



Sencio Community Leisure Post COVID-19 Recovery Plan

Updated July 2020

1 Introduction

- 1.1 Sencio Community Leisure is a community benefit society set up in 2003 to run three leisure centres and a golf course on behalf of Sevenoaks District Council. The transfer from local authority control has allowed access to more finance options.
- 1.2 As the leisure operator, Sencio has been involved in developing and refurbishing a number of facilities at their sites including extending the health and fitness suite at the Sevenoaks centre and the replacement of water flumes at White Oak leisure centre.
- 1.3 Over the last 20 years a number of local authorities have 'externalised' their leisure services by setting up trusts. Today about 30% of public leisure centres in the UK are run by trusts. Sencio Community Leisure generates over £4.5 million from its four sites, which are used by more than 4,000 people a year. Visits equate to nearly 900,000 visits per year, and 20,116 people are registered on the database-members and non members (registered users).
- 1.4 Sencio's community-run leisure centres are popular with the public, due to the commitment, enthusiasm and helpfulness of the staff who make a point of engaging with customers.
- 1.5 The COVID-19 pandemic and its subsequent impact on the leisure industry across the country means we must now look at a recovery plan to support us return to a level of operational and financial stability.
- 1.6 Sencio continues to be committed to ensuring the ongoing provision of leisure and wellbeing services across the Sevenoaks District.

2 Background

- 2.1 On 20 March 2020 the Prime Minister announced that all leisure centres would be closed with immediate effect due to the spread of COVID -19. This was followed on 23 March with golf centres being closed.

- 2.2 These enforcement measures effectively left the organisation with no source of income although the impact of COVID -19 had already had a significant effect on the business.
- 2.3 Currently leisure providers are exempt from most COVID-19 emergency support funding, including Sport England’s emergency response fund, the Government’s £750 million for frontline charities and the retail, hospitality and leisure grants.
- 2.4 A local leisure offer contributes to the physical and mental wellbeing of local communities. If the leisure sector is not sustained through this crisis, the re-mobilisation of public leisure provision will be significantly affected, with facilities potential unable to open and clubs and voluntary organisations unable to re-start activities for communities.

3 Financial impact on Sencio to date

- 3.1 The financial performance of the first two months of the year had been good despite the continual wet weather during these months (the golf course was closed 13 days during this period as the course was waterlogged) and membership sales were strong with 870 new members. Income was 10.2% up compared to the same period in 2019. This in the main was due to the strategic focus of increasing income generated from membership monthly direct debits which saw an increase of 20% in 2019 compared to 2018.
- 3.2 As the spread of COVID-19 became more widespread during March it had a significant impact on the business:
- Staff shortages with staff self -isolating –resulting in the Feel Good suite closing
 - Reduction in throughput in all the centre
 - Reduced numbers allowed in the gym /classes to achieve 2 metre distancing guidance
 - Increase in memberships cancellations from end of February - 400 in one day in March
 - Requests for refunds for pre - paid activities such as trampolining lessons and swimming lessons
 - Delay in launching new parent and baby direct debit swimming lessons scheduled for 23 March
 - Swimming lessons continuous assessment was launched 16th March but take up was low due to the uncertainty of the leisure centres continuing to operate and parent’s concern of children attending lessons
 - Future large events such as dance competitions scheduled for May onwards cancelled due to the restriction on mass gatherings
 - Club and school bookings cancelled
 - Birthday parties cancelled
 - Decisions taken to cancel Easter school holiday activities

- 3.3 Overall there was 70% reduction in income whilst costs increased due to increase cleaning regimes that were scheduled throughout the day and additional orders for hand sanitizers for staff and customers.
- 3.4 With the closure of all the centres all memberships were suspended/frozen and no monies from direct debits were collected on 1 April 2020.
- 3.5 In summary the estimated total income lost to date is £1,811,668 due to the closure excluding the income taken since the golf centre reopened on 1 June.

	March	April	May	June	July
Shortfall in expected Front of House income	£124,285.96	£261,085	£268,000	£180,500	£183,000
Loss of Direct Debit income		£202,997.06	£200,500	£196,000	£195,300
Loss of income excluding refunds and cancellations		464,082.06	£468,500	£376,500	£378,300
TOTAL	£124,285.96	£464,082	£468,500	£376,500	£378,300

- 3.6 With the centres being closed effectively the organisation will not be collecting any income with the exception of any outstanding invoices being paid by any hirer.
- 3.7 However, every effort is being made to retain and keep members /customers.
- 3.8 Members have been encouraged to freeze their memberships rather than cancel so that when the centres reopen the memberships can be reinstated straight away.
- 3.9 Customers who have pre -paid for activities such as swimming lessons have been credited and carried forward for when the lessons recommence and all regular hirers bookings have been retained so that they can resume as soon as the centres re open.
- 3.10 Members are being contacted and regularly engaged with on social media and online classes and gym workouts are being posted daily by the Wellness manager.
- 3.11 The impact of the forced closures has placed the organisation under tremendous financial pressure.
- 3.12 The majority of the 343 staff have been furloughed from 23 March under the government's Job Retention scheme (JRS). Some staff were required to open Sevenoaks Leisure Centre which was being used as a Community Hub by Sevenoaks District Council up until 17 April. Following the centre no longer being required as a community hub, further staff were furloughed. In total only 13 staff have not been furloughed, but some of these are part time such as the HR Manager, Payroll Manager and Marketing Manager.
- 3.13 Of these 13 staff, 8 of them are being used to undertake daily building and plant checks particularly relating to the swimming pools.

- 3.14 Under the JRS 80% of furloughed staff salary costs of up to a maximum of £2500 per month per employee can be claimed plus employer costs such as NI and pension. However, the maximum that can be claimed back for employer pension costs is 3% as it is based on the banded rate whilst Sencio's LGPS rate is 17%. Thus there is a shortfall on the amount that can be claimed.
- 3.15 KCC has been approached regarding deferral of pension payments. Under the regulations employee contributions must be submitted to the administering authority in line with the timescales in the Pensions Act 1995 - the 19th of the month following the last day of the month in which the contributions are deducted. However, KCC has offered that whilst they cannot offer a deferral payment period for the employees contributions they could offer a deferral on the employer contributions for March, April and May, but full payments must be made by year end.
- 3.16 Leisure centres are large complicated buildings to operate and maintain and it is not possible to just "moth ball" turn the key walk away and then turn the key to open the buildings and walk back in again and operate. Whilst every effort has been taken to turn off every possible piece of non-essential plant, such as air conditioning units, some pieces of plant have to continue to operate in order to maintain the service and ensure that when the centres can re-open they can return to full functionality as quickly as possible.
- 3.17 To prevent swimming pool water becoming stagnate, circulation and dosing have to be maintained. As the swimming pools are still "operating" daily checks have to be undertaken by staff. These include:
- Monitoring and testing the pool water -chlorine and pH values.
 - Checking the chemical controller, dosing pump operations, and dosing tank levels.
 - Checking the operation of the filters circulation pumps
 - Visually checking the pools to ensure no algae has formed in dead spots and corners.
- 3.18 Whilst on a monthly basis the media bed filters for each pool require backwashing. In order to do this the engineers have been unfurloughed to carry out the work. The back washing regime also involves the use of large volumes of water.
- 3.19 As no customers are using the centres there is a danger that legionella could develop in the water tanks especially at White Oak which had registered possible traces previously. To prevent this, a daily flushing system has been set up in all the centres including the golf centre. This is being undertaken by Sencio staff.
- 3.20 In order to ensure the buildings are compliant and can therefore reopen when the government lifts the enforced closure, Sencio is ensuring at their cost that essential legislative actions are continuing in line with the required timescales:
- Emergency lighting testing
 - Hardwire electrical testing

- Legionella testing

3.21 The work undertaken by Sencio has helped to minimise the impact and any future costly expenditure to the District Council in terms of reactive maintenance.

3.22 In summary the approximate expenditure during closure to support staff and ensure the buildings are maintained and can become operational once advised that it is safe to reopen has cost has been estimated as follows:

	March	April	May	June	July
Utilities	£39,870	£28,758	£28,222	£25,747	£28,000
Essential suppliers	£60,000	£14,082	£15,135	£15,332	£20,382
Staff salary costs (non-furloughed)	£12,459	£24,941	£26,963	£34,826	£31,282
Pension costs	£26,733	£25,733	£26,311	£26,173	£26,700
PAYE	£33,838	£22,570	£20,102	£17,508	£18,500
TOTAL	£172,900	£116,084	£116,733	£119,586	£124,864

3.23 Sencio has managed to reopen its golf course and welcomes the recent news from Government that it can reopen its leisure centres from 25 July, albeit with strict safety measures in place.

3.24 However, Sencio cannot survive its current situation without a separate new input of money to support the loss of income and ongoing costs it has had to undertake over the past few months to maintain the facilities during closure.

3.25 We do not believe an option of closure is necessary nor right for Sencio, the District Council or the district's communities. However, external funding to support the Sencio's future is essential to keep these valuable facilities open to support the health and wellbeing, which is needed now more than ever, of the district.

4 Industry approach

4.1 Leisure Operators throughout the country are working on detailed phased remobilisation and business recovery plans.

- Operator facilities able to open from w/c 25 July 2020, but varied approach to re-opening
- Some proposing opening on the 25 July, others proposing a week or two later to allow for mandatory staff training to be completed
- Most proposing to open with gym and group exercise studio activities - all with limited capacity owing to social distancing and cleaning requirements
- Some proposing to open with swimming pools too, offering lane swimming/structured sessions only
- Other components, including swimming lessons and sports hall usage typically following in September
- Parallel financial projections being drawn up for the period from now until next March

- All operators showing significant net losses as sites re-open with compromised income and additional costs of un-furloughed staff, cleaning, operational buildings etc.

5 Sencio's operational plan

5.1 Sencio is developing its operational plan based on:

- the phased re-opening of facilities
- re-commencement of related services
- the phased re-instatement of opening hours and activity programmes
- the phased un-furloughing of staff on a designation-by-designation basis,
- assumptions regarding staff redundancies
- changes to pricing policies, including membership and concessionary price schemes;
- Updating of staffing policies, including supervision levels, re-training and any potential redundancies;
- health and safety management, including access control, PPE, cleanliness and management of customer journeys and social distancing;
- asset management policies, including re-instatement and ongoing maintenance of plant
- bookings and administration, including on-line processes, use of cash etc.

5.2 Applying social distancing measures of 2 metres the centres have been:

i) "walked through" and the following issues identified:

- corridors are not 2 metres wide for customer flows so will need to adopt one way in one way out system where feasible – emergency exit doors will have to be used
- some changing rooms will need to remain closed as insufficient space
- some facilities such as soft play not possible to open with social distancing rules

ii) activities have been identified that can be offered , where and in what format - such as pre- booked to control numbers , classes moving to the sports halls

iii) activities that cannot be offered with social distancing in place e.g. birthday parties / toddler activities

iv) activities that cannot be offered due to other safety issues such as the flumes, adult care

6 Phased opening of facilities

6.1 Lullingstone golf centre

The Government announced on 10 May 2020 that golf centres could reopen from 13 May 2020. As staff had been furloughed, it was impossible to open with 48 hours

notice. With the restrictions in place only allowing 2 players and 10 min gaps in between tee times, it was imperative to ascertain if it would be financially viable to reopen - it was only viable if 3 staff including the Course Manager and Golf Professional Manager remained on furlough. The course is currently open and initially the following restrictions were in force:

- driving range closed
- pitch and putt closed
- no golf lessons
- no buggy/trolley hire
- limited shop purchase
- golfers arrive 15 mins before tee time pre changed
- pre- booked and pre- paid tee times

From week commencing 11 June 2020 more than 2 players permitted to play. Some members have requested their memberships remain suspended due to Government shielding (ending 31 July 2020).

With restrictions easing, some shop sales have been reinstated and single use of a limited number of buggies have been introduced in the morning only allowing sufficient time for sanitising before reuse the next day .

6.2 Leisure Centres

6.2.1 Sevenoaks Leisure Centre

Week commencing 27 July 2020

- Swimming club use only
- Staff training
- Online bookings for members open for week commencing 3 August

Phase 1 from 3 August 2020

- Pre booked swim sessions –lane only swimming reduced numbers – family sessions at Edenbridge and White Oak in the teaching pools
- Main Pool for swim club use
- Pre booked Gym but reduced numbers, not all kit will be available this is to allow for the social distancing
- Pre booked session Feel Good suite at White Oak – reduced numbers and opening times
- Classes – Hall and studios will be used depending on the class –reduced numbers
- Badminton White Oak main hall only - singles only. Edenbridge to offer Badminton from second week of opening
- Aqua session but they would have the whole pool to allow for the social distancing in the pool but more importantly in the changing rooms after

Phase 2 from September 2020

- End of August small swimming lessons may be piloted and programmed during the day in the school holidays – issue regarding how parents are to be managed as the spectator areas will be out of action.
- Some clubs /organisations may return e.g. weight watchers
- Swimming lesson programme commence when schools return
- Some sport hall contract bookings in line with governing bodies guidelines
- Other swimming clubs: Triathlon club , synchro swimming club

Phase 3

(This will only be the case once the social distancing has been reduced to 1m or removed - Government timescale November)

- When safe to do so the classes will return to the area they should be in and the areas that are being used will return to normal use
- Creche
- Sports Hall for use of sports such as football , & Primetime sessions
- Parties Dry & Wet – although these could be delayed even longer
- School swimming bookings for those requesting
- Café

Not Returning until January 2021

- Roller Disco or Roller Parties
- Inflatable Fun / Floats & Fun
- Adult Day Service
- Sports Hall/ martial arts contract bookings
- School swimming lessons
- Major sporting events e.g. swimming galas, dance events , triathlons

6.2.3 White Oak Leisure Centre

Week commencing 27 July 2020

- Staff training
- Online bookings for members open for week commencing 3 August

Phase 1 from 3 August 2020

- Main Pool for swim club use
- Pre booked Gym but reduced numbers, not all kit will be available this is to allow for the social distancing -90 min sessions with 30 mins gaps for cleaning
- Pre booked Feel Good but reduced numbers to 6 per session of 45 mins they will get to use all the equipment but allowing for social distancing
- Pre booked swimming sessions- 1 hour sessions with 30 mins gaps for cleaning
- Pre booked family swimming sessions in the teaching pool
- Classes – Sports Hall/ practice hall and studios will be used depending on the class
- Pre booked Badminton –singles only

- Aqua session - but they would have the whole pool possible only using the main pool to allow for the social distancing in the pool but more importantly in the changing rooms after.

Phase 2 from September 2020

- End of August swimming lesson to be programmed during the day in the school holidays – issue regarding how parents are to be managed as the spectator areas will be out of action.
- Some clubs /organisations may return e.g. weight watchers
- Swimming lesson programme commence when schools return
- Some sport hall contract bookings in line with governing bodies guidelines
- Other swimming clubs : Triathlon club , synchro swimming club

Phase 3

(This will only be the case once the social distancing has been reduced to 1m or removed government timescale November)

- When safe to do so the classes will return to the area they should be in and the areas that are being used will return to normal use.
- Sports Hall for use of sports such as netball & Primetime sessions
- Parties Dry & Wet – this could be longer
- School swimming for those that request
- Café

Not Returning until January 2021

- Treasure Island
- Roller Disco or Roller Parties
- Inflatable Fun / Floats & Fun
- Flumes public use & parties
- Remaining sport hall contract bookings
- Large events booking
- School swimming lessons

6.2.4 Edenbridge Leisure Centre

Week commencing 27 July 2020

- Swimming club use only
- Staff training
- Online bookings for members open for week commencing 3 August

Phase 1 from 3 August 2020

- Main Pool for swim club use
- Pre booked Gym but reduced numbers, not all kit will be available this is to allow for the social distancing
- Pre booked swimming sessions
- Pre booked family swimming sessions in teaching pool
- Classes – Hall and studios will be used depending on the class

- Aqua session but they would have the whole pool to allow for the social distancing in the pool but more importantly in the changing rooms after. Badminton from week commencing 10th August

Phase 2 from September 2020

- End of August swimming lesson to be programmed during the day in the school holidays – issue regarding how parents are to be managed as the spectator areas will be out of action.
- Some clubs /organisations may return e.g. weight watchers
- Swimming lesson programme commence when schools return
- Some sport hall contract bookings in line with governing bodies guidelines

Phase 3

(This will only be the case once the social distancing has been reduced to 1m or removed, government timescale November)

- When safe to do so the classes will return to the area they should be in and the areas that are being used will return to normal use.
- Creche
- Sports Hall for use of sports such as football , & Primetime sessions
- Parties Dry & Wet – although these could be delayed even longer
- School swimming for those that request
- Café

Not Returning until January 2021

- Roller Disco or Roller Parties
- Inflatable Fun / Floats & Fun
- Slimmers World
- Remaining sports Hall contract bookings
- School swimming lessons

7 Safety measures

7.1 Guidance notes for the safe opening of facilities such as swimming pools are due to be published 15 June by Swim England whilst other organisations such as UK Active have been working closely with the government on other facilities such as gym , fitness classes along with sports governing bodies. However some guidance notes have already been published.

7.2 Swimming pools

- Must be able to prove Microbiological testing has been completed before reopening. Results must be clear and displayed to public.
- If Algae is present- which has been the case at SLC and WOLC due to windows giving direct sunlight and lower flow rates- the pools must be shocked with Chlorine to kill it off

- Some countries have increased their pool water testing to every 2 hours and allow 7m² per bather which is more than double the amount suggested in the original Health and Safety guidance for swimming pools HSG179.
- Flumes and Slides are not operational in any of the countries who have reopened their pools as any activity that can create or add to the number of aerosols in the air have been denied.
- Changing areas:
 - Lockers - 1 in 2 lockers closed
 - Showers- 1 in 2 showers closed
 - Hand dryers and hairdryers not in use due to the number of aerosols in the can be spread more rapidly.
 - Disabled customers must be considered - ensure the functionality of our accessible facilities and regular cleaning of them as per other changing areas.
- Disinfect all hard surfaces- dependant on location and use, every hour at least. This will include Steps into pools, hand railings, hoists (if used) after every user, lifeguard chairs.

7.3 Air handing

It is recommended that the fresh air coming into the building is increased. It is suggested that Air Conditioning and Air Handling is run at full fresh air mode to maximise the dilution of aerosols.

With the above customers will notice a significant difference and may complain they are cold or uncomfortable- this is due to the lack of humidity in the air. Customer notices must be put in place explaining this is for their safety and air quality.

The above measures of running air handling at full fresh air mode will also increase significantly increase the cost of electricity

7.4 Gym /classes

- Gym layouts – have been altered/number of pieces of equipment have been reduced or removed from the gym to allow for 2 metre spacing between equipment (All Sites). Some equipment has been relocated but other pieces have been placed in storage at Edenbridge and White Oak
- Some gym equipment may need to be relocated to the sports hall to allow more space to use such as Sevenoaks free weights. However, this needs to be assessed against the increased staffing costs required for it to function
- Opening hours have been reduced and staffing rotas reviewed to ensure staff can undertake extra cleaning
- To control numbers, all sessions will be required to be pre booked. Each session will be 1.5 hours long with 30 mins allocated between each session for cleaning.
- Customers will be encourage to come pre changed
- One way in and one way out system will be adopted
- Aerobics studio classes will be moved from the studios to the sports hall to allow for better social distancing and to increase the amount of space available for each customer

- Tape out 2 metre squared boxes to indicate area available to each customer
- Reduce numbers on some classes such as spinning
- Suspend some classes such as Take Heart
- Customers to come pre changed for classes operate one way in one way out system
- 30 mins gaps between classes to allow for cleaning
- Due to the reduction in number of classes / spaces available especially popular classes such as Les Mills operate a maximum number of classes members can book per week

7.5 Reception /coffee shops /membership sales

Screens will be erected for staff protection. Cashless payments will be taken where possible. Customer refunds for car parking at Sevenoaks has been amended - no receipts will be issued from reception to reduce the contact time between receptionists and customers.

7.6 The effect of a second wave remains a possibility and most importantly for Sencio and the response of the Government to that second wave is crucial – and unknown. The Government says the possibility of a second wave remains low. Given recent relaxations by the Government, it does seem unlikely that such a Government decision (in the worst case to go back into lockdown) will be taken. However it remains a risk factor and one completely outside of our control. We do not believe it to be a risk which should stop Sencio moving forward positively.

8 Financial Plan

8.1 One thing Sencio needs to know is stability and the knowledge it can move forward operationally. Sencio has prepared a financial plan model through the initial business recovery phases from re opening in August 2020 through to July 2021 in line with our Operational Plan.

8.2 The plan embraces detailed projections of income and expenditure, site by site and activity-by activity basis.

8.3 The plan includes key sensitivities:

- impact of alternative operational policies
- reduction in prices /membership charges
- increased PPE
- increased cleaning regimes / product
- redeployment of staff
- staff redundancies

9 Customer communications

9.1 A comprehensive communication plan has been developed to inform customers of how things will operate when the centres can reopen. This has proved to be very

successful when the golf centre opened. The most important aspect will be to reassure customers it will be safe to return.

9.2 Sencio recently participated in a nationwide survey conducted by Leisure Net. 450 Sencio customer took part and when asked when the leisure centres reopen what will your participation rate be compared to pre closure.

- 17.56% said they would use the centres more
- 61.565 said more
- 20% said less or not - the main reason being because they would not be able to afford it.

10 Conclusion

- Sencio cannot continue its current situation. Whether open or closed by Government diktat it will operate at a loss at least initially. A decision on additional external funding must be taken quickly. The only viable solution is to move forward and re-open to maintain a visible leisure offer and assisting in the post-COVID-19 physical and mental recovery of the district.
- Sencio has been unsuccessful in a loan application to Sevenoaks District Council for £120k, which was not supported by members at the July Cabinet meeting. However, Cabinet has supported awarding the annual management fee upfront and freezing existing loan payments for a period of 6 months. More recently, the District Council supported the payment of an outstanding utility debt accrued during lockdown (£35k).
- Sencio applied to the Coronavirus Business Interruption Loan Scheme (CBILS) and was unsuccessful. Nationally, no leisure trusts were successful in securing a CBIL loan.
- Sencio has recently applied to the Big Issue for a loan of £700k and expects to hear whether it has been successful in August.
- Sencio has ensured the ongoing maintenance of the leisure centres and golf centre, which will enable the swift reopening as and when permitted, however, this has come at a huge cost burden, when during the closure, there has been no income coming in.
- Sencio's business plan was sent awry because of the COVID-19 pandemic. We have seen from the outstanding income figures for the reopening of the Golf Centre in June that people want to return to leisure.
- Sencio is aware that it has existing loans in place, but is in a position where it has to seek further grant or loan support to address the income shortfall and expenditure it has faced during closure. However, its recovery financial projections will help support the business model on reopening, but it is critical that it receives support to cover the costs incurred during lockdown.
- We are already into our post COVID-19 recovery plan – by proactively talking to all of our staff, suppliers and hirers. This is ongoing and will continue.
- The success of that plan – how many people come to events - depends on a number of external factors outside of the control of Sencio. However, the

Government's recent relaxation of restrictions will allow people to return to leisure.

- An underlying risk is the potential for a second wave of infection and a Government reaction to return to lockdown. All the messaging from Government in recent weeks has been that the likelihood of this remains low, but could be isolated lockdowns.
- It is key to this that Sencio is made to appear safe and welcoming which we are aiming, planning and putting in place.
- Sencio leisure centres and golf centre are known and well used, supporting the district's health and wellbeing.