

Appendix

Liberty Leisure Limited Performance Report Quarter 4: 2024-25Liberty Leisure Ltd update Quarter 4: 2024-25Sales And Attendances1. Fitness Memberships

Achieved 2023-24	Target 2024-25	End Q4 2024-25	Comments
3,511	3,454 GYM BLC = 2,700 CO = 370 Exercise Referral = 384	3,320 GYM BLC = 2,472 CO = 332 Exercise Referral = 516	<p>Quarter 4 sales (Annual and Direct Debit) have increased slightly from Quarter 3. But are still 134 memberships below target. Although membership income has exceeded income due to increases at the start of the year.</p> <p>Q1 – 3,331 Q2 – 3,344 Q3 – 3,311</p> <p>After a successful January, memberships have dropped off over the rest of the Quarter, this may be due to the January drop off effect and economic pressures. To combat this, we are developing our customer journey and retention programme, with the help of external parties.</p> <p>Exercise Referral memberships are exceeding targets with the use of Greasley and Wise Moves</p>

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
7. Review fitness class programme across both sites.

Swim School Memberships

Achieved 2023-24	Target 2024-25	End Q4 2024-25	Comments
2,655	2,196	2,193	<p>Despite an increase in cancellations due to seasonal patterns and economic influences we have exceeding swim lesson membership income targets due to increases at the start of the year.</p> <p>We are responding to the drop with increased marketing, such as direct promotion to swimmers and leaflet dropping within local housing estates and businesses.</p> <p>Q1 – 2,293 Q2 – 2,266 Q3 – 2,238</p>

Actions to Grow Swim School 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 cancellation process of Swim School leavers
3. Review the swim programme and trial small group swim sessions to try and improve retention
4. Review the public swimming programme to make use of the more popular sessions and improve attendances

Membership Totals

Achieved 2023-24	Target 2024-25	End Q4 2024-25	Comments
6,166	5,650 Gym BLC = 2,700 CO = 370 Exercise Referral = 384 Swim School BLC = 2,196	5,513	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. 137 memberships down from end of year target Q1 – 5,624 Q2 – 5,610 Q3 – 5,549

2. Attendances

Achieved 2023-24	Target 2024-25	Achieved Q4 2024-25	Target Q4	Comments
927,716	700,000	229,903	175,000	<p>N Achieved 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 Estimated GSCC figures due to timing delay Q1 – 189,164 Q2 – 178,653 Q3 – 202,464 Q1 to Q4 total 800,736 (100,736 better than annual target)</p>

3. FINANCE 2024-25

TOTALS SUMMARY	Actual Spend	Pro Rata Budget	Pro Rata Variance	Original Budget	Forecast Budget	Full Budget Variance	Comments
Salaries	1,671,200	1,685,411	-14,211	1,685,411	1,671,200	-14,211	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	367,964	397,775	-34,242	397,775	367,964	-29,811	
Opps Expenditure	362,644	409,300	-33,472	409,300	376,610	-32,690	
Insurance	26,000	75,937	-49,937	75,937	26,000	-49,937	
VAT	105,241	140,000	-34,759	140,000	150,000	10,000	
Service Charges	219,758	214,000	5,758	214,000	219,758	5,758	
TOTAL EXPENDITURE	2,752,807	2,922,423	-160,863	2,922,423	2,811,533	-110,890	
Schools	-100,886	-117,550	16,664	-117,550	-100,886	16,664	Income is slowly increasing month on month through growing memberships and exercise referral sales, whilst we navigate the loss of Kimberley. Q1 - £0.639m Q2 - £0.691m Q£ - £0.660m
Opps Income	-2,491,482	-2,340,675	-138,085	-2,340,675	-2,491,482	-150,807	
TOTAL INCOME	-2,592,368	-2,458,225	-121,421	-2,458,225	-2,592,368	-134,143	
Operating Balance	160,439	464,198	-282,284	464,198	219,165	-245,033	The company requested the first management fee from council at the end of Q2, in advance of its bank balance falling below £412k
Management Fee	-246,000	-369,000	0	-369,000	-246,000	123,000	Total is £150,000 less than last year.
Surplus / Deficit	-85,561	95,198	-282,284	95,198	-26,835	-122,033	The latest budget revision forecast a £122k 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 completed a range of efficiencies including a staffing restructure, review of licenses, banking costs and a pricing strategy. The purpose of the improving efficiencies was 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 4% increase (included in the staffing budget).
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. The total allocated management fee for 2024-25 was £369k + VAT. Of this, £246k + VAT was invoiced, leaving £123k + VAT unclaimed.

9. Transfer from Balances

No money was transferred from balances during 2024-25.

10. Reserves

Maximum reserve is set at £500,000 agreed with the council and the Board of Directors. An operating loss of £44,856 in 23-24 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)

End of Q4: £561,844

- Bank balance higher than the reserve to do outstanding payments such as VAT.

11. Summary of Additional Work and Developments During Q4 2024-25

- a) Liberty Leisure Ltd 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. LLL is looking at how this can be extended beyond the current funding.
- b) 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.