

TONBRIDGE & MALLING BOROUGH COUNCIL

COMMUNITY AND ENVIRONMENT SCRUTINY SELECT COMMITTEE

19 July 2023

Report of the Director of Street Scene, Leisure and Technical Services

Part 1- Public

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

1 LEISURE TRUST

Summary

This report brings forward an update on the performance of the Tonbridge and Malling Leisure Trust, its new Annual Service Delivery Plan and a 2 year Business Plan.

1.1 Background

- 1.1.1 Tonbridge and Malling Leisure Trust (Trust) has been responsible for the management of the Council's leisure facilities since 1 November 2013. The Trust manages the Council's main leisure facilities that include the Angel Centre, Tonbridge, Larkfield Leisure Centre, Tonbridge Swimming Pool and Poult Wood Golf Centre.
- 1.1.2 The transfer of management of Leybourne Lakes Country Park from the Council to the Trust was subsequently agreed joining the other Council leisure facilities they already operate from 1 November 2021.
- 1.1.3 Following an approach from Kings Hill Parish Council in relation to the management of the Kings Hill Sports Park at Heath Farm, the Leisure Trust entered into a 25-year agreement with the Parish Council on 14 June 2021.
- 1.1.4 Regular communication between the Council and the Trust has continued to take place since the transfer, supported by set formal quarterly meetings. The Trust supplies the Council with a set of monitoring reports and Key Performance Indicators, as detailed in the Management Agreement with a key document being the Annual Service Delivery Plan, which incorporates the relevant Key Priorities of the Council.
- 1.1.5 The production of the Leisure Trust's Business Plan and Annual Service Delivery Plan were temporarily postponed while the impact of the pandemic, the war in Ukraine, the rise in utility costs and implications for the Angel Centre as part of the town centre review were considered. Due to the ongoing nature of these considerations, it was agreed with the Trust that it would be appropriate to

produce a Two-Year Business Plan. It is anticipated that a new five-year Business Plan will be published from 1 April 2025.

- 1.1.6 The Business Plan and Annual Service Delivery Plan form part of the Trust's obligations under the Management Agreement and is subject to Council approval.

1.2 Review of Performance

- 1.2.1 The Trust has produced a Quarterly Update Report covering the period January to March 2023 which is attached at **[Annex 1]**.

- 1.2.2 The report provides a financial summary and update on key objectives identified in the Annual Service Delivery Plan together with key performance information for the Trust.

- 1.2.3 The cost of utilities is highlighted as a significant implication to the Trust operation increasing by over two and half times the original budget forecast. This increase in cost has been met in part by the Council and by an energy surcharge of £1 on every swim. Members will be aware of recent and future measures to help reduce energy consumption most notably the installation of roof top solar panels.

- 1.2.4 Recruitment and retention of staff has been a significant challenge for the sector and the Trust with a turnover of 30% in 2022/23. Pay inflation has been another significant impact on the costs for the Trust with increases in the National Living Wage and National Minimum Wage of 9.7% overtaking the previous lower permanent pay rates.

- 1.2.5 The Angel Centre is highlighted as the only facility within the Trust's portfolio that operates at a deficit, forecast at £265,500. The facility is being considered as part of the asset review of Tonbridge Town Centre.

- 1.2.6 Income continues to recover from pre-pandemic levels and although golf and health and fitness income remains below profiled targets, casual swimming and courses have outperformed profile.

1.3 Business Plan

- 1.3.1 The Trust's Business Plan attached at **[Annex 2]** covers a two-year period from 1 April 2023 to 31 March 2025. Whilst the management Agreement between the Council and the Trust requires that a Business Plan is produced from *"time to time as agreed by the parties."* it has been agreed to produce a five-year plan to coincide with the contractual obligation to review the Service Fee for the contract every five years.

- 1.3.2 As outlined at 1.1.5 of this report it has been agreed to produce a Two-Year Business Plan in the hope that by early 2025 the impact of the exceptional circumstances may have receded, and the future of the Angel Centre determined.

The Trust continue to work towards a vision of 'More People, More Active, more Often.' With the following Mission Statement:

Our mission is to provide a **clean, safe and happy** leisure experience on an **inclusive** basis to residents and visitors to Tonbridge & Malling for the benefit of their **physical and mental health and wellbeing**. We will achieve this in a **sustainable** way through **excellence** in our **people, policies and practice**.

- 1.3.3 The Business Plan outlines the Trust's key priorities, Market and Financial Analysis, Future opportunities, Financial Plan and Other Key Issues for the Councils consideration and agreement.

1.4 Annual Service Delivery Plan

- 1.4.1 The latest Annual Service Delivery Plan covers the period 1 April 2023 to 31 March 2024 and is attached at **[Annex 3]** for the Council's consideration and agreement.

- 1.4.2 In order to meet the monitoring requirements of the contract and ensure the Council's desired outcomes are achieved the Plan also outlines a broad range of Key Performance Indicators. These will be managed as a Balanced Scorecard with four interdependent perspectives providing a single score of the overarching performance against the Trust's vision and mission statement outlined in the Two-Year Business Plan.

1.5 Legal Implications

- 1.5.1 The management and development of facilities run by the Trust on the Council's behalf is in accordance with an approved Management Agreement.

1.6 Financial and Value for Money Considerations

- 1.6.1 The initial transfer of Council leisure facilities to the Leisure Trust has made a significant contribution to the Council's savings, and further savings were made following the review of the Service Fee from the 1 April 2018.
- 1.6.2 The transfer of the Leybourne Lakes Country Park to the Leisure Trust in 2021 generated further savings to the Council compared to original estimates for 2021/22.

1.7 Risk Assessment

- 1.7.1 Health and safety arrangements are outlined in the Management Agreement with the Trust and are monitored through Key Performance Indicators.

1.8 Equality Impact Assessment

1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on the end users.

1.9 Policy Considerations

1.9.1 Asset Management, Community, Healthy Lifestyles, Young People.

1.10 Recommendations

1.10.1 It is RECOMMENDED that:

- 1) the Tonbridge and Malling Leisure Trust Quarterly Update Report attached at **[Annex 1]** covering the period January to March 2023 be noted;
- 2) the Committee make any recommendations to Cabinet on the Tonbridge and Malling Leisure Trust Business Plan attached at **[Annex 2]**; and
- 3) the Committee make any recommendations to Cabinet on the Tonbridge and Malling Leisure Trust Annual Service Delivery Plan attached at **[Annex 3]**.

The Director of Street Scene, Leisure and Technical Services confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

contact: Stephen Gregg

Nil

Robert Styles

Director of Street Scene, Leisure and Technical Services