



Company Business Plan

2013/14 - 2014/15

June 2013

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1. Foreword

The estimated value of the UK leisure market in 2011 is around £66 billion which has fallen by £4 billion since 2007. With the effects of inflation removed, the decline in the value of the market was 22% between 2006 and 2011.

Analysis of activity within the UK leisure market points to an overall situation of operators continuing to struggle with maintaining margins in an increasingly tough market. Although the operating performance across this diverse market varies by market segment, there are several unifying characteristics. Most operators are witnessing changes to the pattern of spending by consumers. Challenges to the UK economy are forecast to remain for the foreseeable future meaning that the 'war' for the discretionary consumer pound will continue.

We estimate the value of the 'fitness' market alone in Perth and Kinross as being over £5 million, made up of a Membership market of £2.7 million, a Leisure Pool 'visitor spend' of £0.6 million and 'Pay and Play' Fitness and Sports income of £1.8 million.

As the principal leisure provider within Perth and Kinross, the Company must seek ways to increase income, deliver cost optimization and improve supply chain management to assist in combatting any trend of decreased consumer spending.

Live Active Leisure delivers sport, leisure and physical activity opportunities throughout the Perth and Kinross area. The company delivers services on behalf of Perth & Kinross Council and other key partners. Services delivered are aimed at all aspects of the community in order to ensure that people have opportunities to participate in high quality sport, leisure and physical activity, regardless of their circumstances and in doing so, enhance the quality of life and improve health and wellbeing.

Our Purpose: "To work together with our customers and partners to create and provide opportunities to participate in sport and leisure and enjoy the benefits of physical activity"

Our Vision: "To be the provider of choice in Perth & Kinross for everyone to 'live active' lives"

Live Active Leisure is a successful and effective organisation working closely with partners to deliver quality services on a 'not for profit' basis. The Company and its services have grown and evolved over many years since its formation (initially as Bell's Sports Centre Limited) in 1965.

The Company, its Directors and employees, are committed to delivering success across all aspects of its business in a co-ordinated, effective and efficient manner.

Delivering high quality services, promoting teamwork, being people focused and engaging with our partners, customers and staff will be central to all that we do. The application of these principles across all areas of the business is essential to achieving the most appropriate and sustainable service and business model for the Company.

The achievement of the Company's Vision and Charitable Objectives will require Live Active Leisure to combine the efficiency and acumen of a commercial business partner with the values of a Social Enterprise with charitable status delivering essential services both effectively and efficiently for the people and wider communities of the Perth and Kinross area.

2. Executive Summary

The Business Plan guides and drives the efforts of the Company for the next two years and sets out the direction to be followed beyond. The Plan is designed to deliver against the strategic priorities identified within, whilst remaining mindful of the Company's charitable objectives which remain:

"The objects for which the Company is established are for the advancement of public participation in sport and the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended and the carrying on of such other related activities as are consistent with these purposes"

The Plan focuses on five 'broad' Strategic Pillars:

- Our People
- Customer Experience
- Grow the Business
- Appropriate Facilities
- Business Efficacy

The core business areas are supported by a focussed essential service infrastructure covering Administration, Human Resources, Training, Finance, Marketing and Research, Estates Management, Health & Safety, Technology, Health, Physical Activity, Programming and Project Development; all of which provide critical influence in the delivery of efficient and effective business activities.

The Plan takes cognisance of the current economic climate and the financial challenges and opportunities that the coming years will provide in varying measures and will be subject to ongoing review, with progress and issues reported on a regular basis.

3. Strategic Framework in Context

The Company will, as appropriate and practicable, be guided by a range of key strategic documents including, but not restricted to, the following:

Strategic Document & Owner	Reference Source
<p>"Scotland Performs The National Performance Framework"</p> <p>The Scottish Government</p>	<p>www.scotland.gov.uk/About/Performance/scotPerforms</p>
<p>"Reaching Higher - The National Strategy For Sport"</p> <p>sportscotland</p>	<p>www.scotland.gov.uk/Resource/Doc/169113/0047106.pdf</p>
<p>"Let's Make Scotland More Active – A Strategy for Physical Activity"</p> <p>Physical Activity Taskforce</p>	<p>www.scotland.gov.uk/Resource/Doc/47032/0017726.pdf</p>
<p>"Strategic Framework for Sport & Active Recreation in Perth and Kinross 2011-2015"</p> <p>Perth & Kinross Council</p>	<p>www.pkc.gov.uk/strategicframeworkforsport</p>
<p>Various Company Plans and Strategies</p> <p>Live Active Leisure Limited</p>	<p>http://liveactive.co.uk</p>
<p>Perth City Plan</p> <p>Perth & Kinross Council</p>	<p>www.pkc.gov.uk</p>

4. Core Business

The Live Active Leisure Team comprises of c650 employees (equivalent to c250 FTE) who will lead the implementation and delivery of the core business.

LAL will operate across a wide range of inter-related work areas including:

- Physical Activity Health & Wellbeing
- Facilities
- Programming
- Coaching
- Development of Sport and Performance Sport
- Events
- Property
- Research and Marketing
- Trading
- Training and Development

These work areas influence and direct the development, configuration and growth of the business. Over the next two years (and beyond), Company teams will work together and focus on key areas to drive and shape the business to maximise the Company's positive impact across Perth and Kinross.

5. Financial Overview

A two year budget has been agreed for 2013/14 and 2014/15 financial years, which will be reviewed annually and on-going as required.

The Company's proposition is ultimately for all core sports, leisure and physical activity functions to be delivered by Live Active Leisure in a manner that maximises both effectiveness and efficiency. Such a proposition, coupled with the outcome of service reviews, both internally and through partner organisations, will impact significantly on the Company's financial model going forward and therefore this Plan remains relevant only to the current level and model of service provision.

In 2013/14 Live Active Leisure has budgeted to receive 29% of its income from Perth & Kinross Council's Core Contract Fee, 7% from the Investment In Learning Contract Fee, less than 1% from the Dewars Centre Contract Fee and Rental Income of 6%. The remaining and predominant 57% is attracted from consumers of the various products and services provided by the Company.

The reliance on what is likely to be diminishing public sector resources in the form of contract fees, will be targeted to reduce 'year on year' when comparing 'like for like' provision.

	Budgeted 2012/13 £'000	Budgeted 2013/14 £'000	Budgeted 2014/15 £'000
Operational Income	5086	5236	5329
Services to PKC			
Core Contract	2775	2756	3279
Dewars	110	70	70
IIL Contract	763	747	747
Rental Income	760	567	5
Total Income	9494	9376	9430
Cost of Sales	301	316	316
Staff Costs	5720	5831	6021
Property Costs	1959	1831	1904
S&S	1174	1225	1189
Total Expenditure	9154	9203	9430
Surplus	340	173	0
Commitment to Facility Reserve	340	173	0

External Funding

	2012/13 £'000	Budgeted 2013/14 £'000	Budgeted 2014/15 £'000
Income	182	218	195

Note: External funding is solely for use in the delivery of the specific projects or initiatives that formed individual funding applications.

The Financial Plan assumes that income will grow by an average of approximately 2% each year over the two year period and has taken into account significant increases in core costs, such as energy, changes to pension's legislation and market conditions.

Any impacts of the Company moving to being a 'Sole Member' organisation, with Perth and Kinross Council as the 'Sole Member' e.g. possible changes to current procurement arrangements and Freedom of Information requirements, are yet to be determined and reflected.

Delivery against the budgeted figures above, whilst challenging, is considered to be achievable if a range of assumptions prove to be correct and that the economic climate and competing provision does not impact further on customer spend. The Company's performance against budget and other targets will be regularly monitored with the Board ready to agree remedial or other action as necessary. Such actions may include further exploration of:

- Generating additional income from sponsorship and business development
- Cessation of certain services that do not 'make a profit', which underperform, or where a lack of demand becomes evident
- On-going vacancy management
- Reduction of overheads
- Pricing Policy reviews
- Working in partnership with other government or public bodies to secure initiative funding in support of priority outcomes

In common with many organisations, the Company has many challenges ahead but there is every reason to believe that Live Active Leisure, with its committed and skilled Directors and staff, can deliver significant service and business benefits if the Company's proposed review of services and contracts provides the sought after 'platform' as is being advanced by the Company.

The Company will continue to seek to advance the development of the Perth Leisure Park project as part of a strategic mix of provision that addresses opportunity and longer term revenue as well as wider economic pressures.

The Company seeks on merit, to become the preferred 'provider of choice' for commissioners but must also be flexible in embracing a variety of delivery models to best suit each local circumstance. This will importantly ensure the continued provision of the highest appropriate and essential standards of professionalism across the whole of Perth and Kinross whilst recognising that local requirements vary dramatically across an area the size of Perth and Kinross i.e. 2,000+square miles. Not only is this critical in terms of the safety of all staff and customers, but also in the preservation of assets, be they built or otherwise.

Furthermore, the co-ordination of all facets of sports, leisure and physical activity service provision conveys an expectation of 'added value' for both commissioners and service consumers and avoids 'cluttering up' the sporting and physical activity landscape that can otherwise result in making delivery of access opportunity more difficult for operators as well as more confusing for users.

In order to continue to improve the delivery of effective and efficient services, Live Active Leisure will continue to benchmark itself against other similar organisations.

6. Delivering Results

The delivery of results has never been more challenging and the Company, its Directors and staff will face a 'continuous barrage' of competing demands from stakeholders; all with differing degrees of merit.

Additionally, the Company faces unprecedented competition for the 'leisure pound' within a 'cluttered' and often 'fragmented' marketplace from, amongst others:

- Commercial Health & Leisure Clubs
- Local Authority Sports Provision
- Hotels
- Leisure Product Franchises
- Individual Instructors
- Outdoor Activity Providers

It is vital therefore that this Plan sets out clearly the priorities for the Company going forward and identifies the important outcomes that must be delivered. From this, then flows a range of key actions that will be reflected in Work Plan priorities for staff throughout the Company to ensure an effective, co-ordinated and efficient delivery model that has never been more essential than in current times of economic challenge.

The following section sets out the means by which the Company will deliver on that which has been identified as being of the utmost importance to the business. This will be driven by identifying the Senior Management Team member who will lead and 'take ownership' of each outcome and associated action which will be further reflected in Work Plans across the organisation.

It falls to the Company's Chief Executive to oversee, co-ordinate, guide and ensure delivery wherever practicable to do so and also to review any changing landscape impact that may develop during the life of this Plan.

**LIVE ACTIVE LEISURE
STRATEGIC DEVELOPMENT PATHWAY - APRIL 2013 – MARCH 2015**

PURPOSE	VISION	GOAL
<p>“To work together with our customers and partners to create and provide opportunities to participate in sport and leisure and enjoy the benefits of physical activity”</p>	<p>“To be the provider of choice in Perth & Kinross for everyone to ‘live active’ lives”</p>	<p>“Increasing Live Active Leisure’s usage by 5% from 2010 to 2015”</p>

STRATEGIC PILLARS	Flexibility	Enthusiasm	Value	Trust
<ul style="list-style-type: none"> • Our People (OP) • Customer Experience (CE) • Grow the Business (GB) • Appropriate Facilities (AF) • Business Efficacy (BE) 	<p>We make LAL a great place to work</p> <p>We give people what they want, when they want it</p> <p>We ‘move with the times’</p> <p>We offer a warm welcome to everyone</p> <p>We maximise our positive impact</p>	<p>We employ and train great people to deliver great experiences</p> <p>We make what we do, fun</p> <p>We actively look for opportunities</p> <p>We create inviting spaces</p> <p>We want to make a difference</p>	<p>We make our people feel valued</p> <p>We consider value for money in all that we do</p> <p>We maximise benefits and returns</p> <p>We invest wisely</p> <p>We will be the most attractive provider</p>	<p>We work ‘hand in hand’ with our people</p> <p>Our customers can have confidence in us</p> <p>We believe in what we do</p> <p>We are a ‘safe pair of hands’</p> <p>We will protect our current status</p>

STRATEGIC PILLAR	OUR PEOPLE (OP)	CUSTOMER EXPERIENCE (CE)	GROW THE BUSINESS (GB)	APPROPRIATE FACILITIES (AF)	BUSINESS EFFICACY (BE)
Strategic Priority	To invest and engage with our people ensuring shared values and understanding of the company's priorities	To consistently deliver our 'customer pledge', thus creating satisfied, loyal customers, who come back and recommend us to others	To protect existing income streams and identify new markets and products to ensure the continued growth of the business	Maintain and develop our venues to ensure they are welcoming, safe, 'fit for purpose' and meet customers' aspirations, needs and satisfy identified strategic roles	To ensure the Company utilises its capabilities and protects its status to maximum positive effect
Strategic Actions	Establish an employer brand for Live Active Leisure that incorporates the purpose, vision and brand values and which provides greater clarity and consistency on what it is like to be part of LAL	Ensure workforce have skills and competences to deliver quality and safe services	Profile the local market - Perth & Kinross (current and potential customers) into LAL segments both by customer type and proximity to existing LAL services	To maintain legislative compliance and ensure effective building management records and application	Ensure stewardship, internal and external general governance and regulatory compliance
	Promote and deliver a working environment that promotes staff wellbeing	Review and refresh existing Customer Charter	Develop our customer relationship management (CRM) 'toolkit' to effectively create and maintain relationships with customers and stakeholders	Deliver and apply comprehensive governance of Leisure Park capital project	Assess the Management Information and Technology required to meet the business priorities
	Promote financial and non-financial employee benefits to raise awareness of Company's commitment to established values and to employees	Engage with our customers and wider community 'to have a meaningful conversation' and reflect this in Company Action Plans	Anticipate and respond to fitness market trends with the creation and promotion of new programmed activities	Progress Leisure Park project in line with Project Plan	Preparation and compliance with Freedom Of Information (Scotland) Act 2002 – Extension of Coverage, requirements

	Review and update all our Health & Safety policies to ensure they fit with our purpose, vision and values and our employer brand	Take actions to improve the health & safety culture throughout Company	Review existing and implement improved provision of sport and physical activity opportunities across all market segments	To review and further develop Asset Management Plan	Initiate negotiation with key clients about the Company becoming the 'provider of choice' for the delivery of all sport, leisure and physical activity services
		Take actions to improve customer experience and quality of service	Initiate and delivery a range of specific business development opportunities	Develop an Equipment Life-cycling Plan	Review aspects of the business where opportunity exists to deliver service benefits or efficiencies
			Review initiatives which are externally funded and identify new funding opportunities	Deliver significant capital works to time and budget	Maximise the Company's strategic engagement and influence on beneficial business issues
			Embrace relevant local, regional and national initiatives to attract new users to LAL services	Develop a Company Environmental Policy and Implementation Plan	Review and develop the Company to meet requirements of Sole Member status

STRATEGIC PRIORITY – OUR PEOPLE

Strategic Priority	Strategic Actions		Outcomes
<p>Our People</p> <p>To invest and engage with our people ensuring shared values and understanding of the company's priorities</p>	OP1	Establish an employer brand for Live Active Leisure that incorporates the purpose, vision and Company values and which provides greater clarity and consistency on what it is like to be part of LAL	All staff are aware of our purpose, vision and values and have an understanding of what it means to them in their role at LAL and actively demonstrate this
	OP2	Promote and deliver a working environment that promotes staff wellbeing	<p>Improved sickness absence levels compared to national comparable average and prior year</p> <p>Improved employee retention levels compared to national comparable average and prior year</p>
	OP3	Promote financial and non-financial employee benefits to raise awareness of Company's commitment to established values and to employees	<p>Improved retention due to increased perception of being valued and improved uptake of 'opt-in' benefits.</p> <p>Established method of 'Recognition & Reward' scheme in place that celebrates success and supports our business goals</p> <p>Motivated and committed employees and ultimately, satisfied Customers</p>
	OP4	Review and update all our Health & Safety policies to ensure they fit with our purpose, vision and values and our employer brand	Improved health and safety (primarily accident) reporting statistics. Positive benchmarking comparison with similar organisations

STRATEGIC PRIORITY – CUSTOMER EXPERIENCE

Strategic Priority	Strategic Actions		Outcomes
<p>Customer Experience</p> <p>To consistently deliver our 'customer pledge', thus creating satisfied, loyal customers, who come back and recommend us to others</p>	CE1	Ensure workforce have skills and competences to deliver quality and safe services	Annual training plan targets achieved
	CE2	Review and refresh existing Customer Care Policy & Charter	Launch of 'updated' Customer Pledge
	CE3	Engage with our customers and wider community 'to have a meaningful conversation' and reflect this in Company Action Plans	<p>Establish current customer satisfaction level</p> <p>Improve on customer satisfaction survey score annually</p> <p>Established average mystery visitor score and improve annually</p> <p>Maintain or increase average length of stay by members 'year on year'</p> <p>Subject facilities annually and achieve Quest Accreditation</p>
	CE4	Take actions to improve the health & safety culture throughout Company	<p>Reduced Customer accident rate</p> <p>Maintain/Achieve external audit score >80%</p>
	CE5	Take actions to improve customer experience and quality of service	Improved customer satisfaction results

STRATEGIC PRIORITY – GROW THE BUSINESS

Strategic Priority	Strategic Actions		Outcomes
<p>Grow the Business</p> <p>To protect existing income streams and identify new markets and products to ensure the continued growth of the business</p>	<p>GB1</p>	<p>Profile the local market - Perth & Kinross (current and potential customers) into LAL segments both by customer type and proximity to existing LAL services</p>	<p>Production of a targeted Product and Market Development Plan by August 2013. This will identify clear opportunities and business/ product priorities</p>
	<p>GB2</p>	<p>Develop our Customer Relationship Management (CRM) Plan to effectively create and maintain relationships with customers and stakeholders</p>	<p>Improve the customer journey and make more satisfying through streamlining of the sales process and improved engagement with the Company. Demonstrated in improved membership retention and increased number of members.</p>
	<p>GB3</p>	<p>Anticipate and respond to health & fitness market trends with the creation and promotion of new programmed activities</p>	<p>Delivery of new products</p>
	<p>GB4</p>	<p>Review existing and implement improved provision of sport and physical activity opportunities across all market segments</p>	<p>Increase overall participation levels by 1% per annum average</p>
	<p>GB5</p>	<p>Initiate and deliver a range of specific business development opportunities</p>	<p>Increased income from 'core' and 'non-core' commercially viable business development projects and events</p>
	<p>GB6</p>	<p>Review initiatives which are externally funded and identify new funding opportunities</p>	<p>Complete evaluation to readily identify the value of our work and to support future funding applications</p>

	GB7	Embrace relevant local, regional and national initiatives to attract new users to LAL services	Increase exposure and capitalise on profile of events and campaigns resulting in increased participation levels
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STRATEGIC PRIORITY - APPROPRIATE FACILITIES

Strategic Priority	Strategic Actions		Outcomes
<p>Appropriate Facilities</p> <p>Maintain and develop our venues to ensure they are welcoming, safe, 'fit for purpose' and meet customers' aspirations, needs and satisfy identified strategic roles</p>	AF1	To maintain legislative compliance and ensure effective building management records and application	All aspects of buildings management adhered to effectively and timeously
	AF2	Deliver and apply comprehensive governance of Leisure Park capital project	Compliance with governance requirements in respect of Leisure Park project both internally and for other stakeholders
	AF3	Progress Leisure Park project in line with Project Plan	Agree preferred option and advance to Stage D by end December 2013
	AF4	To review and further develop Asset Management Plan	<p>Targeted, planned and funded upkeep of Company venues</p> <p>Reflection of agreed aspirations within Asset Management Plan</p> <p>Communication of Company's reinvestment in facilities to customers and partners</p>
	AF5	Develop an Equipment Life-cycling Plan	Reduced level of unplanned failure and proactively replace and refresh to meet need and aspiration
	AF6	Deliver significant capital and revenue projects to time and budget	Priority projects delivering customer and business benefits and positive perception
	AF7	Develop a Company Environmental Policy and Implementation Plan	Implement the Company Environmental Policy

STRATEGIC PRIORITY – BUSINESS EFFICACY

Strategic Priority	Strategic Actions		Outcomes
<p>To ensure the Company utilises its capabilities and protects its status to maximum positive effect</p>	<p>BE1</p>	<p>Ensure stewardship, internal and external general governance and regulatory compliance</p>	<p>Discharge of responsibilities of Trustees and staff via full compliance with all relevant requirements</p>
	<p>BE2</p>	<p>Assess the Management Information and Technology required to meet the business priorities</p>	<p>Implementation of systems to deliver business priorities</p>
	<p>BE3</p>	<p>Preparation and compliance with Freedom Of Information (Scotland) Act 2002 – Extension of Coverage, requirements</p>	<p>Established arrangements for the management and publication of information as well as guidance and application on managing and meeting the FOI requirements</p>
	<p>BE4</p>	<p>Initiate negotiation with key clients about the Company becoming the ‘provider of choice’ for the delivery of all sport, leisure and physical activity services</p>	<p>Increased services to be delivered on behalf of the Local Authority delivering enhanced customer opportunities and experience</p>
	<p>BE5</p>	<p>Review aspects of the business where opportunity exists to deliver benefits or efficiencies</p>	<p>Deliver the service benefits identified and deliver solutions which ‘do more with less’ and provide greater opportunity and more effective and efficient services</p>
	<p>BE6</p>	<p>Maximise the Company’s strategic engagement and influence on beneficial business issues</p>	<p>Positioning the Company as a key ‘player’ and partner of choice</p>
	<p>BE7</p>	<p>Review and develop the Company to meet requirements of Sole Member status</p>	<p>Ensure the independence of Company’s Directors and staff in their stewardship of the Company to maximise benefits of Charitable Trust status</p>

