

South Kesteven District Council – Leisure Delivery Model

From Subsidy to Surplus

Karen Whitfield

Assistant Director (Leisure, Culture and Place)



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Overview

- South Kesteven Leisure Facilities
- Why LeisureSK Ltd
- Governance
- Lessons Learnt
- Outcomes Achieved
- Agency Model
- Added Benefits

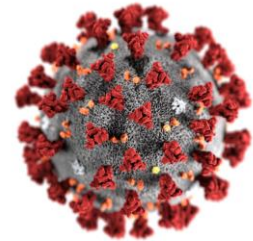


South Kesteven Leisure Facilities



Why LeisureSK Ltd

- End of contract
- Leisure Options Appraisal
- Impact of Covid-19 since March 2020
 - Financial risk
 - No control
 - Instability in the leisure operator market
 - Contract no longer fit for purpose
- Increasing costs
- Poorly performing service



Solution

- Revisited Options Appraisal
 - Longer contract extension with provider
 - Trust arrangement
 - LATC
- Cabinet approved the option to form LeisureSK Ltd in August 2020



Challenges

- Timescale
- Mobilisation
- Upfront Costs
- Business Plan
- Ongoing impact of Covid-19



Governance Arrangements

- Company limited by guarantee
- Teckal company
- Board of Directors/NED
- Formal arrangements:
 - Contract and Leisure Specification
 - Leases
 - Client Role



Outcomes Achieved

- Control of Service
- Transparency
- Improved customer satisfaction
- Utility purchasing arrangements
- Condition surveys/Investment Plan
- Flexibility



Lessons Learnt

- Board of Directors – right mix
- Chief Operating Officer/Managing Director
- Back Office Support
- Cashflow
- Irrecoverable VAT
- Shareholder Meeting



Agency Model

- Early termination of contract
- New Contract commenced 1 April 2025
 - Based on Agency principles
 - Negates the irrecoverable VAT issue
 - 10 year contract
- Investment proposals
- Projected surplus for 24/25 £110k



Added Benefits

- Leisure Investment Reserve created
- Swimming Pool Support Fund
- Public Sector Decarbonisation Scheme grant
- Sport and Physical Activity Strategy
- Lincolnshire Health and Wellbeing Strategy



Thank you!



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