West Lothian and Creative West Lothian strategies for the county. These strategies will set out our collective vision and priorities for the years ahead.

We have signed up to Scotland's mental health charter for physical activity and sport, and will now work with SAMH to develop an action plan.

A new, exciting outdoor activities programme for children and adults will be launched in the autumn of 2019. This will primarily be based at the Low Port Centre in Linlithgow. The Board has appointed a new Chief Executive, Tim Dent, who will take up post in October 2019. A comprehensive handover has been arranged so that he can 'hit the ground running'. I wish Tim all the very best leading West Lothian Leisure to even greater successes.

And finally, we will continue to work with our key partner, West Lothian Council, to ensure we deliver excellent value for their trust and investment in us. This will focus in particular on ensuring we continue to contribute to their eight corporate priorities despite significant reductions in funding.



Robin Strang Chief Executive

Treasurer's Financial Summary

The Company has had another challenging year due to continued strong local competition and the costs associated with the final salary pension scheme. Before pension scheme costs and adjustments, the Company recorded a surplus of £0.4m. It should be noted that this was only possible due to an additional contribution of £1.2m from our sole member (West Lothian Council) to whom we are grateful. The pension scheme costs amounted to £2.4m, giving a deficit for the year of £2.0m. Turning to the balance sheet, before pension scheme liabilities, the Company increased its surplus to £0.4m. However, the deficit on the pension scheme rose in the year from £4.7m to £7.0m, so the Company saw its Total Funds fall from a deficit of £4.6m to a deficit of £6.6m.

The board have addressed these challenges and embarked on the three year programme that not only brings the Company back to a break even position, but does so in spite of reduced Council support.

In spite of these financial constraints, the Company has been able to invest in facilities and services and continues to offer a great service to the community.

There were a number of challenges along the way such as:

- Strong private sector competition for fitness memberships
- Continued cost pressures
- Restructuring the company to ensure its long term financial sustainability to a backdrop of reducing public funding

'A qualified doctor, nurse, midwife or allied health professional may see half a million patients during their career: this has enormous potential for advocacy and the promotion of physical activity'

Ann Gates, British Journal of Sports Medicine

Treasurer's Financial Summary

Despite the challenges, much was achieved and particular areas worthy of note are:

- Investment in facility improvements and new equipment
- Growth in fitness memberships after two years of falling sales
- The ongoing success of our health and wellbeing programmes and family, children's and over 60's memberships
- Modernising the structure of the organisation to meet future challenges (the Three Year Plan)

The FRS 102 pension valuation of the pension scheme has resulted in an increase in the pension deficit to £7,021,000 as at 31 March 2019. The increase of this liability is due to an actuarial loss of £1,011,000 arising from a change in the financial assumptions made by the actuaries, this being recognised in the Statement of Financial Activities. The balance on the pension fund will change annually according to economic conditions and the Board will keep the position under review. A defined contribution pension scheme was introduced in May 2014 into which all eligible new employees will be auto-enrolled. Over time this will improve the pension fund deficit noted above.

West Lothian Leisure has in the past enjoyed high membership figures which have allowed the business to absorb increasing costs especially pay awards and increasing utility costs. West Lothian Leisure faces future financial challenges due to continued pressure on local authority finances and unprecedented competition from the private sector.

Income

Membership income continued to grow with income for 2018-19 finishing £556k ahead of the previous year. This is down to the continued hard work of all staff, successful marketing campaigns and the refurbishment of the Bathgate gym.

Income from Leisure Services finished £391k down on last year but this is primarily due to the treatment of the income from agency bookings at Howden Park. The income recorded for 2018-19 is the venue hire and commission as opposed to gross ticket sales.

The West Lothian Council Management Fee for the year includes £1.2m of additional one off funding.

Grants and Other Income was in line with prior years.

Expenditure

Salary costs increased by £156k on 2017/18 or a £289k increase if you ignore the pension adjustment, which represents a 3.8% increase. Salary costs include £334k for early retirement costs and a 3.5% pay award was made for 2018/19. In effect, if you remove the £334k, salary costs are down on last year despite a 3.5% pay award. Staff expenditure continues to be tightly controlled with new appointments being considered through discussions at weekly SMT meetings. Only business critical posts are being replaced.

Property costs are £220k up on prior years and this down to a combination of factors. There was a sharp increase in energy costs during the year. Waste Management and Cleaning costs have come in at £49k over budget. This reflects the rise in waste management charges and increased spend on pool chemicals and cleaning. Maintenance costs increased but an additional £60k of funding was received from WLC for upkeep of the Broxburn and Livingston pools.

Transport costs are down on the previous year due to the removal of several lease cars.

The VAT recovery for the year has been higher due to the advanced invoicing of the WLC management fee resulting in a significantly higher percentage of taxable sales. This led to a reduction in irrecoverable VAT.

As part of the three year plan it is the intention to replace gym equipment after 5 years as opposed to the current 3 for cardio and 6 for strength equipment. This change in policy as well as some assets now being fully written off has resulted in a significant reduction in the depreciation charge in the year.

Bank charges are up on budget due to the increased volume of transactions due to the newly transferred school facilities. Significantly less discounts to new members were granted during the year.

Investment for Growth

There were minor gym refurbishments at Xcite Armadale, Broxburn and Linlithgow during the year reflecting our new practice of extending the life of fitness equipment.

Strategic Risks

Each year a strategic risk register and associated risk assessments are presented to the Audit and Finance Sub Committee and to the Board. 18 strategic risks were identified in 2018/19. This included four additional risks:

- Stress from challenging demands and reduced staffing levels resulting in sickness absence
- Control and interference from external parties putting charitable status at risk
- Skills shortage from loss of experienced staff resulting in operational difficulties
- The challenging three year financial plan not delivering the required savings

The risk assessments associated with these risks identify existing controls and further actions for risk reduction.

Investment policy

West Lothian Leisure has the ability to use Council prudential borrowing for capital projects. This can be supplemented by lottery funding or other grant income for qualifying projects. A business case is presented to the Board for approval for any investment proposals and this includes an assessment of additional income generated (and/or costs saved), payback period (if a loan is required) and a risk assessment.

Principal funding sources

The majority of income comes from customer receipts - primarily membership income, pay and play income. Other principal income sources are West Lothian Council's management fee and partner funding from NHS Lothian for specific health and wellbeing programmes.

Reserves policy

General funds are unrestricted funds which are available for use at the discretion of the members of the Committee of Management in furtherance of the general objectives of the charitable company which have not been designated for any other purpose.

Designated funds are unrestricted funds that have been set aside for a specific purpose, which will be utilised during the next and future years against specific expenditure for asset improvement.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

The Board has examined the Company's requirements for reserves in light of the main risks to the organisation. In 2018 it established a new policy whereby the company should aim to retain a minimum of £300,000 of reserves.

Incoming resources for the year ended 31 March 2019 were £13,778,697 (2018: £12,379,417). Overall funds at 31 March 2019 were in deficit of £6,579,736 (2018: deficit of £4,622,890). The underlying surplus for the year (ignoring pension adjustments) has resulted in the unrestricted reserves increasing from £30k to £441k, which is in line with the new reserves policy.

West Lothian Leisure secured additional one off funding of £1.2m from West Lothian Council for 2018/19 to allow it to set a break even budget and has a three year financial plan in place from 2019/20 to deliver the required savings and increased income to set break even budgets without this additional funding.

In addition to carrying reserves WLL has a letter of support from West Lothian Council. This letter states that should West Lothian Leisure be unable to bring their deficit within available cash reserves after taking mitigating action West Lothian Council as sole member would provide sufficient funding to cover the amount of deficit for the financial year

Risk Management

The Board has assessed and recorded the major risks to which the Company is exposed, in particular those relating to the operations and finances of the Company, and is satisfied that systems are in place to mitigate these risks.

Plans for future periods

We continue to work closely with West Lothian Council so that service delivery becomes more joined up and delivers excellent value for money. We will also continue to work closely with NHS Lothian, Creative Scotland and Sportscotland. Our annual business planning conference with partners allows us to ensure our vision is truly a shared one and that we are focussing on the right actions to ensure we contribute to community planning partnership and national outcomes.

We will continue to focus our work in the following areas:

1. Increased Income:

- Fully integrate the transferred sites into the business.
- Increasing participation in key sports, leisure and health and fitness activities.
- Working in partnership with West Lothian Integration Joint Board (Health).
- Growing the number of and improving our retention figures for memberships.
- Increasing quality of key activities and services.
- Improving the way we market and promote the Xcite Brand and services.
- Growing our corporate membership scheme.
- Increasing participation by target groups.
- Use of flexible pricing to maximise participation and occupancy rates.
- Develop our cafe and vending sales.
 - Improving customer care standards.
 - Further engagement with customers to help shape future service delivery.

Treasurer's Financial Summary

2. Managing Costs:

- Ongoing review of staffing structures to ensure that they match our business and service objectives.
- Managing the performance of employees.
- Maximising the performance of all support services.
- Maximising the performance of the physical resources.
- Ensuring we get excellent value from our suppliers.
- Investing in energy efficiency in partnership with the West Lothian Council.
- Contributing towards the Council's budget reduction plans.

3. Management Fee:

The management fee from the Council will reduce by £1 million over the next four years. WLL is implementing a plan to address these cuts whilst continuing to deliver valued services in the communities it serves. We understand the Council's need to reduce expenditure and we will do our bit to help. It is important, however, that we continue to engage with the Council so that a joint position on the type and level of service that the community needs is agreed together with the best delivery model to achieve this.

4. Estate Strategy – This remains a challenge with the older stock of buildings. With the Company now responsible for the management of all maintenance works for the properties and with limited funds available from West Lothian Council, this will require careful management to maintain standards.

5. Investment strategy – The development of a longer term facility and agreed joint capital investment strategy between the Company and West Lothian Council is being planned.

6. Strategic Planning – We have developed a Three Year Plan (2019/20 to 2021/22) that brings WLL back to a financially sustainable position and secures the future of the company. The plan takes into consideration increased costs of operating the business and the reducing management fee from the council. This plan includes the restructuring of management, head office and staffing at sites.

7. Partnership working – $\mathsf{W}\!e$

have built on and extended our partnership working with key partners principally West Lothian Council, NHS Lothian and Sportscotland and continue to be an active member of the West Lothian Community Planning Partnership and Integration Joint Board. West Lothian Leisure is also a founding partner of the Livingston Youth Foundation, a charity which seeks to improve the health and well-being of young people in West Lothian through football.

8. Reporting – We have maintained the quality of reporting of financial and performance information both to partners and the regulatory bodies. Our Annual Report seeks to highlight our achievements in meeting the targets in the single outcome agreement between West Lothian Council and the Scottish Government. The performance reporting to the Board has also been widened to include success measures described in the Business Plan.

9. Organisational Culture

 Achieving EFQM committed to excellence Two Star standard continues to reinforce our view that our culture of service excellence and our Company values are correct for our service delivery.

10. Environmental Policy – We continue to ensure that the Company plays its part in achieving UK and EU targets for the environment. We have an energy conservation strategy, are ESOS (Energy Savings Opportunity Scheme) compliant and monitor and report energy usage to each Board meeting.



Paul Williams Treasurer

Income ar	nd Exper	nditure	Account
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Statement of Financial Activities incorporating Income and Expenditure Account For the year ended 31 March 2019

	Total Unrestricted 2019 £	Total Unrestricted 2018 £
Incoming and endowments from: Donations and legacies Charitable activities:	31,919	62,644
- Management fees - Leisure Services - Management Service fee Investments Other:	5,261,087 4,357,991 3,677,568 6,971	4,704,908 4,749,236 2,456,503 2,317
- Financial income, refunds and fees	443,161	403,809
Total	13,778,697	12,379,417
Expenditure on: Charitable activities		
- Sports and leisure facilities Other	14,582,543	14,159,356
- Net finance cost on defined benefit pension scheme	142,000	146,000
Total	14,724,543	14,305,356
Net expenditure	(945,846)	(1,925,939)
Other recognised (losses)/gains		
Actuarial (losses)/gains on benefit pension scheme	(1,011,000)	1,205,000
Net movement in funds	(1,956,846)	(720,939)
Reconciliation of funds: Total funds brought forward	(4,622,890)	(720,939) (3,901,951) (<u>4,622,890</u>)
Total funds carried forward	(<u>6,579,736</u>)	(<u>4,622,890</u>)

This statement has been taken from West Lothian Leisure's audited accounts approved by the Board at the AGM on 12th September 2019.

Balance Sheet

At 31 March 2019

Να	otes	2019 £	2019 £	2018 £	2018 £
Fixed assets Tangible fixed assets	9		1,492,983	© © © ©	1,282,424
Total fixed assets			1,492,983	8	1,282,424
Liabilities:		26,933 1,553,882 1,133,782 		26,702 818,560 861,216 1,706,478	
Creditors: amounts falling due within one year	11	(3,315,784)	× ×	(2,400,605)	
Net current liabilities			(601,187) 	8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	(694,127)
Total assets less current liabilities			891,796	×	588,297
Creditors: amounts falling due after more than one year	12		(450,532) 441,264 (7,021,000) (6,579,736)		(558,187)
Net assets excluding pensions liability	× ×		441,264	8	30,110
Defined benefit scheme pension liability	8		(7,021,000)	*	(4,653,000)
Total net liabilities			(6,579,736)	*	(4,622,890)
The unrestricted funds of the charity: General funds	8		441,264	& & & & & & & & & & & & & &	30,110
Pension reserve			(7,021,000)	×	(4,653,000)
Total charity funds	~~~~~		(<u>6,579,736</u>)		(4,622,890)

This statement has been taken from Xcite West Lothian Leisure's audited accounts approved by the Board at the AGM on 8 September 2016.

Key Contacts

West Lothian Leisure

West Lothian Leisure's Board

The Board is made up of 11 Non-Executive Directors (Trustees); five appointed by West Lothian Council, four independent Directors, one appointed by the Trade Unions and one employee (elected by employees).

Directors who have held office during the year were as follows:

Directors

Dr Cindy Brook Independent, Chair

Paul Williams Independent, Treasurer

Beverley Greer Independent, Secretary and Chair of the Audit & Finance Sub Committee

Karen Anderson Employee, Health and Safety Director

Tony Sharkey Independent

Robert Montgomery Trade Union (to December 2018)

Tom Carr-Pollock Trade Union (from December 2018)

Cllr Tom Kerr West Lothian Council

Cllr Chris Horne West Lothian Council **Cllr Harry Cartmill** West Lothian Council

Clir Angela Doran West Lothian Council

Cllr Andrew Miller West Lothian Council

Senior Management Team

Robin Strang Chief Executive

Billy Key Director of Operations (retired December 2018)

Mark Chambers Director of Business Development

Eric Stafford Director of Human Resources (retired December 2018)

Andrew Heron Head of Finance and Administration **Auditors**

Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL

Solicitors Peter McFarlane and Co Law House Fairbairn Place Livingston West Lothian EH54 6TN

Bankers Barclays Bank Quay 2

Quay 2 Fountainbridge Edinburgh EH3 9QG

The Bank of Scotland Almondvale South Livingston West Lothian EH54 6SN

Royal Bank of Scotland Livingston Branch 4 Almondvale South Livingston West Lothian EH54 6NB

Registered Office

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Registered in Scotland – SC 543017. Charity Number SC 27470.



www.westlothianleisure.com



