

**LEISURE & ENVIRONMENT COMMITTEE**  
**21 SEPTEMBER 2021**

**ACTIVE4TODAY – PROGRESS REPORT – 12 APRIL TO 31 AUGUST 2021**

**1.0 Purpose of Report**

1.1 This report is to update the committee on the performance of Active4Today (the Company) for the period 12 April to 31 August 2021 following the sustained impact of Covid on the Company's operations.

**2.0 Background Information**

2.1 Active4Today (A4T) is the Council's wholly owned leisure company, which was created to provide leisure and sports development services on the Council's behalf. The Company has now completed its sixth year of trading and is obliged to report its annual performance to the Leisure and Environment Committee, which is responsible for setting the strategic direction of the Company.

2.2 The appendices to this covering report contain:

- Active4Today Progress Report – 12 April to 31 August 2021 (Appendix A); and,
- Active4Today – Primary Performance Indicators for 2021/22 to date (Appendix B).

**3.0 Update Report**

3.1 Members will be aware that the last 18 months has been a very challenging period for all sectors with the lockdown requirements affecting many leisure sector operators not least Active4Today. However following the implementation of the Government's Roadmap of easing restrictions and the phased re-opening of the leisure sector, the Company has made steady progress in terms of re-engaging with its membership and user base.

3.2 The progress report (Appendix A) sets out the headline figures in terms of performance over the period and provides an insight into the rate of recovery that A4T is experiencing. In addition the report outlines a number of measures that have been developed and or introduced by the Company to mitigate some of the losses sustained through the pandemic which will enable it to operate on the front foot moving forwards. One of the main measures that has been delivered is contained in paragraph 2.8 and 3.4 of Appendix A which outlines the staffing restructure which has been implemented to support its financial sustainability.

3.3 A4T has provided its current financial position (see table below), which is monitored by the A4T Board, as part of its role in managing the operations of the Company. The table shows the original, revised and profiled budgeted income and expenditure up to period 05, set against actual income and expenditure for the same period. A breakdown of the budget income and expenditure position is contained in the **Appendix A** paragraph 3.3.

- 3.4 This budget will be subject to further revisions throughout the year, as a result of the lockdown from December 2020 to April 2021 and the lower than expected starting position of the membership base. This is significant for the Company, as the budget for 2021 – 2022 (set in January 2021) was based on a higher membership and income target starting point. However, conversely expenditure will also continue to be revised as savings (especially in salaries) work through the finance.

	Original 2021-2022 budget: income/exp	Full year revised: 31.08.2021	31.08.21 Variance to 2021-22: original budget
Furlough/ Grant Income	£0	£94,385	-£94,385
<b>Other Income (management fees)</b>	£0	£0	£0
<b>Total income</b>	<b>£2,381,420</b>	<b>£2,184,395</b>	<b>£197,025</b>
Staff	£1,978,700	£1,695,385	-£283,315
Premises	£666,870	£653,435	-£13,435
Supplies and services	£573,450	£558,250	-£15,200
<b>Total expenditure</b>	<b>£3,219,020</b>	<b>£2,907,070</b>	<b>-£311,950</b>
<b>Surplus/Deficit</b>	<b>£837,600</b>	<b>£722,675</b>	<b>-£114,925</b>

- 3.5 In January 2021, the Company was predicting a deficit for 2021-2022 in the region of £840k. This is approximately £640k over its usual position, based on receiving the usual £200k management fee from the Council. As previously stated, this is a direct result of the impact of Covid and the pension costs associated with the pooled arrangement with the Council which has been reported to Members in previous reports.
- 3.6 As set out in the table above, the Company are making progress in reducing the predicted in-year deficit and is currently forecasting a deficit of £723k. This is an improved picture for both organisations, however, members will be aware that this is based on period 5 information and currently there remains a very difficult course to navigate for the leisure industry. Uncertainty surrounding take up and confidence of members returning to the leisure centres and any future impacts which Covid may have, especially with new variants continuing to occur and potential seasonal spikes taking place, when the leisure centres would be traditionally moving into their busiest period, quarter 4. Therefore close monitoring will take place over the next few months and ongoing revisions of the financial position for the Company will take place in order the most up to date position can be provided to the Council with regards to the Company's expected deficit for 2021 – 2022.
- 3.7 Usage performance data is detailed in **Appendix B** and shows the comparison of usage in both 2019 and 2020 to give members an idea of the overall position currently. In addition to the quantitative data provided, more qualitative performance is provided to the committee regarding sports development. However, due to the sports development team only recently returning to the Company from furlough there has been limited sports development work taking place. To date the team has supported the opening of the new swimming pool at the Dukeries Leisure Centre, the development and delivery of summer holiday activities and the set up and commencement of the club bookings at partner sites. A report will be provided to the next Leisure and Environment committee, which will set out what work has been undertaken from September (as schools and clubs return) and what work is planned in for the remainder of the financial year.

- 3.8 As previously reported to the Committee, the membership base for both adults and children at all sites, had been on a decline since December 2019, with the main reduction in membership being experienced at NSFC. The table below provides an overview of membership information from April 2021 and how this has begun to build again since reopening.

Site	Type	Opening actual for April	Actual for May	Actual for June	Actual for July	Actual for August
BLC	Adult	510	557	577	601	619
DLC	Adult	573	620	642	699	845
NSFC	Adult	2,677	2,762	2,812	2,913	2,985
BLC	Child	9	13	15	15	17
DLC	Child	161	163	209	254	272
NSFC	Child	1,358	1,364	1,403	1,431	1,446
<b>Totals</b>		<b>5,288</b>	<b>5,479</b>	<b>5,658</b>	<b>5,913</b>	<b>6,184</b>

- 3.9 Up to 31 August 2021 of the 6,184 live members currently paying a direct debit membership, there are approximately 56 who have frozen their memberships for either medical reasons or financial reasons. The current level of adult membership at DLC has increased and has surpassed the pre-Covid position in April 2020 of 836. This demonstrates that the swimming pool has had a positive impact and has encouraged more adults to join the direct debit membership, seeing the value and wanting to participate more regularly in physical activity. The position at BLC of 619 is positive with more work to do to return to the pre-Covid level of 739. This work is now underway with a member of the sports development team focussing on this community and surrounding villages for the next 6 months.
- 3.10 The current level of adult membership of 2,985 at NSFC was last experienced in May 2016 (3,063), during the first month of the new leisure centre opening. This, steadily increased, to a peak of 4,775 adult members in July 2019. In view of the hard work and efforts of all A4T staff over the last 4 years, this reduction is extremely disappointing. However, work is currently taking place to address this and the Company is confident these figures will increase steadily over the coming months.
- 3.11 Based on the current live membership base of A4T, the Company is now operating at 70% of live members against pre-Covid numbers which compares favourably with the sector as a whole which is currently operating at 55% according to UKActive.
- 3.12 From 12 April 2021 to 31 August 2021, user visits across all sites reached 325,222 which is significantly more than the data reported for 2020 due to the months of the centres being open following the initial closure in March 2020.

#### **4.0 Equalities Implications**

- 4.1 There are no adverse equalities implications arising from this report in respect of protected characteristics. The re-provision of a pool at Ollerton will improve access opportunities for the local community thereby making a positive contribution to the equality and diversity agenda.

## **5.0 Digital Implications**

5.1 The Company already uses multiple digital solutions in the performance of its operations. Moving forwards A4T will work closely with the Council's ICT team to develop further digital solutions as deemed appropriate to ensure that customers are assisted in self-serve as far as is reasonably practicable in order to meet the Council's Digital Agenda and Local Digital Declaration.

## **6.0 Financial Implications – FIN21-22/8276**

6.1 There are no additional budget implications for the Council as a result of this annual report. The financial impact of Covid on the Company for the current year 2021/22 has been budgeted for and the initial forecast to year end is improving and would indicate that the outturn will be within the approved budget of £894,590. However, any changes and further impacts from Covid will be closely monitored and reported to the Committee as and when necessary.

## **7.0 Community Plan – Alignment to Objectives**

7.1 The provision of the Council's high quality and accessible leisure centres makes a significant contribution to the health and wellbeing of members of the community. Specifically the role that the Company performs for the Council, by operating the leisure centres and sports development function, attracts regular users each year thereby assisting the Council in the achievement of its objective to 'Improve the health and wellbeing of local residents'.

## **8.0 RECOMMENDATIONS that:**

- (a) the Active4Today progress report for year to date be noted;**
- (b) the ongoing impacts of Covid on the Company's performance be closely monitored and proposals to support the Company through the pandemic be brought to future meetings of the Committee; and**
- (c) the proposed Key Performance Indicators for Membership and Usage for year to date 2021/22 (Appendix B) be noted.**

### **Reason for Recommendations**

**To recognise the exceptional challenges and adverse impacts that the pandemic has had on the performance of the Company in respect of its ability to deliver the outcomes required by the Council in the most efficient and effective manner.**

### **Background Papers**

Nil

For further information please contact Andy Hardy on Ext 5708.

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