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Dear Councillor

EXECUTIVE SHAREHOLDER COMMITTEE - TUESDAY, 10TH SEPTEMBER, 2024

I now enclose, for consideration the following report that has been subject to revision following publication of the agenda.

Active 4 Today Performance Outturn Period 4 (April- July 2024) (Pages 2 - 5)



Report to: Executive Shareholder Meeting 10 September 2024

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance
Councillor Susan Crosby, Health, Wellbeing & Leisure

Director Lead: Suzanne Shead, Director - Housing, Health & Wellbeing

Lead Officer: Cara Clarkson, Business Manager Regeneration & Housing Strategy, x5923

Report Summary	
Type of Report	Open Report / Non-Key Decision
Report Title	Active 4 Today Performance Outturn Period 4 (April- July 2024)
Purpose of Report	This report presents the performance of Active 4 Today for the period 1 April – 31 July 2024.
Report Recommendations	That the Executive Shareholder Committee note the performance of Active4Today up to period 4 2024-25.
Alternative Options Considered	None
Reason for Recommendations	To ensure that the shareholder has assurance and oversight of the company's performance ensuring that the company continues to deliver the outcomes required by the Council as aligned to the Councils Community Plan.

1.0 Background

- 1.1 The Council's wholly owned 'not for profit' leisure company, Active4Today (A4T) has been delivering leisure and sports development on behalf of the Council since 2015. This includes the management of four leisure centres: Blidworth, Dukeries, the Newark Sports and Fitness Centre and Southwell Leisure Centre.
- 1.2 Prior to the establishment of the Executive Shareholder Committee, performance of the company was overseen by the Leisure & Environment Committee.
- 1.3 Oversight of Active4Today is now achieved through the Councils' nominated representatives on the Board of Active4Today, quarterly monitoring of the management agreement at officer level through the Directorate for Housing Health and Wellbeing, and through the Executive Shareholder Committee.

- 1.4 This cover report provides the highlights for committee with appended documents to this report:
1. Active4Today – Report from the Managing Director 1st April to 31st July 2024
 2. Active4Today – Utility Prices 2023-24 – 2024-25
 3. Active4Today Performance Indicators 1st April to 31st July 2024
 4. Active4Today Sports Development Report 1st April to 31st July 2024

2.0 Performance Overview

Business Performance – Usage, Memberships, Income and Expenditure

- 2.1 In the first four months of the year, the company has performed well in terms of memberships, with a growth in memberships at Newark Sports and Fitness Centre offsetting losses at Southwell Leisure Centre in particular.
- 2.2 Overall memberships show a net increase in just over 100 since April and a relatively stable positive overall since the same period last year – noting that increases in adult membership have balanced a loss in youth memberships since the same period last year (See Appendix 3).
- 2.3 Membership income at Period4 demonstrates a positive increase on the original budget of £16,520, but it is the revised utilities costs that make a significant impact on the company’s overall budget – with utilities costs projected to reduce by £494,600 following the renewal of utilities contracts, and a further saving of £98,921.17 on VAT associated with these costs. Further detail can be found at Appendix2.
- 2.4 The impact of increased revenue through memberships, and savings through utilities is that at Period4, the projected management fee for 2024-25 has decreased from a budgeted £749,100 to £139,060 representing a projected decrease in fee of £610,040
- 2.5 A management fee of £139,060 represents a return to management fee levels pre-covid. User visits are also recovering to pre-covid levels. Caution however should be applied as utilities costs remain volatile and whilst the council and company invest in energy saving initiatives such as solar panels and pool insulation to reduce energy use, the vast majority of utilities costs are beyond company control.

Year	Management Fee	User Visits	Subsidy per user
2019 – 2020	£120,220	1,189,899	£0.10
2020 – 2021	£611,220	267,825	£2.28
2021 – 2022	£731,645	914,491	£0.80
2022 – 2023	£480,650	1,008,319	£0.48
2023 – 2024	£410,534	1,101,987	£0.37
2024 – 2025	£139,060 (revised forecast)	1,100,000 (forecast)	£0.13 (forecast)

Management fee v user visits to calculate subsidy per visit

2.6 To support the ongoing growth in membership, Active4Today leadership is currently developing a business case for a capital investment of circa £75,000 in a new indoor play offer for The Dukeries Leisure Centre. Due to the status and setup of the Company any capital expenditure to be incurred on any of the leisure centres would need to be incurred by the District Council rather than Active4Today. On that basis, any business case for investment would need to be brought back to Cabinet for a decision to add funds into the capital programme.

3.0 Performance Against Business Plan Actions

3.1 Each year the company sets out within its business plan, the key activities it will deliver alongside its standard memberships. These activities are approved by the Committee and reflect the council's priorities around engagement, health improvement through tackling physical inactivity and addressing the needs of different population groups including older persons, younger persons or those with a disability. These additional activities are often delivered outside the standard leisure centre provision, making physical activity accessible to all.

3.2 In the first four months of the year, this has included:

- i. Free activities during the Easter and May school holidays - swimming, squash and badminton - engaging 125 people
- ii. Delivery of the Holiday and Food Activity Programme (HAF) for children eligible for free school meals
- iii. Working in partnership with Hawtonville Young Peoples Centre, Nottingham Forest Community Trust, Newark Town Council and NSDC officers to facilitate an accessible supportive football session for young people living in Hawtonville
- iv. Provision of volunteer opportunities within the leisure centres for young people at secondary school including two 6-week placements for students from Portland College to provide work placement and volunteering opportunities for students who have a disability
- v. 82 community and sports groups supported including support to secure funding
- vi. Attendance by the sport development team at 11 events, engaging with over 500 people and delivering taster sessions and providing information ranging from memberships to GP referrals and specialist and inclusive sessions available
- vii. Working in partnership with the NSDC Parks Teams, Forestry England and Ollerton/Boughton Children's Centres to engage new parents in 'Buggy Walks' at Boughton Brake, Sherwood Pines (Wednesday) and Vicar Water (Tuesday/Thursday) from July.

4.0 Recommendation

4.1 That the performance of the company at **Appendices 1, 2, 3 and 4** are noted.

5.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications – FIN24-25/ 4262

- 5.1 The current budgeted management fee payment to Active4today within the Council's financial system is £749,100 for financial year 2024/25. As per paragraph 2.4, the current forecast value of the management fee is £139,060, which gives rise to a forecast saving of £610,040. The reduction in the management fee is due to lower than previously expected utilities costs, and a reduction in the amount of irrecoverable VAT. The outturn position will continue to be closely monitored throughout the year.
- 5.2 In terms of the potential capital spend of £75,000, as described at paragraph 2.5, any business case for future investment would need to be brought back to Cabinet for decision to add an item into the capital programme. For the purpose of budget monitoring, this £75,000 has been forecast to be incurred within the budget monitoring report elsewhere on this agenda. Where there is no proposal, or the proposal is not accepted, this budget would remain unspent.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None