



Culture and Leisure Overview and Scrutiny Committee

Tuesday 4th February 2025

Report of Debbie Roberts, Chairman of
LeisureSK Ltd

LeisureSK Ltd – Finance and Operational Performance Update

Report Author

Debbie Roberts, Chairman LeisureSK Ltd

 Debbie.Roberts@leisuresk.co.uk

Purpose of Report

To provide an update regarding the performance and budget position of LeisureSK Ltd.

Recommendations

That the Committee:

1. Notes the update regarding the performance of LeisureSK Ltd.

Decision Information

Does the report contain any
exempt or confidential
information not for publication?

Yes - Exempt Appendix 1 - Not for publication by
virtue of paragraph 3 of Part 1 of Schedule 12A of
the Local Government Act

1. Background to the Report

Performance Update

- 1.1 The Council's Corporate Plan 2024 to 2027 sets out the key priorities for the Council including its leisure service. Encouraging sport and physical activity to support healthy lifestyles by reducing health inequalities and delivering a sustainable leisure offer helps to support the Council's corporate ambition and provides opportunities for improved health and wellbeing outcomes for local communities.
- 1.2 The Council's leisure current contract with LeisureSK Ltd focusses on embedding an approach that seeks to continuously improve service delivery and customer experience.
- 1.3 A new 10-year contract, specification and KPIs is currently being drafted by the Council under agency principles from the 1st April 2025.
- 1.4 LeisureSK Ltd will continue to provide the performance information in the current specification to the Council until the Council confirm to the company the new KPIs going forward.
- 1.5 Overall fitness memberships increased by 4.8% across all centres between the 31st of December 2023 - 31st December 2024.
- 1.6 All sites increased membership in 2024. Stamford had the largest increase, growing by 8.9%, followed by Bourne with growth of 5.1%, and Grantham with growth of 2.2%.
- 1.7 Direct Debit income from fitness memberships from December 2023 to December 2024 has increased by 11.7%. This growth is down to a mix of increased membership numbers and an increase in membership prices in January 2024.
- 1.8 Swim school Direct Debit income from December 2023 to December 2024 has increased by 4.2%. This growth is due to circa 6% price increases in September 2023 and 2024.
- 1.9 Events have continued to be held regularly at Grantham Meres and generate income supporting the cashflow of the Company.
- 1.10 At the previous committee meeting it noted that the Company would be approaching the Council for a loan so that the gym can be refurbished at Grantham Meres as its 8 years old. A business plan has been submitted to the Council for the loan which is due to be considered at Cabinet on the 11th February 2025.

- 1.11 It is worth noting, the continuing improvement in the current financial position of the Company, which is discussed at each Board meeting. The Company is predicting a small profit this financial year and forecasting a profit for 2025-26 which under the agency principles would be returned to the Council.
- 1.12 The current cash flow does however still show the Company in a deficit position before the end of this financial year, although the position is much improved from that previously reported.
- 1.13 The Company has been discussing this with the bank to manage the short-term position until the end of the financial year.
- 1.14 The Board of Directors for LeisureSK Ltd have requested the sum of £150,000 be included as part of the budget setting process to be paid to the Company on the 1 April 2025 which will be decided at Full Council on the 28th February 2025.

2. Key Considerations

- 2.1 The contract between the Council and LeisureSK Ltd remains in place until 31st March 2025 under its current terms before the new 10 year contract commences on the 1st April 2025 under agency principles.
- 2.2 LeisureSK Ltd is committed to supporting the Council achieving its ambitions of having a sustainable leisure and cultural offer as per the new Corporate Plan 2024-27.
- 2.3 That a longer-term Business Plan can be presented to the Committee later this year once the specification, KPIs and new contract under the agency principles has been reviewed and entered into.

3. Appendices

- 3.1 Appendix 1 – Financial information exempt.