

Aspire Sports and Cultural Trust

COMMITTEE	: OVERVIEW AND SCRUTINY
DATE	: 19th October 2015
SUBJECT	: Aspire Performance for year 2014/15 and updated Business Plan for period 2015/16 to 2018/19
REPORT BY	: Steve Elway – Chief Executive Jacquie Douglas – Business Development Director
NO. OF APPENDICES	: 6 – ALL CONTAINING EXEMPT INFORMATION A - Key Performance Indicator (KPI) summary (2014/15) B - Activity during the Period (2014/15) C – Health Improvement Projects D – 5 Year Business Plan (2015/16 to 2018/19) E – Cumulative Savings to Management Fee F – Trust Action Plan

EXEMPTIONS

The public are likely to be excluded from the meeting during consideration of part of this report as it contains exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

1.0 PURPOSE OF REPORT

- 1.1 To report performance of Aspire Sports and Cultural Trust (Aspire) to it's Business Plan for the year ending 2014/15.
- 1.2 To present an update of the 5 Year Business Plan for the period 2015/16 to 2018/19.

2.0 RECOMMENDATIONS

- 2.1 That Members accept this report as an update of performance against the plan for the year ending 2014/15.
- 2.2 That Members note the update to the 5 Year Business Plan for the period 2015/16 to 2018/19.

3.0 BACKGROUND - 2014/15 PERFORMANCE

- 3.1 The overall financial performance of the Trust for the year ending 2014/15 has been good. Income targets exceeded expectation and expenditure was tightly controlled and savings measures deployed to achieve a net unrestricted surplus before pension liability movement for the period of £371,584.
- 3.2 In accordance with FRS17 (Accounting provision) the pension liability of £470,000 that exists at 31st March 2015, has been recognised in full, resulting in a balance sheet net deficit for the year of £98,416.
- 3.3 A summary of the income stream key performance measures (KPIs) are included at Appendix A.
 - 3.3.1 The continued excellent performance of our combined 'wet side' products (swim courses; school swimming and pool hire) performed 5% above income target and achieved income of £976,042 for the year.
 - 3.3.2 Oxstalls Sports Park performed well, achieving an additional 1% income above projected target, with income of £496,115 for the year.
- 3.4 Overall expenditure for the period was £115,795 less than budgeted of which 70% was attributable to staff cost savings, 10% attributable to marketing cost reductions, 10% saved on premises expenses and the remaining 10% a mixture of operation cost reductions.
- 3.5 A summary of our programmed activity for the 2014/15 period is included at Appendix B.
- 3.6 A range of health and social prescribing initiatives are undertaken by Aspire in partnership with a variety of organisations, to include GPs; schools; the Community Health Trainers; community groups and the like. Appendix C includes a snapshot of some of these initiatives and testimonials of those attendees and clients we have engaged with.

- 3.7 The Management Fee saving for the year of £100,000 (plus VAT) was achieved, as agreed and to plan. The overall cumulative savings to the City Council, by way of the Management fee, achieved by Aspire for the period from 2008/9 to 2014/15 totals £2,441,919. In addition, Aspire has undertaken facility improvement and development investment, in excess of £1,200,000.

4. PROGRESS – 5 YEAR BUSINESS PLAN (2014/15 TO 2018/19)

- 4.1 The business model and strategic direction of the Trust will ensure that:
- 4.1.1 The Trust can be financially self-sufficient by 2018/19 and operate without the support of a contractual management fee for GL1 and Oxstalls Sports Park;
 - 4.1.2 The Trust achieves an annual financial surplus above breakeven; and
 - 4.1.3 The Trust delivers charitable and commercial outcomes to be sustainable into the future.
- 4.2 The key strategic issues to be addressed by the Trust for the period are:
- 4.2.1 To continue to implement austerity measures;
 - 4.2.2 To continue to close the financial gap of the agreed reduction in the contractual management fee payable by Gloucester City Council, with particular emphasis on year 2018/19 (the agreed management fee reduction profile is included. (Appendix E);
 - 4.2.3 Provide services that represent value for money in our competitive local markets.
- 4.3 The updated Business Plan is included at Appendix D (excludes Appendices – available on request) and sets out a method by which these strategic objectives can be achieved, namely by:
- 4.3.1 Adding to and developing our facility portfolio– continuing to bring new products and services to the market;

- 4.3.2 Increasing participation through further development of our product offer and continuing to be creative in utilising capacities within our facilities;
- 4.3.3 Achieving organisational and operational efficiencies that improve product ranges, reduce operational costs and increase value to our customers; and
- 4.3.4 Reducing and controlling overhead costs in energy consumption, working practices and employment of staff.

4.4 The overall projected cumulative savings to the City Council management fee achieved by Aspire for the period 2008/9 to 2018/19 (when no management fee will be paid) is forecast at £7,542,686. The reduction profile and cumulative impact of the management fee savings is included at Appendix E.

5.0 CURRENT YEAR (2015/16) POSITION – AT AUGUST 2015

- 5.1 Progress to the current year business plan has gone well to date, with income streams meeting targeted projections and expenditure being controlled and continually under review.
- 5.2 Aspire remains committed to the saving of £200,000 (plus VAT) to the management fee for the period.

6.0 FUTURE WORK

- 6.1 Progress to the business plan is on target with new initiatives, product development and continued community outreach development outcomes being undertaken, as contained within the Trust Action Plan (see Appendix F)
- 6.2 Our key objectives for 2015/16 are to primarily aimed at retaining existing customers, developing existing markets and bridging the current financial gap in our forecasts for 2018/19 and beyond by:
 - Continuing to develop our capital investment programme to maximise capacity, increase usage and ensure availability of funds to cover these costs;
 - Further develop our programmes of activity to increase usage, particularly focusing on the family and under 8 year old markets;

- To work with the private and public sector to expand our facility management portfolio and broaden the availability of our charitable services; and
- To be as effective and efficient as possible in achieving our strategic outcomes.

7.0 CONCLUSIONS

7.1 The business model of the Trust will ensure that the objectives and outcomes contained within the Management Agreement between Gloucester City Council and Aspire can be achieved within the context of a projected reduction in the management fee.

7.2 The ability of the Trust to create an annual surplus above income and expenditure, together with appropriate levels of financial borrowing, will ensure that:

7.2.1 It can meet its facility maintenance obligations (as contained within the management agreement and included within the Business Plan (Appendix D – Paragraph 5.1, Page 20;

7.2.2 It is able to maintain service quality and refresh product lines;

7.2.3 It can be financially self-sufficient by 2018/19; and

7.2.4 It can meet it's charitable obligations in terms of community access, contributing to the local economy and playing a key role in supporting local people to be active and healthy.

8.0 FINANCIAL IMPLICATIONS

8.1 As contained with this report and associated appendices.

9.0 HUMAN RESOURCE IMPLICATIONS

9.1 N/A

10.0 MARKETING AND SALES IMPLICATIONS

10.1 N/A

11.0 LEGAL IMPLICATIONS

11.1 None.

12.0 RISK MANAGEMENT

12.0 N/A

13.0 PREDICTIVE IMPACT ASSESSMENTS (EQUALITIES)

13.1 N/A

14.0 OTHER CORPORATE IMPLICATIONS

14.1 N/A

Background Papers: Management Agreement

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