

LEISURE & ENVIRONMENT COMMITTEE

13 NOVEMBER 2018

ACTIVE4TODAY – DRAFT BUSINESS PLAN, 2019/20 AND PERFORMANCE UPDATE

1.0 Purpose of Report

- 1.1 This purpose of this report is to present the Active4Today Draft Business Plan, 2019/20 for member consideration and update the Committee on the Company's latest quarterly performance.

2.0 Background Information

- 2.1 At the meeting of Policy & Finance Committee on 29 January 2015 it was resolved to establish a "not for profit" wholly owned leisure company to provide leisure and sports development services on the Council's behalf. This included the three leisure centres; Blidworth, Dukeries and the Newark Sports & Fitness Centre. The Company, Active4Today, was duly incorporated on 9 March 2015. Active4Today commenced operations on 1 June 2015.
- 2.2 As part of the governance arrangements, Active4Today presents its Draft Business Plan for the following year to the Leisure & Environment Committee for consideration during the Autumn Committee cycle. The Draft Business Plan, 2019/20 and performance reports from Active4Today are **appended** to this covering report. Following Committee consideration, a final Business Plan will be presented to the Committee in January. As such, this is an opportunity for the Committee to influence the Final Business Plan for 2019/20.

3.0 Key issues

Overview of Performance

- 3.1 Leisure & Environment Committee has overall responsibility for setting the strategic direction of the Company through the annual approval of the Active4Today Business Plan, which sets out the outcomes the Committee wishes the Company to work towards in return for a management fee. Performance is monitored through a framework agreed by Leisure & Environment Committee.
- 3.2 The best indicators for the underlying strength of the Company are the adult and children's membership bases. As Members will see from the performance report, the A4T sites are down less than one percentage point in adult memberships and less than four percentage points in children's memberships. Growth at the Newark Sports & Fitness Centre is offsetting the ongoing issues within the Dukeries membership bases since the agreement with South Forest concluded and the arrangement with Wellow House School came into effect. The combined loss at the Dukeries year on year stands at 166 members – which equates to 12.05% of the combined membership base. As Members will note, plans in relation to a modular pool solution are contained on the agenda.

- 3.3 Performance at Southwell continues to be very strong with year on year growth in the adult membership base of 10% and 5% in the children's membership base. An offer has been received by the Council from the Trust stating that it would be prepared to make a £15,000 contribution towards the costs of the management agreement A4T has with the Trust. Subject to Committee approval, a £15,000 contribution would represent a 15% reduction in the contribution NSDC makes to A4T to provide strategic support to the Trust.
- 3.4 GP referrals are down by almost 24% year on year but A4T state that as well as reaffirming the need to constantly promote the offer to health professionals and patients, the reduction could also reflect the increase in the number and variety of other health-related activities provided by A4T for older people.
- 3.5 In terms of the Company's finances, A4T are in a positive position to date and once adjustments have been made to account for commitments, the Company is forecasting a £22,000 surplus at year-end based on performance to date. This is a slight increase on the £17,000 figure that was reported to the Committee in September. Given historical performance, the Council continues to hold in abeyance the remaining 50% of the management fee budgeted to A4T in 2018/19 pending the year-end outturn position.

Draft Business Plan, 2019/20

- 3.6 The Active4Today Draft Business Plan, 2019/20 is attached for Member consideration. Active4Today has identified a number of actions it is proposing to undertake with the aim of facilitating the delivery of the three outcomes the Committee set the Company up to achieve, namely: Healthy and Active Lifestyles, Accessible Facilities and improved Financial Viability.
- 3.7 The budgeted management fee for 2019/20 is £121,220, which is the same figure as the current year. A4T's financial performance has considerably surpassed the figures contained within the five-year business plan when the Company was set up. Indeed, the Company has posted surpluses in each of its three completed years of trading. As mentioned above, the Council continues to hold 50% of the budgeted management fee for 2018/19 in abeyance pending the year-end outturn position. Clearly, A4T require some certainty over future funding in order to be able to budget appropriately. Whilst it is therefore prudent at this stage, to continue to budget for a £121,220 management fee in 2019/20, it would seem appropriate for Council and A4T officers to discuss a re-calibrated three-year funding plan, which is cognisant of the actual trading figures achieved by the Company, as well as future funding pressures it faces.
- 3.8 The Draft Active4Today 2019/20 Business Plan is **appended** to this report. Subject to the approval of the Physical Activity & Sports Plan (PA&SP) 2018- 21, this document will provide additional direction to A4T in terms of its objectives and for it to consider how most appropriately to work towards the delivery of those objectives through its programming and activities. These will be included within the final Business Plan which will come before the committee in January and will have regard to the need to consider these over a number of years.
- 3.9 As Members will have noted, the new draft PA&SP highlights Childhood Obesity levels at Year 6, Inactive People and priority areas where there are high levels of NSEC 6-8 (National Socio-Economic Classification – semi-routine occupations, routine occupation and never worked and long-term unemployed). Therefore Active4Today should consider integrating

some activities and initiatives into their Business Plan that will focus on these priorities. Some suggestions the Committee may wish the Company to consider are:

3.10 Childhood Obesity: Develop and Provide Opportunities for ‘Young People in Primary Education’ to Increase Levels of Physical Activity and Sport

Accepting the complexity of the causes of obesity, work with key partners to increase activity levels within the target group in the priority areas as highlighted in the Plan (top two quartiles). Activities to include outreach work with schools and community groups to encourage wider participation in physical activity and sport by children in primary school education, including holiday schemes and after school clubs. Likely performance Indicators: number of sessions delivered in target areas per annum in school settings, in community settings, increase numbers of young people in the target areas that engage with A4T and become users of A4T facilities or programmes and/or are converted to XP. To contribute to an overall reduction in the % of children that are obese in the target locations.

3.11 Inactive People: Develop and Provide Opportunities for ‘Inactive People’ to Increase Levels of Physical Activity and Sport.

Work with key partners to increase activity levels within the target group in the priority areas as highlighted in the Plan (top two quartiles). Activities to include outreach work with community groups in community settings to encourage wider participation in physical activity and sport. Likely performance indicators: Number of sessions delivered in target areas per annum in community settings, increase numbers of inactive people in the target areas that engage with A4T and become users of A4T facilities or programmes and/or are converted to Activo Members, join community clubs. Contribute to an overall reduction in the % of inactive people in the target locations.

3.12 NSEC 6-8:- Develop and Provide Opportunities to for People Living in High NSEC 6-8 Target Areas to Increase Levels of Physical Activity and Sport

Work with key partners to increase activity levels within the target group in the priority areas as highlighted in the Plan (top two quartiles). Activities include outreach work with community groups in community settings to encourage wider participation in physical activity and sport. Likely performance indicators: Number of sessions delivered in target areas per annum in community settings, increase numbers of inactive people in the target areas that engage with A4T and become users of A4T facilities or programmes and or are converted to Activo Members join community clubs. Contribute to overall increase in levels of participation in the target area reduction in the % of inactive people in the target locations.

3.13 In relation to pricing, the Leisure & Environment Committee has to approve the proposed pricing schedule contained within the Draft Business Plan. A4T are currently considering changes to the pricing structure and Members may wish to ask A4T for more information about this. The pricing schedule is contained within the Draft Business Plan, but comparison information from competitors is not yet available but should be available by the time the final business plan is approved or otherwise in January of 2019.

Southwell Leisure Centre Trust

- 3.14 In addition to paying a management fee to Active4Today to operate leisure and sports development services, the Council also pays a cash sum to the Company to provide strategic management support to Southwell Leisure Centre Trust, as well as 'donating' a number of central services such as human resources and ICT.
- 3.15 Representatives of the Leisure & Environment Committee were nominated to enter into a dialogue with the Trust and Active4Today about the future arrangements given that the Trust is the recipient of the Active4Today services, which are paid for by the Council.
- 3.16 The management fee payable for Southwell in 2019/20 is £95,850. However, as mentioned above, the Trust has now written to the Council proposing that it will make a £15,000 contribution towards that fee thus reducing the Council contribution by 15%. Whilst Members were looking for a three-year programme of savings, the proposed contribution is significant in percentage terms and Members should consider whether this is acceptable as a first contribution. In year 50% of the management fee for Southwell has been held back during the period of dialogue.

4.0 Equalities Implications

- 4.1 The performance framework includes a range of measures that demonstrate work to improve inequalities in sports and leisure participation. An equality impact assessment will be undertaken for the revised Final Business Plan for 2019/20.

5.0 Financial Implications (FIN18-19/2550)

- 5.1 The proposed management fees to Active4Today and Southwell Leisure Centre Trust, have been built into the 19/20 draft budget as per the current years support. As outlined at paragraph 3.5, the financial performance of Active 4 Today has been strong and forecasts for year-end performance currently show a £22,000 surplus position. Following discussions between Active 4 Today and officers of the Council, any reduction in the level of support required will then contribute to savings targets identified within 19/20 budget and the Medium Term Financial Plan going forward.
- 5.2 Should the proposed £15,000 contribution towards the management fee from the Southwell Leisure Centre Trust recommended at 6 (d) be approved, this will be built into the 19/20 budget and the Medium Term Financial Plan going forward.

6.0 RECOMMENDATIONS that:

- a) **the Committee consider the Active4Today Draft Business Plan 2019/20 and make any representations to the Company via the Authorised Officer;**
- b) **the Quarter 2 performance be noted;**
- c) **Active4Today provides the January committee meeting with its latest in-year financial position and full year forecast in order that the Committee can form judgements on the appropriateness of the management fee payable in 2019/20; and**

- d) Committee approves the proposed reduction in the management fee payable to Southwell Leisure Centre Trust by £15,000 from 2019/20 and the remaining 50% of the management fee for Southwell being held in abeyance this year is paid.

Reason for Recommendations

To ensure the company is delivering the outcomes required by the Council in the most efficient and effective way.

Background Papers

Nil

For further information please contact Matthew Finch on Ext 5716

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