

**Liberty Leisure Ltd Update Quarter 4: 2023-24**

**SALES AND ATTENDANCES**

**1. FITNESS MEMBERSHIPS**

Achieved 2022-23	Target 2023-24	End Q3 2023-24	Comments
4263	4700	3511	Drop due to the Kimberley situation.  Q1 – 4280 Q2 – 4520 Q3 – 4309 Q4 – 3511

**ACTIONS TO GROW MEMBERSHIPS**

1. Continue with planned marketing activities to encourage new people to join at one of the leisure centre sites
2. Review 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 2022-23	Target 2023-24	End Q4 2023-24	Comments
3,150	3,400	2978	Reduction due to Kimberley but Bramcote performing very well  Q1 - 3448 Q2 - 3498 Q3 - 3252 Q4 - 2978

### 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 2022-23	Target 2023-24	End Q3 2023-24	Comments
7413	8,100	6489	<p>Figures are the combined totals for Fitness and Swim School Memberships</p> <p>Q1 - 7728 Q2 - 8018 Q3 – 7561 Q4 – 6489</p>

4. ATTENDANCES

Achieved 2022-23	Target 2023-24	End Q4 2023-24	Target Q4	Comments
974,368	890,000	921,250	890,000	<p>Reduced target due to cultural services moving in to the council and reduced services offered at KSG.</p> <p>Q1 - 220,530 Q2 - 214,298 Q3 - 234,668 Q4 - 251,754</p>

5. FINANCE 2023-24

	Achieved 2022-23	Actual Q4	Q4 Pro Rata Forecast Target	Budget Forecast 2023-24	Original Annual Budget	Comments
Operating Income	£3.071m	£3.087m	£3.234m	£3.087m	£3.234m	Income is increasing month on month through growing membership and exercise referral sales  Q1 - £0.791m Q2 - £0.790m Q3 - £0.822m Q4 - £0.714m
Operating Expenditure	£3.886m	£3.694m	£2.813m	£3.694m	£3.839m	Q4 increase due to payment of 6 months' council service charge and VAT  Q1 - £0.764m Q2 - £0.850m Q3 - £0.998m Q4 - £1.082m
Management Fee Received (Ex VAT)	£700k	£519k	£519k	£519k	£519k	The company made its first management fee request to the council towards the end of October 2023 in advance of its bank balance falling below £250k  Q1 - £0 Q2 - £0 Q3 - £180k Q4 - £339k
Balance	£115k Deficit			£87k deficit	£87k deficit	The current estimate of the end of year balance is on target despite the changes with Kimberley.  Q1 - £67k Deficit Q2 - £34k Deficit Q3 - £85k Deficit Q4 - £87k Deficit

**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, review of music licenses 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 2023-24 annual pay award has significantly increased in the staffing budget and was higher than originally budgeted for.
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. Closure of Kimberley Gym & Swim and the knock-on impacts of this

7. TRANSFER FROM BALANCES

No money was transferred from balances during 2023-24. Operating loss of £115k in 2022/23

8. RESERVES

Maximum reserve is set at £500,000 agreed with the council and the Board of Directors. Operating loss in 22/23 of £115k reduced the reserve to £486,899.

Bank Balance:

End Q1: £582,300

End Q2: £465,513

End Q3: £494,428

End Q4: £710,681 (Council services, VAT and utility costs to come out)

9. SUMMARY OF ADDITIONAL WORK AND DEVELOPMENTS DURING Q4 2023-24

- The company continues to work with the council and a range of partners to deliver the exciting pavilion project at Hickings Lane, Stapleford while contributing towards developing plans for a new leisure centre at the Bramcote Site.
- Development of digital strategy