
NORTH AYRSHIRE COUNCIL

21 February 2023

Cabinet

Title: North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget.

Purpose: To seek Cabinet's approval for the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 Budget.

Recommendation: That Cabinet:

- a) Notes the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 budget;
- b) Notes the projected balanced budget position in 2022-23; and
- c) Authorises officers to continue to progress the recovery of the business, including the Recovery and Renewal Plan.

1. Executive Summary

1.1 North Ayrshire Leisure Limited (KA Leisure) aims to improve health and wellbeing through physical activity. The work of the leisure trust includes:

- Supporting physical activity
- Improving health and wellbeing;
- Providing quality experiences
- Supporting and developing community sport
- Creating volunteering opportunities;
- Enhancing skills through training; and
- Creating pathways to employment.

1.2 Prior to the Covid-19 pandemic, KA Leisure consistently recorded significant increases in participation across programmes and facilities. Equity of opportunity is at the heart of the approach. The impact of the pandemic and resultant restrictions had a severe impact on the business through temporary closures during 'lockdowns' and adaptations to buildings to accommodate new guidance. This was partially mitigated by the furlough scheme, a phased return and greatly accelerated digital programmes.

1.3 The Council's Financial Recovery Plan for 2020/21 was presented to Cabinet on 8 September 2020 and included approval of additional cashflow management support to KA Leisure of up to £2.743m to ensure they continued to operate as a going concern

and met their cash liabilities. Cabinet approved the North Ayrshire Leisure Limited (KA Leisure) Recovery and Renewal Plan in February 2021 and a progress report was presented in September 2021. The Performance and Impact Report presented in February 2022 provided a further update on the implementation of the Plan. A further presentation on continuing progress was made to all members in December 2022.

- 1.4 In 22/23, operational objectives and levels of activity have been able to be progressed once again. In the financial year 2022/23 KA Leisure incurred a trading deficit of £35,423 after allowing for the core contribution from North Ayrshire Council, a considerable improvement from the previous year's deficit of £1,248,549 after allowing for the contribution from and after incorporating income recovered via the UK Government Job Retention Scheme.
- 1.5 Despite this, there continues to be consequential financial impacts on KA Leisure from the pressures sustained during the pandemic, and from the increase in operational costs due to rising prices. This continues to present challenges, however the Council and KA Leisure continue to work closely on operational and financial planning and importantly, in addressing the financial pressures and further developing and refining the operation of the organisation. A balanced budget is anticipated for 2022-23.

2. Background

- 2.1 North Ayrshire Leisure Limited trades as KA Leisure. They are a Company limited by guarantee and a registered Scottish Charity and are also a not-for-profit organisation and any surpluses generated are reinvested across the Company. They are governed by their Articles of Association which includes their charitable objectives.
- 2.2 KA Leisure aims to improve health and wellbeing through physical activity, regardless of age or background and, to fulfil these goals, will continue to encourage participation, operate facilities, and create innovative opportunities to help the inactive become active. The Recovery and Renewal Plan balances the focus on those who participate in physical activity and sport and, in line with the North Ayrshire Active Communities strategy, those who are not active because inactivity carries significant health, social and economic risks. Working with partners in North Ayrshire and beyond, KA Leisure continues to develop innovative programmes and to participate in the North Ayrshire Active Communities Strategy and the DrEAM (Drop Everything and Move) events. The Recovery and Renewal Plan set out three key areas to focus on to gain the greatest impact: Venue Portfolio; Reinvent and Reimagine; and People and Partnerships.
- 2.3 The removal of Covid restrictions have allowed for a more innovative programme of activities to be offered by KA Leisure, and membership income has returned to nearer pre-pandemic levels. This is a positive for the organisation, where membership has now reached over 8,738, showing a continuing upward trend from the reduction to under 5,500 over the pandemic. There still continue to be considerable financial implications, however, from the increase especially in utilities prices and other costs, and regular planning, support and finance meetings have taken place to ensure there is integration with the Council's ongoing financial planning.
- 2.4 An Interim Chief Executive was appointed in 2021 -22 to provide leadership and support for the implementation of the Recovery and Renewal Plan. Recruitment of a permanent Chief Executive is planned and this will provide stable leadership for the organisation

as it focuses on developing its new adaptive model. Additional HR support continues to be provided by the Council. Work will continue to ensure that the organisation operates as efficiently as possible.

- 2.5 In the last year performance has shown considerable recovery, with swimming pool visits and indoor visits both showing a rise of just under 60% during the first 3 quarters of the year when compared to the same time period in the previous year.
- 2.6 KA Leisure has a national reputation for its excellent community health, wellbeing and recovery programmes and these were highlighted at Cabinet in September 2021 in the Health and Wellbeing Service Performance and Impact Report. In light of their experience in this area and the experiences of the pandemic, KA Leisure has aligned itself even more closely with the new Local Outcomes Improvement Plan (LOIP) for 2022 – 2030. KA Leisure is now the lead partner of North Ayrshire's Health and Wellbeing Alliance, which was launched in September 2022 and which builds on extensive existing work to develop the Wellbeing priority from the LOIP. This work aims to tackle health inequalities by co-locating services, delivering preventative activities and strengthening the relationship between health and leisure. It presents an exciting vision for the future of KA Leisure.

Venue Portfolio

- 2.7 With North Ayrshire Council, KA Leisure continues to offer a modern and diverse portfolio of venues across North Ayrshire and to use these to seek new and innovative ways to engage with communities. This includes innovative developments such as the new community health and wellbeing hub at Bridgegate in Irvine town centre.

Reinvent and Reimagine

- 2.8 KA Leisure's current programme continues to adapt, innovate and expand current service provision to meet the requirements of a new operating environment.

Fitness

- 2.9 New health and fitness products continue to be developed, such as the Elevate Transform programme which builds on the well-established Elevate Series to bridge the gap between group training and personal fitness.

Digital

- 2.10 The Customer Relationship Management system has continued to be developed, and along with the KA Leisure app, email marketing and the increased use of social media, has allowed for improved engagement with customers and potential customers. Some classes continue to be delivered online to improve accessibility.

Health & Wellbeing Service

- 2.11 KA Leisure's Health & Wellbeing Service continues to expand to deliver innovative programmes including Bridgegate Active Zone and Health and Wellbeing Hub. One to one support in the form of Doorstep Visits was introduced for frail and vulnerable people has now developed into the Doorstep Programme, a unique and targeted intervention aimed at reducing social isolation and declining function and improving mental health among the client group. The Doorstep programme takes an assertive outreach approach to including people in health and wellbeing.

Community Sport

- 2.12 There are now a record 8 community sport hubs, with 73 registered clubs and over 600 volunteers. Inspire membership allows children and young people to experience sporting activities, arts, drama, dance and music, with over 90 classes offering 21 types of activity each week. Champions for Change is run in partnership with the Alcohol and Drugs Partnership and North Ayrshire Active Schools to encourage healthy lifestyles and provide education about the dangers of alcohol, drugs and tobacco.

People and Partnerships

- 2.13 KA Leisure continues to deliver its Wellbeing at Work programme, aimed at developing a positive health and wellbeing culture and encouraging employees to take a proactive part in this. The new “Know the Way, Show the Way, Go the Way” programme also encourages the organisational culture of being better every day.

3. Proposals

- 3.1 It is proposed that Cabinet:

That Cabinet:

- a) Notes the North Ayrshire Leisure Limited (NALL) Performance and Impact Report incorporating the 2023-24 budget;
- b) Notes the projected balanced budget position in 2022-23; and
- c) Authorises officers to continue to progress the recovery of the business, including the Recovery and Renewal Plan.

4. Implications/Socio-economic Duty

Financial

- 4.1 The financial position continues to be closely monitored by North Ayrshire Council and the KA Leisure Board. The Council and KA Leisure continue to work together on medium term financial planning. While there remains uncertainty regarding future costs, in particular relating to utilities, KA Leisure staff will ensure that future expenditure represents the best value possible at all times

It is also recognised that continuing to progress the KA Leisure Recovery and Renewal Plan remains vital in addressing the short, medium and long term financial pressures facing KA Leisure. Based on current projections, utility costs in respect of 2023/24 could be as much as £700,000 more than 2022/23. North Ayrshire Council will continue to provide support to KA Leisure within the context of current earmarked resources and the KA Leisure Recovery and Renewal Plan. Any additional financial support will be reflected in the Council's Financial Performance Reporting throughout 2023/24 for Cabinet consideration.

Human Resources

- 4.2 The Council and KA Leisure will work together to align workforce planning and the KA Leisure Recovery and Renewal Plan.

Legal

4.3 There are no legal implications contained within this report.

Equality/Socio-economic

4.4 As set out in the report KA Leisure continues to focus much of their activity on individuals and groups requiring specialist support and activity, thus closing the inequalities gap across a number of themes. The Health and Wellbeing Service and Community Sport continue to address health inequalities and this provide the starting point for the refocusing as a community health and wellbeing organisation.

Environmental and Sustainability

4.5 Energy efficiencies continue to be sought through improvements in venues and KA Leisure continues to work with the Council's Sustainability team and external advisers to maximise opportunities for this.

Key Priorities

4.6 The proposal contained within the report supports the following North Ayrshire Council Plan priorities:

- Active and strong communities;
- Children and young people experience the best start in life; and
- People enjoy good life-long health and wellbeing.

Community Wealth Building

4.7 The proposal contained within the report maintains and continues to develop employment opportunities and volunteering and skills development opportunities.

5. Consultation

5.1 Consultations take place with KA Leisure on a regular basis. Customers, prospective customers and partners are the focus of regular engagement by KA Leisure and North Ayrshire Council. Ongoing engagement with elected members will continue as the Recovery and Renewal Plan continues to be progressed.

Audrey Sutton
Executive Director Communities and Education

For further information please contact **Rhonda Leith, Head of Service (Connected Communities)**, on **(01294) 324415**.

Background Papers

Appendix 1: KA Leisure Performance and Impact Report incorporating the 2023/24 Budget

PERFORMANCE & **IMPACT** REPORT

Incorporating 2023/24 Budget



CONNECTION, ACTION AND IMPACT

KEEPING NORTH AYRSHIRE ACTIVE

CONTENTS

3 MESSAGE FROM THE CHAIR

4 WELCOME FROM THE CEO

5 KA LEISURE AT A GLANCE

6&7 PERFORMANCE

8&9 IMPACT

10&11 INVESTING IN OUR FUTURE

12&13 A SHARED VISION

14&15 FINANCIAL INFORMATION

MESSAGE FROM THE CHAIR

Ashley N Pringle, Chair



As Chair of KA Leisure, I am pleased to provide this Foreword and share with you our 2023 Performance and Impact report.

As we all emerge from the effects of the COVID pandemic, it is exciting to see active leisure and fitness resuming in the communities of North Ayrshire. KA Leisure adapted with imagination and innovation to the enforced temporary closure of our major facilities, creating digital platforms for live class streaming and tailor-made activities on behalf of our clients. We made use of the North Ayrshire parks and countryside to develop programmes and classes of outdoor activity.

Our outstanding team are now extending their engagement with priority groups, including those who are vulnerable, isolated and at greatest risk of inactivity. We are developing new dimensions to our health and fitness offer with boutique fitness studios and the Active Zone & Health and Wellbeing Hub at Bridgegate, Irvine. Our meticulous attention to safety and cleanliness enabled us to gain the RoSPA COVID-19 Compliant Award and re-build customer confidence.

Following on from our COVID Recovery Strategy, developed in conjunction with key partners, particularly North Ayrshire Council and NHS Ayrshire & Arran, we are focussing on long term sustainability to build an adaptive, resilient model for KAL's future operations. Encouraging signs of financial recovery have been in evidence for some time, as we re-build our membership base and steadily turn round the unavoidable deficit incurred over the past two years.

The long period of disruption for all the employees of KAL was a particular cause of concern for the Board and senior managers. As a people-oriented business staff are our greatest asset. We are supporting staff through internal programmes including Know, Show Go and the extensive Wellbeing programme we have embarked on. We aim to enable all to work at optimum level, by improving internal communication and showing that we value every individual. Using personal development reviews, business outcomes are aligned with personal outcomes. We are embarking on a new culture within the organisation and putting in place a staff structure to reflect the changing environment.

Two of KAL's long-serving leaders stood down in 2022. Gary Higgon, a member of the Board for 20 years, ten of them as Chairman, and Libby Cairns, Chief Executive since 2012 both gave unstinting service to KAL and led it through many changes with notable success. We are grateful to Gary and Libby for their immense contribution to KAL and wish them well for the future.

To conclude I would like to thank our employees, Board of Directors, and all strategic partners for their dedication and commitment over the previous twelve months, and in particular North Ayrshire Council for their ongoing support, guidance, and encouragement during a difficult period.



WELCOME

Malcolm McPhail
CEO (Interim)

I am pleased to share with you this Performance and Impact Report, highlighting the incredible progress we have made so far. Not only have we seen a remarkable recovery from the pandemic, but also the impact of our programmes on our communities is extraordinary. It is a testament to the organisation's resilience, and I look forward to seeing our continued progress in the coming months.

At KA Leisure, we are proud of the breadth of programmes we offer that are designed to improve the physical, mental and social wellbeing of our communities. We are looking forward to taking this commitment even further with the establishment of North Ayrshire's new Health and Wellbeing Alliance. We are honoured to have been chosen to lead the development of this Alliance and to have the opportunity to build on the relationships we have with our partners. Together we will tackle inequalities to ensure that all residents of North Ayrshire benefit from improved health and wellbeing.

Finally, I wish to express my deepest gratitude to our Staff, Board of Directors, Wider Partners, and Friends at North Ayrshire Council for their ongoing dedication and commitment to our organisation. We could not have accomplished our success or achieved the impact we have had without them. I would also like to thank our loyal customers for their ongoing support. Your faith in our services has enabled us to reach our goals and objectives. Thank you all for being a part of our journey.

Malcolm McPhail

Malcolm McPhail



4

KA LEISURE AT A GLANCE

Established in 2000, KA Leisure is a Company limited by guarantee and a registered Scottish charity, committed to creating opportunities, inspiring people and changing lives through sport and physical activity.

KA Leisure manages sport and physical activity services on behalf of North Ayrshire Council and all financial surplus generated is reinvested back into the communities of North Ayrshire.

With over 300 employees, 16 venues and a range of outdoor sports facilities, KA Leisure provides a range of high quality programmes, activities and facilities delivering opportunities for over 2 million customers to participate in physical activity and improve their health and wellbeing each year.

Trustee Directors

- A Pringle (Chair)
- H Campbell
- J McClung
- J Montgomerie
- I Murdoch
- J Sweeney
- A Todd
- L Tulloch

Senior Management Team

- Malcolm McPhail – Interim CEO
- Laura Barrie – Head of Active Communities
- Colin Glencorse – Head of Operations and Customer Service

We are governed by our Articles of Association which includes our charitable objectives.

Objects of the Organisation:

- 1 to advance public participation in sport;
- 2 to provide or assist in the provision of facilities for, or activities relating to, recreation or other leisure time occupation;
- 3 to advance the arts, heritage, culture or science; and
- 4 to enhance lifelong learning opportunities for individuals and community groups

In each case such services being provided in the interests of improving social welfare and community wellbeing for the benefit of, and in relation to the general public in, the North Ayrshire area (including the communities of the North Ayrshire area and visitors to that area) save that special facilities may be provided for persons who by reason of their youth, age, infirmity or disability, poverty or social or economic circumstances have need of special facilities, and in each case through any appropriate means, and to do all such other things as may seem incidental or conducive to the pursuit of the foregoing objects and the exercise of the powers of the organisation (whenever express or implied).

** extract from Articles of Association*



5

PERFORMANCE

During the past year the focus has continued to be on recovering from COVID 19 and by supporting people to return to activity and achieving our ambition of:

NORTH AYRSHIRE MORE ACTIVE MORE OFTEN

Our initial Recovery and Renewal Plan was built on three key phases:

-  **Response**
the immediate actions to keep the organisation solvent and trading
-  **Recovery**
helping the organisation adjust and adapt to Build Back Better
-  **Renewal**
focusing on long term sustainability to build an adaptive model



Underpinned by our priorities:

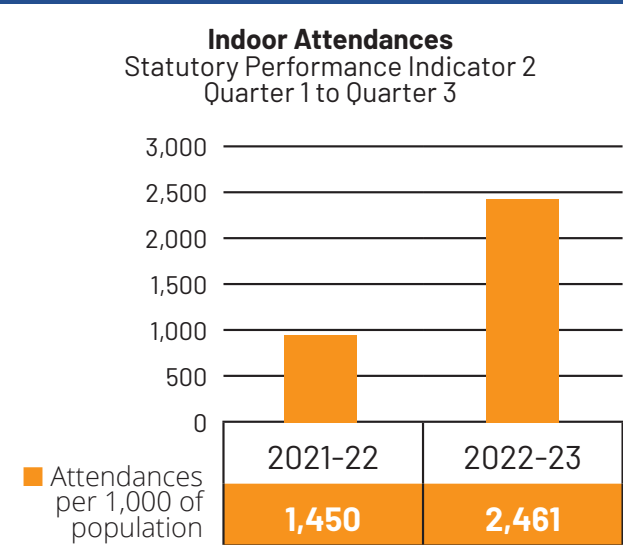
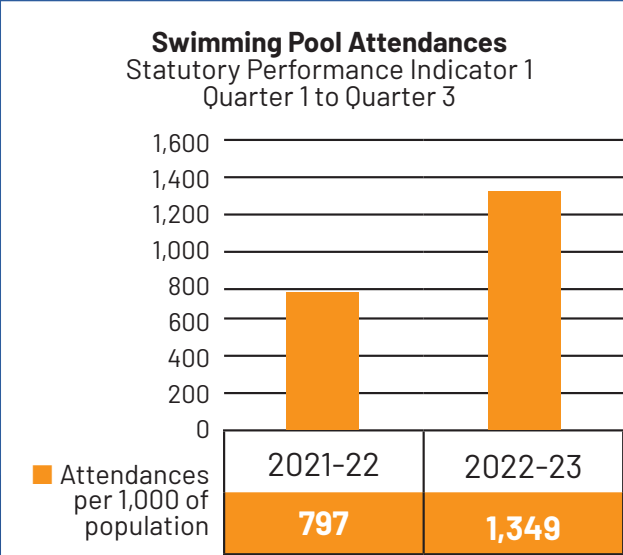
- Expanding our reach to maximise the impact on the health and wellbeing of North Ayrshire.
- Balancing inclusiveness, accessibility, and affordability with charitable sustainability.

The impact of COVID-19 has been profound and we have used the opportunity of the disruption to accelerate progress, to reinvent ourselves to be more agile, inclusive, and resilient and to change the way we do things, so we better meet the needs of North Ayrshire communities.

Fundamental to has been a reshaping of services, to ensure there is a sustainable balance of income generation with wider social objectives to reduce health inequalities.

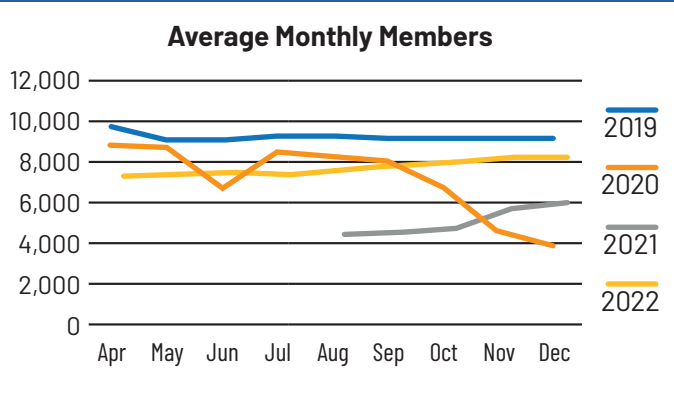


Despite the 'long tail' of COVID-19, across the year individually and collectively customer visits have increased across activities with individual users, class sessions and club participation gradually moving back towards pre-pandemic levels. Increased customer visits are highlighted through the statutory performance indicators displayed below:



Fitness performance is critical to the financial sustainability of the organisation having previous accounted for over £2million of overall annual income prior to the pandemic. During the pandemic memberships reduced from 9,600 members to under 5,500.

The introduction of new fitness products, membership categories and the introduction of a sales team during the last 12-month period has driven a steady increase in membership numbers, highlighted in the graph below.



During the first three quarters of the current financial year membership numbers have steadily climbed back to over 8,200, illustrated in the graph below.

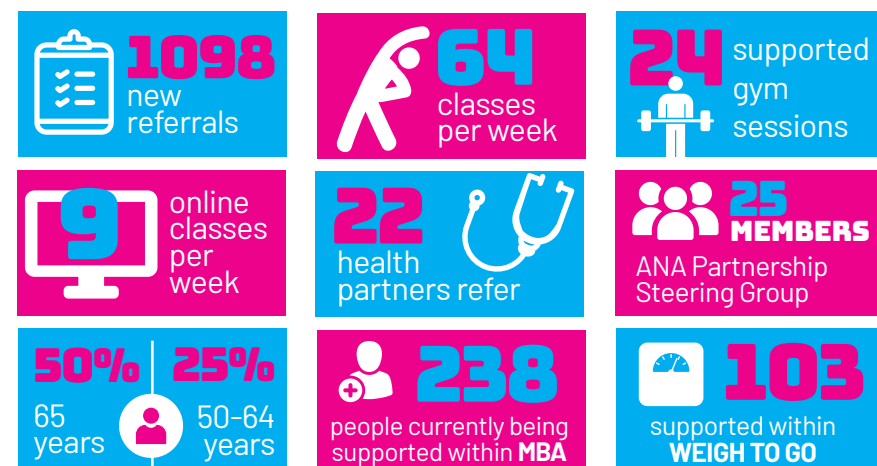


As we move forward we continue to demonstrate positive growth with memberships reaching over 8,800 during the first half of January 2023 demonstrating our resilience and move back towards sustainable operations.



IMPACT

Health & Wellbeing Service



Staying Connected

The North Ayrshire Doorstep Programme is a unique and accessible service which supports vulnerable and frail people who are isolated in their own home.

The programme addresses –

- **SOCIAL ISOLATION**
- **DECLINE IN FUNCTIONAL CAPACITY**
- **POOR MENTAL HEALTH**



"I have found the Doorstep Programme an excellent help in restoring my confidence in movement. The support has been valuable and an important help when I most needed it and was feeling extremely down. I feel it is a very important and helpful service offered to people in need. Long may it continue!"

Elizabeth Crawford –
Doorstep Programme Participant



"The classes have had such a positive impact on my health. I have so much more energy and my family and friends are amazed at the difference in my overall health. I am so proud of myself and the progress that I've made. Thank you so much KA Leisure"

Active North Ayrshire Participant
Carol Haddow

Walking



3259

Walk for Health Programme Attendances

86 121 Buddy Walks
16 Weekly Walk Groups
27 Walk Volunteers



"The Vikingar walk offers people like me who have various medical issues a support system to encourage us to have a better quality of life, medically and socially. It's like a 2nd home where you can meet up with friends, have the support of the instructors and staff to talk to and help you." Alywn Jarrett – Walking Participant

"Our communities and patients are now recovering from the impact of COVID-19 however I feel that the Doorstep visits are as essential now as they were during the pandemic. Some of the most vulnerable people I am in contact with are finding it difficult to engage in mainstream activities, whether it be because of reduced mobility, frailty or poor mental wellbeing. KA Leisure have created a valuable service that is suited to their needs. Without access to this provision, I would find it difficult, at best, but more likely impossible to source appropriate supports or services."

Leeanne Killen Community Link Worker (HSCP SP&TT)

Inspire

The Inspire membership provides value, variety and access to sporting activities, arts, drama, dance and music.

285 Inspire members
 93 classes per week
 21 types of activities
 Membership **AGES 3 – 13**



"The Inspire membership is fantastic value and gives my son the opportunity to participate in something different every day. Nairn not only loves the new gymnastics classes on a Saturday but the introduction of art to the programme has been something completely new for him"

Mark Smith – (Inspire Member Parent)

Memberships



8209 members

"The membership is so flexible and allows me to use all the venues available. This is great as my work sends me all over the area. I also love the fact that I can use the gym, go swimming or take part in classes. It helps me keep my training fresh and stops me from getting bored. The app makes booking all of these super easy!"

Mark Grimshaw – KA Leisure Member



Fitness



180 fitness classes per week



ELEVATE ONLINE

398 Active Users
1289 Live Attendances
1670 On Demand

"I've been training at the Portal for a little over a year now, when I joined, it gave me some structure back and allowed me to focus on me and my mental health. I was filled with anxiety about even stepping into the gym. I didn't know where to start and had zero confidence, however, it's the best thing I have ever done! I am so much stronger mentally and physically and I owe it to the whole team at the Portal." Alli Barr – Gym Member Participant



CHAMPIONS for CHANGE

Schools Programme
19 schools & **900** pupils

Referral programme
81 people referred

Champions for Change is delivered in partnership with North Ayrshire Alcohol and Drug Partnership and North Ayrshire Active Schools. The project uses sports and for physical activity to tackle local issues around substance misuse.



"Having a membership is amazing man, it benefits my physical & mental health as I'm not just sitting around doing nothing, I can go with other people I volunteer with & I wouldn't be able to afford to do this without the help."

Jay Champions for Change referral

"Our coach had a great rapport with the class, delivering the materials in a fun, enjoyable and educational way. They engaged well with him and looked forward to each of the 4 workshops."

Teacher St Winnings Primary School

Learn to Swim!



"Cole loves coming to his KA Leisure swimming lessons and learning new and different skills. The teachers have all been very supportive and this allows Cole to engage with the lesson. He is looking forward to continuing to progress and moving up to Swim Skills 4 in the near future."

1787 children in the LTS programme

4 Swimming Pools

Auchenharvie Leisure Centre, Stevenston
Garnock Community Campus, Glengarnock
Portal, Irvine
Vikingar!, Largs

INVESTING IN OUR FUTURE

Delivering an agile and resilient structure, that provides a solid foundation for creating an innovative, engaging and collaborative workforce with the right skills remains fundamental to all that we do.

COVID-19 has provided us the opportunity to review, reinvent and reimagine how we do things. To remain successful, thriving and sustainable a programme of organisational development and review is underway.

To align with this programme and to ensure we have a robust operational framework, staffing structures have been revised to develop agile leadership at all levels to deliver organisational objectives, strengthening the connection and collaboration between sport and physical activity and health partners at all levels.

The creation of a revised staffing structure has included a series of structural changes within personnel to harness organisational relationships and improve organisational culture. In addition it has provided clarity on a number of key elements including, organisation resource, processes and changes to customer behaviour.

To accompany the introduction of a revised staffing structure we have launched two employee programmes:



Know Show Go the way

Know, Show, Go encourages everyone across the organisation to embrace the culture of being better every day. The three principles and seven behaviours of Know the Way, Show the Way,

Go the Way have been shaped by colleagues across the organisation, and it will become part of everything we do at KA Leisure with the emphasis on attitude and behaviours.



Launched in early 2022 our comprehensive Wellbeing at Work programme aims to demonstrate the organisation's commitment to developing a positive health and wellbeing culture, recognising the impact that a positive health and wellbeing culture can have on individuals and the organisation.

All employees have a vital role in promoting a positive and proactive health and wellbeing culture. This is achieved by encouraging the participation of employees through consultation, communication, and cooperation as their suggestions for improvements are valued and implemented. A feature of this is the annual HSE Stress Indicator Toolkit Survey to measure the perceptions of work-related stress and wellbeing. The findings provided a valuable opportunity to create a Workplace Wellbeing Action Plan and programme a series of wellbeing workshops and training opportunities.

Programme Development

Our Active Lifestyles, Community Sport and Fitness teams have continued to build upon their successful existing programmes with the development of a range of new initiatives to support our communities. These include:

Active North Ayrshire – Physical Activity on Referral

In partnership with Parkinson's UK, a new programme was introduced in 2022 to deliver a variety of supported physical activity session specifically for people who are living with Parkinson's. Linking with the current Parkinson's support groups across North Ayrshire and liaising with the specialist NHS Parkinson's Physiotherapist Team we support people to continue to live well in daily life with the condition.

"The class has really helped me and I've noticed a difference in the time that I've been here. The staff are super friendly and it's been a good experience for me"

Alex Ferguson Active North Ayrshire Participant



Young Carers Membership Programme

We have continued to support a range of activities for Young Carers. As part of this programme, young carers have begun to receive KA Leisure memberships which will help support health and wellbeing by removing barriers such as cost and provide access to fun activities at a variety of local venues across North Ayrshire.

The KA Young Carers Membership not only offers young carers the opportunity to have a break from their caring role but give them the chance to make new friends and have fun while getting active and looking after their own health and wellbeing. KerryAnne Owens – Carers Development Officer



Elevate Fitness Programme

The well-established successful Elevate Series fitness programme has been further developed to include Elevate Transform. A results focused training programme bridging the gap between group fitness and personal training.

Digital Transformation

The introduction of new and expanded programmes has been supported by a marketing and communications programme to engage with customers and partners. Utilising a range of platforms including our KA Community Channel our messaging and campaigns focus on –

- The benefits of staying active
- The fantastic value of being a member of KA Leisure
- The range of opportunities available to everyone in North Ayrshire
- The impact of our community programmes and services

The continued development of the new Customer Relationship Management System has allowed us to keep our members and customers more up to date than ever. The KA Leisure App launched in August 2021 has strengthened our brand, assisted with the retention and acquisition of members and delivered digital fitness using the unique power of mobile.



We have successfully achieved the RoSPA (Royal Society for the Prevention of Accidents) Gold Award for 8 consecutive years, in addition to this the Company has achieved the RoSPA Gold Leisure Safety Award for the past 4 years. This is a fantastic achievement by our employees and a testament to their commitment, cooperation and involvement in health and wellbeing.

A SHARED VISION

For more than two decades we have worked to support, encourage and inspire people to be more active more often – a purpose that is more relevant now than ever. Across the next year our purpose remains constant but the way we achieve it will change substantially.

Prior to the pandemic we saw growing momentum around the tangible need for a more holistic integrated approach to health and wellbeing and the challenge of COVID-19 has compelled us to make the best use of our people's skills and experience to address this.

We want physical activity to be at the heart of how we all think about North Ayrshire's health and wellbeing, but we can only do this if we effectively respond to changing demographics, trends in health and tackle the things that can make it even harder for people to be active.

The scale of the challenge is significant, however, throughout the COVID-19 recovery period, we have demonstrated our adaptability, agility and resilience to respond to the local community's needs, particularly those who are most vulnerable.

We continue to deliver a breadth of programmes that have a direct role in improving North Ayrshire physical, mental and social wellbeing. Our organisation is the engine room of physical activity, with gyms, pools, leisure centres, sports pitches, fitness studios and an abundance of beautiful green spaces on our doorstep.

However, our role can grow further by embedding social prescribing in our and our partners approach by creating new pathways and co-designing opportunities and collaborations.

To enable us to play this vital role in this fast-growing area of work it is important to connect the dots and take a whole system approach, to find ways to understand and influence the numerous interconnected factors to ensure that this journey is easy, personalised and supported to increase that individuals likelihood of becoming and staying active

We recognise activity levels are affected by a series of complex issues and no single organisation or programme can create sustainable change at scale. With an in-depth understanding of our local communities and our cross-sector partnerships, we are well placed to lead this transformational change and address key issues collaboratively and proactively.



North Ayrshire Health and Wellbeing Alliance

Established in September 2022, North Ayrshire's Health Wellbeing Alliance will build on the extensive work already underway and set the strategic direction for the wellbeing agenda in North Ayrshire. It will provide a multi-level working leadership body in the development and delivery of the wellbeing Local Outcome Improvement Plan priority for North Ayrshire Community Planning Partnership.

In addition, its remit will:

- **Tackle the inequalities related to wellbeing with a clear focus on early intervention and prevention and a whole system approach**
- **Identify and create opportunities for innovation, improvement and efficiency among partners**
- **Facilitate co-produced solutions to promote equality and reduce health inequalities**
- **Provide visibility for the community health and wellbeing agenda for the residents and communities of North Ayrshire**
- **Identify gaps and overlaps in provision, whilst considering potential savings in activities, with requisite approval from individual partner organisations**
- **Enable shared planning where appropriate, with requisite approval from individual partner organisations**
- **Identify joint opportunities to access funding, with requisite approval from individual partner organisations**
- **Align with the Active Communities Strategic Partnership to involve and work with relevant partners and initiatives.**



Central to this will be to create a health and wellbeing brand and align all communication to the vision and mission ensuring that the Community Health and Wellbeing Alliance is recognised throughout North Ayrshire by its residents and communities.

We're optimistic. We believe that large scale meaningful change is possible as our shared vision creates a closer relationship between health and leisure, built on social prescribing, co-location of services and the delivery of preventative activity opportunities.

As a committed member of the North Ayrshire Community Planning Partnership, we are excited and honoured to be leading the North Ayrshire Local Outcome Improvement Plans wellbeing agenda.



FINANCIAL INFORMATION 2023/2024

Although we are moving out of the challenges presented up by the pandemic, the advent of the cost-of-living crisis and more importantly the rising cost of energy will mean the new financial year remains extremely challenging. The leisure sector is still in the throes of recovery from the pandemic resulting in slow return rates (80% of pre-pandemic levels across the UK), reduced levels of income and increased energy costs.

Although leisure centres including swimming pools and ice rinks are high consumers of gas and electricity they haven't been classed as 'intensive users' by the UK Government. Therefore, our utility costs do not qualify for the more preferential price cap.

To partly offset rising utility costs we are currently reviewing all options for maximising energy efficiencies and reducing costs. The 2023/24 Budget is provided below alongside the current year for comparative purposes.

Budget 2023/24

	2022/23 Budget	2023/24 Budget
Expenditure	£	£
Employee Costs	5,983,900	6,293,013
Utility Costs (Gas, Electricity & Water)	993,631	979,118 *
Other Property Costs (excluding Utility costs)	488,900	496,650
Supplies & Services	444,800	487,389
Transport & Plant	31,000	31,600
Administration Costs	359,900	363,650
Payments to Other Bodies	155,232	159,442
Finance/Other Expenditure	458,842	441,232
Total Expenditure	8,916,205	9,252,094

*New energy contract yet to be concluded.
The estimated date of finalising prices for 23/24 will be mid-February.

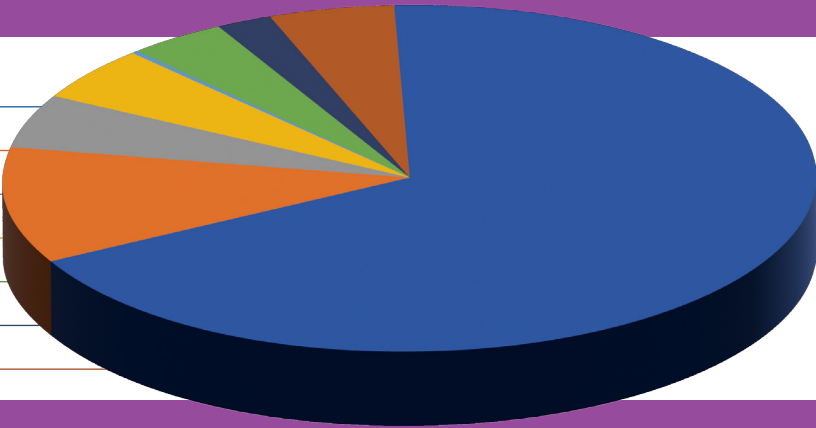
Income		
North Ayrshire Council	4,129,137	4,300,874
Other Income	4,822,491	4,965,194
Total Income	8,951,628	9,266,068
Surplus/(Deficit)	35,423	13,974

North Ayrshire Council contribution has increased in the year by £171,737 which relates to the budgeted pay award for the financial year 2023/24, estimated at a 3% increase. This is in addition to North Ayrshire Council's ongoing contribution to support COVID-19 recovery 2023/24.

The pie chart reveals the percentage breakdown of budgeted expenditure across KA Leisure for 2023/24. The largest cost to KA Leisure is employee costs, which is 68% of the expenditure budget for the financial year.

2023/24 Budgeted Expenditure

Employee Costs	68%
Property Costs (Excluding Utilities)	11%
Utilities	5%
Supplies and Services	5%
Administration Costs	4%
Payments to Other Bodies	2%
Finance/Other Expenditure	5%



Variances in Budget 2023/24

The significant variances between the 2022/23 budget to the 2023/24 budget are detailed below.

Employee Costs

Overall employee costs are budgeted £309,113 higher than 2022/23. This is mainly attributed to:

- **Pay Award**

The pay award for financial year 2023/24 has been budgeted at an estimated increase of 3%. This is an additional cost of £171,737, which will be offset by additional income from North Ayrshire Council.

- **Post Amendments**

As the business is returning to normality after COVID there has been a number of amendments made to the employee structure. This has resulted in changes to posts, hours and grades at an additional cost of £117,835.

- **Incremental Factors**

Included within the 2022/23 budget are pay increments due to employees totalling £19,541.

Utility Costs

Property costs are budgeted £6,763 lower than the 2022/23. Although an energy purchase tender exercise will be completed in the coming weeks where it is anticipated costs will increase in the region of £700,000.

Supplies and Services

Supplies and Services have increased by £42,589 from the previous year. This is predominately due to an additional budget within 2023/24 of £30,000 for third party management of direct debit payments. Other increases relate to general price increases for items such as pool chemicals, IT software provision and restricted project expenditure.

Finance and Other Expenditure

Finance and other expenditure costs is £17,610 lower in 2023/24 than in 2022/23. This is predominately due to a reduction in depreciation costs.



Registered Office:
22 Quarry Road,
Irvine
KA12 0TH
01294 315120
info@kaleisure.com

WWW.KALEISURE.COM

