

Gravesham Community Leisure Limited

ANNUAL REPORT 2020

for the year ended 31 December 2020

Head Office: Cascades Leisure Centre, Thong Lane, Gravesend, Kent DA12 4LG

Tel: 01474 556000

email: info@gcl.co.uk

web: www.gcl.co.uk

Registered in England as a Community Benefit Society

Registration Number: 28949R

VAT Number: 725070850

Formed: 10th August 1999

Contents

Page 3	Foreword
Page 4	Who we are
Page 5	Management Board
Page 5	Staffing Structure
Page 6	Performance in 2020
Page 10	Gender Pay Gap Report 2020
Appendix 1	Audited Accounts 2020

Foreword

It would be an understatement to say that 2020 has been an extremely difficult year – and what a contrast it has been to any of the previous 20 years!

It is not surprising how difficult the year has been, particularly when taking in to account the fact that between 20th March 2020 and the anticipated date of being allowed to re-open the leisure centres for a third time on 12th April 2021, the sites have only been open for 121 days out of this 386-day period.

Even during the days of being open, we have had to deal with the understandable nervousness of the local community wishing to isolate away from such facilities as the leisure centres and as time went on, the local community being exposed to alternative ways of exercising.

So, in the circumstances, it is pleasing that we have been able to navigate ourselves through the last 12-months to be in a position of still being a financially viable organisation. But there has been some excruciating pain along the way, none more so than having to take the decision to implement a redundancy programme and ultimately having to say goodbye to 77 colleagues and friends, some of whom I have known for over 30-years.

It would be remiss of me to not formally express my gratitude and appreciation of those who have been instrumental in helping GCLL to arrive at the position it is today. The small, retained team that I selected to steer GCLL through this complicated journey has exceeded all expectations, having sacrificed themselves totally to the cause. Our key partners at Gravesham Borough Council and Swanscombe and Greenhithe Town Council have both been exceptional in their support, both financially and morally and just goes to show the benefits of working in an honest and trustworthy partnership. Lastly, but by no means least, the Management Board and the wider GCLL Team have all been encouraging, patient and so understanding, for which I am indebted.

Although 2020 has been a disastrous year, I am surprisingly optimistic for what the future could potentially hold for GCLL. I recognise that it will not be easy but by developing an innovative approach to excel in personal customer relationships, investing carefully with our partners in the bricks and mortar in the leisure centres, and continuing with our service based around contributing to people's health I am confident this will place GCLL in a unique position of strength.

Putting these stepping-stones in place will return GCLL to being a major employer, employing local people for the benefit of the health of the local community – something that GCLL is passionate about and is certainly dear to its heart.

Robert Swain
Managing Director

Who we are

Gravesham Community Leisure Limited (GCLL) was established in 1999 as a staff-owned industrial and provident society and is now registered under the Co-operative and Community Benefit and Societies Act 2014. It has charitable status and operates on a not-for-profit basis by reinvesting its surpluses back into the service and/or facilities it operates – all for the benefit of the local communities it serves.

GCLL is governed by its Management Board all of whom, other than the Managing Director, give of their time and commitment on a voluntary basis. It includes professional representation from staff society members, the leisure industry, the health service, users, and others with specific skills/experience.

Our Partners

We have built a whole range of hugely successful partnerships since we first partnered with Gravesham Borough Council in 2000 to strategically manage Cascades and Cygnet Leisure Centres. In 2004, we partnered with Swanscombe and Greenhithe Town Council to add to our leisure centre portfolio by way of managing The Swanscombe Centre.

However, the ultimate partnership that GCLL has developed is with its staff – TEAM GCLL. None of our successes since we started in 2000 could have been achieved without the commitment of every person who has joined our journey over the years. Our values are based around mutual trust, support and respect.

Our Vision – Our Mission

GCLL really understands WHY it does what it does and not just WHAT it does and HOW it does it!

Our ultimate reason WHY we do what we do is to have a positive impact upon the health of the communities we work in. This is not only achieved by attracting the already fit and healthy but to provide a huge commitment to helping, guiding, and supporting those who are suffering primarily from illnesses resulting from being overweight/obese.

Our Exercise – Nutrition – Mindfulness approach is legendary and well-respected in the industry as being the best way forward – someone's health is not just about exercise, as nutrition and mindfulness are both key game-changers if you really want to help the health of the nation!

Management Board

Chairman	Mr David Hubbard
Staff Representative	Mrs Lyn Jarvis (to December 2020)
Staff Representative	Mrs Sonya Sims
Staff Representative	Mrs Hannah Glazier (to December 2020)
Managing Director	Mr Robert Swain
Council Representative	Cllr Shane Mochrie-Cox
Council Representative	Cllr Peter Scollard
Customer Representative	Kathlyn Thomas
Customer Representative	Mrs Sue Butterfill (from May 2020)
Specialist Skill Representative	Mr David Hopkins
Registered Office – Cascades Leisure Centre, Thong Lane, Gravesend, Kent DA12 4LG	

Senior Staffing Structure

Managing Director	Robert Swain
Head of HR & IT	Helen Lake
Head of Finance	Nicky Pye
Head of Sales/Marketing/Fitness	Mark Lane (to December 2020)
Head of Operations	Wayne Pedrick
Operations Manager	Sam White
Operations Manager	Lisa Chickelday (to December 2020)
Fitness Manager	Gisella Webzell
Sales and Marketing Manager	Lisa Hankinson

Performance in 2020

1st January and 20th March 2020 (80 days)

January and February 2020 proved to be a remarkable start to GCLL's new business year with attendances at record levels, being 7% above the corresponding period for the previous year, even with the leisure pool being shut at Cascades Leisure Centre for the first two weeks of January as part of a flume redevelopment. Health and fitness membership numbers were at their highest level too at 5,500 with the February direct debit also increasing by 7% in comparison to the previous year. The swimming lesson academy also performed well by increasing its weekly number of lessons by 5% compared to 2019 with 2,500 lessons.

GCLL's financial position at the end of February was strong and the company was well-set for another year of growth.

21st March to 24th July 2020 – Lockdown 1 (126 days)

At the beginning of March, GCLL started to experience a sudden reversal in its performance with the growing concerns about the coronavirus really taking a grip in the UK. On 20th March, the Government instructed that leisure centres must close with immediate effect as the nation moved into its first of three lockdown periods to deal with what is commonly referred to as the COVID-19 Pandemic. There was no indication given as to when GCLL would be allowed to re-open its managed leisure centres.

At the same time of the closure announcement, the Government launched its Job Retention Scheme (Furlough). GCLL was able to place most of its workforce onto this scheme, which allowed each person to receive 80% of their normal wage. Five employees were retained to continue managing the company. The Furlough scheme still had a financial impact on GCLL as it was a requirement of the employer to continue paying National Insurance and Pension contributions.

Shortly after 20th March 2020, Gravesham Borough Council invested £386,000 in the replacement of the gym kit at both Cascades and Cygnet Leisure Centres as this had been committed to prior to the lockdown.

Immediately after the lockdown notification we experienced many monthly direct debit members cancelling their memberships even though all members had been informed that memberships would be 'frozen', with no payments being required and that any lost days would be credited to their respective accounts.

It was soon recognised that the main priorities and challenges GCLL faced for the foreseeable future included:

- coping with the impact of the Government guidance and restrictions to re-open the facilities safely, as and when allowed.
- the growing lack in confidence of the local community wishing to return to their leisure centre activities.
- minimising costs during the lockdown period.

- dealing with the ongoing company administration requirements.
- maintaining a communication link with our employees, partners, and the local community.
- protecting on behalf of our key partners the assets of the leisure centres; and
- preparing a 4-Step plan for the re-opening of the leisure centres as and when allowed to.

Throughout the first lockdown period, various Government funding opportunities were offered but unfortunately the criteria requirements excluded GCLL from applying. However, it was agreed with Gravesham Borough Council that GCLL would not be required to pay its annual management fee of £225,000 and Swanscombe and Greenhithe Town Council agreed to continue paying its £58,000 management fee to GCLL.

25th July to 4th November 2020 (103 days)

Following the Government announcement that leisure centres could re-open, GCLL cautiously re-started its business on reduced opening hours for its gym, group class, badminton, and squash facilities on 25th July. The four-step re-opening plan also included:

- the absolute minimum of staff being recalled based on the reduced facilities on offer.
- the Government restrictions to ensure the safety of employees and users were fully and successfully implemented; and
- recognition that there would be many less users for the foreseeable, uncertain, future.

All staff not recalled continued to benefit from the furlough scheme.

GCLL re-opened the swimming pool at Cygnet Leisure Centre on 7th September (59 days) with a varied programme of swimming lessons, lane swimming, family sessions, water aerobics and Gravesend and Northfleet Swimming Club.

GCLL's performance during this period of being open included the following:

- the health and fitness monthly direct debit had reduced from £176,000 in March to £81,000 in August – a loss of circa 2,600 members. However, the October health and fitness direct debit had quickly recovered to an impressive level of £104,000.
- when comparing 2019 gym attendances to 2020 for this 103-day period, 30,500 visits were recorded compared to 54,500 in 2019 (56%).
- 115 weekly classes were delivered, all of which had significantly reduced maximum numbers (half) due to social distancing requirements. During the opened period of 103 days, the class programme attracted 12,000 visits with an average attendance of 7 per class noting the average maximum capacity was only 11.
- the swimming lesson academy recommenced with 1,400 weekly swimming lessons compared to 2,450 for the corresponding period in the previous year. Total attendance was 4,500 for general bathing over the 59 days of the pool being available and we were also able to welcome back Gravesend and Northfleet Swimming Club.

- examples of GCLL successfully reducing costs compared to 2019 included utilities by £188,000 (although there remained a cost of £275,000), promotions and printing £50,000, and repairs and maintenance £40,000.
- GCLL claimed £913,000 from the furlough scheme.

With GCLL haemorrhaging its retained cash levels since 20th March, even when being re-opened, and the outlook being considered that recovery would take up to 12-18 months, GCLL had no other option than to commence a redundancy programme on 1st October 2020. The process was led by the Managing Director and Head of HR who were supported by GCLL's independent HR advisors, Citation. As the process included over 100 employees being placed at risk, the period of the redundancy process took at least 45 days and was very stressful for all concerned.

It was negotiated with Gravesham Borough Council that the redundancy cost related to those employees working at the Gravesham leisure centres would be covered by financial support from the Council and any second phase redundancy process cost on a similar basis would also be underwritten by the Council if it occurred.

5th November to 1st December 2020 – Lockdown 2 (26 days)

The Government announced that leisure centres must be closed again from 5th November as the nation went into its second lockdown period.

It was pleasing that Swanscombe and Greenhithe Town Council agreed to a monthly increase of £4,500 to the management fee for the months of October, November, and December 2020.

The unfortunate redundancy process continued to be progressed throughout this period.

2nd December to 19th December 2020 (18 days)

The Government announced a new tier system for allowing parts of the country to re-open. Kent was in Tier 3 which allowed leisure centres to re-open, but not indoor group class programmes. GCLL therefore introduced an outdoor group class programme but only operated the programme for several days before being instructed to lockdown for a third time.

GCLL's performance during this relatively short period of time included:

- gym attendances compared to 2019 for this 18-day period was 4,800 compared to 7,700 in 2019 (62%).
- the swimming lesson academy continued with 1,400 weekly swimming lessons compared to 2,180 for the corresponding period the previous year. 1,100 attendances were received for general bathing over the 18 days of the pool being available and Gravesend and Northfleet Swimming Club continued with their use.

The redundancy proposal was completed during this period which unfortunately resulted in 77 employees being made redundant – a very sad time to see so many longstanding members of staff leaving GCLL. In March 2020, GCLL had 290 employees on its establishment but, by the end of December, this had been reduced to 103 noting 85 zero-hours employees who had not been required were removed from the payroll earlier in the year.

The redundancy cost financed by Gravesham Borough Council was £227,000.

20th December to 31st December 2020 – Lockdown 3 (12 days)

With the severity of COVID-19 infections growing, the Government announced a national lockdown from 20th December 2020 that would not be reviewed until 22nd February 2021 and therefore GCLL finished 2020 in the position of having all three leisure centres closed.

Management Board

The Management Board welcomed Sue Butterfill to the team who will undoubtedly offer a wealth of local knowledge, experience, and links to the local community but, unfortunately, we had to say goodbye to both Hannah Glazier and Lyn Jarvis who were both outcomes of the wretched redundancy proposal.

With 2020 being the most challenging of years, the Management Board should be applauded for their support and guidance, all of which is given on a voluntary basis.

Working with our Key Partners

The fact that GCLL remains a financially viable organisation is a direct reflection on our key partners at Gravesham Borough Council and Swanscombe and Greenhithe Town Council being so supportive of GCLL.

GCLL therefore takes this opportunity to formally record its appreciation and gratitude to both organisations and hopes that this level of support will continue throughout GCLL's recovery plan.

The Future

It is anticipated that 2021 will continue to be a challenging period for GCLL, particularly noting the Government announcement on 22nd February 2021 that the earliest leisure centres would be able to re-open was 12th April 2021, meaning that the traditional peak period of business growth, January to March, has been lost.

There remain so many variables to GCLL's road to recovery, none more so than the confidence of the local community wishing to return to their leisure centres and the fact that some will have been exposed to alternatives over the last 12 months.

An area of vital importance to achieve future success will be around giving extraordinary customer service and for this to be personal and relevant recognising the importance of communicating with our members and users not only whilst they are in the leisure centres but also outside. To achieve this approach with the numbers GCLL deals with will require investment in artificial intelligence (AI).

A major challenge will be to invest against the backdrop of trying to financially recover from what has been a disastrous 2020 – but GCLL has every confidence this can be achieved together with our Key Partners.

Gender Pay Gap Report 2020

Gravesham Community Leisure Limited is required by law to publish an annual gender pay gap report.

This involves carrying out six calculations that show the difference between the average earnings of men and women in our organisation.

The employee headcount on the snapshot date of 5th April 2020 was **289**.

The Total number of employees excluded due to being on temporary leave due to the Coronavirus pandemic was 283.

The total number of employees included in the report is **6**.

The mean gender pay gap is	41.59%
The median gender pay gap is	45.63%
The mean bonus gender pay gap	Not Applicable
The median bonus gender pay gap	Not Applicable
The proportion of male and female staff eligible for bonus	Not Applicable

Pay Quartiles by Gender

	Male	Female
Lower quartile	0%	100%
Lower middle quartile	0%	100%
Upper middle quartile	50%	50%
Upper quartile	50%	50%

The mean pay for men is 41.59% higher than that of women.

The median pay for men is 45.63% higher than that of women.

The mean gender pay gap has increased by 55% between 2019 – 2020, due to the impact of the pandemic, going from a negative to a positive due to the low number of employees remaining in work on the snapshot date.

In previous years we have reported a negative gender pay gap and if our business had not been forced to close due to the pandemic this year would have been no exception as the types of roles and employment typically attract more females on a part time basis.

Gravesham Community Leisure Limited is committed to the principle of equal opportunities and equal treatment for all employees and will continue to work towards a balanced workforce. Employees are paid the same rate of pay for the same or equivalent work regardless of their sex or any other characteristic detailed by the Equality Act 2010. Many of our lower quartile roles will continue to be paid in accordance with the National Minimum Wage.

It is considered that the gender pay gap does not stem from paying men and women differently but is entirely due to the proportion of employees who are on temporary leave due to the coronavirus pandemic.

Robert Swain
Managing Director
Gravesham Community Leisure Limited