

## LEISURE AND ENVIRONMENT COMMITTEE MANAGEMENT REPORT

18 SEPTEMBER 2018

### 1.0 REPORT PURPOSE

- 1.1 To provide the Leisure and Environment Committee with a performance report for the leisure centre operations up to the end of period 4, with comparison data provided against the same period in the previous year.
- 1.2 To provide the Leisure and Environment Committee with an update of the work being undertaken by the Sports Development team up to the end of period 4.

### 2.0 Background

- 2.1 Members will be aware that reports are provided to the Leisure and Environment Committee against a set amount of performance indicators, which were agreed with the committee; these are set out at Appendix I. Narrative to support these performance indicators is set out at in section 3 of this report.

### 3.0 PERFORMANCE

#### **Performance to Period 4, 1<sup>st</sup> April 2018 – 31<sup>st</sup> July 2018:**

- 3.1 There are a number of areas of the business that have performed well during the period and in addition, areas which require further clarification. These are set out below:
  - Adult direct debit membership across all sites (including Southwell LCT) is 8,593 at 31<sup>st</sup> July 2018, an increase of 374 members from the same period in the previous year. This is an excellent position and one which is supporting the possible shortfall of finance for the 2018/2019 financial year, which was reported to the committee previously
  - Although the overall adult membership position is a positive one, the Dukeries Leisure Centre has not experienced this increase and has seen a large decrease of 101 adult members, compared to the same period in the previous year. As previously reported to the committee, this coincides with the move of children's swimming lessons to South Forest and subsequently Wellow House School. It is understood that as a result of the two site offer and the time now required by the parents of the children, the consequence is beginning to impact on the adult participation. This trend will be closely monitored over the coming weeks and months to establish if this is continuing
  - The number of child members on direct debit across all sites (including Southwell Leisure Centre) is 3,926 at 31<sup>st</sup> July 2018, a very slight increase of 23 from the same period in the previous year
  - Although the children's membership across all sites has held for the year, the Dukeries Leisure Centre has experienced a decrease in this membership and this has dropped

significantly since April 2018, with 97 children's memberships being cancelled. The current children's membership at Dukeries Leisure Centre currently stands at 461, which is now at the same level which it was, when Active4Today moved from the Dukeries Academy pool, to South Forest in July 2017

- In order to mitigate some of the losses identified above, there have been a number of promotional campaigns including a 'Partner Up' campaign, encouraging people to join with a friend and 'Summer Shape Up', which offered a 14 day pass for £15, giving people an opportunity to try the activities available before signing up to a monthly direct debit. This latter of the offers took place during June and July 2018, with 245 passes sold across all sites, including Southwell LCT. This is broken down as follows; BLC – 11, DLC – 28, NSFC – 126 and SLC – 110.
- In readiness for the school summer holidays, A4T has offered a £20 gym/swim pass available for 8-15 year olds. This has been very successful with a total of 116 passes sold during July for use to the end of August. This is broken down as follows; BLC –18, DLC – 14, NSFC – 90. SLC did not join this promotion due to the unavailability of appropriate sessions and equipment.
- Attrition rates across all sites remain good, with the exception of the Dukeries Leisure Centre's issues, which have been set out above. There has been an improvement for both membership types when comparing July 2018 performance to the previous year. In July 2017, adult attrition was 5.68%, which has now reduced to 3.42%. The child membership has gone from 4.61% in July 2017 to 3.16% in July 2018.
- Following on the long term success of membership direct debit collections, the Company has implemented a direct debit scheme for collecting income for club bookings. This means that the block bookings e.g. Newark Swimming Club will fall in line with membership collections, removing the need for invoices to be raised and for the clubs to be reliant on individuals within the club, to pay the respective invoices on time. This has been a huge undertaking, ensuring compliance with the legal banking requirements and the development of a series of relevant terms and conditions to avoid defaulting payments. There have been 3 pilot clubs already completed during June, with the further roll out of all club bookings coming into line on 1<sup>st</sup> October
- The number of user visits across all 4 sites from 1<sup>st</sup> April to 31<sup>st</sup> July was 395,478, a slight decrease in comparison to the same period last year where there were 436,451. However it is anticipated that when ICT improvements are made, the access/entry points are installed at SLCT and new contactless entry system at all sites, there will be an increase in usage, as member data will be collected more easily
- On a monthly basis, the sites are seeing an average of 100,000 users, with a slight decrease overall for July 2018 compared to July 2017
- The number of GP Referrals received in the period has been excellent with the continued communication and publicity about the scheme to a range of health care professionals. There have been 123 referrals received with 100 attending their first session and joining the subsidised 12 week scheme. When comparing this to the same period in the previous year, this is a significant increase. Previously there were 92 referrals received, with only 73 individuals joining the scheme

- The participation of over 60's in centre activities has increased again, demonstrating the accessibility of the facilities and the variety of appropriate activities offered by trained, friendly and welcoming staff. There have been 94,816 user visits across all sites from this age group within this period.
- The partnership agreements established with Newark Academy, Bishop Alexander and Wellow House School have continued. This has increased the access for these facilities to be used by community groups, enabling more people to take part in sport, physical activity and arts and drama activities
- A draft three year operating agreement to provide the Academy with support in bookings, sports development activities, programming, and the collection of finance is being developed and it is hoped this will extend the partnership through until 2021
- The Company in conjunction with SLCT employees, have achieved 'IQC Approved Training Centre' status for delivery of lifeguard and swimming teacher qualifications. This enables the continuous renewals and CPD training to be offered in house and demonstrates the quality of operations, which is being provided by Active4Today
- A4T staff has been working together with NSDC ICT colleagues to improve the ICT infrastructure including the speed and functionality of hardware on site. A full review has been undertaken with a series of actions identified which will ultimately enable the business to deliver a better service to our customers. These improvements include increasing internet line speeds and server capacity will be rolled out over the coming months
- A4T has been working closely with an ICT software company to develop a bespoke operational staff management information system. This is a phased roll out across the Company of many different modules with all staff having their own unique login which can be accessed from their smartphone. The modules include rota management, sickness, leave, policy library, monitoring checks and records and assigning daily operational tasks
- Working in partnership with the management of SLCT, A4T management continue to develop a draft 3 year pricing strategy to align the costs of both memberships and pay and play activities, along with the overarching strategy of how increases, subsidies and discounts are applied. It is expected this will be presented to the committee during autumn 2018 for feedback
- During May, following the publishing of Health and Safety in Swimming Pools HSG179 HSE, key staff have reviewed and updated the Pool Policy to ensure that A4T and SLCT remain compliant

#### **4.0 UPDATE ON 2018/2019 BUSINESS PLAN**

4.1 Members will be aware that as part of the business plan, a set of outcomes and objectives are agreed with the committee and set out below is an update to date (period 4) on the 2018/2019 table, to demonstrate to Members the work which is taking place within the Company.

OUTCOME	OBJECTIVE	ACTION	PROGRESS to period 4
Healthy and active lifestyles	Assist the district to develop options for provision of leisure in the west of the district	Work with the district council to develop a business plan for facilities within the west. Assist with the feasibility work which is currently taking place and understand the impact of the South Forest provision.	Work has taken place to develop a business plan, which has fed into the feasibility work, which was undertaken by the Council and presented to the L&E committee during June 2018. The SLA with South Forest has ended and A4T have relocated the children's community swimming programme to Wellow House School. This is a temporary agreement until 30 <sup>th</sup> September 2018 and discussion is taking place with Officers of the Council regarding the on-going continuation of swimming provision within the Ollerton area.
	Develop the Insight software to understand participation in sport and physical activity and grow activity programmes to meet the needs of the customer	Work with XN Leisure and other providers to develop the Insight software to identify gaps in provision and develop further opportunities for activity development within the district. Use the software to target specific groups i.e. outreach, over 60's, community development, and disability groups.	A mapping exercise of current members has been undertaken per site with gaps identified. Actions have been agreed which identify target areas. The first 'promotion' which has used the mapping exercise is taking place in August and focuses on the areas of deprivation and the provision of a free 7 day pass. Further information will be provided to the committee throughout the year
	Develop a digital marketing strategy to target specific groups increasing participation in sport, identified from Insight data.	Develop a digital marketing strategy which will support the current traditional advertising and marketing campaigns which currently take place. Deliver 7 digitalised campaigns within the year targeting customers and ensure the software which is being developed is being used to its fullest to increase awareness and participation in sport and physical activity.	To date there has been an increased use of digital campaigns with 'Partner Up', 'Summer Shape Up' and the £20 gym and swim promotions all being pushed through digital platforms. Each promotion targeted different customer groups and further campaigns are being developed for digital use for the remainder of the year.
	Develop a digital communication platform for clubs and community organisations	Develop with the clubs and community organisations a platform for their usage to assist current and prospective customers to understand what is available for them within the district. This will be facilitated by A4T and allow clubs and community organisations to share information and best practice in a bid to develop their offer to ultimately improve participation. Currently there are over 250 clubs within the district which are known, however, this platform will not only support these clubs, but work to support the unaffiliated clubs which currently there is little known	Due to work which has already taken place by ClubSpark, it is felt more beneficial if A4T use an existing accredited system as opposed to a bespoke platform just for N&S based clubs. Many sports clubs already use multiple online portals including ClubSpark which track membership, participation and accreditation documents. An e-newsletter is currently being drafted, which will be distributed to clubs during September supporting those clubs not using ClubSpark to use the system. For those clubs which require it, face to face contact will be arranged.

		about them.	Access to the sports development team will also be available through the usual on line access and through the regular club forums
	Develop the outreach programme to deliver more activities in identified areas – Provide 1 new activity/event per area. These sessions can run as 'one off' events or weekly sessions all year round depending on the participants	Develop activities in Clipstone, Ollerton, Blidworth, Hawtonville and Bridge wards of Newark to increase activity to 1 x 30 minutes per week. Provide a FREE 7 day pass to each postcode identified as, in an area of deprivation. Develop 5 new events and or sessions throughout the year for the target group.	Free 7 day pass letters and leaflets have been distributed to several schools and individual postcodes across the district, whose residents fall within a postcode, which is deemed to be in an area of deprivation. All letters and leaflets have offered a free 7 day pass to use within the leisure centres, which includes Southwell Leisure Centre, who have agreed to participate in this initiative. Further information will be provided to a future L&E committee when the data from this initiative has been collated. In addition to the above the SD Team has delivered a series of weekly sessions at Dukeries Academy for their Success Centre students with a Level 1 Sports Leaders planned for September. They have also supported and delivered activities at 'Larks in the Park', Young People's and Yorke Drive event at Clipstone and Newark. In turn, they have delivered 6 weekly sessions at William Gladstone Academy (Hawtonville) during the summer term.
Accessible facilities	Undertake access audits at each site and priorities the areas identified in order to develop activities to meet requirements. In turn, developed improved access through contactless hardware and customer user software	Undertake physical audits at all sites to understand the journey of a person with disabilities through our facilities. This includes engagement with the website, social media, print etc, before the actual engagement with the facility. Look at the audits and develop a list of possible improvements which will improve the journey for a person with a disability. Training all front of house staff if required through e-learning or facilitated training sessions. Approximately 50+ employees.	Access audits have been completed and an assessment is currently taking place to identify actions which have come out of the audits. Information will be provided to future L&E meetings
	Further develop the activities on offer for key target groups including under 16's, over 60's, disabled groups and females.	Specifically look at developing daytime usage for the 60+ market at both Newark and Dukeries LCs. Continue to build on the successful XP Junior membership schemes and add additional classes within Dukeries LC. Develop a partnership with the	Daytime programming is increasing with the introduction of 3 new sessions - walking cricket at NSFC, dementia group at DLC, Otago at SLC, additional promotion of all chair based classes. In addition, new dance classes have been introduced at DLC.

	Provide 1 new activity per target group, with sessions running as 'one off' events or as weekly sessions all year round depending on the group	Nottinghamshire Learning Disability and Autism Partnership Board, in a bid to replicate the success which has taken place at Newark, at the Dukeries. Provide 6 new sessions specifically designed for the target audience.	
Financial viability	Explore other partnership opportunities within the district for increasing provision and capture customer data. Distribute 3,000 further active cards to partner organisations.	Develop further partnerships with organisations within the district (similar to the current arrangement with Newark Academy), to increase opportunities for customers and increase the critical mass of users throughout the district. Develop further Active Card opportunities with these organisations to improve data capture in a bid to understanding the 'customer'.	Discussions continue with the Wellow House School regarding the possibility of extending the community swimming programme to dryside usage. A4T have secured a one year partnership agreement with Bishop Alexander to assist with the promotion and programming of the facility, including bookings and cash collection. Further approaches have been made to other organisations to offer support, which has included one Academy, who is developing plans for a new sports hall, which would be available for community use.
	Continue to work with the Newark Academy to develop the partnership further to improve and expand upon sports provision within the district.	Work with Newark Academy to increase the opportunities at the site for the customers of district. Look at increasing available time at the site and the type of activity available. This will in turn increase awareness of A4T and the brand across the district.	A series of A4T (NSFC) activities have been relocated to the NA to improve the quality of delivery and reduce safeguarding risks. In addition, contact has been made through the local sports networks to promote facilities on offer at the Academy, with a view to increasing community participation and increased bookings.
	To understand the current arrangements with the South Forest complex and look to explore further opportunities for partnership working with them	Continue to monitor the progress at South Forest and understand the usage at the site. Work with the South Forest Complex and the district to understand the provision within the West of the district and how this facility may support this overall offer. Assess the financial viability of the site with the information, which can be assessed since operating from the site in July.	Members will be aware that the SLA with South Forest was terminated by them, with A4T leaving the site on Sunday 20 <sup>th</sup> May 2018. As a result, the children's swimming lesson programme was moved to Wellow House School and a SLA was entered into on an interim basis until 30 <sup>th</sup> September 2018. This is currently being assessed and further information will be provided to members on the viability, sustainability and appropriateness of this site.

Table 1, 2018/2019, business plan objectives update

4.2 Members will note, that progress in all areas is being made, with some categories progressing quicker than others. Work on these objectives will continue to be progressed and recorded until the end of March 2019.

4.3 Members will note that many of the objectives above are linked with work of the Sports Development team. However, in addition to the work which is undertaken to meet the objectives above, attached at appendix II is on-going work which has taken place to period 4, by the Sports Development team.

## 5.0 **FINANCIAL UPDATE**

5.1 Members will be aware that, as part of the agreement with Active4Today Ltd, an update on finance is provided by the Company on a regular basis, to ensure the Council can understand the on-going sustainability of the Company. In addition, it allows for early discussions to take place regarding the best way to apportion any additional finance, which may have been generated by the Company and channel this into areas such as additional sports development activities, subsidised usage for target groups, or additional equipment for outreach work.

5.2 Set out in the table below, 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 Company. The table below shows the original, revised and profiled budgeted income and expenditure to period 4, set against actual income and expenditure for the same period. Although period 4 is early within the financial year, below is the current position of the Company's finances, with narrative to add context to the information. The process of revising budgets is to ensure that the most current and relevant financial information is available to the A4T Board and the L&E Committee. Currently as, has been highlighted within the performance information above, adult and children's memberships continue to perform well and especially at NSFC; this as a result is beginning to have a positive effect on current in year and year end, forecasted income levels.

	Original 2018-19 budget income/ exp	Full Year budget 1 – revised July 2018	Profiled budget - to period 04 31 <sup>st</sup> July 2018	Actual income and expenditure to period 04	Variance to period 04 profiled budget
<b>Total income</b>	<b>-£2,976,550</b>	<b>-£3,048,426</b>	<b>-£1,075,128.32</b>	<b>-£1,087,264.06</b>	<b>-£12,135.74</b>
Staff	£1,946,270	£1,965,220	£630,541.85	£602,987.77	-£27,554.08
Premises	£399,940	£394,760	£91,999.09	£65,062.76	-£26936.33
Supplies and services	£710,290	£689,156	£241,995.45	£158,634.71	-£83,360.74
<b>Total expenditure</b>	<b>£3,049,500</b>	<b>£3,042,136</b>	<b>£964,536.39</b>	<b>£826,685.24</b>	<b>-£137,851.15</b>
Transfer from/to balances A4T	-£79,950	£17,250	£0.00	£0.00	
Transfers from reserves re: Sports Development Projects *	£0.00	-£17,960	£0.00	£0.00	
<b>Net balance</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£110,591.93</b>	<b>-£260,578.82</b>	<b>-£149,986.89</b>

Table 1, Current financial information table 18/19

\*The reserve finance draw down, is to support officer time to deliver various projects within the year e.g. social media campaigns, communications strategy and targeted promotions including the free 7 day pass and the 'Summer Shape Up' £17K.

5.3 Points to note from the financial information table are:-

**1. Income budgets** – Currently the income levels for the Company are operating at £12K over where the Company estimated it would be at this stage. As stated above, this is mainly as a result of the positive income levels generated from the adult and child direct debit membership scheme, as memberships continues to increase month on month, especially at NSFC. Although to period 4 the current over performance equates to £12K, if the current performance continues to the end of period 12, the budget would be expecting additional income of £72K, for the whole of 2018-2019. This budget will be monitored on a monthly basis to ensure that the predicted income levels and the membership base, is reflecting this anticipated income stream

**2. Expenditure budgets** – There is currently an underspend on expenditure budgets to 31<sup>st</sup> July 2018 of £138K. This is due to :-

2.1 **Staff** - Budgets are currently underspent to period 04 by approximately £28K mainly due to vacancies and additional staff payments paid in arrears

2.2 **Premises** - Budgets are underspent by approximately £27K, which is mainly due to utility payments currently being processed and which are received monthly in arrears

2.3 **Supplies and services budgets** – Budgets are currently underspent by £83K mainly due to the NSDC SLA invoices currently being confirmed and processed. These will be paid in due course, along with other various outstanding sundry items, which will utilise the budget, underspend, which is currently showing

**3.** In the event the current performance of both income and expenditure continues, A4T are currently forecasting a positive financial position at the end of the year of £17K. This finance could be made available to assist with balances, additional in-year spends, or a reduced management fee from NSDC. This positive budgetary position would hopefully allow the Company to not rely upon the use of reserves to support the in-year position, as was reported in the original budget and was presented to the committee previously. However, as stated the £17K is currently based on period 4 performance only, with 8 periods still to operate in. A4T's full year revised budgets will continue to be assessed and the committee will be updated on a regular basis.

## **6.0 PROPOSAL**

6.1 It is proposed that A4T continue to maintain its current performance with regards to the positive position of the adult and child memberships at the NSFC.

6.2 It is proposed that A4T continues to monitor and understand the membership issues at the Dukeries Leisure Centre and assess the impact of the Wellow House School, as many of the members return to use the facilities, after the summer period.

6.3 It is proposed that A4T continues to collect and refine the data from the usage and report this to the committee on a regular basis. It is proposed that members continue to assess the data and feed into the process, if additional data or information is required for the committee.

## **7.0 BUDGET IMPLICATIONS**

7.1 There are no direct budgetary implications contained within the report, however, the activities identified will have financial implications and it is expected these can be contained within the existing agreement between the district council and the company.

## **8.0 EQUALITY & DIVERSITY IMPLICATIONS**

8.1 There are no equality or diversity issues contained within the report. Pro-active work continues to take place in areas of deprivation and specific campaigns have been designed to encourage usage from certain sectors of the community, who traditionally may not use the leisure centres, or the sports development services. GP referrals activities, free 7 day passes and working within schools continue to take place and this is supported by reduced memberships prices, which are focused on increasing participation and addressing inclusivity. Access requirements for customers and potential customers are in line with the equalities and diversity policy.

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