



Report to: Executive Shareholder Meeting 3 December 2024

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

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

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

Report Summary	
Type of Report	Open Report / Non-Key Decision
Report Title	Active 4 Today Performance Outturn Period 6 (April-September 2024)
Purpose of Report	This report presents the performance of Active 4 Today for the period 1 st April – 30 th September 2024.
Report Recommendations	That the Executive Shareholder Committee note the performance of Active4Today up to period 6, 2024-25.
Alternative Options Considered	None
Reason for Recommendations	To ensure that the shareholder has assurance and oversight of the company's performance ensuring that the company continues to deliver the outcomes required by the Council as aligned to the Councils Community Plan.

1.0 Background

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

- 1.4 This cover report provides the highlights for committee with appended documents to this report:
1. Active4Today – Report from the Managing Director 1st April to 30th September 2024
 2. Active4Today Performance Indicators 1st July to 30th September 2024
 3. Active4Today Sports Development Report 1st July to 30th September 2024
 4. Sports Development Infographic 1st July to 30th September 2024

2.0 Performance Overview

Business Performance – Usage, Memberships, Income and Expenditure

- 2.1 In the first six months of the year, the company has performed well in terms of memberships, with a growth at Newark Sports and Fitness Centre offsetting losses at Southwell Leisure Centre, in particular with attrition rates remaining relatively stable due to customer retention initiatives being applied to maintain the overall membership base.
- 2.2 Overall memberships show a net increase of 44 since April at 11,718 and a relatively stable positive overall since the same period last year (11,788), noting that increases in adult membership have balanced a loss in youth memberships since the same period last year (See Appendix 2).
- 2.3 Membership income at Period 6 demonstrates a positive increase on the original budget of £102,200 but it is the revised utilities costs that make a significant impact on the company's overall budget – with utilities costs projected to reduce by £494,600 following the renewal of utilities contracts, and a further saving of £98,921.17 on VAT associated with these costs. Further detail can be found at Appendix 1 Section 4.
- 2.4 The ongoing impact of increased revenue through memberships, and savings through utilities and other associated efficiencies is that at Period 6, the projected management fee for 2024-25 has decreased from a budgeted £749,100 to £81,200 representing a projected decrease in management cost to the Council of £667,900 which also includes a budgeted £50,000 transfer to the Company's Target Reserve of £750,000 which currently stands at £640,188 in year.
- 2.5 The current forecast management fee of £81,200 represents a return to management fees that predate covid and demonstrate a far stronger financial position for both the company and the council as sole shareholder. User visits are also recovering to pre-covid levels with visits to 30th September across all sites at 506,055 slightly below target of 550,000. Caution however should be applied as utilities costs remain volatile and whilst the council and company invest in energy saving initiatives such as solar panels and pool insulation to reduce energy use, the vast majority of utilities costs are beyond the company's control.
- 2.6 Table 1 below provides members with a timely summary of the relationship between the management fee and user visits since 2019-2020 and the relevant subsidy per user

over the period. The latest forecast is predicting an outturn subsidy of 7p per user which is creeping close to a break-even/zero subsidy position.

Year	Management Fee	User Visits	Subsidy per user
2019 – 2020	£120,220	1,189,899	£0.10
2020 – 2021	£611,220	267,825	£2.28
2021 – 2022	£731,645	914,491	£0.80
2022 – 2023	£480,650	1,008,319	£0.48
2023 – 2024	£410,534	1,101,987	£0.37
2024 – 2025	£81,200 (revised forecast)	1,100,000 (forecast)	£0.07 (forecast)

Table 1 Management fee v user visits to calculate subsidy per visit

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

3.0 Performance against business plan actions

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

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

- i. Free activities during the Summer School at Newark, Southwell and Dukeries LC's including swimming, squash, badminton and table tennis attracted 142 users.
- ii. Delivery of a 5 successful Holiday and Food Activity Programme (HAF) for children eligible for free school meals engaged 89 children and two family groups (8 people).
- iii. 12 one-year Gym bursaries were approved for young people with identified additional support needs.
- iv. 5 new VISPA Volunteers have been recruited and inducted onto the scheme supporting and developing the sports leaders of the future.
- v. An increase of 17% in 60+ user visits rising to 76,822 compared with 65,370 for the same period in 2023.
- vi. The number of concessionary memberships has increased from 497 to 522 which represents an increase of 137 on the same period in 2023.

- vii. 96 community and sports groups supported including support to secure funding.
- viii. Procurement exercise to replace fitness equipment completed with planned rollout in October.

4.0 Recommendation

- 4.1 That the performance of the company outlined in this report and detailed in the associated **Appendices 1, 2, 3 and 4** are noted.

5.0 Implications

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

5.1 Financial Implications – FIN24-25/9294

- 5.2 The current budgeted management fee payment to Active4today within the Council's financial system is £749,100 for financial year 2024/25. As per paragraph 2.4, the current forecast value of the management fee is £81,200, which is a forecast saving of £667,900.
- 5.3 The potential capital spend of £75,000, as described at paragraph 2.7, would need to be brought back to Cabinet for decision to add an item into the capital programme. For the purpose of budget monitoring, this £75,000 has been forecast to be incurred within the budget monitoring report elsewhere on this agenda. Where there is no proposal, or the proposal is not accepted, this budget would remain unspent.

Background Papers and Published Documents

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

None