

## **Leisure Services Business Unit (LSBU) Overview of Financial Performance 2009/10**

### Overview

The LSBU has previously sought to meet a policy objective to break even each year. In 2009/10 at the time of the revised estimates it was deemed appropriate to cease the arrangements whereby contract sums were 'paid' from Leisure Services to the LSBU. As a consequence the revised estimate reflects, within the Leisure Services budget, the true operational cost of the facilities managed by the LSBU. The revised estimate for 2009/10 was, therefore, a deficit of £571,350. The 2009/10 year end position was a deficit of £478,150, resulting in a surplus of £93,200 with no funding drawn from earmarked reserves. In overall terms the outturn position reflects a strong performance in the prevailing difficult economic conditions and a significant reduction in utilities charges via the flexible procurement arrangements entered into in 2008/09. In overall terms income was above the revised profile and expenditure control was good. More detailed information related to each contract is shown below.

### Larkfield Leisure Centre

This contract exceeded the revised estimate profile by £48,700.

The outturn position for this contract reflects a marginal overspend with additional staff costs, including a redundancy payment offset by savings elsewhere. Income performed strongly to profile, particularly in the areas of Lifestyles Health and Fitness and casual swimming. These areas of the business continue to be competitive and supported by extensive price promotions, marketing and retention campaigns. Coaching courses, whilst outperforming revised estimates, remain the most significant area of down turn in the business, possibly reflecting family customers spending priorities in the ongoing difficult economic conditions.

### Angel Centre

This contract exceeded the revised estimate profile by £24,100.

Overall income for the contract was £11,700 above target with the Sports Hall performing particularly well. Lifestyles Health & Fitness continues to face competition in the town centre, particularly from the new facilities at Tonbridge School and performed marginally below profile.

Expenditure control was good with the exception of costs related to gas supply which was more than offset by savings in staffing, supplies and services.

Tonbridge Swimming Pool

This contract exceeded the revised estimate profile by £17,650.

Overall income for the contract was generally below target however exceptional performance in the catering service resulted in an overall income shortfall of just £1,500. The loss of income allowed for the extended closure is included but fell a little short given the overrun on the project due to inclement weather which continued to affect revenue well into January.

Expenditure was underspent by £19,100 primarily due to savings in premises related costs and supplies and services. Staffing costs were marginally overspent.

Poult Wood Golf Centre

This contract exceeded the revised estimate profile by £2,750.

The removal of the contract sum referred to in the overview paragraph above results in this contract being entirely expenditure based and the outturn was achieved by good expenditure control in all areas of the contract. The contract performance and standards of ground maintenance remain very high.