



east renfrewshire  
**CULTURE  
and  
LEISURE**

**ANNUAL  
REPORT  
2017-18**



# Contents

**1** Introduction  
page 3

**2** What we do  
page 4

**3** Highlights from  
2017-18  
page 6

**4** Our Trustees  
(Directors)  
page 7

**5** Financial Review  
page 8





# Introduction

On behalf of the Trustees, I am delighted to present the East Renfrewshire Culture and Leisure Annual Report for 2017/18.

Since being set up in July 2015, the Trust has driven forward its plans for encouraging more people from East Renfrewshire to get involved in sports, arts and culture. We have had lots of successes along the way and look forward to continuing to build on this in the years ahead.

Strong performance across a number of areas has been demonstrated in 2017/18, notably with leisure centre attendances at a five-year high.

This is testament to the hard work of our staff, who promote all the services provided by the Trust to encourage more residents to get involved.

We will not rest on our laurels though, and continue to strive for improvements which will allow us to deliver more modern services to benefit our customers. This will include the introduction of improved digital services which will provide mobile and online booking, payment and transactions.

It has been another exciting year, and as we continue with the development of our facilities at Barrhead Foundry a £2.5m swimming pool and changing area upgrade is set to be taken forward.

As we look ahead, we are confident that we are moving in the right direction and are ready to build on the growth already enjoyed in the last 12 months, as we aim to realise our Mission to be the highest performing Trust in Scotland.

**Jim Wilson**

**East Renfrewshire Culture and Leisure Chairman**





# What we do

# 2

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## Our vision

is to inspire people  
to be involved in sport,  
arts and culture

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and  
LEISURE**

## Our mission

is to be the highest  
performing leisure  
trust in Scotland





East Renfrewshire Culture and Leisure is a charity with over 400 employees delivering sport, leisure, arts and culture services in East Renfrewshire.

We operate 10 libraries, 4 sports centres with gyms and pools, a 330-seat theatre, 18 Community facilities incorporating a wide range of halls, social function and event venues, community centres and pavilions.

We also manage the letting of 31 schools in the evenings and weekends. We deliver a wide variety of programmes like sports development (including swimming lessons, sports coaching, Active Schools Programme), arts development (including classes and events), and library and literacy programmes (ranging from Bookbug to Book Week, authors' talks to book groups).

Our Community Facilities provide a vital network of centres across the authority and host a huge range of community and commercial activities, helping a wide array of groups to deliver services directly to the heart of communities in East Renfrewshire.

We exist to promote the health, fitness, personal development and wellbeing of the residents of East Renfrewshire, and beyond, by:

**Encouraging** the population of the East Renfrewshire area to be more active in promoting and supporting the development of sporting and health and fitness opportunities that are accessible for everyone

**Supporting** people to be more creative and nurture potential for personal success and wellbeing through the provision of cultural facilities and resources

**Helping** individuals and community groups to benefit from social engagement, community interaction and volunteering

**Promoting** and making available lifelong learning opportunities, including the promotion of literacy and digital inclusion and stemming from these opportunities make a social and economic contribution to society





# 3 Highlights from 2017-18



- Total leisure centre attendances at a five-year high, a 9% increase from previous year

- Significant increases in attendance at gyms (10%), fitness classes (15%) and outdoor activity (7%)



- Gym memberships up 14% on previous year and 30% on 2014/15 levels







- **Customer satisfaction rates with Community Facilities remained very high, with overall satisfaction at 97%**

- **Continued expansion of the gymnastics programme with 14 new classes offered**



- **Total library issues up 2% with book issues to children and young people up 7%**



- **Total professional theatre audiences grew 25% to 16,276**



- **A revised concessions policy and a wider pricing and product review was developed and is being implemented throughout 2018**



- **Revised safeguarding policies and procedures for children and vulnerable adults**

- **Absence rates reduced to 7.5 FTE days lost, down 23%**

# Our Trustees (Directors)

There are nine members of the company who act as trustees (nine allowed by the Articles of Association) comprising of:

- a maximum of four Council Trustees
- a maximum of four Independent Trustees
- a maximum of one Employee Representative Trustee

They trustees (Directors) have the ultimate control of the company subject to providing the services in accordance with the Legal Agreement reached with East Renfrewshire Council and provide strategic direction to the Chief Executive and his management team.

The list of Trustees serving in the financial period 2017/18 is detailed below:

| Name                  | Trustee (Director) Role | Date Appointed    |
|-----------------------|-------------------------|-------------------|
| Jim Wilson            | Independent (Chair)     | 02 March 2015     |
| Cllr. Mary Montague   | Council (Deputy Chair)  | 02 March 2015     |
| Brian Davidson        | Independent             | 02 March 2015     |
| Prof. Grant Jarvie    | Independent             | 02 March 2015     |
| Cllr. Charles Gilbert | Council                 | 02 March 2015     |
| Cllr. Kenneth Hay     | Council                 | 02 March 2015     |
| Steven Larkin         | Employee Representative | 02 March 2015     |
| Dr Noreen Siddiqui    | Independent             | 08 September 2016 |





# Financial Review

The Trust reported an operating deficit of £0.8m for the year ended 31 March 2018 (2017: £0.5m deficit), which was in line with expectation due to the level of change underway to transform the operations. This is before allowing for the net actuarial loss of £(1.101)m in respect of the multi-employer defined benefit pension scheme.

| In summary, the financial position for the period ended 31 March is noted below: £'000 | Year ended 31 March 2018 | Year Ended 31 March 2017 | Movement |
|--|--------------------------|--------------------------|----------|
| Income   | 8,293                    | 8,161                    | 132      |
| Net (Expenditure) / Income   | (802)                    | (500)                    | (302)    |
| Actuarial Gains  | (1,101)                  | 1,825                    | (2,926)  |
| Total Funds (after retirement benefit scheme gains)                                    | (556)                    | 1,347                    | (1,903)  |

## Reserves policy

During 2015/16 the Trust agreed to build reserves over the first three years to a level of £250k to enable the Trust to manage financial risk and help deliver the Trust's commitments. It was recognised that this was our initial target and would therefore be regularly monitored and reviewed annually by the Finance, Audit and Risk committee. At the year end, the charity had a total deficit of £556k (2017: surplus £1,347k), of which £21k (2017: £14k) was restricted and £130k (2017: £202k) was unrestricted. In addition, an unrealised loss on the pension scheme of (£707k) (2017: Gain £1,131k) was recognised in the year. The trustees continue to strive to create a £250k unrestricted non-designated level of reserves, but also to continue to rely on assurances of East Renfrewshire Council (ERC) as the sole member, to fund the Trust to meet its liabilities as they fall due, should the Trust be unable to do so.

## Investment policy

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

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

## Fixed assets

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

## Risk management

There are many risks to the Trust's service delivery and these can affect our performance, our customers and members of the public.

Managing our risks effectively is essential in achieving our strategic outcomes and targets, creating confidence among service users and the public, and ensuring effective governance. Effective risk management also allows us to deliver service improvements taking account of the context and environmental factors.

As the culture and leisure business environment is customer driven and internal and external changes to that environment ultimately influence overall performance, risk factors which could have an impact on service delivery require to be identified on an annual basis with appropriate actions to minimise such risks.

The management team carries out an annual risk analysis, and a Risk Register with appropriate actions is identified to minimise the impact on service delivery and overall performance. This register is reviewed on a monthly basis and reported to the Finance, Audit and Risk Committee twice yearly who scrutinise the progress of the register and where appropriate report to the Board to assist in managing the risks to the Trust.



The main external risk to ERCL is the continued funding required from ERC to allow the Trust to deliver services on the Council's behalf. The Board are delighted that the Council committed over £4m by way of service fee to the Trust in 2017/18 which was supplemented by a capital programme to help enhance and improve both new and existing facilities. We have negotiated with ERC to secure a service fee of £4.6m in 2018/19 and continue discussions in relation to longer term funding arrangements to enable us to plan for future service delivery improvements.

In addition, our insurance company, Zurich, review our insurance cover on an annual basis to highlight any uninsured risks and exposure elements of cover that require adjusting or deleting. Insurance cover based on this assessment is in place.

### **Trustees (Directors)**

There are nine members of the company who act as Trustees (in line with the Articles of Association) comprising of:

- a maximum of four Council Trustees
- a maximum of four Independent Trustees
- a maximum of one Employee Representative Trustee

They have oversight of the company subject to providing the services in accordance with the Legal Agreement reached with East Renfrewshire Council and provide strategic direction to the Chief Executive and his management team.

### **The Board**

The full Board met four times during the period ended 31 March 2018. These meetings were held with management representatives to consider the business of the Company.

Board Committees met in the periods between the Board meetings to consider business and to make formal recommendations to the full Board of Trustees.

Finance, Audit and Risk Committee - Met four times in 2017/18 and is responsible for monitoring the financial performance of the Trust; for the recruitment and appointment of an external auditor to audit the final accounts for submission to Companies House and OSCR; the review of any internal Audits; and monitoring the company's Risk Register.

Health and Safety, HR, Appeals and Appointments Committee - The committee met twice in 2017/18 and acts as the focal point for all matters relating to the management of Fire, Security and Health and Safety; responsible for hearing and determining appeals against dismissal and appeals against all disciplinary action taken by the Chief Executive and to

consider and reach decisions on Stage 3 grievances by employees in terms of the Trust's Grievance Procedure; responsible for recommending appropriate individuals for the appointment as Independent Trustees and Employee Representative, to form the Board and responsible for the recruitment and appointment of the Chief Executive.

### **Management Arrangements**

The Board meets quarterly to consider company business with decisions taken to set the overall strategy for the business as well as to monitor its activities. Management are charged with the task of implementing these decisions. The Board can also refer decision making on Independent Directors; Chief Executive recruitment; overseeing of company finances; approving finance reports and disciplinary appeals to sub committees.

A Chief Executive is appointed by the Board to manage the day to day operations of the Company. To ensure that operations are carried out effectively, the Chief Executive has delegated authority within an approved scheme for matters including Personnel; Finance; Procurement; and Operations.

### **Statement of Trustees Responsibilities**

The Trustees (who are also Directors of East Renfrewshire Culture and Leisure Limited for the purposes of company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.



The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

## **Recruitment and Training of Trustees**

### **Recruitment**

Authority and responsibility for the appointment of Council Trustees sits with East Renfrewshire Council who allocate this responsibility to four ERC Councillors.

Authority and responsibility for the recruitment of Independent Trustees is delegated by the Board of Directors to the Nominations Committee.

Selection of the Employee Representative Trustee is agreed upon amongst Eligible Employee Representatives from time to time and this individual agrees to act as an Employee Representative Trustee.

Training to new Board Members was provided as an induction by legal advisors prior to their first Board Meeting. A self-evaluation of the Board using the How Good is Our Culture and Sport 2 (HGIOCS2) national framework was also undertaken.

### **Policies and Procedures for Induction and Training of Trustees**

An induction training process is in place for all new Trustees, and this covers both the strategic and operational issues affecting the charity. The ongoing training needs of the Directors are considered by the Board and where appropriate internal and external training is provided.

### **Statement To Auditors**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.







## east renfrewshire CULTURE and LEISURE

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اگر آپ اس لیفلٹ میں درج معلومات کا ترجمہ اپنی زبان میں چاہتے ہیں تو ہم سے رابطہ کریں

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