

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

22 September 2010

Report of the Chief Leisure Officer

Part 1- Public

Matters for Information

1 LEISURE FACILITIES – FINANCIAL PERFORMANCE

Summary

Management information summaries for Larkfield Leisure Centre, Angel Centre, Tonbridge Swimming Pool, Poulton Wood Golf Centre, Tonbridge Castle/Customer Services, Tonbridge Cemetery, Country Parks Car Park Income and Poulton Wood Grounds Maintenance are shown at [Annexes 1-8].

1.1 Leisure Services Business Unit – Overall Financial Performance

1.1.1 The Board's attention is drawn to the Leisure Services Business Unit's overall financial position. There is an overall saving in expenditure of **£116,395** but overall income is **£238,745** below target resulting in a below profile position of **£122,350** at the end of **September 2010**. The financial performance continues to be closely monitored in liaison with the Director of Finance and Management Team.

1.1.2 The Board may recall that a £300,000 adjustment was allocated to the Leisure Services Business Unit in 2010/11 to take account of the ongoing economic climate. This sum has been profiled across the financial year and the profile to the end of September 2010 totalled £162,040. In addition, expenditure of £11,380 will be supported by the Leisure Services Business Unit Reserve and external funding. Taking these into account, the overall financial position was **£51,070** above profile at the end of September 2010.

1.2 Larkfield Leisure Centre

1.2.1 This contract was **£8,200** above profile, at the end of September 2010, as shown at **[Annex 1]**.

1.2.2 Expenditure savings at Larkfield Leisure Centre amounted to £62,400 and were mainly in staffing, utilities and supplies and services. The savings in utilities included rebates in electricity and gas of £4,900 and £13,380 respectively, and were as a result of the flexible procurement of utilities arrangement. Expenditure also includes £8,380 relating to the refurbishment of the Invicta Studios, which will be funded from the Leisure Services Business Unit Reserve.

1.3 Income was £54,200 below target. Despite this, attention is drawn to Lifestyles Fitness income, which has continued to trade well at 10% or £29,280 above target at the half year. Swimming income, however, continued to be affected by the economic climate and traded at 95% of, or £21,300 below, profile. In order to boost swimming income, it is the focus of current marketing campaigns.

1.4 Angel Centre

1.4.1 This contract was below profile by **£41,620** at the end of the period, as shown at **[Annex 2]**.

1.4.2 Expenditure savings totalled £41,240 and were mainly in staffing and utilities. Again the utilities savings included electricity and gas rebates of £1,600, and £3,500 respectively. In addition, expenditure includes £3,000 relating to the upgrade of the Dance Mat System, which is supported by funding from the Primary Care Trust.

1.4.3 Overall income for the contract was £82,860 below target. All areas of income are affected, in particular Lifestyles Fitness, Sports Hall and Coaching income. Lifestyles Fitness income was £19,190 below profile or 89% of target, with the Sports Hall and coaching below target by £15,470 and £12,050 respectively. Marketing campaigns targeting these income streams are ongoing.

1.5 Tonbridge Swimming Pool

1.5.1 This contract was below profile by **£97,380** at the end of September 2010 as shown at **[Annex 3]**.

1.5.2 Expenditure was underspent by £4,300 with savings relating mainly to permanent staffing and utilities. The electricity and gas rebates were £2,330 and £4,070 respectively.

1.5.3 Overall income for the contract was below target by £101,680. Casual swimming has been particularly badly affected and was trading at 89% or £33,890 below target at the half year. Health Suite, 1:1 Swimming and Coaching Course income have also fallen short of target by £17,050, £11,180 and £1,500 respectively. In addition, the net profit on catering was £29,050 below target at the end of September 2010.

1.6 Poult Wood Golf Centre

1.6.1 National and local golf market trends provided by IFM Sports Marketing Surveys indicate that there is currently a significant downward trend in usage and consequently income in the golf market. This is due to many factors including the current economic climate, the weather and events including the World Cup.

- 1.6.2 Income for the Golf Centre at the end of October reflects this national trend, with green fees £90,000 below profile and £65,000 down on the previous year **[Annex 4]**.

1.7 Tonbridge Gateway / Castle

- 1.7.1 Tonbridge & Malling have been in partnership with Kent County Council at Tonbridge Gateway for over a year now. The joint working continues to be a success with increasing customer visits each month and Partner organisations wishing to join the Gateway. There are now 18 partner organisations at Gateway with HMRC joining in 2011. The charging for Partners to occupy a space at Gateway will come into effect from April 2011. The Gateway team carry out a variety of services for customers in addition to the operation of the Gatehouse attraction, wedding bookings and tourist information through multi-access channels, for example online, telephony and face-to-face.
- 1.7.2 Expenditure is slightly down and income for the Castle attraction, weddings, solemnisation of marriages and Castle Chamber bookings are higher than expected **[Annex 5]**.

1.8 Tonbridge Cemetery

- 1.8.1 Overall, income at the Cemetery is £5,115 above profile for the first seven months of the financial year **[Annex 6]**. Whilst the use of the chapel and memorial permits were below profile, an increase has been seen in the purchase of graves, the lease of Columbaria vaults/plaques and interments.

1.9 Country Parks Income

- 1.9.1 Members will be pleased to note that total income from the Council's two Country Parks is £961 above profile for the first seven months of the financial year **[Annex 7]**.

1.10 Poult Wood Grounds Maintenance

- 1.10.1 This contract exceeded profile by £8,450 as shown at **[Annex 8]**.
- 1.10.2 Expenditure savings relate mainly to staffing. Close monitoring in all areas of the contract is ongoing. The contract performance and standards of ground maintenance remain very high.

1.11 Legal Implications

- 1.11.1 None.

1.12 Financial and Value for Money Considerations

- 1.12.1 Collectively, the facilities covered by this report generate income and expenditure in excess of £4.5m per annum.

1.13 Risk Assessment

1.13.1 Taking into account the levels of income and expenditure involved, it is essential that the financial performance of the facilities is closely monitored, and any issues are identified and addressed at an early stage. Any significant variations in financial performance could have a major impact on the Council's revenue budget.

1.14 Policy Considerations

1.14.1 Community, Customer Contact.

Background papers: Nil

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