

11TH MARCH 2025

UPDATE REPORT 1ST APRIL 2024 – 31ST JANUARY 2025



1. REPORT PURPOSE

- 1.1 To provide the Shareholder Committee with an update on the operations of Active4Today, for the period 1st April 2024 to 31st January 2025 (period 10).
- 1.2 To provide the Shareholder Committee with an update on the forecasted management fee, following the projected outturn process, based on the information available from January (period 10).

2. BACKGROUND

- 2.1 As the Shareholder Committee will be aware, the Company began the 2024-2025 financial year in a strong position, despite the closure of the Southwell Leisure Centre main swimming pool. At period 03 of the 2024-2025, the Company revised the expected deficit position from £749,100 to £139,060, which was mainly due to the large decrease in utility prices and the associated VAT costs.
- 2.2 The Committee were informed that the utility purchasing company working for A4T had managed to procure significantly cheaper unit prices for the year, which equated to a reduction of circa 50% on gas and electric. The breakdown of these reductions was provided to the Committee, showing savings for each individual site, which in turn provided an overall net saving of £494,600 on the utility budget.
- 2.3 Membership income had remained steady since the budget was agreed, with the Company continuing to mitigate a significant amount of the loss at Southwell following the main pool closure. This mitigation included staff relocations and moving customers from Southwell swimming lessons, to lessons at Newark and Dukeries. In addition to the mitigations identified, improved income across the other sites, supported the forecasted year end position.
- 2.4 Attrition rates across the membership base (cancellations v new members), remained relatively low, which is testament to the hard work of the fitness staff, in retaining customers through excellent customer service.
- 2.5 Expenditure across the controllable areas has been broadly in line with targets, except for utility costs.

3. CURRENT SITUATION

- 3.1 The Company has now received the upgrades and refurbishments to the fitness suites and equipment at Blidworth, Dukeries and Newark leisure centres. This has resulted in an increase in expenditure across the repairs and renewals budgets, as well as the contractual service budgets, which has been detailed further down within this report.
- 3.2 Solar panels have now been installed at both Newark and Dukeries leisure centres and are now beginning to generate electricity at both facilities (Dukeries Leisure Centre commenced in September). As a result, the utility usage provided through traditional means is likely to reduce in the future, as the electricity generated by the solar panels is used on site. The Company is now working with the council, to gain an understanding of how much the total future saving may be, across both facilities. This has not been reflected fully in the revised budget provided, as it is too early to indicate correctly, the impact on the present usage figures.
- 3.3 Further positive feedback is that income across several membership categories, has seen an increase in performance. This is largely due to the high levels of sales to date, as well as slightly lower attrition rates forecasted for the remainder of the financial year. Communications around the new fitness equipment, as set out above in 3.1, has also been a factor. The performance to date, combined with the expected performance for the remaining period of the year, has forecasted an increase in the adult and junior membership. Our latest projection shows these targets are set to exceed the initial and revised estimates, following high volumes of sales in January. The value of this is shown in the table below.
- 3.4 Currently there remains no significant changes within the salaries budget forecast, however the cost-of-living award for 2024-2025 was agreed at the end of October. This adjustment to the salaries budget has now been factored in and has been met by the 5% provision made by the Company, when the budget was set.

4. FINANCIAL HEADLINES UP TO 31ST JANUARY 2025

- 4.1 Set out in the table below (table 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 the original full year budget, the period 06 revised budget, the period 10 projection for 2024-2025 and the variance between the revised period 06 and the projected 10 actuals.

Budget Category	Original full year budget for 2024-2025	Period 6 revised budget for 2024-2025	Year-end Projection for 2024-2025 at Period 10	Variance between the 2024-2025 period 6 full year revised budget and the year-end projection
Membership Income	-3,478,200	-3,596,920	-3,622,500	-25,580
Pay and Play Income	-295,500	-293,000	-286,100	6,900
Facility Hire Income	-424,000	-423,000	-433,900	-10,900
Other Income	-101,300	-113,300	-110,000	3,300
Total income	-4,299,000	-4,426,220	-4,452,500	-26,280
Staff	2,614,600	2,617,100	2,607,060	-10,040
Premises	1,321,200	832,850	861,000	28,150
Supplies and services	1,062,300	1,007,470	1,034,700	27,230
Total expenditure	4,998,100	4,457,420	4,502,760	45,340
Transfer to Reserves	50,000	50,000	50,000	0
(Surplus)/Deficit	749,100	81,200	100,260	19,060

Table 1 Financial performance update

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

4.2.1 **Membership income** – This income line of income is currently projected to overachieve by £25,580 across the adult and junior membership types. Sales have outperformed identified targets across the sites and several of the membership categories, over the last few months. In addition to this, the Company has seen a lower attrition rate in the second half of the year, in line with seasonal trends and the addition of the new fitness equipment installations and refurbishments, during October and November 2024.

4.2.2 **Facility hire/pay and play income** – Currently this income budget is projected to be broadly in line with the latest budget overall, with the year-end projection showing a £4,000 overachievement variance. This is due to having most clubs on direct debit, which allows the Company to forecast the projected income at an early stage of the year. Generally, any changes to this budget area will come from increased hires or increases in prices. Pay and play is slightly more reactive, however currently there is a small variance projected to year end, across both combined budget lines.

4.2.3 **Other income** – This income budget is expected to be underachieved by £3,300. This is due to the income generated from vending being slightly lower than expected, following the closure of the Southwell main pool. In addition to this, the income the company is projected to make on the investment interest, is likely to be slightly less than the forecast, following recent interest rate drops.

- 4.2.4 **Staffing** – This budget is currently showing a £10,000 underspend projected to year end. This is made up of a £5,000 overspend on freelance instructors, following a recent review of all pay rates, which brought all instructors pay in line with each other, providing comparable pay for similar classes. There is also however, a £15,000 underspend across staff salaries, following a recent change in duties, within the management of the company.
- 4.2.5 **Premises** – This budget line is projected to be £28,000 overspend at year end. This is due to higher usage (not unit cost prices) increasing over the sites and specifically at Newark, which is attributing £21,500 to this overspend. The company is currently investigating this increase; however, this may be down to increased usage in the pool, sports hall and fitness suite. In addition, the company is looking at the combined heating and power unit and the building management system, to ensure all collaborations are correct.
- 4.2.6 **Supplies and services** – This section of the budget is made up of several budget lines. The projected overspend of these total £27,000. This is largely made up of an increase in contractual services (associated with the refurbishment of the fitness suites) and an increase in compliance testing which total approximately £22,000 across all sites. This is due to several items of existing equipment being retained as part of the refurbishment, as it remains fit for purpose. This is only the resistance equipment and assisted in reducing the capital cost to the Council of approximately £400,000. In view of this, an additional maintenance contract was put in place, to refurbish and maintain these items, which included Southwell Leisure Centre, as currently none of the equipment is scheduled to be replaced at the site.
- 4.2.7 **Transfer from balances** – This line represents the expected shortfall between income and expenditure for the Company for the financial year 2024-2025. This line also forecasts the amount of management fee required from the District Council, to help financially support the Company. This is currently forecasted at £100,260 in the proposed revised budget, which is an increase of £19,060 from the forecasted £81,200 at period 06, however, this remains a reduction of £648,840 on the original budget. As set out above, there are areas which have mitigated a larger increase in the predicted management fee, however, since the forecast at period 06, increases in expenditure have occurred within compliance testing, work associated with the fitness suite refurbishments, work on the Southwell Leisure Centre squash court walls and increases in utility usage. This estimated management fee, however, remains an excellent position for the Company, with the amount being at its lowest point, since the Company was formed in 2015.
- 4.2.8 The Company is forecasting to continue to maintain its reserve of £590,188. This will be supported with an in-year contribution by the Company into reserves of £50,000, at year end, which has already been factored into the deficit position.

5. FURTHER FINANCIAL UPDATES

- 5.1 As reported previously, the Company was working through the prospective audit companies to undertake the series of internal audits, following the Board's approval of the 4-year cycle. It was confirmed that Nicholson's Audit would be undertaking the work.
- 5.2 The first audit on the creditors process commenced during the latter part of September 2024. The Company can confirm that there are no concerning areas, with the auditors satisfied that the following processes comply with statutory requirements:
- Accounts payable
 - Supplier management
 - Invoice management
 - Compliance with regulatory requirements
 - Financial reporting
 - Documentation and record keeping
 - Internal controls
- 5.3 The second of the internal audits is scheduled to commence During April 2025, which will cover the compliance of the payroll function of the company. Once the audit is complete the Company will share the outcome, with the shareholder committee.
- 5.4 The works to draw down the funding of £61,356 from the Sport England Phase 2 grant, has commenced with two new pool covers being installed at Newark Sports and Fitness Centre. The new lighting schemes for the sports hall and studio, also at Newark, will commence at the beginning of March 2025, for completion by the end of March.

6. USAGE PERFORMANCE

- 6.1 As the Committee is 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 10 - 1ST APRIL 2024 TO 31ST JANUARY 2025

7.1 Performance against Business Plan Actions and Performance Indicators:

	AIMS	LINKS TO H&WB STRATEGY	ACTION	PROGRESS TO 31 ST JANUARY 2025
1.	Healthy and active lifestyles			
1.1	Children and young people	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity	<p>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.</p> <p>b) Offer school holiday activities to qualifying children on free school meals through the Healthy Activity and Food (HAF) funded programme.</p> <p>c) Develop the school holiday provision to include developmental sports clubs and provide experience for VISPA volunteers.</p>	<p>Delivery of free activities during Easter and May school holidays at DLC and NSFC. Free swimming, squash, badminton and table tennis sessions engaged 125 people.</p> <p>Delivery of free activities during summer school holidays at SLC, DLC, NSFC. Free swimming, squash, badminton and table tennis sessions engaged 142 people.</p> <p>Delivery of free activities during October half term at NSFC and DLC. Free swimming, squash, badminton and table tennis engaged 97 people.</p> <p>During the Christmas holidays, a total of 109 people accessed free swims and dry side activities including badminton, squash and racket ball at NSFC and DLC.</p> <p>HAF Sport Camp and 2 new pilot HAF sessions (Gym and Swim and Family Sports) delivered at Easter holiday at DLC and NSFC. Engaged 25 children and 2 family groups (8 people).</p> <p>5 HAF sessions which included 2 new sessions - Mini First Aid and Active Cooks, were delivered over Summer at DLC, NSFC and Magnus Academy. These engaged 89 children and 2 family groups (8 people).</p>

			<p>d) Development of an annual swimming competition to identify talented swimmers and signpost to local clubs.</p>	<p>2 community sports (archery and football) clubs and Trent Bridge Community Trust delivered sessions during the summer holiday programme at NSFC and Magnus Academy. 2 volunteers engaged in 5 sessions during this period. COMPLETE –</p> <p>The annual gala took place on 23rd December with over 440 children participating in the fun event.</p>
1.2	Inclusion	Ensuring a Best Start/ Improving Healthy Lifestyles/ Tackling Physical Activity/ Recognising Mental Health	<p>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.</p> <p>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</p>	<p>Minster School – COMPLETE Magnus Academy – COMPLETE Shaw Mind’s mental health resilience training booklet to be issued to all participants. 10 students from Magnus, targeted by the school SENCo lead engaged. Noticeable improvements in mental and physical health reported by including students’ readiness to engage in other school activities. At least 3 students continue to access fitness suite (pay and play). 1 student granted a YP bursary. A cohort from January 2024 continue to engage with their memberships. Feedback from young people attending was positive with improvements being seen to both mental and physical health. 11 months into the membership 6 of the 7 applicants continue to access facilities. 29 applications received from schools and partners in September 2024. 12 of those applications were granted a bursary after clearly demonstrating their mental health need.</p>

			<p>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.</p> <p>d) Join National Disability Awareness campaigns to raise awareness of the disability offer and broaden the spread of publicity.</p>	<p>7 inducted, 2 are progressing to induction, 3 non-responsive. First monitoring period is taking place at the end of January.</p> <p>Further development work is now taking place to review the bursary scheme further, with a bid to make this even more accessible to a wider audience. Any changes to this will take place during quarter 4.</p> <p>Work in progress with My Sight, NHS visual impairment teams and with parents of a local autistic support group explore the opportunities to engage in a targeted activity session.</p> <p>My Sight delivery scheduled for January 2025 has been deferred.</p> <p>30 students from Newark Orchard School toured NSFC facilities to familiarise themselves with the centre prior to group gym sessions beginning in January.</p> <p>Orchard students inducted and provided with active card to support use outside of the school day. Sessions supported by sports dev and fitness apprentices.</p> <p>Dementia Action Awareness week was celebrated on social media through the promotion of inclusive sessions which take place at SLC and NSFC.</p> <p>World Stroke Day' and 'International Day of Persons with a disability' were celebrated across social media whilst promoting suitable physical activity sessions for those with long term health conditions.</p> <p>In December 'World Disability Day' was celebrated across social media highlighting the</p>
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			<p>e) Support the N&S Sports Council to develop a team of Mental Health ambassadors across the district.</p> <p>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).</p> <p>g) Identify sessions/activities, once per month that can be offered on a 'Pay what you can' basis.</p> <p>h) Launch the Safer Gyms initiative in conjunction with partners, highlighting A4T involvement and accreditation of all 4 sites.</p>	<p>inclusive sessions the Company provide. COMPLETE</p> <p>IN PROGRESS – Funding received through Community Alcohol Partnership (CAP) to facilitate an accessible and supportive football session for young people living in Hawtonville. Sessions will take place in February 2025 in partnership with Hawtonville Young Peoples Centre, Nottingham Forest Community Trust, Newark Town Council and NSDC officers. Ollerton and Boughton CAP meeting – discussed opportunities for diversionary sport activities with partners, following the launch of the Hawtonville sessions.</p> <p>This will commence in quarter 4 as a NY's initiative.</p> <p>COMPLETE. All paperwork and training is in place and this will be on ongoing process of updates, to ensure compliance with the scheme.</p>
1.3	Volunteers and workforce	Tackling Physical Activity	<p>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.</p>	<p>During September 117 people were engaged at the below events -</p> <ul style="list-style-type: none"> • Dukeries Academy mock interviews. • Joseph Whitaker careers fair. • Clipstone Work and Wellbeing event. • Newark College Welcome Back Day. <p>To date 17 new VISPA applications have been received. With 5 of these</p>

			<p>b) Include developmental/ mentoring opportunities for VISPA volunteers within the school holiday activity programme.</p> <p>c) Develop a digital platform to record training, hours and progress of VISPA volunteers.</p> <p>d) Work with partners to develop and organise/deliver mental health training for identified staff.</p>	<p>volunteers being inducted in August.</p> <p>October – December saw continued promotion in 4 schools including a career day at Newark Academy. These engaged 155 young people, resulting in 9 applications, with 2 new VISPAs being inducted. Totalling 15 for the year up to and including December.</p> <p>During January 4 events at 4 secondary schools were attended where the VISPA programme and workforce opportunities were shared with 280 students. 4 VISPA applications received, leading to 3 new volunteers inducted. 7 young people from YCDS have expressed an interest in volunteering at the Footy Fun sessions taking place at Hawtonville Young People Centre. 4 volunteers supported holiday activities during Easter and the gymnastics competition in May. 2 volunteers engaged in 5 sessions during the summer holiday period and experienced a range of delivery from different community sports clubs and Trent Bridge Community Trust.</p> <p>1 volunteer engaged in the holiday activity programme at NSFC during October half term.</p> <p>4 volunteers supported the Christmas holiday activity programme and swimming gala at Newark Sports and Fitness Centre.</p> <p>COMPLETE</p> <p>IN PROGRESS - Active Lifestyles Officer completed Mental Health Awareness trainer course and is</p>
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			<p>e) Identify opportunities for education and training for the community including first aid for children.</p> <p>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.</p>	<p>preparing a wider staff training event. To be delivered during February 2025. Mental Health Awareness training has been booked and scheduled for 26th and 27th Feb, Fitness Instructors identified and informed. COMPLETE – Sessions delivered over the summer holiday period engaged 14 children and young people at SLC and NSFC. IN PROGRESS – Development of Menopause and Physical Activity training specifically for Fitness Instructors. Parkinsons/Physical Activity online training course attended by Active Lifestyles Officer. Sports Development and Fitness apprentices have registered to complete the training to support delivery of new Neuro-Fit session at NSFC. ALO and Apprentices are delivering NeuroFit session. A training programme is now being created to be rolled out to fitness staff in the new year.</p>
1.4	New opportunities	Tackling Physical Activity	<p>a) Develop the options for establishing a charitable arm of the company, in a bid to attract external funding.</p> <p>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.</p>	<p>IN PROGRESS - Research undertaken and draft report to be available in October.</p> <p>23 companies have been approached to engage with corporate memberships, to date. This includes 9 companies approached during August and September. All of which have received initial promotional material, and 3 day passes. 21 businesses engaged through Newark Business Club to date, which includes 12 companies during August and September. 1 new corporate partner achieved.</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>d) Develop a series of 'master classes' for adults which will increase confidence and provide enjoyment to specialist activities.</p> <p>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.</p>	<p>240 wellbeing checks completed through visits to corporate partners to date. This includes 84 wellbeing checks in September during 'Know Your Numbers' week. 53 companies have been engaged between October – November with promotional literature and free passes provided to each company. Discussions taking place with 3 companies interested in becoming corporate partners support to meet minimum requirements. Charity event Colour Run planned for August 2025. Charity held stand at each of our sites during November.</p> <p>Menopause and Physical Activity master classes to be delivered following staff training.</p> <p>Discussions are on-going with all strategic leisure development projects.</p>
2.	Accessible facilities			
2.1	Long term health conditions	Improving Healthy Lifestyles/ Tackling Physical Activity/ Addressing the needs of an ageing population	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>Two new referrers recruited 15 new referral partners approached, 4 have received additional information and 1 recruited. During August and September 4 new referrers have been approached and 1 new referral organisation recruited. 2 additional referral partners engaged between October – November</p> <p>January, we received 45 GP Exercise Referrals with an uptake of 26 (58% uptake rate)</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>	<p>Referral numbers are up 53% from Jan '24, whilst uptake is up 106% from Jan '24 Full year ('24/'25), to date, exercise referral uptake rate is up 46% on '23/'24 figures Following ongoing work with referral partners a new Neuro-Fit session at NSFC began in September attracting 14 new people to site.</p> <p>IN PROGRESS - 2 members of staff identified.</p> <p>Additional fitness instructor identified (3 total) and approached/ sent training forms.</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>	<p>IN PROGRESS - Information sent to 20 potential partner sites in neighbouring districts.</p> <p>Meetings held with Magnus Academy and Dukeries Academy, Ollerton during September regarding managing community use of their facilities.</p> <p>Delivered presentation and detailed information regarding partner site services to Head Teacher at Dukeries Academy.</p> <p>Magnus Academy - booking information received and proposal being created.</p> <p>IN PROGRESS</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>COMPLETE – The work has now been completed and installation of the equipment at Blidworth, Dukeries and Newark will commence on 21st October and be phased over a 3-week period.</p> <p>This will be supported by decoration and in places new flooring to support the investment in new equipment and provide a new and exciting offer to the customer. Communications of this fantastic investment will take place to raise the profile of the fitness suites</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>and improve sales opportunities. Comms will be in the main from A4T, however, some joint comms in partnership with the Council will take place, to acknowledge the excellent investment they are making.</p> <p>COMPLETE</p> <p>COMPLETE</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>	<p>Recruitment and volunteering added May 2024 Direct link to reporting concerns has been added October 2024 Customer satisfaction survey completed in March 2024 – feedback will inform new policy and programmes</p> <p>In progress. The next piece of work is the development and installation of Course Pro commencing March 2025.</p>
2.5	Physical access	Improving Healthy Lifestyles/ Tackling Physical Activity	a) Work with the Council to improve the changing provision for disabled people at Dukeries Leisure Centre	COMPLETE
3.	Financial viability			
3.1	Pricing	Improving Healthy Lifestyles/ Tackling Physical Activity	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.	This forms part of the draft BP provided in quarter 3.

			<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>	<p>COMPLETE for quarters 1 and 2, with a final alignment being scheduled for quarter 4 to complete the year.</p> <p>Forms have all been digitalised and further investigations are taking place to try and link block bookings with the App</p>
3.2	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> <p>b) Undertake the procurement process for the four-year cycle of financial audits</p> <p>c) Investigate options for reducing energy costs and usage</p>	<p>Information sent to 10 clubs to offer the direct debit services of the Company.</p> <p>COMPLETE – audit 1 completed, audit 2 planned for February 2025. Environmental Audit took place by Sport England Swimming Pool Fund. Report provided. Actions identified. LED lighting scheme and pool cover orders progressing with Corporate Property.</p>

Table 2. Performance against Business Plan Actions and Performance Indicators

8. PERFORMANCE TO PERIOD 10 – 1ST APRIL 2024 TO 31ST JANUARY 2025

8.1 The number of user visits is currently following seasonal trends, with a quiet month in December due to the festive period and an extremely busy in January as forecasted. The cumulative user visits to the end of January reached 875,637 across all leisure centres and partner sites. This is an increase of 67,632 in comparison to the same period in 2024.

8.2 Information on the subsidy per user in relation to the management fee, provided by the Council is detailed in the table below, detailing the current rate and provides some historical data for comparison. As Members will see, this year's estimated management fee represents a significant reduction from previous years, even with the slight increase on the earlier revised 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	£100,260 (revised forecast)	1,100,000 (forecast)	£0.09 (forecast)

Table 3. Management fee v user visits to calculate subsidy per visit

- 8.3 In comparison to 2023, the number of under 16's has not performed to the level experienced previously, which is mainly due to the reduction of memberships held in this age group; although January has seen a small increase. The Committee has been made aware that with the closure of the main pool at SLC, there is a reduction of over 5% in memberships, in comparison to October 2023, even considering the work to try and mitigate the losses; this ultimately affects the participation and user visits.
- 8.4 The number has decreased from 270,124 at the end of period 10 in 2024, to 210,740 in the same period in 2024. This is a decrease of 59,384, however, anecdotally, there are large numbers of young people aged between 11 and 15 using the fitness suites after school and at weekends, as this form of exercise is on trend with this age group. It is important to note that this reduction in usage is by young people using the leisure centres only. Junior usage at partner sites from block bookings is not available in the reports, as the technology to capture this data does not exist at those sites.
- 8.5 The delivery of holiday activities in the school holiday periods during October and December, was a success with over 1,000 user visits across all sites. These schemes provided a range of activities, engaging young people and families. There were also 6 free swim sessions offered (3 at both NSFC and DLC), with 187 people attending across all 6 sessions. As expected, the attendance was higher at NSFC, however, there is more promotional work planned for DLC for the next school holidays. The attendees have registered names and contact details for follow up emails, for promotions and campaigns.
- 8.6 The number of users that are 60+ has continued to increase at a fast pace in comparison to the same period in 2024. There were 131,287 visitors from this age group using the leisure centres up to 31st January 2025, compared to 97,489 for the same period in 2024, an increase of 33,798 or over 35%. This is an excellent result given the activities used by this age group and the affect swimming usage has had, by the SLC main pool closure. The sports development team has been working on several new sessions and has also supported the promotion of the Exercise Referral Scheme, which has helped to support the increase in usage, set out above.
- 8.7 The number of referrals received from healthcare professionals up to 31st January 2025 reached 354, which demonstrates growth in this area, following increased communication to referral partners. Conversions are performing at a consistent rate in relation to referrals and are currently operating at 47% in terms of successful sign ups. This equates to 167 individuals taking out the subsidised membership, which provides access to swimming, fitness suites, classes and support from qualified instructors, for 12 weeks.

8.8 The number of community groups supported has reached 156 across the team of sports development officers and more details regarding the progress and performance of the sports development team, are included in appendix II.

8.9 On 31st January 2025 there were 12,001 live memberships held across all sites. This is an extremely positive position considering the ongoing closure of the SLC main pool. In comparison to January 2024, there is an increase of +885 (+7.96%), where the total live membership was 11,116.

8.10 Further work is planned to ensure retention strategies are maintained by key staff, particularly fitness instructors, with an aim of meeting the customer needs. This outcome is both a positive one for the Company, but also the individual in maintaining a healthy lifestyle.

8.11 The table below provides the Members with direct debit membership data and how this has performed since 1st April 2024.

Month	BLC Adult	DLC Adult	NSFC Adult	SLC Adult	BLC Child	DLC Child	NSFC Child	SLC Child	TOTAL
April 2024	813	1,361	4,443	1,935	102	469	1,587	964	11,674
May	821	1,363	4,482	1,915	102	507	1,659	884	11,733
June	816	1,343	4,501	1,877	102	498	1,684	875	11,696
July	831	1,317	4,669	1,830	109	487	1,688	856	11,787
August	821	1,265	4,590	1,763	113	475	1,693	848	11,568
September	830	1,246	4,637	1,781	115	477	1,756	876	11,718
October	825	1,239	4,669	1,772	114	467	1,739	868	11,693
November	820	1,227	4,658	1,764	111	451	1,772	851	11,604
December	818	1,186	4,659	1,758	113	433	1,686	831	11,484
January 2025	877	1,286	4,882	1,814	124	438	1,723	857	12,001

Table 4. Live membership numbers

8.12 Since 1st April there have been 4,944 new memberships sold, across all the membership categories and all leisure centres.

8.13 In addition to the full membership sales above, there have been 403 free passes provided to residents of the district in the form of; 363 1-day and 3-day leisure centre passes, 8 care leaver passes, 18 refugee passes and 14 talented individual passes.

8.14 Of the 8 membership categories in table 4 above, 6 from 8 achieved the January membership target; both adult and junior at DLC did not achieve their performance targets. This decline at DLC had been identified at the end of quarter 2 and the start of quarter 3 and a campaign titled 'Project Ollerton' has been launched internally, with specific actions identified to stall the decline in memberships and promote growth at that site. This includes greater awareness, increased promotions and increased work in generating corporate clients.

- 8.15 It is disappointing that despite the recent investment into the fitness suite, this downward trend of membership at DLC is being experienced. Some of this reduction may be attributed to the closure of the pool, for the accessible changing room work and latent defects work, to the internal pool hall walls; this caused a closure of 2-weeks. However, on a positive note, all works have now been completed and this has provided an excellent resource to the centre. Based on the new promotions, all pool works now being completed and the newly refurbished fitness suite, we are hoping this current trend will be reversed in the coming weeks.
- 8.16 Despite not achieving the target, the live adult membership base at DLC for January 2025 reached 1,286, an increase of +26 (1,260) in comparison to the same period last year.
- 8.17 The children's membership at DLC is holding steady, and reached 438, slightly underachieving the January 2025 target and only -1 (439) in comparison to January 2024.
- 8.18 Both the adult and junior memberships at BLC are performing extremely well, and collectively reached 1,001, for the first time since 2014, which is an amazing achievement for the site. In direct comparison to January 2024, this is an increase of +203 (798).
- 8.19 The NSFC adult membership base has continued to support the underperformance of DLC and SLC and has achieved 4,882. This is an increase on January 2024, where it reached 4,124, a growth of 758.
- 8.20 The junior membership base at NSFC has steadily grown since April 2024 and reached 1,723 in January 2025, an increase of +210 (1,513) in comparison to the same period in 2024.
- 8.21 The adult membership base at SLC continued to fall throughout 2024, however in January has experienced a small boost reaching 1,814; however, this is still a decrease in comparison to January 2024, when it stood at 1,915 (-101).
- 8.22 The junior membership base at SLC reached 857, in January 2025, a decrease of -210 (1,067). This is due to the closure of the main pool and over 130 swimmers transferring to DLC and NSFC for their weekly swimming lesson.
- 8.23 It is encouraging to see that the number of concessionary memberships held has increased in the year from 440 in January 2024, to 520 on 31st January 2025, an increase of +80.

9. By exception: Update on regulatory compliance

- 9.1 Since 1st 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 Newark
- Service and inspection fitness equipment at all sites

9.2 There are also several 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

9.3 There is currently no other compliance issues identified.

10. By exception: Strategic Risk

10.1 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 Southwell. Some of this work was undertaken during November and December 2023 to the first-floor fitness suite. The remainder of the works are currently being managed by Corporate Property within the Council and updates will be provided to the committee, as a schedule is developed.

10.2 There are currently no other strategic risks identified.

11. Outcome of any formal complaints and customer satisfaction data

11.1 Currently A4T has a process of collecting customer comments and feedback through various means. This includes verbal interaction, email sent directly to the Company through the enquiry's inbox, completing a form on the webpage, via the Council's customer services team, or direct to a staff member (usually captured on Staffmis).

11.2 These various communications 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 action the feedback by arranging a meeting with the customer/s and/or respond in writing.

11.3 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.

11.4 A4T continues to receive comments through an online form, which has recently been developed further to allow the filtering of comments and feedback at the point of submission. This will now split comments into categories, which includes safeguarding, theft and car parks, inappropriate behaviour and general customer feedback. Dependent on the selection, is then automatically sent to a specific member of the team. This is managed internally by both Directors, to ensure there is a consistency of message and application of the policy.

11.5 There have been 169 customer comments received in total across the Company from April to January 2025. These are split down as follows, with often multiple comments covering more than one area of the business:

- Accidents and incidents - 3
- Facilities - 60
- Positive staff feedback - 29
- Negative staff feedback - 11
- Programming - 39
- Systems and pricing - 13
- Miscellaneous - 14

11.6 There were 16 comments received in December related to the removal of non-compliant flashing lights in 3 exercise classes at NSFC (the lights had been bought in by the instructor). The use had not been approved by senior management, there had been no risk assessment undertaken and the equipment had not been PAT tested. This has now been resolved by completing a risk assessment, new lights purchased by A4T and the class timetable updated, so that customers

who have medical conditions, which are exacerbated by flashing lights, are aware and can choose to attend other classes.

11.7 Examples of some of the comments during the last quarter are –

- Report of leaking tap and soap dispenser at NSFC
- Reduced lanes in lane swimming session, due to new block booking for Mansfield Tri Club
- Compliments regarding the new fitness equipment and layouts
- Online booking is confusing
- Parking at SLC during school pick up/drop off is dangerous
- Use of mobile phones in fitness suite, whilst sitting on equipment and not available for others to use
- Compliments regarding class delivery and disappointment when two freelance class instructors left A4T

11.8 Individuals who highlighted that they wanted a response to the comments were contacted by the Director of Development and Operations. On some occasions there was further action taken, i.e. positive/negative comments relating to staff and this feedback to individuals concerned.

11.9 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 – 50
- Score of 2/5 – 22
- Score of 3/5 – 33
- Score of 4/5 – 12
- Score of 5/5 – 52

11.10 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 57%. It is worth noting that because 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.

11.11 The Company is preparing for the annual customer survey, which takes place in March and the results and comparisons to the results of 2024, will be shared with the Shareholder Committee at the next meeting.

11.12 In addition to the above, the Company has reviewed the formal customer comments process in line with the latest information received from the Council. This will include an option for referral to the ombudsman, if the internal process of dealing with customer feedback, cannot resolve any

query/complaint successfully. Once completed, this will be shared on the website and app for customers to review.

12. PROPOSED MANAGEMENT FEE AND BUSINESS PLAN 2025-2026

- 12.1 When developing the budget for 2025-2026, 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 2025-2026 budget, with the information that is known at the current time.
- 12.2 From the list above, utility charges are expected to continue to increase and as a result the Company is estimating an increase of 8% in utility prices for 2025-2026.
- 12.3 In addition to the above, the Company is also increasing VAT, licenses (software development) and compliance. These increases have followed on from the 2024-2025 financial year. Software is also becoming a significant spend for the Company with various pieces of technology required to improve the customer journey, as well as internal performance management. These applications are all required to support the day-to-day operations 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, Artificial Intelligence (AI), kiosks and door entry systems.
- 12.4 With regards to compliance, the Company undertakes a significant number 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 undertaken as part of the service level agreements with the Council, with the remainder being identified and procured by the Company.
- 12.5 In year pension contribution costs remain at nil for 2025-2026. This is due to the 2022-2023 triennial evaluation, which came into effect from 1st April 2023 and runs through until March 2026.
- 12.6 New for 2025-2026 is the change in employers' national insurance contributions as the threshold for each employees earning is going to be reduced from £9,100 to £5,000, as well as an increase of 1.2%. This change will have a significant impact on the 2025-2026 budget and the current estimate is forecasting an additional cost on the Company, of approximately £90,500.
- 12.7 The proposed budget for 2025-2026 has been developed along the same lines as the 2024-2025 financial year, which has included a 'nil' management fee from the Council, for the leisure centres and the sports development operations. This will allow the Company and Council to fully understand the financial performance of the Company throughout the year and agree a final management fee at the end of 2025-2026.

12.8 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, compliance and chemicals, 2025-2026 will be a challenging financial year for expenditure.

12.9 In view of this, the Company is proposing an increase of £1 in monthly membership costs across several memberships, for the 2025-2026 financial year. This will help to offset the uncontrollable increases in expenditure. This is however, the first membership price increase in 2 years for the Company, not including realignment.

12.10 In addition to the above, the Company is currently working with the Council on an 'Agency' model for operation, which if adopted, will have a positive effect on the Company's VAT position and as such reduce the operating deficit. However, it is at a very early stage currently, so further information will be provided to the Members, as this initiative moves forward.

12.11 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 3%
- Changes to the NI threshold, which means the Company will pay more per employee
- Utility increases set at 8%
- Memberships continuing the current trajectory with regards sales, cancellations, and attrition
- The status quo regarding Southwell Leisure Centre remains the same

12.12 In view of the above, A4T are forecasting a management fee for the 2025-2026 financial year of £109,390, to support its operations. This forecasted figure supports the operations of four leisure centres and the sports development team, which Members will be aware, brings no income into the Company; except for grant funding, which is specifically attributed to the projects it supports.

12.13 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.

12.14 As per the agreement with the Council, the Company develops a business plan which identifies several key areas of work, which the Company will undertake within the district, as part of its management fee.

12.15 Attached at appendix III is the draft 2025-2026 business plan for the Company. The plan focuses on income and usage and 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.

13. SUMMARY

13.1. In view of the above, A4T are predicting a current shortfall of £109,390 for the 2025-2026 budget, to balance this to zero.

13.2. Within the proposed management fee identified above, A4T are also making a £50,000 provision on an annual basis into its 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 £590,188 in reserve and it is expecting to add a further £50,000 to this amount at the end of the 2024-2025 financial year, based on the period 10 forecast.

13.3. **Main areas for noting**

a) **Membership income** – this budget line has seen an increase of £175,290 across all sites. The main driver for this increase is the proposed increase to all membership prices of £1 from April 2025. This increase was necessary to outweigh the continuing increases to uncontrollable costs in other areas of the business.

b) **Pay and play income** – this budget has also seen a small projected increase of £5,800.

c) **Facility hire income** – this budget line has had a slight increase of £7,300 in comparison with this year's budget.

d) **Staff budget** – this budget line has increased by £188,500 with an overall percentage of 3% for salary rates. In addition, the Company will see an increase in NI provision for the upcoming financial year, due to the changes nationally in the threshold which employers' national insurance is paid. This is in addition to the percentage increase. This change will cost the Company approximately £90,500 additionally, in employers NI contributions.

e) **Premises budgets** – this budget line has increased by £5,350, which is made up of an 8% increase in utility rates as well.

f) **Supplies and services budget** – this budget line shows an overall increase of £13,130 across several different budget headers. The majority of the increase is in contractual services, which has seen an increase of £12,300 in the 2025-2026 financial year, due to changes to regulations within the buildings.

13.4 The business plan, as in previous years, contains the three areas of focus, which are healthy and active lifestyles, accessible facilities and financial viability. Under each of these headings, the

Company has developed initiatives which will support the Company's and Council's social responsibilities, as well as supporting income generation, to assist the Company to be as sustainable as possible.

14. BUDGET IMPLICATIONS

14.1 There is 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.

15. EQUALITY & DIVERSITY IMPLICATIONS

15.1 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