



Finance and Economic Overview and Scrutiny Committee

Thursday, 7 May 2026

Report of David Scott, Director of LeisureSK Ltd

LeisureSK Ltd Finance Update

Report Author

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Purpose of Report

To provide an update regarding the finance performance of LeisureSK Ltd during the financial year 2025/26.

Recommendations

The Committee is recommended to note the contents of the report.

Decision Information

Does the report contain any exempt or confidential information not for publication?

Yes - Exempt Appendix One - Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – financial information.

1. Background to the Report

- 1.1 The Council's Corporate Plan 2024/27 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 LeisureSK Ltd is committed to supporting the Council achieving its ambitions of having a sustainable leisure and cultural offer as per the Corporate Plan 2024/27.
- 1.4 The new 10-year contract between the Council and LeisureSK Ltd commenced on 1st April 2025 under agency principles.
- 1.5 The Cultural and Leisure Overview and Scrutiny Committee (CLOSC) have oversight for reviewing the Company's performance and receive regular reports throughout the year covering financial and operational aspects.

2. Key Considerations

Finance Performance Update

- 2.1. Based on the latest financial monitoring up to the end of February 2026 LeisureSK Ltd is predicting an operating surplus for 2025/26.
- 2.2. 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 February 2026, the current forecast outturn for the end of the current financial year is an operating surplus of £136,200 which is an overachievement of £64,500 against the budget which under the agency principles would be returned to the Council. More detailed information is provided in Exempt Appendix One.
- 2.3. Overall fitness memberships have decreased by 3.2% over the comparative 12-month period, primarily due to a loss of members at Stamford following the opening of PureGym.
- 2.4. Swim School memberships have decreased by 2.7% over the comparative 12-month period, again mostly being attributed to Stamford.

- 2.5. Events have continued to be held regularly at Grantham Meres and generate additional income supporting the cashflow of the Company.
- 2.6. Utility costs have continued to perform well due to reduced consumption from the favourable weather conditions and increased solar generation at Grantham Meres reducing the electricity usage.
- 2.7. The LeisureSK Ltd annual budget and business plan 2026/27 was approved by CLOSC at their meeting on 11 December 2025 outlining a projected increase on operating surplus for the year ahead of £183,735 which includes the repayment of the two current loans for the gym investment at Bourne and Grantham.
- 2.18 Within the business plan one of the key objectives is to complete a gym refurbishment at Stamford as part of the investment across all sites. LeisureSK Ltd would look again for a loan from the Council to undertake these works in line with previous investments. A provisional sum of £95k has been modelled for these works and has been included in the Council's General Fund Capital Programme 2026/27. LeisureSK Ltd are exploring options regarding scope of works and utilisation of space alongside the timing of works around other investment works the Council is looking to undertake.

3. Background Papers

- 3.1. *LeisureSK Ltd Annual Budget and Business Plan 2026/27* – Report to Culture and Leisure Overview and Scrutiny Committee, published 11 December 2026, available online at:

[LeisureSK Ltd Annual Budget and Business Plan Report.pdf](#)

4. Appendices

- 4.1. Exempt Appendix One – Financial Performance 2025/26 Forecast Outturn