

POLICY & FINANCE COMMITTEE
24 SEPTEMBER 2020

ACTIVE4TODAY – COVID UPDATE

1.0 Purpose of Report

1.1 This report is to update the Committee on the current position of Active4Today in relation to the impacts of Covid-19 actual and anticipated for the current year to date.

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 fifth year of trading and is obliged to report its annual performance to the Leisure & Environment Committee, which is responsible for setting the strategic direction of the Company.

2.2 Under normal circumstances Leisure & Environment Committee receives quarterly reports updating members on actual performance against target. However, the impact of Covid - 19 and the subsequent closure of Active4Today's three leisure centres, Southwell Leisure Centre and the cessation of its sports development function on 17 March 2020 has had a significant impact on the Company in respect of its service offer to customers and its trading activity.

2.3 The impact of Covid-19 on the Company is highlighted in the report, **Appendix A**, which outlines the operational and financial impact on the company and sets out proposals that Members are asked to consider.

3.0 Proposals

3.1 Based on the information set out in Appendix A, it is proposed that the Company use £0.200m of its reserves to support the estimated shortfall, which is currently being forecasted at £0.690m.

3.2 It is proposed that the Company request that the Council make provision within its finances to support the current estimated remaining deficit (currently estimated at £0.490m), which based on the forecasted financial modelling, would leave the Company in a balanced position.

3.3 It is proposed that the Company provide monthly updates to the Council's Senior Leadership Team, in order they are fully apprised of the financial position of the Company and the level of deficit funding support required. The full amount of £0.490m will not be drawn down immediately and will be released based on need and as agreed at the monthly review meetings.

4.0 Equalities Implications

4.1 Active4Today is responsible for the operational management of the Council's 3 leisure centres and provides Southwell Leisure Centre with strategic management support. All 4

sites are accessible to all and the additional financial support, if approved, will enable Active4Today to continue to offer such facilities to the wider community.

5.0 Financial Implications (FIN20-21/2405)

- 5.1 There are significant budget implications within this report, which are highlighted in the body of the report (Appendix A). This will be reported regularly to the Senior Leadership Team of the Council, in order that it is fully apprised of the most recent financial position of the Company.
- 5.2 In summary, the Company faces a forecast deficit for the 2020-2021 financial year of £0.690m, which it proposes to meet by using £0.200m of its reserves and by further support from the Council to bridge the remaining £0.490m shortfall. Without this support, from the Council the provision of leisure centre services by the Company will not be sustainable.
- 5.3 The Council received £1.483m of additional funding from the Ministry for Homes, Communities and Local Government (MHCLG) in relation to additional costs, as a result of COVID-19. The Council has allocated the required funding as indicated within this report against the allocation, to ensure that the funding that Active4Today requires, to maintain its sustainability, is set aside.

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 expectancy and other health outcomes'.

7.0 Leisure & Environment Committee

- 7.1 This report is to be considered by the Leisure & Environment Committee at their meeting to be held on 22 September 2020 and their recommendations will be reported to the Committee.

8.0 RECOMMENDATIONS that:

- (a) the content of the Active4Today Covid-19 Impact report (Appendix A) be noted; and**
- (b) the allocation of £0.490m from the MHCLG Covid-19 funding grant to support Active4Today's additional management costs as a direct result of the impact of Covid-19 on its trading activity be approved.**

Reason for Recommendations

To ensure that the funding that Active4Today requires to maintain its sustainability is set aside.

Background Papers

Nil.

For further information please contact Matthew Finch on Ext 5716.

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