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**Monday, 26 February 2024**

**Chair: Councillor P Peacock**

**Members of the Committee:**

**Councillor R Cozens  
Councillor L Brazier  
Councillor S Crosby  
Councillor K Melton**

**Councillor E Oldham  
Councillor M Spoor  
Councillor P Taylor  
Councillor R Holloway**

<b>MEETING:</b>	<b>Executive Shareholder Committee</b>
<b>DATE:</b>	<b>Tuesday, 5 March 2024 at 6.00 pm</b>
<b>VENUE:</b>	<b>Civic Suite, Castle House, Great North Road, Newark, NG24 1BY</b>

**You are hereby requested to attend the above Meeting to be held at the time/place  
and on the date mentioned above for the purpose of transacting the  
business on the Agenda as overleaf.**

**If you have any queries please contact Nigel Hill on [Nigel.hill@newark-sherwooddc.gov.uk](mailto:Nigel.hill@newark-sherwooddc.gov.uk).**

## AGENDA

	<u>Page Nos.</u>
1. Notification to those present that the meeting will be recorded and streamed online	
2. Apologies for Absence	
3. Declarations of Interest from Members and Officers	
4. Minutes from the previous meeting held on 5 December 2023	3 - 4
5. Active4Today Performance Report	5 - 47
6. Arkwood Development Performance Report Quarter 3	48 - 54
7. Arkwood Statement of Accounts 2022/23	55 - 70
8. Shareholder Representative	71 - 72
9. Exclusion of the Press and Public	

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

None.

# Public Document Pack Agenda Item 4

## NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Executive Shareholder Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Tuesday, 5 December 2023 at 6.00 pm.

PRESENT: Councillor P Peacock (Chairman)

Councillor L Brazier, Councillor S Crosby, Councillor K Melton,  
Councillor E Oldham, Councillor M Spoons and Councillor P Taylor

ALSO IN ATTENDANCE: Councillor P Rainbow and Councillor I Brown.

APOLOGIES FOR ABSENCE: Councillor R Cozens and Councillor R Holloway

### 12 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

There were no declarations of interest.

### 13 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Leader and Chairman advised that the proceedings were being audio recorded and live streamed by the Council.

### 14 MINUTES FROM THE PREVIOUS MEETING HELD ON 12 SEPTEMBER 2023

The minutes from the meeting held on 12 September 2023 were agreed as a correct record and signed by the Chairman.

### 15 ACTIVE4TODAY PERFORMANCE REPORT

The Committee considered the report of the Business Manager- Regeneration and Housing Strategy, which presented the performance of Active 4 Today for the period to October 2023, Period 7.

Overall income was projected to be £340,670 above the original budget by year end, driven in most by increases in direct debit memberships and facility hire income. The company had seen a range of cost increases, most significantly in utilities, irrecoverable VAT on utilities and forecasting for an increase in staff costs to reflect the 'cost-of-living' payment yet to be agreed. Child membership was showing a decline since March 2023 across all leisure centres but Blidworth, representing seasonal fluctuations and was in line with the same trajectory last year.

It was noted that current income and expenditure profiling did not take into account any further closures associated with the necessary works at Southwell Leisure Centre and the impact on memberships and other income.

The Committee welcomed the positive report and the Leader reiterated the Council's

commitment to a maintaining wetside provision at Southwell Leisure Centre.

AGREED (Unanimously) that the performance of Active4Today for period 7 be noted.

16 ARKWOOD DEVELOPMENTS PERFORMANCE REPORT

The Committee considered the report of the Transformation & Service Improvement Manager which detailed the performance for Arkwood Developments for quarter two. The report detailed performance relating to the number of units delivered and plots commenced. The Managing Director for Arkwood was in attendance and explained that the Bowbridge Road development was on track for completion by January 2024 and that a new site with full planning consent had recently been purchased by the Company.

The Committee noted the progress made with land purchase and works on site, and welcomed the positive impact on the overall finances of the Council.

AGREED (unanimously) that the Executive Shareholder Committee note the Arkwood Performance Report and consider the company's performance against its targets and objectives highlighting any areas of high performance and identifying areas for improvement.

Meeting closed at 6.43 pm.

Chair



Report to: Executive Shareholder Meeting: 5 March 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	
<b>Type of Report</b>	Open Report / Non-Key Decision
<b>Report Title</b>	Active 4 Today Performance Outturn
<b>Purpose of Report</b>	This report presents the performance of Active4Today for the period to 31 <sup>st</sup> December 2023 (Period 9).
<b>Report Recommendations</b>	That the Executive Shareholder Committee note the performance of Active4Today to Period 9, and, approve the draft Business Plan 2024-2025 at appendix D to the report.
<b>Alternative Options Considered</b>	None
<b>Reason for Recommendations</b>	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, 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 The appended documents attached to this report are:
  - A. Active4Today Update Report 1 April to 31 December 2023
  - B. Active4Today Performance Indicators 1 April to 31 December 2023
  - C. Active4Today Sports Development Report 1 April to 31 December 2023
  - D. Active4Today Draft Business Plan for 2024-2025

## 2.0 Performance Overview

### Business Performance – Income and Expenditure

- 2.1 An overview report from the Managing Director of Active4Today, Appendix A, sets out the current position in relation to income and expenditure for the company as at 31 December 2023 (Period 9) which takes into account the impact of the unscheduled closure of the main pool at Southwell Leisure Centre.
- 2.2 The initial impact of the closure was estimated at £20K per calendar month to year end resulting in an additional uplift of £120K to the forecast management fee of £456,930. This figure is broadly in line with the original year end outturn management figure of £450,795 which has been achieved by positive interventions to generate additional income and reduce costs within the business to mitigate the negative impacts of the closure as highlighted in Section 3 of Appendix A.
- 2.3 In addition to the closure of the main pool there have been other disruptions to the leisure offer at Southwell linked to health and safety compliance works required to ensure it remains a safe, compliant and functioning centre. The temporary closure of some areas has been offset by the delivery of additional classes to mitigate the impact on the member experience and to maintain a strong membership base which has reduced a number of potential membership cancellations. Further works are scheduled for the Summer (financial year 2024-2025) and the Company will monitor these works and the associated impact on users closely and will keep Members informed as appropriate in respect of the ongoing performance of the Company linked to these works.
- 2.4 In terms of Income and expenditure table 1 below sets out the Company's current position as monitored by the Board, as part of its role in managing the operations of the business. The table shows full year budget revised at period 6 2023, the profiled budget up to period 9 2023, the actual income and expenditure to period 9 2023 and the variance between the profiled budget and actual income/expenditure. Further explanations of variances contained within the table are explained in paragraph 4.2 of Appendix A.

	Full year revised budget 2023-24 completed at period 6	2023-24 Profiled Budget to period 9	Actual Income/ Expenditure	Variance between the period 9 profiled budget and the actual to period 9
Membership Income	-£3,562,900.00	-£2,656,707.65	-£2,665,467.50	<b>-£8,759.85</b>
Pay and Play Income	-£329,800.00	-£247,350.00	-£250,459.80	<b>-£3,109.80</b>
Facility Hire Income	-£443,750.00	-£314,025.00	-£343,434.52	<b>-£29,409.52</b>
Other Income	-£79,800.00	-£36,422.04	-£41,703.23	<b>-£5,281.19</b>
<b>Total income</b>	<b>-£4,416,250.00</b>	<b>-£3,254,504.69</b>	<b>-£3,301,065.05</b>	<b>-£46,560.36</b>

Staff	£2,556,975.00	£1,896,624.81	£1,863,173.06	<b>-£33,451.75</b>
Premises	£1,254,800.00	£898,903.62	£704,027.87	<b>-£194,875.75</b>
Supplies and services	£1,005,270.00	£699,943.86	£450,558.73	<b>-£249,385.13</b>
Transfer to Reserves	£50,000.00	£0.00	£0.00	<b>£0.00</b>
<b>Total expenditure</b>	<b>£4,867,045.00</b>	<b>£3,495,472.29</b>	<b>£3,017,759.66</b>	<b>-£477,712.63</b>
<b>Surplus/Deficit</b>	<b>£450,795.00</b>	<b>Forecasted year end position at period 9 £456,930</b>		

Table 1 Financial performance update

2.4 In addition to the financial performance overview the Company has now completed three 'internal audit' reviews by its Auditor, Wright Vigar, of 'direct debit membership', 'card and on-line income' and 'VAT processes and returns' and received positive opinion in each instance that *"Process systems are well implemented and documented and no major or minor non-conformances have been found"*.

2.5 In addition to the direct income and expenditure outlined in table 1 above, the Company also assisted the District Council with its successful submission to the Sport England administered 'Swimming Pool Support Fund' Phase 1 which secured a revenue grant award of £187,539 towards operating costs for its three pool sites at Newark, Southwell and Dukeries Ollerton and assisted in the Phase 11 submission for a grant towards capital schemes to improve the energy efficiency and long-term sustainability of the Council's swimming pools, which successfully secured an additional award of £61,356 towards pool covers and LED lighting upgrades at Newark Sports and Fitness Centre.

### Usage Performance

2.6 The Company's performance indicators are highlighted in Paragraph 6 and 7 of Appendix A and further supplemented by Appendix B and C. Particular attention is drawn to the table at 7.1 of Appendix A which highlights progress against the Company's three performance Aims of 'Healthy and Active Lifestyles', 'Accessible Facilities' and 'Financial Viability'. Within the three Aims there are 18 sub-aims and 45 targets which the Company has reported against.

2.7 User visits were forecast to reach 1,100,000 to year end and strong performance in the first two quarters of the year indicates that the target will be achieved despite the implications of closures and service disruption at Southwell Leisure Centre. At the end of Period 9 users figures were at 818,751 across all sites, an increase of 93,750 over the same period in 2022. However, the user numbers will continue to be closely monitored and the Company will maintain its promotions and marketing campaigns to promote its services to encourage footfall through its leisure centres and satellite sites alongside creative programming at its facilities as outlined in paragraph 7.5 of Appendix A.

2.8 In terms of specific areas of work Referrals from Healthcare Professionals reached 239 at 31 December 2023 with a conversion rate to memberships of 38% with 91 new memberships through the scheme. Equally the recruitment of new staff to the Sports

Development Team has seen engagements with community partners grow to 114 and this work will continue to grow and specific details are contained in Appendix C.

- 2.9 Membership performance at 31 December 2023 was 11,102 a reduction of 658 compared with 31 March 2023 which is consistent with typical trends in the sector and seasonal variations. Whilst there are reductions in memberships at Southwell, Dukeries and Blidworth, the performance of Newark Sports and Fitness Centre with 3,976 adult and 1,486 junior members has helped the Company maintain a healthy membership base overall.

### **Business Performance – Compliance**

- 2.10 Section 7.28 of Appendix A sets out the compliance checks that have been carried out by the Company as detailed in paragraph 7.28.1 and by the Council in paragraph 7.28.2 and no additional compliance issues have been currently identified.
- 2.11 In terms of Strategic Risks, the only current issue is being addressed by the Council in conjunction with the Company through works being undertaken at Southwell Leisure Centre as identified at paragraph 7.29.1 with no other strategic risks currently identified.
- 2.12 Paragraph 7.30 provides a summary of customer comments received by the Company up to 31 December 2023 which totalled 73 and are a mix of positive and negative feedback and suggestions as outlined in paragraphs 7.30.6 to 7.30.9 of Appendix A.

### **Proposed Draft Budget and Business Plan 2024-2025**

- 2.13 Paragraph 8 sets out the Company's proposals for 2024-2025 and highlights predictions of where cost increases will hit the Company's operating budget which includes utility costs (15%), rises linked to cost of living increases including wages (5%), health and safety compliance responsibilities and costs associated with keeping the Company on the 'front foot' in terms of its interaction with its customer base through the use of new technologies. At the same time the Company also recognises the impacts on customers disposable income and the difficult choices that have to be made which can lead to the cancellation of memberships in some instances.
- 2.14 In considering the above the Company is forecasting a deficit of £749,100 and will request a management fee of this amount as its starting point for 2024-2025 to cover operating costs for the Council's 4 leisure sites and the Sports Development Team that delivers important outreach support to the wider community. This represents an increase of £298,305 on the forecast management fee of £450,795 for 2024-2025.
- 2.15 The Company has set out in table 2 below, the current financial position of the Company to period 9, which is monitored by the Board, as part of its role in managing the operations of the business. This shows the 2023-2024 full year budget, which was revised at period 6 and the forecasted full year budget for 2024-2025 and the variance between the two which has been approved by the Board.

	Full year revised budget 2023-2024	Full year budget 2024-2025	Variance
Adults Memberships	-£2,544,780	-£2,583,400	-£38,620
Junior Memberships	-1,018,120	-£894,800	£123,320
Pay and Play Income	-£329,800	-£295,500	£34,300
Facility Hire Income	-£443,750	-£424,000	£19,750
Other Income	-£79,800	-£101,300	-£21,500
<b>Total income</b>	<b>-£4,416,250</b>	<b>-£4,299,000</b>	<b>£117,250</b>
Staff	£2,556,975	£2,614,600	£57,625
Premises	£1,254,800	£1,321,200	£66,400
Supplies and services	£1,005,270	£1,062,300	£57,030
Transfer to Reserves	£50,000	£50,000	£0
<b>Total expenditure</b>	<b>£4,867,045</b>	<b>£5,048,100</b>	<b>£181,055</b>
<b>Deficit (management fee)</b>	<b>-£450,795</b>	<b>-£749,100</b>	<b>-£298,305</b>

Table 2. Period 09, full year budget plus 2024-2025 full year budget.

2.16 Further details of the changes in anticipated income and expenditure forecasts are highlighted in paragraph 8.11 for information.

2.17 The Draft Business Plan 2024-2025 is also included at Appendix D and is presented to Shareholder Committee for approval.

### **3.0 Recommendations**

3.1 That the performance of the company at **Appendices A, B and C** are noted and that the Draft Business Plan for 2024-2025 **Appendix D** is approved.

### **4.0 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 – FIN23-24/2548**

4.1 The current budgeted management fee payment to Active4today within the Council's financial system is £486,670 for financial year 2023/24. The update report at Appendix A for Active4today for the period up to 31st December 2023 indicates a slight increase in the forecast deficit to £456,930 at para 2.2 factoring in the impacts of the closure of the main pool at Southwell Leisure Centre. However, the ongoing impacts of the

closure at Southwell will only be known at year end and therefore will be closely monitored over the final quarter of 2023-24.

- 4.2 The planned management fee for 2024-2025 of £749,100 will be included in the Council's 2024-2025 Revenue Budget that will be presented for approval and adoption by Full Council at its meeting on 7 March 2024.

**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

5<sup>th</sup> MARCH 2024

UPDATE REPORT 1<sup>st</sup> APRIL 2022 – 31<sup>ST</sup> DECEMBER 2023



**1. REPORT PURPOSE**

- 1.1 To provide the Shareholder Committee with an update on the operations of Active4Today, for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> December 2023 (period 09).
- 1.2 To provide the Shareholder Committee with the proposed budget for 2024-2025, the draft business plan which supports this and the potential management fee, which will be required from Newark and Sherwood District Council for the coming year.

**2. BACKGROUND**

- 2.1 The Shareholder Committee will be aware, the Company had a positive start to the 2023-2024 financial year, as membership numbers were higher than expected at the finish of the 2022-2023 financial year. In addition, general usage of the facilities was higher than forecasted with 1,008,319 visits registered throughout the year. This was an increase on the previous year of 168,834.
- 2.2 During the year in period 6 the Company revised the forecasted income budget position across the Company up by £340,000, as a result of the increased membership and facility hire budget lines.
- 2.3 Utility costs were increased for the 2023-2024 budget by 8%. However, due to the increased price of utilities (which was only known on 1<sup>st</sup> April 2023), the revenue budget was increased by the Company in September's revised budget process by £152,000 (19%), to meet the current and forecasted financial commitment.
- 2.4 In addition to the above, VAT finance was also increased by £65,000 to support the increased costs of utilities and also increases to the maintenance and contractual services finance.
- 2.5 The cost-of-living award for 2023-2024 has now been settled and as expected, it was agreed with Unions for a flat rate payment of £1,925 per FTE, in line with the previous year's award. As reported, this added an additional £74,000 to the salaries budget, which was agreed with the Board when the revised budget was approved.
- 2.6 The budget for investment interest has increased by £28,000 and could rise further by year end. This is due to a combination of increased bank of England interest rates and the company having a healthy level of reserves to invest, over and above those of previous financial years.

2.7 At period 6, the Company was forecasting a management fee of £450,795 from The District Council, however, this did not include any losses resulting from the temporary closure of the Southwell main swimming pool.

### **3. CURRENT SITUATION**

3.1 At close of play on 29<sup>th</sup> October 2023, the Southwell Leisure Centre main swimming pool was unfortunately closed temporarily, due to major defects being identified by a specialist swimming pool contractor. This led to more detailed investigations being undertaken that proved there was a significant leak of pool water of approximately 8,750 litres a day. The investigations concluded that the leak was most likely the result of heavily corroded pipework, which was part of the original construction of the pool in the 1960s.

3.2 The only feasible repair option was to line the pool, the cost of which was estimated at £645,000. The Council concluded that this did not represent good value for money for taxpayers, due to the ongoing risk of other repairs surfacing within the 60-year-old building.

3.3 At its meeting on 19 December 2023, the Council's Cabinet agreed to the closure of the main pool on a permanent basis; however, to set aside £5.5million to build a new swimming facility, adjacent to the current leisure centre comprising a new main pool and learner pool. This decision was subject to agreement with the principal landowners, namely Southwell Leisure Centre Trust and Southwell Town Council. In making this decision, the Cabinet agreed that the provision of a new swimming pool facility would be first phase of a wider development of a new leisure centre on the same site.

3.4 In view of the above, the Company temporarily ceased taking payments from any person who's membership identified the main swimming pool as the primary activity.

3.5 The Company had originally indicated to the Council that the net loss would be circa £20,000 per month and that this was expected for the remainder of the financial year. This would have resulted in a management fee of approximately £570,795, an increase of £120,000 e.g. six months at £20,000, added to the current forecasted management fee of £450,795.

3.6 As at period 9 the income budget for Southwell, as expected, has experienced several losses, however not quite to the level initially forecasted. This is due to the Company working hard to accommodate members at the other facilities, which has enabled them to continue to use the swimming facilities. It is expected that the level of cancellations, however, will increase in the coming months, as the closure of the main pool is now permanent.

3.7 Whilst the Southwell Leisure Centre has experienced losses, the Company has managed to increase income at the other leisure centres and partner sites which it operates, all of which has supported the forecasted year end position.

3.8 As a result of the information above the Company is currently forecasting to have a year-end deficit figure of £456,930, despite the loss of income from Southwell. This is broadly in line with the original forecasted management fee figure of £450,795 and approximately £115,000 less than the expected management fee, with the pool now was closed.

3.9 In addition to the pool closure, essential maintenance relating to fire safety works has also taken place at Southwell, resulting in the closure of one of the first-floor fitness suite rooms for approximately 5 weeks. These works are part of the £740,000 being invested by Newark and Sherwood District Council to ensure the leisure centre remains compliant and is fit for purpose for the next several years. During the partial closure of the fitness suite, additional classes were added to the leisure centre programme and these assisted in retaining customers and mitigating any financial losses.

3.10 Further works will however, be taking place at Southwell Leisure Centre to complete the essential maintenance work identified. These works are scheduled for summer 2024, and once the full extent of these works is known, the impact on the customers and Company can be assessed.

#### 4. FINANCIAL HEADLINES UP TO 31<sup>st</sup> DECEMBER 2023

4.1 Set out in the table below (fig 1), A4T has provided the current financial position of the Company, which is monitored by the Board, as part of its role in managing the operations of the business. The table below shows full year budget revised at period 6 2023, the profiled budget up to period 9 2023, the actual income and expenditure to period 9 2023 and the variance between the profiled budget and actual income/expenditure.

	Full year revised budget completed at period 6	2023-24 Profiled Budget to period 9	Actual Income/ Expenditure	Variance between the period 9 profiled budget and the actual to period 9
Membership Income	-£3,562,900.00	-£2,656,707.65	-£2,665,467.50	<b>-£8,759.85</b>
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Other Income	-£79,800.00	-£36,422.04	-£41,703.23	<b>-£5,281.19</b>
<b>Total income</b>	<b>-£4,416,250.00</b>	<b>-£3,254,504.69</b>	<b>-£3,301,065.05</b>	<b>-£46,560.36</b>
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Supplies and services	£1,005,270.00	£699,943.86	£450,558.73	<b>-£249,385.13</b>
Transfer to Reserves	£50,000.00	£0.00	£0.00	<b>£0.00</b>
<b>Total expenditure</b>	<b>£4,867,045.00</b>	<b>£3,495,472.29</b>	<b>£3,017,759.66</b>	<b>-£477,712.63</b>
<b>Surplus/Deficit</b>	<b>£450,795.00</b>	<b>Forecasted year end position at period 9 £456,930</b>		

Fig 1 Financial performance update

4.2 This budget may be subject to further change, with the Company aiming to provide the most up to date financial position for the Board and Shareholder committee. Below are the

highlights from the financial information, in a bid to provide some narrative for the Committee.

- I. **Membership Income** – This income line is currently overachieving to period 9 by £9,000, taking into account the loss of income within the Southwell Leisure Centre budget of £32,000, which is attributed to the main pool closure. In the event this closure had not taken place, the membership income budget across all sites would have been outperforming the budget by £23,000 to period 9.
- II. **Facility hire/ Pay and Play income**– This income line is currently overachieving to period 9 by £33,000, against its budgeted total. This is also taking into account the loss of income within the Southwell Leisure Centre budget of £11,500, which is attributed to the main pool closure. Whilst £33,000 is very positive for the Company, this total includes £11,000 upfront payments, meaning the true overachievement to period 9 is £22,000.
- III. **Staffing** – This budget is currently showing an underspend to period 9 of £33,000. This is a very good position for the Company, as it has absorbed the issues at Southwell Leisure Centre, which involved increased staffing in the fitness suite, it has increased capacity where required to meet the increased income lines and it has met the cost-of-living increase, as set out above.

This budget however, will be fully committed at year end, as it will cover the costs for the additional March hours, which is paid in arrears and it will cover the holiday pay calculation, which is also paid in the following year, to the year it was worked in.

- IV. **Premises** – This budget is currently showing an underspend to period 9 of £195,000. This is made up of £104,00 in utility invoices, which are paid in arrears, as well as £91,000 in repairs and maintenance. It is expected however, that this budget will be fully committed at year end. Works have been scheduled for the remaining periods, as well as outstanding invoices, which the Company have not yet received for works completed.
- V. **Supplies and Services** – This section of the budget is made up of several budget lines, all of which are currently projected to be in line with the revised budget figure, despite several showing as underspent. Some of the larger underspends are, irrecoverable VAT, which is process quarterly in arrears, so will not show until period 10, NSDC recharge invoices, which have now been agreed for quarter 3 and are currently being processed for payment and contractual services, which is also typically raised quarterly or monthly in arrears.
- VI. **Transfer from Balances** – This line represents the expected shortfall between income and expenditure for the Company for the financial year 2023-2024. This line also gauges

the amount of management fee required from the District Council, to help financially support the Company. This is currently forecasted at £456,930 as set out in 3.8.

- VII. **Reserves** - The Company will continue to maintain its reserve of £450,722. This will be supported with an in-year contribution by the Company into reserves of £50,000, at year end.

## 5. **FURTHER FINANCIAL UPDATES**

- 5.1 Following on from the previous update to the Shareholders Committee, the Company has now completed three planned internal audits; which were undertaken by Wright Vigar (external audit company). The first audit focused on the direct debit membership and the Company received excellent feedback from the audit regarding its processes and procedures. The second audit focused on card and online income and once again, the Company has received excellent feedback on its performance. The final audit on VAT processes and returns has also now been completed. All three audits received the positive opinion that *“Process, systems are well implemented and documented and no major, or minor non-conformances have been found”*.
- 5.2 The Company has now completed its audit scopes for the next phase of its internal audits, which will take place on various aspects of the Company’s finances, over the next four years:
- Creditors
  - Payroll
  - Income
  - VAT
- 5.3 The Company has supported the District Council’s application to the Swimming Pool Support Fund, which is being administered by Sport England. Members will be aware that in phase 1 the NSDC/A4T submission was successful and received a grant totalling £187,539 for support in the operation of the three leisure centres, operating five swimming pools (at the time of the application Southwell was operating with two pools).
- 5.4 The Phase 2 application for funding towards capital works has been submitted and the outcome is expected during January 2024. This phase contains items including new and replacement pool covers, upgrades to LED lighting and external glass replacement.
- 5.5 Funding was available for the installation of solar panels, however as the Council had already committed funds towards this programme of installation at DLC and NSFC, Sport England would not award funding for retrospective projects, therefore this cannot be included in the application. The total request was £343,559, broken down to £32,203 for DLC, £250,000 for SLC (submitted prior to receiving external pool report), and £61,356 for NSFC.

## 6. USAGE PERFORMANCE

- 6.1 As the Committee may be aware, the performance of the Company is monitored against a small set of indicators, which focus on usage and membership sales. These indicators have been agreed and used for the past several years, which has allowed for comparative data to be available. Attached at appendix I, are the indicators for the Company.
- 6.2 In addition to the quantitative data set out above, case studies and more qualitative performance information is provided separately within this report and focuses on the performance of the Company's Sports Development team. This is attached at appendix II.
- 6.3 Finally to provide compliance reassurance to the Council, the following list now forms part of the update report.
- I. Performance against Business Plan Actions and Performance Indicators
  - II. By exception: update on regulatory compliance
  - III. By exception: Strategic Risk
  - IV. Outcome of any formal complaints
  - V. Inclusion of customer satisfaction data

## 7. PERFORMANCE TO PERIOD 9, TO 31<sup>ST</sup> DECEMBER 2023

### 7.1 Performance against Business Plan Actions and Performance Indicators:

	AIMS	LINKS TO H&WB STRATEGY	ACTION	PROGRESS TO 31ST DECEMBER
1.	Healthy and active lifestyles			
1.1	Childhood obesity - develop and provide opportunities for young people	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Co-ordinate a series of free-swimming sessions for children, especially focused on the new swimming pool in Ollerton. This will take place during the main holiday periods of Easter and summer and will be for a day per week for an open session.</p> <p>b) Develop 10 bursaries for identified young people living with physical and/or mental health conditions, to access a free 12-month gym membership at each of our leisure centre sites DLC, NSFC, SLC, BLC</p> <p>c) Develop the school holiday provision to include developmental sports clubs and provide experience for VISPA volunteers</p>	<p>Free swimming sessions held in Easter and Summer holidays. These attracted 28 young people and families to the pool at DLC.</p> <p>Bursary scheme criteria and process developed and launched. Information sent to a range of partners including Secondary School SEN teams, NHS, CAHMS, ShawMind, NCC and Youth Service. Received 6 applications and all approved.</p> <p>School holiday activities delivered at the end of each term. Programmes included Southwell Junior Badminton Club at SLC and Game on</p>

				<p>(Football) at DLC. Two VISPA volunteers engaged and delivered on summer programme.</p> <p>Meeting with Southwell and Newark SC's to ensure the pathway.</p>
1.2	Inactive people - develop and provide opportunities for inactive people	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity/ Recognising Mental Health	<p>d) Development of an annual swimming competition to identify talented swimmers and signpost to local clubs</p> <p>a) Develop 4 x 8-week pilot sessions, with Shaw Mind and local secondary schools to support small groups of targeted young people with mental health problems into structured physical activity, gym use</p> <p>b) Explore, pilot and develop one session targeting people with a disability and new parents engaging with a minimum of 10 people per session, over a 10-week period.</p> <p>c) Relaunch disability sports sessions at NSFC and ensure communication takes place with previous attendees as well as new customers.</p> <p>d) Work with community partners to develop 2 new inclusive disability sports sessions within our centres.</p> <p>e) Join National Disability Awareness campaigns to raise awareness of the disability offer and broaden the spread of publicity</p>	<p>Delivery of sessions at SLC with Minster School students. There were 8 students engaged. Minster School continue to access the gym at SLC now bringing 2 groups of 10 students weekly.</p> <p>Dukeries, Magnus and Newark Academies still to be planned. Additional training to follow with key individuals. Extension of 121's at DLC for trampoline.</p> <p>Disability swim at NSFC extended to the teaching pool during the school holidays to support disabled young people to access the pool.</p> <p>Engaged with Ollerton and Boughton Children's centre. Buggy Walk identified as preferred activity. ALO identified suitable walks and is identifying Walk Leader training to support future sustainability. New session started at NSFC in April attracting 20 people and their carers to participate in multi sports activities.</p> <p>Funding sought to enable Reach Newark group to continue until April 2024. Engaged with MySight Newark to explore sports sessions at NSFC for their service users.</p> <p>Supported group with Boccia balls so they can access the sport in a 'familiar' environment where they are confident.</p> <p>Development of a 'talking map' to support access for individuals with sight loss to access current offer at the leisure centre. Session for group of partially</p>

				<p>sighted/blind adults planned to start later in the year with aim of an event/session on World Sight Day 2024.</p> <p>Calendar of campaigns created focusing on those disability groups already accessing the centres whilst raising awareness of accessible sessions across a range of disabilities.</p>
1.3	Recognising the mental health issues which may have resulted due to the pandemic	Recognising Mental Health/ Tackling Physical Activity	<p>a) Working directly with CAMHS and mental health professionals to increase physical activity levels and improve health and wellbeing</p> <p>b) Support the N&amp;S Sports Council to develop a team of Mental Health ambassadors across the district.</p> <p>c) Work with partners to develop and organise/deliver mental health training for identified staff</p>	<p>Training planned for sports club ambassadors through Sports Council</p> <p>CAHMS services under extreme pressure, so partnership development with ShawMind - youth mental health charity. ShawMind has developed and delivered a training programme to help young people understand their own mental health and how physical activity can improve it. This was delivered with Minster students alongside group gym sessions.</p> <p>Mental health information provided by ShawMind has been added to the A4T website to ensure help and support can be accessed by all.</p> <p>Training planned for sports club ambassadors through Sports Council. Training will take place in the next 2 months, sports clubs identified suitable participants.</p> <p>Complete – online training identified and rolled out to staff. Added into induction process</p>
1.4	NSEC 6-8 - develop and provide opportunities for people living in high NSEC 6-8	Tackling Physical Activity	<p>a) Offer 20 bursaries, for a free 12-month membership to working age adults through partnership with DWP living in NSEC groups 6-8, in targeted areas at DLC and NSFC</p>	<p>Scheme developed, reengage with DWP colleagues to relaunch</p>
1.5	Development of the VISPA and VISPA Academy to provide volunteering opportunities for young people	Tackling Physical Activity	<p>a) Continue with the work in the schools to develop volunteering opportunities for children aged 14 and over. Engagement with 5 schools and a target of 40 young people on the VISPA programme</p>	<p>Review of VISPA volunteer scheme undertaken. Current cohort of volunteers reengaged. Contacted all secondary schools to hold stalls at Open/Parent's Evenings in Spring term. Attended Newark College volunteer event and</p>

			<p>b) Development of qualification opportunities for VISPA Academy volunteers, which include sports leadership and best practice in leading groups of activities for children</p> <p>c) Engage with the VISPA volunteering cohort to assist with the development of a large competition within A4T, as part of their learning and development</p> <p>d) Development of a digital platform to record training, hours and progress</p>	<p>attracted 8 new applications. Linked with N&amp;SCVS to broaden the spread of publicity and attract new volunteers from other voluntary youth organisations.</p> <p>On hold – roll forward to 24/25 New qualification and training pathway planned for VISPA and VISPA Academy volunteers.</p> <p>Volunteers will be engaged in the planned swimming competition.</p> <p>In progress. VISPA volunteers to be integrated onto Staffmis portal for recording hours, induction and further training.</p>
1.6	Secure funding to deliver a range of activities in priority areas	Tackling Physical Activity	a) Explore the options for establishing a charitable arm of the company, in a bid to attract external funding	In progress. Options appraisal to be completed.
1.7	Development of Corporate health and wellbeing memberships, as part of a wider network of organisations i.e., Beaumont House Business Club, School Groups, NHS or similar	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Commence with wellbeing roadshows within companies located across Newark and Sherwood and use the networking opportunities developed through the Beaumont House Business Club partnership, to promote the NSDC 'Wellbeing at Work' scheme</p> <p>b) Create digital promotional material for companies that take up corporate membership packages, with a view to improving the health and wellbeing of their workforce</p> <p>c) Develop and host a charity event at NSFC with the Beaumont House Business Club members, to bring organisations to the facilities and experience the offer</p>	<p>Wellbeing Roadshows planned in Spring for 4 new businesses. Reengaged with current corporate business members to develop more opportunities for employees to be more physical active. Linked with Newark Town Council to promote opportunities to cycle to work.</p> <p>Complete – to be used at forthcoming Roadshows.</p> <p>In progress – meeting planned with contact at Beaumont House.</p>
2.	Accessible facilities			
2.1	Development of a new disability swimming programme across Newark, Southwell and Ollerton	Improving Healthy Lifestyles/ Tackling Physical Activity	a) Set up a structure of 1-2-1 swimming lessons for persons with a disability, providing structured lessons where the person is unable to participate in group lessons	Complete – 20 individuals with a disability having weekly swimming lessons that are appropriate to their needs.

			b) Develop a specific swimming session at Newark, Southwell and Ollerton for non-structured access for persons with a disability and their carers	Complete – began in September 2023.
2.2	Increase the profile of the GP referral scheme and pathway	Improving Healthy Lifestyles/ Tackling Physical Activity/ Addressing the needs of an ageing population	<p>a) Review and evaluate the current GP referral scheme, identify potential improvements to increase access and participation and retention beyond minimum period</p> <p>b) Target 10 new referral agencies/surgeries within the district and on the borders of the district per month, advising them of the benefits of engaging with the GP referral programme.</p> <p>c) Ensure there are a minimum of 3 qualified GP referral instructors available within the Company and who can deliver a structured programme for clients in a bid to support them through their journey</p>	<p>In progress. Referral form to be made digital with NHS contacts. One new staff member identified to attend Level 3 GP Referral Course to expand capacity.</p> <p>Reengaged with current referral partners and re-established links with partners who had low referral numbers. Approached 5 new referral partners who are located on the fringes of the district.</p> <p>One individual identified to attend course in Spring.</p>
2.3	Work with NSDC on new facilities across the district	Tackling Physical Activity	a) Work with the Council to explore the opportunities available for additional all-weather facilities within the district operated by A4T. This work will link into the Council's playing pitch strategy	A4T involved in PPS review. PPS review completed with potential opportunities for development of facilities at Minster School (hockey refurbishment, rugby development) and Dukeries Academy (hockey – resurface for football/rugby use).
2.4	Identify further opportunities for partner sites	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Map out the schools within the district and over its borders, with leisure provision on their campus and who may be interested in working with A4T as their management partner.</p> <p>b) Based on the feedback from the above work, contact schools each month with the offer to work with A4T with a target of developing two further partner sites within 2023-2024</p> <p>c) Improve community access through partner facilities and put in place SLAs with each partner site</p>	<p>Mapping exercise undertaken and contact made with 4 schools/academies. Follow up meetings took place with 2 schools. Contact has been made with 20 schools/academies across Mansfield, Ashfield and Bassetlaw.</p> <p>Follow up meetings took place with 2 schools and awaiting final approval from Board of Governors.</p> <p>Completed – SLA's in place</p>

2.5	Development of tender for new fitness equipment across all centres	Improving Healthy Lifestyles/ Tackling Physical Activity/ Addressing the needs of an ageing population	<p>a) Assess the current fitness offer provided by the Company in its fitness suites and studios and assess the need for the Company over the next seven to eight years</p> <p>b) Work with the Council using the above information to develop an understanding of the proposed offer in the future and how this can be translated into a tendering opportunity, for suitably qualified fitness equipment suppliers</p> <p>c) Work with the Council to update the current capital budget identified for replacement fitness equipment and ensure sufficient finance is available before any tendering process is advertised</p>	<p>In progress</p> <p>In progress</p> <p>In progress</p>
2.6	Refugees	Tackling Physical Activity	a) Working with the Council continue to roll out the support for refugees within the district, by allowing 6 months free access to the leisure centres for adults and juniors	Ongoing. After initial 6 month free membership period, all refugees offered concessionary membership fees to continue.
2.7	Improve the range of technology utilised to enhance the customer experience	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) With a suitable App developer, provide an App for the Company which is integrated into the Company's Leisure Management System and improves/enhances the customer journey</p> <p>b) Roll out the App to the customer, ensuring sufficient support is provided by the customer services team (both on the telephones and in person on the sites) to support the customer through the set-up period</p> <p>c) Develop a digital customer survey which can be sent out annually by the Company, to assess the feedback on the company regarding customer satisfaction</p> <p>d) Continue to develop and roll out the self-service offer within the Company, moving all grant aid forms and applications online to speed the process up for the applicant and improve the quality of offer by the Company</p>	<p>Complete - launched in July, content build planned for the rest of the year to drive usage.</p> <p>Further content to be developed including job vacancies</p> <p>Customer satisfaction survey drafted, online link to be circulated in February on social media with hard copy available at sites.</p> <p>Booking forms and grant aid forms have been developed online and will be launched to the public in Spring for the next round of bookings/applications.</p>
3.	Financial viability			

3.1	Online user focus groups	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Develop three virtual customer focus groups for the Company during 2023-2024 to assist with the customer journey, by understanding feedback from the customer</p> <p>b) Use the feedback from the customer to develop suitable programmes to meet the needs of the users and develop further opportunities to attract new customers</p>	<p>Customer Focus Group meetings held virtually with limited attendance. Next group taking place in March.</p> <p>Evidence of customer feedback provided in reports and actions taken to improve the offer.</p>
3.2	Assess the impact of the cost-of-living situation and undertake a pricing review at quarter 2, ahead of 2024-2025 business planning process	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Undertake the remaining price re-alignments for the memberships with a target of achieving a full re-alignment of all memberships by the end of the financial year 2023-2024</p> <p>b) Develop an understanding of potential price increases for the remaining 6-months of the 2023-2024 financial year, based on the analysis of the data at quarter 2</p>	<p>Price realignment and revalidation took place in October for several membership types including Student and Corporate members.</p> <p>On hold – working with NSDC within full review of fees and charges.</p>
3.3	Development of direct debit for external organisations and groups	Improving Healthy Lifestyles/ Tackling Physical Activity	a) Approach suitably large sporting organisations to offer the opportunity for A4T to collect and administer the subscriptions made by members, through the Company's already established and successful direct debit memberships	Discussion held during sports council meeting. Majority of clubs in attendance no longer have weekly cash subs, instead asking for monthly or yearly payment by standing order, opportunity to develop this for direct debit.
3.4	Accredited training centres	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Continue to develop the build upon the successful training centres which the Company has already set up through the STA to improve quality of the aquatics programme</p> <p>b) Run three STA courses including Level 1 and Level 2 swimming teacher courses and 3 pool lifeguard courses</p>	<p>1 swimming teacher award (asst coach) held in June 1 lifeguard course held in July 1 lifeguard course held in October</p> <p>1 swimming teacher certificate (coach) held in November 1 swimming teacher award course held in December</p>

Fig 2. Performance against Business Plan Actions and Performance Indicators

7.2 The number of user visits is currently following seasonal trends and continues to increase as previously. Before the pool closure during October 2023 and first floor fitness suite works at SLC, the Company expected to reach the predicted target of 1,100,000 visits by 31<sup>st</sup> March 2024.

7.3 Despite these challenges, for the period to 31<sup>st</sup> December 2023, user visits reached 818,751 across all leisure centres and partner sites. This is an increase on the same period last year of 93,750, (725,001) which equates to an average increase of approximately 10,000 users per

month. Whilst the Company is monitoring the usage closely, the Company is still hopeful it will achieve the yearly usage of 1,100,000.

- 7.4 This reduction of usage at SLC is estimated on a monthly basis to be worth approximately 2,000 visits; this relates to main pool swimming lessons and swim in lanes. For December only (relating to the fitness suite works), there was a reduction of 1,200 users of the fitness suite. Whilst December is traditionally a quiet month, this is lower than normal, for this period.
- 7.5 On a positive note, there has been increased usage at partners sites, particularly Magnus and an increase in capacity created at NSFC in the sports hall, following the reprogramming of gymnastics sessions for children. The reprogramming exercise has not affected the number of children participated in gymnastics, as the sessions have been consolidated and utilisation maximised.
- 7.6 The number of referrals received from healthcare professionals up to 31<sup>st</sup> December 2023 reached 239, which is on trend with previous years. Referrals are performing at a consistent rate in relation to conversions and are currently operating at 38% in terms of successful sign ups, with 91 individuals taking out the subsidised membership.
- 7.7 Following the appointment of an active lifestyles officer to the sports development team, the GP referral scheme will be a priority for the remainder of the financial year.
- 7.8 The number of community groups supported has reached 114 across the team of sports development officers. This has increased in the last quarter due to the new postholders (active lifestyles officer and inclusion and engagement officer), starting in post. More details regarding the progress and performance of the sports development team are included in appendix II.
- 7.9 Overall since 1<sup>st</sup> April 2023, there has been 3,397 new adult membership sales across the various membership types sold and 1,208 junior memberships. There were also 69 members that have purchased an annual 'upfront' membership.
- 7.10 Within the industry, studies have proven that when members train with a friend, there is more likely to be sustained participation and membership longevity. The December 'Bring a friend on Thursdays' campaign attracted 20 new people into the centres, with the majority attending NSFC, as expected.
- 7.11 Whilst this number is not large, this has enabled habits to form in a short space of time, just before the Christmas and New Year period, where traditionally as mentioned earlier, December participation is lower than average. Further promotions for introducing a friend and referral campaigns are planned for the rest of the year.

7.12 On 31<sup>st</sup> December 2023 there were 11,102 live memberships held across all sites. All memberships have experienced a slight reduction in number. This is in line with seasonal variations and reflects the main pool closure at SLC. The table below provides the committee with direct debit membership data and how this has performed since 1<sup>st</sup> March 2023.

Month	BLC Adult	DLC Adult	NSFC Adult	SLC Adult	BLC Child	DLC Child	NSFC Child	SLC Child	TOTAL
<b>March 2023</b>	712	1,353	3,928	2,130	84	502	1,621	1,430	<b>11,760</b>
<b>April</b>	700	1,345	3,914	2,118	84	499	1,617	1,411	<b>11,688</b>
<b>May</b>	685	1,310	3,901	2,104	83	490	1,599	1,410	<b>11,582</b>
<b>June</b>	689	1,324	3,965	2,125	84	492	1,584	1,411	<b>11,674</b>
<b>July</b>	670	1,356	4,074	2,145	85	495	1,570	1,415	<b>11,810</b>
<b>August</b>	689	1,346	4,045	2,144	84	495	1,571	1,420	<b>11,794</b>
<b>September</b>	688	1,347	4,048	2,139	84	494	1,569	1,419	<b>11,788</b>
<b>October</b>	691	1,308	4,025	2,104	84	480	1,541	1,405	<b>11,638</b>
<b>November</b>	694	1,270	4,021	1,972	84	479	1,524	1,302	<b>11,346</b>
<b>December</b>	680	1,222	3,976	1,924	83	420	1,486	1,311	<b>11,102</b>

7.13 The children’s membership base at SLC, has experienced a small loss so far, despite building capacity and offering lessons at DLC and NSFC. The Memberships and Finance teams are now undertaking the process of transferring memberships to other sites to ensure from 1<sup>st</sup> April 2024, the membership numbers are representative of the correct centre usage.

7.14 All customers on swim only and children’s main pool lessons will be contacted (w/c 8<sup>th</sup> January 2024), to confirm that their membership direct debit payments will recommence from 1<sup>st</sup> February 2024. It is expected that this will create a flurry of members contacting the customer service team to rearrange lessons, or to confirm they would like their membership cancelling. A further update will be presented during the next meeting.

7.15 During this period of uncertainty at SLC, there has been 334 cancellations. In direct comparison to the same period in 2023, this is an increase of +42 (292). Whilst this is not at this stage a large amount, it is still significant and has an impact on the financial performance overall. Whilst it is regrettable that cancellations have occurred, this was factored in by the Company and the information was shared with the Council with regards to the potential impact on the management fee.

7.16 On a positive note, there have 84 children that have moved their weekly 30-minute main pool swimming lesson to DLC or NSFC and filled existing gaps in provision, therefore not requiring any further staffing resource.

7.17 The live adult membership base at BLC is remaining steady and consistently at almost 700 adult members. It is performing slightly below target currently reaching 680 adult members against a target of 704 (-24). The membership has experienced some growth in comparison to the same period last year where it reached 648, (+32).

- 7.18 The live children's membership base at BLC is still performing well, with more young people joining the XP Student membership as it includes access to the fitness suite. Throughout the last year this had built up to 83 young people holding a live membership at BLC, an increase from December 2022 of +11 (72). This has also reached the target of 83 at December 2023.
- 7.19 The live adult membership base at DLC has not quite reached its December target of 1,269, achieving 1,222 (-47); however this is a small increase on the same period last year of 1,219 (+3).
- 7.20 The live membership base for children at DLC has seen a reduction in the last quarter, achieving a membership of 420 on 31<sup>st</sup> December 2023. In comparison to the same period in 2022, this membership has experienced a decrease of -48 (468). This is being monitored closely by the team, looking at lesson capacity, teacher quality and bottle necks which sometimes occurs, from the beginners sessions, to the more advanced swimmers. In addition, we may now be experiencing the effects of the cost-of-living impact.
- 7.21 An STA Swimming Teacher Award course was held at DLC in December, with 8 attendees undertaking the course. From this course, the Company recruited 4 new members of staff, which will support an increase in the capacity of the swimming lesson provision across the Company and specifically at that site.
- 7.22 The live adult membership base at NSFC, since April has exceeded the monthly budgeted targets. This growth therefore supports the Company, when other sites do not achieve their target. On 31<sup>st</sup> December, the adult membership base had reached 3,976 against a target of 3,623 (+353). In comparison to 2022, this is an increase of +290 (3,686).
- 7.23 The children's membership base at NSFC is currently at a standstill position. This is possibly due to the many other physical activity opportunities available in Newark. The number of children currently holding a live membership is 1,486 in comparison to 1,624 on 31<sup>st</sup> December 2022, a decrease of -138. Whilst this is a large number, the Company has managed to consolidate these lessons, meaning savings have been made on expenditure. In addition, free time has been made available for additional lane swimming and sports hall activities, meaning extra income can be earned, to off-set the membership loss.
- 7.24 As expected due to the main pool closure and first floor fitness suite works, the live adult membership base at SLC has decreased in the last quarter, to 1,924 a reduction of -100 (2,024) in comparison to the same period in 2022. It has also not achieved the target of 1,940 by -16.
- 7.25 The children's membership base at SLC on 31<sup>st</sup> December has again been impacted by the main pool closure and reduced to 1,311 in comparison to 1,408 (-97) at the same point in 2022.

7.26 In addition to the group swimming lessons, 1-2-1 swimming lessons for people with a disability have been introduced, with 18 children taking part in a weekly lesson. This has been a steady rise in take up since April when there were 8 children having a weekly 1-2-1s. Information about the lessons is continually sent to all local primary schools in the area, via the Special Educational Needs Coordinators.

7.27 Children who were having regular 1-2-1's in the main pool at SLC have been offered alternative sessions at DLC and NSFC.

**7.28 By exception: Update on regulatory compliance**

7.28.1 Since 1<sup>st</sup> April, several inspections and checks have been undertaken by A4T staff, supported by external contractors where necessary. During the last period, the following checks were undertaken:

- Legionella flushing
- Lifts inspections
- Inflatable inspections and certification of usage
- Air handling unit inspections and servicing
- All weather pitch maintenance visit
- Pool Pod service and maintenance
- Combined Heat and Power unit servicing and inspection
- Pool water sampling (bacteriological tests)
- Intruder alarm service
- Fire alarm servicing
- Electric entrance door testing and servicing
- Air Conditioning service and inspections
- Service and inspection for the swimming pools at NSFC
- Service and inspection fitness equipment at all sites

7.28.2 There are also a number of checks and tests, which are the responsibility of the Council as the building owner, or which have been commissioned by the Council on behalf of A4T. These are managed on a regular basis with Council staff from Corporate Property and Safety and Risk. These have included:

- EICR inspections (electrical testing)
- Legionella inspections and tank cleaning
- Pressure vessel testing
- Fire door replacements
- Fire risk assessments and associated works
- Fire extinguisher inspections
- Zurich Insurance inspections

- Fire damper inspection and servicing
- PAT Testing (electrical testing)
- Gas safety certifications
- Emergency lighting at all sites

7.28.3 There are currently no other compliance issues identified.

**7.29 By exception: Strategic Risk**

7.29.1 As reported in the last report to the Committee, the Company, in conjunction with the Council, has identified one strategic risk which includes the essential maintenance work that will take place at SLC. Some of this work was undertaken during November and December to the first-floor fitness suite. The remainder of the works are scheduled for summer 2024 and is being progressed by the Council's Corporate Property Team.

7.29.2 There are currently no other strategic risks identified.

**7.30 Outcome of any formal complaints and customer satisfaction data**

7.30.1 Currently A4T has a process of collecting customer comments and feedback through various means. This includes verbal interaction with staff members, emails sent directly to the Company through the enquiry's inbox, completing an on-line form on the webpage, or via the Council's customer services team.

7.30.2 These various forms are then either actioned by the Operations Manager on duty, (if they are able to answer the query, question, or complaint) or passed through to the Director of Development and Operations, who will then action the feedback by arranging a meeting with the customer/s and/or respond in writing.

7.30.3 In turn, where the feedback involves praise for the Company or an individual, this is passed on to the person/s in question, with a supporting email from the Director of Development and Operations.

7.30.4 The feedback into the Company can range from general operational items for example cleanliness of the buildings, car parking, to programme changes, feedback on staff, and suggestions for new activities.

7.30.5 The online form, which allows comments, complaints and customer feedback to be submitted digitally through the website, is collated into a spreadsheet and reviewed on a weekly basis, to determine the correct course of action. This is managed internally by the Director of Development and Operations to ensure consistency of message and application of policy.

7.30.6 Currently there has been 73 customer comments received in totality across the Company from April to December 2023. These are split down as follows, with often multiple comments covering more than one area of the business:

- Issues related to accidents and incidents – 2
- Issues related to facilities including cleaning, maintenance, provision – 33
- Positive customer feedback (staff) – 26
- Negative customer feedback (staff) – 10
- Feedback with regards to programming – 16
- Feedback with regards to systems and pricing – 8
- Miscellaneous – 13

7.30.7 Examples of some of the comments during the last quarter are:

- Membership costs unaffordable
- Pilates classes at SLC are enjoyable, but also hard work and are encouraging people to exercise
- Length of lane swim at DLC reduced to 40 mins due to a previous school swimming session over running
- Limited availability of badminton on Saturday afternoons at SLC
- Availability of popular classes and 7 day booking period
- Impressed by the pool at DLC, however would like the lane widths to be double rather than single
- Volume level of music in the fitness suite at SLC is too high
- Disappointment that the squash courts at NSFC are being used for other purposes
- Praise for swimming teacher at NSFC for provision of a fun and enjoyable swimming lesson for a child with autism

7.30.8 The breakdown of scores relating to the comments are as follows, with 1 being the lowest score and 5 being the highest:

- Score of 1/5 – 22
- Score of 2/5 – 7
- Score of 3/5 – 13
- Score of 4/5 – 10
- Score of 5/5 – 21

7.30.9 The A4T Senior Management Team would consider comments above 3/5 to be a good standard of performance and given the above, that equates to 44/73 (60%). It is worth noting that as a result of the closure of the main pool at SLC, there has been several emails received by the Company from customers. A series of responses have been sent back to these customers, either by A4T, or by the Council.

## **8. PROPOSED DRAFT 2024-2025 BUDGET and BUSINESS PLAN**

- 8.1 When developing the budgets for 2024-2025, the Company has made provision for areas which have historically increased over the past several years and includes, cost of living increases, utilities, national insurance increases, and insurance. These have been factored into the 2024-2025 draft budget, with the information that is known at the current time. From the list above, utility charges are expected to continue to increase throughout the year. In 2023-2024, the Company had estimated a percentage price increase of circa 8%, however, this was revised upwards to 19%, due to the increased costs of utilities. In view of this, the Company is estimating an increase of 15% in utility prices for 2024-2025.
- 8.2 In addition to the above, the Company is also increasing its budgets for VAT, licenses (software development) and compliance. These increases have been borne out of the 2023-2024 financial year, with VAT increasing significantly, due to the impact of the increased utility charges and the VAT which supports this. Software is also now becoming a significant spend for the Company with various pieces of technology required. These applications are all required to support the smooth operation of the Company and enhance the customer experience for the users of the business. These applications include, a leisure management system, LeisureHub, a newly developed App, Staffmis, kiosks and door entry systems.
- 8.3 With regards to compliance, the Company undertakes a plethora of checks which are required for the safeguarding of the Company, its employees, and the customers. These checks include building compliance, financial compliance, employment compliance and ICT security. Several of the compliance works are discharged via the service level agreements with the Council, with the remainder being identified and procured by the Company. These tend to be 'Company or leisure specific' and include areas such as pool lifeguard qualifications, first aid, coaching qualifications, BACS direct debits and membership compliance.
- 8.4 In year pension contribution costs, which support any shortfall in pensions continue to remain at nil for 2024-2025. This is due to the 2022-2023 triennial evaluation, which came into effect from 1<sup>st</sup> April 2023 and runs through until March 2026. The Company continues to pay the employees superannuation contribution attached to the salaries (the 'secondary rate') with the 2024-2025 contribution at 17.6%.
- 8.5 The current proposed budget for 2024-2025 has been developed along the same lines as the 2023-2024 financial year, which has included a 'nil' management fee from the Council, for the leisure centres and the sports development operations. This will be reviewed throughout the year to agree the final management fee required, before the close of accounts.
- 8.6 Due to the current environment which the Company is operating in with regards to the increased costs associated with staffing, utilities, suppliers, contractors, and specific goods including, maintenance works and chemicals, 2024-2025 will be a challenging financial year for expenditure.

8.7 In addition to this, costs have increased for all households including, mortgages, rents, household utilities, etc; this will inevitably result in people’s available income being affected. Whilst this does not automatically mean cancellations will increase and membership sales will decrease, the Company will have to monitor memberships more closely than it currently does, in a bid to track changes that may be occurring and will impact on the net position of the Company in the future.

8.8 As a result of the above information, assumptions have been made when compiling this budget which includes:

- Cost of living increases for salaries set at 5%
- Utility increases set at 15%
- Memberships continuing the current trajectory with regards sales, cancellations, and attrition (with the exception of Southwell Leisure Centre)

8.9 In view of the above, A4T are forecasting a management fee for the 2024-2025 financial year of £749,100, to supports its operations. This forecasted figure supports the operations of four leisure centres and the sports development team, which the committee will be aware, brings no income into the Company, with the exception of grant funding, which is specifically attributed to the projects it supports. The sports development team however, contribute to the exceptionally important social benefits within the district, directly supporting hard to reach individuals and organisations and promoting the benefits of an active and healthy lifestyle.

8.10 Set out in the table below (fig 2), A4T has provided the current financial position of the Company to period 9, which is monitored by the Board, as part of its role in managing the operations of the business. The table below shows the 2023-2024 full year budget, which was revised at period 6 and the forecasted full year budget for 2024-2025, which has been approved by the Board. The variance between the two has then been provided.

	Full year revised budget 2023-2024	Full year budget 2024- 2025	Variance
Adults Memberships	-£2,544,780	-£2,583,400	-£38,620
Junior Memberships	-1,018,120	-£894,800	£123,320
Pay and Play Income	-£329,800	-£295,500	£34,300
Facility Hire Income	-£443,750	-£424,000	£19,750
Other Income	-£79,800	-£101,300	-£21,500
<b>Total income</b>	<b>-£4,416,250</b>	<b>-£4,299,000</b>	<b>£117,250</b>
Staff	£2,556,975	£2,614,600	£57,625
Premises	£1,254,800	£1,321,200	£66,400
Supplies and services	£1,005,270	£1,062,300	£57,030

Transfer to Reserves	£50,000	£50,000	£0
<b>Total expenditure</b>	<b>£4,867,045</b>	<b>£5,048,100</b>	<b>£181,055</b>
<b>Deficit (management fee)</b>	<b>-£450,795</b>	<b>-£749,100</b>	<b>-£298,305</b>

Fig 2. Period 09, full year budget plus 2024-2025 full year budget

8.11 Below are the highlights from the financial information above, in a bid to provide some narrative for the Committee.

- I. **Adult Membership Income** - This budget line has seen an increase of £39,000, despite the forecasted loss of membership income at Southwell leisure centre resulting from the closure of the main pool. The adult swim only memberships was projected to achieve approximately £50,000 in the 2023-2024 financial year, which has now been reduced to nil. The membership base has a projected growth across all sites with sales consistently outweighing cancellations throughout the year.
- II. **Junior memberships** - This budget line has seen a large decrease of £123,000. This is mainly due to the expected loss of members of approximately 500 children on a swimming membership at Southwell. This equates to approximately £137,000 of lost income as a direct result of children’s swimming membership cancellations. The Company has mitigated these losses by making more swimming lessons available across the Newark and Dukeries programmes. The other sites have seen small growth on their programmes, due to the accommodation of Southwell members.
- III. **Pay and Pay Income** – This budget has also seen a large projected decrease of £34,300. This is made up of a slight increase in income in the fitness and dryside of £8,200, however, a large loss of £42,500 in the wetside pay and play income. This is a direct result of the Southwell closure, as the other sites are showing similar levels of income as the 2023-2024 financial year.
- IV. **Facility Hire Income** – This budget line has had a decrease of £19,750 in comparison with this year’s budget. This is made up of a large decrease of £40,000 of wetside facility hire, due to the closure of Southwell swimming pool. This has been partly off-set however, with an increase on the dryside facility hire of £20,250.
- V. **Staff budget** – This budget line has increased by £57,625 with an overall percentage of 5% for salary rates. There has however been reductions in staffing at Southwell, through moving some staff to other sites, to undertake their contracted hours. This has helped to mitigate the overall increase to the salary budget.
- VI. **Premises Budgets** – This budget line has increased by £66,400, which is made up of a 15% increase in utility rates as well as an inflationary increase to the repairs budget. The increase has been offset by a saving at Southwell, as the Company has forecasted a lower utility usage at that site, as a result of the pool closure.

- VII. **Supplies and Services Budget-** This budget line shows an overall increase of £57,000 across several different budget headers. The majority of budget lines have been adjusted in line with the expected outturn of this financial year, with an inflationary increase added on. The majority of the variance of this budget relates to the increase in irrecoverable VAT, which is affected by other areas of spend e.g. utilities and maintenance.
- VIII. **Transfer to reserves-** This identifies a £50,000 provision on an annual basis into the Companies reserves, in order it can continue to increase its total reserve to £750,000, which is the amount identified for the Company. Currently the Company has £450,722 in reserve and it is expecting to add a further £50,000 to this amount at the end of the 2023-2024 financial year, based on the period 09 forecast. With this additional £50,000 added, it would still take the Company approximately 5 years (at £50,000 per annum) to reach £750,000, based on there being no further amount to support this from residual amounts at year end. This approach has been agreed within the governance documents, which identifies that A4T can retain any balances at year end and role these into the reserves until the £750,000 threshold is met.
- IX. **Deficit (management fee)-** A4T are predicting a current shortfall of £749,100 for the 2024-2025 budget, to balance this to zero. This is an increase of £298,305 on the 2023-2024 revised budget and forecasted management fee required. This increase is specifically connected with the loss of income at Southwell Leisure Centre, which had been forecasted at £20,000 per month and the increases in utilities. The Company has managed to mitigate some of these forecasted losses with improved performance at the other facilities and reductions where possible in expenditure.

8.12 In addition to the proposed budget for 2024-2025, the Company also develops a business plan which identifies some of the key areas of work, which the Company will undertake within the district, as part of its management fee.

8.13 Attached at appendix III is the draft 2024-2025 business plan for the Company. The plan focuses on income and usage and also supports those areas within the community, where traditionally activity levels are low. The plan identifies initiatives which may encourage participation in the future and provide the Company with opportunities to develop long term health and fitness habits, with these individuals and groups. This work in the main is led by the sports development team, with exit routes back into the leisure centres.

## 9. **SUMMARY:**

- I. In view of the above, A4T are predicting a current shortfall of £749,100 for the 2024-2025 budget, to balance this to zero. This is an increase of £298,305 on the 2023-2024 revised budget and forecasted management fee required. This amount has been shared with the Council and although the management fee has not been agreed at this stage,

the Council are seeking to identify sufficient finance within their budget, in order to support the Company with this predicted shortfall. This increase is specifically connected with the loss of income at Southwell Leisure Centre, which had been forecasted at £20,000 per month and the increases in utilities.

- II. The Company has managed to mitigate some of these forecasted losses with improved performance at the other facilities and reductions where possible in expenditure.

## **10. BUDGET IMPLICATIONS**

- 10.1 There are significant budget implications contained within this report and this will continue to be discussed with the Council's Senior Leadership team, in order they are fully appraised of the most recent financial position of the Company.

## **11. EQUALITY & DIVERSITY IMPLICATIONS**

- 11.1 The swimming pool at the Dukeries Leisure Centre has continued to provide an excellent resource in the Sherwood area of the district. This has been supported by a pricing strategy offering concessionary pricing, in a bid to ensure that price is not a barrier to entry.
- 11.2 All information will continue to be available in a number of formats in line with Active4Today's access requirements and those set out in the equalities and diversity policy.

***For further information please contact Andy Carolan – Managing Director***

<u>Active4Today Performance Indicators</u>	<b>APPENDIX B</b>		
	<b>31st December 2022</b>	<b>31st December 2023</b>	<b>Growth (+) Decline (-)</b>
No. of User Visits - TOTAL	725,001	818,751	+12.93%
No. of Leisure Centre user visits - Children (under 16) - TOTAL	212,726	251,458	+18.21%
No. of Leisure Centre user visits - Aged Over 60 - TOTAL	80,563	84,509	+4.90%
No. of Leisure Centre user visits - Deprived areas - Total users	13,535	14,523	+7.30%
No. of individuals referred to Active4Today from a health professional - Total	238	239	+0.42%
No. of individuals referred to Active4Today from a health professional - Attended Session - TOTAL	101	110	+8.91%
No. of Community Groups supported by Sports Development	82	114	+39.02%
Live Leisure Centre Membership base (adults) - Total	7,577	7,802	+2.97%
Live Leisure Centre Membership base (children) - Total	3,571	3,300	-7.59%
Number of people on concessionary membership	395	374	-5.32%

## APPENDIX C

### PERFORMANCE MANAGEMENT REPORT, FROM 1<sup>ST</sup> OCTOBER TO 31<sup>ST</sup> DECEMBER 2023 SPORTS DEVELOPMENT UPDATE

#### Community Development

The Sports Development team continue to provide a secretariat service to Newark and Sherwood Sports Council, which met virtually on 10<sup>th</sup> October. The group discussed the different training options and courses available for coaches, committees and members. All clubs have been given information regarding Suicide Awareness, Bereavement and Self Harm Awareness training delivered by Nottinghamshire County Council/Harmless. The training is completely free and available for sharing throughout the club network to access if required.

The Sports Council AGM was held on 11<sup>th</sup> December with clubs from all corners of the district attending. All clubs were requested to send information for promotion on the Company website. The Sports Council is also creating a 'working group' made up of 3 club representatives from Southwell, Newark and Sherwood areas. The working group will proactively arrange training and events as directed by the committee and member clubs.

Southwell Sports Forum AGM was recently held, and clubs elected new officers in order to renew the interest locally, with the provision of secretariat by A4T, no longer required. Sports development staff have met with Councillor Jeremy Berridge as the new Chairperson and offered support to the group. Clubs voted to meet twice a year, with the sports development team continuing to support clubs to access funding and development support individually and will also provide information to the group through the elected officers.

The sports development team has been involved in the review and refresh of the District's Playing Pitch Strategy which is now complete. The document has identified key areas and clubs that require support from A4T to develop the community facilities. The report also highlights local sports facilities that are currently unavailable for community use. Facility owners will be targeted in a bid to ensure more sports facilities are open for community use in future.

Active4Today continues to support Edwinstowe based sports clubs to access Section 106 funding through NSDC. As part of these discussions Robin Hood Colts are looking at a programme of facility maintenance and the development of girl's football within the village. Edwinstowe Running Club has highlighted the need for footpaths which have increased lighting and this has been fed into the Active Travel study, with Thoresby Sporting Trust looking to lower utility costs by installing solar panels.

Aside from this Clipstone Bowls Club has been supported by A4T and NSDC officers to apply for Community Grant funding to facilitate indoor bowls sessions. This project will not only enable more players to feed into club sessions but will also support community groups such as The Butterfly project, Youth Club, female and older peoples groups to be more physically active together.

A range of holiday activities were available to children, young people and families during October half term as well as the recent Christmas and New Year break. With local schools adopting different holiday weeks, the sports camp sessions at Newark, Dukeries and Southwell were lower on numbers (as expected), however still attracted 57 children into sessions. The Christmas Holiday activities

programme offered a variety of Family Fun Swims at Dukeries and Newark, and Family Sports Sessions at Newark, Southwell and Dukeries sites, which were well received.

The sports development team has supported another 10 individuals to access Grant Aid funding for Coach Development qualifications. These new coaches will directly support local football and hockey clubs, to develop new sessions, expand their clubs offer and engage with more members of the community.

The panel also granted Community Engagement funds to 2 sports clubs (archery and football), to hold 'open door' events. A Club Development grant was awarded to support disability tennis at Newark Sports and Fitness Centre delivered through Collingham Tennis Club and there were 2 Talented Individuals awarded free access passes, for their ongoing success participating in Keelboat racing, and Aqua-Bike competitions.

The sports development team recently arranged for staff and students from Portland College to deliver neuro-diversity training to A4T's coaching and sports development teams. The session was held at Newark Sports and Fitness Centre and attracted 11 staff from Newark, Dukeries and Southwell. Coaching staff were able to ask questions directly to students with autism and engaged in conversations regarding best practice, overcoming barriers and effectively supporting children displaying a range of behaviours during sessions. This will positively support the delivery of swimming, gymnastics and trampoline lessons on junior memberships, and improve the quality for these young people.

### **Active and healthy lifestyles**

Move More Newark & Sherwood continues to meet to further physical activity opportunities across the district. Most recently hosting Active Travel consultants to enable them to understand the districts communities and their barriers to being physically active.

### **Inclusion**

The sports development team has supported Reach (Newark) disability group to access funding from the Nottinghamshire County Council's Councillor's Divisional Funds. Councillor Girling has enabled the group to continue multi sports sessions at Newark Sports and Fitness Centre until April 2024. The team are actively supporting Reach to find longer term funding to support sports groups to be held at both Newark and Southwell centres.

In early December staff attended the Community Alcohol Partnership launch event at Castle House. The aim of CAP is to tackle underage alcohol and substance misuse through partnership working. The sports development team has identified diversionary activities that could take place to support engagement with young people and partners to tackle anti-social behaviour and provide opportunities for young people to engage in sport and physical activity. These activities are planned for the New Year.

The Sports Development team recently attended an event at Hawtonville Young People's Centre lead by Nottinghamshire County Council and Newark and Sherwood District Council. The meeting discussed the ways different local services currently interact with residents and what was available in the immediate area for residents to access. A4T works closely with staff from the YPC and has supported staff to provide informal football sessions on the all-weather pitch at Magnus School, as well as offer volunteering opportunities to targeted young people in Newark and Boughton.

Students from Minster School have now successfully completed a bespoke series of sessions as a support for mental health, delivered in the fitness suite at Southwell Leisure Centre in partnership with Shaw Mind. The sessions have been a great success with students signing up for active cards to enable gym use in their own time. Minster School staff have seen the benefit of these sessions and are continuing to bring students from their SEND provision to access group gym sessions in school time and have booked until February 2024.

Active4Today were pleased to welcome staff and students from Sam's Workplace, Rainworth to experience group gym use at Blidworth Leisure Centre. The students who have a range of learning disabilities are predominantly over the age of 16 years and have been learning how an active lifestyle can benefit their health and wellbeing. The students enjoyed the sessions and have been signposted to membership options to enable them to continue their fitness journey.



# BUSINESS PLAN

## 2024/2025



## THE BUSINESS

Active4Today Ltd was launched on 1<sup>st</sup> June 2015 and is an independent company registered with Companies House, with Newark and Sherwood District Council being the single shareholder.

The business consists of four leisure centres, a sports development section, and a headquarters, which collects and manages the finance of the business, including the in-house direct debits. In addition to these services, Active4Today Ltd operates additional dryside provision out of Newark Academy, Bishop Alexander LEAD Academy, Barnby Road Academy, Nottingham University Samworth Academy (NUSA) and the newly acquired Magnus Academy, through service level agreements.

As a result of Covid-19 and the various closures that the business experienced, the Company's direct debit membership offer was significantly affected. As a result, throughout 2021-2022, 2022-2023 and 2303-2024, the Company worked hard to build its membership back up and is currently operating at over 11,000 adult and junior members.

The aim of the business is to focus on 3 distinct areas:

- Healthy and active lifestyles
- Accessible facilities
- Financial viability

According to statistics highlighted in the Community Plan 2023 – 2027, published by Newark and Sherwood District Council, there is disparity in the life expectancy from different areas of the district, as much as 9 years. This is due to several factors that shape lives and Active4Today has a vital role to play, alongside many other partners, in improving peoples lives.

In terms of levels of physical activity participation, which includes active travel and walking, recent statistics published by Sport England state that Newark and Sherwood performs positively in comparison to the East Midlands.

<b>25.1%</b> Inactive in N&S (less than 30 mins per week)	<b>13.5%</b> Fairly active in N&S (between 30 and 149 mins per week)	<b>61.4%</b> Active in N&S (at least 150 mins per week)
<b>27.5%</b> Inactive in E.Mids (less than 30 mins per week)	<b>11.5%</b> Fairly active in E.Mids (between 30 and 149 mins per week)	<b>61.1%</b> Active in E.Mids (at least 150 mins per week)

Source: Fig 1. Active Lives Survey, Sport England Nov 2021-2022

The Company's unique selling point (USP) is that of a fully accessible service, which is family friendly and offers a wide range of activities to attract users from all age groups and all socio-economic backgrounds. The work of the Company, although complimentary, is split into three areas. These are:

- Leisure facilities
- Outreach work
- Club development

### **Leisure Facilities**

Within these facilities, the leisure centres provide activities to various groups covering, children, adults, 60 plus, affiliated clubs and schools. These are subsequently split into three categories of pay and play, block bookings and direct debit memberships.

The leisure facilities are provided in Blidworth, Ollerton, Southwell and also in Newark. In addition, partnerships were formed with Newark Academy, Barnby Road Academy, Bishop Alexander LEAD Academy Trust, NUSA and Magnus Academy, in a bid to expand the offer of the Company and improve health and fitness, for the communities.

The offer is varied across each site, with the introduction of a new swimming pool in Ollerton in July 2021 and the transfer of Southwell Leisure Centre into Active4Today in October 2021, the facility offer increased significantly. With the exception of Blidworth Leisure Centre, which is a dryside only facility, all sites now have a wet and dryside activity mix.

The wetside provision was however, reduced during October 2023, due to a significant leak within the corroded main pool pipework at Southwell Leisure Centre, which had been in place for nearly 60 years. As a result of this, the main pool was closed and the site is waiting for the development of two new pools over the coming years, following Newark and Sherwood District Council's Cabinet decision, to invest £5.5 million pounds at the site. The teaching pool however, currently remains open and continues to provide swimming lessons and public swimming.

Additional dryside facilities are provided within Newark, in partnership with Newark Academy, Barnby Road Academy, Bishop Alexander LEAD Academy Trust and Magnus Academy. Finally, dryside provision is also provided at the NUSA academy in Nottingham, which is the Company's only facility currently, which is outside the Newark and Sherwood boundaries.

All leisure centre's set out above are owned by Newark and Sherwood District Council, with the exception of Southwell Leisure Centre, which is owned by the Southwell Leisure Centre Trust and leased to the district. Each site is then leased to the Company for Active4Today to operate the leisure offer on behalf of the Council.

All sites are well maintained and an extensive list of repairs and renewals takes place within each facility. Where capital investment is required, this is through discussion with the Council. The latest large investment has been the solar panels located at Newark Sports and Fitness Centre and Dukeries Leisure Centre. The Company is working closely with the Council’s Decarbonisation Project Surveyor, to investigate other opportunities within the centres, including the installation of electric vehicle charges.

**Outreach Work**

Predominantly, this area of work is provided through the sports development team, either through direct provision, or through partnership working with other providers, this includes Newark and Sherwood Activity Village, NHS, clubs, and sporting organisations.

The team over the past year has supported clubs, schools, vulnerable groups and organisation across the district. The team has delivered many initiatives including, health and wellbeing events, holiday activities linked to the national Heathy Activity and Food (HAF) programme and supported community clean up events led by NSDC. The Team is led by one manager, who is supported by two full time officers and several voluntary staff, either directly linked to the organisations which they support, or working for Active4Today through the VISPA volunteering scheme.

Team members are heavily involved in the Council’s aspirations for improving cycling and walking infrastructure across the district as well as supporting the objectives identified in the Playing Pitch Strategy and Facilities Improvement Plan.

**Club and Volunteer Development**

The local sports forums are supported by the sports development team on a quarterly basis throughout the year, providing much-needed secretariat, advice and support to volunteers and clubs through these meetings. Newark and Sherwood Sports Council, was relaunched during 2023 (it had been suspended during Covid), with a focus on mental health and the positives that sport can bring.

There are 103 sports clubs within the district broken down as follows –

Athletics / Running	Cricket	Football	Hockey	Rugby	Swimming	Tennis	Other
5	16	26	2	3	3	5	46

Fig 2. Sports clubs within the district

And this is further split across the Sherwood and Newark areas of the district, as below.

Newark	Sherwood
50	53

Fig 3. Sports clubs split across the district

Whilst the Sports Council may be supported by the sports development team, support is still provided to clubs that are not members of the Sports Council on an individual basis, and this support is offered continuously throughout the year.

The VISPA and VISPA Academy volunteering schemes are a crucial tool to recruit new volunteers into sports activities both in clubs and leisure centres. This is particularly focussed on the 14+ age group, encouraging young people to get involved in volunteering in their community and gaining valuable experience and qualifications. This route has proved very successful in recruiting the workforce to the company, and planned to increase the focus on the recruitment and deployment to community settings. In November 2023, there were 14 volunteers in leisure centre settings. These volunteers provide support and resilience for clubs, as the young people begin to take up new roles within these organisations. As part of the training and support the young people can access subsidised coaching qualifications in sport, which typically include swimming teaching, gymnastics, and trampolining.

This focus on volunteering in sport and physical activity has been unchanged in recent years, however with a review undertaken early 2024, the scheme will contribute towards the Council’s approach to increasing the number of volunteers who are active in the district in sports and leisure opportunities for the public.

### **AIMS AND ACTIONS**

As part of the business plan, aims and actions have been identified by the Company, which focus on key parts of the business. The suggested aims and actions for 2024-2025 are set out below and following a review of the Council’s Health and Wellbeing Strategy 2022–2026, the specific links to the strategy are highlighted below within the plan.

	AIMS	LINKS TO H&WB STRATEGY	ACTION
<b>1.</b>	<b>Healthy and active lifestyles</b>		
1.1	Children and young people	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity	<ul style="list-style-type: none"> <li>a) Co-ordinate a series of free activities for children and families during school holidays. At least 2 free activities on 1 day per week, identified during each school holiday week, in each holiday period.</li> <li>b) Offer school holiday activities to qualifying children on free school meals through the Healthy Activity and Food (HAF) funded programme.</li> </ul>

			<ul style="list-style-type: none"> <li>c) Develop the school holiday provision to include developmental sports clubs and provide experience for VISPA volunteers.</li> <li>d) Development of an annual swimming competition to identify talented swimmers and signpost to local clubs.</li> </ul>
1.2	Inclusion	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity/ Recognising Mental Health	<ul style="list-style-type: none"> <li>a) Continue the roll out of with Shaw Mind for access to fitness suite facilities through local secondary schools to support small groups of targeted young people with mental health problems.</li> <li>b) Continue to offer 20 bursaries for identified young people living with mental health conditions, to access a free 12-month gym membership at each of our leisure centre sites DLC, NSFC, SLC, BLC</li> <li>c) Explore, pilot and develop one session targeting people with a disability engaging with a minimum of 10 people per session, over a 10-week period.</li> <li>d) Join National Disability Awareness campaigns to raise awareness of the disability offer and broaden the spread of publicity.</li> <li>e) Support the N&amp;S Sports Council to develop a team of Mental Health ambassadors across the district.</li> <li>f) Approach local organisations including the Youth Service and Parish Councils to offer activities to address antisocial behaviour (work with at least 10 PC's across the district).</li> <li>g) Identify sessions/activities, once per month that can be offered on a 'Pay what you can' basis.</li> <li>h) Launch the Safer Gyms initiative in conjunction with partners, highlighting A4T involvement and accreditation of all 4 sites.</li> </ul>
1.3	Volunteers and workforce	Tackling Physical Activity	<ul style="list-style-type: none"> <li>a) Work in the secondary schools to develop volunteering opportunities for children aged 14 and over. Engagement with 5 schools and a target of 40 new young people on the VISPA programme.</li> <li>b) Include developmental/mentoring opportunities for VISPA volunteers within the school holiday activity programme.</li> <li>c) Develop a digital platform to record training, hours and progress of VISPA volunteers.</li> <li>d) Work with partners to develop and organise/deliver mental health training for identified staff.</li> <li>e) Identify opportunities for education and training for the community including first aid for children.</li> <li>f) Develop a series of training opportunities for staff and external individuals which will upskill the workforce and widen access to recognised courses, including STA pool lifeguard and swimming teaching, Safer Gyms workshops.</li> </ul>
1.4	New opportunities	Tackling Physical Activity	<ul style="list-style-type: none"> <li>a) Develop the options for establishing a charitable arm of the company, in a bid to attract external funding.</li> <li>b) Engage with 6 new companies to build a relationship and share promotional material to take up corporate membership packages, with a view to improving the health and wellbeing of their workforce.</li> <li>c) Develop and host a charity event at NSFC with the Beaumont House Business Club members, to bring organisations to the facilities and experience the offer.</li> <li>d) Develop a series of 'master classes' for adults which will increase confidence and provide enjoyment to specialist activities.</li> <li>e) Be part of the Council's project group to develop options for the replacement swimming pools at Southwell Leisure Centre and the options for further development of a larger wetside and dryside facility.</li> </ul>

<b>2.</b>	<b>Accessible facilities</b>		
2.1	Long term health conditions	Improving Healthy Lifestyles/ Tackling Physical Activity/ Addressing the needs of an ageing population	<p>a) Following the review in 2023, identify 10 new referral agencies/surgeries within the district and on the borders of the district per month, advising them of the benefits of engaging with the GP referral programme.</p> <p>b) Identify 2 staff for attendance/completion of the Level 3 GP/Exercise Referral qualification in order to build capacity and resilience.</p>
2.2	Partner sites	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Based on the feedback from the review undertaken in 2023, contact 2 schools each month with the offer to work with A4T with a target of developing two further partner sites within 202-2025.</p> <p>b) Improve community access through partner facilities and review current SLAs with each partner site</p>
2.3	Fitness offer	Improving Healthy Lifestyles/ Tackling Physical Activity/ Addressing the needs of an ageing population	<p>a) Review the current fitness equipment provision across all sites and undertake a replacement of all equipment beyond end of life, bring in line with industry standards and trends.</p> <p>b) Work with the Council using the above information to develop an understanding of the proposed offer in the future and how this can be translated into a tendering opportunity, for suitably qualified fitness equipment suppliers.</p> <p>c) Work with the Council to update the current capital budget identified for replacement fitness equipment and ensure sufficient finance is available before any tendering process is advertised</p>
2.4	Digital technology	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Improve the content and functionality of the App, including increased marketing, push notifications, job vacancies and customer feedback.</p> <p>b) Develop a digital customer survey which can be sent out annually by the Company, to assess the feedback regarding customer satisfaction.</p> <p>c) Continue to develop and roll out the self-service offer within the Company, moving all grant aid forms and applications online to speed the process up for the applicant and improve the quality of offer by the Company</p>
2.5	Physical access	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Work with the Council to improve the changing provision for disabled people at Dukeries Leisure Centre</p>
<b>3.</b>	<b>Financial viability</b>		
3.1	Pricing	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) In conjunction with the Council, undertake a pricing review of all hire fees and charges, monthly membership options and pay and play per activity.</p> <p>b) Undertake the remaining price re-alignments for the memberships with a target of achieving a full re-alignment of all memberships by the end of the financial year 2024-2025</p> <p>c) Refine and streamlining of the block booking process and renewal of bookings</p>
3.3	Financial services and expenditure/income	Improving Healthy Lifestyles/ Tackling Physical Activity	<p>a) Approach suitably large sporting organisations to offer the opportunity for A4T to collect and administer the subscriptions made by members, through the Company's already established and successful direct debit memberships.</p>

			b) Undertake the procurement process for the four-year cycle of financial audits
			c) Investigate options for reducing energy costs and usage

Fig 4: proposed outcomes/objectives and actions for 2024-2025

## CUSTOMERS

The business is made up of customers who are at the heart of the business. Physical access to the services by them, occurs in various ways including:

- Free of charge
- Pay and play
- Direct debit memberships
- Hirers direct debit memberships/bookings

## SERVICES AND COMPETITORS

The services are split into two areas, which are indoor provision; provided by the leisure centres and partner sites and external provision; provided by the sports development section of the business. Within the leisure centres and partner sites, the services are divided up into distinct areas, wetside provision and dryside provision. These are once more sub divided into fitness suites, sports hall hire, squash courts, club bookings and swimming.

Below the Company has set out its proposed core prices for its 'pay and play' sessions. These are set out below with current and proposed prices shown. In addition, the same information has been provided for the Company's memberships.

Activity	Active Card holder Adult		Non-Active Card Holder Adult	
	Current Price	Proposed Price	Current Price	Proposed Price
	2023/2024	2024/2025	2023/2024	2024/2025
Badminton	£11.00	£11.00	£13.50	£13.50
Swimming	£6.00	£6.00	£7.50	£7.50
Squash	£9.50	£9.50	£11.50	£11.50
Fitness Suite	£8.00	£8.00	N/A	N/A
Fitness Suite Classes	£8.00	£8.00	N/A	N/A
Activity	Active Card Holder Junior		Non-Active Card Holder Junior	
	Current Price	Proposed Price	Current Price	Proposed Price
	2023/2024	2024/2025	2023/2024	2024/2025
Badminton	£7.50	£7.50	£8.50	£8.50
Swimming	£4.50	£4.50	£5.50	£5.50
Squash	£6.50	£6.50	£7.50	£7.50
Fitness Suite	£5.50	£5.50	N/A	N/A
Fitness Suite Classes	£5.50	£5.50	N/A	N/A

Fig 5. Proposed Core Prices for Adults and Children – 2024-2025

<b>Membership type</b>	<b>Current Price 2023/2024</b>	<b>Proposed price 2024/2025</b>	<b>Price variance</b>
STAFF ACTIVO	£10.00	£10.00	£0.00
Activo Premier	£49.00	£49.00	£0.00
Activo Inclusive	£31.00	£31.00	£0.00
Activo Gym	£29.00	£29.00	£0.00
Activo Corporate	£26.00	£26.00	£0.00
Activo Concessionary	£26.00	£26.00	£0.00
Activo 60	£26.00	£26.00	£0.00
NSDC Corporate	£10.00	£10.00	£0.00
Activo Swim	£22.00	£22.00	£0.00
Activo 60 Swim	£19.00	£19.00	£0.00
GP Referral	£18.00	£18.00	£0.00
Activo Student	£20.00	£20.00	£0.00
Staff Xperience	£10.00	£10.00	£0.00
Xperience 1	£24.00	£24.00	£0.00
NSDC XP1	£19.00	£19.00	£0.00
XP1 Concession	£19.00	£19.00	£0.00
Xperience 2	£38.00	£38.00	£0.00
NSDC Xperience 2	£34.00	£34.00	£0.00
Xperience 2 Concession	£34.00	£34.00	£0.00
Xperience Student	£20.00	£20.00	£0.00
Small Group Swim Lessons	£31.00	£31.00	£0.00
1-2-1 Flex	£72.00	£72.00	£0.00
Adult Monthly Pass	£47.00	£47.00	£0.00
Junior Monthly Pass	£27.00	£27.00	£0.00
SummerFIT	£20.00	£20.00	£0.00
Free Access - Activo Refugee	£0.00	£0.00	£0.00
Free Access - Xp1 Refugee	£0.00	£0.00	£0.00
Free Access - Xp Student Refugee	£0.00	£0.00	£0.00
Freeze	£5.00	£5.00	£0.00
Course Payment upfront	£85.00	£85.00	£0.00
Course Payment upfront Concession	£70.00	£70.00	£0.00
Activo Upfront	£372.00	£372.00	£0.00
Activo 60 Upfront	£312.00	£312.00	£0.00
Activo Swim Upfront	£264.00	£264.00	£0.00
Activo 60 Swim Upfront	£228.00	£228.00	£0.00

Fig 6. Proposed Membership Prices for types – 2024-2025

It is proposed that currently all prices remain the same for 2024-2025, however, as part of the business plan, the Company will review the pricing policy in line with the Council's wider review of prices across the district. Whilst traditionally the Company would introduce a pricing change in April, it is recommending that this is reviewed in the first quarter of the 2024-2025 financial year and any change to pricing is implemented on 1<sup>st</sup> October 2024.

All prices have been assessed in line with other operators and particularly local authority (LA) owned facilities. Active4Today continues to propose very competitive prices for the residents of the district, which are comparable with all other LA's within Nottinghamshire.

## **MARKETING**

To assist with the sustainability and growth of the business, the Company currently markets and advertises extensively to attract and retain its customers and build the profile of the Company locally. Throughout 2024-2025, this will increase further in a bid to attract new customers into the business and retain the customers currently using the Company's services.

Campaigns will be focused on corporate memberships, lapsed members and families (especially in the Ollerton area, where the new swimming pool has been added). Campaigns will be primarily facilitated through social media and digital platforms; however, this will be supported where necessary with several more traditional marketing methods, to meet some local need where digital campaigns may not be the most appropriate. Advertising will also take place through schools and corporate organisations in a bid to raise awareness of the excellent facilities once again on offer.

## **STAFFING**

To undertake the work, the Company has a team of dedicated individuals, led by a committed and passionate management team. In the region of £25,000 is invested annually into training, continuing professional development (CPD), and maintaining staff qualifications. This cost includes the Apprenticeship Levy, which supports the Company's apprentices. This enables the Company to 'ring fence' resources to recruit employees onto apprenticeships, providing valuable vocational training, whilst achieving a recognised qualification from an accredited training provider.

In addition to the training budget identified above, the Company also undertakes monthly training with all lifeguards, which is a requirement of maintaining their pool qualifications and is essential for maintaining the high standards of safety within our facilities.

## **PERFORMANCE MANAGEMENT**

The Company is committed to ensure the performance of a variety of areas is achieved, aligning our resources, systems and employees to the strategic objectives identified earlier. Outcome based performance monitoring is now widely used along with narrative-based performance evidence. The performance indicators are linked to the Council's strategic outcomes and have been developed by senior Members and Officers of the Company and Council, in order to build a meaningful and robust performance framework.

## **FINANCE**

As part of the business planning process, the Company undertakes extensive and detailed work in a bid to produce accurate budgets and forecasts. As a result of the recent proposals by the district council, the management fee for 2024-2025 will be provided as a single payment, made at the end of the financial year and paid before the final accounts are completed.



Report to: Executive Shareholder Committee Meeting 05 March 2024  
 Director Lead: John Robinson, Chief Executive  
 Lead Officer: Sue Bearman, Assistant Director Legal & Democratic Services, Monitoring Officer Ext.5935

Report Summary	
<b>Type of Report</b>	Open Report, Non-Key decision
<b>Report Title</b>	Performance of Arkwood – Quarter 3 2023-24
<b>Purpose of Report</b>	To present the performance of Arkwood in Quarter 3
<b>Report Recommendations</b>	That Members note:  the Arkwood Performance Report (attached as the <b>Appendix A</b> ) and consider company’s performance against its targets and objectives highlighting any areas of high performance and identifying areas for improvement; and  the Arkwood Briefing paper from the Managing Director – Arkwood (attached as appendix 2).
<b>Alternative Options Considered</b>	None
<b>Reason for Recommendations</b>	To ensure appropriate review of the Performance of the Councils wholly owned Housing Development Company (Arkwood).

## 1.0 Background

1.1 Performance management is a tool to drive improvement. This is done by analysing performance using performance information and progress against key activities.

## 2.0 Proposal

- 2.1 That the Committee to note the Quarter 3 Arkwood Performance report (**Appendix 1**).
- 2.2 That the Committee note the Arkwood briefing note attached at appendix 2. There will also be a presentation to Members.

## 3.0 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.

**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.

Code	Indicator Name	20/21 Q3 Value	21/22 Q3 Value	22/23 Q3 Value	23/24 Q3 Value	23/24 Q3 Target	23/24 Q3 Business Manager Comments
ARK002	Arkwood - number of units delivered	New for Q3 21/22	8	44	73	Trend	Units delivered is slightly behind programme, but currently all units are due to be completed by end March 2024.
ARK003	Arkwood - plots commenced	New for Q3 21/22	43	87	87	Trend	Plots commenced is in line with programme, we do not have any further units due for commencement until the Spring of 2024

## Arkwood Briefing – 5 March 2024

### Development Activity

Arkwood are in the final stages of completing the build of 87 new homes at The Avenues, Bowbridge Road, Newark. Work is expected to conclude by the end of March 2024, with all the remaining units now at, or approaching, final snagging stage.

### Sales Activity

Sales activity has slowed over the last 6 months, in line with general market conditions. However, we continue to secure new customers, with six new sales having been secured from December 2023 up until early Feb 2024. At the time of writing there remains 10 units to sell and we anticipate these to be sold and completed by the middle of 2024.

Despite the challenges faced as a result of the liquidation of Robert Woodhead Ltd, the expected return for the project remains well above the initial viability/profitability approved by the Arkwood Board.

### Market Conditions

As a result of increase interest rates, mortgage rates have been higher than what the market has seen in well over a decade. This has had a gradual knock on effect to the housing market, with buyers either putting their move plans on hold or waiting for the forecast mortgage rate decreases to come forwards.

Mortgage rates are now beginning to reduce in response to falling inflation figures and the predicted interest rate reductions expected during 2024. A mortgage price war from the big providers at the start of 2024 led to the market seeing an upturn in customer activity, albeit gradually, over the past month or so.

The sales market remains in a position where supply numbers are still relatively low, which bodes well for future sales once customer confidence returns. This is expected to be led by interest rates falling during the early to mid-point of 2024.

### Future Development Pipeline

This is a critical element for the Company being able to successfully deliver to the business plan. In the early years of the business over 600 potential units, across a number of sites, were identified by the Council as opportunities for Arkwood to focus upon and deliver. These sites formed the basis of the Business Plan, however, as members of the Executive Shareholder Committee are aware, many of these opportunities have been delayed or fallen. These delays have had a significant impact upon the delivery of the Arkwood Business plan and planned dividend payments to the Shareholder, due to the temporary hole left in the delivery pipeline. A number of these potential NSDC sites have now been removed from the recent Business Plan update, with the revised approach now being to source land externally.

In response to the emerging impact of the above, Arkwood in August 2022 began recruitment of a specialist land buyer, who subsequently joined the business in Feb 2023. This has been a successful appointment with a number of new external sites now secured and further opportunities being progressed.

Currently Arkwood are working on 3 out of District land opportunities and two Council owned land/development opportunities, where a purchase has been agreed or completed. These are;

## Out of District

### 1) Manea – Cambridgeshire

32 units, All Market Sale – full planning consent. Land purchased, site clearance has been completed and the Company is currently working with a build partner to conclude drawing sign off for planning with a start planned for Spring 2024.

### 2) Wirksworth – Derbyshire

30 units, All Market Sale – Full Planning Consent. Land purchase agreed. Currently awaiting final gas testing results. Heads of Terms for purchase signed and exchange of contracts for the conditional land acquisition is due once gas testing is concluded. A section 73 planning amendment is required to commence works on site, which we anticipate will be by the early summer of 2024. A build partner has already been secured for this project.

### 3) Long Bennington – Lincolnshire

50 units, Market Sale/Affordable Housing – Outline Planning consent with reserved matters is in place. Land purchase agreed. Currently finalising the Heads of Terms with the vendor. Upon completion of the Heads of Terms, we will be progressing a reserved matters application. Build partner identified and we anticipate a start on site late 2024.

## NSDC Land

### 4) Lowfield Lane – Balderton

141 units, Market sale/Affordable Housing – Currently in for planning consent and this is a key pipeline site given that it will form the backbone of the overall land pipeline for the next 3-4 years. At the time of writing, we are working on concluding some additional works linked to the s106 contributions, a number of new comments from NCC Highways which link to the adoption of roads and footpaths and finalising the ecology contribution.

Subject to a positive outcome of these works we expect this to go before the planning committee in the spring of 2024 and if successful Arkwood will conclude the procurement of a build partner with an expected commencement on site of late 2024

### 5) Stodman St – Newark

29 Apartments, all Market Rent -- This is a re-development of the former Marks & Spencer site in Newark that was purchased by the Council and is being constructed by the Council. As there was no interest from the private sector (as there is no established market for town centre apartments in Newark) in purchasing the apartments, Arkwood stepped in to support the delivery of this key strategic town centre development, which will provide much needed market rental accommodation for the town and help support the town centre economy.

Arkwood will purchase a long lease in all 29 apartments on practical completion which is anticipated in late 2026. Arkwood will in turn let these apartments for open market rent and manage these properties in order to provide a long-term income stream to the business. The return to the business is only 2% to 3%, hence the lack of private sector interest. However, Arkwood has considered it more important to intervene and enable the Council to deliver this important strategic scheme, rather than focus purely on profitability.

Total number of new units currently secured and being progressed towards commencement is 282.

In addition to the above Arkwood are progressing with a number of additional site opportunities as we now move towards securing the medium and long term land pipeline. The market conditions are currently more favourable in terms of value for money and availability of good land opportunities. Arkwood are seeking to take advantage of this position whilst it remains, ahead of an expected upturn in the housing market over the next 12 months, linked to predicted mortgage rate reductions.

Arkwood are currently reviewing around a dozen site opportunities, totalling over 1000 potential units. This total is not a complete picture of all opportunities currently under consideration, but those that offer a more realistic chance of progression, or where progress is more advanced.

However, due to the dynamic nature of reviewing land and development opportunities, from the sites identified, it is likely that some will progress while others will not be secured or will be rejected as a result of due diligence investigations or not proving to be financially viable options. Third party factors such as securing planning consent may also impact the outcome.

New opportunities continue to arise on a regular basis, both off market opportunities and sites more widely marketed through agents and promoters. Therefore, by way of an update this can be viewed as a 'snapshot' at the current time as the pipeline continues to evolve. The table is not a comprehensive list of all opportunities under consideration, but those that offer a more realistic chance of progression, or where progress is more advanced.

#### Forthcoming Activity

In response to a number of new developments commencing in 2024,

- i) Progressing the new developments and achieving sales during 24/25 financial year
- ii) Planning growth of the business to successfully deliver the new sites
- iii) Further strengthening the future land pipeline, primarily targeting more lucrative/geographically suitable locations

**Andrew Dewberry - Managing Director**

**Manea – Cambridgeshire – Commencement of Site Works**





Report to: Executive Shareholder Committee Meeting 05 March 2024

Director Lead: John Robinson, Chief Executive

Lead Officer: Nick Wilson, Business Manager – Financial Services

Report Summary	
<b>Type of Report</b>	Open Report, Non-Key decision
<b>Report Title</b>	Arkwood Statement of Accounts 2022/23
<b>Purpose of Report</b>	To present the Statutory Accounts of Arkwood for 2022/23 and the Dividend declaration.
<b>Report Recommendations</b>	That Members note Arkwood’s Audited Statement of Accounts for 2022/23 at Appendix B.  Members note, as per section 4, that there will be no dividend declaration based on the performance up to financial year end 2022/23 and the forecast outturn for 2023/24.
<b>Alternative Options Considered</b>	None
<b>Reason for Recommendations</b>	To ensure appropriate review of the Statutory Accounts of the Council’s wholly owned Housing Development Company (Arkwood).

## 1.0 Background

1.1 Company law requires Arkwood to prepare their Statutory Accounts in accordance with United Kingdom Generally Accepted Practice. Under the Articles of Association, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders. No dividend may exceed the amount recommended by the Board.

## 2.0 Audited Statement of Accounts

2.1 As per **Appendix A** (to follow), Arkwood’s Audited Statutory Accounts for the financial year 2022/23 were approved by their Board of Directors on the 27 November 2023 and will be finalised via the Annual General Meeting on 5 March 2024.

2.2 The Statutory Accounts at **Appendix B** (to follow) show a profit after taxation of £407,437 for the financial year 2022/23. The profit generated in the financial year has taken the Companies cumulative Profit and Loss Reserve to a balance of £404,048.

### **3.0 Current Forecast Outturn Position for 31 March 2024**

- 3.1 At Arkwood's board meeting on the 22 January 2024 the forecast profit and loss account outturn position for the company for the year ending 31 March 2024 was considered. This outturn position showed a projected loss of £313,105 against an original budget forecast position of a £120,000 profit.
- 3.2 The main reason for the movement in the profit and loss account outturn is that 11 properties from the Avenues development on Lord Hawke Way/ Bowbridge Road are now forecast to financially complete after 31 March 2024 due to the demise of the main contractor Robert Woodhead Limited, the time lag in appointing and mobilising the new contractor, Oakworth Construction Limited, and the general downturn in the housing market.
- 3.3 If the current forecast loss for the financial year 2023/24 of £313,105 is realised then that will take the cumulative Profit and Loss Reserve down to a balance of £90,943.

### **4.0 Dividend**

- 4.1 Under the Companies Act a final dividend can only be approved by the Shareholders following a recommendation from the Board of Directors. In making this recommendation, the Board of Directors need to satisfy themselves of the solvency and liquidity of the company immediately after completing the proposed distribution. The Board of Directors the need to give this assurance to the Shareholders.
- 4.2 As per para 3.3, the current forecast is that the cumulative Profit and Loss Reserve as at 31 March 24 will potentially have a balance of £90,943. The Board of Directors do not consider this to be a sufficient balance to recommend the payment of a dividend to its shareholder, the Council, as, based on the forecast, the Company would fail to satisfy the solvency and liquidity test as required by the Companies Act.

### **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.

### **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.

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<b>Meeting</b>	Board Meeting
<b>Date of Meeting</b>	27 November 2023
<b>Report Title</b>	Item 11 – Statement of Accounts 2022/23
<b>Report Author</b>	Andy Snape – Accountant

## 1.0 Background Information

1.1 Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

## 2.0 Purpose of the Report

2.1 To obtain approval by the Board of Directors of the Company's Statutory Accounts for the financial year ended 31 March 2023.

## 3.0 Changes made to the Statements

3.1 There is a requirement that the external auditor, Wright Vigar, provides details of all of the errors in the financial statements that need amendment within the Report. Their Management Letter can be found at Appendix B, 'Unadjusted and adjusted audit adjustments' fully details the summary of misstatements.

3.2 The audit identified two items of adjustments, one was the reclassification of the £420,170 negative WIP provision against the trade debtor for Robert Woodhead which was agreed and adjusted.

3.3 The second item was the £101,935 write down for the expected reduction in the amount received in relation to the Performance Bond which was agreed as an unadjusted item.

## 4.0 Recommendations

4.1 *The Board of Directors approve the signing of the Statement of Accounts for the financial year ended 31 March 2023.*

4.2 *The Board of Directors approve the signing of the letter of representation for the financial year ended 31 March 2023.*

REGISTERED NUMBER: 11383915(England and Wales)

**Arkwood Developments Ltd**

**Audited Financial Statements**

**For the Year Ended 31 March 2023**



**Arkwood**  
DEVELOPMENTS



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For the Year Ended 31 March 2023**

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**Company Information**  
**For the Year Ended 31 March 2023**

Board Members: Claire Penny  
Sanjiv Kohli  
Deborah Kim Johnson

Managing Director: Andrew Dewberry

Non-Exec Director: Mark Stevenson

Secretary: Nigel Stephen Hill

Registered Address: Newark and Sherwood District Council  
Castle House  
Great North Road  
Newark  
Nottinghamshire  
NG24 1BY

Registered Number: 11383915 (England and Wales)

Auditors Wright Vigar Limited  
15 Newland  
Lincoln  
Lincolnshire  
LN1 1XG



# Arkwood DEVELOPMENTS

## Report of the Directors For the Year Ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

### Directors

The directors shown below have held office during the whole of the period from 1st April 2022 to the date of the report.

Sanjiv Kohli  
Deborah Kim Johnson  
Andrew Dewberry  
Mark Stevenson

Other Changes in directors holding office are as follows;

Claire Penny - appointed 22 June 2023  
Timothy Wendels - resigned 22 June 2023

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**Statement As To Disclosure Of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Wright Vigar will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Board:

Andrew Dewberry - Managing Director

27 November 2023

**Report of the Independent Auditor to the Members of  
Arkwood Developments Limited**

**Opinion**

We have audited the financial statements of Arkwood Developments Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditor thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditor to the Members of  
Arkwood Developments Limited**

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditor.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J P Sewell BA (Hons) FCA CTA (Senior Statutory Auditor)  
for and on behalf of Wright Vigar Limited  
Statutory Auditors  
Chartered Accountants & Business Advisers  
15 Newland  
Lincoln  
Lincolnshire LN1 1XG

27 November 2023



# Arkwood

## DEVELOPMENTS

2021/2022	Income and Expenditure Statement	2022/2023
3,386,090	Turnover	8,092,556
-2,527,148	Cost of Sales	-7,046,416
<b>858,942</b>	<b>Gross Profit/(Loss)</b>	<b>1,046,140</b>
0	Other Operating Income	0
-409,032	Administrative Expenses	-537,529
<b>449,910</b>	<b>Profit/(Loss) from operations</b>	<b>508,611</b>
116	Interest receivable and similar income	4,318
-27,893	Interest payable and similar expenses	-9,921
<b>422,133</b>	<b>Profit/(Loss) before Taxation</b>	<b>503,008</b>
0	Tax on profit on ordinary activities	-94,803
-80,227	Deferred Tax asset due to losses	-768
<b>341,906</b>	<b>Profit/(Loss) for the Financial Year</b>	<b>407,437</b>

The company has no other recognised items of income or expense other than the results for the year as set out above.

Statement of Changes in Shareholders' Equity	Share Capital	Profit and Loss Account	Total Equity
<b>Balance at 1 April 2022</b>	<b>4,000,000</b>	<b>-3,389</b>	<b>3,996,611</b>
Issue of Shares	0	0	0
Total Comprehensive income/expenditure for the year	0	407,437	407,437
<b>Shareholders Equity at 31 March 2023</b>	<b>4,000,000</b>	<b>404,048</b>	<b>4,404,048</b>



# Arkwood

DEVELOPMENTS

2021/2022		Note	2022/2023
<b>0</b>	<b>Total Long Term Assets</b>		<b>0</b>
	<b>Current Assets;</b>		
7,817,155	Stock	<b>4</b>	5,746,623
119,367	Debtors	<b>5</b>	1,102,613
185,097	Cash and Cash Equivalents	<b>6</b>	747,784
<b>8,121,619</b>	<b>Total Current Assets</b>		<b>7,597,020</b>
	<b>Current Liabilities;</b>		
-1,011,710	Creditors: amounts falling due within one year	<b>7</b>	-3,192,972
<b>-1,011,710</b>	<b>Total Current Liabilities</b>		<b>-3,192,972</b>
	<b>Long Term Liabilities;</b>		
-3,113,298	Creditors: amounts falling due after more than one year	<b>8</b>	0
<b>-3,113,298</b>	<b>Total Long Term Liabilities</b>		<b>0</b>
<b>3,996,611</b>	<b>TOTAL NET ASSETS</b>		<b>4,404,048</b>
	<b>Capital and Reserves;</b>		
4,000,000	Share Capital	<b>9</b>	4,000,000
-3,389	Profit and Loss Account		404,048
<b>3,996,611</b>	<b>TOTAL EQUITY</b>		<b>4,404,048</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements were approved by the Board of Directors on 27 November 2023 and were signed on its behalf by:

Sanjiv Kohli, ACA CPFA - Director



# Arkwood DEVELOPMENTS

## 1 STATUTORY INFORMATION

Arkwood Development Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are below;

11383915 (England and Wales)  
Newark and Sherwood District Council  
Castle House  
Great North Road  
Newark  
Nottinghamshire  
NG24 1BY

## 2 ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred Tax**

Deferred tax is recognised in respect of all timing differences that originated but not reversed at the balance sheet date.



# Arkwood

## DEVELOPMENTS

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted by the year end and that are expected to apply to the reversal of timing differences.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 3 EMPLOYEES AND DIRECTORS

The company has seven employees as at 31 March 2023. There were six employees in 2021/22.

### 4 STOCK

2021/2022		2022/2023
7,812,955	WIP - Project 1	5,598,867
4,200	WIP - Project 2	4,200
0	WIP - Project 3	117,001
0	WIP - Project 4	7,049
0	WIP - Project 5	19,506
<b>7,817,155</b>		<b>5,746,623</b>

### 5 DEBTORS

2021/2022		2022/2023
118,599	Other Debtors	1,102,613
768	Deferred Tax Asset	0
<b>119,367</b>		<b>1,102,613</b>

### 6 CASH AND CASH EQUIVALENTS

2021/2022		2022/2023
10,000	Cash at Bank	271,197
175,097	Money Market Fund Investment	476,587
<b>185,097</b>		<b>747,784</b>



# Arkwood

## DEVELOPMENTS

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2021/2022		2022/2023
178,126	Amounts owed to Parent - Council	2,443,148
824,065	Trade Creditors	722,483
9,519	Other Creditors	27,341
<b>1,011,710</b>		<b>3,192,972</b>

### 8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

2021/2022		2022/2023
3,113,298	Amounts owed to Parent - Council	0
<b>3,113,298</b>		<b>0</b>

### 9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

31/03/2022			Nominal	31/03/2023
£	Number:	Class:	value:	£
3,999,900	39,999	Ordinary Shares B	100	3,999,900
100	100	Ordinary Shares	1	100

### 10 PENSION COMMITMENTS

The company operates a defined contribution pension scheme, contributions payable are charged to profit and loss in the period to which they relate.

### 11 RELATED PARTY DISCLOSURES

#### Balance Sheet

At the end of the year, the company owed £2,352,095 in relation to development land purchased from Newark and Sherwood District Council.



# Arkwood

## DEVELOPMENTS

The company also has a creditor on their balance sheet of £112,353 (£939,329 in 21/22) due to its parent, Newark and Sherwood District Council, for monies supplied at the start up of the company (£90,935), support services (£15,998) and the Company had utilised the loan facility available from Newark and Sherwood District Council with a drawdown of (£0) (£761,203 in 21/22) at the end of the financial year.

### **Income Statement**

During the period, the company paid recharges for support services and rates of £66,817 (21/22 £89,754), arrangement/community infrastructure levy charges of £304,690 (21/22 £123,072) and loan interest on the credit facility of £13,985 (21/22 £13,908) to its immediate parent undertaking, Newark and Sherwood

### **12 EVENTS AFTER THE REPORTING PERIOD**

There have been no events after the balance sheet date and up to the approval date that provide information about conditions existing at 31 March 2023 that need to be reflected in the financial statements.

### **13 ULTIMATE CONTROLLING PARTY**

The controlling party is Newark and Sherwood District Council.  
Newark and Sherwood District Council is the holder of all the shares that has been issued.



Report to: Executive Shareholder Meeting - 5 March 2024

Director Lead: John Robinson, Chief Executive

Lead Officer: Sue Bearman, Assistant Director Legal & Democratic Services, Monitoring Officer, Ext. 5935

Report Summary	
<b>Type of Report</b>	Open Report, Non-Key Decision
<b>Report Title</b>	Shareholder Representative – Arkwood Developments Limited
<b>Purpose of Report</b>	To formally appoint the Council’s Chief Executive as Shareholder Representative for the Council in relation to Arkwood Developments Limited.
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the Council’s Chief Executive John Robinson, be appointed as Shareholder Representative for the Council in relation to Arkwood Developments Limited to attend General Meetings of the Company and vote on behalf of the Council in its capacity as Shareholder, in accordance with recommendations 2 and 3 below;</li> <li>2. For the Shareholder Representative to have delegated authority to note and receive reports at General Meetings of the Company, and to vote in relation to administrative matters such as confirming the appointment of auditors at the Annual General Meeting; and</li> <li>3. For the Shareholder Representative to have delegated authority to vote on substantive matters at General Meetings of the Company on the specific direction of Executive Shareholder Committee.</li> </ol>
<b>Alternative Options Considered</b>	The Executive Shareholder Committee could elect to nominate a Cabinet Member to undertake this function.
<b>Reason for Recommendations</b>	The Chief Executive is lead officer for the Council in relation to liaison with Arkwood Developments Limited and attends Board Meetings in this capacity and is therefore best placed to represent the Council at General Meetings. This delegation will

	also enable the efficient dispatch of business at General Meetings.
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## **1.0 Background**

- 1.1 The Executive Shareholder Committee is responsible for the strategic oversight of Arkwood Developments Limited (the Company), including reviewing annual reports, and determining on behalf of the Council how it should exercise the functions flowing from its ownership of shares, i.e., its Shareholder functions.
- 1.2 It is a Shareholder function to vote on business transacted at General Meetings of the Company including the Annual General Meeting. The Articles of Association for the Company allow for the Council to authorise a person to act as its representative at General Meetings.
- 1.3 The Council's Chief Executive is the lead officer for the Council in relation to liaison with the Company; the 'Named Officer' role as set out in the Governance Agreement for the Company.

## **2.0 Proposal/Details of Options Considered**

- 2.1 It is proposed for the Council's Chief Executive to be appointed as Shareholder Representative for the Council in relation to Arkwood Developments Limited to attend General Meetings of the Company and vote on behalf of the Council in its capacity as Shareholder, subject to the specific direction of Executive Shareholder Committee where appropriate as set out in the recommendations to this report.

## **3.0 Implications**

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

### **3.1 Legal Implications**

Section 323 of the Companies Act 2006 allows for an individual appointed by a shareholder which is a corporation, to act on its behalf at general meetings.

## **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