

**STOCKPORT ACTIVE CIC (TRADING AS LIFE LEISURE)**  
**BUSINESS PLAN 2025/26**

Report of the Director of Finance

**1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 This report provides an update on the delivery of Stockport Active CIC's (trading as Life Leisure) business plan for 2024/25.
- 1.2 This report provides Stockport Active CIC's proposed business plan for 2025/26 together with an indicative budget for the operation of Council-owned/leased leisure centres, delivery of active communities programmes and specialist physical activity services.

**2. BACKGROUND**

- 2.1 Stockport Active CIC (trading as Life Leisure) took over responsibility for functions carried out by Stockport Sports Trust on 1<sup>st</sup> April 2022 which include:
  - The operation of 8 leisure centres owned or leased by the Council
  - The delivery of active communities programmes to encourage our residents to participate in physical activity
  - The delivery of a specialist physical activity service which supports those recovering from or at risk of developing a serious illness
- 2.2 As part of the governance arrangements between Stockport Active CIC and the Council, Stockport Active CIC is required to bring its annual business plan to Corporate Resource Management and Governance Scrutiny Committee each year in advance of being finalised.
- 2.3 Following a Cabinet decision in February 2025 and subject to finalisation of legal documentation, Stockport Active CIC will become an agent of Stockport Council with effect from 1<sup>st</sup> April 2025.

**3. PROGRESS UPDATE ON 2024/25 BUSINESS PLAN**

- 3.1 At its inception, the Council agreed 3 strategic priorities for Stockport Active CIC:
  - 1) Provide access to quality facilities and opportunities that universally enable the people of Stockport to be physically active, through:

- A marketing and communications strategy that is engaging and promotes pride and belonging
- Facilities and activities that are accessible, affordable and attuned to local need
- Creating a customer experience that is caring and happy and evokes high levels of satisfaction

2) Deliver programmes and interventions which are inclusive by design, support the most inactive people in Stockport to be physically active and achieve the outcomes of the Stockport Active Communities Strategy

3) Implement actions that enable the company to be financially sustainable and independent and to continually reduce the need for financial support from Stockport Council

3.2 The agreed specification for Stockport Active CIC is grouped into 5 themes:

- Active Communities
- Customer Experience & Reach
- Facilities Management
- Financial Management & Commercial
- Organisational Governance

3.3 Through the delivery of its 2024/25 business plan Stockport Active CIC has seen a strong underlying growth in participation, adherence to physical activity programmes and income generation. Highlights of the year's performance so far, include:

- Growth in membership levels by 1703 members (12%)
- Year on Year income growth of 17% including 10% in Aquatics and 23% in Health and Well-being
- Expansion of its Special Physical Activity Service meeting the needs of 2800 people with 45% living in the most deprived wards
- Initiation of energy saving measures leading to consumption savings of 11%
- Provision of swimming instruction to 88 schools across Stockport

3.4 Stockport Active CIC has worked with the Council to continue to deliver improvements to leisure centres with exercise spaces transformed at Grand Central, Cheadle, Houldsworth Village and Stockport Sports Village and replacement of pitch surfaces at Stockport Sports Village.

3.5 Stockport Active CIC's current financial forecast for 2024/25 is significantly ahead of budget which has resulted in Stockport Active CIC's deficit being 38% lower than that expected at the beginning of 2024/25. This has been achieved through a combination of income growth and cost reduction.

3.6 Full details on 2024/25 organisational performance will be provided in Stockport Active CIC's annual report which will come through the Scrutiny cycle in June 2025.

## **4. BUSINESS PLAN 2025/26**

- 4.1 The business plan (included as a confidential appendix pursuant to Part 3 of Schedule 12A of the Local Government Act 1972) sets out the objectives and priorities for the financial year 2025/26. These are underpinned by an ambition to align with the Council's Neighbourhoods and Prevention programme and transform leisure assets to enable them to play a pivotal role in improving population health and specifically by:
- Addressing health inequality
  - Improving the health and happiness of the community
  - Supporting the productivity and prosperity of the Borough
  - Functioning responsibly in support of an improved and sustainable environment
- 4.2 The plan outlines the actions it will take under each of the key themes and the results it expects to see from these.
- 4.3 The plan outlines Stockport Active CIC's income and expenditure budget for 2025/6 and the management fee it expects to require from the Council. The amount required represents a 50% reduction on the forecast deficit for 2024/25 and has been achieved through a combination of improved income, reduced cost and the move to an agency model. The anticipated reduced level of funding required has already been built into the Council's Medium Term Financial Plan.
- 4.4 During 2025/26 Stockport Active CIC propose to continue their rolling programme of centre improvements with gym refurbishments at Avondale and Brinnington.
- 4.5 Stockport Active CIC is part of the Medium Term Financial Plan Corporate Core/Shared Services project which aims to reduce overall expenditure by achieving greater operational integration between the Council and its wholly-owned subsidiaries (Stockport Active CIC, Stockport Homes Group, Totally Local). This is being progressed across all four bodies with a savings target of £0.500m to the Council group overall over two years.

## **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 The assumptions in Stockport Active CIC's draft business plan have formed a part of the Council's Medium Term Financial Plan (MTFP) for 2025/6.
- 5.2 There is the risk that income levels anticipated in the business plan are not achieved due to market conditions or other external factors. Detailed modelling based on considerable experience of the market and business trends has informed income projections to make them as accurate as possible.
- 5.3 There is the risk that expenditure levels are higher than those anticipated in the business plan due to external environmental factors. The figures included in the business plan are the most accurate possible based on past performance and the

operating environment anticipated for 2025/26 as at January 2025.

- 5.4 There is a risk that there is a delay to a move to an agency function with consequent savings not possible from 1<sup>st</sup> April 2025. This has been mitigated as far as possible by securing Cabinet agreement to the change prior to agreement of the business plan. The move to the agency model is being monitored by a project team on a weekly basis to reduce the risk of delayed implementation.
- 5.5 Whilst the Stockport Active CIC Board and the Council are assured by the robustness of the CIC's 2025/26 Budget as set out above, there is always a risk that income and expenditure forecasts are not achieved. Stockport Active CIC's financial performance is closely monitored by both the CIC Board and the Council on a monthly basis and action taken to note any early variances from budget and appropriate mitigations and financial recovery actions agreed. However, crystallisation of these risks during the year could result in an increase in the forecast management fee set out in the business plan. The Council's MTFP has set aside contingency budget to mitigate and smooth these risks should they crystallise.

## **6. LEGAL CONSIDERATIONS**

- 6.1 The process is underway to update the legal agreements between the Council and Stockport Active CIC to reflect the new agency model. It is anticipated that these will be fully in place by 1<sup>st</sup> April 2025.
- 6.2 The term of the legal agreements will not be changed as part of the move to an agency model, with leases and service agreements running until 31<sup>st</sup> March 2027 with the option to renew for a further two years.
- 6.3 The Monitoring Officer has confirmed that the appendix to this report is confidential pursuant to Part 3 of Schedule 12A of the Local Government Act 1972 as it relates to information relating to the financial or business affairs of Stockport Active CIC.

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There is no human resources impact to the Council of the business plan.

## **8. EQUALITIES IMPACT**

- 8.1 There is no adverse impact on equalities from the business plan. The plan outlines action Stockport Active CIC intends to take to further improve inclusion, specifically in relation to SEND provision, provision for young people and addressing health inequalities across the Borough.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 There is no adverse environmental impact from the business plan. The plan outlines actions Stockport Active CIC plans to take to reduce its environmental impact, specifically reducing energy consumption and the investigation of options to support their environmental sustainability strategy.

## **10. CONCLUSIONS AND RECOMMENDATIONS**

- 10.1 The Scrutiny Committee are asked to review Stockport Active CIC's business plan for 2025/26 and provide comments prior to it being finally agreed by the Stockport Active CIC Board.

## **BACKGROUND PAPERS**

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Peter Ashworth on 07891 949473 or by email [peter.ashworth@stockport.gov.uk](mailto:peter.ashworth@stockport.gov.uk)