

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

21 September 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, Poult Wood Golf Centre, Tonbridge Castle/Customer Services, Tonbridge Cemetery, Country Parks Car Park Income and Poult 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 to the end of July 2011. The report compares performance to the original profiles. Expenditure across the LSBU is marginally underspent by **£982**. However, overall income is **£252,644** below target resulting in a below profile position of **£251,662** at the end of **July 2011**. This position is offset by **£110,090** from the economic adjustment allowed within the Council's Medium Term Financial Strategy and a further **£3,028** from earmarked reserves. This results in an overall position below profile of **£138,544**. 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 **£76,842** below profile to the end of July as shown at [Annex 1]. Allowing for the economic adjustment this reduces to **£19,252**

1.2.2 Expenditure savings at Larkfield Leisure Centre amount to £30,500 and were mainly in staffing, utilities and premises expenses.

1.2.3 Income was £107,342 below target. The main areas of reduced income were casual swimming which is trading at just over 90% of profile, courses and Larkabout. The recent transfer to continuous assessment of the Swim School is forecast to assist in improving course income in the latter part of the year. Larkabout has been affected significantly by the opening of a competing facility in New Hythe Lane and around 60% of the market has been lost in the period. Despite this, attention is drawn to Lifestyles Fitness income, which has continued

to trade above target at around 102% of profile. A successful three month membership campaign in May assisted this strong performance in a very competitive market.

1.3 Angel Centre

- 1.3.1 This contract was **£63,985** below profile to the end of July as shown at **[Annex 2]**. Allowing for the economic adjustment this reduces to **£42,885**
- 1.3.2 Expenditure was overspent by £5,512. Again utilities savings have been made however staffing is 3.9% above profile and some exceptional general purchases have resulted in above profile expenditure in this area.
- 1.3.3 Overall income for the contract was £58,473 below target. The main areas of reduced income are Lifestyles Fitness and the Sports Hall despite the May campaign for Lifestyles referred to at paragraph 1.2.3 above. Both facility areas are facing increasing competition in Tonbridge.

1.4 Tonbridge Swimming Pool

- 1.4.1 This contract was **£110,208** below profile to the end of July as shown at **[Annex 3]**. Allowing for the economic adjustment this reduces to **£75,780**
- 1.4.2 Expenditure was overspent by £23,379. Staffing, premises, supplies and services expenditure was on target but utilities were overspent with exceptional bills for metered and waste water related in part to the refurbishment of the outdoor pool late in 2010/11.
- 1.4.3 Overall income for the contract was below target by £86,829. Casual swimming was particularly badly affected by an enforced closure over Easter weekend and poor weather in June and July. The Health Suite and courses income were also well below profile albeit, as with Larkfield, forecast income for the latter part of the year for courses is promising. As a consequence of the overall downturn the net profit on catering is also below profile.

1.5 Poult Wood Golf Centre

- 1.5.1 Following on from a positive final quarter of the last financial year, the first quarter of this financial year has been encouraging and in particular in relation to the 9-hole short course, (see **[Annex 4]** for more details). Despite being fractionally down against profile, income for the 9-hole course is over £12,000 more than the same period last year. This is felt to be a result of the condition of the course, weather, and also recent marketing initiatives targeting new golfers to the Centre.
- 1.5.2 Income for the 18-hole course is currently £15,000 below profile but up over £19,000 on the same period last year. Total green fee income is therefore up over £30,000 on the same period last year.

1.6 Tonbridge Gateway/Castle

- 1.6.1 This Council has now been in partnership with Kent County Council at Tonbridge Gateway for two years. The joint working continues to be a success with increasing customer visits and customer transactions. The Gateway Manager often receives requests from external organisations wishing to join the Gateway and there is a waiting list. There are currently 17 physical 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 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.
- 1.6.2 At the close of business on the 31 July 2011, expenditure was up and income was down. **[Annex 5]**.

1.7 Tonbridge Cemetery

- 1.7.1 Overall, income at the Cemetery was marginally below profile for the first four months of the financial year 2011/12 **[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 the graves.

1.8 Country Parks Income

- 1.8.1 Overall income at the two Country Parks is marginally below profile for the first four months of the financial year 2011/12 **[Annex 7]**.

1.9 Poult Wood Grounds Maintenance

- 1.9.1 This contract was below profile by £627 as shown at **[Annex 8]**.
- 1.9.2 Overall expenditure was well controlled with a minor overspend in materials offset by savings in casual staffing and machine maintenance. The contract performance and standards of ground maintenance remain very high.

1.10 Legal Implications

- 1.10.1 None.

1.11 Financial and Value for Money Considerations

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

1.12 Risk Assessment

1.12.1 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.

1.13 Policy Considerations

1.13.1 Community, Customer Contact.

Background papers: Nil

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