

LEISURE & ENVIRONMENT COMMITTEE
24 SEPTEMBER 2019

ACTIVE4TODAY – COVERING REPORT

1.0 Purpose of Report

1.1 The purpose of this covering report is to appraise members of the Leisure and Environment Committee about the performance of Active4Today during Quarter 1, April 1 to June 30 2019.

2.0 Background Information

2.1 Active4Today is the Council's wholly owned leisure company, which was created to provide leisure and sports development services on the Council's behalf. The Company has now completed its fourth year of trading and is obliged to report its performance to the Leisure and Environment Committee.

2.2 The appendices to this covering report contain:

- Active4Today Management report (Appendix I)
- Active4Today Sports Development report (Appendix II)
- Active4Today Key Performance Indicators (Appendix III)

3.0 Performance Summary

3.1 Leisure and 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 toward in return for a management fee. Performance is monitored through a framework agreed by Leisure and Environment Committee. A summary of the overall performance to date, in respect of key performance indicators, is contained in Appendix III.

Overview of performance

3.2 Within the leisure centre sites owned by the Council, adult memberships are up at 8,948 on the same period in 2018, an increase of 443, whilst junior memberships are down slightly at 3,892 over the same period, a reduction of 249, although this is largely attributed to the ongoing challenge of no swimming pool at Dukeries Leisure Centre.

3.3 The growth in adult membership is attributed to strong performance over the period at both Newark Sports and Fitness Centre and Southwell Leisure Centre, which is run by the Trust. Active4 Today has responded positively to the challenges facing the Dukeries Leisure Centre and has introduced a number of membership packages and promotions to retain current members. Such initiatives have included introducing a single flat rate membership package including all dry side courses and options for swimming lessons at other sites and these offers have assisted the overall retention of memberships. A summary of membership data is contained in Table 1, in the Active4Today Quarter 1 report as attached at Appendix I

- 3.4 The number of visits to the 4 leisure centres has reached almost 317,00 for the quarter, an increase of over 20,000 compared with the same period last year. This is mainly due to improved ICT infrastructure allowing a more accurate account of usage through the ICT controlled entry system and a number of Sports Development initiatives during the quarter particularly around courses for older people including walking sport, cardiac rehabilitation and falls prevention programmes.
- 3.5 Although GP referrals were down slightly over the quarter, from 110 down to 100 the participation and completion of the 12 week programme increased from 56 to 66 which is encouraging and suggests greater confidence in the offer by participants. A narrative on the work of Sports Development over the period is contained within Appendix II.
- 3.6 Whilst not included in the quarter 1 report a number of holiday programmes have been developed to increase the leisure offer during the summer holidays for young people. This will also serve as a recruitment opportunity to secure further junior memberships and the success of these programmes will be reported to a future meeting. Furthermore the introduction of the direct debit payment scheme option for regular user groups and clubs has resulted in 24 of the 34 current groups taking up the offer which has streamlined the system and reduced administration.
- 3.7 In addition Active4Today is currently working closely with Barnby Road Academy, Newark in respect of the development of a Service Level Agreement for the management of bookings and use of the Academy's new 4 court sports hall due to be opened shortly. If successful this new facility will provide another strategic site for school and community use and will assist with the programming of community sport at the most appropriate site.
- 3.8 Progress against the Year 1 of the three- year business plan is contained in Section 4 of the Active4Today management report Appendix I for noting.

Overview of finance

- 3.9 At the end of June, when management fee adjustments have been factored in to income targets, Active4Today is showing an increase on target of £13,000 for the quarter. Salary spend is below profile by approximately £23,000 mainly due to vacancies within the team. Premises and Supplies and Services are both currently showing underspends but this is likely to be reconciled when invoices are received and paid and therefore the budgets are as expected for the quarter.
- 3.10 Active4Today is currently forecasting that the outturn for 2019/2020 based on various challenges outside the control of the Company such as increased costs associated with utilities prices, the living wage, national insurance and pension contributions and a level of uncertainty around income levels particularly linked to the Dukeries situation. However, due to better performance in respect of income generation Active is now forecasting a reduced deficit of £54,000 for the year based on quarter 1 performance. According Active4 Today will focus on financial performance over the next three quarters to further reduce the forecasted deficit at yearend and Members will be updated accordingly in this respect.

4.0 Equalities Implications

4.1 The Company has highlighted the work it is undertaking in areas of deprivation and the specific campaigns it has launched with the aim of attracting segments of the community to activities provided by Active4Today.

5.0 Financial Implications - FIN19-20/9592

5.1 Active4Today is currently forecasting a deficit of £54K to yearend based on the performance figures for quarter 1, however, greater certainty of the outturn position will be achieved through the financial year.

6.0 Community Plan – Alignment to Objectives

6.1 The provision of the Council's high quality and accessible leisure centres makes a significant contribution to the health and wellbeing of members of the community. Specifically the role that Active4Today performs for the Council by operating the leisure centres and sports development function attracts regular users each year thereby assisting the Council in the achievement of Objective 9, 'Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life'.

7.0 Comments of Director

7.1 Whilst the first quarter performance is showing a slight increase in income against target and adult membership is strong it is important to recognise that the work of Active4Today has to remain focussed on the objective of further reducing the forecasted deficit and to achieve a positive overall outturn for 2019/20. This is in addition to supporting the Council to deliver its strategic priorities and objectives, as set out the Community Plan 2019-2023, the N&S Health and Wellbeing Partnership Plan 2019-2022, Physical Activity and Sports Plan 2018-2021 and Physical Activity and Sport Plan 2017. In order to achieve this the Council will work closely with Active4Today in its client management role to develop its business plans to achieve shared benefits.

8.0 RECOMMENDATION that:

The Active4Today performance report is noted.

Reason for Recommendations

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

Background Papers

For further information please contact Matthew Finch on Ext 5716.

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