



Cultural and Leisure Overview and Scrutiny Committee

Wednesday, 15 July 2025

Report of David Scott, Director of LeisureSK Ltd

LeisureSK Ltd - Provisional Outturn 2024/25 and Finance and Operational Performance Update 2025/26

Report Author

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Purpose of Report

To provide an update regarding the performance and budget position of LeisureSK Ltd covering the provisional outturn for 2024/25 and the year-to-date position for 2025/26.

Recommendations

The Committee is recommended to note the provisional outturn for the financial year 2024/25 and the 2025/26 update regarding the financial 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Does the report contain any exempt or confidential information not for publication?

Yes - Exempt Appendix 1 - Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.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 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 has been agreed and now in place which is operating under agency principles from the 1st April 2025.
- 1.4 Overall fitness memberships remained stable with a minor 0.6% reduction over the comparative 12-month period to the end of May.
- 1.5 Across the individual sites, Bourne increased its membership by 19 (1.4%), Grantham increased by 84 (6.1%), while Stamford decreased by 125 (15.6%), this is due to increased competition following a new gym opening nearby earlier this year.
- 1.6 Swim school Direct Debit income over the comparative 12-month period to the end of May has remained relatively stable with a minor decrease of 0.2%. We have seen a reduction in numbers overall of 4.8% but the above budget price increase in September 2024 has helped mitigate most of the financial impact.
- 1.7 Swim school Direct Debit income over the comparative 12-month period to the end of May has remained relatively stable with a minor decreased by 0.2%. We have seen a reduction in numbers overall by 4.8% but the price increase in January 2025 has helped mitigate most of that financial impact.
- 1.8 Events have continued to be held regularly at Grantham Meres and generate income supporting the cashflow of the Company.
- 1.9 At a previous Committee meeting it was raised 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. It was agreed at the Full Council meeting on 27th February 2025 for this Committee to review any funding request at its March meeting. A procurement process was commenced to establish the exact funding amount required but this was aborted following a challenge and subsequent

review. Currently, LeisureSK Ltd is reviewing the business case again to ensure it is robust which has been discussed at its most recent Board meeting in July 2025. It will in due course present its updated business proposal to the Council for consideration.

- 1.10 It is worth noting, the continuing improvement in the current financial position of the Company, which is discussed at each Board meeting. At the end of the financial year 2024-25 The Company is reporting profit in excess of its forecast profit and based on the current year to date position for 2025-26 a profit is also being forecast which under the agency principles would be returned to the Council. More detailed information is provided in the Appendix A

2. Key Considerations

- 2.1. The new 10 year contract between the Council and LeisureSK Ltd commenced on 1st April 2025 under agency principles which based on the current forecast is predicting an operating surplus for 2025-26.
- 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. LeisureSK Ltd will continue to report to the Council around the KPIs as agreed in the new contract on a quarterly basis moving forward. This would contain all the information provided in this report with a number of supplementary items. Due to the timing of this committee the quarterly KPI report is still being prepared and therefore hasn't been included with this report but will be provided to The Council shortly.
- 2.4. A new Non-Executive Director David Rushton has been recently appointed to the board and given the role as Chairman following the Governance and Audit Committee on 18th June 2025.

3. Appendices

- 3.1. Appendix 1 – Financial information EXEMPT.