

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

23 May 2011

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 provisional overall financial position at year end. The report compares performance to revised profiles which no longer take into account the economic adjustment but refer to actual expected year end outcomes. There is an overall saving in expenditure of **£80,238** but overall income is **£86,635** below target resulting in a below profile position of **£6,397** at the end of **March 2011**. The Board will recognise that the inclement weather experienced through December had a significant impact on income levels at all three sites. In addition the Council's decision to delay the implementation of the increase in VAT until the annual scale of charges increase on 1 April had a financial impact of £19,000. The financial performance is closely monitored throughout the year in liaison with the Director of Finance and Management Team.

1.2 Larkfield Leisure Centre

1.2.1 This contract was **£21,250** below profile at year end as shown at **[Annex 1]**.

1.2.2 Expenditure savings at Larkfield Leisure Centre amounted to £57,205 and were mainly in staffing, gas and premises expenses. The savings in utilities included rebates on gas as a result of the flexible procurement of utilities arrangement. Expenditure also includes £3,000 relating to an upgrade to the Dance Mats funded by the Primary Care Trust.

1.3 Income was £78,455 below target. Despite this, attention is drawn to Lifestyles Fitness income, which has continued to trade above target to the year end by almost £9,000. A successful three month membership campaign in October

assisted this strong performance in a very competitive market. Swimming income, however, traded at £11,452 below profile primarily due to the snow in December. In addition, the opening of a local competitor in the soft play market resulted in below target performance in this area of £18,675.

1.4 Angel Centre

1.4.1 This contract was above profile by **£47,486** at year end as shown at **[Annex 2]**.

1.4.2 Expenditure savings totalled £34,100 across all major expenditure heads. Again the utilities savings included electricity and gas rebates. 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 £13,386 above target. Lifestyles Fitness income was £2,230 above profile, and Sports Hall, Meeting Rooms and Sports Pitches all performed significantly above target.

1.5 Tonbridge Swimming Pool

1.5.1 This contract was below profile by **£28,361** at year end as shown at **[Annex 3]**.

1.5.2 Expenditure was overspent by £6,794 despite further gas rebates. The additional expenditure occurred mainly in general maintenance, metered and waste water and chemicals.

1.5.3 Overall income for the contract was below target by £21,566. Casual swimming was particularly badly affected by the snow and was £8,459 below target. In addition, the net profit on catering was £16,762 below target.

1.6 Poulton Wood Golf Centre

1.6.1 The final position for the Golf Centre showed a decrease in both income and usage compared to the previous year and profile. Income ended almost £135,000 below profile. **[Annex 4]**.

1.6.2 The position of Poulton Wood Golf Centre should be seen in relation to the very difficult trading and weather conditions for the sector in 2010/11, as supported by the market research outlined in the last report to Members. This research showed a significant national decline in usage of golf courses with a particular affect on the South East.

1.6.3 Catering income, whilst below profile for the year, exceeded the previous year despite being particularly affected by the snow and difficult travelling conditions, which caused many festive parties to be cancelled.

1.6.4 It is encouraging to note, however, that the final quarter's performance saw an improvement on the previous year's income by over £23,000 and trading for April

has been exceptionally good, linked to the good weather and a package of new marketing initiatives.

1.7 Tonbridge Gateway / Castle

- 1.7.1 This Council has been in partnership with Kent County Council at Tonbridge Gateway for almost two years now. The joint working continues to be a success with increasing customer visits and customer transactions each month. The Gateway Manager receives several requests each month from external organisations wishing to join the Gateway and there is a waiting list. There are currently 18 partner organisations at the Gateway, which are a mix of public and voluntary sector organisations. Charging for partners to occupy a space at Gateway came into effect on the 1 April 2011. The Gateway team carry out a variety of services for its customers in addition to the operation of the Gatehouse attraction, wedding bookings and tourist information through multi-access channels, online, telephony and face-to-face.
- 1.7.2 At the close of business on the 31 March 2011, expenditure was down and income was up for the Castle attraction, weddings, solemnisation of marriages and Castle Chamber bookings. **[Annex 5]**.

1.8 Tonbridge Cemetery

- 1.8.1 Overall, income at the Cemetery was £1,741 above profile for the full financial year 2010/11 **[Annex 6]**. Whilst the use of the Chapel, the lease of Columbaria vaults/plaques and the purchase of memorial permits were below profile, an increase has been seen in the purchase of graves and interments.

1.9 Country Parks Income

- 1.9.1 Overall income at the two Country Parks is £1,183 above profile for the financial year 2010/11 **[Annex 7]**.

1.10 Poult Wood Grounds Maintenance

- 1.10.1 This contract was below profile by £4,273 as shown at **[Annex 8]**.
- 1.10.2 Overall expenditure was well controlled however a year end adjustment to non-current asset impairment had an adverse impact of almost £8,700. 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

contacts: Martin Guyton, Charlie Steel
Darren Lanes, Stephen Gregg

Robert Styles
Chief Leisure Officer