

EAST AYRSHIRE COUNCIL

SPECIAL COMMUNITY SERVICES COMMITTEE – 1ST MARCH 2006

KILMARNOCK LEISURE CENTRE TRUST – PROGRESS REPORT AND REVENUE FUNDING APPLICATION

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To provide a progress report on the Galleon Leisure Centre for 2005/06 and seek approval for a revenue grant for 2006/07.

2. BACKGROUND

- 2.1 The Kilmarnock Leisure Centre Trust receives revenue support from the Council on an annual basis. In 2005/06 a grant of £90,000 was awarded. The Trust has applied for a grant of £157,000 for 2006/07.

3. CONSIDERATIONS

- 3.1 Revenue grant for the Trust is used to support the running costs of the Galleon Leisure Centre which is the largest multi-purpose leisure facility in East Ayrshire. The grant is underpinned by a Service Level Agreement which determines key standards for the management of the centre and the availability of facilities for the community. The requirements of the Service Level Agreement continue to be met.
- 3.2 The Board of Trustees receives regular performance reports relating to the Galleon Leisure Centre and the Council is represented on the Board. In addition, there is significant liaison with the Galleon Leisure Centre from a range of Council officers.
- 3.3 The Galleon Leisure Centre continues to perform exceptionally well with a level of subsidy that is well below its nearest benchmarking partner. Maintenance of this high performance standard is an ongoing challenge particularly as the Galleon Leisure Centre is an ageing building that requires constant updating to ensure that changing customer expectations are met. If the requested level of grant is not approved the Centre may have to rationalise the range of services currently provided.
- 3.4 The grant application has been assessed and in view of the Galleon Leisure Centre's strong financial performance it would normally be recommended that the full award of £157,000 is made, however, the available budget dictates that a maximum grant of £90,000 is recommended.

4. FINANCIAL IMPLICATIONS

- 4.1 The grant requested has been assessed against the available funding and a revised sum of £90,000, which is the maximum available from existing budgets, is being recommended for approval.

5. LEGAL AUTHORITY/IMPLICATIONS

- 5.1 The Council is committed to underwriting any revenue loss at the Galleon Leisure Centre to a maximum of £20,000 in any financial year.
- 5.2 Any grant is underpinned by the Service Level Agreement and the Council's standard Conditions of Grant.

6. POLICY IMPLICATIONS

- 6.1 The Service Level Agreement referred to in this report is in line with the Council's procedures for grants to external bodies, and monitoring of the Trust performance is effective and appropriate.

7. CONCLUSIONS

- 7.1 The Galleon Leisure Centre continues to perform well and shows a net revenue subsidy significantly lower than all its benchmarking partners. However the sustainability of this level of performance requires appropriate investment to ensure that the Galleon Leisure Centre continues to meet customer expectations.
- 7.2 While the assessment of the grant application would indicate that the full amount should be awarded, this sum (£157,000) is not available within current budgets and therefore the maximum available sum of £90,000 is being recommended for approval.

8. RECOMMENDATIONS

- 8.1 The Committee are recommended to:-
- (i) approve a grant of £90,000 to the Kilmarnock Leisure Centre Trust for 2006/07;
 - (ii) remit to the Executive Director of Neighbourhood Services to monitor the performance of the Galleon Leisure Centre in 2006/07; and
 - (iii) otherwise note the contents of this report.

William Stafford
Executive Director of Neighbourhood Services

WS/JAG/KH

10th February 2006

LIST OF BACKGROUND PAPERS

1. Application from the Kilmarnock Leisure Centre Trust dated 2nd February 2006.

Any person wishing to inspect the background paper listed above should telephone 01563 578179 and ask for John Griffiths, Head of Leisure Services.

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