



Friday, 16 June 2023

Dear Sir/Madam

A meeting of the Advisory Shareholder Sub Committee will be held on Monday, 26 June 2023 in the Council Chamber, Council Offices, Foster Avenue, Beeston, NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: R Bullock  
R S Falvey  
G S Hills

D K Watts  
S Webb

## AGENDA

1. ELECTION OF CHAIR

2. APOLOGIES

To receive apologies and to be notified of the attendance of substitutes.

3. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

4. MINUTES

(Pages 3 - 4)

The Committee is asked to confirm as a correct record the minutes of the meeting held on 16 January 2023.

5. LIBERTY LEISURE LTD PERFORMANCE REPORT 2022-23 (Pages 5 - 14)

To provide the Advisory Shareholder Sub-Committee with Liberty Leisure Limited's performance data with updated supporting information for the financial year 2022-23.

6. LIBERTY LEISURE LTD BUSINESS PLAN 2023-24 (Pages 15 - 40)

To provide the Advisory Shareholder Sub-Committee with details of the Liberty Leisure Limited Business Plan for 2023-24.

7. WORK PROGRAMME (Pages 41 - 42)

The Advisory Shareholder Sub-Committee is asked to approve its Work Programme and to consider items for consideration at future meetings.

## ADVISORY SHAREHOLDER SUB COMMITTEE

MONDAY, 16 JANUARY 2023

Present: Councillor P Lally, Chair

Councillors: P J Owen  
I L Tyler  
P Roberts-Thomson

An apology for absence was received from Councillor M Hannah.

6 DECLARATIONS OF INTEREST

There were no declarations of interest.

7 MINUTES

The minutes of the meeting held on 17 October 2023 were confirmed and signed as a correct record.

8 LIBERTY LEISURE BUSINESS PLAN 2023/24 AND HEALTH AND SAFETY UPDATE

The Committee received a presentation regarding Liberty Leisure's Health and Safety obligations. It was noted that Kimberley School undertake the overall Health and Safety of Kimberley Leisure Centre. However, Liberty Leisure continue to work with Kimberley School to ensure that all Health and Safety obligations are met.

9 EMDEVCO LTD

The Committee noted the update on the EM DevCo.

10 WORK PROGRAMME

The Committee Considered the Work Programme.

**RESOLVED that Work Programme be approved, subject to the inclusion of an update on Liberty Leisure and EM DevCo.**

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**Report of the Managing Director of Liberty Leisure Ltd**

<b>LIBERTY LEISURE LTD PERFORMANCE REPORT 2022-23</b>
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1. Purpose of Report

To provide the Advisory Shareholder Sub-Committee with Liberty Leisure Limited's performance data with updated supporting information for the financial year 2022-23.

2. Recommendation

**The Committee is asked to NOTE the report.**

3. Detail

Liberty Leisure Ltd have operated the Council's leisure services since October 2016.

Each year the Company agree an annual business plan with its Board of Directors and the Council. The business plan details actions and performance data for the financial year. The Company's performance is measured against the approved business plan and then reported to the Board of Directors and the Council's Shareholder Committee on a quarterly basis.

4. Financial Implications

End of year financial implications are detailed in the attached report.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There are no direct legal implications arising from this report.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

No comment.

7. Union Comments

No Union comments required.

8. Climate Change Implications

The comments from the Waste and Climate Change Manager were as follows:

No comment.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

No change to policy.

11. Background Papers

Nil

**LIBERTY LEISURE LTD UPATE QUARTER 4: 2022-23**

**SALES AND ATTENDANCES**

1. FITNESS MEMBERSHIPS

Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments																		
3,487	3,995	4,263	4,700	<p>Memberships have continued to grow throughout the year supported by ongoing promotions</p> <p>Membership site detail:</p> <table border="1"> <thead> <tr> <th>SITE</th> <th>TARGET</th> <th>ACHIEVED</th> </tr> </thead> <tbody> <tr> <td>BLC</td> <td>2,210</td> <td>2,370</td> </tr> <tr> <td>CO</td> <td>310</td> <td>305</td> </tr> <tr> <td>KLC</td> <td>1,240</td> <td>1,324</td> </tr> <tr> <td>Exercise Referrals</td> <td>235</td> <td>264</td> </tr> <tr> <td><b>Total</b></td> <td><b>3,995</b></td> <td><b>4263</b></td> </tr> </tbody> </table>	SITE	TARGET	ACHIEVED	BLC	2,210	2,370	CO	310	305	KLC	1,240	1,324	Exercise Referrals	235	264	<b>Total</b>	<b>3,995</b>	<b>4263</b>
SITE	TARGET	ACHIEVED																				
BLC	2,210	2,370																				
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Exercise Referrals	235	264																				
<b>Total</b>	<b>3,995</b>	<b>4263</b>																				

**ACTIONS TO GROW MEMBERSHIPS**

1. Continue with planned marketing activities to encourage new people to join at one of the leisure centre sites
2. Implement a membership contract option to increase the average length of stay per member
3. Review and improve the digital journey to increase the number of members accessing health improvement programmes
4. Grow Exercise Referral through direct marketing being undertaken by General Practices
5. Implement online waiting list notifications through the Liberty Leisure App
6. Grow the recently started corporate health checks to encourage more take up of corporate memberships
7. Continue to deliver member workshops to improve member retention by adding value to the membership
8. Review the Gym Sales prospecting module against alternative prospecting systems

2. SWIM SCHOOL MEMBERSHIPS

Achieved 2021-22	Target 2022-23	Numbers achieved at the end of each month 2022-23		Target 2023-24	Comments
3,207	3,400	April	3,170	3,400	<p>The number achieved are the number of people (typically children) who learn to swim at Bramcote and Kimberley each week.</p> <p>The swim school target of 3,400 is the realistic occupancy based on the existing programmes at each site. Each programme will operate a small occupancy rate resulting from children leaving the swim school, this occupancy rate is needed to allow children to move between classes as their swimming progresses. To expand the programme there would need to be a reduction in pool time availability for other users.</p> <p>Numbers started to fall in January with cancellations following the Christmas break. The planned price increases for April, resulted in further cancelled memberships resulting in the final figure of 3,150 at the end of March.</p> <p>Historically there have been fluctuations in member numbers throughout a year. It is expected that these lost memberships will be recovered during 2023-24.</p>
		May	3,202		
		June	3,270		
		July	3,331		
		August	3,332		
		September	3,335		
		October	3,340		
		November	3,274		
		December	3,350		
		January	3,270		
		February	3,261		
		March	3,150		



Achieved 2021-22	Target 2022-23	Numbers achieved at the end of each month 2022-23		Target 2023-24	Comments												
					Membership Site Detail												
					<table border="1"> <thead> <tr> <th>SITE</th> <th>TARGET</th> <th>ACHIEVED</th> </tr> </thead> <tbody> <tr> <td>BLC</td> <td>2,300</td> <td>2,128</td> </tr> <tr> <td>KLC</td> <td>1,100</td> <td>987</td> </tr> <tr> <td>Total</td> <td>3,400</td> <td>3,150</td> </tr> </tbody> </table>	SITE	TARGET	ACHIEVED	BLC	2,300	2,128	KLC	1,100	987	Total	3,400	3,150
SITE	TARGET	ACHIEVED															
BLC	2,300	2,128															
KLC	1,100	987															
Total	3,400	3,150															

ACTIONS TO GROW MEMBERSHIPS

1. Continue to recruit and support volunteers to enable them to become swim teacher to increase the number of available swim teachers to deliver the programme
2. Review the swim programme and trial small group swim sessions to try and improve retention
3. Review the number of cancelled lessons, the cost of the cancellations and work with Kimberley School.
4. Review occupancy levels across individual swim lessons to identify opportunities to increase enrolled numbers
5. Understand the effects of price and cost of living on retention of swimmers
6. Move from a site based programme co-ordination to a central co-ordination to bring greater consistency in programme management and content delivery and reduce operating costs

3. MEMBERSHIP TOTALS

Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments
6,691	7,395	7,413	8,100	Figures are the combined totals for Fitness and Swim School Memberships

4. ATTENDANCES

Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments
895,746	Leisure Sites Including Culture 985,000	Leisure Sites Including Culture 974,368  Leisure Sites Only 948,068	Leisure Sites Only 1,010,600	<p>The 2022-23 target was revised from the original target of 887,100. Attendances increased faster than expected as all services opened following the pandemic</p> <p>Numbers falling short of the target is due to Cultural Services moving back to the council at the start of October 2022 meaning that the company did not operate or account for attendances at the 2022 Christmas Light Switch on events.</p> <p>Attendances from 2023-24 onwards no longer include Cultural Services activities.</p>

5. FINANCE

	Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments
Operating Income	£2.995m	£3.042m	£3.070m	£3.249m	<p>The achieved income is taken from the end of year Trial Balance and is still subject to confirmation in the final accounts.</p> <p>The Trial Balance income is £3.071m is £28k above the forecast target</p> <p>Operating incomes generally exceeded their targets for the year. Fitness generated £1.204m exceeding its target by £10k.</p> <p>Income from indoor and outdoor sports, retail sales, and training courses generated £658k exceeding the income target by £62k.</p> <p>However, Swim School exceeded its target by and general swimming income generated £1.208m but this figure is £44k less than the forecasted income.</p> <p>Underachievement of the swim income is apportioned to a higher number of cancelled swim lessons than in previous years in part due to unscheduled pool closures at Kimberley Leisure Centre and class cancellations due to insufficient availability of swim teachers.</p>
Operating Expenditure	£3.466m	£3.733m	£3.866m	£3.754m	The achieved expenditure is taken from the end of year Trial Balance and is still subject to

	Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments
					<p>confirmation in the final accounts</p> <p>The total expenditure includes Cultural Services until the end of October 2023. The expenditure for the year was £133k over budget.</p> <p>The main reasons for the overspend was total staff costs being 95k over budget. The main reason for the overspend being that the annual pay award for 2022-23 was significantly more than anticipated.</p> <p>VAT and Insurance was £54k more than forecast.</p> <p>The overspends in staff, VAT and insurance was partially mitigated by the general operating budget, including utilities being underspent.</p>

	Received 2021-22	Target 2022-23	Received 2022-23	Expected Requested Management Fee 2023-24	Comments
Management Fee Received	£850k	£800k	£700k	£519k	<p>The 2022-23 target is adjusted from £845k to reflect Cultural Services moving back in house to the council.</p> <p>The management fee received was £100k less</p>

	Achieved 2021-22	Target 2022-23	Achieved 2022-23	Target 2023-24	Comments
					than allocated because the company’s reserves of £602k was £102k higher than the reserve maximum agreed with the Board and Council. The reserve maximum if £500k

SUMMARY OF THE FACTORS INFLUENCING INCOME AND EXPENDITURE FOR 2023-24

1. The company is working on a range of efficiencies including a staffing restructure, review of licenses, banking costs, introducing membership contracts and planning ahead a pricing strategy. The purpose of the improving efficiencies is to mitigate continued rising costs and to try and reduce the costs to the council.
2. Significantly increasing utility and insurance costs
3. VAT increased with increasing general expenditures
4. The expected 2023-23 annual pay award will be more than the 5% increase included in the staffing budget
5. Operating income is broadly derived from three areas. Gym and Swim School Direct Debits are the most significant of these with income from general sports hire being spread over a range of activities

#### 6. TRANSFER FROM BALANCES

No money was transferred from balances during 2022-23. It is expected that an approximate figure of £110k will need to be transferred to offset an expected end of year operating deficit.

#### 7. RESERVES

Maximum reserve is set at £500,000 agreed with the council and the Board of Directors

The Company reserves on 31 March 2021 was £602,130. Based on the Trial Balance 2022-23 (not the actual outturn) the company's reserve at 31 March 2022 will be approximately £488k.

#### 8. SUMMARY OF ADDITIONAL WORK AND DEVELOPMENTS DURING 2022-23

- Centralised the company's administrative function to improve resilience, particularly in relation to managing direct debit membership collections while also reducing operating costs
- Appointed a permanent part-time Exercise Referral Instructor to support the continued growth of referrals that are managed through the Get Active team
- Developed a business case to support Broxtowe Borough Council with the development of a potential new leisure centre at the existing Bramcote Leisure Centre site
- Worked with the Hickings Lane project team to redesign the site options to provide a Health and Wellbeing facility along with revenue estimates for the annual operation of the site
- Implemented a new Leisure Management System (Gladstone) which will enable the company to improve its digital bookings and access service to its customers
- Appointed The Carbon Group, Marketing Agency to work with the company to review and improve its website, social media content and digital customer journey from bookings to building access
- In response to the Ukrainian crisis we have introduced a Refugee / Asylum Seekers scheme, providing 6 month's free access to the gym, swimming and classes
- Commenced a revised leisure offering at Kimberley due to the termination of the joint use agreement

**Report of the Managing Director of Liberty Leisure Ltd**

**LIBERTY LEISURE LTD BUSINESS PLAN 2023-24**

1. Purpose of Report

To provide the Advisory Shareholder Sub-Committee with details of the Liberty Leisure Limited Business Plan for 2023-24.

2. Recommendation

**The Committee is asked to NOTE the report.**

3. Detail

Each year the company agree an Annual Business Plan with its Board of Directors and the Council. The Business Plan details actions and performance data for the financial year.

The Business Plan is the basis of the forecast budget for the company for 2023-24 and sets out potential budget expectations for future years.

Progress of the Business Plan is monitored through the Council's Pentana performance management system. Quarterly reports are made available to the Board of Directors and the Shareholder Committee.

4. Financial Implications

End of year financial implications for 2023-24 are detailed in the attached report.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There are no direct legal implications arising from this report.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

No comment.

7. Union Comments

No Union comments required.

8. Climate Change Implications

The comments from the Waste and Climate Change Manager were as follows:

No comment.

9. Data Protection Compliance Implications

This report does not contain any [OFFICIAL (SENSITIVE)] information and there are no Data Protection issues in relation to this report.

10. Equality Impact Assessment

No change to policy.

11. Background Papers

Nil.



## LIBERTY LEISURE LIMITED BUSINESS PLAN 2023-2026

The Liberty Leisure Limited Business Plan ensures that the company's projects and performance develop the business objectives of the company while contributing towards the priorities of Broxtowe Borough Council.

This plan outlines the project priorities that Liberty Leisure Limited will implement to develop the company so it can continue to exceed the business objectives agreed with Broxtowe Borough Council.

The priority of the company is to deliver an efficient service for Broxtowe Borough Council while continuing to make contributions to the Council's Corporate Plan priority of Health. The company delivers a programme of opportunities to have a positive impact on the health of local people, to do this Liberty Leisure Limited is guided by the Service Agreement with the Council.

The business plan focuses on the delivery of actions for the coming financial year. A suite of milestones and Key Performance Indicators (KPI) will be used to monitor progress against key tasks and targets.

**The Council's Vision for Broxtowe is 'a greener, safer, healthier Broxtowe where everyone prospers'.**

**Liberty Leisure Limited's values that contribute to the Councils vision are:**

- Innovation – Constantly evolving our offering
- Care – Caring for our community
- Employees – recognising our staff and ensuring a happy workforce for all
- Integrity – always acting with integrity
- Value – Delivering value for all
- Fun – Vibrant and diverse leisure, culture and events that enrich lives

**Liberty Leisure Limited specifically contributes to Broxtowe's Corporate Plan by:**

- Encouraging active and healthy lifestyles in every area of the Borough
- Supporting the council to produce and deliver its Leisure Facility Strategy

## 1. PUBLISHED STRATEGY AND POLICY DOCUMENTS SUPPORTING THE DELIVERY OF PRIORITIES AND OBJECTIVES

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Broxtowe Leisure Facilities Strategy	The future of leisure facilities within the Borough of Broxtowe	March 2021	Deputy Chief Executive
Broxtowe Borough Council Corporate Plan	The Council's overarching plan for its priorities, targets and objectives. The plan sets out priorities to achieve the vision to make “Broxtowe a great place where people enjoy living, working and spending leisure time” with focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.	April 2024	Chief Executive
Get Active Delivery Plan <i>(Previously Sports Strategy)</i>	Providing the opportunity, motivation and support to enable people to be more active than ever before	From March 2023. Action plan to be reviewed annually	Managing Director
Joint Use Agreement	Provides legal framework for the management of the joint-use facilities in partnership with Notts County Council and school governing bodies	Agreement with Chilwell School subject to 2 years notice	Managing Director/Deputy Chief Executive

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Licence to Occupy	Provides an operating agreement with EMET / Kimberley School	Sept 2022 to August 2024 subject to review and 3 months termination notice	Managing Director/Deputy Chief Executive

## 2. LIBERTY LEISURE LIMITED VISION AND VALUE

Promote active and healthy lifestyles in every area of Broxtowe (He1)

Service Areas covered by this Plan	Service Objectives
Vision	Leisure and Health at the heart of our community
Mission	To earn the lifelong loyalty of our customers through delivering first class leisure and health opportunities
Values	<ul style="list-style-type: none"> <li>• INNOVATION – constantly evolving our offering</li> <li>• CARE – caring for our community</li> <li>• INTEGRITY – always acting with integrity</li> <li>• SAFETY – provide safe and secure facilities and events</li> <li>• VALUE FOR MONEY – delivering value for all</li> </ul>

Service Areas covered by this Plan	Service Objectives
	<ul style="list-style-type: none"> <li>• EMPLOYEES – recognising our staff and ensuring a happy workplace for all</li> <li>• FUN – vibrant and diverse leisure, culture and events that enrich lives</li> </ul>
Operational Areas	<ul style="list-style-type: none"> <li>• Bramcote Leisure Centre; Kimberley Gym and Swim; Chilwell Olympia</li> <li>• Get Active</li> <li>• Business Development</li> </ul>

### 3. MEASURES OF PERFORMANCE AND SERVICE DATA

#### PERFORMANCE INDICATORS

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Total Attendances for Liberty Leisure Limited LLLocal_G02	1,743,511	1,685,140	237,626	913,122	Original 887,100  Revised 985,000	1,010,600	1,025,700	Managing Director  The 2023-24 attendance target is based on the 2022/23 revised target increased by 2.6%  2024/25 is a 1.5% increase on the 2023/24 target

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Total number of members (fitness and swim school) LLLocal_G12	8,040	8,175	1,410	6,691	7,000  <i>Revised</i> 7,395	8,170	8,365	Managing Director Business Manager  Targets are taken from the annual sales forecasting document using the revised figure of 7,395 as the base figure stated for April 2023
Total Number of Annual Direct Debits Collected LLLocal_G06	94,711	96,402	16,923	69,199	83,590	94,000	95,500	Managing Director Business Manager Fitness 52,100 direct debits for the year 2023/24 Swim 41,900 direct debits for the year 2023/24

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Percentage of direct debits collected LLLocal_G13	98.2%	98.2%	97.8%	98.1%	98.4%	98.4%	98.4%	Managing Director Business Manager
Total Income (excluding management fee) LLLocal_G05	£3.574m	£3.857m	£3.350m	£2.955m	£3.073m	£3.249m	£3.336m	Managing Director
Operating Expenditure (including central charges) LLLocal_G04	£4.236m	£4,593m	£4.118m	£3.466m	£3.915m	£3.754m	£3.890m	Managing Director Assumes that an agreement for the delivery of leisure at Kimberley Leisure Centre is agreed and implemented by the end of August 2022  Excludes capital depreciation and pension back pay adjustments

Indicator Description (Pentana Code)	Achieved 2018/19	Achieved 2019/20	Achieved 2020/21	Achieved 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Indicator Owner and Comments (incl. benchmarking)
Management Fee from the Council to Liberty Leisure Ltd LLData_G05	£1,160,000	£1,030,000	£995,000	£850,000	£845,000 <b>Fee Splits</b> Leisure Centres £557,000  Get Active £60,000  Events £130,000  Museum £98,000	£519,000 <b>Fee Splits</b> Leisure Centres £262,000 surplus  Get Active £3,000 surplus  Managing Director / Business Support £806,000 deficit  Details in the comments column	£519,000 <b>Fee Splits</b> Leisure Centres £271,000 surplus  Get Active £13,000 surplus  Managing Director / Business Support £824,000 deficit  Details in the comments column	Managing Director  Managing Director and Business Support includes: <ul style="list-style-type: none"> <li>• £240,000 Service charges paid to the council</li> <li>• £150,000 VAT</li> <li>• £63,000 Operating Licenses</li> <li>• £26,000 training, professional fees, subscriptions</li> <li>• £20,000 contingency</li> <li>• £16,000 Marketing</li> </ul>



<b>Indicator Description</b> (Pentana Code)	<b>Achieved 2018/19</b>	<b>Achieved 2019/20</b>	<b>Achieved 2020/21</b>	<b>Achieved 2021/22</b>	<b>Target 2022/23</b>	<b>Target 2023/24</b>	<b>Target 2024/25</b>	<b>Indicator Owner and Comments (incl. benchmarking)</b>
Subsidy per visit all service areas LLLocal_G07	58.1 pence	38.0 pence	57.8 pence	49.7 pence	86.0 pence	51.4 pence	49.8 pence	Managing Director Calculation based on Management fee received divided by forecast attendances 2023 onwards excludes Cultural Services

#### 4. KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2022/23 – 2025/26 INCLUDING COMMERCIAL ACTIVITIES

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Operate alternative leisure provision from the existing Kimberley Leisure Centre site <a href="#">LL2225_K01</a>	Continue to provide fitness and swim facilities for community use during the day and evenings	East Midlands Education Trust Kimberley School Broxtowe Borough Council	Managing Director Kimberley Operations Manager  Start: May 2022 End: April 2025	Kimberley only expenditure (excluding on costs) 2023/24 = £821,000 2024/25 = £850,000 Income 2023/24 = £838,000 2024/25 = £895,000 Attendance target 2023/34 = 285,000 The contract to operate at the site will be reviewed in November each year
Grow fitness memberships <a href="#">LL2326_G01a</a> (New)	To continue to recover income lost during the lockdowns by increasing direct debit collections from fitness and gym school membership	Les Mills (Virtual Classes) Innovatise (App development) Gym Sales (Membership prospecting) Primary Care Network (Health referral partner) Big Wave (Performance Analysis)	Managing Director Business Manager  Start: April 2021 End: August 2024	Total gym membership direct debits numbers (including Exercise Referral): <b>ACTUAL</b> 1 April 2022 = 3,342 30 September 2022 = 3,875 <b>TARGET</b> 31 March 2023 = target of 4,160 (24.5% increase since April 2022) 31 March 2024 = target of 4,608 (being 10.8% increase for the year)  The forecast represents 93.5% of the pre-pandemic gym direct debit membership

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Grow Swim School memberships LL2326_01b (New)	Complete a review with the aim of increasing the total number of people learning to swim and to improve the efficiencies in delivering the Swim School programme	Big Wave Active 4 Today	Managing Director Operations Managers  Start: September 2022 End: March 2024	The Swim School at Bramcote is operating at 108% of pre-pandemic figures and is considered to perform well with limited scope to improve.  Bramcote <b>ACTUAL</b> 1 April 2022 = 2,358 30 September 2022 = 2,379 <b>TARGET</b> 1 April 2023 = target of 2,390 31 March 2024 = target of 2,400  Kimberley <b>ACTUAL</b> 1 April 2022 = 984 30 September 2022 = 1,031 <b>TARGET</b> 1 April 2023 = target of 1,070 31 March 2024 = target of 1,170

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Continue to deliver the exercise referral scheme <a href="#">LL2023_G08</a>	Provide a sustainable supported referral opportunity for people with medical needs who will benefit from exercise	Primary Care Network (PCN) Social Prescribers Public Health – ABL Community Health / Physio workers PICS respiratory services	Managing Director Kimberley Operations Manager  Start: April 2022 End: March 2024	Exercise Referral memberships are also included in the total gym memberships above: <b>ACTUAL</b> 1 April 2022 = 181 30 September 2022 = 219 <b>TARGET</b> 1 April 2023 = 264 (45.1% increase since Apr '22) 31 March 2024 = 335 (being a 26% increase for the year)
Implement a first aid, NPLQ and Fitness Qualification training programme <a href="#">LL2023_G02</a>	LLL to provide a range of training opportunities such as First Aid to be sold commercially	NUCO NPLQ Active IQ	Managing Director  Kimberley Operations Manager  Start: April 2020 End: March 2024	Staffing costs are contained within an existing Duty Manager role. Proportion of existing DM role allocated £10,000 Course resources £4,000 Income target £29,000
Implement price changes <a href="#">LL2326_02</a> (New)	Increase the overall operational income to mitigate against expenditure increases resulting from the cost of living crisis	Board of Directors	Managing Director  Start: April 2023 End: March 2024	Price changes implemented on 1 April 2023 will result in £100,000 of forecasted income and is included in the total income target

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Implement a Direct Debit Bureau LL2326_03 (New)	To increase the total income surplus created by the company's operations	PayGate Gladstone LMS Broxtowe Borough Council	Managing Director Business Manager  Start: April 2023 End: March 2026	Expenditure 2023/24 = £8,190 (inc set up) Expenditure 2024/25 = £2,840 Expenditure 2025/26 = £2,840  Income 2023/24 = £ 7,620 Income 2024/25 = £14,340 Income 2025/26 = £20,340  It is expected that the additional work can be contained within the existing administrative resource. The balance for the first 3 years being a surplus of £28,430 It is expected that as incomes increase additional staff resource will be required

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
<p>With external support review a range of potential operating efficiencies</p> <p>LL2326_04 (New)</p>	<p>To identify achievable operating efficiencies to implemented</p>	<p>Active 4 Today Broxtowe Borough Council</p>	<p>Managing Director</p> <p>Start: November 2022 End: March 2024</p>	<p>Specific operational areas to be reviewed include:</p> <p><u>Expenditures</u></p> <ol style="list-style-type: none"> <li>1. Staffing structures &amp; technology</li> <li>2. Identify specific operating costs and incomes e.g. Swim School</li> <li>3. Review staff contracts to ensure operational flexibility</li> <li>4. Review operating hours in relation to usage</li> <li>5. Review current charges paid to the council and services provided</li> <li>6. Review capital repairs and renewal programme</li> </ol> <p><u>Incomes</u></p> <ol style="list-style-type: none"> <li>1. Review the fitness and swim school membership and forecast changes between 2022/2026</li> <li>2. Review and provide business cases for alternative sources of income</li> <li>3. Review pricing and potential prices changes between 2022/2026</li> <li>4. Provide a medium term financial forecast 2023/26</li> </ol> <p>Other areas to be considered include:</p> <ol style="list-style-type: none"> <li>1. Utility costs</li> <li>2. Staffing pay increases</li> <li>3. Superannuation and triannual review</li> </ol>

<b>Description</b> (Pentana Code)	<b>Targeted Outcome</b>	<b>Partnership/ Procurement Arrangement</b>	<b>Officers Responsible/ Target Date</b>	<b>Budget Implications/ Efficiencies/Other comments</b>
Ongoing delivery of the Get Active Plan <a href="#">LL2225_S01</a>	Supporting partners who deliver services to support people with mental health conditions  Develop volunteer opportunities and a pathway into volunteering	BBC Communities Team Primary Care Network Active Nottinghamshire Middle Street Resource Centre Durban House Broxtowe Women's Project	Managing Director Kimberley Operations Manager  Start: April 2023 End: March 2024	Provide opportunities for potentially inactive people to become more active: <ul style="list-style-type: none"> <li>- Buggy and Wellbeing Walks</li> <li>- Work with Heya to enable Asian Women to be more active</li> <li>- Broxtowe Women's Project – improving leisure access</li> <li>- Support people with dementia to access leisure opportunities</li> <li>- Improving access to leisure opportunities for asylum seekers and refugees</li> <li>- With the NHS reduce inequalities for people with learning disabilities enabling more people to access health checks and leisure opportunities</li> <li>- Delivery of chair based exercise for older people at risk of falling</li> </ul>

## SUPPORTING BROXTOWE BOROUGH COUNCIL

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Support Broxtowe Borough Council in the development of the Leisure Facilities Strategy <a href="#">LL2225_G01</a>	LLL provide operational expertise to the council to ensure that any new facilities have an achievable business plan, that design and layout will meet customer expectation and enable efficiencies to be achieved	Broxtowe Borough Council	Managing Director / Business Manager  April 2022 to March 2024	Liberty Leisure Ltd will: <ol style="list-style-type: none"> <li>1. Support the council in developing a leisure facility strategy for the Borough</li> <li>2. Provide operational expertise to enable the council to determine whether the facility mix proposed at any identified sites will provide the income required to support the development and the on-going revenue implications</li> <li>3. In addition, LLL will use the facility mix proposed to scope out a draft activity programme for the new facility, which will reflect the diverse needs of the community</li> </ol>



Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
Replacement gym equipment <a href="#">BBC2022c</a>	Provide a scope of the equipment required, digital capabilities, meet with suppliers, site visits, support with scoping the details of a procurement. Redesign available gym space and work with the contractor to ensure installation is to specification and on time	BBC Procurement Officer  Liberty Leisure Ltd	BBC Deputy Chief Executive  June 2024	The implementation of this action is delayed from December 2021.  £600k is the nominal figure included in the council's capital planning for this action. The figure will change due to the financial impact of Brexit, the future of Kimberley Leisure Centre and the timescale for implementing the leisure facility strategy

Description (Pentana Code)	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
<p>In line with a finalised Leisure Facilities Strategy, review the existing Management Agreement between Broxtowe Borough Council and Liberty Leisure Limited</p> <p><a href="#">BBC2022a</a></p>	<p>To have an updated agreement that accurately details the roles and responsibilities of Broxtowe Borough Council and Liberty Leisure Ltd in the provision of leisure in Broxtowe</p>	<p>BBC Legal Officer</p>	<p>BBC Client Officer BBC Deputy Chief Executive Managing Director</p>	<p>Currently the direct budget costs associated with potentially delivering changes to the existing management agreement are not known. Where possible these will be contained within existing budgets, however, until the extent of the work is known, the finance cannot be set out. Areas which will be explored further are:</p> <ul style="list-style-type: none"> <li>• Reviewing payment schedules</li> <li>• Updating the scope of the service</li> <li>• Potential reductions in the Management Fee</li> <li>• Agreeing a reserve policy</li> <li>• Exploring corporation tax liabilities</li> <li>• Managing Repairs and Renewals</li> <li>• Governance of the Company</li> </ul>

## 5. LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

All known costs, savings and financial efficiencies (actuals and estimates) identified in the key actions above have been (or will be) incorporated in the annual and medium-term budget accordingly.

Pentana Code	Revenue and Capital Budget Implications/ Efficiencies Generated 2023-24	2023/24 Budget (£)	2024/25 Budget (£)
LL2225_K0 1	Operate alternative leisure provision from the existing Kimberley Leisure Centre site	Operating expenditure £821k Operating income (£838k) Balance £17k operating surplus	Operating expenditure £850k Operating income (£895k) Balance £45k operating surplus
LL2326_G0 1a (New)	Grow Fitness Memberships	Incomes by site Bramcote £748k Chilwell Olympia £86k Kimberley £411k  TOTAL £1,245,000	Incomes by site Bramcote £812k Chilwell Olympia £93.5k Kimberley £436k  TOTAL £1,341,500
LL2326_01b (New)	Grow Swim School Memberships	Total incomes by site Bramcote £665k Kimberley £333k TOTAL £998k	Total incomes by site Bramcote £680k Kimberley £341k TOTAL £1,021k

Pentana Code	Revenue and Capital Budget Implications/ Efficiencies Generated 2023-24	2023/24 Budget (£)	2024/25 Budget (£)
LL2023_G08	Continue to deliver the exercise referral scheme to grow Exercise Referral memberships	Additional Expenditure £13.6k Income £68.0k Balance £54.4k surplus	Additional Expenditure £14.3k Income £74.5k Balance £60.2k surplus
LL2023_G02	Implement a first aid, NPLQ and Fitness Qualification training programme	Reallocating existing staff resource £10k Additional Expenditure £4k Income £29k Balance £15k surplus	Reallocated existing staff resource £10.5k Additional Expenditure £6k Income £40k Balance £23.5k surplus
LL2326_02 (New)	Implement price changes	Additional Income £100k	A 3% price increase is included within the overall income for 2024/25.
LL2326_03 (New)	Implement a Direct Debit Bureau	Expenditure £8,190 Income £7,620 Balance Deficit £570	Expenditure £2,840 Income £14,340 Balance £11,500 surplus
LL2326_04 (New)	With external support review a range of potential operating efficiencies	Service savings offsetting the additional charges identified by the council £15k	Potential efficiencies to be implemented to be identified through scoping process
LL2225_S01	Ongoing delivery of the Get Active Plan	All listed projects funded with no additional costs to existing revenue budgets	All listed projects funded with no additional costs to existing revenue budgets
BBC2022c	Replacement gym equipment	Expenditure £0	Expenditure £700k

## FORECASTED INCOME AND EXPENDITURE SUMMARY

Financial Element	2022/23 (Revised)	2023/24*	2024/25*	2025/26*
Operating Expenditure	£3,834,245	£3,807,600	£3.938m	£4.105m
Operating & School Income	£3,016,210	£3,244,275	£3.363m	£3.504m
Operating Balance	£818,035	£563,325	£575k	£601k
	deficit before management fee	deficit before management fee	deficit before management fee	deficit before management fee
Allocated Management Fee	£788,390	£519k	£500k (no actual figure agreed)	£500k (no actual figure agreed)
Balance including the allocated management fee	£29,645 deficit	£44,325 deficit	£75k deficit	£101k deficit

\*The revenue budgets for 2023/24 and 2024/25 assumes that the estimated superannuation back pay will be paid in a lump sum rather than in monthly payments as was the arrangements between 2020/23.

## 6. SUMMARY OF KEY RISKS

<b>Key Strategic Risk</b>	<b>Action to be taken or required to mitigate/minimise the risk or threat</b>
1. Teckal Company	Ongoing strategic operational documents identifying a wide range of actions to develop the company
2. Lack of financial resources	A medium term financial forecast that is regularly reviewed to ensure that potential financial issues are identified in advance of the problem arising
3. Leisure Facilities Strategy	As per strategic risk register. The council to complete its leisure facility strategy to enable the company to develop its operational and financial planning

*The top five risks (strategic or operational) arising from the key tasks and priorities for improvement*

<b>Key Task</b>	<b>Risk or Threat to Key Task</b>	<b>Covered by an existing Strategic Risk?</b>	<b>Action taken/required to mitigate/minimise the risk or threat</b>
Operate alternative leisure provision from the existing Kimberley Leisure Centre site	The ongoing operation is subject to an annual review at which point notice may be issued	Yes – Risks 4 and 5 (see below)	Regular operational and review meetings with the school to ensure that operations meet both organisations expectations

Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
Grow fitness and swim school memberships (excluding Exercise Referral)	<p>Potential effects of the cost of living crisis on consumers disposable income</p> <p>Ageing buildings and insufficient maintenance budgets</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows:</p> <ul style="list-style-type: none"> <li>- Continue to diversify delivery over time to include a range of exercise referral options and to build new partnerships to grow daytime usage</li> <li>- Retrain staff to maximise the use of the Gym Sales prospecting tool</li> <li>- New Leisure Management System improving the online booking and joining process</li> <li>- Continue to review the customer journey to maximise changes in technology</li> <li>- Deliver an annual programme to promote sales and retain existing customers</li> <li>- Continue to support the council to deliver it plans for new leisure facilities</li> <li>- Meetings held with the councils estates team to agree priority maintenance to be discussed with the council</li> </ul>
Implement the exercise referral scheme	<p>Continued provision of services at Kimberley Leisure Centre</p> <p>Referrals are less than predicted</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows</p> <ul style="list-style-type: none"> <li>- Minimise additional expenditure for by utilising some existing staff expertise within their existing job roles to support the programme</li> <li>- Referral targets are based on previous performance and the number of refers have been increased</li> <li>- Increasing involvement in local NHS networks is expanding the network of health professionals who can refer</li> </ul>

Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
Implement a Direct Debit Bureau	<p>Failure to attract sufficient customers to cover the expenditure</p> <p>Sufficient staff resilience to ensure that the service</p>	Yes – Risks 4 and 5 (see below)	<p>Risks are mitigated as follows:</p> <ul style="list-style-type: none"> <li>- Centralise the company’s admin function to add resilience and keep expenditures contained to existing admin budgets</li> <li>- Year 1 targets based on actual conversations with potential customers</li> <li>- Set up costs are contained within the existing Business Development budget with no requirement to utilise the company’s reserves</li> <li>- Templates for any additional data sharing agreements are available and existing agreements and security arrangements are in place with LMS provider</li> </ul>

Risks as extracted from the Strategic Risk Register as at November 2022:

**Risk 4:** Failure of strategic leisure initiatives

**Risk 5:** Failure of the Liberty Leisure Limited trading company

The latest Strategic Risk Register is available in full at <https://intranet.broxtowe.gov.uk/finance/risk-management/>



**Report of the Chief Executive**

**WORK PROGRAMME**

1. Purpose of Report

The Advisory Shareholder Sub-Committee is asked to approve its Work Programme and to consider items for consideration at future meetings.

2. Recommendation

**The Advisory Shareholder Sub-Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

3. Detail

10 July 2023	<ul style="list-style-type: none"> <li>• Presentation on Em-DevCo</li> <li>• Em-DevCo Second Year Review And Business Plan For Year 3</li> </ul>
16 October 2023	
22 January 2024	
26 February 2024	

4. Legal Implications

The terms of reference are set out in the Council's constitution. It is good practice to include a work programme to help the Council manage the portfolios.

5. Background Papers

Nil.

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