

Report of the Liberty Leisure Limited – Business Director

Liberty Leisure Limited 2024-25 Quarter 3 Performance Report

1. Purpose of Report

For the Advisory Shareholder Sub Committee to NOTE the Liberty Leisure Limited performance report for Quarter 3 2024/25.

2. Recommendation

The Advisory Shareholder Sub Committee Board is asked to NOTE the Liberty Leisure Limited Performance Report.

3. Detail

The Liberty Leisure Limited Annual Business Plan that is agreed with the Board of Directors and then ratified by Broxtowe Borough Council, details the performance indicators and business actions for the company. The business plan is used to monitor the company's progress using the performance management tool, Pentana.

The performance report is detailed in the **Appendix** of this report.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

The company's budget position after Q2 shows an improvement of £146,700 on the original budget for 2024/25 with the forecast outturn revised to an overall surplus of £51,500. Further details on the financial implications for the company are included in the appendix.

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

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

There are no climate change implications are contained within the report.

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

Not applicable.

11. Background Papers

Nil.

Appendix

Liberty Leisure Ltd Quarter 3: 2024-25 Performance Report

Sales and Attendances

1. Fitness Memberships

Achieved 2023-24	Target 2024-25	End Q3 2024-25	Comments
3,511	3,454 GYM BLC = 2,700 CO = 370 Exercise Referral = 384	3,311 GYM BLC = 2,513 CO = 322 Exercise Referral = 476	Quarter 3 sales (Annual & Direct Debit) have dropped slightly from Quarter 2. This is usual for the time of year. Q1 – 3,331 Q2 – 3,344 Targets are on track across both sites, planned targeted marketing to help increase memberships Exercise Referral memberships are exceeding targets with the use of Greasley and wise moves

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 and improve the digital journey to increase the number of members accessing health improvement programmes
3. Grow Exercise Referral through direct marketing being undertaken by General Practices
4. Continue to deliver exercise referral in the North of the Borough with Greasley Sports and Community Centre
5. Grow the recently started corporate health checks to encourage more take up of corporate memberships
6. Continue to deliver member workshops to improve member retention by adding value to the membership

2. Swim School Memberships

Achieved 2023-24	Target 2024-25	End Q3 2024-25	Comments
2,655	2,196	2,238	Swim School at BLC has already exceeded target, due to the retention of KLC members moving to BLC for their swim lessons. Q1 – 2,293 Q2 – 2,266 Upsurge in cancellations due to time of year. We are responding to this with increased marketing activities and anticipate a growth in Swim School memberships during January.

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 occupancy levels across individual swim lessons to identify opportunities to increase enrolled numbers
4. Understand the effects of price and cost of living on retention of swimmers
5. 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 2023-24	Target 2024-25	End Q3 2024-25	Comments
6,166	5,650 GYM BLC = 2,700 CO = 370 Exercise Referral = 384 SWIM SCHOOL BLC = 2,196	5,549	Figures are the combined totals for Fitness and Swim School Memberships and include Direct Debit and Annual payers. Targets are taken from the annual sales forecasting. The target for 2024/25 has lowered due to the effect of Kimberley Gym and Swim stopping at the end of March 2024. 101 memberships down from end of year target Q1 – 5,624 Q2 – 5,610

4. Attendances

Achieved 2023-24	Target 2024-25	Q3 2024-25	Target Q3	Comments
927,716	700,000	202,464	175,000	<p>Achieving target for attendance across Swim, fitness and exercise referral</p> <p>Target dropped by 200,000 attendances, due to the loss of Kimberley Gym & Swim</p> <p>Estimated GSCC figures for September</p> <p>27,464 attendances up from quarter target. Significant increase in both outdoor and sports hall activities</p> <p>Q1 – 189,164 Q2 – 178,653 Q3 – 202,464</p> <p>Q1 to Q3 total 570,281 (45,281 ahead of target)</p>

5. Finance 2024/25

TOTALS SUMMARY	Q3 Actual Spend	Pro Rata Budget	Pro Rata Variance	Original Budget	Forecast Budget	Full Budget Variance	Comments
Salaries	1,283,138	1,264,058	19,079	1,685,411	1,696,417	11,006	The company is managing its expenditures through the implementation of further efficiency measures. Actual spend includes commitments. Q1 - £0.614m Q2 - £0.686m Q3 - £0.593m
Utilities	230,807	265,183	-71,955	397,775	365,811	-31,964	
Opps Expenditure	289,667	306,975	-19,989	409,300	407,586	-1,714	
Insurance	0	56,953	-56,953	75,937	26,000	-49,937	
VAT	67,584	105,000	-37,416	140,000	143,000	3,000	
Service Charges	109,879	160,500	-50,621	214,000	220,000	6,000	
TOTAL EXPENDITURE	1,981,075	2,158,669	-217,854	2,922,423	2,858,815	-63,608	
Schools	-100,886	-88,163	-12,724	-117,550	-117,550	0	Income is continuing to perform well whilst we navigate the loss of Kimberley, through growing memberships and exercise referral sales. Q1 - £0.639m Q2 - £0.691m Q3 - £0.660m
Opps Income	-1,855,946	-1,755,506	-92,561	-2,340,675	-2,423,772	-83,097	
TOTAL INCOME	-1,956,832	-1,843,669	-105,284	-2,458,225	-2,541,322	-83,097	
Operating Balance	24,243	315,001	-323,138	464,198	317,493	-146,705	

TOTALS SUMMARY	Q3 Actual Spend	Pro Rata Budget	Pro Rata Variance	Original Budget	Forecast Budget	Full Budget Variance	Comments
Management Fee	-123,000	-276,750	153,750	-369,000	-369,000	0	The company requested the first management fee from Council at the end of Q2, in advance of its bank balance falling below £412k. Total is £150k less than last year
Surplus / Deficit	-98,757	38,251	-323,138	95,198	-51,507	-146,705	The latest budget revision forecast a £147k improvement on the original budget for 2024/25 (Particular savings on VAT, NNDR and utilities).

Summary of the Factors Influencing Income and Expenditure for 2024/25

1. The company is working on a range of efficiencies including a staffing restructure, review of licenses, banking costs 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. Reduction in VAT payable due to less management fee received throughout the year.
3. The 2024-25 annual pay award was around a 5% increase (included in the staffing budget originally at 4%).
4. 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.
5. Financial implications due to the loss of Kimberley Gym & Swim including loss of Direct Debit members, as well as Swim School and club bookings.
6. Significant reduction in cost of insurance (£26k from 76k).
7. NNDR refund of £11k.

8. Transfer from Balances

No money was transferred from balances during 2023-24. Operating loss of £44,856 in 2023/24

9. Reserves

Maximum reserve is set at £500,000 agreed with the council and the Board of Directors. Operating loss of £44,856 reduced the reserve to £442,033, however, redundancy paid out of the reserves in May caused the reserve to decrease to £412,033.

Bank Balance:

End of Q1: £604,757

(higher than the reserve as March 2024 Service Charge payment of £138,000 was not paid)

End of Q2: £497,233

End of Q3: £731,309

(higher than the reserve as;

- September 2024 Service Charge payment of £138,000 was not paid
- October 2024 Insurance payment of £26,000 was not paid
- NNDR refund of £10,814)

10. Summary of Additional Work and Developments during Q3 2024-25

- a) Liberty Leisure Limited continues to develop opportunities to target different groups of people in the community. The company received £15k from Sport England to deliver Wise Moves (postural stability courses) in conjunction with the Primary Care Network. There are 3 classes per week taking place during 2024-25 across Eastwood, Stapleford and Beeston with a total of 45 places being available across the 3 classes at any one time. Participants have their postural stability continuously assessed and once they have completed the course they are offered to move onto the Exercise Referral Scheme for continued support. We currently have 28 people signed up.
- b) Since ceasing to operate exercise referral from Kimberley Gym & Swim, we are now operating from Greasley Sport & Community Centre to allow for continuous service in the North of the Borough
- c) 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.