

TONBRIDGE & MALLING BOROUGH COUNCIL

LEISURE and ARTS ADVISORY BOARD

26 February 2013

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 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 (LSBU) overall financial position. The figures relate to the period to the end of December 2012 and are compared to the **revised estimates** for 2012/13. There is an overall saving in expenditure of £19,970 and above target income of £2,384 resulting in an above profile position of £22,354 at the end of December 2012. The financial performance continues to be closely monitored in liaison with the Director of Finance and Management Team.

1.2 Larkfield Leisure Centre

1.2.1 The facility was £2,616 below profile to the end of December 2012 as shown at **[Annex 1]**.

1.2.2 Expenditure was overspent at Larkfield Leisure Centre by £1,527. All expenditure budgets were on, or close to target, despite including unbudgeted expenditure of just over £2,350 relating to a fitness equipment usage study undertaken to inform the specification for fitness equipment replacement and £3,700 for the installation of Learn2, bespoke software to manage the Swim School. There is a £1,500 overspend in the marketing budget due wholly to the re-launch of Lifestyles following the refurbishment of the gym and conversion of the Squash Courts to an Exercise Studio.

Income was below profile by £1,089 at the end of December with Lifestyles Fitness and Swimming trading below profile by £1,675 and £10,897 respectively. However, on a more positive note, Swim School income has continued to grow and stood £9,804 above target at the end of the period.

1.3 Angel Centre

- 1.3.1 The facility was £13,249 above profile to the end of December as shown at **[Annex 2]**.
- 1.3.2 Expenditure savings at the Angel Centre amount to £15,780. Staffing expenditure was on target and there were savings totalling £12,131 in utilities which included rebates of £2,518 in electricity and £3,170 in gas. Premises related expenditure was overspent due to a provision of £4,000 relating to the installation of a sales office in the main foyer. Unbudgeted expenditure of £2,350 was also included, relating to the fitness equipment usage study referred to in 1.2.2 above.
- 1.3.3 Overall income was £2,531 below target. Income in a number of areas, including the Meeting Rooms, Medway Hall and Dance Studios was below profile. In addition, income for Sportsground Pitches was below target by £5,425 mainly due to the prolonged wet weather in the autumn. However, it is encouraging to note that Lifestyles Health & Fitness income was on target and coaching course income above target by £4,461 at the end of the period.

1.4 Tonbridge Swimming Pool

- 1.4.1 The facility was above profile by £13,796 to the end of December as shown at **[Annex 3]**.
- 1.4.2 Expenditure savings amount to £7,792. All expenditure budgets were on, or close to target with the exception of electricity and gas budgets which showed savings of £2,301 and £2,934 respectively following receipt of risk premium rebates. Expenditure includes unbudgeted costs of £2,000 relating to the implementation of Learn2 swim school software referred to in 1.2.2 above.
- 1.4.3 Overall income is above target by £6,004. Swimming income is below target by £7,808 but this is offset by above target income of £7,284 in coaching courses and catering net profit of £7,445.

1.5 Poult Wood Golf Centre

- 1.5.1 Income at the Golf Centre was £120k down on profile with usage continuing to be affected by poor weather with extremely wet months resulting in difficult playing conditions and trolley bans to protect the courses from damage. There have been over 3,400 fewer rounds of golf played on the 18 and 9 hole courses to the end of December than the previous year as shown at **[Annex 4]**.
- 1.5.2 The decrease in usage is also the result of the impact of major events in the summer including the Queen's Jubilee, European Championships, Olympic and Paralympic Games.

- 1.5.3 A national report from Sports Marketing Surveys shows an average 24% decrease in the number of rounds played over the last quarter across the South, with December showing a 32% decline against 2011 usage.

1.6 Tonbridge Gateway/Castle

- 1.6.1 Tonbridge & Malling Borough Council has been in partnership with Kent County Council at Tonbridge Gateway for more than three years now. Tonbridge Gateway offers a wide range of services to the general public through its 12 physical partner organisations working from Gateway, a mix of public and voluntary sector organisations. Charging partners to occupy a space at Gateway came into force on 1 April 2011; the income from the paying organisations will be in excess of just over £13,000 during the current financial year. The Gateway team carry out a variety of local authority services for customers, in addition to the operation of the Gatehouse attraction, wedding bookings and tourist information. These duties are carried out through a variety of access channels to meet customer demand including electronic, telephony and face-to-face.
- 1.6.2 At the close of business on the 31 December 2012 expenditure was on target and income was above target. **[Annex 5]**.

1.7 Tonbridge Cemetery

- 1.7.1 Overall, income at the Cemetery was £2,745 above profile for the first nine months of the financial year 2012/13 **[Annex 6]**. Whilst the purchase of memorial permits, use of the chapel and interments have been lower than anticipated, the lease of Columbaria vaults/plaques and the purchase of graves were above profile.

1.8 Country Parks Income

- 1.8.1 Overall, income at the two Country Parks is £3,461 below profile for the first nine months of the financial year 2012/13 **[Annex 7]**.

1.9 Poult Wood Grounds Maintenance

- 1.9.1 This maintenance contract was below profile by £2,075 at the end of December as shown at **[Annex 8]**.
- 1.9.2 The overspend in expenditure relates wholly to the cost of materials which remains high. All other budget heads are on target and the contract performance and standards of ground maintenance remains 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

Community, Customer Contact.

Background papers:

Nil

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