

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>Total</td> <td>3,995</td> <td>4263</td> </tr> </tbody> </table>	SITE	TARGET	ACHIEVED	BLC	2,210	2,370	CO	310	305	KLC	1,240	1,324	Exercise Referrals	235	264	Total	3,995	4263
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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		

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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