Culture and Leisure Overview and Scrutiny Committee

Thursday, 30 July 2026

Report of David Scott, Director of LeisureSK Ltd

LeisureSK Ltd Provisional Outturn 2025/26

Report Author

David Scott, Director of LeisureSK Ltd

david.scott@leisuresk.co.uk

Purpose of Report

To provide an update regarding the finance performance and budget position of LeisureSK Ltd covering the provisional outturn for the financial year 2025/26.

Recommendations

The Committee is recommended to note the provisional outturn for the financial year 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Does the report contain any exempt or confidential information not for publication?	Yes - Exempt Appendix One - Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – financial information.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.

2. Key Considerations

2.1 Based on the draft outturn position, LeisureSK Ltd is anticipating an operating surplus for 2025/26 of £132,200 which is an overachievement of £60,600 against the budget. Under the agency principles this will be returned to the Council. More information regarding the detailed financial performance is provided in Exempt Appendix One as outlined previously to the committee regarding commercial sensitivity.

2.2. It is worth noting, the continuing improvement in the current financial position of the Company, which is discussed at each Board meeting. As a result of the draft outturn position, the initial £150,000 cashflow injection provided at the beginning of the financial year has substantially been repaid now. The final balance will be covered through the positive surplus budgeted for in 2026/27. The draft outturn is broadly in line with the forecast reported to this committee at its previous meeting which outlined a predicted forecast operating surplus of £136,200.

2.3. Overall Income has exceeded budget due to fitness income outperforming the budget at Grantham and better than expected personal training sales at Bourne. In addition to this Events have continued to be held regularly at Grantham Meres which have generated additional income.

2.4. There has been an overspend on staff costs due to the need for increased lifeguards at all three sites, driven by increased attendance at family splash sessions during the summer holidays. There has also been additional management training rolled out across all sites.

2.5. Utility costs have continued to perform well due to reduced consumption from the favourable weather conditions in the summer months and increased solar generation at Grantham Meres reducing the electricity usage.

2.6. Premise costs have increased in year due to the need for additional repairs and replacement of fixture and fittings across all the sites.

2.7. Marketing have increased in year to push membership sales and also promote the investment made at Grantham to generate increased membership sales which will help offset this cost.

2.8. Additional investment has been undertaken in year regarding end-of-life ICT equipment alongside increased software maintenance costs.

2.9. A formal update on the current 2026/27 financial year will be provided to the committee as it next meeting of the committee on 13 October 2026 which will include the impact from any closures whilst the investment works are being undertaken over the summer period.

3. Background Papers

3.1. None.

4. Appendices

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