

# TMLT Business Plan

April 2023 to March 2025





**TONBRIDGE & MALLING LEISURE TRUST  
BUSINESS PLAN  
APRIL 2023 TO MARCH 2025**

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## INTRODUCTION

This Business Plan covers a two year period from 1 April 2023 to 31 March 2025. The Management Agreement between Tonbridge & Malling Borough Council and the Trust requires that a Business Plan is produced from *'time to time as agreed by the parties'*.

To date this has been interpreted to mean a five year plan which is supported by an Annual Service Delivery Plan in accordance with the Management Agreement. This frequency coincides with the contractual obligation on both parties to review the Service Fee for the contract every five years.

However, the impact of the global pandemic upon the Trust, its trading position and the partnership arrangements with the Council have taken precedence over normal business and financial planning and the current Five Year Business Plan expired on 31 March 2022 and was not renewed by mutual agreement.

The pandemic has been followed by a global energy crisis that has brought similar unprecedented financial challenges to be dealt with in partnership with the Council. During the pandemic the Council supported the Trust through an exceptional agreement, of benefit to all stakeholders, to pay a Service Fee in order to maintain the financial viability of the Trust and help restore the Service post pandemic. A similar arrangement has been agreed during the energy cost crisis.

This ongoing financial challenge has led to a joint decision to defer the negotiation due to determine a new core Service Fee agreement from 1 April 2023. This decision together with the uncertainty surrounding the future of the Angel Centre, which forms part of an ongoing review of Tonbridge Town Centre by the Council and is critical to the future business planning of the Trust, has resulted in the publication of a five year plan being rendered impractical.

However, trading has now returned to something close to pre-pandemic levels and the business of the Trust continues to present opportunities, challenges and priorities of a strategic and operational nature that require careful planning.

It has, therefore, been agreed to publish this Two Year Business Plan in the hope that by early 2025 the extraordinary financial circumstances may have receded, the Service Fee may be agreed and the future of the Angel Centre determined, when a longer term plan will be considered.

## SECTION 1

### 1. VISION, MISSION STATEMENT AND VALUES

Tonbridge and Malling Leisure Trust (the Trust) has been operational since 1 November 2013 and is responsible for the delivery of many sport and leisure facilities on behalf of Tonbridge and Malling Borough Council (the Council). The Trust currently operates the following facilities:

- Larkfield Leisure Centre (LLC)
- Angel Centre (AC)
- Tonbridge Swimming Pool (TSP)
- Poulton Wood Golf Centre (PW)
- Leybourne Lakes Country Park (LLCP)
- The Games Hut at Tonbridge Racecourse Sportsground
- Bookings for Sports Pitches in Tonbridge
- Kings Hill Sports Park (for Kings Hill Parish Council)

This Business Plan covers the period from 1 April 2023 to 31 March 2025 and had been developed to:

- enable the Trust to present to the Board the Plan for the two year period;
- act as a framework under which the Trust will partner the Council through the management agreement;
- identify the strategic direction and action plan for the Trust enabling effective monitoring of success and performance.

The Trust has developed a vision and a series of objectives which will set the context for its operation. The Trust's **Vision, Mission Statement and Values** are shown below.

#### 1.1 Vision

The Trust's vision is ***'More People, More Active, More Often'***

#### 1.2 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 Values

Our core values are:

- **Leadership** – we will aim to influence positively the community, our customers and staff to provide and benefit from sport and recreational facilities operated by the Trust.
- **Integrity** – we will act consistently, honestly and transparently in our dealings with partners, customers, staff and all other stakeholders.
- **Innovation** – we will explore the introduction of new products and services, driven by technology and ideas for the benefit of customers and staff.
- **Continuous Improvement** – we will strive to continuously improve in all we do and deliver using Quest as the industry benchmark to measure our improvement.
- **Inclusivity** – in designing and delivering our facilities and services we will take account of the needs of the whole community.
- **Customer Focus** – we will place the customer at the heart of the design and delivery of our facilities and services. We will respond to customer complaint in a positive and proactive manner.
- **Teamwork** – we will work with partners, stakeholders, customers and staff to achieve common goals in the best interests of all parties. We will be tough on problems but soft on people.
- **Professionalism** – we will base our business upon learning, adoption of best practice and reliably delivering to a high standard.
- **Environmental Awareness** – we will proactively seek to minimise the impact on the environment of the facilities we manage and the services we deliver.

## SECTION 2

### 2. KEY PRIORITIES

The following headline priorities have been developed

- **Participation** - Increased overall participation and, in particular increased participation by young people, over 50s, people on low income and families.
- **Awareness** - Increased public awareness of the benefits of 150 minutes exercise per week to achieve a healthy lifestyle.
- **Healthy Lifestyles** – Increased engagement with public health partners, other charitable operators and national programmes to promote good physical and mental health in the communities we serve.
- **Customer Satisfaction** – High measurable levels of customer engagement and satisfaction.
- **Social Inclusion** - Pricing and programming strategies to ensure accessibility and affordability to facilities for all.
- **Charitable** - Develop and deliver programmes and activities to underpin the charitable ethos of the Trust.
- **Health & Safety** - Operate the facilities on the basis of a strategic, risk assessed and monitored health and safety management approach designed to ensure the safety and wellbeing of staff, customers and contractors.
- **Environmental** – Operate and invest to reduce the environmental impact of the built facilities.
- **Quality** – Provide safe services of high quality measured against industry best practice.
- **Staff** – Recruit, select, train and develop staff resources in a consultative, inclusive manner.
- **Financial** – Build a financially viable, sustainable business with solid financial reserves. To act commercially as appropriate within a community setting.
- **Reinvest** – To build a capital reserve to enable future planned investment to ensure sustained and improved facilities and services to customers.

This Business Plan is supported by an Annual Service Delivery Plan (ASDP) that will outline key objectives for the Trust and responds to the Council's stated requirements and desired outcomes. The Plan will contain Specific, Measurable, Achievable, Realistic and Timebound (SMART) targets allied to the Council's expressed requirements and the key priorities above. The primary tool for overall measurement of performance will be the Balanced Scorecard contained within the ASDP.

The remainder of this Business Plan sets out the context for achieving these priorities through assessing the market the Trust operates in and the opportunities for future investment.



## SECTION 3

### 3. MARKET AND FINANCIAL ANALYSIS

The Trust has undertaken an analysis of the key factors which will impact on the business over the next two years through the utilisation of an extended PEST Analysis, SWOT Analysis and an assessment of financial trends to date. The outcomes of these are summarised below.

#### 3.1 Extended PEST Analysis

##### 3.1.1 Political

The Council is currently served by two Parliamentary Constituencies, and thus two MPs, Tom Tugendhat (Con) representing the Tonbridge & Malling constituency and Tracey Crouch (Con) representing the Chatham & Aylesford constituency.

The Borough is currently served by 54 Councillors representing 24 Wards. The Council is led by Councillor Matt Boughton (Con) and the political mix shows 37 Conservative, 9 Liberal Democrat, 3 Green, 3 Independents 1 Labour and 1 vacancy. The Cabinet Member for Community Services is Councillor Des Keers (Con).

Borough elections in May 2023 will see the number of serving Councillors reduced to 44 across 19 Wards. It is possible that the balance of power in terms of political administration could change which could result in a change of policy in terms of leisure provision.

The Council adopted a Leader and Cabinet system of decision making in 2002 with a range of supporting Policy Committees and Advisory Boards. The recent replacement of Advisory Boards has placed more direct decision making power in the hands of individual Cabinet Members and Cabinet as a whole. These are held to account through the introduction of Scrutiny Select Committees that check and challenge the decision making process. There is, therefore, no longer a Board that takes direct oversight of matters related to the Trust, with such matters falling to the Cabinet Member for Community Services. It is anticipated that any future administration will continue to nominate two Councillors annually to serve on the Trust Board in accordance with the Trust's Articles of Association and reflecting the partnership with the Council.

The Council is currently consulting on its own Corporate Strategy for 2023 – 2025. The strategy recognises that the Council delivers its core services well but identifies a new vision..... *'to be an innovative and forward-thinking council, that leads the people and businesses of the borough towards a vibrant, prosperous and sustainable future.'*

The three key values of Innovation, Transformation and Delivery define the new approach and the following four priorities are outlined

- **Efficient** services for all our residents, maintaining an effective Council
- **Sustaining** a borough which cares for the environment
- **Improving** housing options for local people whilst protecting our outdoor areas of importance
- **Investing** in our local economy

Specific objectives to help meet the priorities above that relate directly to the Trust include the following;

- Promote wellbeing and help people, especially our most vulnerable residents, to live healthy and active lifestyles. This includes facilitating good quality leisure facilities and services across Tonbridge and Malling.
- Continue our successful management of parks, open spaces and leisure centres so the best recreational facilities are available to everyone.

More tangential but no less important to the Trust are the objectives to;

- Identify new and innovative ways to deliver our services in the most cost-effective and efficient way.
- Further move the Borough Council forward so its services are delivered effectively, bringing value for money and being keen to adopt new ideas and innovations for Tonbridge.
- Identify ways we could use our land and other assets better, especially in Tonbridge town centre.

Finally, underpinning the Corporate Strategy are a range of further strategic approaches with the most relevant being the following;

- Medium-Term Financial Strategy – a financial framework within which financial stability can be achieved to deliver the council's key priorities.
- Savings and Transformation Strategy – aims to bridge the funding gap identified in the Medium-Term Financial Strategy through savings and transformation.
- Climate Change Strategy – sets out an ambition for the borough to be carbon neutral by 2030.

The Trust's partnership with the Council remains the critical relationship in the success of the Trust and alignment with the Council's objectives is of utmost importance. The Trust's Business Plan should seek to help the Council fulfil its key priorities and financial objectives described in its Corporate Strategy. However, the Trust does need to be mindful of potential changes in political direction and the need to remain flexible to a changing environment as necessary.

### **3.1.2 Legal**

The Council is governed by its Constitution which sets out how it operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter for the Council to choose.

The Trust is a Company Limited by Guarantee with charitable status and therefore serves two regulatory bodies, Companies House and the Charity Commission. An annual return is required to each regulator.

The Trust was formally constituted on 15 March 2013 and commenced trading on 1 November 2013 with a formal Memorandum and Articles of Association in place.

In operational terms there is an ever-increasing amount of social, employment and health and safety legislation impacting upon the leisure industry. There is a need to incorporate human resource legislation into service and staff planning. Health and Safety legislation demands increasing consideration to ensure maintenance of a robust management framework and training. The 'costs' of failing to manage health and safety effectively, not least the consequence of litigation may potentially impact upon the nature and extent of activities that may be undertaken in future.

The Trust continues to retain the services of Winckworth Sherwood to advise on legal, contractual and property issues.

### **3.1.3 Economic**

The Council has a Savings and Transformation Strategy in light of significantly reduced grant support from central Government over a period of years. The strategy is designed to deliver sufficient savings and transformation contributions in order to bridge the funding gap identified in the Council's rolling 10 Year Medium Term Financial Strategy which in itself is designed to achieve a balanced revenue budget that delivers the Council's priorities by the end of the strategy period. The current funding gap over the life of the strategy is reported as £1.9m.

The Council continues to face significant financial challenges and will do so for the foreseeable future. This was placed under unprecedented pressure related to the Trust in terms of the support provided by the Council during the pandemic which totalled around £1.63m. Whilst stretching the Council's finances this support was recognised to be the most financially expedient approach to the problem whilst retaining the services.

Despite reasonable post-pandemic business recovery the nation now faces further extraordinary costs in relation to utilities. This manifests itself most directly in the operation of the facilities owned by the Council and

managed by the Trust and further financial support through the contractual agreement has been needed to prevent the Trust becoming unsustainable.

Other economic issues including pay and wider inflationary pressures are creating significant pressure upon the Trust's revenue budgets and a deficit budget was set in 2022/23, relying on expenditure from reserves and the same scenario exists in 2023/24. The Trust cannot continue to maintain a deficit budget year on year and a return to at least a break even budget is required in 2024/25 in order the Trust's reserves are not further depleted. This may require a Service Fee payment from the Council to the Trust and further support for utilities costs.

The other threat to the viability of the Trust is the current 'cost of living' crisis that may impact on buyer behaviour resulting in a downturn in income through key areas of the business such as health and fitness, swimming and courses. This is not apparent at present but the Government pledge to reduce inflation that may prevent interest rates soaring is vital to the maintenance of major income streams.

Whilst the economic challenge remains significant the Trust sees adequate reserves being maintained and a sustainable future in partnership with the Council.

#### **3.1.4 Social**

The UK Government published its strategy for an active nation, Sporting Future December 2015 placing greater emphasis on physical activity to improve health and wellbeing outcomes. The desired outcomes fall into five strands of physical wellbeing; mental wellbeing; individual development; social and community development; and economic development. In overall terms the impetus was away from medals towards mass participation and represented a step change in policy that aligns strongly with the objectives of the Trust.

The global pandemic and economic challenges since publication mean that no tangible review or update to this strategy has occurred since publication, although Sport England produced, Future of Public Sector Leisure in December 2022.

At the time the strategy was supported by the Sport England strategy for 2016- 2021, Towards an Active Nation which has now been succeeded by a new 10 year strategy, Uniting the Movement. This strategy is currently focused upon an implementation plan for 2022-25 with three guiding principles '*...investing most in those that need it most, the right blend of national and local action, and simple as standard*' – continuing to help Sport England decide where to invest time, energy and money.

It is in this context that the Trust needs to shape its work to provide best value and access to the communities it serves.

The implementation through COVID of the Moving Communities portal is designed to bring together information on financial, customer service and qualitative performance of public leisure facilities across the UK. However, the performance of this portal does not in the view of the Trust and many industry partners currently match the ambition. It is hoped over the life of this Plan that Moving Communities does become the important resource intended.

Better access for the financially disadvantaged, elderly and people with disabilities means a continued reappraisal of programme and access issues. The Equalities Act also places demand upon service providers to design and deliver services in an inclusive manner and consideration of the impact in equalities terms is now a statutory and moral obligation.

In terms of workers' rights social and employment legislation also continues to influence issues such as the pay and reward strategy and careful consideration of contractual status for part time and casual employees/workers.

### **3.1.5 Technological**

The rapid expansion of new technologies and user demand for them places an imperative on leisure operators to invest in hardware, software and training for staff to address the developments. Competition to bring the latest technologies to an increasingly sophisticated market, particularly in the fitness element of leisure can result in customers switching loyalties regularly.

Similarly, the use of the internet, social media and other means of electronic customer engagement are now critical routes to market. Streamlined access to booking and payment services integrated with leisure management software are also vital components for modern customers who demand access from fixed and mobile connections.

The potential of cashless services has been realised in a small number of leisure facilities across the UK offering simple accessible services to busy customers through seamless mobile/app technology.

### **3.1.6 Industrial**

The impact of the global pandemic and the current energy cost crisis will have an enduring and significant effect on the leisure industry. The lack of insurance support to the industry in the light of the pandemic was profound. Government support, primarily through the Coronavirus Job Retention Scheme, support from the Council, use of its own established reserves and operational savings during successive lockdowns has allowed the Trust to emerge from the pandemic in reasonable organisational and financial health. Many similar small to medium sized trusts have been saddled with long term debts through Coronavirus

Business Interruption and other loans that will stunt investment for a decade. Further, whilst recovery from the pandemic has been steady and progressive the energy cost crisis and levels of pay and general inflation have represented an even greater challenge without any significant central Government support.

The Trust continues to enjoy the support of the Council in respect of combatting energy costs but across the UK a significant threat to public sector leisure provision, especially swimming pools is apparent. The LGA, UKactive, CLUK, Swim England and others have lobbied Government for further financial support but none has been forthcoming to date. Closures and reduced services are in evidence and likely to increase as operators are forced to increase prices and users also begin to feel the real cost of living crisis through higher interest and mortgage rates.

Future negotiation around leisure service provision with contractors is likely to be dominated by the need to underwrite the costs of utilities, National Living Wage increases and the potential of another global pandemic against which insurance is unobtainable.

Some evidence of insourcing services is being seen as a consequence of Councils being unable to secure the services of contractors with exponential cost increases associated with the loss of NNDR and VAT advantages. In most instances Councils no longer have the professional capabilities to operate extended leisure services and are having to recruit to do so, further adding to costs.

The desired move of leisure towards public health remains a much vaunted ambition of all parties but a cohesive, national, funded strategy to achieve goals that would improve the health of the nation, increase preventative action and reduce burden on the NHS remains elusive.

Following the pandemic and as a consequence of Brexit, supply chain issues, especially related to swimming pool chemicals, have threatened service delivery. Careful procurement decisions should be made in future wherever possible to avoid this scenario and ensure service resilience. It should be noted that supply chain failure is not generally an insurable business interruption risk.

### **3.1.7 Environmental**

The Council has a Climate Change Strategy that sets out an '*...aspiration for Tonbridge and Malling to be carbon neutral by 2030*' and for a strategy to be developed to support this ambition. This is supported by a Climate Change Fund.

Investigation has revealed that the leisure facilities managed by the Trust are responsible for 64% of carbon emissions from the Council's own estate and the Council has progressed Carbon Descent Plans to help guide how this may be addressed. A Climate Change budget has been

identified and early 2023 has seen the Council invest in the installation of a PV array on the sports hall roof at Larkfield Leisure Centre anticipated to provide 6% of electricity requirements at that site.

More and more consumers are supporting Government initiatives to encourage 'greener' and environmentally ethical business decisions. Environmental stewardship and conservation will become critical to future planning of services and provision of leisure options and customers will demand assurance that these policies are in place. This has been demonstrated by the investment in energy saving technologies in the new build café at Leybourne Lakes Country Park and should be a consideration in any proposals related to the Angel Centre.

Continued investment in energy saving initiatives by the Council and best practice by the Trust will be vital to help meet reduction targets and help control a key area of expenditure.

### **3.1.8 Competition**

The health and fitness market is fierce in the South East. Larkfield Leisure Centre has a number of private sector gyms within a 5 mile radius, notably a premium David Lloyd Health & Rackets Club at Kings Hill. Main public sector competition is provided by Maidstone Leisure Centre sited the opposite side of the County town to Larkfield. A local gym facility at Cobdown Sports Club appears to be focused on the member clubs for sport and conditioning purposes and a small budget gym at Kings Hill appears to have little impact. Angel Centre faces more direct competition from private sector operators in the town, notably from Pure Gym and Snap Fitness, although the former is currently closed for unknown purpose. There is a dual use gym at Tonbridge School and a premium offering at Nizels Golf & Country Club. The Angel Centre also competes with a number of school sports hall facilities in the town. Both Tonbridge Swimming Pool and Angel Centre compete with public sector facilities at Tunbridge Wells, Sevenoaks and Edenbridge, while the swimming facilities at Tonbridge School also provides competition for Tonbridge Swimming Pool.

The potential for further entrants in the budget sector remains the greatest unknown competitive challenge. Whilst this has not yet materialised locally, this genuine 'third sector' in the fitness market is firmly established and a number of trusts have risen to the challenge by restructuring their own offer or providing their own budget offering.

Poult Wood faces competition from other Pay and Play courses in the area, notably Lullingstone GC, Cobtree Manor GC and High Elms. Changes in the golf sector have resulted in public and private courses seeing some lap over for casual golfers who can now access many private courses for competitive green fees.

### 3.2 SWOT Analysis

The SWOT analysis process is designed to generate information that is helpful in matching the Business Plan and organisational objectives to the environment in which the Trust operates.

The four elements are defined below;

- **Strengths:** positive tangible and intangible attributes, internal to an organisation and within the organisation’s control.
- **Weaknesses:** internal factors within an organisation’s control that detract from the organisation’s ability to attain the desired goal. Which areas might the organisation improve?
- **Opportunities:** external attractive factors that represent the reason for an organisation to exist and develop. What opportunities exist in the environment, which will propel the organisation?
- **Threats:** external factors beyond the organisation’s control which could place the organisation mission or operation at risk. The organisation may benefit by having contingency plans to address them if they should occur.

An analysis of the Strengths, Weaknesses, Opportunities and Threats facing the Trust was conducted by the Executive Management Team in December 2022 and further considered by a wider group of second tier managers and supervisors in January 2023.

The results are tabulated below;

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Cash position/Reserves</li> <li>• Staff quality/Customer service</li> <li>• Experienced Executive Management Team</li> <li>• Net Promoter Score Closed Loop – customer feedback</li> <li>• Customer loyalty</li> <li>• Use of social media</li> <li>• Group Exercise programme</li> <li>• Quality/investment in fitness/technology</li> <li>• Mix of pools</li> <li>• Digital investment</li> <li>• TMBC Management Support/relationship</li> <li>• Sector recognition/industry</li> </ul>	<ul style="list-style-type: none"> <li>• IT Support</li> <li>• Management and Continued Professional Development training</li> <li>• Staff turnover</li> <li>• Changing/toilet facilities</li> <li>• Parking at AC/TSP – cost and access</li> <li>• Succession planning</li> <li>• Unsociable hours</li> <li>• Ageing facilities</li> <li>• Training plans</li> <li>• Maintenance support operational resource from TMBC</li> <li>• Lack of investment in AC</li> </ul>



<p>awareness</p> <ul style="list-style-type: none"> <li>• Pricing control</li> <li>• Flat structure – ability to react</li> <li>• LLC Location/free parking</li> <li>• Swim School</li> <li>• Diversifying portfolio</li> <li>• Utilities tariff protection</li> <li>• Corporate risk register/business continuity</li> <li>• Chartered Institute for the Management of Sports and Physical Activity (CIMSPA) engagement</li> <li>• Trust model</li> <li>• Business resilience</li> <li>• Reputation</li> <li>• Core values</li> <li>• Capital renewal expenditure</li> <li>• Minor equipment investment</li> <li>• Established Trust with strong, stable Board</li> <li>• Internal communications</li> </ul>	<ul style="list-style-type: none"> <li>• Telephony resources</li> <li>• Perception of sector as attractive employment opportunity</li> <li>• Utilities monitoring</li> <li>• Group bookings at TSP</li> <li>• Current Exercise Referral offering</li> </ul>
<p><b>OPPORTUNITIES</b></p>	<p><b>THREATS</b></p>
<ul style="list-style-type: none"> <li>• Tonbridge Town Centre Review</li> <li>• Catering</li> <li>• Golf tuition</li> <li>• Link to health agenda</li> <li>• Growth in housing development</li> <li>• Demographic changes</li> <li>• IT software applications</li> <li>• Climate change investment</li> <li>• Funding/grant opportunities</li> <li>• Apprenticeships</li> <li>• Planned Preventative Maintenance/Maintenance resource management</li> <li>• Contract extension</li> <li>• Fitness equipment procurement</li> <li>• Workforce management</li> <li>• Revised Quest scheme</li> <li>• Golf Booking Software</li> <li>• Further expansion/diversification</li> <li>• Community / charitable opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• National Minimum Wage/National Living Wage</li> <li>• Lack of building condition surveys</li> <li>• Budget/other competition</li> <li>• Recruitment market</li> <li>• Flooding</li> <li>• Weather impact on outdoor pool/golf course</li> <li>• Brexit/supply chain</li> <li>• Cost of utilities</li> <li>• Length of leases</li> <li>• Withdrawal of lease/management agreement</li> <li>• High Street catering in Tonbridge</li> <li>• Legislative change</li> <li>• Pandemic</li> <li>• Cost of living crisis</li> <li>• Chemical procurement/cost</li> <li>• Cyber attack</li> <li>• Local travel infrastructure</li> </ul>

<ul style="list-style-type: none"><li>• Links with education sector</li></ul>	
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It should be remembered that the SWOT itself is only a data capture exercise - the analysis needs to follow over the life of the Business Plan. Individual factors, especially opportunities may be further identified by time frames and threats should be classified by severity and probability of occurrence. Many of the threats are identified in the Trust's Risk Register.

### 3.3 Financial Analysis

Analysis of financial performance over the past three years has been skewed beyond usefulness by the impact of the global pandemic. Even 2022/23, throughout which a return to normal trading has more or less been completed, is not easily comparable with pre-pandemic performance and should be treated with caution when using to forecast the next two years.

The other significant impact on trading that has emerged in 2022/23 is the unprecedented increases in utility costs brought about by global geopolitical issues.

However, some comparison between the last full trading year before the pandemic (2019/20) and 2022/23 has been used to shape the financial forecast for 2023/24 and 2024/25.

The headline messages from the analysis, which relies on year end forecast for 2022/23 are as follows:

#### 3.3.1 Income

- Overall income across the Trust rose from 2019/20 at £6.864m and 2022/23 at £8.197m by £1.333m or 19.4%. Scale of charges increases over this period have averaged around 4% per annum and in the intervening years the Trust has taken on contracts at Leybourne Lakes Country Park and Kings Hill Sports Park that jointly account for around £390,000 of additional income in 2022/23. Taking these factors into account like for like income appears to have grown marginally in what has been a very turbulent period.
- Key areas of income (The Big Four) are casual swimming, fitness, courses and golf. In 2019/20 they represented 78.8% of the total income with this trend continuing in 2022/23 when a near identical 78.7% of income was derived from these activities. In actual cash terms the increase, which is not impacted by the new sites, has been close to £1m or 18.6% over the three year period, or an average of 6.2% per annum.

- Income from all other areas including sports halls, soft play, meeting rooms, health suites, schools and clubs and new income streams from Leybourne Lakes and Kings Hill, now representing around 21.3% of total income, has risen by around 19.7% over the last three years. However, given the scale of income from new business this means a real terms drop in other areas of the business of around 7% over the period.

### 3.3.2 Expenditure

- Overall expenditure across the Trust has risen between 2019/20 at £6.865m to 2022/23 at £8.948m by £2.083m or 30.3%. As with income this figure is impacted by the addition of new sites accounting for £390,000 of expenditure. In addition, the expenditure includes excess utilities costs funded by the Council of around £860,000. Taking these factors into account overall like for like expenditure has risen by around 12% over the three year period.
- Key areas of expenditure (The Big Four) are permanent salaries, casual salaries, electricity and gas. In 2019/20 these represented 72.3% of all operational expenditure. In 2022/23 this has risen to 78.3% primarily on the back of exponential increases in utility costs. In actual cash terms the increase is £2.26m although this is impacted by the new sites and excess utility costs described above. Permanent salary increases over the three years have been nil in 2020, 1% in 2021 and 4% in 2022. National Minimum Wage rates applicable to casual and temporary staff have risen by 15.7% in the three year period.
- Expenditure in all other areas now represents 21.7% of all expenditure and has risen by 5.3% over the three year period, effectively a small, real terms drop compared to inflation.

### 3.3.3 Key Issues

The key issues arising from the financial analysis are:

- Overall income performance is highly dependent on performance in The Big Four. The four marketplaces suffer varying degrees of potential vulnerability which need to be guarded against over the life of this business plan.
- Casual swimming is predominantly provided by the public sector and competition, therefore, is largely confined to other neighbouring local authorities including Maidstone, Tunbridge Wells and Sevenoaks. Industry intelligence suggests that casual swimmers are most likely to visit a pool based upon location. Price is relatively similar at competing facilities and is considered inelastic and a minor factor in customer choice.

Casual swimming post pandemic has enjoyed very strong performance during 2022 despite implementation of a 6% price increase. In addition, the Trust has imposed a £1 energy surcharge on all casual swims to mitigate the additional energy costs being met by the Council. A further 9% increase in 2023 appears not to have blunted buyer behaviour. The national outlook for swimming pools is bleak with many threatened by closure and/or taking measures to reduce hours, lower pool temperatures and increase prices. The Trust, with the support of the Council appears to be reaping reward in this area of the business but should the cost of living crisis deepen this may require very close monitoring.

The facilities do provide a well invested and attractive mix of leisure, fitness, teaching, indoor and outdoor swim opportunities. However, the outdoor provision is dependent on the weather in the summer months and income can be severely affected by a poor summer. At present there are no known plans for major investment in public swimming facilities within a 20 minute drive time and therefore the market is not considered vulnerable. It is fair to assume that the current strategy pursued by the Trust offers the opportunity for continued modest growth and the Trust should continue to ensure that marketing focuses upon the health benefits, relatively low cost, accessibility and family opportunities.

- Competition in the provision of courses, wet and dry is not limited to the public sector. An increasing number of privately operated swim schools are based at clubs and school pools, notably David Lloyd at Kings Hill and Tonbridge School. Dry side competition often arises from school sports hall facilities and private clubs. The move to 45 week continuous assessment coaching schools payable by direct debit provides some unique selling points for the Trust. Many customers appear to relate most easily to public sector provision and customer satisfaction is high.

Post pandemic this is an area of the business that has seen significant growth with Swim School numbers rising from 2,400 per week in 2019/20 to 3,400 per week in 2022/23. This increase has been matched by creative and additional use of pool space although it does not appear to have impacted adversely on casual swim numbers. This uplift may be partially due to the lockdown periods where a huge number of young children were denied the opportunity to learn to swim so should be monitored over the coming years.

The implementation of improved technology to provide parents with ability to book online is a feature of planned digital advances in the life of this Plan. Ongoing customer contact and feedback is crucial to success and retention of children beyond primary school age should be a focus of attention.

- Fitness is the most competitive market in which the Trust operates. The market mainly divides into three sectors; premium, middle market and budget. Premium competition in the area is provided by operators such as David Lloyd and Nizels GC (Club Company) and typically provides high end membership services and fees. The middle market is covered by competing public sector facilities and other operators including Tonbridge School. In the past few years the appearance of budget facilities in Tonbridge has provided a further challenge. However, Snap Fitness has moved in terms of pricing towards middle market practice and Pure Gym, which replaced Peak Fitness has been closed post pandemic, for reasons unknown. Even when open this venue was not offering the extremely low pricing options associated with its operation in larger towns/cities. In the north of the Borough budget presence remains low with TruGym in Maidstone closed and Infinity Gym at Kings Hill not appearing to compete on a damaging scale with Larkfield.

Gym membership has been slower to return than most other areas of the business post pandemic. By the beginning of 2023/24 the business across the Trust remains around 9% below profile.

Attrition within the marketplace is high, typically 4% per month in the industry, customers switch regularly and still only around 12/13% of the population has gym membership.

Significant investment by the Trust at Larkfield pre-pandemic has helped ensure facilities remain high quality and fit for purpose although the same cannot be said at Angel Centre and the opportunity for further growth would be greatly enhanced by remodelling of the facility or a new build. This is currently being considered by the Council as part of the town centre review.

Equipment replacement is due in the life of this Plan and discussion is ongoing with the Council to consider the most effective form of future procurement.

The market continues to be fast moving and the need to keep pace with equipment trends, sales technology, market intelligence and activity is critical to reduce the vulnerability of this income stream.

- The Trust took over the golf course at the point of transfer and historical evidence of income trends was poor. The Trust provided a more strategic approach to pricing or marketing of the facilities with the introduction of a membership scheme, new till systems, pricing control and revised clubhouse management arrangements seeing growth in golf incomes to in excess of £650,000 in 2019/20.

Golf was the least affected of services during the pandemic and whilst overall income fell in 2020/21 due to lockdown, it emerged

very strongly as an activity that was available ahead of many other recreational pursuits. By 2021/22 golf income had risen above £830,000 with around 77% still accruing from casual fees. This has levelled off to some extent in 2022/23 with a change in the make up of income pivoting towards membership, now around 37%, and away from casual use (63%). This results in increased stability of income, protecting the Trust from severe winter weather and consequential downturn in use. However, revenue from golf is still expected to be in excess of £800,000 per annum. The Trust may need to consider a cap on future membership levels in order to retain pay and play access in keeping with the ethos of a publicly owned course and to protect overall financial viability.

- Overall income from all other activities has shown a marginal decline over the past three years. Separate more minor income streams still need to be segmented to provide greater understanding of areas of growth and challenge. Some action has been taken where financial viability no longer existed, for example the closure of creche facilities at the Angel Centre and Larkfield Leisure Centre. Identification of individual trends, income downturn, stability and potential growth must be addressed within the context of the Council's service aspirations and the Annual Service Delivery Plan.
- Staffing represents the single greatest area of expenditure to the Trust. The need to attract and reward high quality staff across the operation is matched by a continual review of structures, rates of pay, recruitment, training and development activity. Total employee costs have risen from £4.4m in 2019/20 to an anticipated £5.5m in 2023/24. Around £350,000 has arisen from the new contracts at Leybourne Lakes and Kings Hill. However, permanent pay awards which at a headline level amount to 10% over the four year period have been greater for front line staff and temporary casual staff driven by increases in the National Living Wage/National Minimum Wage which when factoring in the 2023/24 proposals will have increased by over 22% in the same period.

Full time equivalent permanent staff levels remain broadly similar allowing for the two new sites but the overall headcount, including volunteers is now around 500. This compares to 370 at the point of transfer from the Council.

Costs of servicing this staff base have necessarily risen through recruitment of professionally qualified HR staff and the planned investment in workforce management software and systems. The latter investment is designed to streamline reporting and processes and result in savings through the life of this Plan. The insourcing of payroll has also reduced ongoing costs.

- The Trust is responsible for utilities consumption and purchases electricity and gas through LASER energy which is part of the Commercial Services Group, a company wholly owned by Kent County Council. The Trust takes advantage of a flexible purchasing approach using a Price Within Period basket as part of a four year framework agreement. A new agreement has been entered from 2024 – 2028. This approach balances risk and opportunity and has served the Trust effectively since inception. The current framework has saved the Trust an estimated £112,000 per annum over its four year life span.

However, the global geopolitical issues that have affected the utilities markets from around the beginning of 2021 have had an enormous impact on the Trust's energy costs. Total costs of around £800,000 pre-pandemic have risen to an estimated £1.7m in 2021/22 and are forecast to be between £1.95m and £2.3m in 2023/24.

The Trust is responsible for energy consumption set against a baseline established in 2014/15 but has to bear the cost of rises in line with the annual Consumer Price Index and the consequent impact on irrecoverable VAT. However, the Trust is protected by the Council against the exponential price increases by utilities tariff protection clauses in the Management Agreement. This protection is factored into the budget forecasts contained in this Plan.

In 2021/22 the Trust introduced an energy surcharge on swimming to help combat the very high energy costs associated with swimming pools and help mitigate the Trust's claim against the Council. A continuance of this is also reflected in the budget forecasts in this Plan.

The Council is separately committed to a Climate Change Strategy that aspires to become a carbon neutral Borough by 2030. Significant investment in the leisure facilities managed by the Trust is required to achieve this goal. The first major investment has resulted in a PV array on the roof of Larkfield Leisure Centre and further investment is likely to follow Carbon Descent Plans that have been developed and are currently under consideration. The Trust should also invest, recognise and encourage environmentally aware practice by staff, contractors and customers.

#### **3.3.4 Overall Trading Position History**

- In 2019/20 the last 11 days of trading were lost to the first lockdown although the impact of the pandemic was evident in the weeks leading to the total closure of the leisure facilities. The Trust had forecast a trading profit of £64,000 in the year and eventually out turned a very marginal profit of just £1,400.

The following financial year, 2020/21 was dominated by a series of national lockdowns, partial and phased re-openings and complete disruption to normal lives and trading. Income from direct trading fell to about £1.9m although support from the Coronavirus Job Retention Scheme (CJRS), the Council and other Government funding resulted in a distorted year end position that bore no meaningful comparison with the original budget that was approved prior to the full impact of the pandemic.

In 2021/22 a deficit budget of £272,000 was forecast that anticipated a phased return of business aligned with the Government's recovery road map and a further pledge of support from the Council. This approach was considered sustainable and ultimately the unanticipated extension of the CJRS, allowing a slower re-opening of services that did not recover as quickly as planned and further Local Restrictions Support Grant funding resulted in a year end trading profit of £250,000. By this point the Trust's cash at bank had also recovered to around its pre-pandemic level.

The budget for the last financial year, 2022/23, saw the removal of any further Council or Government support. The business remained less than 100% recovered to pre-pandemic levels and combined with warnings of significant increases in utilities another trading deficit of around £300,000 was forecast whilst still anticipating around £280,000 of Council support for utilities. The cost of utilities eventually rose to absolutely unprecedented levels and the excess costs expected to be borne by the Council are around £700,000 despite the implementation of the energy surcharge on swimming. It is anticipated that actual trading will outperform expectation although a year end trading deficit is still expected.

### **3.3.5 Service Fee**

- The Management Agreement with the Council allows for payment of an annual Service Fee for the management and operation of the facilities owned by the Council. A review of the Service Fee is undertaken every five years and in April 2018 agreement was reached for a zero sum (£nil) per annum for the period until 31 March 2023.

The services were delivered on this basis until 31 March 2020 when the global pandemic struck. As a consequence, and in the best financial interest of all parties the Council agreed to underwrite the lockdown costs and loss of trade incurred by the Trust up to £1.2m, paid as a Service Fee. As described elsewhere, further support came from the CJRS and other funding streams including the Trust's own reserves. Belatedly the Council



was awarded c£267,000 from the £100m National Leisure Relief Fund that was netted off against the approved £1.2m resulting in a Service Fee of c£933,000 paid by the Council directly to the Trust. A further Service Fee budget of £700,000 was set aside by the Council in 2021/22 to support the post-Covid recovery and was paid in four quarterly tranches across that year. In 2022/23 it was anticipated that the Service Fee would return to zero sum however the energy crisis resulted in a further £750,000 budget provision from the Council as a Service Fee to support the Trust.

Concurrently it was agreed, as a consequence of three primary factors to defer negotiation of the Service Fee due to commence on 1 April 2023. The three factors underpinning this decision are the ongoing energy crisis, the Council's review of Tonbridge Town Centre and the impact of that review on the Angel Centre and Borough elections due in May 2023.

Consequently a further £750,000 has been identified as a Service Fee in 2023/24 that will be paid subject to an agreed process related to energy costs as they are revealed in the coming year.

The Service Fee for 2024/25, the second year of this Plan, is a key issue discussed in greater detail later in the Plan.

## SECTION 4

### 4 FUTURE OPPORTUNITIES

Historically, a range of future potential capital investment opportunities available to the Trust have been subject to ongoing review through Capital Development Options reporting to the Board. The latest iteration of this list is attached at **ANNEX 1**. Each item on the list is ranked in terms of deliverability and desirability and the list is not limited in its scope by any boundaries. Whilst a budget cost is also shown this is not considered as a factor in the ranking of the proposal. Clearly cost, available funding and return on investments (ROI) will influence final investment choices however these would be considered as more detailed planning of any investment opportunities developed.

#### 4.1 Specific Opportunities

##### 4.1.1 Angel Centre Masterplan

The Council is currently undertaking a review of its property and land holdings in Tonbridge Town Centre through a consultancy, Mace. Phase One of the review identified the priority need to consider the future of the Angel Centre and Phase Two, now commissioned, is focusing on the area East of the High Street that includes the Angel Centre.

The Trust has been involved in the review and invited to put forward options for consideration which include remodelling of the existing Centre in line with proposals being considered pre-pandemic and the prospect of a new build. The potential to build alongside and link to the Tonbridge Swimming Pool is a favoured option of the Trust, recognising the political sensitivity and construction challenges of that site.

The Angel Centre has long represented the most significant financial challenge to the Trust and is responsible for a net operational deficit within the Trust's financial plan. Remodelling or new build is imperative to the long term sustainability and financial viability of the Trust if it is not to be supported via a Service Fee from the Council. The Trust will continue to work closely in partnership with the Council to achieve these goals and has already indicated the significant potential revenue savings that could be achieved from linking the two major leisure facilities in the Town Centre.

##### 4.1.2 Haysden Country Park

Having successfully taken over the management and operation of Leybourne Lakes Country Park on behalf of the Council the Trust is keen to explore the option of managing the Council's other country park in Tonbridge. As with LLCP it is likely that through economies of scale and a more commercial approach the Trust could deliver savings to the Council

without detriment to the ethos of the Haysden Country Park and its users. The Trust is keen to enter dialogue with the Council to within the life of this Plan to enable a transfer.

#### **4.1.3 Tonbridge Castle**

The Trust is also aware that current arrangements with the KCC Gateway Service at Tonbridge Castle are coming to an end in the life of this Plan and is keen to understand whether an opportunity exists to consider the Trust as a future operator of this facility.

Many leisure trusts across the UK are now managing cultural facilities on behalf of local authorities and clear synergy exists to do so. The Trust has wide experience in delivering customer services, events and catering and would welcome dialogue to better understand the potential for mutual benefit from the Trust operating Tonbridge Castle.

#### **4.1.4 Contracting/Collaborative Opportunities**

The Trust has been approached over the past five years to consider takeover/merger with another Kent Trust. Due diligence indicated that the risk associated with that opportunity was too great.

However, in 2021, following a direct approach from Kings Hill Parish Council the Trust is now operating the Kings Hill Sports Park in its first venture outside those facilities managed by Tonbridge & Malling Borough Council. The contract is ring-fenced from the Trust's main contract and no cross subsidy allowed. The Management costs associated with KHSP are identified and contribute to Head Office costs, thus providing benefit back to the Council.

The Trust was also approached to operate another leisure facility in a neighbouring Borough and was inclined to do so until unreasonable rent demands from the landowner rendered it not viable.

Whilst in general terms the Trust does not seek external opportunities it will continue to examine direct approaches from third parties that offer the potential for improved sustainability and diversification.

Global events have brought significant change and challenge to the public leisure sector and the Trust needs to retain a close eye on local and national market developments to ensure proactive and long term viability and sustainability.

## **SECTION 5**

### **5 FINANCIAL PLAN**

#### **5.1 Two Year Financial Projections**

The budget shown below for 2023/24 once again suggests a deficit in the trading year. The excess costs of utilities are netted off by an agreed Service Fee from the Council. The continuing deficit position is primarily as a consequence of pay and other inflation, including that on utilities costs, for which the Trust is responsible. The other significant factor is the lack of significant investment to date at the Angel Centre, where the forecast operational deficit is broadly equivalent to the overall forecast deficit.

The Government decision to increase National Living Wage/National Minimum Wage by 9.7% from 1 April 2023 and the continued high rate of inflation (10.1% in January 2023) impacts the staffing costs of the Trust which has seen a year on year increase in total salaries and wages of around one third of a million pounds or 6.5% despite some redundancies and other staff efficiencies.

The second year forecast below for 2024/25 has been predicated upon the belief that energy costs will still be at a level that requires some support via a Service Fee from the Council and is again netted off within the estimates. It is anticipated that inflation will fall below current levels and income will grow both organically and through further scale of charges increases. The forecast Net Position remains a deficit and this is discussed in Section 5.3.1 dealing with the Service Fee negotiation for 2024/25.

### 5.1.1 Two Year Financial Plan Summary

FACILITY		YEAR 1 2023/24 FORECAST	YEAR 2 2024/25 FORECAST
LLC	Expenditure	3,535,900	3,636,118
	Income	(4,010,300)	(4,188,451)
	Net Position	<b>(474,400)</b>	<b>(552,333)</b>
AC	Expenditure	1,461,550	1,505,922
	Income	(1,196,050)	(1,249,738)
	Net Position	<b>265,500</b>	<b>256,184</b>
TSP	Expenditure	1,674,350	1,741,304
	Income	(1,800,050)	(1,908,498)
	Net Position	<b>(125,700)</b>	<b>(167,194)</b>
PWG	Expenditure	709,800	733,538
	Income	(1,018,900)	(1,090,121)
	Net Position	<b>(309,100)</b>	<b>(356,583)</b>
LLCP	Expenditure	165,000	171,600
	Income	(166,600)	(179,907)
	Net Position	<b>(1,600)</b>	<b>(8,307)</b>
KHSP	Expenditure	302,200	322,364
	Income	(302,200)	(322,364)
	Net Position	<b>0</b>	<b>0</b>
HO	Expenditure	1,669,400	1,734,612
	Income	(778,200)	(779,285)
	Net Position	<b>891,200</b>	<b>955,327</b>
TMLT	<b>Expenditure</b>	<b>9,518,200</b>	<b>9,845,458</b>
	<b>Income</b>	<b>(9,272,300)</b>	<b>(9,718,364)</b>
	<b>Net Position</b>	<b>245,900</b>	<b>127,094</b>

## 5.2 Revenue and Capital Reserve Plans

### 5.2.1 Current Reserve Policy

The Trust has a Revenue Reserve Policy of £500,000. This was deemed at the time of inception to represent approximately two months of the Trust's payroll costs and to provide a level of security and sustainability reflective of the overall size of the organisation.

The reserve has been maintained throughout normal trading periods but the pandemic placed extraordinary pressure on the Trust with total cash at bank falling at one stage to around £400,000.

Cash at bank has grown back and is now forecast to be around £900,000 at the commencement of this Plan. The Revenue Reserve Policy is deemed to be met in these circumstances.

### 5.2.2 Restricted Reserve

In addition to the current revenue reserve, one ring-fenced reserve for the future purchase of IT and telephony following the capital asset transfer of equipment by the Council to the Trust has been established and currently holds about £180,000.

### 5.2.3 Future Reserve Policy

However, the Trust should consider a review of reserves policy in line with current audit advice that suggests the traditional approach of many charities should be reviewed, recognising that a 'one size fits all' approach is not appropriate. Current thinking suggests the setting of a reserve policy should be more nuanced and take into account operational and strategic development plans and risks to which the charity is exposed and include some level of contingency for unforeseen events.

During the life of this Plan a review of reserves policy should take into account the following;

- **Risks** – for example the current cost of living and energy cost crises may be considered within the reserve policy.
- **Development Plans** – this should consider planned investments and renewals where costs may not be met from a single year's income and reserves may need to be built up.
- **Operational** – this should identify the level of working capital to cover seasonal fluctuations and anticipated strain on cash flow during the financial year.
- **Contingency** – this would identify funds for unexpected events that may not be foreseen such as sudden closure of facilities.

The policy should be dynamic and reviewed regularly alongside strategic business plans for the short and medium term. Review should also take into account the Corporate Risk Register and protection through the Management Agreement with the Council. Changes are likely to occur as the business evolves and the environment in which it operates changes.

Periodic review should match the reserve policy with actual reserves held recognising how excess reserves are planned to be expended and where reserves fall below a certain level how they may be restored.

## **5.3 Service Fee Renegotiation**

### **5.3.1 Service Fee 2024/25**

As described earlier in this plan the Management Agreement with the Council provides for a review of the Service Fee every five years throughout the duration of the 20 year agreement.

The Service Fee was last reviewed in 2018 and a zero sum (£nil) was agreed for the five year period to 31 March 2023. Further review has been deferred by mutual agreement with the Council due to the ongoing energy crisis and the uncertainty surrounding future plans for the Angel Centre. The latter is crucial to the financial performance of the Trust and the level of Service Fee that may be required. The outcome of the forthcoming Borough elections in May 2023 are likely to have a determining influence on the Council's decisions in this regard and therefore it is difficult to proceed ahead of this time.

The Management Agreement allows for a 'long stop' provision whereby a failure to agree a Service Fee provides a further 12 months for negotiation with the status quo retained for that extended period. In effect a further 12 months of a zero sum has been agreed albeit is masked by the Service Fee agreement that relates specifically to excess utility costs.

The difficulty for the Trust lies in the lack of significant investment in the Angel Centre which contributes a large operational net deficit to the overall performance of the Trust identified in the budget forecast for 2023/24. In the event major investment is not forthcoming it is likely the Trust will need to revert to a Service Fee request to the Council. An indication of the likely level of Service Fee request required to bring the Trust back to a net position of breakeven is shown in the Financial Plan at Section 5.1.1 above which forecasts a deficit of c£106,000.

Agreement to significant investment could turn the operational deficit at the Angel Centre to a surplus and result in a negative Service Fee, i.e. the Trust making a payment to the Council.

In either event, whilst a decision may be expected at some point post-election it is probable that any significant investment may take a number of years to plan and implement.

In the interim the Trust cannot continue to sustain year on year losses and a Service Fee needs to be negotiated for 2024/25 for a further four years recognising the potential for change in the ensuing years should investment or other changes be implemented.

In arriving at a settlement, a range of other commercial factors within the Management Agreement may be considered and these, including maintenance responsibilities, contract extension and fitness equipment procurement are already subject to ongoing liaison with the Council.

## **SECTION 6**

### **6 OTHER KEY ISSUES**

The Trust is faced with a range of other key issues over the next two year period including the following;

#### **6.1 Risk Management**

The Board approved a revised approach to Corporate Risk Management and have now subsequently approved a Risk Schedule identifying 40 separate risks under a variety of headings. A Risk Statement has been developed for each area of risk, calculating likelihood and impact of the risk occurring. Each one is 'owned' and signed off by a member of the Executive Management Team and will be reviewed annually. A Trustee has been appointed Risk Champion and worked with the EMT to develop this approach.

During the life of this Plan the Trust will publish an overarching Policy Statement that describes the Board's approach to and appetite for risk. This will include some form of cost benefit analysis.

#### **6.2 Safeguarding**

In a world of increasing risk to young and vulnerable older people it is important that the Trust maintains a well documented approach to safeguarding. The Trust's Safeguarding Policy was last reviewed in December 2021 and will be further reviewed and updated during the life of this Plan. The annual safeguarding report to the Board which has not happened during and since the pandemic will be reintroduced and a new Trustee will be sought as the Board lead on safeguarding.

#### **6.3 Human Resource Strategy**

The importance of human resource management has grown in line with the number of employees now working at the Trust and significant development in human resource legislation.

The Trust now has a full time HR Manager and HR Assistant and has invested in a workplace management software system to manage core HR, time and attendance and recruitment. The system, approved by the Board will be implemented fully by the end of Q3, 2023 and will streamline and manage a whole range of HR interactions with staff electronically. This will include staff communication, rota management, annual leave, timesheets linked to payroll, onboarding, training records and staff handbook content. Staff will be able to 'self-serve' in many areas through an app.



Key areas of HR strategy include pay and reward, which in the current climate is critical in order to recruit and retain good quality staff and ensure continuity of services. Links to CIMSPA training will help staff to develop professional skills in line with industry standards and improve succession opportunities.

#### **6.4 Succession**

The current Chief Executive has signalled his intention to retire in Summer 2024 and this provides an opportunity to restructure the Executive Management Team in light of the growth of the business and specific resource requirements. The planned appointment into a new post of Deputy Chief Executive in Summer 2023 provides for a seamless transition to that postholder becoming the new Chief Executive and completion of the restructure upon the planned retirement of the existing postholder. Key focus of the transition will be maintenance of the culture and ethos of the Trust and the key relationships between the Executive Management Team, the Board and the Council.

#### **6.5 Health & Wellbeing Partnerships**

The continued transition of the Trust from a simply efficient facility management organisation to a health and wellbeing organisation embedded in the local community is vital to meet charitable and social objectives. Given the changing face of national strategy, the Trust has an opportunity to seek funds and strategic liaisons to deliver the national agenda at a local level and demonstrably impact on the local health profile. This has most recently been amply demonstrated through the Reconnect grant funding of £40,000 post pandemic to attract hard to reach communities back to recreational activity.

#### **6.6 Major Maintenance Issues**

The facilities operated by the Trust have been well maintained to date by the Council through a strong commitment to building repairs provision and capital expenditure. However, as the buildings continue to age it is vital that key major maintenance items are addressed. Of particular relevance is the ageing plant and fabric of the building at the Angel Centre, which should the building not be replaced will need considerable investment.

#### **6.7 Energy Savings/Climate Change**

The unprecedented increases in energy costs has created significant financial pressure upon the Trust. Whilst contractual support from the Council negates much of the excess cost it remains incumbent upon the Trust to seek and implement energy saving technology and best practice wherever possible. This synergy with the Trust's desire to be seen as an environmentally aware business for staff and customers will increase focus on green decisions related to operational practice.

## **6.8 Digital Strategy**

As digitisation increases in many areas of life and work the Trust needs to consider and formulate a coherent digital strategy. In house this relates to the Trust's ICT managed solution and use of software solutions in areas such as HR. Digital strategy needs to be carefully considered in the marketing of products and services through the Trust's website, app and social channels. An upgrade to the Trust's leisure management software in 2023 will improve consumer interaction in booking and joining the facilities and should be followed by an upgrade to the operator software in the life of this Plan. The digital journey of customers through our courses and health and fitness facilities forms a vital part of the service. This is likely to be provided through apps and wearable technology that enhances the customer experience and creates positive social interaction.

## SECTION 7

### ANNEX 1

#### CAPITAL DEVELOPMENT OPPORTUNITIES

	Site	Indicative Cost (inc VAT)	Priority** Des x Del	Commentary
Health Suite Upgrade	TSP	£50,000	5x5 25	Following replacement of the spa bath there is now nearly £80k identified in TMBC capital renewals schedule for replacement of steam/sauna/aromatherapy room. The additional £50k from the Trust would provide additional refurbishment of floors, reception, lighting etc. This project has already been investigated for possible implementation pre-pandemic. Income projections are not significant but refurbishment will help maintain existing income and make Swim & Spa membership more attractive.
Indoor Swing Studio	PW	£40,000	4x5 20	Previously considered pre-pandemic and £10,000 grant received from Kent Sport. Would mean loss of single squash court although analysis of occupancy levels supports this. TMBC agree in principle but squash club have lobbied and project put on hold pending 12 month review in 2022/23 and grant funding lost. Potential income generation from indoor lessons during inclement weather and in the winter as driving range has no lighting. Also potential for social golf events and custom club fitting.
Servery/foyer ceiling	LLC	£15,000	2x5 10	Consideration given to this through current major maintenance project but rejected due to on-costs. Would improve café environment but largely cosmetic. May be opportunity for TMBC funding.
Air conditioning to gym changing rooms	LLC	£20,000	4x4 16	Recent upgrade to gym/health suite changing rooms did not include air conditioning. May be resolved by improvements to existing air handling plant and could be incorporated in overall changing room improvements shown elsewhere on this schedule.
General Course Improvements	PW	Up to £20,000 pa	4x4 16	Need to identify a range of course improvements in a medium term programme to maintain buoyant performance at PW. Likely to include bunker rebuilds, path improvements, drainage and pond clearance.
Changing Room/Toilet Improvements	LLC/TSP	Various up to £250,000	5x4 20	General consideration of fundamental refurbishment of toilet and changing areas including wet change, gym change (including air conditioning shown elsewhere) and top toilets at LLC and front and wet change toilets at TSP.
Environmental Improvements	ALL	Scheme dependent	5x5 25	Could include local metering, electric car charge points, LED lighting. Funding may be available from TMBC Climate Strategy Fund. Carbon descent plans considered by TMBC and solar delivered on Sports Hall at LLC.
Redevelop foyer/shop	LLC	£200,000	5x3 15	Extend to front of building. Remove existing desk in favour of kiosk/concierge approach. Replace turnstiling. Replace shop with MA office.
Drown Detection Technology	TSP/LLC	£100,000 per pool	5x3 15	Health and safety system of drown detection technology. System is scalable with quotation covering all pools. Could be utilised to cover higher risk areas such as rapids at LLC and swim through channel at TSP at lower cost. Drown detection improves safety, aids lifeguards and in some instances may save lifeguard costs. Proposal is brought forward on a nil savings basis.
Glazed screen to café	LLC	£75,000	5x3 15	Consideration given to this through major maintenance project to replace pool hall roof but rejected due to on-

				costs. Would significantly improve café environment and help drive F&B income. May require amendment to newly installed air handling plant to avoid condensation.
Redevelop Larkabout	LLC	£100-400,000 including Shapemaster equipment	3x3 9	Variety of scheme options to remove Soft Play and introduce Creche, Shapemaster Studio, Studio Changing Rooms and extended Café.
Green re-builds	PW	£40,000 per green	3x3 9	Aside of ongoing course improvement potential need for re-build of three greens where subsoil drainage is believed to have failed. Potential to approach TMBC for joint-funding. Problem with re-build in terms of hole closures for season with temporary greens.
OSEC plant	TSP	£0	5x5 25	On Site Electrolytic Chlorine plant to replace costly chlorine gas plant. Would reduce costs and provide safer work environment. TMBC Funding. Currently under consideration to improve resilience in light of chemical supply chain issues.
Lightweight cover to outdoor pool	TSP	£200-250,000	3x3 9	Lightweight transparent structure to outdoor pool to allow year round access. Slides back during fine weather. May increase swim and course revenues. Significant feasibility/market investigation required.
Gym mezzanine	LLC	£100,000 plus equipment	2x3 6	Gym refurbishment at LLC has proved successful beyond business plan expectations and could be most cost effectively enlarged further by installation of mezzanine within existing footprint. Would involve challenge around ensuring accessibility and improved air conditioning.
Driving Range Improvements	PW	£30,000	3x2 6	Major item for consideration would be floodlighting to extend use in winter months. Potential planning issues.
Path improvements/car parking	KHSP	£50,000	3x4 12	Improve access to tennis courts and P4/5/6 and extend overall car parking capacity.
Bore Hole	KHSP	£40,000	4x4 16	Allow irrigation and pitch conditions to P4/5/6 to benefit of users. Reduction in water supply costs would accrue.
Football club master plan	KHSP	Scheme dependent. Contribution potential from Trust	3x3 9	Scheme to be developed in liaison with KHFC. Funding sources may include FA, Sport England, Lottery and Football Foundation. Desire to allow club progression in football pyramid and includes a stand, floodlighting, perimeter fencing and hardstanding.
Outdoor fitness	KHSP/LLCP	£30,000 - £60,000 per site	3x4 12	Range of potential outdoor fitness solutions including wet pour outdoor exercise area, field gym and outdoor equipment.
Car Park Extension	LLCP	£100,000	4x3 12	Designed to meet growing demand following capital development.
Toilet Repurposing	LLCP	£100-200,000	3x3 9	Option to re-purpose old toilet block as farm shop, office/meeting space or fitness hub. Currently on hold based upon issues with new toilet facilities.

\*\* Priority is based on desirability (1-5) x deliverability (1-5)



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