

RESET

Recovery Post Covid 19

STRATEGY 2021 - 23



CIRCADIAN TRUST

Reinvesting your money
into local facilities





Circadian Trust

RESET

Our Strategy to 2023

Contents

1.

Introduction

2.

Mission, Vision and Values

3.

Strategic Aims 2021 - 2023

4.

Strategy and Actions

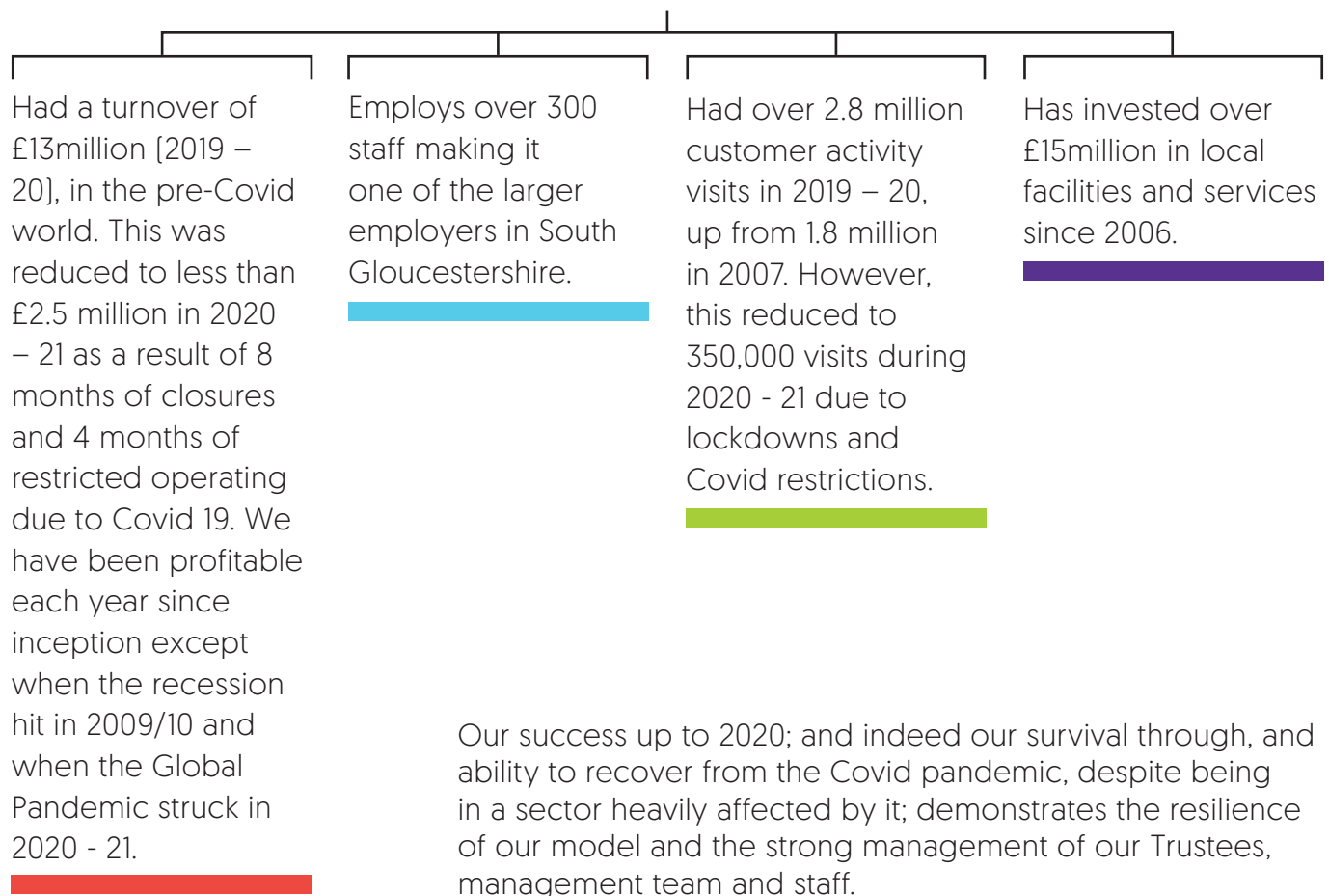
1.

Introduction

Circadian Trust is an independent Charitable Company based in South Gloucestershire, managing sports and leisure facilities in partnership with South Gloucestershire Council.

It was established 15 years ago and is a very successful organisation with an innovative approach to service development and delivery aiming to provide the best for its customers whilst inspiring Active Lifestyles within the communities it serves.

THE CHARITY



A woman with dark hair, wearing a blue and purple patterned t-shirt and black leggings, is running on a treadmill in a gym. The gym has blue carpeting and green walls. Other people are visible in the background on other treadmills. The image is partially covered by a blue diagonal overlay on the left and a green diagonal overlay on the top right.

Impact of Covid 19

The impact of Covid 19 on Circadian Trust during 2020 – 21 was severe. The facilities and services it manages were closed for 8 months and operated on a restricted basis during four months of trading.

The impact of Covid 19 is as follows:

- Trading income fell from £13million in 2019 - 20 to £2.5million in 2020 - 21
- Physical Activity visits fell from 2.8 million in 2019 - 20 to 350,000 in 2020 - 21
- The company is forecast to lose in the region of £2million in 2021 and up to £700k in 2021 -22
- Our Health and Fitness membership base fell by over 40%
- Our learn to swim school lost over 3000 members
- The Charity lost a significant sum during the course of 2020-21, but due to strong management was able to absorb this through reserves, and other Covid related external funds. At the time of writing, the services are fully reopen and recovering.

In order to survive:

- We permanently reduced our staffing requirement by over 1600 hours per week. This is the equivalent of losing 43 full time jobs. This was achieved by a mix of natural wastage, voluntary redundancy, voluntary hours' sacrifice and a small number of compulsory redundancies. We are grateful to our workforce for their positive engagement and commitment to these processes, which besides job losses; meant substantial rota changes. These jobs will not return until demand requires extra staffing to enable delivery.
- We very carefully managed our resources and cancelled or reduced the scope of many supplier contracts which we may not reinstate.
- We made use of government backed programmes such as the furlough schemes, rates relief and business support grants.

- We agreed with South Gloucestershire Council to defer rent payments until 2022 - 23.
- We supported South Gloucestershire Council in applying for a grant from the National Leisure Recovery Fund and were awarded just over £650,000.

Circadian Trust now faces its next set of challenges against the above background. Our financial modelling shows that our position is unlikely to recover to pre - Covid trading levels until 2022 -23.

Therefore, the challenges to be faced are almost as great as those already met; for example:

- Recovering the commercial aspects of the charity to be able to underpin the loss making social value aspects; and meet all our ongoing business obligations including rental payments, business rates etc. In the case of rental payments, meeting these will be subject to the financial health of CT in 2022- 23 and from that point forwards.
- Meeting increasing costs of the National Living Wage and rising pension costs.
- Resetting the services and meeting customer aspirations in the new normal of living with Covid 19. The services are very unlikely to be exactly the same as they were in March 2020.
- Rising customer awareness and national political expectation of health and lifestyle benefits and the place of physical activity in public consciousness, especially in the wake of Covid 19.
- The increased use of technology in the sector including data intelligence and Artificial Intelligence which has accelerated exponentially in the pandemic.



We must rise to meet these challenges and this plan aims to steer us in the right direction. There will be more difficult choices as well as more exciting opportunities. We must “make and take” these in order to reset. The Strategy must be easily understood so that we can relay it to our staff, stakeholders and customers and ensure that it remains updated and relevant in the period to the end of 2023.

Our success is contingent on our ability to deliver the charitable aims of the company as reflected in our Memorandum and Articles of Association; and our Mission, Vision and Values which support these.

Following review in early 2021, our Charitable Objects and our Mission, Vision and Values still perfectly mirror our ambition and remain unchanged.

These are reflected below; and are followed by our Strategic Aims to 2023 and these will be underpinned by detailed short term action planning across the business.

Charitable Objects:

To undertake and promote for the benefit of the general public and in particular but without limitation the people who live, work or study in or visit South Gloucestershire and its environs:

- 1.** The provision of facilities for sport, recreation or other physical activity or other leisure time occupation of individuals who have need of such facilities and services by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their condition of life and to advance their education in leisure and health activities.
- 2.** The promotion and protection of good health through community participation in healthy recreation.
- 3.** The maintenance, improvement or provision of public amenities and the provision of schemes to assist and encourage the use of such amenities by members of the public.
- 4.** The advancement of education and training in leisure and sport related subjects.
- 5.** Such other charitable purposes for the benefit of the community consistent with the objects above as the trustees shall determine.

2.

Mission, Vision and Values

MISSION

Inspiring Active Lifestyles

VISION

“A Healthy, Active Community”

VALUES

Customer First

We look at everything through our customer's eyes and strive to give them the best possible experience.

Empowerment

We develop our people to be experts in their field, to help our community develop active lifestyles, and to act like owners - spending money where it matters most.

Inclusion

We offer services to our whole community and ensure equality in everything we do.





3.

Strategic Aims 2021 - 2023

During the timeframe of this Strategic Plan due to the impact of Covid 19, Circadian Trust is considerably stretched financially.

Therefore, we must also distinguish that to remain viable into the future we must focus on the recovery and normalisation of our commercial business first; this is to enable the long term sustainability of those facilities and services which require cross subsidy.

We will need to develop and deliver on 3 areas of Strategic focus for the period 2021 – 2023:



1. **Delivering a sustainable charitable business for our customers and communities**

We will continue to strive to offer value for money and quality services which inspire active lifestyles.

We will work hard to deliver facilities and services which are tailored to meet our charitable objectives [outlined above], customer and community requirements and which deliver measureable community and public benefits to society.

Our work to get the most from our [and the planets] resources and drive and control our costs are of equal importance in establishing the ongoing viability of the charity.

Service Development and Delivery

- Continue to develop our services both commercially and by protecting and developing those that meet our public benefit aims wherever possible.
- Ensure consistent high quality service delivery.
- Be an educator and enthusiast: We will develop our people and help our customers make the right choices in their physical activity journey.
- Be clear about why and how we do the things that we do for our customers and with our people.
- Continue our drive to be “easy to choose and buy from”.
- Ensure a consistent brand and message.
- Continue to develop as an employer of choice, recognised for our staff development and dynamism.

Efficiency and Sustainability

- Continue to develop scenario planning and forecasting to allow early identification of future “pinch points” when resources and revenue become squeezed and impact on our ability to operate.
- Staff Efficiency: Maintaining our staffing establishment for all areas of the charity by offering competitive terms and conditions and rates of pay.
- Energy and Renewables: Continuing to develop our systems and drive investments to be at the vanguard of the green agenda for our sector; and as energy costs continue to rise.
- Delivering More for Less: Ensuring we achieve better results for less spending, wherever possible.
- Building Lifecycle and Development: We will need to focus resources in this key area, even though finances are tight. Failure to deal with ongoing maintenance issues will create bigger problems down the track.

2. Re-establishing the charity and the customer base

Following Covid, we must focus on re-establishing the business, the services we offer and growing our customer base quickly including:

- Completing the review of our contractual arrangements with South Gloucestershire Council using learning from the Covid crisis to better shape our future relationship.
- Customer Growth: We must prioritise recovering our Health and Fitness and Swim Academy customer base as quickly as feasible and also our offer via Sphere Leisure Limited as these activities underpin the charitable facilities and services that require subsidy.
- Service Development: We will continue to develop new and existing services with a focus on improving the uptake of physical activity across the population both commercially and for public benefit.
- Evolving our programming to meet customer and stakeholder aspirations.
- Meeting the terms of the funding we have received from the National Leisure Recovery Fund in respect of supported activities covered by the funding bid.
- Undertaking regular customer and stakeholder feedback to establish we are recovering to plan.
- Establishing pricing strategy with a view to supporting the new technology and virtual services developed recently.





3. Capitalising on new social value and business opportunities

As well as re-establishing the charity post Covid, opportunities to grow both commercially and for social value are emerging. We must take these opportunities to develop as a charitable business:

Community and Health Centred Development

- Further evolve our partnerships: We are witnessing a much broader recognition that regular physical activity across society is a necessity if we are to manage existing health crises and recovery from Covid 19; and to build future resilience in the population. We cannot do this alone and need to strengthen and develop our existing partnerships with South Gloucestershire Council and Public Health, Sirona Health care, Clinical Commissioning, local GP practices and our voluntary sector colleagues.
- Plugging into the developing agenda that exercise is part of a National Covid recovery strategy as this emerges.
- Working with the Planning and Communities departments at South Gloucestershire Council on the emerging proposals for Kingswood High Street and Yate Town Centre including the development of potential new leisure facilities.

Community and Health Centred Development

- Recognising that local population growth coupled with growing recognition of lifestyle and health are our biggest opportunities.
- Developing a new approach to fundraising / gift aid and utilising our name and status [for example sponsorship rights].
- New Contracts: Given the impact of Covid, there will be a range of new contracts focussing on both facility operation and physical activity service delivery. We should consider bidding for these where they may add to our sustainability and help meet our objects.

4.

Strategy and Actions

In order to deliver the 3 strategic aims outlined above, we will need to develop and focus on key action areas for the next two years which drill down into the aims and show how we will work across these aims to deliver the strategic aspirations of the charity.

The action plans will be developed by the CEO and Senior Management Teams who will be instrumental in their development and delivery and create ownership for them. The major actions requiring planning and delivery are outlined below.



| STRATEGIC ACTION AREA | SPECIFIC ACTION(S) | RELATED STRATEGIC AIM(S) |
|---|--|---|
| 1. Resetting our Strategic Relationship with our Service Commissioner | <p>We were part way through this exercise when Covid 19 struck in early 2020, as a result the process stalled. The pandemic has also demonstrated that we need to review our initial approach, revise our assumptions and continue negotiations through to completion with South Gloucestershire Council to achieve:</p> <ol style="list-style-type: none"> 1. Revised leases and rental arrangements 2. Replacement Funding and Services; and Transfer agreements including reviewing pension arrangements. | 1 & 2 |
| 2. Resetting our Customer, Community and Centre Programmes | <p>Covid 19 has led to the severe disruption and restriction of our usual programmes and services. These need to be restarted, re-established and reset to deliver a set of programmes which meet community needs but which are also sustainable including:</p> <p>Resetting Health and Fitness:</p> <p>Restoring our membership base which had fallen to 60% of pre Covid levels by March 2021.</p> <p>To do this we need to revise our post Covid product suite to include new packages reflecting health, wellbeing and diet, and continue to develop our sales process including enhanced adoption of Artificial Intelligence [AI].</p> <p>This will mean delivering 2 major projects:</p> <ol style="list-style-type: none"> 1. A new customer journey to encompass the new product suite including developing its structure, developing our workforce to deliver this and reframing the messages to our customers (new and old). 2. Adoption of new customer booking and entry systems to simplify processes for our customers will require (and is dependent upon) capital investment. | <p>1, 2 & 3</p> <p>1, 2 & 3</p> |

STRATEGIC ACTION AREA

SPECIFIC ACTION(S)

RELATED STRATEGIC AIM(S)

2. Resetting our Customer, Community and Centre Programmes

Resetting Swimming Lessons:

According to statistics, nationally over 1million children have lost the opportunity to learn to swim either in school or private swim lessons due to Covid restrictions. We have seen swim school members fall from nearly 10,000 to 6,700. We have waiting lists for beginner's lessons of 3,000 children. We must:

3. Re-establish our swim school and deal with the backlog which will take up to 2 years, as the cohort continually refreshes.
4. Reinstate all school swimming lessons as quickly as possible (from September 2021) as this is key to ensuring all children learn to swim.

1 & 2

1, 2 & 3

Resetting our Community and Social Value Activities:

These activities are some of the main drivers of difference between our social enterprise delivery and purely private sector delivery. However, they are underpinned by our commercial activities as we receive no subsidy. We must reinstate them as quickly as possible subject to maintaining sustainability as a business. There are 2 distinct areas:

5. Bringing back all activities we promised in return for monies from the government National Leisure Recovery Fund. These include:
 - Healthy Lifestyles on Referral programme
 - Active in Life programme
 - Active Play programme
 - Free swimming in Pregnancy
 - Junior and Adult Sports Clubs and Courses named in the bid.
6. Reinstating Activities where we also rely on partners (so subject to their continuation) including:
 - Medical rehabilitation such as healthy breathing, COPD, stroke and cardiac rehabilitation.

1, 2 & 3

1, 2 & 3

STRATEGIC ACTION AREA

3. Resetting our Facility Stock and Environment

SPECIFIC ACTION(S)

Resetting our Facility Stock:

Due to Covid 19 restrictions and subsequent loss of business all of our facility improvement plans and most landlord projects were suspended. As a result, we now need to recover ground especially on urgent replacement items and repairs.

These include:

1. Completing delivery of our suspended (but agreed) capital projects, these projects can only be completed if we have the capital funding available to do so:
 - The replacement for the worn out Combined Heat and Power Unit at Longwell Green LC.
 - Installation of Pool Safety Systems (Pool View) at 4 pools (BSLC, KLC, TLC and YLC).
2. Working with our landlord (South Gloucestershire Council) to deliver the following agreed landlord maintenance items:
 - Improved heating to the Severnside Hall at Thornbury LC.
 - Replacement boiler system at Kingswood LC.
 - Replacement chiller beam at Longwell Green LC.
 - Resurfacing roads and car parks at Bradley Stoke and Thornbury LC's.

RELATED STRATEGIC AIM(S)

1

1 & 2

1 & 3



| STRATEGIC ACTION AREA | SPECIFIC ACTION(S) | RELATED STRATEGIC AIM(S) |
|---|---|--------------------------|
| 3. Resetting our Facility Stock and Environment | Resetting our Environment: | |
| | Despite the pandemic, the climate change crisis [declared in 2019 in South Gloucestershire] continues. | |
| | We have an enviable record on managing our environmental impact including being accredited to ISO14001 for Environmental Management and all of our facilities sitting in the upper quintile (top 20%) for energy efficiency within the government's Display Energy Certification (DEC) scheme. | |
| | Nonetheless, we must continue to reduce our carbon footprint to assist in the drive to reduce our impact. This will include: | |
| | 3. Reviewing our own Environmental Strategy to ensure that it includes the latest thinking, and review our targets. | 1 & 3 |
| | 4. Working with our landlord to increase the number of solar panel installations and electric vehicle charging points at our facilities. | 1 & 3 |
| 4. Resetting Our Business | Resetting Our Business: | |
| | Besides disrupting our business, the pandemic has driven new ways of working, driving efficiency and increased use of technology as examples. We must now develop these further and embed new ways of working into our business and continue to review how we deliver across all support areas including. | |
| | Resetting Finance Management: | |
| | 1. Reviewing the budget setting process. | 1 & 2 |
| | 2. Reviewing VAT and how we deal with it. | 1 & 2 |
| | 3. Setting up and utilising Gift Aid to assist our charitable aims. | 1, 2 & 3 |

STRATEGIC ACTION AREA

SPECIFIC ACTION(S)

RELATED STRATEGIC AIM(S)

4. Resetting Our Business

Resetting HR Management:

4. Recruitment is now a major issue for us and we will need to review:
 - Our pay and terms and conditions of employment to ensure that we remain competitive.
 - Developing our teams so that we “grow our own” technically qualified and professional staff including utilising apprenticeships.
5. Review our Safeguarding systems and training to develop and maintain our already high standards.

1 & 2

1, 2 & 3

1 & 2

Resetting Payroll:

6. Technology has developed so that our payroll, HR and Time and Attendance IT systems can now begin to work together. This will further improve efficiency and payroll management will relocate to our HR team.

1 & 2

Resetting our IT Management:

7. As a result of many developments we need to undertake a full network systems review as well as the fact that in early 2022 our existing support network contract comes to an end.

1, 2 & 3



STRATEGIC ACTION AREA

5. Resetting Our Future

SPECIFIC ACTION(S)

We have a unique opportunity to reshape our future as a result of the pandemic and other opportunities emerging in the next 2 to 3 years:

Developing new or replacement facilities:

We have an ageing facility stock and despite our best efforts to stay on top of maintenance and redevelop facilities internally, structural ageing can't be prevented forever. The locations of our two oldest facilities are the subject of major plans to redevelop the Town Centre's in which they are located.

This gives a major opportunity to:

1. Kingswood LC: Work with South Gloucestershire Council to develop a new Leisure Centre in the Town Centre at Kingswood as part of the Council led initiative to redevelop the Town. This would replace our oldest leisure centre [dating back to the early 1960s].
2. Yate LC: The proposal to redevelop Yate Town Centre is at early stages. We will work with partners to ensure that the redeveloped Town Centre has plans to include a new leisure centre to replace the existing building which will be 50 years old in 2024.

RELATED STRATEGIC AIM(S)

1 & 3

1 & 3



STRATEGIC ACTION AREA

5. Resetting Our Future

SPECIFIC ACTION(S)

Developing new programmes and activities which deliver more social value to our communities:

The pandemic has clearly demonstrated the problems with our health and wellbeing caused, in part, by our lifestyles and exacerbated in poorer communities.

Now is the opportunity to develop new partnerships and gear up some of our social value programmes and activities; and to ensure we deliver in those we approved just before the first lockdown including:

3. Swim Academy Bursaries: In February 2020, we approved the launch of a programme of bursaries for children who were struggling to learn to swim at school and couldn't afford private lessons. Over 1.4 million children have lost the opportunity to learn to swim because of the pandemic, worsening the situation our scheme was being designed to help. We should deliver on this scheme as soon as possible.
4. Prevention and Improving Wellbeing: We are involved with partners including South Gloucestershire Council (SGC), the Clinical Commissioning Group (CCG) and third sector providers examining the emerging priority identified by government to improve our lifestyles and wellbeing to build resilience against illness and lifestyle diseases. This work will result in funding being made available over the next 2 years which could see us expand existing social value activities such as Healthy Lifestyle on Referral or co-produce new services with partners. We need to stay engaged in these processes.

RELATED STRATEGIC AIM(S)

2 & 3

1, 2 & 3



STRATEGIC ACTION AREA

5. Resetting Our Future

SPECIFIC ACTION(S)

Looking for new Contracts and Opportunities:

The pandemic has severely damaged the public leisure market. Circadian Trust will emerge from this situation weakened but not severely damaged and we will be able to develop relatively quickly.

5. We should seek out new local opportunities, where these would strengthen our trading position, are congruent with our charitable and strategic aims and don't put the charity under additional financial or resource strain.

RELATED STRATEGIC AIM(S)

1, 2 & 3







Registered as a Limited
Company in England and Wales
No. 05384234 VAT No. 863110649
Registered Charity No. 1111467

Head Office

**Thornbury Leisure Centre
Alveston Hill
Thornbury
South Gloucestershire
BS35 3JB**

T: 01454 279927

E: headoffice@circadiantrust.org



CIRCADIAN TRUST

**Reinvesting your money
into local facilities**