

MEMBER'S WRITTEN QUESTION



Member submitting the question: Cllr Carol Ney

Date received: 2/10/2026 10:35:16 PM

To the Cabinet Member for: kate.taylor@plymouth.gov.uk

Question: Question for Cllr Kate Taylor- could you advise residents why we are helping out Plymouth active leisure with a £900,000 support fund when it appears to be failing. Residents have written to query why this decision was made and not a decision to support other failing initiatives such as CATERED which has a greater outreach to Plymouth residents. How is it priority over other projects. Can you give assurance that this support will be the last fund given and that an assessment be made on whether the company is viable going forward.

Answer:

The Council approved a £900,000 commercial rate revenue loan to Plymouth Active Leisure (PAL) following the Cabinet decision of 9 February 2026 and a full evaluation of alternative leisure management options. This was a structured financial decision to address a working capital deficit arising primarily from start-up costs and the impacts of COVID-19, alongside unprecedented energy inflation during the contract period.

It is important to correct the suggestion that PAL is “failing”. The performance data demonstrates significant and measurable impact, including over a million recorded visits and £11.7 million in calculated social value in the last year alone. This includes the provision of free swimming pools in one of the most deprived parts of our city, accessible for all.

PAL's reach extends beyond Plymouth, attracting regional and national visitors for sporting and business events such as the Junior Diving Championships, Devon Business Show and Comic Con, generating wider economic benefit for the city.

Beyond participation numbers, PAL delivers targeted public health and inequality programmes through partnerships including the NHS, Livewell, Devon Mind, YMCA, Public Health, Active Devon and others. Provision includes £1 family swims, free access for Children in Care and Care Leavers, walking and cycling programmes, and structured Active Health referrals. It is also the home to and supporter of several sports clubs bearing the city's name, the Plymouth Raiders, Plymouth Leander and Plymouth Diving.

PAL is also the provider of the Fit & Fed programme with 31,016 funded spaces provided over 191 holiday clubs, including 15 dedicated SEND clubs. This is direct support to

thousands of children and families during school holidays, tackling holiday hunger, inactivity and social isolation. That preventative work reduces longer-term pressure on health and social services.

In respect of CATERed, it is important to distinguish governance and decision-making responsibilities. CATERed has faced acute financial pressures. Through a Section 151 Officer decision, the Council agreed a support package to ensure continuity of school meal provision through to the end of the 2025/26 academic year.

However, the decision that CATERed cannot continue trading beyond that point was taken by the CATERed Board of Directors. This was a Board decision, not a Cabinet or political decision of the Council as shareholder. It is therefore incorrect to suggest that the Council “prioritised” PAL over CATERed. The two organisations operate under different financial models. In PAL’s case, there is a viable, independently validated recovery plan with a defined repayment structure. In CATERed’s case, the Board concluded that continued trading beyond 2025/26 was not sustainable.

The decision to support PAL was taken to protect substantial citywide participation, preventative health provision, economic value, and long-term financial return to the Council. The loan approved was following independent financial modelling, scrutinised by Council finance officers, which confirms that projected business growth over an extended contract term will enable repayment of both historic and new borrowing. PAL’s audited accounts show year-on-year improvement.

No further revenue loans are proposed. Any future consideration relates only to feasibility work and potential capital funding bids for facility improvements, intended to strengthen income generation and support full repayment over the contract term.

Signed:

Date: 24 February 2026

A handwritten signature in black ink, appearing to be 'ICTAG' followed by a flourish.