

CABINET – SHAREHOLDER MEETING

24TH MARCH 2026



UPDATE REPORT 1ST APRIL 2025 – 31ST JANUARY 2026

1. REPORT PURPOSE

- 1.1 To provide the Shareholder Committee with an update on the operations of Active4Today, for the period 1st April 2025 to 31st January 2026 (period 10).
- 1.2 To provide the Shareholder Committee with an update on any proposed management fee, following the revised budget process completed in December 2025.

2. BACKGROUND

- 2.1 The Committee will be aware, that the Company finished the year in a strong position, with the deficit figure outturn of £29,843; this represents the best financial performance for the Company, since it was established in 2015. This was an excellent final position, given that this included, continuing to operate Southwell Leisure Centre, with no main pool and significant losses in memberships carrying forward from the previous year and which have been reported to the Committee on several occasions.
- 2.2 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 their customers through excellent customer service.
- 2.3 Due to this positive closing position for the Company, the starting income for the 2025-2026 financial year, was slightly higher than expected.
- 2.4 Utilities experienced an increase in usage across several sites, and this was particularly noticeable for gas usage at Newark. This is currently being investigated by the management team and external specialists and may identify possible issues with the way the building is being powered, which is adding to the additional usage and the cost. This is quite a complex piece of work, due to the site operating a combined heating and power system (CHP), as well as having solar panels installed to the site, which is supporting the electric consumption of the building.
- 2.5 During 2025, the Council reached an agreement with the Southwell Leisure Centre Trust to relinquish the lease between the two organisations and return the centre to the management of the Trust. As a result of this agreement, Active4Today were approached by the Trust to discuss its continued operation of the facility for the remainder of 2025-2026 financial year, in order to provide continuity for the customers using the facility.

2.6 As reported previously to the Committee, the Company alongside the Council are currently undergoing a process with solicitors to finalise the details the Agency model. The main benefit of this model is to reduce the amount of irrecoverable VAT the Company loses out on. The financial implication of this is that the Company will be able to recover the VAT on all of its purchases, where previously it was unable to.

3. CURRENT POSITION

3.1 Since the last shareholder committee, the Company has finalised the process of securing lease finance for new studio cycles across all three-leisure centre (Newark, Dukeries and Blidworth). The cycles have cost a total of £239,320 over five years and once the lease payments are completed, the cycles will be retained by Active4Today. The cost of this purchase in year one will be £60,650 and this has been included in the revised 2025-2026 budget.

3.2 The Company are now commencing with the year-end process with Wright Vigar. This will be the final year of the Company being operated in its current format, before the agency model is adopted and implemented in April 2026. The Company's auditors have been informed of the potential agency model change and its impact on the Company's finances and have confirmed they can continue to support Active4Today in the future. In addition, they are assisting the Company with the accounting treatment of the lease, as this will be the first time the Company has used this type of financing model.

3.3 Active4Today met with its internal auditors (Nicholsons), to commence with the next audit, which will be on the Company's income. This audit will take place during February 2026, and it is hoped will be completed during March. The findings of the audit will be reported to the Committee, during the next meeting.

3.4 The Company along with the Council are currently investigating a water issue with the Fire and Rescue Centre, located on the Dukeries Complex. It appears there has been an historical issue with the water on the site, since the inclusion of the new swimming pool in July 2021. As a result, Active4Today will be making a provision within its 2025-2026 budget, for historical water usage at the site, to ensure sufficient finance is set aside, to hopefully cover any settlement agreement currently being discussed. This amount is not shown within the table below, but will take place during period 11 and show in the outturn position.

3.5 The new Air-X inflatable, purchased by the Council for Active4Today at the end of 2025, is now in operation at Dukeries Leisure Centre. Within the current revised budget, there is a small element of staffing costs associated with the operation of the new activity, and also income, which is being generated from its use. However, with the new activity only being in operation for the final three months of the financial year, it is forecasted that this will not have a large impact on the Company's finances.

3.6 The Southwell Leisure Centre Trust has now confirmed its new operator for the site, as Parkwood Leisure, who will be taking over the leisure centre from 1st April 2026. Active4Today is currently in contact with Parkwood discussing handover processes and procedures. This includes the TUPE of employees working at Southwell, the equipment being left on site, and contacting suppliers and customers, to ensure the transition for April, is as smooth as possible.

3.7 Communications to customers have commenced with letter being sent to all members, to ensure customers are fully aware of the changes and the opportunities available to them, if the wish to remain a member with Active4Today.

4. **FINANCIAL HEADLINES UP TO 31ST JANUARY 2026**

4.1 Set out in the table below (table 1), Active4Today 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 for 2025 – 2026, the revised budget at period 6 and the revised budget at period 9, with the variance between the two revised budgets.

Budget Category	Original full year budget for 2025-2026	Period 6 revised budget for 2025-2026	Period 9 revised budget for 2025-2026	Variance between the revised full year budget at periods 6 and 9
Membership Income	-£3,772,210	-£3,245,950	-£3,250,950	-£5,000
Pay and Play Income	-£298,800	-£246,800	-£248,400	-£1,600
Facility Hire Income	-£430,300	-£380,100	-£389,400	-£9,300
Other Income	-£103,700	-£98,500	-£98,500	£0
Total income	-£4,605,010	-£3,971,350	-£3,987,250	-£15,900
Staff	£2,805,600	£2,266,500	£2,266,500	£0
Premises	£838,200	£719,550	£721,850	£2,300
Supplies and services	£1,020,600	£867,100	£931,500	£64,400
Total expenditure	£4,664,400	£3,853,150	£3,919,850	£66,700
Transfer to Reserves	£50,000	£50,000	£50,000	£0
(Surplus)/Deficit	£109,390	-£68,200	-£17,400	£50,800

Table 1 Financial performance update, without Southwell Leisure Centre finance included

4.2 Below are the highlights from the financial information, in a bid to provide some narrative for the Committee. Please note the variances discussed are only those that relate to Active4Today's cost centres and do not include any detail on any variance the Southwell Leisure Centre separation, has created in the table above.

- I. **Membership income** – This income budget has been increased by £5,000 from the period 06 revised budget. This is due to a small increase in the adult membership sales at Dukeries Leisure Centre, and a small increase in the junior memberships at Newark Sports and Fitness Centre.

- II. **Facility hire/pay and play income** – This income budget has increased by £10,900 from the period 06 revised budget. This is due to increased bookings during the winter period, for the dryside and wetside facilities, which are hired out by the Company, across the leisure centres.
- III. **Premises** – This budget has increased by £2,300 from the period 06 revised budget. This is due to a small increase in Dukeries Leisure Centre electricity usage, during the winter months. As stated in para 3.4, the Company will also be making a large provision against this code during March 2026, to take into account the settlement figure, current being agreed regards the historical water usage at Dukeries Leisure Centre.
- IV. **Supplies and services** – This section of the budget has increased by £64,400 and is made up of several budget lines. The majority of this increase, however, is due to the increase in costs related to the lease of the new spin bikes, set out earlier within the report. The Company are currently agreeing with auditors the correct financial treatment for this amount within the accountants, and whether this is contained within the balance sheet, or the in-year expenditure. Once understood this will be discussed with the Council, with regards to how the year-end surplus is shown.
- V. **Transfer from balances** – This line historically represented the expected shortfall of the Company's budget at year end. When the budget was set in December 2024, there was an identified shortfall of £109,390 with the information known at that time. During quarter 2 (period 06) this had been revised in line with the relevant updates to income and expenditure. This included increases to membership income and the change to the funding of Southwell Leisure Centre, with any deficit being attributed to the trust and not the Council. As a result of these changes, the revised budget was forecasted to be a net surplus position of £68,200. However, during quarter 3 (period 09) this has been adjusted again, to take account for the leasing of the studio cycles, which has now reduced the forecasted in year surplus to £17,400.
- VI. This is an excellent position for both organisations and currently means that no management fee from the Council will be required for 2025-2026, for the operations of three leisure centres, a sports development team and partner sites. In addition, the Company has secured over £230,000 worth of investment into new equipment, which will providing an increased user experience for customers and support the on-going sustainability of the Company.
- VII. **Reserves** - The Company is forecasting to continue to maintain its reserve at year end, based on the information to date. Currently the reserve position is £690,345, which is £59,655 short of the Company's target of £750,000. After the budgeted £50,000 is contributed at the end of 2025-2026 financial year, the Company will have achieved

the targeted reserve position, providing the year end surplus position (estimated at £17,400) is also added into the reserves.

5. USAGE PERFORMANCE

5.1 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 several years, which has allowed for comparative data to be available. Attached at appendix I, are the indicators for the Company.

5.2 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.

5.3 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

6. PERFORMANCE TO PERIOD 10, TO 31ST JANUARY 2026

Performance against Business Plan Actions and Performance Indicators:

	AIMS	LINKS TO COMMUNITY PLAN	ACTION	PROGRESS TO 31 ST JANUARY 2026
1.	Healthy and active lifestyles			
1.1	Children and young people	Improve health and wellbeing / Raise people's skills level and create employment opportunities for them to fulfil their potential / Reduce crime and anti-social behaviour	<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 Holiday 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>Activities held over 5 holiday periods at DLC and NSFC have engaged 547 participants in free sessions including fun swims, squash and family sports.</p> <p>No funding was awarded for 25/26. However previous HAF participants have been offered free swim passes at NSFC and DLC.</p> <p>Local clubs invited to participate in sports camps to raise awareness of their junior offer. 2 clubs accepted the invitation with 1 attending at NSFC and engaging 30 children.</p>

			<p>d) Support the N&S Council to offer events to engage with new junior members.</p> <p>e) Identify 2 areas in the district for delivery of holiday activities with partners including Anti-Social Behaviour team and Youth Service</p>	<p>NSSC and member clubs have been invited to attend 4 community events in addition to sessions offered in 1.1c. These include community fun days and specific events for children. Social Networking and AGM events have engaged 12 clubs. NSSC are planning for an event in Summer 2026.</p> <p>Funding awarded for weekly diversionary sport activities in Ollerton/Boughton, Blidworth, Bilsthorpe, Clipstone and Newark started in January. Half term activities will be added from February school holiday period.</p>
1.2	Inclusion	Improve health and wellbeing / Reduce crime and anti-social behaviour	<p>a) 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>b) Investigate the expansion of the bursary scheme to other targeted groups i.e. young people with a disability, offering additional free passes to young people.</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) Identify other areas in the district for addressing anti-social behaviour with young people with physical activity sessions.</p> <p>e) Identify sessions/activities, once per month that can be offered on a 'Pay what you can' basis.</p> <p>f) Investigate new pathways and partners to broaden the reach of</p>	<p>13 applications received from NCC Family Support and Safeguarding, TuVida, Suthers School, Magnus Academy, Dukeries Academy and Joseph Whitaker school. 12 were awarded at panel and continue to engage in the scheme.</p> <p>Completed – Insights gained from delivering group gym sessions and community sport activities with Orchard School have led to the development of a new bursary scheme for young people with SEND. The scheme opened in June for applications from partner organisations, including Portland College, Wings School, REAL Education, Newark Orchard School, and Hope House School. Organisations approached to participate include NASG and Newark (RNIB) Support Group, however parents were not ready to engage.</p> <p>New boccia sessions began at DLC in January and have engaged 8 service users and their carers from Pathfinders, Ollerton during initial sessions.</p> <p>Ollerton/Boughton, Blidworth, Bilsthorpe, Clipstone and Newark identified in partnership with local police teams and youth workers. Funding received from OPCC for 3 years of engagement. Newark and Ollerton engagement began in January with 27 individuals attending initial sessions that include non-contact boxing, football and basketball.</p> <p>In progress</p> <p>Positive engagement with Emmaus Trust workers has been developed and supported an increase in applications at the last panel.</p>

			<p>the DWP bursary scheme in Newark, Ollerton and Boughton</p> <p>g) Showcase the accessibility of the leisure centre offer, and adaptability of fitness equipment, by developing content for use on social media, which will build confidence for new disabled users.</p> <p>h) Use links with Newark College to develop talking maps for new users with visual impairments</p>	<p>In progress</p> <p>Initial engagement with Lincoln College students supported the development of a draft talking map of NSFC. Amendments have now been made, and a new cohort of students are working on ensuring the product is polished and professional.</p>
1.3	Volunteers and workforce	Raise people's skills level and create employment opportunities for them to fulfil their potential	<p>a) Work with the district's secondary schools to develop volunteering opportunities for young people aged 14 and over. Engagement with 5 schools and a target of engaging 40 new young people on the VISPA programme.</p> <p>b) Include developmental/ mentoring opportunities for VISPA volunteers within the school holiday activity programme.</p> <p>c) Recruit 5 new sports clubs to engage with and offer VISPA volunteering placements.</p> <p>d) Develop a calendar of events i.e. careers fairs, open evenings, for attendance by the team to raise the profile of VISPA.</p> <p>e) Work with partners to develop and organise/deliver mental health training for identified staff.</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 Menopause and stroke rehab.</p> <p>g) Review the performance and self-reflection feedback from staff to identify key personnel, for succession planning and training.</p>	<p>School events including mock Interviews and Careers Fairs have engaged 137 young people to date.</p> <p>44 VISPA applications have been received this year - 16 volunteers have supported swimming, gymnastics and trampolining sessions in leisure centres. 4 supported Footy Fun and 1 supported a community sports club.</p> <p>5 VISPA's supported holiday activity sessions at NSFC.</p> <p>5 clubs have been approached to accept VISPA placements. 2 have signed up and 1 is in progress of completing forms.</p> <p>Complete – Calendar of events created and updated with new events and engagement numbers.</p> <p>Completed with Fitness Instructors. Reviewing new staff numbers to access need for future session.</p> <p>Stroke Rehab course planned for new year was postponed by organiser due to low uptake across partners.</p> <p>CPD courses completed through the internal Ambition Academy platform. Individuals identified to complete external training including L7 Senior Leader Apprenticeship and L5 Management qualifications.</p>

1.4	New opportunities	Improve health and wellbeing	<p>a) Investigate the possibilities of developing and implementing a charitable arm (NewCo) of the company, in a bid to attract external funding.</p> <p>b) Support the Council with the development of the new Lincoln Road Sports Facility and what this may provide to the community. This will focus on the look and feel of the facility, the operations day to day and the potential long term management opportunities.</p> <p>c) Engage with 40 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>d) Enrolment of 3 companies to convert to the full managed membership package for the corporate scheme.</p> <p>e) Investigate the options for a bronze, silver, gold, and business centre packages, for corporate partners.</p> <p>f) Support NSDC with the development of all-weather pitches across the district, including the planning, operation and management of the pitches, for community use.</p> <p>g) Work with NTU's Business School, supporting the development of undergraduate projects, with particular focus on investigating a digital marketing strategy for the company, to support the business.</p> <p>h) Introduce a major new piece of dryside inflatable equipment at the Dukeries Leisure Centre, which will provide new activities at the site and offer greater opportunities to the young people of Ollerton and the surrounding areas.</p> <p>i) Introduce a new pool inflatable at the Dukeries Leisure Centre, which will support the wetside programme and offer new opportunities for the young people</p>	<p>Superseded by Agency Model</p> <p>Comments and meetings taken place and A4T has contributed to the potential programme of usage and users.</p> <p>Engaged a total of 43 businesses including - 24 new companies through Newark Business Club and 19 direct approaches. 192 wellbeing checks taken place across 5 partners.</p> <p>1 new company joined corporate membership scheme. Several charities approached - exploring options for when the minimum 5 member requirement cannot be met.</p> <p>Draft revisions have been made with costs and pricing reviewed. The creation of engaging promotional material is in progress for launch in April.</p> <p>EOI's submitted to Football Foundation with Newark Academy being a viable location. Application progressed to next stage and pricing structure revised, with completion supported by A4T.</p> <p>Report produced following marketing and branding project completed. Review and actions identified, and further project planned for 2026.</p> <p>Following a successful pilot, Air-X was officially launched in December and programme of use around school holidays has been developed. Over 500 young people have taken part in a session, through free taster activities and paid sessions.</p> <p>Delivered and in use.</p>
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			<p>of Ollerton and the surrounding areas.</p> <p>j) Investigate options for new branding and website design.</p> <p>k) Develop a new programme of poolside activities, following the completion of the new disability changing facility, built within the Dukeries swimming pool hall.</p> <p>l) Develop a series of videos to promote the facilities, which can be streamed on social media and other platforms to raise exposure of the company.</p>	<p>Plans in place following NTU Research project and new A4T website will be undertaken through NSDC project.</p> <p>Swimming timetable reviewed twice and inflatable, aqua aerobics and additional swims included in school holiday timetable.</p> <p>Several videos have been developed and shared on social media platforms.</p>
2.	Accessible facilities			
2.1	Long term health conditions	Improve health and wellbeing	<p>a) Identify 10 new referral agencies/surgeries within the district and on the borders of the district per year, advising them of the benefits of engaging with the GP referral programme.</p> <p>b) Recruit 5 new referring partners.</p> <p>c) Develop trusted partners network to signpost people to the exercise referral scheme</p> <p>d) Identify 2 staff for attendance/completion of the Level 3 GP/Exercise Referral qualification, to build capacity and resilience.</p> <p>e) Understand the demand from healthcare professionals for specialist health sessions in the Sherwood area of the district and develop an action plan to raise awareness of opportunities.</p> <p>f) Use 'World Hypertension Day' and 'Know your numbers' week to raise the profile of high blood pressure, do checks in leisure centres and community settings.</p>	<p>18 referral organisations engaged, with 14 new referral partners from across the district and its fringes identified.</p> <p>11 new referral partners recruited from NHS Local mental health teams, new GP practices and private healthcare services.</p> <p>3 new partners recruited for the trusted partner pathway.</p> <p>1 completed 3 individuals registered.</p> <p>Pilot session launched at SLC for 8 weeks. Interest was low therefore attendees have been signposted to GP Referral scheme/induction with BACPR qualified instructor.</p> <p>Free blood pressure checks delivered across A4T sites and in the community with 132 conducted in total at 5 events.</p>
2.2	Partner sites	Improve health and wellbeing	<p>a) Contact 2 schools with the offer to work with A4T with a target of developing two further partner sites within 2025-2026.</p> <p>b) Improve community access through partner facilities and review current SLAs with each partner site.</p>	<p>6 schools approached including Dukeries Academy, Worksop College and Magnus Academy. Proposals completed for 3 facilities with 1 progressing towards the completion of a Service Level Agreement. Review in progress.</p>

2.3	Digital technology	Improve health and wellbeing	<p>a) Improve the content and functionality of the App, including increased marketing, customer feedback.</p> <p>b) Undertake a digital customer survey 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, provided by the Company.</p> <p>d) Use artificial intelligence to improve building efficiency and operations i.e. cleaning robots, customer services, swimming programmes and social media Q&As.</p> <p>e) Explore the options for leisure management system to be hosted off premise.</p>	<p>Monthly meetings take place with developers. Air-X added with new online payment module launched. Temporary amends planned for March/April with the removal of SLC.</p> <p>Online form reviewed and ready for roll out in April.</p> <p>Complete - online sports grant application forms on website and in use.</p> <p>Cleaning robot in use at NSFC.</p> <p>Meeting set up with existing software provider to explore alternatives.</p>
2.4	Physical access		<p>a) Continue to ensure the buildings where possible continue to be accessible for all our customers, including those who may have conditions, which make access more difficult.</p>	<p>Compliance in relation to Equalities Act and ensuring all facilities have appropriate access in use, ie lifts, hoists, Pool Pods and are regularly maintained. Digital switchover project will upgrade connectivity of emergency phones in lifts.</p>
3.	Financial viability			
3.1	Pricing	Improve health and wellbeing	<p>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.</p> <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 2025/2026</p> <p>c) Refining and streamlining of the block booking process and renewal of bookings, identification of other appropriate software packages.</p>	<p>As per the business plan for 2026/2027 and future years to be agreed in year. Review of concession criteria in progress.</p> <p>Complete</p> <p>Several providers have offered demos and trial periods. Future developments will dictate the successful provider.</p>
3.3	Financial services and expenditure/income	Improve health and wellbeing	<p>a) Approach sporting organisations to collect and administer the subscriptions made by members, through the Company's efficient direct debit membership collection process.</p> <p>b) Explore the options of alternative financial modelling with the</p>	<p>Financial modelling undertaken to understand competitor options. 7 clubs have been approached with 2 requesting additional detail.</p> <p>Agency model to be introduced in April 2026.</p>

			Council, which will focus on an 'Agency' model to improve the company's and councils VAT position.	
3.3	Sustainability	Reduce the impact of climate change	<p>a) Expand the use of recycling pods for single use plastics and other recyclable materials.</p> <p>b) Review data of energy usage to understand patterns and trends alongside Environmental Audit and identify specific interventions, which will decrease the carbon footprint.</p> <p>c) Review findings of BMS investigations and implement appropriate actions.</p>	<p>Additional recycling bins have been purchased.</p> <p>This is being downloaded monthly and analysis takes place on usage, periods of highest usage, energy saving opportunities, BMS operations</p> <p>Ongoing.</p>

Table 2. Performance against Business Plan Actions and Performance Indicators

7. PERFORMANCE TO PERIOD 10, TO 31ST JANUARY 2026

7.1 The number of user visits is currently following seasonal trends, reaching 967,827 across all leisure centres and partner sites. This is a substantial increase of 10.5% (+92,190) in comparison to the same period in 2025.

7.2 Information on the subsidy per user in relation to the forecasted management fee, provided by Newark and Sherwood District Council is detailed in the table below, detailing the current rate and provides some historical data for comparison.

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	£80,000	1,102,936	£0.07
2025 - 2026	£0	1,105,000	No subsidy, based on the period 10 revised position

Table 3. Comparison of subsidy per user 2019 – present

7.3 In comparison to 31st January 2025, the number of under 16's has increased by a marginal increase, despite the fluctuations experienced throughout the year of junior memberships. The number of junior visits increased by 0.03% on 31st January 2026, reaching 210,807 compared to 210,740 last year, an increase of +67.

7.4 The number of users that are 60+ has seen another significant increase in comparison to the same period in 2025, which is in line with seasonal trends. There were 150,836 visitors from this age group using the leisure centres up to 31st January 2026, compared to 131,287 for the same period in 2025, an increase of almost 15%.

- 7.5 The number of referrals received from healthcare professionals up to 31st January 2026 reached 410. This is an increase on the referrals submitted in the same period in 2025, increasing from 354 (15%).
- 7.6 The number of referrals that have joined the subsidised membership is 237 during the period, an increase of 77, in comparison to period 10 in 2025, where the number was 167.
- 7.7 The conversion rate for referrals has also increased from 47% in the same period in 2025 to 58% in 2026.
- 7.8 The number of community groups supported by the sports and active lifestyles team reached 209, an increase from 156 in 2025. More details regarding the progress and performance of the sports development team are included in appendix III.
- 7.9 On 31st January 2026 there were 12,677 live memberships held across all sites. This is the highest the total membership base has been, since the introduction of direct debit collections over 20 years ago. In comparison to January 2025, this is an increase of +676, on the total live membership, which was 12,001, an increase of 5.6%. This is an excellent result, given the uncertainty around the operation of Southwell Leisure Centre, during the last 10 months.
- 7.10 The table below provides the committee with direct debit membership data and how this has performed since 1st March 2025.

Month	BLC Adult	DLC Adult	NSFC Adult	SLC Adult	BLC Child	DLC Child	NSFC Child	SLC Child	TOTAL
March 2025	913	1,321	5,024	1,821	125	436	1,728	844	12,212
April	916	1,313	5,034	1,801	130	431	1,718	843	12,186
May	925	1,304	5,089	1,800	132	425	1,732	852	12,259
June	945	1,355	5,087	1,800	136	424	1,738	845	12,330
July	960	1,379	5,115	1,779	138	415	1,750	859	12,395
August	961	1,392	5,167	1,786	141	451	1,812	766	12,476
September	969	1,387	5,199	1,827	147	460	1,822	791	12,602
October	956	1,395	5,193	1,846	142	437	1,806	784	12,559
November	941	1,384	5,187	1,808	139	438	1,784	773	12,454
December	936	1,369	5,139	1,777	135	442	1,771	743	12,312
January	959	1,431	5,303	1,779	149	485	1,844	727	12,677

Table 4. membership performance

- 7.11 There have been 909 free passes provided to residents of the district in the form of 870, 1 and 3-day leisure centre passes, 3 refugee passes, 7 care leaver passes, and 29 talented individual passes.

- 7.12 The live adult membership base at DLC for January 2025 is 1,431, which is excellent news and demonstrates significant growth in comparison to January 2025, when the membership base was 1,286.
- 7.13 The children's membership at DLC reached 485 on 31st January 2026. This is an increase in comparison to last year, when the membership base was 438 (+47). There has been a continuous increase since April, with the movement of swimmers from SLC to DLC to continue swimming lessons. This has also increased in January due to the announcement of the SLC teaching pool closure, from March 2026.
- 7.14 The targets for both adult and junior membership at BLC were exceeded on 31st January 2026, with the adults reaching 959 members, exceeding the target for the month by 44 (915). In addition, it also increased from the same point the previous year from 877 (+82).
- 7.15 The junior membership base is much smaller; however, it continues to hold steady, exceeding the target of 120 and reaching 149 (+29). This is an increase of 25 (124) in comparison to January 2025.
- 7.16 The NSFC adult membership base has continued to grow, achieving 5,303 against a target of 5,010 (+293). This is also an increase on January 2025, where it reached 4,882, a growth of +421.
- 7.17 The junior membership base at NSFC has also experienced an increase since January 2025 and reached 1,844 (+121). This also exceeded the target of 1,710 by +134. This is attributed to the movement of swimmers from SLC, who have moved from the teaching pool lessons to main pool lessons at NSFC, therefore the membership and income has transferred across.
- 7.18 The adult membership base at SLC has experienced varying amounts in recent months and reached 1,779 on 31st January 2026. This is slightly above the target of 1,770 (+19), however lower than the same period in 2025, where the adult membership was 1,814 (-35).
- 7.19 The junior membership base at SLC has experienced fluctuations since April, with mixed achievement against monthly targets. In January 2026, the membership reached 727. This is a decrease in comparison to January 2025 when it stood at 857 (-130).
- 7.20 The number of concessionary memberships held has once again increased in comparison to last year, and reached 607 members, on 31st January 2026. This is an increase of +87 (520) on the same period in 2025.

8. By exception: Update on regulatory compliance

8.1.1 Since 1st April, several inspections and checks have been undertaken by Active4Today staff, supported by external contractors where necessary. Between 1st April and 31st January 2026, the following checks were undertaken:

- Legionella flushing
- Pool water sampling (bacteriological tests)
- Service and inspection fitness equipment at all sites
- Passenger Lifts inspections
- Emergency Lighting Testing
- Boiler Service & inspections (Newark and Dukeries)
- Intruder Alarm Inspections
- Air handling unit inspections and servicing
- Pool Pod & Aqua Cycles Inspections
- Combined Heat and Power unit servicing and inspection
- Air Conditioning service and inspections
- Service and inspection for the swimming pools at NSFC

8.1.2 There are also several checks and tests, which are the responsibility of the Council as the building's owner, or which have been commissioned by the Council on behalf of Active4Today. These are managed on a regular basis with Council staff from Corporate Property and Safety and Risk. These have included:

- Fire detection systems service and inspection
- Fire doors and shutters inspections
- Fire extinguisher inspections
- Fire damper inspection and servicing (Newark and Dukeries)
- PAT testing (electrical testing)
- Emergency lighting at all sites
- Roof inspections (Newark)
- Height Restriction Security Car Park Barriers (Newark)
- Automatic Doors
- Lighting protection service and inspection
- Annual electrical inspections
- Fixed Ladders, Fall and Arrest Systems inspections.
- Gas Appliance Safety Inspections
- Insurance LOLER Inspections Plant and Machinery

8.1.3 There are currently no other compliance issues identified.

8.2 By exception: Strategic Risk

8.2.1 There are currently no strategic risks identified.

8.3 Outcome of any formal complaints and customer satisfaction data

- 8.3.1 Currently Active4Today has a process of collecting customer comments and feedback through various means. This includes verbal interaction, email sent directly to the Company through the enquiries inbox, completing a form on the webpage, via the Council's customer services team, or direct to a staff member (usually captured on Staffmis).
- 8.3.2 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.
- 8.3.3 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.
- 8.3.4 Active4Today 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.
- 8.3.5 Following queries raised from Members, at the last Shareholder Committee in December, relating to data from quarter 2, the calculation of the data has been reviewed and is now reported to have achieved 64%, contrary to the previously reported figure of 44%. This is due to an incorrect calculation at the period and going forward that calculation has been corrected.
- 8.3.6 The annual customer satisfaction survey will be launched in April which in the last 2 years has been extremely successful in understanding customer needs and expectations. This has also identified areas for improvement and praise for staff members which has been shared across the Company.
- 8.3.7 There have been 156 customer comments received in total across the Company from April to January 2026. These are split down as follows, with often multiple comments covering more than one area of the business:
- Accidents and incidents – 2
 - Facilities - 43
 - Positive staff feedback - 41
 - Negative staff feedback - 10
 - Programming - 33
 - Systems and pricing – 15
 - Miscellaneous – 12
- 8.3.8 In addition to the past queries raised by Members in December, here is the data split by centre:

- Blidworth Leisure Centre – 100%
- Dukeries Leisure Centre – 67%
- Newark Sports and Fitness Centre – 65%
- Southwell Leisure Centre – 37%

8.3.9 Examples of some of the comments during the last period are –

- Excellent delivery of pilates and aqua fit class at NSFC
- Roof leak in sports hall at SLC
- Suggestion of another exercise class at DLC
- Technical difficulties with online bookings at all sites
- Cleanliness of fitness suite is excellent at NSFC
- Friendliness and welcoming staff at NSFC
- Delivery of a party at NSFC
- Incorrect information displayed on Google regarding opening times
- Lighting settings for playing badminton need to be brighter
- High volumes of music in drumfit class for club booking in neighbouring courts at NSFC
- No signal on 2 TV's in the fitness suite at SLC
- Wifi connection to play music in the fitness suite at NSFC

8.3.10 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.

8.3.11 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 – 52
- Score of 2/5 – 17
- Score of 3/5 – 23
- Score of 4/5 – 12
- Score of 5/5 – 57

9. PROPOSED 2026-2027 BUDGET AND BUSINESS PLAN

9.1 As part of the Company's role, it is required to develop a budget and business plan for the next three years, to identify key areas of spending and work, which the Company will be undertaking over this period.

9.2 Whilst the business plan does not identify each daily task which takes place which contributes towards income generation and membership growth, it focuses on more on the

social responsibilities of the Company and as such, much of the work within the business plan aims and actions, is led by the Sports and Active Lifestyles Team.

- 9.3 The proposed budget for 2026-2027 has been developed along the same lines as the 2025-2026 financial year, which has included a 'nil' management fee from the Council, for the leisure centres and the sports and active lifestyles operations. While the Council is not stating there will be no management fee, they have advised that this should not be budgeted for at the start of the year, however, it will be discussed at the end of the financial year and before the final accounts are closed.
- 9.4 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 and chemicals, 2026-2027 will be a challenging financial year for expenditure.
- 9.5 For 2026-2027, 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 2026-2027 budget, with the information that is known at the current time.
- 9.6 As the Committee will be aware the Company will no longer be operating Southwell Leisure Centre as of 1st April 2026. Currently the Company recharges an element of costs to Southwell. In the future, a proportion of these costs will come back into the Company, as whilst the centre will be removed in 2026, the associated costs will not transfer with the centre. The Company will, endeavour to make savings where possible and these have been factored into the 2026-2027 budget.
- 9.7 Within the 2026-2027 financial year, the monthly lease payments for the studio cycles (as set out above) have now been allocated to the budget and form part of the finances, within this report. The Company has consulted with the accountants, the correct accounting treatment for the lease and how this is applied at year end. This will be confirmed at year end and reflected in the final accounts and presented to the Shareholder Committee during June.
- 9.8 The Company undertakes a significant number of checks, which are required for the safeguarding of the Company, its employees, and its 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.
- 9.9 As part of the local government pension scheme, every 3 years a triennial evaluation is carried out, which informs the contribution percentage rates, which Active4Today is required to pay. Over the past 3 years, the Company has paid 18.6% as a primary rate and no additional lump sum payment.

- 9.10 For the next 3 years, (2026-2027, 2027-2028 and 2028-2029), which comes into effect from 1st April 2026, the Company will pay a reduced primary rate of 16.4%, however an additional lump sum of £40,000 for 2026-2027, £42,000 for 2027-2028 and £44,000 for 2028-2029, will be required to support this.
- 9.11 Based on the above, the Company is forecasting that these changes will add an additional £1,300 per annum, to the pension contributions, in comparison to the 2025-2026 financial year.
- 9.12 In terms of income, the Company is proposing an increase of £1 or £2 on monthly membership prices, across several memberships categories, for the 2026-2027 financial year. This will help to offset the uncontrollable increases in expenditure.
- 9.13 As a result of the above information, assumptions have been made when compiling this budget, which include:
- Cost of living increases for salaries have been set at 3.2%
 - Utility increases have been set at 12%
 - Memberships continuing with their current trajectory, with regards sales, cancellations, and attrition
 - Southwell Leisure Centre will come to an end on 31st March 2026 and none of their members (customers) will be retained as part of the Company's income budget
 - An element of SLC costs will return fully to Active4Today on 1st April 2026
- 9.14 In view of the above, A4T is forecasting a surplus for the 2026-2027 financial year of £52,580. This forecasted figure supports the operations of three leisure centres and the sports and active lifestyles team, which the Committee will be aware, brings limited income into the Company; with the exception of grant funding, which is specifically attributed to the projects it supports. The sports and active lifestyles 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.
- 9.15 Set out in the table below (table 5) is the 2026-2027, budget for the Company, which has been approved by the Board in January 2026. This shows the 2025-2026 latest revised budget (period 09) in comparison with the 2026-2027 proposed budget. The Committee should note that the latest revised budget includes the operation of Southwell Leisure Centre until 31st of March 2026.

Budget Category	Original full year budget for 2025-2026	Period 09 revised budget for 2025-2026	2026-2027 Budget	Variance between the 2025-2026 revised budget at period 09 and 2026-2027 budget
Membership Income	-£3,772,210	-£3,250,950	-£3,245,980	£4,970
Pay and Play Income	-£298,800	-£248,400	-£270,300	-£21,900
Facility Hire Income	-£430,300	-£389,400	-£386,200	£3,200
Other Income	-£103,700	-£98,500	-£98,400	£100
Total income	-£4,605,010	-£3,987,250	-£4,000,880	-£13,630
Staff	£2,805,600	£2,266,500	£2,474,400	£207,900
Premises	£838,200	£721,850	£759,700	£37,850
Supplies and services	£1,020,600	£931,500	£714,200	-£217,300
Total expenditure	£4,664,400	£3,919,850	£3,948,300	£28,450
Transfer to Reserves	£50,000	£50,000	£0	-£50,000
(Surplus)/Deficit	£109,390	-£17,400	-£52,580	-£35,180

Table 5. 2026-2027 Full year budget

9.16 Attached at appendix III is the draft 2026-2027 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. As stated above, this work in the main is led by the sports development team, with exit routes back into the leisure centres.

10. HEADLINES

10.1 In view of the above, A4T is predicting a surplus of £52,580. This is an increase of £35,180 on the 2025-2026 revised budget and forecasted surplus. This amount includes all known costs set out above.

10.2 As a result of the positive position, which the reserves will be in at the end of the 2025-2026 financial year (based on current forecasts), the Company will no longer make a provision on an annual basis, as it will have met the total reserve target of £750,000. This approach has been agreed with the Council and contained within the governance documents.

10.3 **Main areas for noting:**

10.3.1 Below are the main areas to provide some context for the budget. When reading the budget narrative alongside table 5, the Committee should be aware that at the start of the 2025-2026 financial year, Southwell Leisure Centre was included within Active4Today's income and expenditure figures. However, this changed on 21st May 2025, when the Southwell management arrangement was introduced and the budget was removed from the Company's budget.

10.3.2 In view of this, the Committee should be aware that for 2026-2027, all income and expenditures lines will have nearly 2 months less, in comparison to the financial year 2025-2026. As a result, it is extremely difficult to compare 'like against like', however, comparisons have been provided, to give the Committee a reference point for the budget lines.

10.3.5 Income budgets

a) **Membership income** – This budget line is forecasted to decrease by £4,970, even though adult income is set to increase by £22,000. This is due to the proposed price increases to memberships across most categories. In addition to the above, the higher than forecasted starting figure for memberships has contributed to higher income, in comparison to the 2025-2026 financial year.

However, junior memberships have decreased by £27,000, and price increases have been attributed to the junior memberships. This reduction is expected, due to the loss of Southwell income and the number of children, which it had on its wetside and dryside programmes. As a result, the net figure is a decrease by nearly £5,000.

b) **Pay and play income** – This budget line has increased by £22,000. Much of this increase is due to the additional income identified for the new Air-X, at Dukeries Leisure Centre. Pay and play prices have also been increased by inflation for 2026-2027, in line with increased costs expected by the Company.

c) **Facility hire income** – This budget line is showing a decrease of £3,200 across wetside and dryside income. Although these budget lines have had an inflationary increase to prices, the reduction is attributed to the 2 months variation of Southwell income.

10.3.6 Expenditure budgets

d) **Staff budget** – This budget line has increased significantly in comparison to the 2025-2026 latest revised budget. This is largely due to the absorption of staff costs identified above, which were allocated and recharged partially to Southwell in the 2025-2026 budget. As well as this, the staff budget includes an increase in pay rates of 3.2% expected from the pay award in April 2026. Finally, this budget line also includes the additional pension contribution lump sum of £40,000 set out earlier within the report, which has not been required for the last 3 financial years.

e) **Premises budgets** – This budget line has had an increase of £37,850. This is made up of a 12% estimated increase in utility prices, as well as inflationary increases to the repairs and renewals budget.

f) **Supplies and services budget** – This budget line is made up of several budget headers and is showing a large decrease of £217,300. The contractual services budget has been reduced by £21,000 in comparison to the 2025-2026 financial year, where the Company paid a deposit of circa £50,000 for studio cycles. The code still contains the monthly payment for the cycles.

Professional services has seen a noticeable decrease of £13,100 from the 2025-2026 financial year, due to the legal costs that were required for Southwell Leisure Centre and the Agency model. In addition to the Agency model costs, the irrecoverable VAT has seen a large decrease of £325,700, due to the proposed implementation of this model.

The budget for NSDC recharges has seen an increase of £35,400 as a result of the Company absorbing several of the overhead recharges, which were allocated to Southwell Leisure Centre, in the last financial year.

10.4 Set out in the table below (table 6) is the 2026-2027, 2027-28 and 2028-29 full year forecasted surplus positions for the Company’s operation. Each year’s budget is based on the information that is known about the operation at January 2026, and assumes the following:

- Inflationary increases for most expenditure lines have been set at 3%
- Utility increases have been set at 12% each year
- Memberships continuing with their current trajectory, with regards sales, cancellations, and attrition
- Membership prices are increased by £1 each year for new members in April and realigned for existing members in September

Budget Category	Period 09 revised budget for 2025-2026	2026-2027 Budget	2027-2028 Budget	2028-2029 Budget
(Surplus)/Deficit	-£17,400	-£52,580	-£53,840	-£38,410

Table 6. 2026-2027, 2027-2028 and 2028-2029 Full year budget

11. **BUDGET IMPLICATIONS**

11.1 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.

12. **EQUALITY & DIVERSITY IMPLICATIONS**

12.1 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