

Gravesham Community Leisure Limited

# ANNUAL REPORT 2021

for the year ended 31 December 2021

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## Foreword

Reflecting on 2021, I believe it has been the most challenging year that GCLL has faced in its 22-year long history. The COVID-19 pandemic, for the second year running, brought disruption and uncertainty to our business and to all our customers, colleagues, partners, and suppliers.

In responding to these challenges, we have been guided by our values as a business and stayed true to our vision of improving the health of our local communities through our nutritional, exercise, and mindfulness approach.

### COVID-19

Our response to COVID-19 has consistently focused on giving our customers every opportunity, when allowed, to safely participate in their chosen leisure activity and to ensure our colleagues could work confidently at their place of work. It has been a hugely difficult time, but every person at GCLL rose to the challenge and went above and beyond to help each other and our communities, and I am very proud of the role everybody has played during these troubled times.

### Business performance

The business has shown incredible resilience and agility throughout 2021, albeit reliant on grant applications, an insurance business interruption claim, and the continued support, both financially and morally, from our partners, particularly throughout extended periods the leisure centres have been enforced to be closed.

The return of customers to our swimming pools and sports halls has been very positive with the Cascades leisure pool at 98% compared to 2019. With health and fitness members and weekly swimming lessons returning at a level of 57% and 78% respectively, and with customer perception of the leisure centres always improving, this gives me confidence that the future looks very bright.

There have been many challenges that we have overcome, and I certainly do not underestimate the further challenges we will inevitably have to face throughout 2022, and possibly beyond, but we will continue to navigate the changes ahead. But overall, we have maintained a strong and positive presence whilst serving our local communities with the broadest range of leisure activities locally to help them improve their health.

### Looking ahead

In the coming months, we will continue to manage the ongoing impact of COVID-19, broaden even further our activity and quality service programmes, and develop our technology capabilities for the benefit of our customers. This will be achieved, in no small part, by the hard work of our colleagues and our great relationships with our partners and suppliers.

And with Gravesham Borough Council's announcement of a £34m investment for the replacement of one of our leisure centres – Cascades – GCLL is hugely excited to offer its expertise and experience to help provide this modern leisure facility that will best serve the local community needs.

Finally, I would like to thank everyone at GCLL for going the extra mile this year, which I am sure will continue for the years ahead, for building a stronger business and serving customers a little better every day.

**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 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!

## Working with our Key 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.

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 throughout our most challenging period since the first lockdown on 20<sup>th</sup> March 2020.

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

GCLL also applauds its partnership 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.

## Management Board

The Management Board saw the retirement of its longest standing representative, Mr David Hubbard, who had served on the Management Board in various roles since GCLL's inception in 2000.

Throughout David Hubbard’s tenure as a Management Board Member, he has been instrumental in helping GCLL achieve the achievements it has achieved and will be sorely missed.

With 2021 again being a hugely challenging year, the Management Board should be applauded for their support and guidance, all of which is given on a voluntary basis.

There are several vacant Management Board positions, which GCLL has committed to throughout 2022 to recruit to. This also applies to recruiting Society Members from its workforce and subsequently, Staff Representatives to the Management Board.

Chairman and Council Representative	Cllr Shane Mochrie-Cox
Staff Representative	Mrs Sonya Sims
Specialist Skill Representative	Mr David Hopkins
Specialist Skill Representative	Mr David Hubbard (to September 2021)
Council Representative	Cllr Peter Scollard
Customer Representative	Kathlyn Thomas
Customer Representative	Mrs Sue Butterfill
Managing Director	Mr Robert Swain

## Senior Staffing Structure

Managing Director	Robert Swain
Head of HR & IT	Helen Lake
Head of Finance	Nicky Pye
Head of Operations	Wayne Pedrick
Operations Manager	Sam White (to December 2021)
Fitness Manager	Gisella Webzell
Sales and Marketing Manager	Lisa Hankinson

## 2021 Performance

2021 saw GCLL successfully complete its 22nd year of operation.

The year started in the same vein as 2020 ended, with the leisure centres remaining closed under the Government lockdown restrictions for the period 1<sup>st</sup> January to 12<sup>th</sup> April. Like the two preceding lockdowns, GCLL received zero operational income yet still had to cover significant committed costs.

To help locally with the fight against the COVID-19 virus, GCLL offered all its venues to the NHS as potential testing/vaccination centres. The NHS took advantage of GCLL's offer at Swanscombe Leisure Centre, which became a testing station for the local community throughout the January to April period.

Although no operational income was received to 12<sup>th</sup> April, GCLL did receive £474,879 in grants, the majority of which was from the Government's National Leisure Recovery Fund. It also received £300,000 from a business interruption insurance claim and the Government extended its Furlough scheme to September of which GCLL claimed £212,811.

GCLL implemented its business recovery plan for the third time on 12<sup>th</sup> April. The primary objective of this plan was to ensure any re-opened activity area and/or programme took in to account the financial impact on GCLL's already precarious financial position.

April 12<sup>th</sup> also saw GCLL successfully implement its new, streamlined staff structure following the unfortunate redundancy programme that concluded in December 2020.

By 25<sup>th</sup> July, all activity areas had re-opened although not all activity programmes had been.

Comparing the 2021 total attendances at all three sites to the same period of 2019 (prior to the first lockdown) – GCLL was at 59% to that in 2019. Pool attendances recovered very well with Cascades at 98% of what it was in 2019 even with the weekly swimming lessons restarting later in September. The sports halls at all sites recovered well too with them being at 86% compared to 2019.

The gym and group classes at Swanscombe leisure centre have both recovered very well with the gym being 13% above that of 2019 and the group classes at 82% of that of 2019. The respective performance at Cascades and Cygnet was not as good with Cascades at 60% and 59% respectively and Cygnet 54% and 38%.

The number of direct debit fitness memberships reflect the above attendance performance. The number of memberships held on 20<sup>th</sup> March 2020 (the day of the first lockdown) was 4,703. On 31<sup>st</sup> December 2021 this had reduced to 2,659 – 57% in comparison.

GCLL's swimming lesson direct debit membership has performed significantly better having returned to 78% of the numbers on 20<sup>th</sup> March 2020 (1,662).

The activity income generated since 12<sup>th</sup> April to 31<sup>st</sup> December (excluding grants and the insurance claim) was £1,885,404 with operating costs of £2,187,470 (inclusive of the Furlough payments being offset against salary costs). Therefore, an operational loss of £302,066. It should be noted that the operating costs included a management fee payment to GBC of £132,184.

Although the above performance is pleasing, there remains some real challenges for GCLL as it continues with its Covid-19 Recovery Plan, but with the continued support from its partners, GCLL will remain a financially viable organisation.

## The Years Ahead

It is anticipated that 2022 and for a few years to come, our position will continue to be a challenge.

Following the UK leisure trust governing body, Community Leisure UK, publishing its Covid-19 Impact Report in October 2021, it highlights the national challenges ahead, some of which will inevitably apply to GCLL, as:

- *Leisure and culture trusts are witnessing and projecting significant reductions in income due to reduced customer footfall.*
- *Energy costs are soaring to unprecedented levels, combined with the increase in National Living Wage and National Insurance contributions, are adding unsustainable additional costs.*
- *The employee recruitment crisis continues, with the additional problem of staff members having to self-isolate.*

The report also highlighted the fragility of the leisure trust industry as described below. However, it is pleasing to note that, although GCLL has hurdles to overcome, its financial outlook within the sector is considered reasonably strong:

- *A fifth of members anticipate that, in 6 to 9 months' from now, their business will be insecure or non-viable. This increases to more than a third of members in 9 to 12 months' time.*
- *Two thirds of members anticipate that it will take at least one to three years from now (January 2022) until their business will be operating normally, though 'normal' may look different to pre-pandemic.*
- *Single sites are in a stronger financial position than the average within the membership, yet still half of them expect recovery will take another 2-3 years.*

On a much more positive note, Gravesham Borough Council has announced the exciting new £34M development of replacing Cascades Leisure Centre with it planned to open late Spring 2024. GCLL will work with Gravesham, and its consultants to help shape the future leisure provision for the benefit of the local community this fantastic facility will serve.

By way of a summary, even with the challenges GCLL has faced throughout 2021 and the future challenges noted above, GCLL remains confident that success will be achieved by continuing to work together as a Team, a Management Board and with our Key Partners.