

Finance Special Interest Group notes 28th September 2021

Attendees: Rob Austin (Northampton Leisure Trust), Ellen Atkinson (South Lanarkshire Leisure), Joe Baker (Kirklees Active Leisure), David Blower (SLT Leisure), Melanie Brookes (Doncaster Culture and Leisure Trust), Lee Clay, Ian Cotter (Lonsdale Swimming and Sports Trust), Rachel Eastwood (Tees Active), Viv Harrison (Moseley Road Baths, Karl Hayes (Impulse Leisure), Dawn Heaton (Inspiring Healthy Lifestyles), Nik Henry (NHA Energy), Chris Griffin (Live Wire Warrington), Fiona McGuigan (West Dunbarton), Kevin Johnston (Edinburgh Leisure), Gordon McAllister (Active Sterling), Brendan Meenan (Everybody Sport and Recreation), Fiona Naylor (Renfrewshire), Lee Ovens (Leisure Focus), Karen Papple (Tees Active), Susan Ride, Lorraine Russell (East Ayrshire Leisure), Sarah Sevantes (Mytime Active), Sally Topham (Magna Vitae), Lee Thomas (Freedom Leisure), Kay Volk (Impulse Leisure), Alan Waistell (Rivers Meet), David Weakley (Active Tameside), Jason Whittaker (Pendle Leisure Trust), Neil Williams (Aura), Jennifer Huygen (CLUK), Rachel Sim (CLUK)

Gas and Electricity Prices presentation, Nik Henry, NHA Energy (presentation available on members area of website)

Nik Henry from NHA Energy gave an overview of the energy market:

- Nik explained the factors driving the energy market, these included: weather, system maintenance, gas storage, LNG supply, renewable energy supply disruption, oil price, carbon credits, closure of coal plants, interconnection pipes, infrastructure, supply and demand, reliance on imports and currencies.
- He shared the component parts that make up the UK national grid energy intake and non-commodity price increases since 2012, along with rolling energy prices since 2007.
- Nik shared his views on options for trusts on one, entering a fixed term contract and two, entering a flexible contract and purchasing strategy and gave advice on maximising savings.

Members asked Nik's advice on their energy contracts and whether a fixed rate of flexible option would be the best option.

If members were going to switch gas and electricity providers they need to give 4 weeks notice, though it can sometimes be done in two weeks.

Group discussion on what trusts are doing to increase revenue

Lee Thomas from Freedom Leisure shared what the trust had been doing to increase income in order to cover increasing costs.

- The trust had sent a formal letter to their local authorities which made them aware that their proposals would include increases to for example the cost of swim school, swimming, private hire and dryside activities. They had not received any major concerns back from their local authorities.

- Learn to swim has grown significantly, 70% precovid, now 100%.
- They have seen an opportunity in broken customer habits to drive footfall.
- Membership is their biggest challenge, now up to 78% pre covid. They have run reassurance campaigns with videos and media articles to improve customer confidence. These have had to be tailored as different areas have seen different demand. They have tried to understand better why people haven't returned.
- Retention has been an issue, attrition was too high and potentially due to the fact that the full programme hadn't returned.
- Biggest success has been open days to show family benefits and new sales have been generated at these events.
- Inhouse sales training sessions are being run across the full team and not just sales.
- Retail is at 140%, partly due to a new supplier.

Members discussed what they were doing to increase income, examples included:

- Considering price increases.
- Updating contracts for example with schools.
- Looking at how classes and pools were programmed.
- Looking at class numbers.
- Trying to increase numbers visiting centres rather than increasing prices.
- Looking at alternative funding streams.
- Discussing contracts with local authorities.

There was also a concern that the demographic market of trusts may not be able to afford an increase in price.

National Insurance increase member discussion

Members felt that they would have to absorb the increased cost of National Insurance and that banding was the more important factor than the increase itself. It was unclear when the government would release the banding.

Staff salaries were also a concern, with minimum wage and living wage increasing. Salary bands are bunched at the bottom. Some trusts shared that they were looking at reducing the number of roles and making them more multi-functional.

Members discussed whether instructors were self employed or contracted.

AOB

- Jennifer Huygen asked members to share how differentials have been eroded so that she could feed this information into the Community Leisure UK landscape briefing.
- Rachel Sim shared that the RSM VAT Manual was now available for members to buy at a cost of £650 plus VAT and to contact her to purchase a copy or for further information.