

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**LEISURE and ARTS ADVISORY BOARD**

**17 July 2007**

**Report of the Chief Leisure Officer and the  
Cabinet Member for Leisure, Youth and Arts**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken  
by the Cabinet Member)**

**1 LARKFIELD LEISURE CENTRE (LLC) – BAR SERVICE**

**Summary**

**This report brings forward a proposal from the catering sub-contractor at LLC to revise the operational arrangements related to the bar. The report recommends acceptance of the proposal with a marketing plan being developed to promote the bar service in the future.**

**1.1 Background**

1.1.1 The catering, bar and vending services at LLC are sub-contracted and operated on the Council's behalf by Juice for Life Ltd (JfL). JfL operate these services under the trading name of OJ's.

1.1.2 The catering bar and vending services were subject to a full European Union tender process two years ago, and JfL bid successfully against a detailed specification for each element of the service.

1.1.3 Under the current contractual arrangements, JfL pays an annual contract sum of £10,600 to the LSBU in respect of the bar service. This sum forms a part of the approved LSBU 2007/08 revenue estimate.

**1.2 Current Standards and Levels of Bar Service**

1.2.1 The current contract specification demands that a full bar service is available, as a minimum, as follows:

Monday to Friday	1800 - 2300
Saturday	1130 - 1430
	1730 - 2100
Sunday	1730 - 2230

1.2.2 The contractor is required to stock 'an extensive range of bottled and draft beers, wines and spirits of well known proprietary brands' and 'an extensive range of still

and sparkling soft drinks of well known proprietary brands to include juices and mixers'. The contractor is also required to maintain a competitive charging policy with the agreement of the Leisure Contracts Manager (LCM).

- 1.2.3 The service is currently discharged satisfactorily in accordance with the standards and levels of service described above. The contractor employs dedicated bar staff to deliver the service through the existing dedicated bar counter.

### **1.3 Levels of Trade**

- 1.3.1 The bar was formerly operated directly by the LSBU prior to the tendering of the contract. The contract specification was prepared in 2004/05 and information supplied to contractors regarding the level of business related to the financial year 2003/04. At this time the annual turnover in the bar was in the region of £56,000.
- 1.3.2 The unaudited accounts from JfL in relation to the bar have been inspected by the LCM and during the last financial year (2006/07) turnover was around £36,000; a reduction against 2003/04 of 35%. This decline was in evidence during the last year of operation by the LSBU (2004/05) when turnover fell to £49,000.
- 1.3.3 It is the opinion of the LCM that the decline is the consequence of a number of factors including a general downturn in the licensed trade; the refurbishment of the bar to link with Larkabout; the introduction of a non-smoking policy from 1 May 2005; and limited marketing of the facility from OJ's.

### **1.4 Proposal**

- 1.4.1 JfL has submitted a proposal to the Council to address the ongoing decline in trade. The Board may recall that upon refurbishment of the bar and construction of Larkabout a hatch was built to facilitate food service into the bar area during the day for Larkabout customers. This has proved very successful and provides the core of JfL's proposal.
- 1.4.2 The contractor proposes to close the current bar counter by the installation of large graphics boards on the counter surface. JfL will provide a reduced range of drinks including a draft lager, bottled beers, wine and soft drinks through the hatch.
- 1.4.3 The contractor has also proposed closing the bar on a Sunday evening when trade is proven to be negligible. The LCM does not feel any further reduction in opening hours is warranted at this stage, but this could be reviewed in the future.
- 1.4.4 The proposal allows the contractor greater efficiencies in staffing the service i.e. a single member of staff may operate the hatch providing both food and bar service. In addition, the reduced offering will provide economies in terms of stock and wastage. The customer will, as a consequence of the proposal, benefit from having access to alcoholic beverages to accompany food throughout the day.

- 1.4.5 The current bar counter would remain available for functions and events.
- 1.4.6 The contractor has recognised the need to more actively promote the bar service linked to the proposed changes to ensure that trade is not further reduced and will bring forward a marketing plan for approval.
- 1.4.7 The LCM believes that the proposal outlined above will provide an appropriate level of service compared to expressed customer demand without compromising the financial position of the LSBU.

## **1.5 Timescale**

- 1.5.1 JfL are keen to introduce the revised proposals at the earliest opportunity in order to minimise financial losses. The LCM is currently considering the most appropriate date to adopt the proposal based upon the required physical changes and customer awareness. It is likely that the proposal will take effect in August 2007.

## **1.6 Legal Implications**

- 1.6.1 If the proposed operational arrangements are agreed, a formal variation to the catering, bar and vending services contract will be issued to JfL.
- 1.6.2 The proposed change to the operational arrangements does not affect the Premises Licence.

## **1.7 Financial and Value for Money Considerations**

- 1.7.1 Under the terms of the proposal the contract sum payable from JfL to the LSBU will be unaltered. The proposal protects the financial interest of the LSBU by providing the contractor with the opportunity to reduce semi-fixed costs associated with the contract. The LCM believes that the diminution of the service reflects the current level of expressed demand.

## **1.8 Risk Assessment**

- 1.8.1 The LSBU Operational Risk Register identifies the management of sub-contractors as an area of risk with financial loss and reduced public perception of the service highlighted as the potential outcomes of failing to manage the risk. Proactive management of the contractual arrangements through regular meetings is identified as an existing control. As a consequence of this control the proposal within this report has been brought forward.

## **1.9 Recommendations**

- 1.9.1 It is, therefore, **RECOMMENDED** that:

- 1) the operational arrangements for the bar service at LLC are varied in accordance with the proposal brought forward by the catering sub-contractor as outlined in the report; and
- 2) the catering sub-contractor brings forward a marketing plan to promote the bar service in the future.

The Chief Leisure Officer confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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