

ANNUAL REPORT 2021

At the heart of life



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FOREWORD FROM OUR CHAIRMAN AND MANAGING DIRECTOR



Welcome to Brio's 9th Annual Report.

2021 sees Brio enter the 10th year of operation for the Company since its inception in May 2011. This year has been a remarkable period both for the leisure sector, but also the world, in the face of the Covid pandemic. This has largely meant that leisure has remained significantly closed for key periods throughout the year given the lockdown restrictions placed upon the leisure industry, which resulted in Brio operating for only four months of the whole year.

Despite this, we have not rested on our laurels, and have worked closely with our shareholder, Cheshire West and Chester Council, through a Joint Transformation Board, to re-design the model of the Company. Our aim was to address the challenges the leisure sector has faced for some time, to meet the needs of the borough residents. This resulted in the formal cabinet approval of a new Brio model of delivery in November 2020. The shareholder has moved the responsibility for Brio internally to the Public Health Directorate. This brings significant focus on the investment into the health and wellbeing of the community. This has never been more important than now as we begin to emerge from the global pandemic.

Our new model of delivery sees a retention of key hub assets, with significant investment and improvement to those assets to ensure they remain fit for purpose for many years to come. This will achieve modern up to date refurbishments to reflect consumer expectations. Alongside this, a series of 'spoke' services to complement our hub assets are under development to place activities and programmes into the heart of communities. Co-location with key partners is a significant part of our model of transformation, to optimise all community assets and provide accessible joined-up solutions across the borough.

The borough declared a climate emergency in early 2020, and it has never been more important to ensure that Brio plays its part in contributing to this significant agenda, through the assets it operates, the location of services in an environmentally friendly manner, and through training and development of our workforce.

The wellbeing of our people and our communities has become ever more important throughout the crisis. The expectation is that the impact this had had upon each one of us will continue for some time. With that in mind, we are investing in our workforce through the evolution of a Workforce Strategy and an easily understood roadmap for the future. Alongside this, we have developed new and agile ways of working, optimising digital, home and office-based solutions for the future.

The legacy of Covid can still be seen across the leisure sector at the end of 2020/21, and a Recovery Plan is in place to take Brio forward alongside the development of new services and ways of working. We are confident that our new model of delivery and strengthened partnership with our shareholder will deliver great services for our borough residents to create healthier and happier communities in Cheshire West and Chester for many years to come.

David Woods
and Elly McFahn

REVIEW OF THE YEAR

While the last 12 months have been dominated by the unprecedented effects of the Covid-19 pandemic, Brio Leisure still managed to create many successes throughout the year, which we'll highlight in this report.

We're extremely proud of the way our business adapted to working during the pandemic. With a strong focus on digital engagement, we not only stayed connected to our customers during our closure periods, but we also reached new audiences too.

We continued to achieve Quest accreditations, with two 'excellent' and one 'very good' assessments, proving our commitment to maintaining the highest standards in our centres. Brio Leisure was also recognised for its approach to business recovery in the leisure industry, in an article by Parliaments 'The Leaders Council'.

Brio Wellbeing had many successes throughout the year, and quickly recognised the importance of our smoking cessation service during the pandemic, as well as the high-risk nature of the groups it serves. We were able to continue offering this important service throughout the year by changing to an approach focused on phone and digital communications, ensuring it was safe and effective.

We worked closely with our shareholder, Cheshire West and Chester Council, to provide wellbeing support to their staff in the form of exclusive workouts and advice, guidance and giveaways during Mental Health Month.

With our centres opening and closing throughout the year and much of our workforce furloughed, we recognised

the need to support our staff as much as possible during the pandemic. As well as encouraging staff to join in with exclusive online workout classes, we ran monthly competitions and digital coffee mornings to help keep everyone engaged. We ensured that staff were redeployed wherever possible, with many staff undertaking different roles, reflecting the needs of the business such as front-line centre access or enhanced cleaning roles. A large amount of on-line training has also taken place, and has extended to support wider wellbeing, including Mental Health awareness.

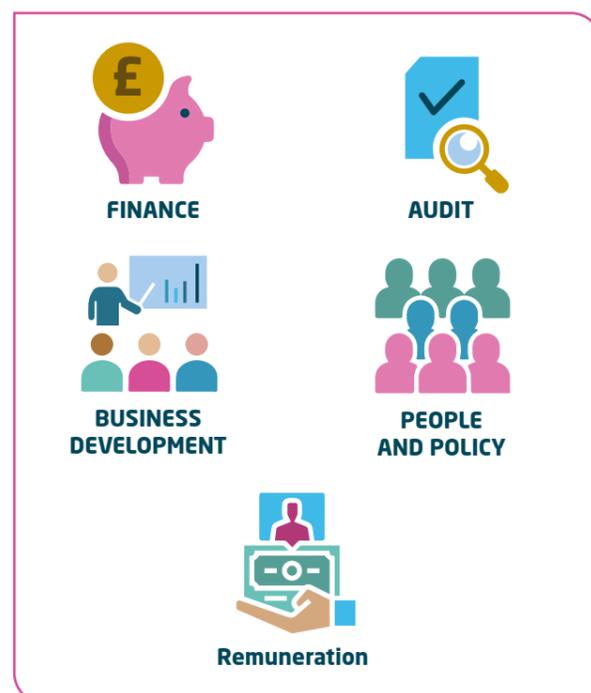
The closure periods throughout 2020 provided the perfect opportunity to progress at pace with the review and refinement of the Brio model of delivery, otherwise known as 'hub and spoke', which underpins the health and wellbeing needs of the borough and creates an affordable solution for leisure in the future. This new model, approved at the November 2020 cabinet, sees changes to our portfolio of assets and more defined ways of working collaboratively with partners and our shareholder, providing services in alternative settings and locations where our residents need them the most.

We also made use of the closure period to make great progress on Phase 1 of the Northgate Arena refurbishment, which included a refreshed reception area along with improvements to the sports hall for viewing, a completely refurbished café, kitchen and servery. We also included a new digital interactive wall for families to play with and freestanding reception pods to allow our staff to be more agile when greeting customers.

GOVERNANCE AND RISK MANAGEMENT

The make-up of Brio's Board has remained with 6 Non-Executive Directors and 2 Executive Directors in line with the Articles of Association. Year-end saw the departure of Professor Lynne Kennedy and the appointment of Professor Karen Tocque. Non-executive director skill sets cover ICT, Business Management, Organisational Development and Public Health.

Supporting committees include:



Committees meet and feed into quarterly Board meetings. Audit and Remuneration meet periodically to feed into key legal timelines as and when required.

The Board is also supported by a Health and Safety Champion (Vice Chair) who leads our governance requirements on this subject.

In partnership with the shareholder, an agreed approach to the implementation of co-operative principles has seen the formation of a Workforce Advisory Panel, who will be formed in 2021/22 upon full business and staff return to the workplace.

Board in-year training included strategic risk management. A further preparatory programme of Board effectiveness review was agreed (scheduled for undertaking in 2021/22). Board has also introduced a strategic stakeholder matrix aligned to the new delivery specification and hub and spoke model.

A substantial amount of time was given over the course of 2020/21 by the Board to support the Covid crisis impact on Brio. This has included increased time and commitment from all NED's through the digital meeting pathway, providing wider support to the business on a more regular basis to support key decision making, in reaction to the crisis requirements. Time has also been used effectively in re-shaping the Company both in the short term, such as refreshed Leadership Team structure, but also in the establishment of the Company longer term vision post - Covid. Additional contributions have been made with 2 NED's attending regular Emergency Planning Team meetings and Re-mobilisation meetings. Strategically ongoing contribution to the Joint Transformation Board (JTB) through 2 NED's and 1 ED in partnership with our shareholder has remained critical to delivering a re-modelled Brio and addressing the key actions of the JTB Workstreams.

A new 5-year strategy is under early development which will be influenced heavily by the borough's health needs. A Health and Safety Strategy update has recently taken place with a new 3-year Strategy in place from autumn 2021. Further strategies underpinning this are also under development including a Finance Strategy, a Workforce Strategy and a Commercial Strategy. The ICT Strategic Plan is undergoing a refresh, with a new 3-year delivery plan which includes key developments and system improvements.

Company strategic risks have remained critical for review throughout the crisis. A revision to risk scoring using the non-multiplication methodology was also adopted.

The key strategic risks are:

REF	RISK
1	Failure to deliver business plan objectives
2	Loss of members due to declining assets
3	Limitations with ties to LGPS and NJC Terms and Conditions
4	Major malfunction of building equipment/ pool plant
5	Political financial constraints on non-statutory services
6	Global/national economic downturn
7	Deterioration of JTB effectiveness
8	Project Management delivery failure (ICT project)
9	Project Management delivery failure (NGA scheme)
10	Employment and contractual liabilities
11	Pace of progress against jointly agreed workstreams

The Board of Directors is made up of two female and six male directors:

- One female non-executive director
- Five male non-executive directors
- One female executive director
- One male executive director

The Senior Management team was re-entitled the Leadership Team and an internal re-structure in November 2020 saw the formation of the teams' roles comprising:

- Managing Director (executive director)
- Finance Director (executive director)
- Commercial Development Director
- Community Development Director
- People Director
- Operations Director

The Leadership Team is made up of 5 females (including the Managing Director) and one male (the Finance Director).

The Gender Pay Gap report is available for review on our website.

PARTNERSHIP WORKING

Partnership is critical to us and is integral to everything we do. The last year has meant that many of those working partnership programmes ceased during the pandemic but work is underway to re-build these activities as service resumption takes place. We've started to develop a more detailed stakeholder matrix to enable us to focus on the priorities of those partnerships as we come out of the crisis. Some of our key partners are listed on the following page, but we work with over 60 other partner agencies.

We worked extensively with our shareholder, Cheshire West and Chester Council, throughout the pandemic to ensure we were effectively serving the community during these unusual times.

Our centres are located in key localities across the borough, and so it made sense that we used them where possible to assist with the pandemic relief efforts, supporting the NHS and its partner providers to deliver mass service provision. We repurposed our centres into vaccine centres, shielding centres and lateral flow testing sites. Shielding sites provided PPE and food distribution hubs, and Northwich Memorial Court was also used as a rest centre for local people during a period of severe flooding in the town. 30 Brio employees helped set up and run a testing site at Stanney Oaks Leisure Centre, testing over 2000 people in the area and this was the first asymptomatic site in the borough. As well as providing our venues, we also worked to ensure we continued to promote our message of healthy living, which was more important than ever before. We included nutritional information inside food parcels and

provided activities for children during their school holidays.

Cheshire West and Chester Council recognised the strain that the pandemic had taken on their staff and wanted to promote healthy living to them, so Brio Leisure created a bespoke set of online workouts and a personal portal for staff to access them from to help encourage staff to partake in online workouts. This portal, called Step Away, was used by over 250 Council employees. As part of Mental Health Awareness month in March, we offered free Headspace memberships and mental health information to their staff to promote better mental wellbeing.

We also recognised the importance of the local clubs and hirers that we work with and wanted to support them during these difficult times, so we provided health & safety advice and guidance to help aid the safe return of their activities. Overall, we did over 120 risk assessments which were reviewed and approved, ensuring activities could return safely across our centres.

Working with Cheshire School Sport Partnership, we created 6 children's activity sessions to support the Change4Life programme being delivered through local schools, which was a great way to help keep children active.

The wider partnership network we engage with include the following:





COMMUNITY HEALTH AND WELLBEING

Our health and wellbeing contract under the banner of 'Cheshire Change Hub' has continued its successful work with the newly formed Integrated Care Partnership, Clinical Commissioning Groups, GP's and other health practitioners and received over 2300 client referrals via GP's. We dedicated a significant period of the year focusing on the health and wellbeing services we offer to Cheshire West residents and our hub and spoke model lends itself perfectly to the approach of bringing these services directly to the users and will be a key focus in the coming year.

Here are some of the other successes Brio Wellbeing has had throughout the year:

- Our Quit Smoking service was extremely successful and helped over 900 clients to stop smoking
- The service was also recognised by Public Health England as one of the top 8 smoking cessation services in the country for outcomes and best practices.
- Over 60 Falls Prevention classes were delivered in community settings.
- 100% of our Falls Prevention class participants reported feeling more confident walking after attending a class.
- 250 blood pressure checks delivered.
- Worked with over 60 partners and referrers.
- Over 7,000 visits to the Cheshire Change Hub website, highlighting the appetite in Cheshire West for our services.



As well as these achievements from Brio Wellbeing, we had other successes across the business, including:

- Ellesmere Port Civic Hall hosted a vaccination centre delivering up to 2000 vaccinations per clinic to local residents in the most clinically vulnerable groups.
- Frodsham Leisure Centre served a similar purpose, acting as a community hub offering both COVID and flu vaccines.
- Ellesmere Port Sports Village was used throughout lockdown in 2020 as a food and PPE distribution centre, successfully serving the local area.
- Winsford Lifestyle Centre was repurposed during its closure periods to become an asymptomatic testing facility and served the local people during a difficult time.
- Stanney Oaks Leisure Centre was also used as an asymptomatic testing facility, the first of its kind in the borough, with 30 Brio employees helping to run it and testing over 2000 people.
- Northwich Memorial Court was used as an emergency rest centre during a period of severe flooding, remaining open through the night to help care home residents and through the weekend to support emergency workers.



Footnote: An Integrated Care Partnership is an alliance of NHS providers that work together to deliver care. A Clinical Commissioning Group is a clinically-led statutory NHS body responsible for the planning and commissioning of health care services in their local area.

OUTREACH AND AWARENESS

With Covid restrictions in place and many events being cancelled, we had to get creative with our outreach efforts and make sure we raised awareness in places that were safe, which is why much of our focus was on outdoor or online activities.

Several Brio centres provided outdoor fitness classes, both on-site and in local community areas such as parks, making our classes more visible to the wider public while also allowing our customers to enjoy the workouts they'd missed during lockdown. Northgate Arena supported National Walking Month with a Chester City Walls guided walking event that was fun for customers and promoted the Brio brand in the city centre.

We were very pleased to be nominated in the Fit Pro 2020 awards under the "Best Local Authority Gym Chain" category as this recognised the hard work and dedication that we've put into providing an excellent experience for all our users.

With lockdown leaving our centres closed, we also reacted to this unusual situation by offering free online workouts which not only did a great job of helping our customers stay active, but also worked as a great digital awareness tool to keep Brio in the minds of people in Cheshire West. Over the course of lockdown, we created 169 pre-recorded workouts and delivered 186 live classes, which were structured into weekly timetables to help people plan their exercise routines. We grew our YouTube channel to over 1000 subscribers with over 100,000 video views, and our popular Facebook Live workouts received 613,747 impressions throughout the year. This was a fantastic way of promoting our classes and instructors to an entirely new audience and was helped by the consistently positive feedback from our customers. Our centres embraced these online workouts too, with their instructors and staff helping create, plan and share workouts online. Northwich Memorial Court created their own virtual Couch to 5K plan on social media, complete with training plan and weekly video uploads.



CUSTOMER FEEDBACK

We love hearing customer feedback and it's been especially important over the last year, where we've had less face-to-face contact with them. We gather feedback through a range of channels, including social media and online surveys, so here are just a few of the fantastic messages we've had over the year:

A massive thank you to all at Brio Neston for the tremendous help and support you've provided over the last 5 months. Tomorrow represents the culmination of a phenomenal amount of work during these unprecedented times, and on behalf of NSC, I am truly grateful for everything you have contributed. You have been unstinting and generous in giving us your time and the benefit of your informed input.
- *Neston Swimming Club*

Congratulations Brio! You have provided exceptional service during the pandemic, opening up the facilities safely. Staff at Winsford have been brilliant so big thanks from me. Can't wait to start Aqua Fit again!
- *Facebook Comment*

Had my first swim at Brio Northwich. Really good set up, felt really safe and great pool attendants. I really enjoyed it! Did not feel rushed, and overall a really good experience. Highly recommended!
- *Facebook Comment*

I wanted to quit smoking because I've got asthma and my age as well, and because of all the COVID. A number of things really, spending money, and just generally all-round health. The advisors kept me positive and kept me going. It was nice to have a chat each week. It's just helped me really get through, you know, having the patches and everything. It's been helpful ringing and chatting and helped me stay a bit more positive. It's amazing to know the positive side of quitting smoking
- *Brio Wellbeing User*

RESEARCH AND INTELLIGENCE

We worked on several research projects this year, working with both our customer groups and larger national studies. With things being so different, we wanted to understand what our customers were doing to stay fit, what they were missing and how they intended to exercise once normality resumed.

Research throughout the year included:

- Home workout surveys to help us better understand the workouts our customers were missing so we could offer a suitable digital alternative. These surveys were useful in shaping our digital offering.
- Similarly, we wanted to make sure we were offering a wide range of fun activities during the school holidays to help provide parents with additional ways to keep their children entertained, so we surveyed customers to find out what they wanted to see more of.
- We worked with Leisure Net on a national survey to understand more about people's opinions of swimming lessons.
- We also worked with Leisure Net on another survey that looked at how people had responded to lockdown, their workout habits and how they planned to change them when fitness centres reopened.
- We continued to send out our cancellation survey to understand the reasons why customers had chosen to end their memberships, and which influenced a discounted return period in summer 2020 when the first lockdown ended, to encourage customers to return. We also produced a range of walk through videos to demonstrate safety and what to expect on sites when opening was permitted to overcome customer anxieties.
- Our 'Do we make you smile' survey also continued and provided vital feedback on areas our customers were happy with as well as areas of improvement.

2020 was an unusual year for our staff too, so we made sure we took the time to support them in as many ways as we could. To do this we undertook a staff survey after the initial lockdown period to understand their thoughts on returning to work.

We were thrilled with some of the results:

84% of staff felt like there was the right amount of staff communication over lockdown, whether that was updates from our Managing Director, contact with their Line Manager, WhatsApp groups or other channels.

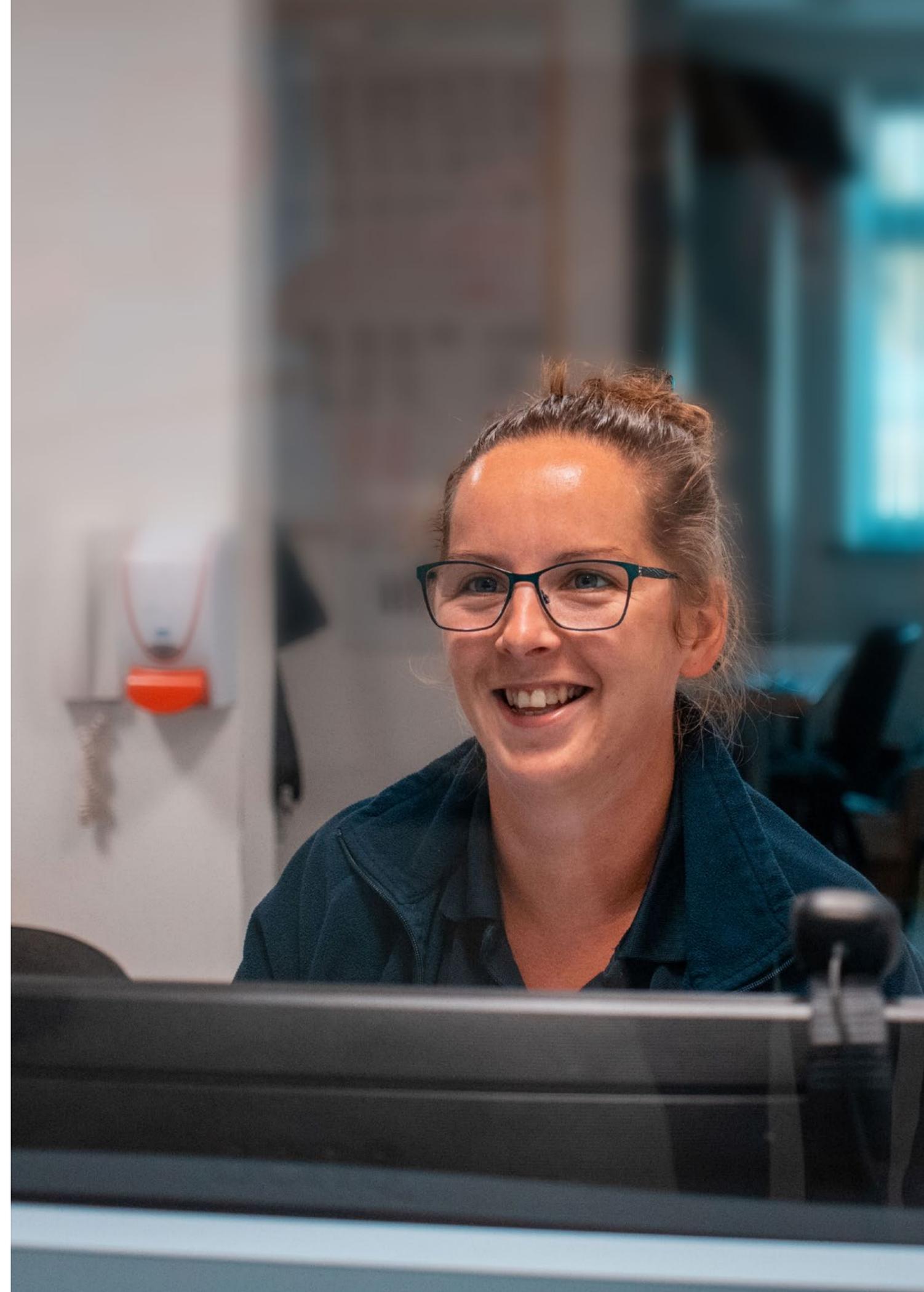
94% of staff felt that Brio supported them during lockdown. Praise was directed at the quick adoption of Microsoft Teams and our return-to-work training and centre walkthroughs which helped ensure people felt safe.

75% of staff were able to complete all their online training and found it beneficial to update their knowledge of their job role.

90% of staff found Brio's support methods and guidance helpful when returning to work. These included but were not limited to, new policies and procedures, Covid-19 training, email updates and centre risk assessments.

85% of staff felt that we'd put enough safety measures in place for their safe return.

We also used closure periods to ensure our teams were kept abreast of industry trends and encouraged everyone to partake in webinars and other events covering everything from industry recovery to marketing, health and safety and more. One example would be the regular webinars with Right Directions and Ukactive about remobilising our business. We made sure we gathered the right information from various regulatory bodies and NGB's to not only benchmark our own progress but for gathering ideas and sharing information.



OVERVIEW OF TECHNOLOGICAL AND WEBSITE DEVELOPMENTS

Following the appointment of an IT Manager in September, we've seen significant improvements and changes by improving our infrastructure, upgrading our systems and security, and using automation to improve business efficiency. There will be a greater focus on digital transformation as part of our 3-year ICT Strategy.

We made several significant improvements to cybersecurity across the business, meaning we were able to retain our Cyber Essentials Plus accreditation. This was especially important as many of our staff had to work from home, so it was vital that our business could adapt to the change. By completing work on a new VPN, we enabled our staff to work securely and confidently away from the office, and we began a phased replacement of old equipment to ensure everyone is working on upgraded machines that can cope with our new way of working. We also streamlined and digitised some of our IT processes, such as making it easier for staff to report technical issues, and alongside our new IT support provider, this ensures that staff have easier access to support.

In preparation for an upgrade of our membership system, we completed a cleansing exercise of our database and its configuration which allows us to now continue with the upgrade. We also upgraded our web hosting solutions and website security to ensure we continue to offer high quality service to users.

Other technological developments include a SAGE 200 upgrade, improvements to our reporting suite, installation of new technology including an interactive wall at Northgate Arena, and a new phone system which allowed us to receive customer calls directly to a leisure hub which could then handle their enquiries, freeing up front-line staff to manage customer bookings.

We were also pleased to receive our NHS Data Security and Protection Toolkit accreditation, which allows us to safely and securely work on NHS contracts.

With closures occurring throughout the year, it was important we made improvements to our customer-facing digital services. As mentioned previously, we put a big focus on online workouts and activities for our customers and other audiences and the results were very impressive. Despite centre closures, we grew our social media following with 9,200 new followers, which was a 19% increase in our audience size. Our content was seen more times than ever, with 4.2 million impressions and over 44,000 organic clicks to our website from Facebook alone.

Our website traffic remained strong, with 372,892 sessions in 2020, which was only a 20% decrease from the previous

year unaffected by the pandemic. We worked hard to ensure the website was fully equipped to handle queries and reduce strain on our front-line staff who were answering phone calls and emails. We created bespoke Covid-19 and Welcome Back pages which housed important information to help reduce the need for customers to contact us directly. Upon reopening we knew that many customers wouldn't want to return to us straight away, so to relieve pressure on staff and improve customer experience we created an automatic freeze form on our website to allow people to process their own membership freezes. This was a massively helpful tool, and we estimate it saved our team around 222 hours of work during the year.

We also completed work on an Online Welcome Workout tool that would better allow for a digital onboarding journey for new customers. This is currently being worked into our joining process.

We launched a partnership with Les Mills On Demand in 2020 to supplement our online workouts. For those that were missing their Les Mills workouts, they could take advantage of an affiliate offer and not only get an extended trial of LMOD but also a reduced monthly subscription fee. 810 people took out memberships in 2020, earning Brio over £1000 from the affiliate programme.

The Brio App continued to be popular during our open periods and we consistently would have an average of 300 participants in our monthly fitness challenges. The app was invaluable in providing a one-stop shop for bookings as well as providing access to the engaging workout tracking functions our customers enjoy so much. The app really proved its value in 2020 and we have started the process of upgrading to a new version which will offer additional functionality and engagement tools for our customers.

2020 also saw work complete on the Brio Entertainment website. Following research that showed our entertainment product sitting alongside leisure and wellbeing was hindering its ability to grow properly, we invested in making a bespoke new website for it. The result is a fantastic, purpose-built website that now gives customers an excellent experience and gives us far more options for advertising our entertainment products.

Footnote: A VPN is a Virtual Private Network. It allows us to extend our corporate network outside of our venues, so that staff can effectively and securely work from other locations, such as their homes.



Newly refurbished café in Northgate Arena Phase 1

FINANCIAL REVIEW

Brio's sixth year of performance under our service level agreement with Cheshire West and Chester Council has been an unprecedented trading year, an experience shared by many. Adhering to government guidelines Brio's facilities were collectively open for a total of only 4 and ½ months during the year. Within these periods of activity our capacity was significantly reduced, impacting our ability to generate income. Brio has been supported during the year by central Government funding initiatives including the Coronavirus Job Retention Scheme. This has enabled us to retain and support the majority of our experienced and dedicated teams across the business. Additional financial support came from our shareholder Cheshire West and Chester Council.

Brio's Finance and support teams have used the opportunity given by enforced down time to review internal systems to ensure they remain fit for purpose going forward.

Our portfolio of sites remains under constant review. Working in collaboration with Cheshire West and Chester Council we have:

- Assessed and agreed the need for interim investment in the fabric of the building at Frodsham Leisure Centre.
- Engaged with community groups at Moss Farm Sports Complex.
- Continued to work with school academies at our partnership sites.

The refurbishment at Northgate Arena will not only provide an enhanced customer experience but will generate additional income and reduce overheads.



FINANCIAL PERFORMANCE

Brio has continued into its tenth full year of operations. For the financial year to 31 March 2021 Brio has made an operating loss before funding support and pension liabilities of £7,858m.

Brio is a member of the externally managed Cheshire Pension Fund (CPF), a local government pension scheme. A revaluation by CPF of the assets held within this fund has impacted our overall reserve position, we report at year end a deficit of £8,265m.

During the year we attracted 500,000+ visitors. A sizable reduction on prior years, caused by the restrictions of the pandemic. Since the start of the new financial year, we have already experienced an increase in visitor numbers.

LOOKING FORWARD TO 2022 AND BEYOND

We're already seeing some positive growth upon reopening in April 2021, with over 1000 people joining within the first 3 weeks. Appetite for our services is clearly there too, with April's website traffic not only being up 368% from the previous month, but also up 739% from April 2020 and even 15% above April 2019, which was obviously pre-pandemic.

There are some exciting refurbishment projects on the horizon for our centres, including a second phase of renovations for Northgate Arena, one of our flagship centres, and we're engaging with groups in Frodsham and Ellesmere Port about the future services in those areas. We're also part of a de-carbonisation scheme to help support the council in their goals of reducing carbon emissions.

Some sites will be transitioning out of Brio's portfolio in line with the cabinet approval of the re-model, but significant focus will be upon the evolution of spoke services in a post covid world, reacting and responding to customer needs, and retaining collaborative partnership working. Co-location of services into Brio assets will also be a priority, alongside working with our shareholder on a joint recovery plan and shaping the new Council Plan.

The pandemic and various lockdowns have also taught us that our users have an appetite for digital, on-demand workouts so we'll be looking at ways we can add these to our portfolio of services in the near future. Cheshire Change Hub has had extensions granted to their pilot programmes due to their success and will be broadening the skillset of their team to include more specialists to continue delivering services into areas where people need them most, such as a new Prehab 4 Cancer programme.



*Before and after shots of the
Corridor in Northgate Arena
Phase 1*

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