

Leisure Services Business Unit (LSBU) Overview of Financial Performance 2010/11

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 revenue estimate now reflects, within the Leisure Services budget, the true operational cost of the facilities managed by the LSBU. The revised estimate for 2010/11 was a deficit of £793,850. The 2010/11 year end position was a deficit of £800,248 resulting in a deficit of £6,398 with no funding drawn from earmarked reserves other than £10,000 transferred to support the partnership project with the catering contractor to extend the kitchen/servery facilities at Larkfield Leisure Centre. In overall terms the outturn position reflects a fair performance in the prevailing difficult economic conditions. The result was achieved despite the corporate decision to delay the implementation of the increased rate of VAT from 1 January until 1 April 2011 and the inclement weather in December that resulted in £20,000 lost income from casual swimming alone. More detailed information related to each contract is shown below.

Larkfield Leisure Centre

This contract performed below the revised estimate profile by £21,250.

The outturn position for this contract reflects a reduction in income precipitated in part by the issues related to poor weather in December and VAT referred to above. The soft play facility performed significantly below the revised estimate following the opening of a competing facility directly opposite the Centre. This was off set in part by the increased business in the crèche following the transfer of the service to the soft play zone. Conversely the performance of Lifestyles Health and Fitness was above profile in a very competitive market. Expenditure was well controlled in general with savings against employee costs, gas and general supplies and services.

Angel Centre

This contract exceeded the revised estimate profile by £47,486.

Overall income for the contract was £14,800 above target with the Sports Hall and Meeting Rooms performing particularly well. Lifestyles Health & Fitness continues to face competition in the town centre, particularly from the facilities at Tonbridge School yet performed marginally above profile.

Expenditure control was also good with utilities and general purchases well below profile. Staffing costs were very close to profile.

Tonbridge Swimming Pool

This contract performed below the revised estimate profile by £28,361.

Overall income for the contract was marginally below target however the net profit on catering was well below profile partly due to an unaccounted creditor's provision from 2009/10. As at Larkfield the swimming income was particularly affected by the poor weather in December.

Expenditure was well controlled with small overspends in general maintenance, electricity, water and chemicals. Conversely, savings were made against gas, maintenance and uniforms. Staffing costs were very close to profile.

Poult Wood Golf Centre

This contract performed below the revised estimate profile by £4,273.

The removal of the contract sum referred to in the overview paragraph above results in this contract being entirely expenditure based and good expenditure control was maintained in all areas of the contract. However, an impairment charge for the earlier than planned replacement of two vehicles led to the performance for the year being slightly below profile. The contract performance and standards of ground maintenance remain very high.