

CABINET – SHAREHOLDER MEETING

25th JUNE 2024



OUTTURN REPORT 1ST APRIL 2023 – 31ST MARCH 2024

1. REPORT PURPOSE

- 1.1 To provide the Shareholder Committee with the outturn position for the year between the dates 1st April 2023 – 31st March 2024.
- 1.2 To provide the Shareholder Committee with the 2023 - 2024 final audited accounts for Active4Today Ltd (A4T).

2. BACKGROUND – OVERVIEW

- 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 1,101,987 visits registered throughout the year. This was an increase on the 2022-2023 year of 93,668.
- 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 the facility hire budget lines, within the leisure centres and the partner sites.
- 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 1st 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 increases made to the maintenance and contractual services finance.
- 2.5 The cost-of-living award for 2023-2024 was agreed as expected, at a flat rate payment of £1,925 per FTE, in line with the 2022-2023 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 was increased by £28,000 in line with the prediction. 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 forecast 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.
- 2.8 Of the management fee set out above, approximately £100,000 is specifically identified for sports Development work, which ostensibly is the staffing associated with delivering the sports development offer. Whilst this figure represents the actual amount directly within the specific sports development budget, several other posts are associated with delivering sports development, which included four apprentice positions, who work across the Company with a large amount of their time dedicated to the sports development offer.
- 2.9 This is also the case for several leisure attendants and sports coaches, who throughout the year work hours for sports development and specifically through holiday periods where they deliver holiday activities.
- 2.10 At close of play on 29th October 2023, the main swimming pool at Southwell Leisure Centre was unfortunately closed, due to major defects being identified by a specialist swimming pool contractor. These defects included a significant leak of pool water of approximately 8,750 litres a day. The most likely cause of the leak was due to the heavily corroded pipework, which was part of the original construction of the pool in the 1960's and which had not been maintained sufficiently, over the previous years.
- 2.11 In view of the above, the Company temporarily ceased taking payments from any person whose membership identified the main swimming pool as the primary activity. Payments restarted from 1st February for those members that continued to use other centres.
- 2.12 The Company had originally indicated to the Council that the net loss financially of the main pool closure, 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.
- 2.13 In addition to the pool closure, essential maintenance relating to fire safety works also took place at Southwell in December 2023, resulting in the closure of one of the first-floor fitness suite rooms for approximately 5 weeks. 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.
- 2.14 By the end of the year the income budget for Southwell, as expected, has experienced a loss of several thousands of pounds, however not quite to the level initially forecasted. This was due to the Company working hard to accommodate several members at its other leisure

centres, which has enabled them to continue to use the swimming facilities and resulted in their direct debit payments restarting in February.

- 2.15 In addition to this, the Company worked hard to mitigate the losses through expenditure savings, namely, staffing. Several staff were relocated to other vacant positions within the Company, making the net loss at Southwell considerably less than originally forecasted.
- 2.16 Through increased promotions throughout the year, the introduction of a new Company app and improvements in access and payment technology, the Company also managed to increase income at its other leisure centres and partner sites too, all of which has supported the forecasted year end position.
- 2.17 As a result of the information above the Company has now declared a year-end deficit figure of £410,534, despite the loss of income from Southwell. This is an improvement of £40,261, on the original forecasted position of £450,795 and a further improvement of £160,261 on the revised forecasted year end position, based on the closure of the Southwell Leisure Centre main pool.
- 2.18 As part of the Company's social responsibilities, it has continued to support many residents within the community throughout 2022-2023 and these have included offering:
- 354, 3-day passes allowing FREE access to all of the leisure centres
 - 29, 7-day passes allowing FREE access to all of the leisure centres
 - 6 concessionary memberships types, offering financial discounts to many adults, juniors, 60+ and students, who meet the criteria aligned to the Department of Work and Pensions
 - Postcode concessions, aligned to areas of high deprivation across the district identified by Newark and Sherwood District Council indices
 - 20, full membership bursaries for young people, based on a criteria of need
 - Over 120 free memberships to adults and junior refugees, talented individuals and bursaries for young people
 - The Holiday Activity and Food programme (HAF), during several school holidays, providing children who meet the criteria with free activities within the leisure centres and a free hot meal

3 OUTURN REPORT

- 3.1 As per discussions with the Council, the Company presents this report in order the Council can review the performance of the Company against the criteria set. The Company throughout the year has provided regular performance reports to the various committees, with this report providing the full year overview.

3.2 Below as agreed with the Council the various headings are set out to provide reassurance to the Council that the Company is both performing well and compliant with legislation. In addition, it is providing a quality experience for its customers with value for money prices, which supports inclusivity and access.

3.3 Performance against the annual Business Plan Actions and Performance Indicators:

	AIMS	LINKS TO H&WB STRATEGY	ACTION	PROGRESS TO 31 ST MARCH 2024
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>d) Development of an annual swimming competition to identify talented swimmers and signpost to local clubs</p>	<p>Free swimming sessions held in Easter and Summer holidays. These attracted 50 young people and their families to the pool at DLC; 135 in total.</p> <p>Bursary scheme criteria and process developed and launched in December. Information sent to a range of partners including Secondary School SEN teams, NHS, CAHMS, ShawMind, NCC and Youth Service. Received 7 applications and all approved. Inductions taken place and progress update to be provided at 3-month point.</p> <p>School holiday activities delivered at the end of each term. Programmes included Southwell Junior Badminton Club at SLC and Game on (Football) at DLC. Two VISPA volunteers engaged and delivered on summer programme.</p> <p>Organised a date in December 2024 for the competition, in partnership with Newark Swimming Club.</p>
1.2	Inactive people - develop and provide opportunities for inactive people	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity/ Recognising	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	Delivery of sessions at SLC with Minster School students, with 8 students engaged. Minster School has continued to access the gym at SLC now bringing 2 groups of 10 students each week.

		Mental Health	<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>Contacted Dukeries Academy, Joseph Whitaker, Suthers and Magnus Academy to arrange sessions. Dukeries Academy and Suthers School have confirmed interest and will commence with a programme in September.</p> <p>Disability swim at NSFC extended to the teaching pool during the holidays to support disabled young people to access the pool.</p> <p>Buggy Walks to start following contact with Ollerton and Boughton Children’s Centres. Staff member completed Walk Leader training to be able to plan and deliver the walks.</p> <p>New session started and maintained at NSFC attracting 22 people regularly with their carers.</p> <p>Engaged with MySight Newark to develop sports sessions at NSFC for their service users. Supported group with Boccia balls so they can access the sport in a ‘known’ environment where they are confident. Develop a talking map to support access for individuals with sight loss to access current offer at the leisure centre. Session for group of partially sighted/blind adults will start in August.</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	a) Working directly with CAMHS and mental health professionals to increase physical activity levels and improve health and wellbeing	Partnership with ShawMind – youth mental health charity and delivered a training programme to help young people understand their own mental health and how physical activity can improve is positive. This was delivered with Minster

			<p>b) Support the N&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>students alongside group gym sessions. Mental health information provided by ShawMind has been added to the A4T website to ensure help and support can be accessed by all. Bursary information shared through Mental Health lead for Mid Notts.</p> <p>Joint partnership working with NCC TETC&YP team in primary schools to ask students for non-engagement in sport and physical activity, highlighting feelings of anxiety and not being good/chosen for sport. Plan of activities delivered based on feedback.</p> <p>Training delivered for sports club ambassadors through Sports Council to 12 volunteers. Information has been shared with all Sports Council clubs for attracting new members to help cope with anxiety and improve mental health.</p> <p>Course delivered for a tailor-made mental health first aid course for district based clubs. The course included local support networks that clubs can signpost into. 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	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	Scheme developed with lower than expected response from first launch. Preparing for relaunch in July 2024.
1.5	Development of the VISPA and VISPA Academy to provide volunteering opportunities for young people	Tackling Physical Activity	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	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>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 9 new applications. Linked with N&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 gymnastics and swimming competitions.</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 delivered 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>Complete. Report to be compiled and shared with key colleagues. 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 and attended course.</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 contributed to PPS review.
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.</p> <p>Contact has been made with 20 schools/academies. 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	<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</p>	Completed and report presented to NSDC for consideration.

		an ageing population	<p>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>Completed and report presented to NSDC for consideration.</p> <p>Completed and report presented to NSDC for consideration.</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	Completed and ongoing.
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. Job vacancies and volunteering added and programme of development created for 24/25.</p> <p>Customer satisfaction survey completed. 547 responses and work now identified to implement several suggestions.</p> <p>Complete – booking forms and grant aid forms are now available online.</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 average of 7 attendees.</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	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 c) 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	Price realignment and revalidation took place in October for several membership types including Student and Corporate members. On hold – working with NSDC within full review of fees and charges.
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	Offer of this service communicated with sports council club members. No clubs have taken this up.
3.4	Accredited training centres	Improving Healthy Lifestyles/ Tackling Physical Activity	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 b) Run three STA courses including Level 1 and Level 2 swimming teacher courses and 3 pool lifeguard courses	1 swimming teacher award (asst coach) held in June 1 lifeguard course held in July 1 lifeguard course held in October 1 swimming teacher certificate (coach) held in November 1 swimming teacher award course held in December

Table 1. Performance against Business Plan Actions and Performance Indicators

- 3.4 The number of user visits followed seasonal trends throughout the year and before the closure of the Southwell Leisure Centre main pool at the end of October 2023 and the first floor fitness suite works, the Company expected to reach the predicted target of 1,100,000 visits by 31st March 2024.
- 3.5 Despite all these challenges, user visits reached 1,101,987 across all leisure centres and partner sites. This is an increase on the same period last year of 93,668, (1,008,319) which equates to an average increase of approximately 7,800 users per month.
- 3.6 In addition to the above, there has been increased usage in terms of club usage and block bookings, particularly Magnus Academy, DLC and NSFC 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 participating in gymnastics, as the sessions have been consolidated and utilisation maximised.
- 3.7 The number of referrals received from healthcare professionals up to 31st March 2024 reached 384, which is an increase on the previous year being 329. Referrals performed at a consistent

rate in relation to conversions and finished the year at 37.5% in terms of successful sign ups, with 144 individuals taking out the subsidised membership.

- 3.8 Following the appointment of an active lifestyles officer to the sports development team, the GP referral scheme became an area for focus, increasing the overall numbers significantly since their appointment, and the success can be evidenced in the increase in referrals being received in 2023/2024. The focus for the forthcoming year will be around the conversions to join the subsidised scheme and quality of service offered.
- 3.9 The number of community groups supported reached 131 across the team of sports development officers. This has experienced an increase in the last quarter due to the appointment of the new postholders (active lifestyles officer and inclusion and engagement officer). More details regarding the progress and performance of the sports development team is included in appendix II.
- 3.10 Overall since 1st April 2023, there has been 3,501 new adult membership sales across the various membership types sold and 1,194 junior memberships. There were also 84 members that have purchased an annual 'upfront' membership.
- 3.11 On 31st March 2024 there were 11,170 live memberships held across all sites. The table below provides the committee with direct debit membership data and how this has performed since 1st March 2023.

Month	BLC Adult	DLC Adult	NSFC Adult	SLC Adult	BLC Child	DLC Child	NSFC Child	SLC Child	TOTAL
March 2023	712	1,353	3,928	2,130	84	502	1,621	1,430	11,760
April	700	1,345	3,914	2,118	84	499	1,617	1,411	11,688
May	685	1,310	3,901	2,104	83	490	1,599	1,410	11,582
June	689	1,324	3,965	2,125	84	492	1,584	1,411	11,674
July	670	1,356	4,074	2,145	85	495	1,570	1,415	11,810
August	689	1,346	4,045	2,144	84	495	1,571	1,420	11,794
September	688	1,347	4,048	2,139	84	494	1,569	1,419	11,788
October	691	1,308	4,025	2,104	84	480	1,541	1,405	11,638
November	694	1,270	4,021	1,972	84	479	1,524	1,302	11,346
December	680	1,222	3,976	1,924	83	420	1,486	1,311	11,102
January 24	714	1,260	4,124	1,915	84	439	1,513	1,067	11,116
February	728	1,259	4,168	1,899	88	444	1,527	984	11,097
March	731	1,262	4,169	1,915	91	507	1,611	884	11,170

Table 2. Live memberships held per site per month

- 3.12 The children's membership base at SLC, experienced a loss as expected. However, some of this reduction was absorbed by offering lessons at DLC and NSFC and customers moving their lessons to these sites. Overall, 130 children moved their weekly 30-minute main pool swimming lesson and filled existing gaps in provision, therefore not requiring any further staffing resource. This means a loss of 391 junior memberships due to the main pool closure since October 2023, with 130 memberships now transferred to DLC and NSFC.
- 3.13 During the period of the main pool closure at SLC, there has been 1,070 cancellations across all membership types. In direct comparison to the same period in 2022, this is an increase of 393 (677). Whilst this was better than originally forecasted, it is still significant and had an impact on the financial performance overall.
- 3.14 The live adult membership base at BLC remained steady at almost 731 adult members. It performed slightly below target of 763 (-32), however the centre has experienced an increased usage, particularly since the temporary closure of the fitness suite at SLC and members have continued to use this centre as well as SLC. This is however an increase in comparison to last year where it reached 712, (+19).
- 3.15 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 91 young people holding a live membership at BLC, an increase from March 2023 of +7 (84).
- 3.16 The live adult membership base at DLC did not meet the end of year target of 1,353, achieving 1,262 (-91). This is a decrease on the same period last year of -91 (1,353) however there was a slight decline in December 2023 and has returned to a positive position to March 2024 which is likely to continue given the recent revision to class programmes and increased swimming usage.
- 3.17 The live membership base for children at DLC has experienced an increase in the last quarter, achieving a membership of 507 on 31st March 2024, with the junior swimmers from SLC now included in this figure. In comparison to 2023, this membership has experienced an increase of +5 (502)
- 3.18 An STA Swimming Teacher Award course was held at DLC during December in order to increase instructors at this site. There were 8 attendees that completed the course, of which the Company recruited 4 new members of staff. This has supported an increase in the capacity of the swimming lesson provision across the Company and specifically at that site but also upskilled existing staff who are now able to provide a higher level of tuition.

- 3.19 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 31st March 2024, the adult membership base had reached 4,169 against a target of 3,735 (+434). In comparison to 2023, this is an increase of +241 (3,928).
- 3.20 On 31st March 2024, the children's membership base at NSFC was 1,611 in comparison to 1,621 on 31st March 2023, a decrease of -10. The Company however, has managed to consolidate several lessons at NSFC, meaning savings were made on expenditure and new opportunities for additional income were identified for club hire and block bookings, as well as more pool time for additional lane swimming at peak times. This additional capacity and income generated has off-set the membership losses.
- 3.21 As expected due to the main pool closure and first floor fitness suite works, the live adult membership base at SLC decreased in the last quarter, to an overall membership base of 1,915, a reduction of-215 (2,130) in comparison to the same period in 2023.
- 3.22 The children's membership base at SLC on 31st March has again been impacted by the main pool closure and reduced to 884 in comparison to 1,430 (-546) at the same point in 2023. As previously reported, 130 of this 546 are now accounted for in DLC and NSFC junior membership figures.
- 3.23 In response to feedback from focus groups and the customer comments process, a new membership type was introduced during the year, a Rackets membership. This includes access to squash, badminton and racket ball during peak times (5pm to 9pm on weekdays). Members who are avid badminton or squash players are now able to experience the benefits of full access to court time, for one set monthly direct debit. There are different monthly fees for juniors and adults and there are currently 38 live memberships.

4 Statement of regulatory compliance (including Fire Safety, any reportable incidents etc)

- 4.1 The Company through a service level agreement with the Council, undertakes a host of health and safety and compliance works to ensure the fabric of the buildings are maintained correctly and are fit for purpose for their use. In addition, the Company ensures that the employees and customers working and using the facilities are safe when in the buildings and the Council as owners of the buildings are reassured by the operator.
- 4.2 To aid and support the reassurance for the Council, the Company employs external specialists/contractors through corporate property at Newark and Sherwood District Council, who provide the specialist advise with regards identifying appropriate contactors.
- 4.3 Throughout the year the Company works through its compliance requirements, and these can be seen at appendix III of this report. As further compliance areas/requirements are identified, these are added to this list.

4.4 For the year 2023-2024 all compliance issues identified were actioned with all remedial works undertaken by appropriately qualified individuals or companies.

4.5 Currently there remains items of works which were identified for Southwell Leisure Centre; these are currently being programmed in by the Council, with works undertaken by Lindums.

5 Programme of compliance checks – frequency and responsible body

5.1 In addition to the above compliance checks which the Company undertakes through an SLA with Newark and Sherwood District Council, the Company also undertakes internal compliance checks, and these have been set out in the table below:

ACTIONS	FREQUENCY	RESPONSIBLE
Poolside Safety Inspections	Daily	A4T
Defibrillator	Daily	A4T
Emergency Exits	Daily	A4T
Facility Inspections	Daily	A4T
Pool Water Samples	Daily	A4T
Onsite Alarm Inspections	Daily	A4T
Legionella Flushing	Weekly	A4T
Automatic Fire Doors	Weekly	A4T
Fire Call Points	Weekly	A4T
First Aid Boxes	Weekly	A4T
Microbiological Water Test	Monthly	A4T
Fire Extinguisher Checks	Monthly	A4T
Legionella Inspections	Monthly	NSDC
Accident & Incident Logbook	Monthly	A4T
Emergency Lighting Test	Monthly	A4T
Health & Safety Meeting	Quarterly	NSDC/A4T
Pool Policy Meetings	Quarterly	NSDC/A4T
Insurance Onsite Inspections	Quarterly	NSDC/A4T
Insurance Platforms and Lifts Inspections	Quarterly	NSDC/A4T

Insurance Plant & Machinery	Quarterly	NSDC/A4T
Outdoor Pitch Inspections	Quarterly	A4T
Passenger Lift Inspections	Quarterly	A4T
Pool Hoist Inspections	6 Monthly	A4T
CHP Unit Inspections	6 Monthly	A4T
Intruder Alarm Inspection	6 Monthly	NSDC
Fire Evacuation	6 Monthly	A4T
PPE Checks	6 Monthly	A4T
Fire Alarm Systems Inspection	6 Monthly	NSDC
Automatic Doors Inspection & Service	6 Monthly	A4T
Asbestos Risk Assessment	Annually	NSDC
Insurance Renewals	Annually	NSDC
Legionella Risk Assessment	Annually	NSDC
Fire EAP Review	Annually	A4T
Internal CCTV	Annually	A4T
Business Continuity	Annually	A4T
Travel Mileage Documents Licence MOT Insurance	Annually	A4T
Fire Extinguishers	Annually	NSDC
Boiler Gas Certificates	Annually	NSDC
Inflatable Testing Inspection	Annually	A4T
Trampoline Testing Inspection	Annually	A4T
Pool Plant Inspections	Annually	A4T
Sauna Steam Inspections	Annually	A4T
Man Safe Inspections	Annually	NSDC
Risk Assessments Review	Annually	A4T
NOP Review	Annually	A4T
COSHH Review	Annually	A4T
Health & Safety Site Inspection	Annually	NSDC
Pat Electrical Inspection	Annually	NSDC
Indoor Play Equipment Inspections	Annually	A4T
Sports Hall Equipment	Annually	A4T

Emergency Lighting Testing	Annually	NSDC
Fitness Equipment Inspections	Annually	A4T
Squash Courts Inspections	Annually	A4T
Air Conditioning Inspections	Annually	A4T
Hard Wire - Electrical System	3 Yearly	NSDC

Table 3. Company compliance checks

6 Annual Accounts, External Audit Letter

6.1 The Company has received the draft unaudited final accounts for the 2023-2024 financial year. The following table shows the final figures across income and expenditure compared with the original budget. The revised budget at period 6 has also been included for reference, as this was the latest revised position for the Company.

	Original 2023-2024 budget	Full year revised budget completed at period 6	31 March 2024 Year-end draft statement position	Variance between original budget and draft year end position
Total income	-£4,075,580	-£4,416,250	-£4,443,926	-£27,676
Staff	£2,483,025	£2,556,975	£2,534,129	-22,846
Premises	£1,102,980	£1,254,800	£1,252,170	-£2,630
Supplies and services	£920,120	£1,005,270	£1,018,161	£12,891
Transfer to Reserves	£50,000	£50,000	£50,000	£0
Total expenditure	£4,556,125	£4,867,045	4,854,460	-£12,585
Surplus/Deficit	£480,545	£450,795	£410,534	-£40,261

Table 5. Income and expenditure analysis

6.2 Below are the highlights from the financial information, in a bid to provide some narrative for the Committee, including the variances in line with information set out above.

- I. **Total Income** – Despite a loss of income due to the Southwell pool closure of approximately £110,000 this income budget has outperformed the revised budget by £27,676. This is largely due to maintaining low attrition rates throughout the year across all the centres, as well as a higher sales output. Investment interest income has also increased by £18,000, on the forecast in period 6.
- II. **Staffing** – This budget was £22,847 lower than the latest revised budget. These savings were in the main due to contracted staff at Southwell leisure centres being relocated to other A4T sites, to fill various vacancies. In addition, there was a small saving in the sports development budget, due to delays in filling the two positions, earlier within the year.

- III. **Premises** – This budget was £2,630 lower than the latest revised budget. This was made up of a £19,000 saving on utilities, which was largely due to the main pool closure at Southwell Leisure Centre. This saving in utilities was however, off-set by an increase in compliance checks, which supports the Company’s health and safety requirements.
- IV. **Supplies and Services** – This section was £12,891 over the latest revised budget. This is made up of many small overspends across several budget headers, including bank charges, marketing, equipment costs, cleaning materials and contractual services.
- V. **Transfer from Balances** – This line represents the operating surplus or deficit position of the Company and what will be required from, or be added to the Companies reserves.

As stated earlier, the Company is declaring a outturn deficit position of £410,534. This is a positive position for the Company, given the increases in expenditure during the year and specifically in salaries and utilities. In addition to this, the Company has managed to absorb the loss of £110,000 of income due to the closure of the Southwell Leisure Centre main pool and the works to the Southwell Leisure Centre’s fitness suite.

- VI. The Company has continued to maintain its reserve of £450,722 after the contribution of £120,357 from the 2022–2023 financial year. This is a good position for the Company and supports the Company’s strategy to develop a reserve of £750,000 in the future. This was also supported with an in-year contribution by the Company into reserves of £50,000.
- VII. The Company is now requesting a management fee from the Council of £500,000 and will place the difference between the forecasted deficit position at the start of the financial year and the actual deficit at the end of the year (approximately £140,000) into the Company’s reserves.
- VIII. This reserve strategy has been supported by the Council within its governance documents between the Council and Active4Today, setting out that A4T develop a reserve of £750,000. The approach sets out further, that this needs to be developed through in-year contributions by the Company, supported by any balances at year end, being rolled into the reserve until the £750,000 threshold is reached. This information is broken down in a table below:

Reserve movement	
Original Reserve position	£450,722
Surplus/Deficit (includes £50,000 reserve contribution)	£410,534
Management Fee	£500,000
Transfer to Reserves	£139,466
New reserves position	£590,188

Table 6. Company Reserves

- 6.3 However, since the 2024-2025 budget process was undertaken during December 2023, the financial position of the Company has changed significantly. As reported above, the Company has performed well in income generation and although this has been offset by increases in expenditure, the Company still remains in a more positive position than it originally forecasted.
- 6.4 In view of this improved financial position, The Company will be revising the 2024-2025 budget after Quarter 1. Whilst the detail is still being worked through, it is expected that an improved financial position will be reported, as income generation continues to do well and savings are expected in utilities, based on their latest prices, which the Company received in April 2024.

7 **Internal Audit Report**

- 7.1 Following on from the previous update to the Shareholders Committee, the Company has now completed all 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”*.
- 7.2 The Company has now completed its tender 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. These will be undertaken by Nicholson’s Audit. Below is a summary of the audits which will take place:
- Creditors- June 2024
 - Payroll- February 2025
 - Income- February 2026
 - VAT- February 2027
- 7.3 These internal audits will provide further reassurance to the Council with regards the financial processes and procedures within the Company.
- 7.4 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).

7.5 The Phase 2 application for funding towards capital works was submitted and awarded £61,356 on 19 April 2024. This is to provide capital intervention for pool covers and to replace fluorescent lighting with LED lighting at Newark Sports and Fitness Centre.

8 Strategic Risk overview

8.1 The Company has been working extremely hard over the last year in an attempt to mitigate the ever-increasing costs of utilities across all sites. This has included a series of housekeeping measures for example, adjustment of temperatures of heating and air conditioning units, installation of photocell and Passive Infrared Sensor (PIR) devices for lighting, closing areas when not in use, installation of LED lighting and general good housekeeping throughout the facilities.

8.2 The chart below provides a comparison of usage per site in kilowatt hours (kWh). With the exception of Blidworth, which was already running extremely efficiently, all sites have reduced their consumption of electricity considerably.

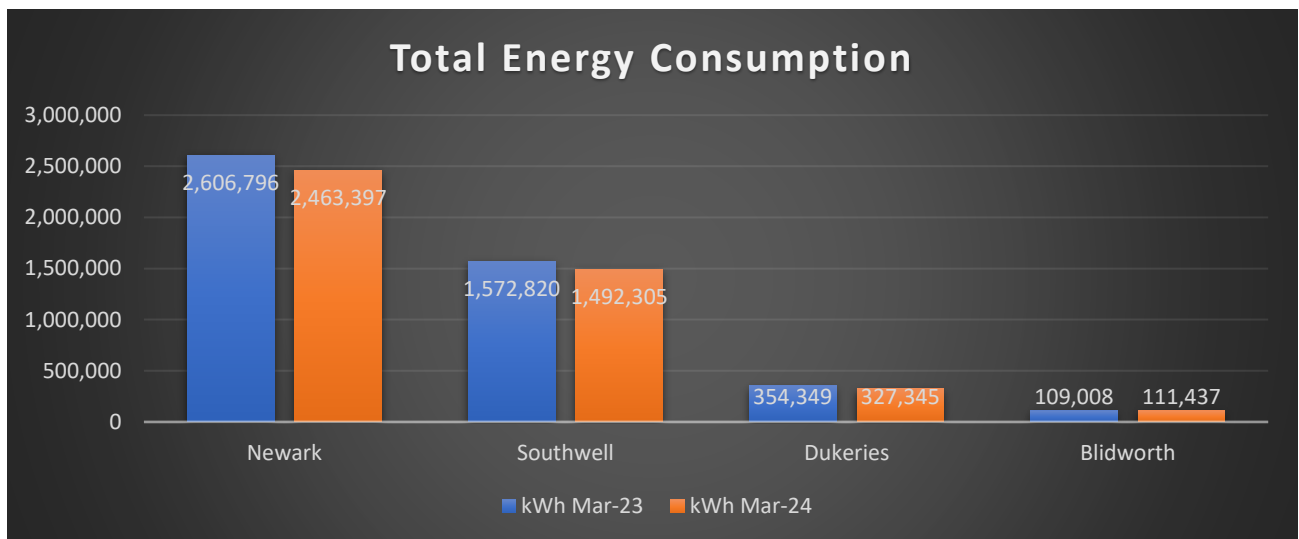


Chart 1. Total energy consumption

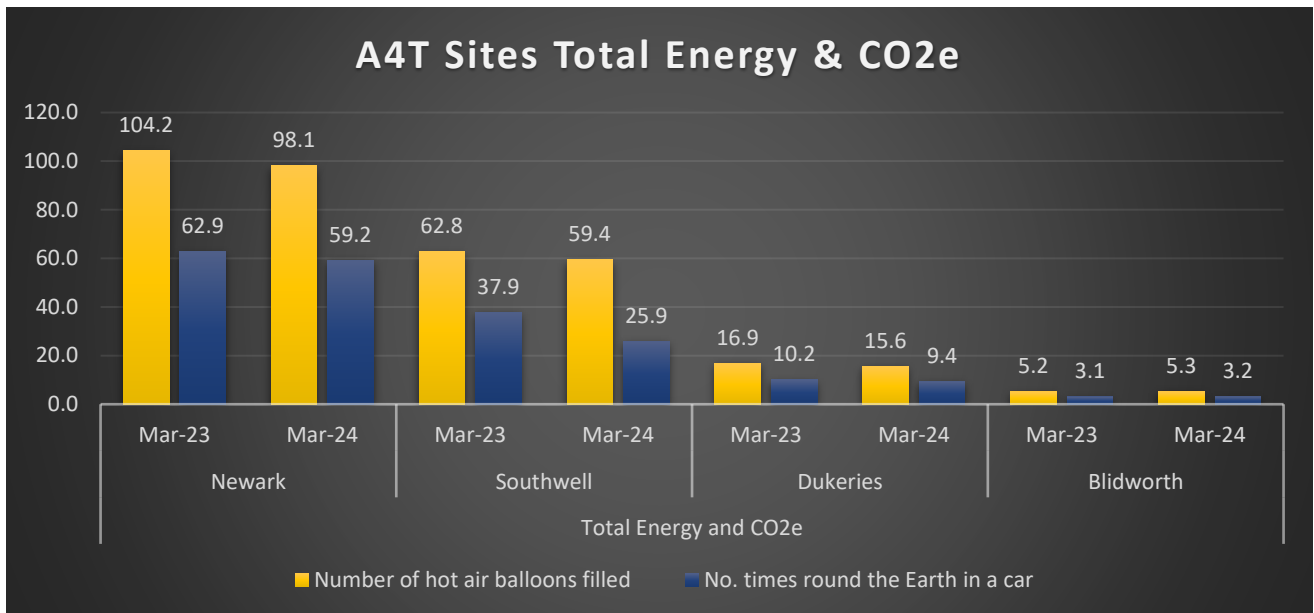


Chart 2. Total savings across the Company

9 Outcome of any formal complaints

9.1 The Company has received multiple complaints relating to the closure of the main pool at SLC and availability of accessible changing equivalent to Changing Places provision, for swimmers at DLC.

9.2 As the Committee will be aware, both issues are outside the control of A4T however we have continued to communicate with customers to keep them updated with progress. Council colleagues have also been included in this correspondence and investigations into the Changing Places provision, is currently taking place by corporate property business unit.

10 Inclusion of customer satisfaction data

10.1 The Company undertook a Customer Satisfaction Survey in March 2024, which is the first time this has been completed. This was available online between 1st and 22nd March through the link shared on social media posts and on a push notification on the app. The link was also sent to all contacts that have a regular block booking at one of the centres. In the centre, the survey was available on ipads and tablets in reception areas as well as paper copies.

10.2 In order to encourage as many returns as possible, the survey was incentivised and those returns that include an email address, were entered into a prize draw to win one months' membership. Five individuals were selected at random, (all existing members) and had their monthly direct debit reduced to £0 as the prize.

10.3 There were 547 responses received, which gave an overall average score of **3.9 / 5** for the question – *please rate your overall experience with us.*

10.4 Other highlights include –

- Cleanliness – **3.89 / 5**
- Digital experience / app – **3.33 / 5**
- Friendliness of staff – **4.24 / 5**
- Knowledge and expertise of staff – **4.12 / 5**
- Value for money – **3.84 / 5**

10.5 There were also many customers that took the opportunity to share their thoughts on the closure of the main pool at SLC (74 in total), however some excellent suggestions and ideas were put forward. The Board and the management team are now working to introduce several of these ideas and ensure customers are kept informed of progress throughout the next year.

10.6 The ongoing collection of customer feedback has been available throughout the year, however whilst the Customer Satisfaction Survey was available, numbers significantly reduced.

10.7 Throughout the year, there have been 170 comments reported with an associated score applied to the visit/experience. The method provides consistency and balance in dealing with feedback, with relevant comments shared wider across the workforce.

10.8 At times, there are comments received that are more complex, and require a meeting or telephone call to gain a better understanding of the issue. This enables the customer to discuss the concerns with a Director and establish a course of action at that time. This approach has been well received by customers.

10.9 In terms of the nature of the comments, here is an overview –

- Accidents and incidents - 2
- Facilities - 46
- Positive staff feedback - 44
- Negative staff feedback - 11
- Programming - 33
- Systems and pricing - 16
- Miscellaneous - 18

10.10 Examples of the comments received have included –

- Positive feedback regarding class instructors, professional and clear instructions
- Friendly and approachable staff at BLC
- Movement of yoga from studio to sports hall and unable to hear instructor
- Classes not starting on time
- Equipment maintenance (spin bikes) at SLC not acceptable
- Sound system in studio at NSFC drops connection and affects hearing instructions from staff member

10.11 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 – 47

Score of 2/5 – 18

Score of 3/5 – 21

Score of 4/5 – 21

Score of 5/5 – 63

11 Staff training plan

11.1 The Company has an annual training budget to provide regular training for existing staff to ensure that required qualifications for particular job roles are maintained and up to date. These include pool lifeguard and first aid.

11.2 In addition, training and workshops are delivered in house where gaps in knowledge are identified amongst specific teams, i.e. customer care, fraud awareness, legionella, pool plant.

11.3 Below is a table presenting the training delivered in 2023-2024 and the planned training for the forthcoming year.

Date	Training description	Staff members
April 2023	Pool hoist at DLC	Leisure attendants
May 2023	First Aid at Work renewal	Operations managers
May 2023	Level 5 Award in Leadership and Management	Head of Partnerships Head of Finance
May and December 2023	Management workshops	Operations managers
June 2023	British Gymnastics Level 1 Asst Gymnastics Coach	Assistant Coach at NSFC/SLC
June 2023	Use of Evac Chair / Ski Pad	Operations managers
June 2023	Apprenticeship Level 2 Community Sports Activator	Sports development Assistant
June and November 2023	Swimming teaching - Award and Certificate course	New/existing staff
July 2023	Set up and take down refresher workshop	Leisure attendants
July and December 2023	Swimming teaching CPD (delivery, body language)	Swimming teachers
July and December 2023	Rescue Test renewals	Swimming teachers
July 2023	Introduction to Pool Plant Operator (troubleshooting)	Operations managers
July and October 2023	Pool Lifeguard	New/existing staff
July 2023	App software	App project team
July 2023	British Gymnastics Level 1 Trampoline Asst Coach	Assistant Coach at DLC
September 2023	Fraud online webinar through Natwest	Finance team
October 2023	Swimming teaching CPD Preschool/aqua babes	Swimming teachers
October 2023	Cyber Awareness and GDPR Refresher	Staff with access to sensitive data
November 2023 (completed)	Apprenticeship Level 3 Duty Manager	Relief operations manager
January 2024	Staffmis Induction software	Operations managers
March 2024	Autism Awareness for children CPD	All coaching staff
Monthly	Ongoing CPD for pool lifeguard	Leisure attendants
Planned for 2024/2025	Training description	Staff members
April and May 2024	Free Weights Monitoring refresher	Leisure attendant and fitness instructors
May 2024	STA Swimming Teaching Tutor Award	Operations manager
May 2024	Rest Centre champion awareness workshop	Operations managers

Various dates in year	First Aid at Work renewal	Operations managers
June 2024	GP Referral course	Fitness instructor at NSFC
June 2024	Incident management	Operations managers
To begin in June 2024	Apprenticeship Level 3 Duty Manager	Leisure attendant
To begin in June 2024	Apprenticeship Level 3 Sport and Health Officer	Sports Development Assistant
June and December 2024	Management workshops	Operations managers
To begin in July 2024	Apprenticeship Level 2 Fitness	Fitness apprentice
September 2024	Use of Evac Chair / Ski Pad	SLC staff
September 2024	ILM Level 3 Introduction to Management	Receptionist
October 2024	ILM Introduction to Management workshop	Operations managers
October 2024	Pool Lifeguard	New/existing staff
November 2024	CPD for fitness	Fitness teams
To be completed August 2024	Apprenticeship Level 3 Finance Assistant	Finance Assistant
To be completed Sept 2024	Masters in business administration (MBA)	Director
January 2025	CoursePro (children's lesson management software)	Coaches and OM leads
February 2025	Customer Service workshop re call handling	Customer service teams
To be completed March 2025	Apprenticeship Level 2 Active Leisure	Apprentice at NSFC
Monthly	Ongoing CPD for pool lifeguard	Leisure attendants

Table 7. Staff training plan