

LEISURE & ENVIRONMENT COMMITTEE

16 NOVEMBER 2021

ACTIVE4TODAY – PROGRESS REPORT – 12 APRIL TO 31 OCTOBER 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 October 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 Members will be aware of the impacts of the pandemic on the leisure sector and It was reported at the January Committee that the business focus of A4T should be on rebuilding the membership base to what it was pre-pandemic and this continues to be the priority. Good progress is being made as outlined in the Appendix A which sets out the performance of A4T and its recovery activities over the period 12th April to 31st October 2021.

2.3 Given the unprecedented impacts of the virus and the disruption caused to the leisure offer the current performance indicators as outlined in in Appendix B show the comparison of current data against the corresponding period in October 2019 (pre-pandemic) and October 2020 in order to demonstrate the current position in respect of memberships and user figures.

2.4 In addition to centre based activities, the Sports Development Team has started to re-engage with community partners such as schools, health and sporting organisations and is making good progress in terms of assisting in the regeneration of projects and activities to encourage wider participation in physical activity and sport and further details are provided in Appendix C.

3.0 Update Report

3.1 Members will be aware that the last 20 months has been a very challenging period for all sectors with the lockdown requirements affecting many leisure sector operators not least A4T. However following the implementation of the Government's Roadmap of easing restrictions and the phased re-opening of the leisure sector, A4T has made steady progress in terms of re-engaging with its membership and user base.

3.2 Table 1 below highlights the membership position since the centres re-opened in April 2021 and shows positive uplift in all areas of membership generally which is encouraging. In addition Southwell Leisure Centre memberships are now included in the data following the successful transfer of its management function to A4T with effect from 1st October 2021. As at 31st October 2021 of the 9,608 live members currently paying a direct debit

membership, there are approximately 112 who have frozen their memberships for either medical reasons or financial reasons in line with the Freeze Policy.

| Site | Type | Opening for April | Actual for May | Actual for June | Actual for July | Actual for August | Actual for September | Actual for October |
|---------------|-------|-------------------|----------------|-----------------|-----------------|-------------------|----------------------|--------------------|
| BLC | Adult | 510 | 557 | 577 | 601 | 619 | 644 | 651 |
| DLC | Adult | 573 | 620 | 642 | 699 | 845 | 914 | 947 |
| NSFC | Adult | 2,677 | 2,762 | 2,812 | 2,913 | 2,985 | 3,107 | 3,078 |
| BLC | Child | 9 | 13 | 15 | 15 | 17 | 18 | 18 |
| DLC | Child | 161 | 163 | 209 | 254 | 272 | 350 | 363 |
| NSFC | Child | 1,358 | 1,364 | 1,403 | 1,431 | 1,446 | 1,514 | 1,512 |
| SLC | Adult | NA | NA | NA | NA | NA | NA | 1,738 |
| SLC | Child | NA | NA | NA | NA | NA | NA | 1,301 |
| Totals | | 5,288 | 5,479 | 5,658 | 5,913 | 6,184 | 6,547 | 9,608 |

Table 1 - Table of memberships numbers

- 3.3 On the current live membership base of A4T, it is now operating at 80% of live members against pre-Covid numbers primarily due to its efforts to maintain its relationship with members which has proved to be a successful strategy. After reviewing national industry performance and data available from Sport England and UKActive, the membership nationally is averaging around 55%, which is significantly lower than the position with A4T.
- 3.4 Although users are down as expected the improving membership base and a gradual return to business as usual across all aspects of the leisure offer participation rates are growing and during the period 12th April to 31st October 2021, user visits across all sites reached 468,237 which is very encouraging with notable examples such as the increase in users and memberships at the Dukeries following the opening of the new swimming pool.
- 3.5 Table 2 below sets out the current income and expenditure financial summary of the Company and shows the original, revised and profiled budgeted income and expenditure up to period 07 (October), set against actual income and expenditure for the same period.

| | Original 2021-2022 budget: income/exp | Full year revised: 31.10.2021 | 31.10.21 Variance to 2021-22: original budget |
|---------------------------------------|---------------------------------------|-------------------------------|---|
| Furlough/ Grant Income | £0 | £94,400 | -£94,400 |
| Other Income (management fees) | £0 | £50,425 | -£50,425 |
| Total income | £2,377,420 | £2,160,005 | £217,415 |
| Staff | £1,985,700 | £1,721,110 | -£264,590 |
| Premises | £537,400 | £516,900 | -£20,500 |
| Supplies and services | £691,920 | £661,720 | -£30,200 |
| Total expenditure | £3,215,020 | £2,899,730 | -£315,290 |
| Surplus/Deficit | £837,600 | £739,725 | -£97,875 |

Table 2 – Income and Expenditure summary

- 3.6 This budget will be subject to further revisions throughout the year, as a result of the lower than expected starting position of the membership. This is significant for A4T, as the

budget for 2021 – 2022 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. However, currently the forecast to year end is looking more favourable and it is estimated that the anticipated deficit of £840K will reduce by £98K.

- 3.7 As alluded to within paragraph 3.2 above, Southwell Leisure Centre's operations and management transferred over to Active4Today Ltd on 1st October 2021. This included the remaining 6 months of its budget and all staff under a TUPE arrangement. Accordingly all staff have now been welcomed into A4T with the senior management team of the Company attending the site on a regular basis to meet with staff and understand their current roles and responsibilities and how it can support these staff through the transition to develop within the Company and the wider leisure industry.
- 3.8 At the time of transfer Southwell Leisure Centre's original forecasted budget for the 2021-2022 financial year was estimating a deficit at year end of approximately £230k. However, having revised the current budget and reviewed all staffing, programming and membership income, A4T has forecasted a new budget position, which now shows a deficit of circa £125k, an estimated saving over the original budget of approximately £105k. Over the next several weeks the remaining processes undertaken at Southwell will be investigated and integrated into A4T, with the revised budget position being used to develop a budget for the site, in readiness for the 2022-2023 financial year.
- 3.9 As part of the Company's work to rebuild its operations and membership base to levels which it experienced pre-Covid, the Company has successfully launched the new swimming pool at the Dukeries Leisure Centre. Since the opening of the facility, memberships for both adults and children have increased steadily and sessions now include swimming lessons, laned swimming, parent and toddler sessions and fun swims with an inflatable for the younger swimmers of the community.
- 3.10 A4T will continue to build numbers at this site as the Sports Development Team begin to promote the benefits of regular exercise to the local community. As part of raising the awareness of the new pool, A4T offered schools within the Ollerton area free access to the pool, for one session before they broke up for the summer holidays. This was a success and has now resulted in the A4T negotiating the return of school swimming with Nottinghamshire County Council, which will now commence from January 2022.

4.0 Equalities Implications

- 4.1 There are no adverse equalities implications arising from this report in respect of protected characteristics. In addition the re-provision of a swimming 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 A4T 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 – FIN21-22/3218

6.1 There is one additional budget implications for the Council as a result of this progress report, that being the £125k proposed deficit resulting from the transfer of Southwell Leisure Centre to A4T, as detailed in paragraphs 3.7 and 3.8 above. 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. The impact of this £125k additional requirement has been included within the budget monitoring report elsewhere on this agenda.

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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