

**ONE LEISURE FINANCE
(Report of the Working Group)**

1. INTRODUCTION

- 1.1 The One Leisure Finance Working Group met on 23rd June 2011 and Councillors S Greenall and D M Tysoe (Chairman) and Messrs R Coxhead and R Hall were present. Also in attendance were Messrs S Bell and A Roberts and Mrs C Bulman.

2. PROFITABILITY OF INDIVIDUAL ACTIVITIES

- 2.1 The Working Group has reviewed analysis of the Leisure service's performance in 2009/10 and 2010/11 and its estimated performance in 2010/11. The analysis reveals that the net cost of the service in 2009/10 was £1.175 m plus £0.2m for Central Centre Management. The estimated outturn for 2010/11 was £0.805k plus the same for Central Centre Management and the actual for this period was £0.634k plus £0.2k for Central Centre Management. The figures include NNDR for which the service had a one-off refund of c£150k in 2010/11.
- 2.2 The Working Group has discussed the figures presented for the direct costs of the leisure activities provided and the Central Centre Management costs that have been re-apportioned to them. In order to satisfy themselves that the re-apportioned costs are not distorting the financial performance of activities, Members have decided to examine the methodology, which has been used to determine how much each activity is allocated in indirect costs. They are interested in establishing whether some of the re-apportioned costs should instead be regarded as direct costs. They also are of the view that re-apportioned costs should reflect the needs of the activity. In order to complete this work, the Working Group will look in greater detail at the crèche, children's club and bar facilities. The details requested will include fixed and variable costs. Having particular regard to the crèche, Members have requested that options are identified for sponsorship and for alternative charging models taking account of local circumstances.

3. RETURN ON INVESTMENT

- 3.1 The Working Group also has received details of recent capital investments in the Leisure service. Members have recognised that many of the items represent maintenance and, therefore, will not achieve their own returns. They have, however, requested information on whether individual items of expenditure have achieved the objectives of their respective Medium Term Plan bids / project plans.

4. ADMISSIONS

- 4.1 The Working Group has noted statistics on admissions at One Leisure Huntingdon, St Neots and St Ives before and after improvements have been made. Members have asked for the data to be presented to them so that it makes explicit trends and it includes One Leisure Ramsey and Sawtry.

5 OTHER MATTERS

- 5.1 The Working Group has had preliminary discussions on the functions that the One Leisure service requires to operate and on the service's future strategic direction. These matters will be considered further at future meetings.

Councillor D M Tysoe
Chairman