

Establishment of LeisureSK Ltd

Karen Bradford, Chief Executive

21st January 2021



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Overview

- Background
- Drivers for Change
- Impact of Covid-19
- Challenges
- Governance
- Where are we now?
- The Future
- Next Steps



LEISURESK Ltd



Background

- 4 leisure facilities, varying age and condition
- All require refurbishment
- Managed by Leisure in the Community (1Life) for 20 years, expired on 31st December 2020

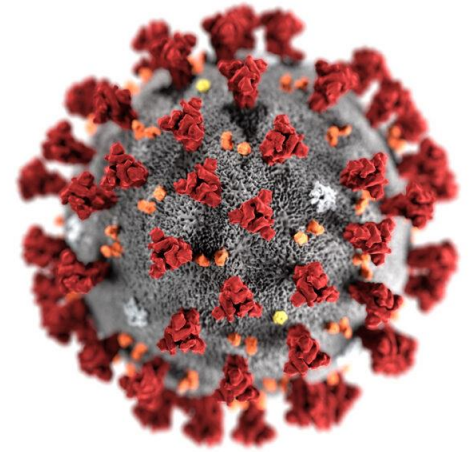


Drivers for Change

- Impact of Covid-19
- Financial risk:
 - 1Life with deficit funding
 - Little operational control
 - Instability in the leisure operator market
- Relationship breakdown
- Annual costs £320,000 pre-Covid
- Significantly increased since March 2020
- Negative perception; Customers and Members



Impact of Covid-19



- Secured £5,000 Covid support grant from Sport England
- Commissioned consultancy support to assess and reconcile the financial support
- Leisure options appraisal commissioned:
 - Longer contract extension with 1Life
 - Trust arrangement
 - LATC
- Cabinet approved the option to form LeisureSK Ltd in August 2020



Challenges

- Timescale and impending end of contract
- Company set up
 - Upfront costs
 - Advice on company structure, VAT and NNDR savings
 - TUPE transfer of staff
 - Delays experienced due to Covid-19
- Mobilisation plan developed
- Development of budgets/business plan both approved by Council



Governance Arrangements

- LeisureSK Ltd established not for profit company Limited by Guarantee
- Teckal status allowed direct award of contract to LeisureSK Ltd
- Board of Directors appointed with company and performance responsibility
- A Non-Executive Director appointed
- Formal arrangements adopted:
 - Leisure management in place
 - Expected service standards & KPI
 - Leisure facility leases detailing landlord and tenant responsibilities



Where are we now?

- LeisureSK Ltd launched on the 1st January 2021
- The Budget and Business Plan's are being reviewed due to lockdown
- The TUPE transfer of 114 staff has been successful
- Staff currently furloughed
- Re-branded facilities and redecorated
- Feasibility work is continuing to identify and prioritise improvements
- Leisure centre in Grantham is a key vaccination centre



The Future

- Company performance will be reported into the Council's Companies Committee and Culture and Visitor Economy OSC
- LeisureSK Ltd initially seen as a medium term solution
- Leisure improvement plans have been prioritised due to financial impact of Covid-19
- Feasibility is being concluded on new leisure centre for Deepings
- Football Foundation application is being developed for a 3G pitch



Next steps

- Government processes to be developed
- Robust contract monitoring
- Awaiting decision on the application to Sport England under the National Leisure Relief Fund
- Develop Sport and Physical Activity Strategy for the District 2021-2024
- Assess viability of LeisureSK Ltd against alternative arrangements when the market recovers

