

ECONOMIC REGENERATION AND LEISURE POLICY ADVISORY COMMITTEE MEETING

Date: Tuesday 7 February 2023
Time: 6.30 p.m.
Venue: Town Hall, High Street, Maidstone

Membership:

Councillors Garten (Chairman), Hastie (Vice-Chairman), Bryant, Forecast, Fort, Mrs Gooch, Harper, Hinder and Naghi

The Chairman will assume that all Members will read the reports before attending the meeting. Officers are asked to assume the same when introducing reports.

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1. Apologies for Absence	
2. Notification of Substitute Members	
3. Urgent Items	
4. Notification of Visiting Members	
5. Disclosures by Members and Officers	
6. Disclosures of Lobbying	
7. To consider whether any items need to be taken in private due to the possible disclosure of exempt information	
8. Minutes of the meeting held on 10 January 2023	1 - 5
9. Presentation of Petitions (if any)	
10. Question and Answer Session for Local Residents (if any)	
11. Questions from Members to the Chairman (if any)	
12. Forward Plan relating to the Committee's Terms of Reference	
13. 3rd Quarter Financial Update & Performance Monitoring Report 2022/23	6 - 40
14. Maidstone Leisure Centre	41 - 69

Issued on Monday 30 January 2023

Continued Over/:

Alison Broom

Alison Broom, Chief Executive

INFORMATION FOR THE PUBLIC

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In order to make a statement in relation to an item on the agenda, please call **01622 602899** or email committee@maidstone.gov.uk by 5 p.m. one clear working day before the meeting (i.e. by 5 p.m. on Friday 3 February 2023). You will need to tell us which agenda item you wish to speak on.

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MAIDSTONE BOROUGH COUNCIL

ECONOMIC REGENERATION AND LEISURE POLICY ADVISORY COMMITTEE

MINUTES OF THE MEETING HELD ON 10 JANUARY 2023

Present:

Committee Members:	Councillor Garten (Chairman) and Councillors Brindle, Forecast, Fort, Mrs Gooch, Harper and Hastie
Lead Members:	Councillors Burton (Leader of the Council) and Russell (Lead Member for Leisure and Arts)

82. APOLOGIES FOR ABSENCE

It was noted that apologies for absence had been received from Councillors Bryant, Hinder and Naghi.

83. NOTIFICATION OF SUBSTITUTE MEMBERS

It was noted that Councillor Brindle was substituting for Councillor Hinder.

84. URGENT ITEMS

There were no urgent items.

85. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

86. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and Officers.

87. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

88. EXEMPT ITEMS

RESOLVED: That the items on the agenda be taken in public as proposed.

89. MINUTES OF THE MEETING HELD ON 6 DECEMBER 2022

RESOLVED: That the Minutes of the meeting held on 6 December 2022 be approved as a correct record and signed.

90. PRESENTATION OF PETITIONS

There were no petitions.

91. QUESTION AND ANSWER SESSION FOR LOCAL RESIDENTS

There were no questions from local residents.

92. QUESTIONS FROM MEMBERS TO THE CHAIRMAN

There were no questions from Members to the Chairman.

93. FORWARD PLAN RELATING TO THE COMMITTEE'S TERMS OF REFERENCE

The Committee considered the Forward Plan for the period 1 December 2022 to 31 March 2023 in so far as it related to its terms of reference.

Councillor Russell, the Lead Member for Leisure and Arts, advised the Committee that she wished to add an update report on the gallery project at the Museum to the work programme.

RESOLVED: That the Forward Plan relating to the Committee's terms of reference, as amended, be noted.

94. STRATEGIC PLAN REFRESH 2023-28

Councillor Burton, the Leader of the Council, introduced the report proposing refreshed areas of focus for the Council's Strategic Plan for the period 2023-2028 highlighting that:

- The proposed areas of focus reflected the long-term ambitions of the Council whilst also responding to the current national and local environment including recovery from the pandemic, increased housing need, financial insecurity and the climate crisis.
- The wording of the current area of focus relating to the implementation of the biodiversity and climate change strategy and action plan had been amended to emphasise that the impact on climate change and biodiversity would be central to all decisions.
- The shortage of temporary accommodation for homeless families was recognised together with the need to increase supply and work towards long-term housing solutions.
- The commitment to identify and deliver 1,000 affordable homes was now included together with the commitment to improve the quality of housing through the consistent use of the Council's statutory powers to promote good health and wellbeing.
- The commitment to the development of an ambitious Town Centre Strategy, which was now underway, was also referenced together with the use of various funding streams supporting leisure and culture.

During the discussion:

- Members expressed support for the changes to include identification and delivery of 1,000 affordable homes as an area of focus and the commitment to biodiversity and climate change.

- The Committee noted that when '*Working with community groups and parish councils to develop more sustainable community resilience and to encourage pride in our borough*' had been merged into a new action under Homes and Communities at 4.3, '*pride in our borough*' had not been included and requested this be added.
- The Officers confirmed that presentational issues identified by Members would be rectified in the version of the document to be submitted to the Executive, including the use of abbreviations.

RESOLVED TO RECOMMEND TO THE EXECUTIVE: That subject to the points raised in the discussion, the proposed refreshed areas of focus for the Council's Strategic Plan for the period 2023-2028, set out in Appendix A to the report, be approved.

Note: Councillor Hastie entered the meeting during consideration of this item (6.47 p.m.). She said that she had no disclosures of interest or of lobbying.

95. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PROPOSALS (ERL PAC)

The Director of Finance, Resources and Business Improvement introduced his report setting out budget proposals for services within the remit of the Committee. It was noted that:

- When the Committee last considered budget matters in November 2022, the Council had been faced with a budget gap of £2.5 million in 2023/24, mainly due to the impact of inflation on the Council's costs, with a steadily increasing budget gap in subsequent years.
- Since then, savings proposals totalling £1.1 million for 2023/24 had been developed across the Council and there had also been positive news arising out of Government announcements.
- In the Chancellor's Autumn Statement 2022 the Council Tax referendum limit was increased from 2% to 3% so if the Council agreed to a 3% Council Tax increase, this would raise more money. Business rates would also be frozen in 2023/24, but Councils would be compensated for the loss of income arising.
- Whilst the longer-term position remained challenging, these recent developments had had a positive impact, such that it was now anticipated that the Council would be able to set a balanced budget for 2023/24, provided that the savings proposals were adopted, and Council Tax was increased up to the referendum threshold.
- In the Local Government Finance Settlement 2023/24, there were changes to the one-off funding received by the Council, predominantly New Homes Bonus (NHB). This did not affect the proposals set out in the report because the Council had always treated NHB as one-off funding, not part of the revenue budget. Although the Government was reducing NHB in 2023/24, this was broadly compensated for by a new one-off Funding Guarantee.
- Three revenue budget proposals had been identified in respect of the services falling within the remit of the Committee: the funding of Economic

Development in future, new income arising from the re-opening of the Mote Park Café and a reduction in income from the Market.

- In terms of the Capital Programme schemes falling within the remit of the Committee, the major change was that the proposal in relation to the Leisure Centre was now £7 million over five years which would fund the practical improvements discussed at the last meeting rather than a replacement facility within the Five-Year plan. However, this did not mean that there would not be further capital expenditure in the future.

In response to questions:

Mote Park Café

The Lead Member for Leisure and Arts explained that, in terms of achieving income targets in respect of the Café, the operator was fitting out the kitchen and the work was nearing completion which would enable the facility to re-open.

One-off Funding Guarantee

The Leader of the Council confirmed that choices would need to be made about the use of the one-off Funding Guarantee considering the plans in relation to the 1,000 Affordable Homes Programme and demands in relation to the staff budget.

Business Rates Pool

The Leader of the Council confirmed that there was potential for growth in Business Rates income with the business park at junction 8 off the M20 and the Yalding enterprise park coming forward.

Market Income

The Lead Member for Leisure and Arts explained that it was proposed that there be a reduction in market charges to encourage the take-up of pitches. This would be accompanied by a marketing strategy to increase footfall.

Leisure Centre

The Lead Member for Leisure and Arts explained that it would be necessary for the Council to borrow to fund a new Leisure Centre and pay for that borrowing. The budget strategy was based on the fact that now was not the best time to be borrowing capital for a facility such as a Leisure Centre. However, provision was made in the Five-Year Plan for improvements as it was recognised that the building was ageing. It was hoped that 2027/28 would be the optimum time to build a new facility and work was continuing in the background on the location, design and facilities to be included. Further details would be provided in the report to the next meeting. The aim was to develop a proposal that would be ready to commence if funding became available.

The Director of Finance, Resources and Business Improvement explained that the Capital Programme was updated every year so this was a fresh set of Capital Programme proposals. Taking the funding previously proposed for leisure provision out of the Capital Programme allowed more capacity for the 1,000

Affordable Homes Programme because it was known that the costs of construction were increasing.

The Leader of the Council reiterated that the resources previously proposed for leisure provision had never existed in cash terms. It was always an intention to borrow and not borrowing for the Leisure Centre made it easier to borrow for the 1,000 Affordable Homes Programme.

RESOLVED TO RECOMMEND TO THE EXECUTIVE:

1. That the revenue budget proposals set out in Appendix A to the report of the Director of Finance, Resources and Business Improvement be approved.
2. That the capital budget proposals set out in Appendix B to the report of the Director of Finance, Resources and Business Improvement be approved.

96. DURATION OF MEETING

6.30 p.m. to 7.30 p.m.

Agenda Item 13

ECONOMIC REGENERATION & LEISURE POLICY ADVISORY COMMITTEE

7 February 2023

3rd Quarter Financial Update & Performance Monitoring Report 2022/23

Timetable	
Meeting	Date
Economic Regeneration & Leisure Policy Advisory Committee	7 February 2023

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Not Applicable – report for noting by the Economic Regeneration & Leisure Policy Advisory Committee
Lead Head of Service	Mark Green, Director of Finance, Resources & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager Georgia Harvey, Senior Information Governance Officer
Classification	Public
Wards affected	All

Executive Summary

This report sets out the 2022/23 financial and performance position for the services reporting into the Economic Regeneration & Leisure Policy Advisory Committee (ERL PAC) as at 31st December 2022 (Quarter 3). The primary focus is on:

- The 2022/23 Revenue and Capital budgets; and
- The 2022/23 Key Performance Indicators (KPIs) that relate to the delivery of the Strategic Plan 2019-2045.

The combined reporting of the financial and performance position enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues in their proper context,

reflecting the fact that the financial and performance-related fortunes of the Council are inextricably linked.

The budgets used in this report are the revised estimates for 2022/23.

Budget Monitoring

Overall net expenditure at the end of Quarter 3 for the services reporting to ERL PAC is -£0.264m, compared to the approved profiled budget of -£0.235m, representing an underspend of £0.029m.

Capital expenditure at the end of Quarter 3 was £1.634m against a total budget of £1.963m.

Performance Monitoring

0% (0 of 4) targetable quarterly key performance indicators reportable to the Economic Regeneration & Leisure Policy Advisory Committee achieved their Quarter 3 target.

Recovery & Renewal Update

A number of actions across the three areas of focus in the Recovery and Renewal Action have now been completed. This is shown in the update at Appendix 3.

UK Shared Prosperity Fund Update

An update on progress made against schemes using this funding is shown at Appendix 4.

Purpose of Report

The report enables the Committee to consider and comment on the issues raised and actions being taken to address both budget pressures and performance issues as at 31st December 2022.

This report makes the following recommendations to the Economic Regeneration & Leisure Policy Advisory Committee:

1. That the Revenue position as at the end of Quarter 3 for 2022/23, including the actions being taken or proposed to improve the position, where significant variances have been identified, be noted.
2. That the Capital position at the end of Quarter 3 be noted.
3. That the Performance position as at Quarter 3 for 2022/23, including the actions being taken or proposed to improve the position, where significant issues have been identified, be noted.

4. That the Recovery & Renewal Update, attached at Appendix 3 be noted.
5. That the Executive is recommended to endorse the reallocation of Recovery and Renewal Funding for a number of projects as shown at 2.4 in this report.
6. That the UK Shared Prosperity Fund update, attached at Appendix 4, be noted.

3rd Quarter Financial Update & Performance Monitoring Report 2022/23

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>This report monitors actual activity against the revenue budget and other financial matters set by Council for the financial year. The budget is set in accordance with the Council’s Medium-Term Financial Strategy which is linked to the Strategic Plan and corporate priorities.</p> <p>The Key Performance Indicators and strategic actions are part of the Council’s overarching Strategic Plan 2019-45 and play an important role in the achievement of corporate objectives. They also cover a wide range of services and priority areas.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Cross Cutting Objectives	This report enables any links between performance and financial matters to be identified and addressed at an early stage, thereby reducing the risk of compromising the delivery of the Strategic Plan 2019-2045, including its cross-cutting objectives.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Risk Management	This is addressed in Section 5 of this report.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Financial	<p>Financial implications are the focus of this report through high level budget monitoring. Budget monitoring ensures that services can react quickly enough to potential resource problems. The process ensures that the Council is not faced by corporate financial problems that may prejudice the delivery of strategic priorities.</p> <p>Performance indicators and targets are closely linked to the allocation of resources and determining good value for money. The financial implications of any proposed changes are also identified and taken into account in the Council’s Medium-Term Financial Strategy and associated annual budget setting process.</p>	Senior Finance Manager (Client)

	Performance issues are highlighted as part of the budget monitoring reporting process.	
Staffing	<p>The budget for staffing represents a significant proportion of the direct spend of the Council and is carefully monitored. Any issues in relation to employee costs will be raised in this and future monitoring reports.</p> <p>Having a clear set of performance targets enables staff outcomes/objectives to be set and effective action plans to be put in place.</p>	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Legal	<p>The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.</p> <p>There is no statutory duty to report regularly on the Council's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. One of the purposes of the Key Performance Indicators is to facilitate the improvement of the economy, efficiency and effectiveness of Council services. Regular reports on Council performance help to demonstrate best value and compliance with the statutory duty.</p>	Interim Team Leader (Contentious and Corporate Governance) MKLS
Information Governance	The performance data is held and processed in accordance with the data protection principles contained in the Data Protection Act 2018 and in line with the Data Quality Policy, which sets out the requirement for ensuring data quality. There is a program for undertaking data quality audits of performance indicators.	Policy and Information Team
Equalities	There is no impact on Equalities as a result of the recommendations in this report. An EqIA would be carried out as part of a policy or service change, should one be identified.	Equalities and Communities Officer
Public Health	The performance recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
Crime and Disorder	There are no specific issues arising.	Director of Finance, Resources and Business

		Improvement (Section 151 Officer)
Procurement	Performance Indicators and Strategic Milestones monitor any procurement needed to achieve the outcomes of the Strategic Plan.	Director of Finance, Resources and Business Improvement (Section 151 Officer)
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no direct implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

- 2.1 The Medium-Term Financial Strategy for 2022/23 to 2026/27 - including the budget for 2022/23 - was approved by full Council on 23rd February 2022. This report updates the Committee on how services have performed over the last quarter with regard to revenue and capital expenditure against approved budgets.
- 2.2 This report also includes an update to the Committee on progress against Key Performance Indicators (KPIs).
- 2.3 Attached at Appendix 1 is a report setting out the revenue and capital spending position at the Quarter 3 stage. Attached at Appendix 2 is a report setting out the position for the KPIs for the corresponding period. Attached at Appendix 3 is an update on progress against the Recovery & Renewal Plan and attached at Appendix 4 is an update on the UK Shared Prosperity Fund.
- 2.4 We have reviewed the spend against projects planned as part of the Recovery and Renewal Action Plan. The following projects will not spend all or part of their allocated funds and therefore require a reallocation of funding.
- Vibrant Economy - Mid Kent College skills hub – £60k.
 - Resilient Communities - Support and Encourage Volunteering in the Borough – reallocate £11,583 (out of original £25K)
 - The Way We Work - Embedding new ways of working and ensuring the office is fit for purpose £30k (out of original £50k)

The amount to be reallocated is £101,583. It is proposed that this money is redistributed to two successful projects already in the plan.

- Resilient Communities – Community Resilience Fund -£52,083
- Resilient Communities – Extension of Let’s Talk Maidstone on a three-year subscription – £49,500

The full details of this proposal are shown in **Appendix 3** to this report.

3. AVAILABLE OPTIONS

- 3.1 There are no matters for decision in this report. The Committee is asked to note the contents but may choose to comment.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 In considering the current position on the Revenue budget, the Capital Programme, and the KPIs at the end of December 2022, the Committee can choose to note this information or could choose to comment.
- 4.2 The Committee is requested to note the content of the report.
-

5. RISK

- 5.1 This report is presented for information only and has no direct risk management implications.
- 5.2 The Council produced a balanced budget for both revenue and capital income and expenditure for 2022/23. The budget was set against a continuing backdrop of limited resources and a difficult economic climate, even before the final impact of the Covid-19 pandemic became clear. Regular and comprehensive monitoring of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Executive the best opportunity to take actions to mitigate such risks.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The KPIs update ("Performance Monitoring") are reported to the Policy Advisory Committees (PAC) quarterly: Communities, Housing & Environment PAC; Economic Regeneration & Leisure PAC; and the Planning & Infrastructure PAC. Each committee also receives a report on the relevant priority action areas. The report was also presented to the Corporate Services PAC reporting on the priority areas of "A Thriving Place", "Safe, Clean and Green", "Homes and Communities" and "Embracing Growth and Enabling Infrastructure".
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Quarter 3 Budget & Performance Monitoring reports are being reported to the relevant Policy Advisory Committees during February 2023.
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8. REPORT APPENDICES

- Appendix 1: Third Quarter Budget Monitoring 2022/23
 - Appendix 2: Third Quarter Performance Monitoring 2022/23
 - Appendix 3: Recovery & Renewal Update 2022/23
 - Appendix 4: UK Shared Prosperity Fund Update 2022/23
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9. BACKGROUND PAPERS

None.

Third Quarter Financial Update 2022/23

Economic Regeneration & Leisure – Policy Advisory Committee

7th February 2023

Lead Officer: Mark Green

Report Author: Paul Holland

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C1) Capital Budget Page 9

Part A

Executive Summary & Overview



This report provides members with the financial position as at 31st December 2022, covering activity for the Economic Regeneration & Leisure Policy Advisory Committee's (ERL PAC) revenue and capital accounts for the third quarter of 2022/23.

In 2021/22, income recovered more strongly than expected from the pandemic and the Council generated a modest surplus compared with budget. For 2022/23, there is no more direct government funding to cover the costs of Covid, but the Council has been able to set a balanced budget. Additional provision of £1.3 million was made within the 2022/23 budget for the expected impact of higher inflation on the Council's input costs. The projected peak level of inflation has continued to increase since the budget was set and this is likely to have an impact in particular on contract and energy costs, so the requirement for this provision will be monitored carefully to assess whether it will be adequate. If at any stage it appears that an overspend is likely, measures will need to be taken in-year to bring the budget back into balance.

The headlines for Quarter 3 are as follows:

Part B: Revenue budget – Q3 2022/23

- Overall net expenditure at the end of Quarter 3 for the services reporting to this committee is -£0.264m, compared to the approved profiled budget of -£0.235m, representing an underspend of £0.029m.

Part C: Capital budget – Q3 2022/23

- Capital expenditure at the end of Quarter 3 was £1.634m against a total budget of £1.963m.

Part B

Third Quarter Revenue Budget 2022/23

B2) Revenue Budget

B1.1 The table below provides a detailed summary on the budgeted net income position for ERL PAC services at the end of Quarter 3. The financial figures are presented on an accruals basis (e.g., expenditure for goods and services received, but not yet paid for, is included). An analysis by the relevant Lead Members for this Committee is also shown.

ERL Revenue Budget & Outturn – Quarter 3

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Cultural Development Arts	69	60	46	14	69	0
Museum	24	-10	-24	14	24	0
Carriage Museum	4	2	3	-1	4	0
Museum-Grant Funded Activities	0	-20	-35	14	0	0
Hazlitt Arts Centre	298	228	219	9	298	0
Leisure Centre	-180	-135	-113	-22	-180	0
Mote Park Adventure Zone	-68	-51	-49	-2	-68	0
Cobtree Golf Course	-35	0	0	-0	-35	0
Mote Park Cafe	-32	-24	-24	-1	-32	0
Parks & Open Spaces Leisure Activities	-2	-1	-4	3	-2	0
Mote Park Leisure Activities	-19	-18	-13	-5	-19	0
Tourism	11	8	7	1	11	0
Museum Shop	-21	-16	-5	-11	-21	0
Climate change	31	23	3	20	31	0
Innovation Centre	-186	38	121	-83	-82	-104
Lockmeadow	231	226	136	90	231	0
Lockmeadow Complex	-1,456	-1,644	-1,736	92	-1,446	-10
Business Support & Enterprise	15	15	15	0	15	0
Business Terrace	92	99	95	3	92	0
Business Terrace Expansion (Phase 3)	-6	22	69	-47	54	-60
Market	-24	-6	33	-39	26	-50
Economic Dev - Promotion & Marketing	67	47	68	-21	67	0
Leisure Services Section	58	77	75	2	55	3
Cultural Services Section	382	287	269	17	359	23
Economic Development Section	203	163	157	6	194	9
Market Section	88	66	58	8	78	10
Head of Regeneration and Economic Development	89	89	86	3	85	3
Innovation Centre Section	197	193	219	-26	232	-35
Biodiversity & Climate Change	92	70	61	9	80	12
Salary Slippage 4ERL	-27	-20	0	-20	0	-27
Totals	-107	-235	-264	29	118	-225

ERL Revenue Budget & Outturn – Quarter 3 (By Lead Member)

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Climate change	31	23	3	20	31	0
Innovation Centre	-186	38	121	-83	-82	-104
Business Support & Enterprise	15	15	15	0	15	0
Business Terrace	92	99	95	3	92	0
Business Terrace Expansion (Phase 3)	-6	22	69	-47	54	-60
Economic Dev - Promotion & Marketing	67	47	68	-21	67	0
Economic Development Section	203	163	157	6	194	9
Head of Regeneration and Economic Development	89	89	86	3	85	3
Innovation Centre Section	197	193	219	-26	232	-35
Biodiversity & Climate Change	92	70	61	9	80	12
Sub-Total: Lead Member - Leader of the Council	594	758	893	-135	768	-175
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Cost Centre	Approved Budget for Year £000	Budget to 31 December 2022 £000	Actual £000	Variance £000	Forecast 31 March 2023 £000	Forecast Variance 31 March 2023 £000
Cultural Development Arts	69	60	46	14	69	0
Museum	24	-10	-24	14	24	0
Carriage Museum	4	2	3	-1	4	0
Museum-Grant Funded Activities	0	-20	-35	14	0	0
Hazlitt Arts Centre	298	228	219	9	298	0
Leisure Centre	-180	-135	-113	-22	-180	0
Mote Park Adventure Zone	-68	-51	-49	-2	-68	0
Cobtree Golf Course	-35	0	0	-0	-35	0
Mote Park Cafe	-32	-24	-24	-1	-32	0
Parks & Open Spaces Leisure Activities	-2	-1	-4	3	-2	0
Mote Park Leisure Activities	-19	-18	-13	-5	-19	0
Tourism	11	8	7	1	11	0
Museum Shop	-21	-16	-5	-11	-21	0
Lockmeadow	231	226	136	90	231	0
Lockmeadow Complex	-1,456	-1,644	-1,736	92	-1,446	-10
Market	-24	-6	33	-39	26	-50
Leisure Services Section	58	77	75	2	55	3
Cultural Services Section	382	287	269	17	359	23
Market Section	88	66	58	8	78	10
Salary Slippage 4ERL	-27	-20	0	-20	0	-27
Sub-Total: Lead Member - Leisure & Arts	-700	-993	-1,158	164	-650	-51
Total	-107	-235	-264	29	118	-225

B1.2 The table shows that at the end of the third quarter overall net expenditure for the services reporting to ERL PAC is -£0.264m, compared to the approved profiled budget of -£0.235m, representing an underspend of £0.029m.

B1.3 The table indicates that in certain areas, significant variances to the budgeted income levels have emerged during the third quarter of the year. The reasons for the more significant variances are explored in section B2 below.

B2) Variances

B2.1 The most significant variances for this Committee are as follows:

	Positive Variance Q3	Adverse Variance Q3	Year End Forecast Variance
Economic Regeneration & Leisure Committee	£000		
Innovation Centre – As reported previously there is an overspend on business rates for empty offices. There have also been additional maintenance costs incurred which were not anticipated when the building was opened. No allowance has yet been made for Non-Domestic Rates paid in advance from October 2022 to March 2023. Once this has been adjusted this will show a breakeven financial position.		-82	-104
Lockmeadow Complex – This variance reflects an increase in rental income from the units at the complex. However, further energy costs are anticipated before the end of the financial year.	92		-10
Business Terrace Expansion (Phase 3) – Not all the units are occupied, and it is anticipated that this will continue to be the case for the remainder of the year.		-47	-60
Market – Income for lettings for all streams are down against the budget.		-38	-50

Part C

Third Quarter Capital Budget 2022/23

B1) Capital Budget: Economic Regeneration & Leisure Committee (ERL)

B1.1 The position of the 2022/23 ERL element of the Capital Programme at the Quarter 3 stage is presented in Table 3 below. The budget includes resources brought forward from 2021/22 and is the revised estimate for 2022/23.

ERL Capital Programme 2022/23 (@ Quarter 3)





Capital Programme Heading	Revised Estimate 2022/23 £000	Actual to December 2022 £000	Budget Remaining £000	Q4 Profile £000	Projected Total Expenditure £000	Projected Slippage to 2023/24 £000
Economic Regeneration & Leisure						
Mote Park Visitor Centre	1,307	1,337	-30	270	1,607	-300
Mote Park Lake - Dam Works	486	307	179	60	367	119
Leisure Provision	100		100			100
Tennis Courts Upgrade	20		20			20
Mote Park Kiosk Refurbishment & Extension	50		50	50	50	
Total	1,963	1,643	320	380	2,023	-60




B1.2 Comments on the variances in the table above are as follows:

Mote Park Visitor Centre - There have been some unanticipated costs that mean the project will cost around £300,000 more than initially budgeted for. Funding has been identified for this overspend.

ERL: Quarter 3 Performance Report

Key to performance ratings

RAG Rating	
	Target not achieved
	Target slightly missed (within 10%)
	Target met
	Data Only





Direction	
	Performance has improved
	Performance has been sustained
	Performance has declined
N/A	No previous data to compare

Performance Summary

RAG Rating	Green	Amber	Red	N/A ¹	Total
KPIs	0	0	2	4	6
Direction	Up	No Change	Down	N/A	Total
Last Quarter	1	1	2	2	6
Last Year	4	0	0	2	6

- None of the targetable quarterly key performance indicators (KPIs) reportable to this Committee achieved their Quarter 3 (Q3) target¹.
- Compared to last quarter (Q2 2022/23), performance for 16.7% (1 of 6) KPIs have improved and 33.3% (2 of 6) have declined¹.
- Compared to last year (Q3 2021/22), performance for 66.7% (4 of 6) KPIs have improved and none of the targetable quarterly key performance indicators has declined¹.

Economy

Performance Indicator	Q2 2022/23				
	Value	Target	Status	Short Trend	Long Trend
Footfall in the Town Centre	351,489				
Percentage of vacant retail units in the town centre	Annual KPI				

The Council no longer uses Springboard to record town centre footfall from a fixed camera in Week Street. Springboard was unable to identify unique visitors and instead recorded every movement past the fixed camera.

Footfall is now measured using data from HUQ, which records **unique** visitors for the entire town centre area using **mobile phone data**. Reporting data from Q2 2022 onwards will look different as we have updated to the KPI to reflect this change.

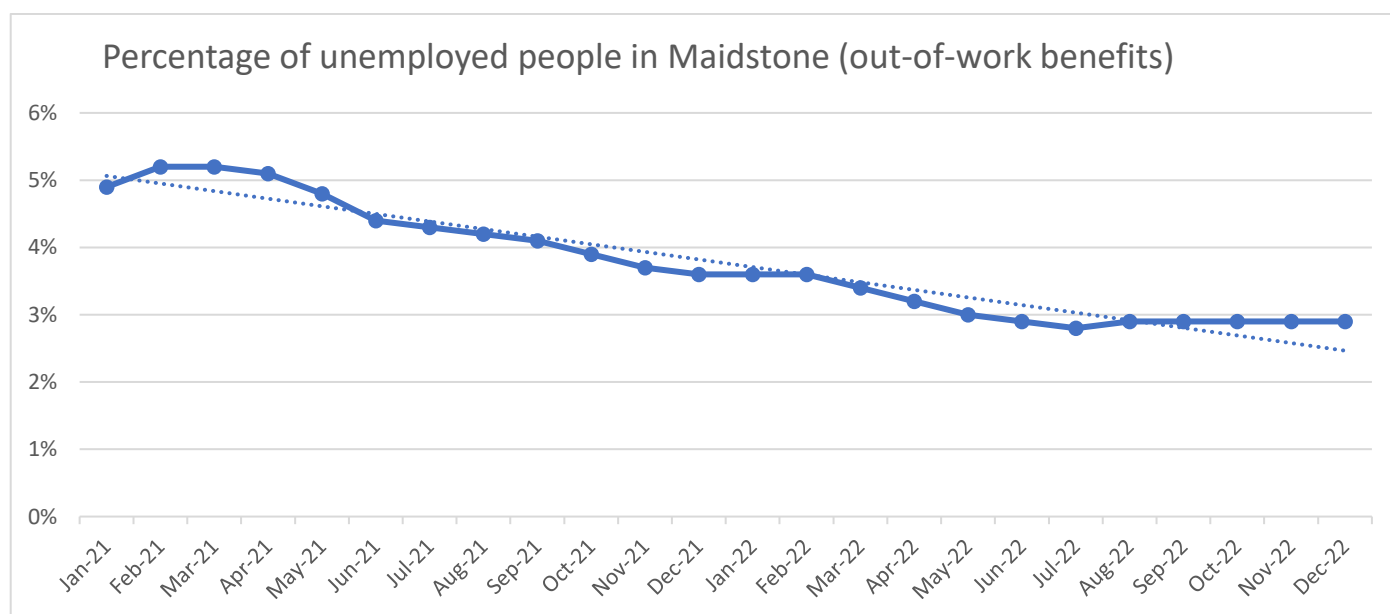
¹ PIs rated N/A are not included in the summary calculations

Using the data from HUQ, the “**Footfall in Town Centre**” KPI achieved an outcome of 351,489 against a target of 468,658, missing its target by more than 10%. When comparing it to HUQ data from the last quarter, footfall has decreased by 17.9%. The drop in footfall from the previous quarter could be in part due to the extreme cold weather period in December and as people adapt their spending patterns to increases in the cost of living.

Percentage of unemployed people in Maidstone (out-of-work benefits) [NOMIS]					
	Value	Target	Status	Short Trend (Last Month)	Long Trend (Last Year)
October 2022	2.8%	1.9%		—	
November 2022	2.9%	2.0%		—	
December 2022	2.9%	2.0%		—	

Unemployment rates in Maidstone have stayed consistent in October 2022 at a volume of 2.8%. In November 2022 the figure slightly shifted and increased by 0.1%. Figures are still higher than pre-pandemic figures of 2% (Q3 2018/19).

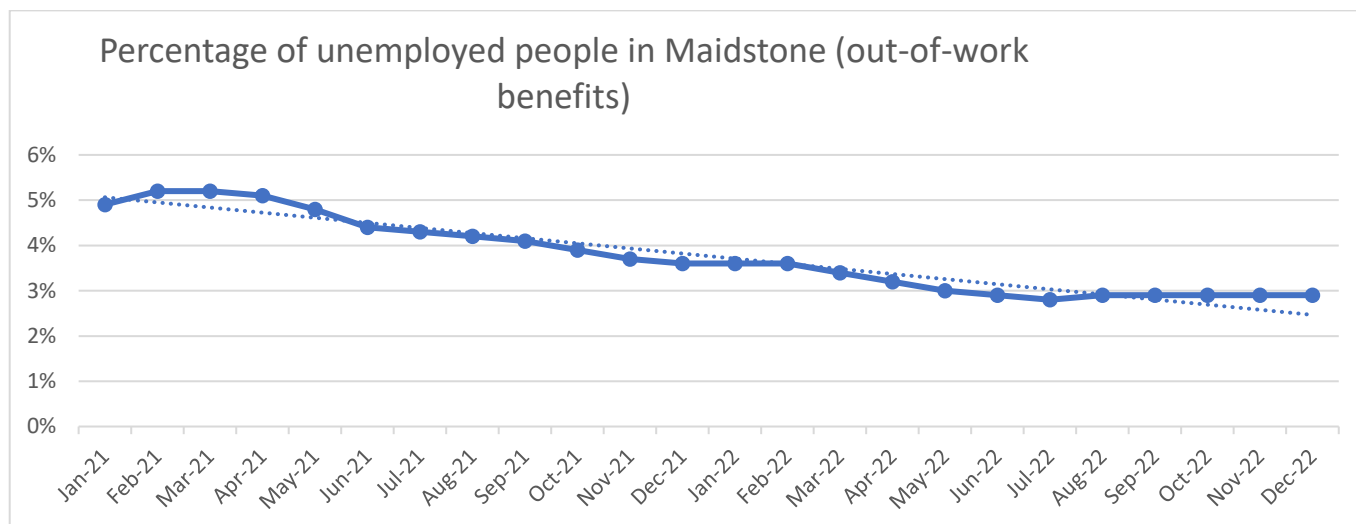
We have created a dashboard to facilitate access to this data live from the Office of National Statistics here: <https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data/tier-3-primary-areas/performance-And-stats/tier-3-primary-areas/dashboards/dashboards/out-of-work-benefits-and-average-property-prices-data>



Number of youths unemployed (18-24)					
	Value	Target	Status	Short Trend (Last Month)	Long Trend (Last Year)
October 2022	535	373			
November 2022	555	373			
December 2022	560	373			

Unemployment among youth figure slightly increased in October 2022 (535) against the September 2022 figure (525). The number of youths unemployed in Q3 2022/23 (1650) is greater than in Q2 2022/23 (1550). However, it is still significantly higher by 28.2% than the pre-pandemic figure of 1185 for Q3 2018/19.

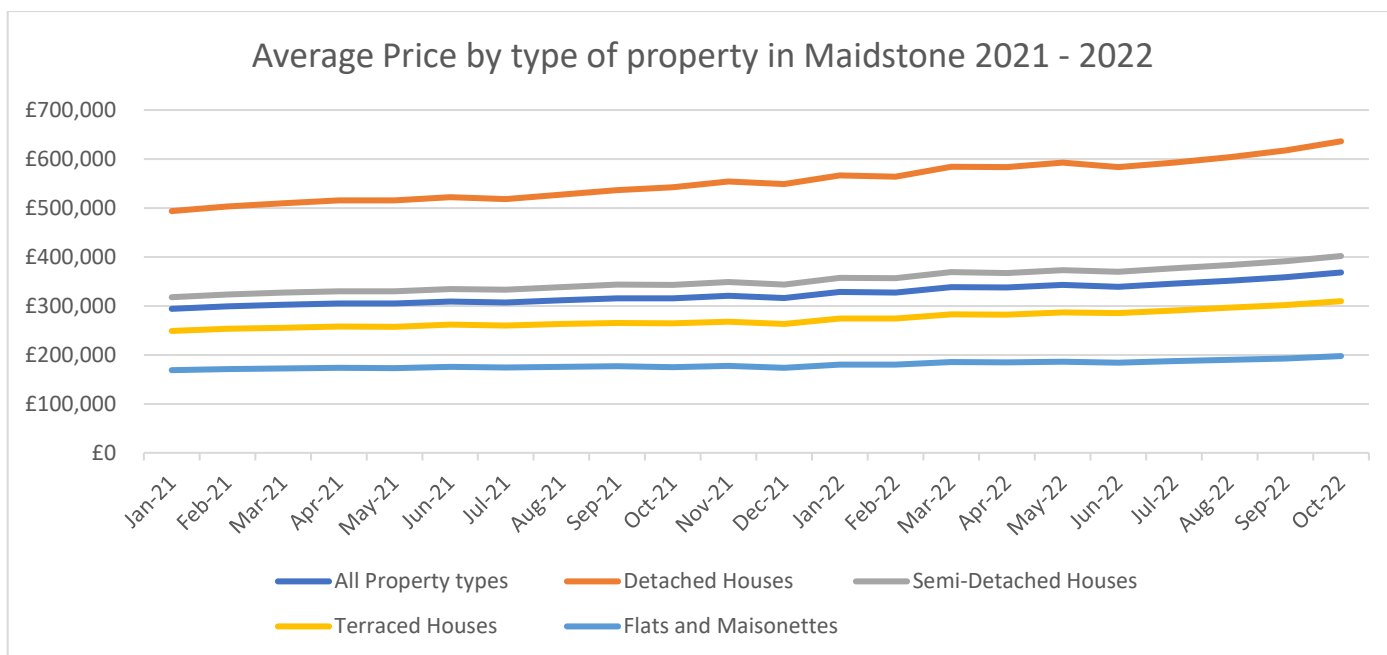
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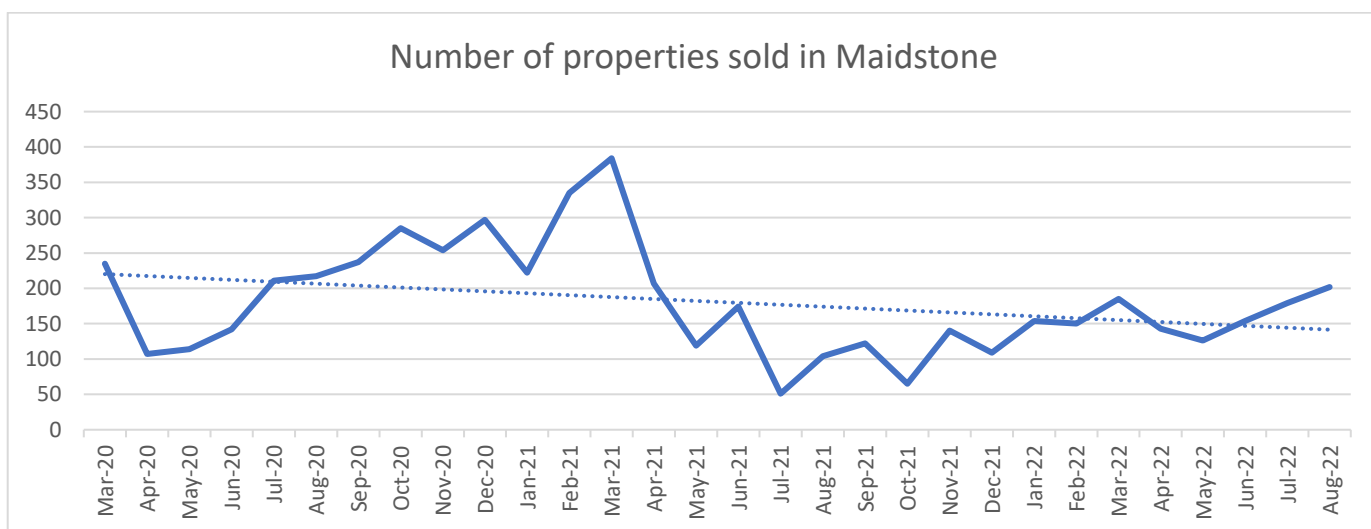
House Prices in Maidstone – October 2022				
House Type	Average price	Target	Short Trend (Last Month)	Long Trend (Last Year)
All properties	£368,295.00			
Detached Houses	£636,162.00			
Semi-detached Houses	£401,838.00			
Terraced Houses	£309,648.00			

Flats & Maisonettes	£197,578.00			
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We have created a dashboard to facilitate access to this data live from the Office of National Statistics here: <https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/information-and-data/tier-3-primary-areas/performance-And-stats/tier-3-primary-areas/dashboards/dashboards/out-of-work-benefits-and-average-property-prices-data>



Prices for all properties in October 2022 saw an increase of 2.7% against September 2022. Prices of detached houses increased in October 2022 by 2.9% to September 2022. Semi-detached houses increased by 2.6% against September 2022. Terraced Houses increased by 2.6% against September 2022. Flats & Maisonettes saw an increase of 2.5% against September 2022.



At the time of writing this report, volumes have not yet been published by HM Land Registry for Q3 of 2022, so figures are provided up until August 2022. In August 2022, the number of properties sold in Maidstone saw an increase of (12.8%) when

compared with July 2022 (202, up from 179). Houses sold saw an increase in June by 18.18% against May (154, up from 126). In July houses sold increased by 15% against June (179, up from 154).

Appendix 3 - Recovery and Renewal Action Plan

A VIBRANT ECONOMY					
Action	Agreed funding	Target Start	Target End	Expected Success	Progress at January 2023
-	£60,000 Recovery Fund	Sep-21	TBC	<p>Provision of a town centre venue to provide accessible training, careers advice, and employability support for all residents. Courses delivered to a range of participants including book-keeping and computerised accounting, skills development online courses, essential digital skills, certified work skills programmes, food hygiene and employability workshops and support. Courses delivered to a range of participants including bookkeeping and computerised accounting, skills development online courses, essential digital skills, certified work skills programmes, food hygiene and employability workshop and support. With space for ten participants to be physically present in the hub it is envisaged that 208 people would be able to take advantage of the hub for courses</p>	<p>No change in position since November 22.</p> <p>(The college was unable to identify and agree commercial terms on a suitable premises and have confirmed that they are no longer in a position to undertake this project. It remains a strategic priority for the college who would welcome collaboration with the council in the future when other future opportunities and funding sources become available.)</p>

Appendix 3 - Recovery and Renewal Action Plan

				and support over 26 weeks.	
Invest in industrial and warehouse premises to help de risk new employment sites coming forward	Capital Programme funding	Sep-21	N/A	Projects are identified to invest in and Maidstone is seen and delivers its promise of being open for business, businesses can expand and locate to the Borough.	A package of Town Centre Capital Bids to the value of £5m in support of the new Town Centre strategy have been submitted. A further bid for £250k has been submitted for Maidstone Innovation Centre to facilitate more flexible workspace (wet labs) and associated shared high-tech equipment.
Vibrant Visitor Economy	£32,000 Business Rates Pool	Jul-21	Jul-23	Maidstone has an enhanced arts and culture offer with increased visitors to key attractions and an increase in footfall in the town centre.	Complete
Capacity to develop projects and bids to take advantage of new funding opportunities	£45,000 Recovery Fund	Sep-21	Sep-25	Successful bids and projects completed that meet our priorities.	No action

Appendix 3 - Recovery and Renewal Action Plan

<p>Transform the Town Centre through the development and delivery of a town centre strategy.</p>	<p>£175,680 Recovery Fund</p>	<p>Sep-21</p>	<p>TBC</p>	<p>Town Centre Strategy in place by 1 March 2023, projects may begin prior to this. Maidstone town centre becomes a centre of excellence for urban sustainability with a strong focus around arts, culture, leisure and visitor economy creating a place where people want to live, feel safe and which prides itself upon being a town centre which is relevant to all of the Borough's residents and to which all of the borough's residents can relate.</p>	<p>Consultant appointed; inception meeting held in December 2022. Town Centre Walk about meeting took place on 18 January 2023.</p>
<p>RESILIENT COMMUNITIES</p>					
<p>Establish Community Compact</p>	<p>N/A</p>	<p>May-21</p>	<p>N/A</p>	<p>Partnership in place between the community and voluntary sector and the council. Joint projects completed and greater resilience</p>	<p>KCC established a Strategic Partnership Board for the VCSE and a VCSE Steering Group, which is independent of KCC and brings together a range of VCS representatives. The terms of reference for this group have now been formalised and MBC will be represented by the Insight, Communities and Governance Manager.</p>

Appendix 3 - Recovery and Renewal Action Plan

<p>Support and Encourage Volunteering in the Borough.</p>	<p>£25,000 Recovery Fund</p>	<p>Jun-21</p>	<p>Oct-22</p>	<p>Increase in the number of volunteers, volunteering in the Borough and as a consequence more community initiatives delivered. Work with involve to develop an indicator</p>	<p>The Council's Community website pages have been developed to include support for volunteering and now include a publicly available repository of VCS (Voluntary and Community Sector) groups in Maidstone. Faith Groups and Places of Worship have also now been mapped and contacted with a view to including them in the repository. MBC hosting a 'Volunteering & Funding Advice Event' on 30 November at Trinity House. This event provided advice and support to volunteers and organisations from the VCS on volunteering and funding and explored opportunities for volunteer engagement. 1:1 appointment with funding advisors throughout the day. A second event is planned to focus on volunteering opportunities.</p>
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Appendix 3 - Recovery and Renewal Action Plan

<p>Online Community Participation</p>	<p>£15,000 Recovery Fund</p>	<p>Sep-21</p>		<p>Online tool in place and used to successfully engage with the public on projects and initiatives.</p>	<p>Two engagement 'hubs' have been developed on the platform – 1 for Economic Development and 1 for Planning. Economic Development also used 'Let's Talk Maidstone' to develop an Innovation Centre Research and Development event with the Business Community. A Planning Hub was launched for the 'Sustainability and Design Mapping exercise'. This sought to find out resident views on features and characteristics of the borough. Closed 12 December. The Resident survey closed at the end of September. A total of 5027 people responded to the questionnaire, of which 3584 provided age and gender allowing these responses to be weighted in line with the population of Maidstone.</p> <p>Since its launch in July the platform has been used to deliver the following</p>
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Appendix 3 - Recovery and Renewal Action Plan

					<p>Consultation and Engagement activities:</p> <p>Operation Broc, Mote park arts, Scarecrow festival, Marden Task Force, Waste and Recycling Newsletter, Community Governance Review, Budget Survey Community Wi-Fi, Air Quality Action Plan, Resident Survey, Sutton Valence Polling Places Review.</p>
Community Resilience Fund	£150,000 Recovery Fund	Oct-21	Oct-24	30 projects delivered by a variety of community and voluntary sector groups and organisations.	<p>1st wave of funding – £89,842 allocated to 23 projects. The 2nd wave of funding – £30,086 allocated to a further 18 projects. Sufficient funds remain to launch a 3rd of funding. Timescale to be confirmed.</p>
Equip Trinity Foyer to be a Community Hub	£30,000 Recovery Fund	Jun-21	Oct-21	New community hub delivered for all housing and related support services in Trinity.	Complete

Appendix 3 - Recovery and Renewal Action Plan

<p>Financial Inclusion Strategy and Actions</p>	<p>£34,320 Recovery Fund</p>	<p>N/A</p>	<p>N/A</p>	<p>The number and value of unclaimed benefits that residents are supported to claim. A reduction in the number of households in financial crisis or at risk of moving into crisis. Increased take up of debt advice services by households with problem debt. A reduction in the number of households identified as being in a repeated pattern of Council Tax debt. The number of low-income households supported with energy efficiency measures. The number of low-income households supported to access a more appropriate tariff</p>	<p>Currently targeting residents living in Houses of Multiple Occupation (HMOs), 254 Landlords of registered HMO's have been contacted as far and as a result tenants have been supported with food vouchers from the Household Support Grant.</p> <p>In addition, the Compliance Officer, working with internal teams, is also supporting vulnerable individuals and households via a separate allocation of funding from the Household Support Grant, providing fuel vouchers for pre-payment meters and food vouchers. £2779.00 in fuel and food vouchers have been issued and £3323.00 in other support awarded.</p> <p>MBC Pension Credit take up to Jan 2023: MBC – 177 residents identified. 95 applications submitted 56 successful 33 awaiting DWP assessment</p>
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Appendix 3 - Recovery and Renewal Action Plan

					<p>6 non qualifiers. Total yearly award of £154,805.04.</p> <p>MBC Council Tax Support/ Universal Credit applications: -747 residents contacted, 115 awarded – yearly award of £89,942.56</p> <p>TWBC (Pension Credit)– 154 residents identified. 62 applications submitted, 36 successful, 24 awaiting DWP assessment and 2 non qualifiers. Total yearly award of £107,233.36.</p> <p>TWBC (Council Tax Support/Universal Credit)- 625 residents contacted, 149 awarded - Total yearly award of £93,718.56.</p>
Love Where You Live and Get Involved.	£35,000 Recovery Fund	Sep-21	Sep-22	8 community environmental projects delivered. Civic Pride increased as measured by the Resident’s Survey. Baseline the number of participants in the project.	1 Community Project delivered. Project cancelled.
THE WAY WE WORK					
Increase HR capacity to facilitate agile working and	£50,000 Recovery Fund	Oct-21	Oct-22	Better understanding from staff on impact of changes to organisation	Complete

Appendix 3 - Recovery and Renewal Action Plan

new ways of working				culture Actions taken to meet future workforce requirements.	
Embedding new ways of working and ensuring the office is fit for purpose	£50,000 Recovery Fund £40,000 Capital Programme	Oct-23	TBC	Flexible office space that supports the new ways of working with the right technology and facilities.	The pilot for OneDrive and Teams document collaboration is being configured. A proposed governance structure for the M365 programme was approved by MKS Exec Board on 5th January 2023.
Ensure staff have the right equipment (office and home) to enable new ways of working	Capital Programme	Oct-21	TBC	Staff able to effectively work anywhere	No further update to report.
Planning Development Control fixed term post	£35,000 Recovery Fund	ASAP	N/A	Backlog resolved and staff able to meet demands on the service	Complete
Planning Enforcement fixed term post	£35,000 Recovery Fund	ASAP	Mar-22	Backlog resolved and staff able to meet demands on the service	Complete
Increased capacity in Heritage and Landscape	£70,000 Recovery Fund	ASAP	N/A	Backlog resolved and staff able to meet demands on the service	Complete
Increased capacity within Data Analytics to provide support for recovery and renewal projects	£50,000 Recovery Fund	Jul-22	Jul-23	18 dashboards in place by 2023	<ul style="list-style-type: none"> • 12 dashboards have been completed. • 2 dashboards are pending additional changes. • 8 dashboards under development. The team remain on target to achieve 18 by summer 2023 and have improved the

Appendix 3 - Recovery and Renewal Action Plan

					information published on the website, with dashboards accessible here.
Business Grant Distribution	£30,000 New Burdens Funding	Ongoing	N/A	Maidstone continues to be the business capital of Kent	COMPLETE
Revenues and Benefits – Citizens Advice Maidstone Post	£18,000 Contain Outbreak Management Fund	Aug-21	N/A	Residents with debt problems are assisted to maximise income, reduce debt by claiming the benefits they are entitled to	COMPLETE

Since Quarter 1, progress has been made against a number of remaining actions including those contributing to 'a vibrant economy.' A package of Town Centre Capital Bids to the value of £5m in support of the new Town Centre strategy have been submitted. A further bid for £250k has been submitted for Maidstone Innovation Centre to facilitate more flexible workspace (wet labs) and associated shared high-tech equipment. With regards to the development of the Town Centre and a Town Centre Strategy, a Consultant has been appointed and an inception meeting was held in December 2022. On 18 January a Town Centre Walk about meeting took place.

Work is on-going to support resilient communities across Maidstone as part of financial inclusion workstreams. In addition to the continued work being undertaken to maximise the uptake of Pension Credit and Council Tax Support, the Welfare team and other front facing teams supported financially vulnerable households with funding from the Household Support Grant. £2779.00 fuel and food vouchers have been issued and £3323.00 has been awarded in other support.

The Community Resilience Fund was open for a second wave of applications for funding in December 2022. Applications were assessed by a Member panel in January 2023. A further 18 projects have been supported, with a total of £30,086 awarded to organisations supporting the well-being of communities in Maidstone. Sufficient funds remain to launch a 3rd of funding.

UKSPF Quarter 3 Update:

On 5th December the Department for Levelling up, Housing & Communities approved the Investment Plan submitted in August 2022, since then the authority has returned the Memorandum of Understanding and is hoping to receive year 1 grant in January 2023. Spending is on track to spend all of the year 1 grant by 31st March 2023 and this is supported by the table below. Preparatory work for year 2 projects (starting April 2023) has started with project leads, the year 2 projects are listed below:

- Activation of open spaces
- Creative Communities Fund
- Continued Events expertise and Advertisements for events
- Iggy Sculpture Trail
- Arts Carnival
- Feasibility Study for a Community Arts Hub
- Borough Insight
- Green volunteering project to improve Town Centre Green Spaces

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Intervention	Project	Detail	2022/23 budget	Amount spent:	£ Committed	Q3 Update:
E1: Improvements to town centres & high streets	Project B A Safe and Attractive Town Centre achieved through Greening and Lighting	Feasibility study in year 1, The feasibility study will be combined with other work required for the Town Centre Strategy so the amount allocated reflects the study being partly funded from the TCS allocation	£20,000			Consultant started work in January 2023, project scope discussions are underway with the consultant to complete the feasibility study.
E6: Local arts, cultural, heritage & creative activities	Project A - Building Pride in Place through promotion of the Town Centre and Events.	Creative communities funds for local organisations and groups to support events	£30,000		£30,000	Submission closed in January 2023, funding to be distributed across 18 projects.
		Festive Trail event – working with One Maidstone to create a festive trail to run through the Town Centre	£20,000	£19,340		Festive Trail completed in December.

		Events Expertise to develop bespoke events	£4,500	£2,106		Support for the Festive Trail and Magic of Xmas Parade
		Equipment purchase to support events	£15,000	£6,268	£1,531	Videography equipment, speaker on wheels, Go Pro and accessories, uplighters for events, equipment storage.
E8: Campaigns to encourage visits and exploring of local area	Project A - Building Pride in Place through promotion of the Town Centre and Events.	Advertising budget to promote events across all channels	£20,000	£4,901	£2,849	Support the Festive Trail and Magic of Xmas Parade
		Borough Insight Events and Town centre focussed	£25,000	£25,000		Completed.
		Promotional video for business and events in TC	£5,218	£1,750		Promotional video for the Magic of Xmas Parade.
Management Overheads			£5,822			
		Total:	£145,540	£59,365	£34,380	
				£93,745		

**Economic Regeneration and Leisure
Policy Advisory Committee**

7 February 2023

Maidstone Leisure Centre

Timetable	
Meeting	Date
Economic Regeneration and Leisure PAC	7 February 2023
Executive	8 February 2023

Will this be a Key Decision?	Yes
Urgency	Not Applicable
Final Decision-Maker	Executive
Lead Head of Service	Mark Green, Director of Finance, Resources and Business Improvement
Lead Officer and Report Author	Mark Green, Director of Finance, Resources and Business Improvement Katie Exon, Head of Property and Leisure Mike Evans, Leisure Manager
Classification	Public
Wards affected	All

Executive summary

Decisions are required about the future of Maidstone Leisure Centre, given the impending expiry of the current operator’s contract, the condition of the building and the Council’s commitment to promoting health and wellbeing. This report sets out the decisions to be addressed and presents formal recommendations to be made to the Executive.

Purpose of Report

Decision

This report asks the Committee to consider the following recommendation to the Executive:

1. That the option entitled minor practical improvements is pursued.
2. That detailed plans for the minor practical improvements are developed and are included in the tender documentation.
3. That the capital sum to deliver these works is identified in the Medium-Term Financial Strategy and in the 2023/24 capital programme.

4. That delegated authority is given to the Director of Finance, Resources and Business Improvement, in consultation with the Lead Member for Leisure and Arts, to lead a procurement process and invite tenders for the delivery of the minor practical improvements.
5. That after the completion of the tender process, delegated authority is given to the Head of Mid Kent Legal Services to enter into such contracts as required to complete the contract award and commence the minor practical improvements.
6. That the council pursues a contract extension with Maidstone Leisure Trust and Serco Leisure Ltd for the continued operation of the centre until 2031.
7. That feasibility work on the long-term future of the centre and all alternative options and provision continues.

Maidstone Leisure Centre

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations will materially improve the Council's ability to achieve A Thriving Place and Homes and Communities. We set out the reasons other choices will be less effective in sections 2 and 4.</p>	Leisure Manager
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations support the achievement of the health inequalities and environmental sustainability cross cutting objectives.</p>	Leisure Manager
Risk Management	Refer to section 5 of the report.	Leisure Manager
Financial	Accepting the recommendations will demand new spending. We plan to fund that spending as set out in the approved Medium-Term Financial Strategy and capital programme.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Head of Property & Leisure

Legal	Acting on the recommendations is within the Council's powers as set out at within various Local Government Acts.	Contracts and Commissioning Team Leader, MKLS
Privacy and Data Protection	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Senior Information Governance Officer
Equalities	The recommendations will create plans and proposals which will lead to changes in service, therefore equalities impact assessments will be completed alongside the plans as they are developed.	Equalities & Communities Officer
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Housing and Inclusion Team Leader
Crime and Disorder	The recommendations will have no negative impact on Crime and Disorder.	Leisure Manager
Procurement	On accepting the recommendations, the Council will then follow procurement procedures. We will complete those exercises in line with financial procedure rules.	Head of Service & Section 151 Officer
Biodiversity and Climate Change	The implications of this report have been considered and there are multiple opportunities, through the recommendations, to greatly reduce utilities and carbon emissions, seek a Passivhaus standard, and make positive impacts on biodiversity and climate change in the borough.	Biodiversity and Climate Change Manager

2. INTRODUCTION AND BACKGROUND

2.1 It is timely to consider future options for the Leisure Centre for the following reasons.

- The current contract for operation of the Leisure Centre with Maidstone Leisure Trust and Serco Leisure Limited expires in 2024.
- The Leisure Centre building is over 50 years old and is becoming increasingly more expensive to maintain and is a negative contributor to the council achieving its net zero carbon ambitions.

- It is appropriate to consider whether the Council's service offer meets its overriding strategic priority of promoting accessible health and wellbeing, within the context of the wider leisure market and the financial pressures faced by the Council.
- 2.2 A sizable body of research and evidence has been accumulated by the Council over the last few years which can help inform this consideration. The imperatives described above mean that this information should now be evaluated and appropriate decisions made.
 - 2.3 A report to ERL Committee in December 2022 presented the findings of the research and the scale of the challenge that the council faces. This report is cited as a background paper. The options discussed by ERL Committee in December 2022 included:
 - Building a brand-new leisure centre
 - Completing a major refurbishment of Maidstone Leisure Centre
 - Making no changes and continuing with the existing Maidstone Leisure Centre
 - Making minor improvements to Maidstone Leisure Centre
 - 2.4 In the current financial climate, and with substantial supply chain issues affecting the construction sector, embarking on a new build leisure centre or a major refurbishment project come with significant project risks. The capital costs that were estimated in 2022, compounded by the rise in interest rates, put these options beyond the current financial capabilities of the council given other pressures on the capital programme.
 - 2.5 Projected capital costs for a new build leisure centre have risen from £35m to £41.13m for a standard leisure centre. A Passivhaus centre or more sophisticated design that the council ought to be aiming for would cost in excess of £50m. At an interest rate of 4% the annual repayment cost on borrowing £41.13m is £1.84m per annum, compared to the annual repayment of £1.07m at the 2% rate. Over the life of a 50-year loan the cost of this option has increased from £53m to £92m.
 - 2.6 Similarly, a major refurbishment of the leisure centre was previously costed at £30m with annual repayments of £954k. The same project will today cost £35.25m with annual repayments of £1.64m. The total cost over 50 years has risen from £47m to £82m.
 - 2.7 To combat the increasing costs of construction and increasing interest rates, a menu of minor improvements for the leisure centre have also been compiled. These changes involve relocating the café, installing additional indoor play and glazing the pools to separate them from the dryside areas. These improvements would combat the centre's energy costs and its negative carbon impacts and would open up new activities for residents. Summaries of the advantages and disadvantages of the options are shown in the table below.

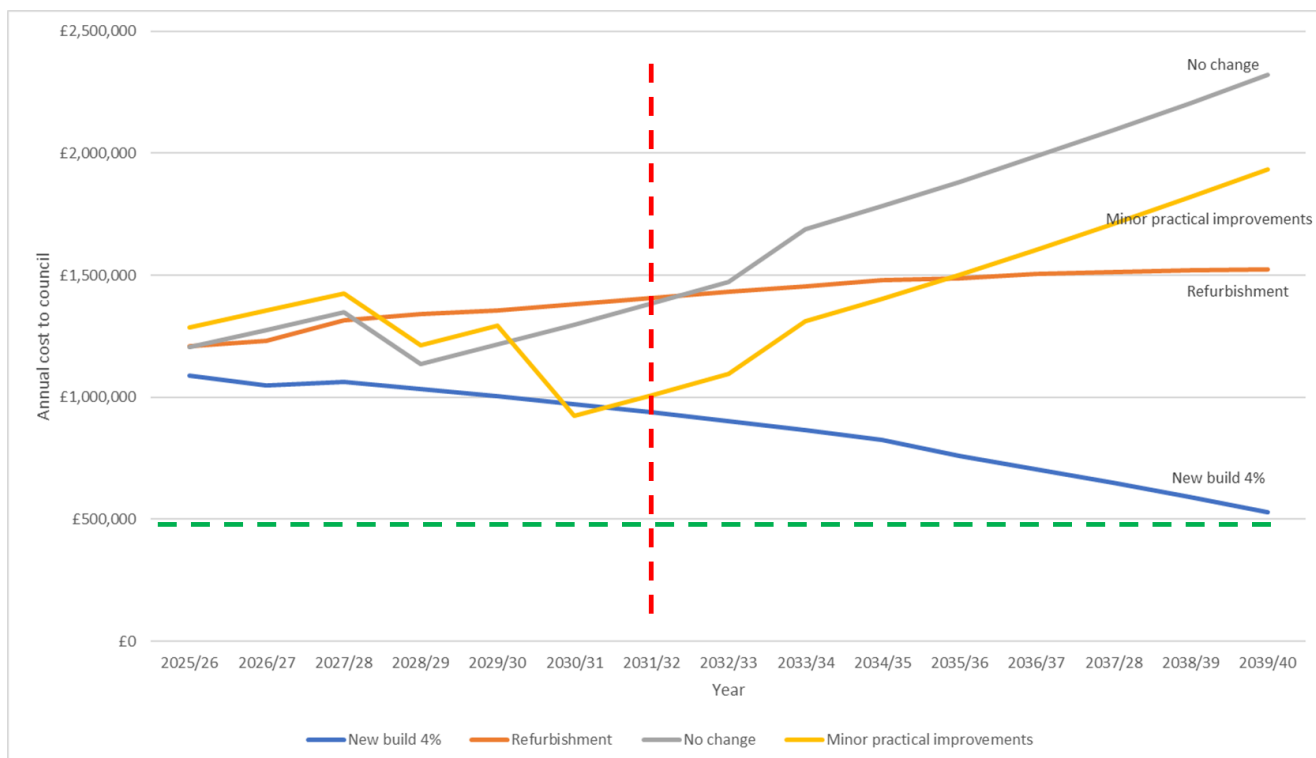
Option	Build cost	Advantages	Disadvantages
<p>New-build leisure centre Brand new centre at Mote Park to replace the existing building</p>	£41.13m	<ul style="list-style-type: none"> • Ability to take full advantage of location and re-orientate building to integrate with park and neighbouring facilities. • Efficient design of facility with facility mix that meets the current and future needs of the borough. • Will result in new business and significant uplift in revenue, customers and health outcomes. • More cost effective long term than adding to old facility structure. 	<ul style="list-style-type: none"> • Significant capital commitment required over the long term.
<p>Major refurbishment of the current building, retaining reusable parts and investing in new facilities also.</p>	£35.25m	<ul style="list-style-type: none"> • Retain structure of the building and reuse materials. • Central location adjacent to Mote Park and areas of deprivation. • Opportunity to improve links from the centre to the park. • Retaining existing customer base and attract new customers. 	<ul style="list-style-type: none"> • Limited scope to change configuration of building and facility mix layout. • Previous refurbishments resulted in short term rather than long term increase in usage. • Significant capital needs to be spent on back of house i.e. plant and equipment, roof replacement; which will not add to the customer experience of using the facility.
<p>No changes to the leisure centre</p>	£0	<ul style="list-style-type: none"> • Requires little investment at a time when investment decisions are difficult. 	<ul style="list-style-type: none"> • Aging building has a number of risks on the horizon that need to be budgeted for/managed.

			<ul style="list-style-type: none"> • Facilities not modern and do not give best service to residents. • Limited opportunities to increase number of customers and people choosing to be active.
<p>Minor practical improvements, including relocating the café closer to the entrance, installing new indoor play activities and installing additional glazing to screen the pools.</p>	£2m	<ul style="list-style-type: none"> • Will deliver new activities to customers and new revenue streams to the business • Will improve carbon emissions and energy costs at the centre • Only requires minor investment at a time when investment decisions are difficult. 	<ul style="list-style-type: none"> • Does not address all the issues and repair needs of the centre • Requires a payback period of at least 8 years

2.8 Appendices 1 and 2 show the financial projections of the different options and key points regarding the financial projections are presented below.

Financial considerations

2.9 Appendix 1 shows the comparisons in the financial projections of the four different options in 2025/26 and across the next 15 years. These are also shown in the graph below.



Graph 1 showing comparisons of four options until 2039/40

2.10 Graph 1 shows the annual outturn in the council’s revenue accounts for each option. The horizontal dashed line on the graph is the current annual outturn, which has been a fixed sum since 2009. An increase in costs is expected in 2024/25, owing to the age of the building when the current operations contract expires and the capital that is required to complete repairs or manage risks. Graph 1 shows that over a 15-year period the new build option delivers the best financial performance, but as described earlier it requires substantial capital investment on less-than favourable terms. For comparison, graph 2 below shows the new build options costed at 2%, 3% and 4% over 50 years and demonstrates why now is not the right time for major investment. The dashed horizontal line shows the current annual outturn. At 4% the new build option takes 15 years to reach current outturn levels. At 2% the current outturn is the starting point, and annual improvements against that position would be delivered year on year.



Graph 2 showing interest rate comparisons for a new-build leisure centre

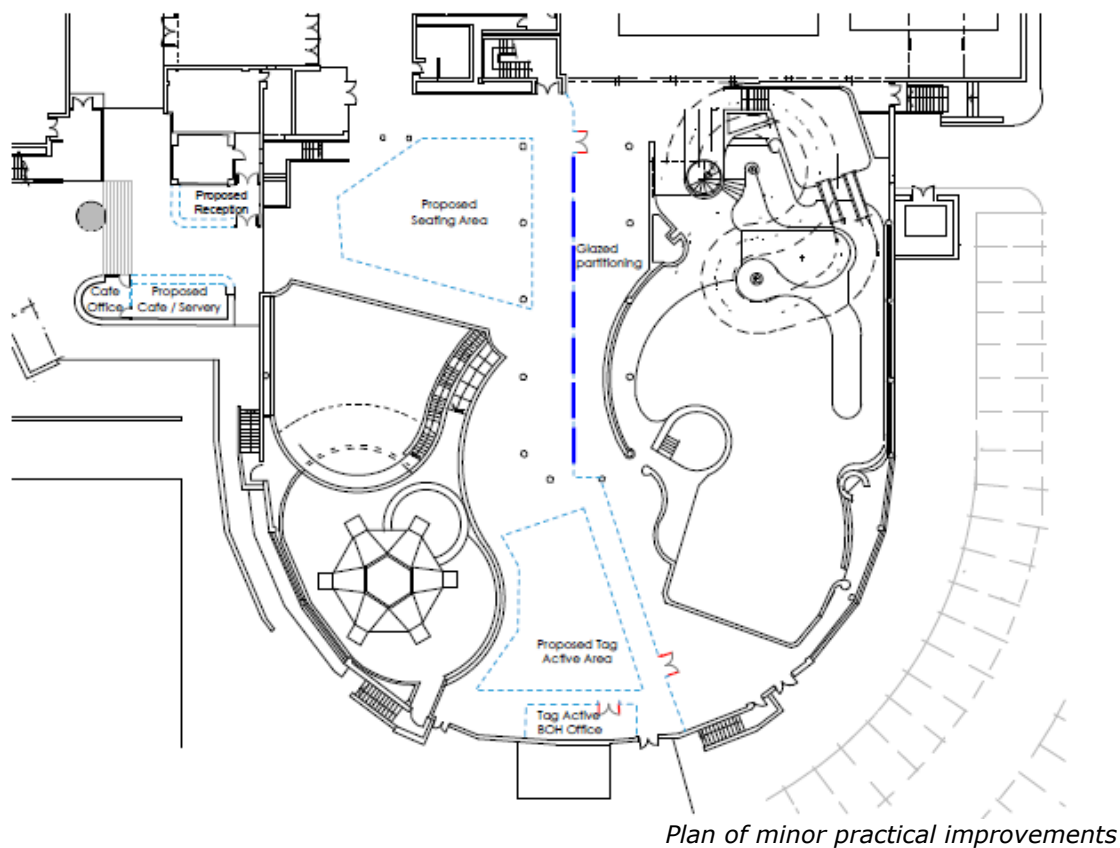
- 2.11 The major refurbishment option will sustain a consistent performance over the 15-year period. It achieves some cost savings but not as many as the new build option, and it also achieves less revenue than the new build. The borrowing needed for the refurbishment option is similarly unsustainable at the moment, as outlined in paragraph 2.6.
- 2.12 Based on the analysis of current interest rates and accepting that major capital investment for a new centre or a refurbished centre is not possible over 50 years in the current climate, attention turns to the no change and the minor practical improvements options in more detail.

Minor practical improvements

- 2.13 The no change option sees the centre continue to operate in its current layout, but an additional £1m will be needed each year over 15 years to support the risks of aging plant and building fabric. This budget does not necessarily require spending each year, but it must be made available should major repairs or replacement be needed in the short term. Working reactively in this way is not the best practice course of action, but investing significant sums in replacing major items of plant and fabric in a building when there are still questions over the long-term future of that building is also not advised. The no change option is presented with these repair and replacement sums included each year to show the costs that the council is facing.
- 2.14 Minor practical improvements to the reception and customer terrace area have been explored and are shown in the plan below. Glazing between the pool hall and the terrace café area will reduce the amount of air space that needs to be heated to keep the pool atmosphere at suitable temperatures and conditions. In turn, this will provide more comfortable conditions for

customers in the dryside areas, reduce carbon emissions at the centre, and reduce annual utilities costs. Moving the café closer to the entrance and the swimming lesson areas and reducing its size will help customer flows and improving staffing efficiencies. The space vacated by the café will be ideal for extended soft play facilities and these can be targeted at young teens, providing new activities for this target age group.

- 2.15 These works are costed at approximately £2m. The improvements will improve the annual operating position by approximately £367k by increasing customer revenue by 2% and assuming a 10% reduction in energy costs. However, the annual cost of delivering the improvements is £449k, resulting in the minor improvements option costing an additional £82k per annum to deliver its benefits compared to the no change option. The minor practical improvements investment has a forecasted repayment plan calculated over five years.



- 2.16 The minor practical improvements option will deliver community, health and environmental benefits. The improved centre will offer a greater variety of activities. By including indoor activities aimed at children and young teens it will target local young people at ages when good physical activity habits can be formed. The improvements to the air quality and temperatures in the centre will benefit all visitors and cut operational costs. These benefits are possible without any additional expenditure when projected until 2031.

Contract extension

- 2.17 For the operation of the leisure centre, the council contracts with Maidstone Leisure Trust (MLT) and Serco Leisure Ltd. MLT have provided the council with the following information *"MLT is an independent not-for-profit community benefit society whose principle purpose is to provide strategic oversight of the management of Maidstone Leisure Centre. By contracting with MLT, Maidstone Borough Council has access to significant tax exemptions and other benefits. The Trust is comprised of a number of volunteer trustees, all of whom have an active interest in sport and active leisure in the borough of Maidstone and some of whom have been trustees throughout the term of the current leisure centre operating contract. Information on the Trust can be viewed at www.maidstoneleisure.org . Day to day running of the leisure centre is carried out by Serco Leisure who operate as the agent for MLT to enable the Trust to fulfil the obligations of the leisure centre contract. Beyond the leisure centre, MLT also supports sport and active leisure locally with grant funding for sports clubs and individuals.*
- 2.18 *"The original 1970's leisure centre building is in need of bringing up to date to be able to meet current and future needs of users. MLT fully supports the council in their aspiration to build a new leisure centre with contemporary and up-to-date specifications and is active in supporting the council in their planning process. However, MLT does recognise the constraints of planning a new build in the current financial environment and is supportive of the council's plans to make improvements to the current building and provision in the short term whilst longer term plans for a more permanent facility are progressed. Both MLT and Serco Leisure will be supportive of the council in that process."*
- 2.19 The contract with Maidstone Leisure Trust and Serco Leisure is due to end in August 2024. At the current time, an offer of a new contract to the market, without a clear plan of the future of the building, would be perceived as highly risky by potential bidders. Future operators will price that risk accordingly and place a premium on it if a contract is let for a period of 10 years or longer. Accordingly, it is proposed to seek a contract extension with Maidstone Leisure Trust and Serco Leisure Limited until 2031.
- 2.20 The minor improvements described above have a lifespan or a payback period of around six years, making them more suited to a contract extension than to a new contract of a longer length. They include items that will increase visitor numbers, increase revenue and reduce operational costs, making them an attractive proposition.

3. AVAILABLE OPTIONS

- 3.1 The age of the leisure centre means that at some point it will need significant investment or it will need replacing. The decision in 2023 is whether replacing Maidstone Leisure Centre needs to be done in the short

term or if it is a decision that can be considered further before the best course of action is chosen.

3.2 A new leisure centre would deliver multiple benefits for the borough, however the Council is approaching this project at a difficult time. Even if a new centre were the preferred option, it would be a financial challenge to deliver it in the current circumstances alongside the other strategic priorities the Council has. Against this backdrop the options are as follows:

3.3 **No changes to the leisure centre**

The age of the leisure centre and the forthcoming contract end date mean that taking no action on the leisure centre will result in the council advertising the least-attractive option to future operators and fail to address the repairs and replacement items that are likely to be required in the next five years. **This option is not recommended.**

3.4 **Proceed with major capital investment in a new-build leisure centre or a major refurbishment of the existing**

Paragraphs 2.4 to 2.12 describe the risks and limitations of pursuing this option in 2023. The total cost of delivering such investment has risen to more than £90m and pursuing at this time on these terms is not the best course of action. **This option is not recommended.**

3.5 **Proceed with minor practical improvements**

This option will increase visitor numbers to the centre, increase revenues and address some of the operational challenges the centre faces. It will add new activities, catering for target demographics, and address customer flows. It will also make a positive difference to the environmental impact that the centre has on the borough and reduce energy usage. The costed plan shows it can achieve these outcomes with the same net cost as the no change option, and it also contains the same budgetary resilience while the risks of the aging building continue to be monitored. **This is the recommended option.**

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Minor practical improvements will deliver the optimum level of benefits to the community and to the council, at the most affordable level of investment and also in line with the council's strategic objectives of delivering a sustainable and vibrant leisure and culture offer across the borough.

4.2 Some of the work can be done with zero disruption to customers, other aspects will require limited changes to the programme and some aspects will require parts of the centre to be closed. It is estimated the work will take approximately seven months to complete and this aspect of the project can be included in the tender documentation.

4.3 The community, health, financial and environmental benefits will be positive things to add to the contract extension discussions due to take place between the council and Maidstone Leisure Trust. The contract extension

will secure the continued operation of the centre in the short term, while efforts continue on the long-term improvements that the leisure centre requires.

- 4.4 With 2031 identified as a key date for resolving the future of the leisure centre, a timeline that enables major investment to take place before 2031 is a sensible thing to put in place. To be open to the public in 2031 construction will need to begin in 2028. Working backwards from these dates an outline timeline is suggested in the table below. Please note, the minor practical improvements are shown as completed in 2024 because Maidstone Leisure Trust is a major partner and timetabling the works in their lease and contract period will require their partnership. 2024 is the latest date it can be completed.

Year	Major milestone
2023	
2024	Minor practical improvements delivered and contract extension agreed. Consultation and feasibility work on required investment for a new facility or major refurbishment continues
2025	Consultation and feasibility work is completed, and type of project (new or refurbished) is identified
2026	Plans and designs of type and level of investment are finalised
2027	Planning approval obtained and contractors appointed
2028	Construction work commences
2031	Investment work is delivered

5. RISK

- 5.1 There are risks associated with all the options described in this report. The risks associated with the preferred option include the continuing management of a building that is more than 50 years old, and these risks are balanced against the risks of the increases in construction costs and current interest rates, which make the current time the worst to be committing to new large capital projects. There are risks that construction costs and interest rates continue to rise, or are just as inflated, in 2031.
- 5.2 The recommendations in this report protect the Council from exposure to volatile construction costs and increased interest rates in the short to medium term. By following the recommendations, the Council will be able to monitor these risks and consider future leisure centre recommendations in the medium term at a time more suitable to major investment.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Extensive consultation has taken place on this subject, including the Sport England-sponsored leisure consultants' report and the Leisure department's rural focus groups. These were referenced in the December report, a background paper to this report.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 A timetable for decision making and next key steps is as follows:

ERL PAC	7 February 2023
Executive Meeting	8 February 2023
Begin discussions with MLT and Serco Leisure regarding contract extension	15 February 2023 onwards
Checkpoint for concluding the contract extension or considering other contract options further.	31 August 2023

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Financial comparisons between options
- Appendix 2: Financial projections of each option

9. BACKGROUND PAPERS

- *Future Options For Maidstone Leisure Centre – ERL PAC – 6 December 2022*

Appendix 1 Financial comparisons between options

	New build	Refurb	No Change	Minor Changes
Total Income	4,187,881	4,109,636	3,568,311	3,976,567
Total Operating Expenditure	3,160,326	3,343,767	3,872,647	3,913,609
Net Profit/(Loss)	1,027,556	765,869	(304,336)	62,958
Income				
Main Pool	906,703	906,703	829,261	844,270
Teaching Pool	646,785	646,785	589,313	599,979
Learner Pool	280,994	280,994	257,824	262,491
Splashpad	55,250	55,250	-	0
Tag Active	305,113	305,113	-	309,375
Soft Play	264,493	264,493	237,575	246,175
Fitness	864,624	852,952	930,742	947,588
Studios	92,250	92,250	57,901	58,949
Spin	19,528	19,527	14,793	15,060
Multi-purpose Room	18,647	18,647	-	0
Sports Hall	151,683	101,122	104,975	106,875
Health grants	55,250	55,250	55,250	56,250
Other income	41,712	41,712	41,712	42,467
Sub-Total	3,703,030	3,640,798	3,119,344	3,489,478
Secondary Spend				
Merchandising	20,202	19,535	52,890	53,847
Cafe	404,042	390,699	360,602	397,125
Vending	60,606	58,605	35,475	36,117
Sub Total Secondary Spend	484,851	468,838	448,967	487,089
Total Income	4,187,881	4,109,636	3,568,311	3,976,567
Expenditure				
Staffing				
Staff Costs	1,834,698	1,834,698	1,840,358	1,908,343
Staff Training and Uniforms	36,694	36,694	37,558	37,558
Staffing Sub Total	1,871,392	1,871,392	1,877,917	1,945,901
Premises				
Utilities (Gas/Electricity)	241,604	321,144	418,072	376,264
Water / Sewerage	44,741	59,471	60,496	60,496
Insurance	31,319	41,630	52,424	52,424
NNDR	26,845	35,683	14,830	14,830
Building Maintenance & Repairs	32,392	43,056	194,672	194,672
Equipment Purchase	22,639	30,092	12,267	12,267
Equipment Rental	17,897	23,788	951	951
Equipment Maintenance & Repairs	12,528	16,652	24,639	24,639
Maintenance Contracts	17,897	23,788	2,057	2,057
Pool Chemicals	35,793	47,577	113,408	113,408
Trade Waste Collection	13,422	17,841	6,250	6,250
Premises sub total	497,077	660,723	900,067	858,259
Services and Administration				
Design, marketing & advertising	69,414	68,117	65,623	65,623
Postage	1,790	2,379	858	858
Printing & Stationery	2,684	3,568	8,462	8,462
Photocopier	2,684	3,568	2,503	2,503
Security Charges	4,474	5,947	4,648	4,648
Bank Charges	8,948	11,894	9,535	9,535
Professional Fees & licences	18,791	24,978	23,837	23,837
Telephone	7,159	9,515	39,990	39,990

Sundries/General Expenses	13,422	17,841	13,468	13,468
Sub Total Admin and Marketing	129,368	147,808	168,925	168,925
Supplies and Services				
Cleaning Supplies	35,793	47,577	70,987	70,987
Café Cost of Sales	202,021	195,349	209,287	224,072
Vending Cost of Sales	24,243	23,442	18,199	18,199
Merchandise Items for re-sale	10,101	9,767	63,192	63,192
Misc Expenses/Contingency	13,422	17,841	192,629	192,629
Sub Total Supplies and Services	285,580	293,977	554,293	569,078
Overheads/Support Cost				
Central Support	83,758	82,193	79,093	79,093
Operator Profit	125,636	123,289	94,766	94,766
Irrecoverable VAT	167,515	164,385	197,587	197,587
Sub Total Support Costs	376,909	369,867	371,446	371,446
Total Operating Expenditure				
	3,160,326	3,343,767	3,872,647	3,913,609
Net Operating Surplus / (Loss)				
	1,027,556	765,869	(304,336)	62,958
Below the line costs				
Sinking Fund/Lifecycle repairs etc	175,000	240,000	900,387	900,387
Equipment Replacement	95,645	95,645	0	0
Capital Cost Repayment	1,844,552	1,640,895	0	449,254
Sub Total	2,115,197	1,976,540	900,387	1,349,641
Gross Surplus / (Loss) inc Sinking Fund	(1,087,641)	(1,210,671)	(1,204,722)	(1,286,683)

		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40	
Option 1	New build 4%	Overall Annual (Surplus) / Loss	1,087,642	1,047,256	1,064,447	1,035,719	1,006,470	972,505	937,510	901,447	864,274	825,950	760,852	706,062	649,401	590,812	530,236
Option 2	Refurb	Overall Annual (Surplus) / Loss	1,210,671	1,230,109	1,314,968	1,342,387	1,357,145	1,382,010	1,406,583	1,430,858	1,454,828	1,478,485	1,488,141	1,506,166	1,512,771	1,518,836	1,524,353
Option 3	No change	Overall Annual (Surplus) / Loss	1,204,722	1,275,087	1,348,310	1,136,747	1,215,948	1,298,275	1,383,822	1,472,688	1,689,003	1,784,815	1,884,260	1,987,452	2,094,507	2,205,545	2,320,691
Option 4	Minor Practical In	Overall Annual (Surplus) / Loss	1,286,683	1,355,055	1,426,311	1,212,807	1,294,395	925,581	1,009,270	1,096,307	1,310,823	1,404,866	1,502,573	1,604,060	1,709,441	1,818,840	1,932,381
Comparison	New build 2%	Overall Annual (Surplus) / Loss	504,085	463,699	480,890	452,162	422,913	388,948	353,953	317,890	280,717	242,393	177,295	122,505	65,844	7,255	(53,321)
Comparison	New build 3%	Overall Annual (Surplus) / Loss	783,135	742,750	759,940	731,212	701,963	667,998	633,004	596,940	559,768	521,444	456,345	401,556	344,895	286,306	225,729

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	New Build														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Total Income	4,187,881	4,366,976	4,518,060	4,684,490	4,815,358	4,956,220	5,098,405	5,241,958	5,386,929	5,533,366	5,708,474	5,872,577	6,039,398	6,209,023	6,381,536
Total 'Operating' Expenditure	3,160,326	3,299,035	3,467,310	3,605,012	3,706,631	3,813,528	3,920,718	4,028,209	4,136,007	4,244,120	4,354,129	4,463,442	4,573,603	4,684,638	4,796,576
Net Profit/(Loss)	1,027,555	1,067,941	1,050,750	1,079,478	1,108,727	1,142,692	1,177,686	1,213,750	1,250,922	1,289,246	1,354,345	1,409,135	1,465,795	1,524,385	1,584,961
Income															
Main Pool	906,703	935,423	964,142	992,861	1,021,580	1,050,299	1,079,018	1,107,737	1,136,456	1,165,175	1,193,895	1,222,614	1,251,333	1,280,052	1,308,771
Teaching Pool	646,785	667,271	687,757	708,244	728,730	749,217	769,703	790,189	810,676	831,162	851,649	872,135	892,621	913,108	933,594
Learner Pool	280,994	289,894	298,794	307,694	316,595	325,495	334,395	343,295	352,196	361,096	369,996	378,896	387,797	396,697	405,597
Splashpad	55,250	57,000	58,750	60,500	62,250	64,000	65,750	67,500	69,250	71,000	72,750	74,500	76,250	78,000	79,750
Tag Active	305,113	314,777	324,441	334,105	343,769	353,434	363,098	372,762	382,426	392,090	401,755	411,419	421,083	430,747	440,411
Soft Play	264,493	272,870	281,248	289,626	298,003	306,381	314,758	323,136	331,514	339,891	348,269	356,646	365,024	373,402	381,779
Fitness	864,624	940,651	988,667	1,052,029	1,079,829	1,117,623	1,156,740	1,197,226	1,239,129	1,282,499	1,327,386	1,373,844	1,421,929	1,471,697	1,523,206
Studios	92,250	95,172	98,094	101,016	103,938	106,860	109,781	112,703	115,625	118,547	121,469	124,391	127,313	130,235	133,157
Spin	19,528	20,146	20,765	21,383	22,002	22,620	23,239	23,857	24,476	25,094	25,713	26,331	26,950	27,568	28,187
Multi-purpose Room	18,647	19,238	19,828	20,419	21,009	21,600	22,191	22,781	23,372	23,963	24,553	25,144	25,734	26,325	26,916
Sports Hall	151,683	156,488	161,292	166,097	170,901	175,706	180,510	185,315	190,119	194,923	220,699	233,167	245,971	259,111	272,587
Health Projects Grants	55,250	55,750	56,250	56,750	57,250	57,750	58,250	58,750	59,250	59,750	60,250	60,750	61,250	61,750	62,250
Other income	41,712	42,089	42,467	42,844	43,221	43,599	43,976	44,354	44,731	45,109	45,486	45,864	46,241	46,619	46,996
Sub-Total	3,703,030	3,866,768	4,002,495	4,153,567	4,269,078	4,394,583	4,521,410	4,649,606	4,779,220	4,910,300	5,063,870	5,205,702	5,349,496	5,495,310	5,643,202
Secondary Spend															
Merchandising	20,202	20,842	21,482	22,122	22,762	23,402	24,041	24,681	25,321	25,961	26,601	27,241	27,881	28,521	29,161
Cafe	404,042	416,840	429,638	442,436	455,233	468,031	480,829	493,627	506,424	519,222	537,395	556,204	575,671	595,819	616,673
Vending	60,606	62,526	64,446	66,365	68,285	70,205	72,124	74,044	75,964	77,883	80,609	83,431	86,351	89,373	92,501
Sub Total Secondary Spend	484,851	500,208	515,565	530,923	546,280	561,637	576,995	592,352	607,709	623,066	644,605	666,875	689,902	713,713	738,334
Total Income	4,187,881	4,366,976	4,518,060	4,684,490	4,815,358	4,956,220	5,098,405	5,241,958	5,386,929	5,533,366	5,708,474	5,872,577	6,039,398	6,209,023	6,381,536
Expenditure															
Staffing															
Staff Costs	1,834,698	1,892,810	1,950,923	2,009,036	2,067,148	2,125,261	2,183,373	2,241,486	2,299,599	2,357,711	2,415,824	2,473,936	2,532,049	2,590,162	2,648,274
Staff Training and Uniforms	36,694	37,856	39,018	40,181	41,343	42,505	43,667	44,830	45,992	47,154	48,316	49,479	50,641	51,803	52,965

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	New Build														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Staffing Sub Total	1,871,392	1,930,667	1,989,941	2,049,216	2,108,491	2,167,766	2,227,041	2,286,316	2,345,591	2,404,865	2,464,140	2,523,415	2,582,690	2,641,965	2,701,240
Premises															
Utilities (Gas/Electricity)	241,604	249,256	256,909	264,562	272,214	279,867	287,519	295,172	302,825	310,477	318,130	325,783	333,435	341,088	348,740
Water / Sewerage	44,741	46,159	47,576	48,993	50,410	51,827	53,244	54,662	56,079	57,496	58,913	60,330	61,747	63,164	64,582
Insurance	31,319	32,311	33,303	34,295	35,287	36,279	37,271	38,263	39,255	40,247	41,239	42,231	43,223	44,215	45,207
NNDR	26,845	27,695	28,545	29,396	30,246	31,096	31,947	32,797	33,647	34,497	35,348	36,198	37,048	37,899	38,749
Building Maintenance & Repairs	32,392	64,784	129,568	161,960	161,960	166,009	170,058	174,107	178,156	182,205	182,205	182,205	182,205	182,205	182,205
Equipment Purchase	22,639	23,356	24,073	24,790	25,507	26,225	26,942	27,659	28,376	29,093	29,810	30,527	31,244	31,961	32,678
Equipment Rental	17,897	18,463	19,030	19,597	20,164	20,731	21,298	21,865	22,431	22,998	23,565	24,132	24,699	25,266	25,833
Equipment Maintenance & Repairs	12,528	12,924	13,321	13,718	14,115	14,512	14,908	15,305	15,702	16,099	16,496	16,892	17,289	17,686	18,083
Maintenance Contracts	17,897	18,463	19,030	19,597	20,164	20,731	21,298	21,865	22,431	22,998	23,565	24,132	24,699	25,266	25,833
Pool Chemicals	35,793	36,927	38,061	39,194	40,328	41,462	42,595	43,729	44,863	45,997	47,130	48,264	49,398	50,532	51,665
Trade Waste Collection	13,422	13,848	14,273	14,698	15,123	15,548	15,973	16,398	16,824	17,249	17,249	17,249	17,249	17,249	17,249
Premises sub total	497,077	544,187	623,690	670,800	685,519	704,286	723,054	741,821	760,589	779,356	793,650	807,943	822,237	836,530	850,823
Administration and Marketing															
Design, marketing & advertising	69,414	74,675	79,631	85,023	89,927	95,159	100,566	106,150	111,913	117,861	124,587	131,252	138,151	145,291	152,678
Postage	1,790	1,846	1,903	1,960	2,016	2,073	2,130	2,186	2,243	2,300	2,357	2,413	2,470	2,527	2,583
Printing & Stationery	2,684	2,770	2,855	2,940	3,025	3,110	3,195	3,280	3,365	3,450	3,535	3,620	3,705	3,790	3,875
Photocopier	2,684	2,770	2,855	2,940	3,025	3,110	3,195	3,280	3,365	3,450	3,535	3,620	3,705	3,790	3,875
Security Charges	4,474	4,616	4,758	4,899	5,041	5,183	5,324	5,466	5,608	5,750	5,891	6,033	6,175	6,316	6,458
Bank Charges	8,948	9,232	9,515	9,799	10,082	10,365	10,649	10,932	11,216	11,499	11,783	12,066	12,349	12,633	12,916
Professional Fees & licences	18,791	19,387	19,982	20,577	21,172	21,767	22,363	22,958	23,553	24,148	24,743	25,339	25,934	26,529	27,124
Telephone	7,159	7,385	7,612	7,839	8,066	8,292	8,519	8,746	8,973	9,199	9,426	9,653	9,880	10,106	10,333
Sundries/General Expenses	13,422	13,848	14,273	14,698	15,123	15,548	15,973	16,398	16,824	17,249	17,674	18,099	18,524	18,949	19,374
Sub Total Admin and Marketing	129,368	136,528	143,382	150,674	157,476	164,608	171,913	179,396	187,059	194,905	203,531	212,094	220,893	229,931	239,218
Supplies and Services															
Cleaning Supplies	35,793	36,927	38,061	39,194	40,328	41,462	42,595	43,729	44,863	45,997	47,130	48,264	49,398	50,532	51,665
Café Cost of Sales	202,021	208,420	214,819	221,218	227,617	234,016	240,414	246,813	253,212	259,611	266,010	272,409	278,808	285,207	291,606
Vending Cost of Sales	24,243	25,010	25,778	26,546	27,314	28,082	28,850	29,618	30,385	31,153	32,244	33,372	34,540	35,749	37,000

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	New Build														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Merchandise Items for re-sale	10,101	10,421	10,741	11,061	11,381	11,701	12,021	12,341	12,661	12,981	13,300	13,620	13,940	14,260	14,580
Misc Expenses/Contingency	13,422	13,848	14,273	14,698	15,123	15,548	15,973	16,398	16,824	17,249	17,674	18,099	18,524	18,949	19,374
Sub Total Supplies and Services	285,580	294,626	303,672	312,717	321,763	330,808	339,854	348,899	357,945	366,990	379,046	391,458	404,238	417,400	430,957
Overheads/Support Cost															
Central Support	83,758	87,340	90,361	93,690	96,307	99,124	101,968	104,839	107,739	110,667	114,169	117,452	120,788	124,180	127,631
Operator Profit	125,636	131,009	135,542	140,535	144,461	148,687	152,952	157,259	161,608	166,001	171,254	176,177	181,182	186,271	191,446
Irrecoverable VAT	167,515	174,679	180,722	187,380	192,614	198,249	203,936	209,678	215,477	221,335	228,339	234,903	241,576	248,361	255,261
Sub Total Support Costs	376,909	393,028	406,625	421,604	433,382	446,060	458,856	471,776	484,824	498,003	513,763	528,532	543,546	558,812	574,338
Total Operating Expenditure	3,160,326	3,299,035	3,467,310	3,605,012	3,706,631	3,813,528	3,920,718	4,028,209	4,136,007	4,244,120	4,354,129	4,463,442	4,573,603	4,684,638	4,796,576
Net Operating Surplus / (Loss)	1,027,555	1,067,941	1,050,750	1,079,478	1,108,727	1,142,692	1,177,686	1,213,750	1,250,922	1,289,246	1,354,345	1,409,135	1,465,795	1,524,385	1,584,961
Below the line costs															
Sinking Fund/Lifecycle repairs etc	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Equipment Replacement	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645
Capital Cost Repayment	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552	1,844,552
Sub Total	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197	2,115,197
Gross Surplus / (Loss) inc Sinking Fund	(1,087,642)	(1,047,256)	(1,064,447)	(1,035,719)	(1,006,470)	(972,505)	(937,510)	(901,447)	(864,274)	(825,950)	(760,852)	(706,062)	(649,401)	(590,812)	(530,236)

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Refurbish														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Total Income	4,109,636	4,236,728	4,338,609	4,456,888	4,541,205	4,620,317	4,699,850	4,779,813	4,860,213	4,941,060	5,039,832	5,129,473	5,232,327	5,336,099	5,440,807
Total 'Operating' Expenditure	3,343,767	3,490,297	3,677,038	3,822,735	3,921,810	4,025,787	4,129,894	4,234,131	4,338,501	4,443,005	4,551,434	4,659,099	4,768,558	4,878,396	4,988,620
Net Profit/(Loss)	765,869	746,431	661,572	634,152	619,395	594,530	569,956	545,681	521,712	498,055	488,398	470,374	463,769	457,703	452,187
Income															
Main Pool	906,703	923,114	939,525	955,936	972,347	988,758	1,005,169	1,021,580	1,037,991	1,054,402	1,070,813	1,087,224	1,107,737	1,128,251	1,148,765
Teaching Pool	646,785	658,491	670,198	681,904	693,611	705,317	717,024	728,730	740,437	752,143	763,850	775,556	790,189	804,823	819,456
Learner Pool	280,994	286,080	291,165	296,251	301,337	306,423	311,509	316,595	321,681	326,766	331,852	336,938	343,295	349,653	356,010
Splashpad	55,250	56,250	57,250	58,250	59,250	60,250	61,250	62,250	63,250	64,250	65,250	66,250	67,500	68,750	70,000
Tag Active	305,113	310,635	316,157	321,680	327,202	332,725	338,247	343,769	349,292	354,814	360,337	365,859	372,762	379,665	386,568
Soft Play	264,493	269,280	274,067	278,854	283,642	288,429	293,216	298,003	302,790	307,578	312,365	317,152	323,136	329,120	335,104
Fitness	852,952	921,977	965,792	1,026,003	1,052,253	1,073,299	1,094,764	1,116,660	1,138,993	1,161,773	1,185,008	1,208,708	1,232,883	1,257,540	1,282,691
Studios	92,250	93,920	95,590	97,259	98,929	100,599	102,268	103,938	105,608	107,278	108,947	110,617	112,704	114,791	116,878
Spin	19,527	19,880	20,234	20,587	20,941	21,294	21,648	22,001	22,354	22,708	23,061	23,415	23,857	24,298	24,740
Multipurpose Room	18,647	18,984	19,322	19,659	19,997	20,334	20,672	21,009	21,347	21,684	22,022	22,359	22,781	23,203	23,625
Sports Hall	101,122	102,953	104,783	106,613	108,443	110,274	112,104	113,934	115,764	117,595	131,965	136,412	141,457	146,593	151,821
Health Projects Grants	55,250	55,750	56,250	56,750	57,250	57,750	58,250	58,750	59,250	59,750	60,250	60,750	61,250	61,750	62,250
Other income	41,712	42,089	42,467	42,844	43,221	43,599	43,976	44,354	44,731	45,109	45,486	45,864	46,241	46,619	46,996
Sub-Total	3,640,797	3,759,403	3,852,799	3,962,592	4,038,424	4,109,050	4,180,097	4,251,574	4,323,488	4,395,849	4,481,206	4,557,104	4,645,793	4,735,056	4,824,904
Secondary Spend															
Merchandising	19,535	19,889	20,242	20,596	20,949	21,303	21,656	22,010	22,364	22,717	23,071	23,424	23,866	24,308	24,750
Cafe	390,699	397,770	404,842	411,913	418,985	426,056	433,128	440,199	447,270	454,342	465,700	477,343	489,277	501,508	514,046
Vending	58,605	59,666	60,726	61,787	62,848	63,908	64,969	66,030	67,091	68,151	69,855	71,601	73,391	75,226	77,107
Sub Total Secondary Spend	468,838	477,324	485,810	494,296	502,781	511,267	519,753	528,239	536,725	545,210	558,626	572,369	586,534	601,043	615,903
Total Income	4,109,636	4,236,728	4,338,609	4,456,888	4,541,205	4,620,317	4,699,850	4,779,813	4,860,213	4,941,060	5,039,832	5,129,473	5,232,327	5,336,099	5,440,807
Expenditure															
Staffing															
Staff Costs	1,834,698	1,892,810	1,950,923	2,009,036	2,067,148	2,125,261	2,183,373	2,241,486	2,299,599	2,357,711	2,415,824	2,473,936	2,532,049	2,590,162	2,648,274
Staff Training and Uniforms	36,694	37,856	39,018	40,181	41,343	42,505	43,667	44,830	45,992	47,154	48,316	49,479	50,641	51,803	52,965
Staffing Sub Total	1,871,392	1,930,667	1,989,941	2,049,216	2,108,491	2,167,766	2,227,041	2,286,316	2,345,591	2,404,865	2,464,140	2,523,415	2,582,690	2,641,965	2,701,240

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Refurbish														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Premises															
Utilities (Gas/Electricity)	321,144	331,316	341,488	351,660	361,832	372,004	382,176	392,348	402,520	412,692	422,864	433,036	443,208	453,380	463,552
Water / Sewerage	59,471	61,355	63,239	65,122	67,006	68,890	70,773	72,657	74,541	76,424	78,308	80,192	82,076	83,959	85,843
Insurance	41,630	42,948	44,267	45,586	46,904	48,223	49,541	50,860	52,178	53,497	54,816	56,134	57,453	58,771	60,090
NNDR	35,683	36,813	37,943	39,073	40,204	41,334	42,464	43,594	44,724	45,855	46,985	48,115	49,245	50,376	51,506
Building Maintenance & Repairs	43,056	86,112	172,224	215,280	215,280	220,662	226,044	231,426	236,808	242,190	247,572	252,954	258,336	263,718	269,100
Equipment Purchase	30,092	31,046	31,999	32,952	33,905	34,858	35,811	36,764	37,718	38,671	39,624	40,577	41,530	42,483	43,437
Equipment Rental	23,788	24,542	25,295	26,049	26,802	27,556	28,309	29,063	29,816	30,570	31,323	32,077	32,830	33,584	34,337
Equipment Maintenance & Repairs	16,652	17,179	17,707	18,234	18,762	19,289	19,817	20,344	20,871	21,399	21,926	22,454	22,981	23,509	24,036
Maintenance Contracts	23,788	24,542	25,295	26,049	26,802	27,556	28,309	29,063	29,816	30,570	31,323	32,077	32,830	33,584	34,337
Pool Chemicals	47,577	49,084	50,591	52,098	53,605	55,112	56,619	58,126	59,633	61,140	62,646	64,153	65,660	67,167	68,674
Trade Waste Collection	17,841	18,406	18,972	19,537	20,102	20,667	21,232	21,797	22,362	22,927	22,927	22,927	22,927	22,927	22,927
Premises sub total	660,723	723,343	829,019	891,639	911,203	936,149	961,095	986,042	1,010,988	1,035,934	1,060,315	1,084,696	1,109,077	1,133,458	1,157,839
Administration and Marketing															
Design, marketing & advertising	68,117	72,448	76,468	80,893	84,807	88,710	92,705	96,791	100,971	105,245	109,994	114,644	119,689	124,865	130,171
Postage	2,379	2,454	2,530	2,605	2,680	2,756	2,831	2,906	2,982	3,057	3,132	3,208	3,283	3,358	3,434
Printing & Stationery	3,568	3,681	3,794	3,907	4,020	4,133	4,246	4,359	4,472	4,585	4,698	4,812	4,925	5,038	5,151
Photocopier	3,568	3,681	3,794	3,907	4,020	4,133	4,246	4,359	4,472	4,585	4,698	4,812	4,925	5,038	5,151
Security Charges	5,947	6,135	6,324	6,512	6,701	6,889	7,077	7,266	7,454	7,642	7,831	8,019	8,208	8,396	8,584
Bank Charges	11,894	12,271	12,648	13,024	13,401	13,778	14,155	14,531	14,908	15,285	15,662	16,038	16,415	16,792	17,169
Professional Fees & licences	24,978	25,769	26,560	27,351	28,142	28,934	29,725	30,516	31,307	32,098	32,889	33,681	34,472	35,263	36,054
Telephone	9,515	9,817	10,118	10,420	10,721	11,022	11,324	11,625	11,927	12,228	12,529	12,831	13,132	13,433	13,735
Sundries/General Expenses	17,841	18,406	18,972	19,537	20,102	20,667	21,232	21,797	22,362	22,927	23,492	24,058	24,623	25,188	25,753
Sub Total Admin and Marketing	147,808	154,663	161,208	168,156	174,595	181,022	187,541	194,152	200,855	207,653	214,927	222,101	229,671	237,370	245,201
Supplies and Services															
Cleaning Supplies	47,577	49,084	50,591	52,098	53,605	55,112	56,619	58,126	59,633	61,140	62,646	64,153	65,660	67,167	68,674
Café Cost of Sales	195,349	198,885	202,421	205,957	209,492	213,028	216,564	220,099	223,635	227,171	232,850	238,671	244,638	250,754	257,023
Vending Cost of Sales	23,442	23,866	24,290	24,715	25,139	25,563	25,988	26,412	26,836	27,261	27,942	28,641	29,357	30,091	30,843
Merchandise Items for re-sale	9,767	10,077	10,121	10,298	10,475	10,651	10,828	11,005	11,182	11,359	11,535	11,712	11,933	12,154	12,375
Misc Expenses/Contingency	17,841	18,406	18,972	19,537	20,102	20,667	21,232	21,797	22,362	22,927	23,492	24,058	24,623	25,188	25,753
Sub Total Supplies and Services	293,977	300,318	306,395	312,604	318,812	325,021	331,230	337,439	343,648	349,857	358,467	367,235	376,211	385,354	394,668

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Refurbish														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
Overheads/Support Cost															
Central Support	82,193	84,735	86,772	89,138	90,824	92,406	93,997	95,596	97,204	98,821	100,797	102,589	104,647	106,722	108,816
Operator Profit	123,289	127,102	130,158	133,707	136,236	138,610	140,996	143,394	145,806	148,232	151,195	153,884	156,970	160,083	163,224
Irrecoverable VAT	164,385	169,469	173,544	178,276	181,648	184,813	187,994	191,193	194,409	197,642	201,593	205,179	209,293	213,444	217,632
Sub Total Support Costs	369,867	381,305	390,475	401,120	408,708	415,829	422,987	430,183	437,419	444,695	453,585	461,653	470,909	480,249	489,673
Total Operating Expenditure	3,343,767	3,490,297	3,677,038	3,822,735	3,921,810	4,025,787	4,129,894	4,234,131	4,338,501	4,443,005	4,551,434	4,659,099	4,768,558	4,878,396	4,988,620
Net Operating Surplus / (Loss)	765,869	746,431	661,572	634,152	619,395	594,530	569,956	545,681	521,712	498,055	488,398	470,374	463,769	457,703	452,187
Below the line costs															
Sinking Fund/Lifecycle repairs etc	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
Equipment Replacement	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645	95,645
Capital Cost Repayment	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895	1,640,895
Sub Total	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540	1,976,540
Gross Surplus / (Loss) inc Sinking	(1,210,671)	(1,230,109)	(1,314,968)	(1,342,387)	(1,357,145)	(1,382,010)	(1,406,583)	(1,430,858)	(1,454,828)	(1,478,485)	(1,488,141)	(1,506,166)	(1,512,771)	(1,518,836)	(1,524,353)

Maidstone Leisure Centre Financial Modelling

Detailed Budget

No change to existing leisure centre

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40
Total Income	3,568,311	3,600,604	3,632,896	3,665,189	3,697,481	3,729,773	3,762,066	3,794,358	3,826,651	3,858,943	3,891,235	3,923,528	3,955,820	3,988,113	4,020,405
Total 'Operating' Expenditure	3,872,647	3,975,304	4,080,820	4,189,280	4,300,773	4,415,392	4,533,232	4,654,390	4,778,968	4,907,072	5,038,810	5,174,294	5,313,642	5,456,972	5,604,410
Net Profit/(Loss)	(304,336)	(374,700)	(447,924)	(524,091)	(603,292)	(685,619)	(771,166)	(860,032)	(952,318)	(1,048,129)	(1,147,575)	(1,250,767)	(1,357,821)	(1,468,859)	(1,584,005)
Income															
Main Pool	829,261	836,765	844,270	851,774	859,279	866,784	874,288	881,793	889,297	896,802	904,307	911,811	919,316	926,821	934,325
Teaching Pool	589,313	594,646	599,979	605,313	610,646	615,979	621,312	626,645	631,978	637,311	642,645	647,978	653,311	658,644	663,977
Learner pool	257,824	260,157	262,491	264,824	267,157	269,490	271,824	274,157	276,490	278,823	281,157	283,490	285,823	288,156	290,490
Splashpad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tag Active	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soft play inc Polar Adventure	237,575	239,725	241,875	244,025	246,175	248,325	250,475	252,625	254,775	256,925	259,075	261,225	263,375	265,525	267,675
Fitness	930,742	939,165	947,588	956,011	964,434	972,857	981,280	989,703	998,126	1,006,549	1,014,972	1,023,395	1,031,818	1,040,241	1,048,664
Studios	57,901	58,425	58,949	59,473	59,997	60,521	61,045	61,569	62,093	62,617	63,141	63,665	64,189	64,713	65,237
Spin	14,793	14,927	15,060	15,194	15,328	15,462	15,596	15,730	15,864	15,997	16,131	16,265	16,399	16,533	16,667
Multi-purpose room	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sports Hall inc events	104,975	105,925	106,875	107,825	108,775	109,725	110,675	111,625	112,575	113,525	114,475	115,425	116,375	117,325	118,275
Health project grants	55,250	55,750	56,250	56,750	57,250	57,750	58,250	58,750	59,250	59,750	60,250	60,750	61,250	61,750	62,250
Other income	41,712	42,089	42,467	42,844	43,221	43,599	43,976	44,354	44,731	45,109	45,486	45,864	46,241	46,619	46,996
Sub-Total	3,119,344	3,147,574	3,175,803	3,204,032	3,232,262	3,260,491	3,288,720	3,316,950	3,345,179	3,373,409	3,401,638	3,429,867	3,458,097	3,486,326	3,514,555
Secondary Spend															
Merchandising	52,890	53,368	53,847	54,326	54,804	55,283	55,762	56,240	56,719	57,197	57,676	58,155	58,633	59,112	59,591
Café	360,602	363,866	367,129	370,392	373,656	376,919	380,183	383,446	386,709	389,973	393,236	396,499	399,763	403,026	406,290
Vending	35,475	35,796	36,117	36,438	36,759	37,080	37,401	37,722	38,043	38,364	38,685	39,006	39,327	39,648	39,969
Sub Total Secondary Spend	448,967	453,030	457,093	461,156	465,219	469,282	473,345	477,408	481,471	485,534	489,598	493,661	497,724	501,787	505,850
Total Income	3,568,311	3,600,604	3,632,896	3,665,189	3,697,481	3,729,773	3,762,066	3,794,358	3,826,651	3,858,943	3,891,235	3,923,528	3,955,820	3,988,113	4,020,405
Expenditure															
Staffing															
Staff Costs	1,840,358	1,886,367	1,933,527	1,981,865	2,031,411	2,082,197	2,134,252	2,187,608	2,242,298	2,298,355	2,355,814	2,414,710	2,475,077	2,536,954	2,600,378
Staff training and uniforms	37,558	38,497	39,460	40,446	41,457	42,494	43,556	44,645	45,761	46,905	48,078	49,280	50,512	51,774	53,069
Staffing Sub Total	1,877,917	1,924,865	1,972,986	2,022,311	2,072,869	2,124,690	2,177,808	2,232,253	2,288,059	2,345,261	2,403,892	2,463,989	2,525,589	2,588,729	2,653,447
Premises															
Utilities (Gas/Electricity)	418,072	428,523	439,237	450,217	461,473	473,010	484,835	496,956	509,380	522,114	535,167	548,546	562,260	576,316	590,724
Water / Sewerage	60,496	62,008	63,558	65,147	66,776	68,445	70,157	71,911	73,708	75,551	77,440	79,376	81,360	83,394	85,479
Insurance	52,424	53,735	55,078	56,455	57,867	59,313	60,796	62,316	63,874	65,471	67,108	68,785	70,505	72,268	74,074
NNDR	14,830	15,201	15,581	15,971	16,370	16,779	17,199	17,629	18,069	18,521	18,984	19,459	19,945	20,444	20,955

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	No change to existing leisure centre														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40
Building Maintenance & Repairs	194,672	204,406	214,626	225,358	236,625	248,457	260,880	273,924	287,620	302,001	317,101	332,956	349,604	367,084	385,438
Equipment purchase	12,267	12,880	13,524	14,200	14,910	15,656	16,439	17,260	18,123	19,030	19,981	20,980	22,029	23,131	24,287
Equipment Rental	951	975	999	1,024	1,050	1,076	1,103	1,131	1,159	1,188	1,218	1,248	1,279	1,311	1,344
Equipment Maintenance & Repairs	24,639	25,871	27,164	28,523	29,949	31,446	33,018	34,669	36,403	38,223	40,134	42,141	44,248	46,460	48,783
Maintenance Contracts	2,057	2,160	2,268	2,381	2,500	2,625	2,757	2,895	3,039	3,191	3,351	3,518	3,694	3,879	4,073
Pool Chemicals	113,408	116,243	119,149	122,128	125,181	128,311	131,518	134,806	138,176	141,631	145,172	148,801	152,521	156,334	160,242
Trade Waste Collection	6,250	6,406	6,567	6,731	6,899	7,071	7,248	7,429	7,615	7,806	8,001	8,201	8,406	8,616	8,831
Premises sub total	900,067	928,409	957,752	988,136	1,019,601	1,052,190	1,085,950	1,120,926	1,157,167	1,194,726	1,233,656	1,274,011	1,315,851	1,359,237	1,404,232
Services and Administration															
Design, marketing & advertising	65,623	67,264	68,945	70,669	72,436	74,247	76,103	78,005	79,956	81,954	84,003	86,103	88,256	90,462	92,724
Postage	858	880	902	924	947	971	995	1,020	1,046	1,072	1,099	1,126	1,154	1,183	1,213
Printing & Stationery	8,462	8,674	8,891	9,113	9,341	9,574	9,814	10,059	10,310	10,568	10,832	11,103	11,381	11,665	11,957
Photocopier	2,503	2,566	2,630	2,695	2,763	2,832	2,903	2,975	3,050	3,126	3,204	3,284	3,366	3,450	3,537
Security Charges	4,648	4,765	4,884	5,006	5,131	5,259	5,391	5,525	5,664	5,805	5,950	6,099	6,251	6,408	6,568
Bank Charges	9,535	9,773	10,018	10,268	10,525	10,788	11,058	11,334	11,617	11,908	12,206	12,511	12,823	13,144	13,473
Professional fees & licences	23,837	24,433	25,044	25,670	26,312	26,970	27,644	28,335	29,044	29,770	30,514	31,277	32,059	32,860	33,682
Phone & ICT software and comms	39,990	40,989	42,014	43,065	44,141	45,245	46,376	47,535	48,724	49,942	51,190	52,470	53,782	55,126	56,504
Sundries/General Expenses	13,468	13,805	14,150	14,504	14,866	15,238	15,619	16,009	16,410	16,820	17,240	17,671	18,113	18,566	19,030
Sub Total Admin and Marketing	168,925	173,148	177,477	181,914	186,462	191,123	195,901	200,799	205,819	210,964	216,238	221,644	227,186	232,865	238,687
Supplies															
Cleaning Supplies	70,987	72,761	74,580	76,445	78,356	80,315	82,323	84,381	86,490	88,653	90,869	93,141	95,469	97,856	100,302
Cafe Cost of Sales	209,287	214,519	219,882	225,379	231,013	236,789	242,708	248,776	254,996	261,370	267,905	274,602	281,467	288,504	295,717
Vending cost of sales	18,199	18,654	19,120	19,598	20,088	20,590	21,105	21,633	22,173	22,728	23,296	23,878	24,475	25,087	25,714
Merchandise Items for re-sale	63,192	64,772	66,391	68,051	69,752	71,496	73,283	75,115	76,993	78,918	80,891	82,913	84,986	87,111	89,288
Misc Expenses/Contingency	192,629	197,445	202,381	207,440	212,627	217,942	223,391	228,975	234,700	240,567	246,582	252,746	259,065	265,541	272,180
Sub Total Supplies and Services	554,293	568,150	582,354	596,913	611,836	627,132	642,810	658,880	675,352	692,236	709,542	727,281	745,463	764,099	783,202
Overheads/Support Cost															
Central Support	79,093	81,070	83,097	85,174	87,303	89,486	91,723	94,016	96,367	98,776	101,245	103,776	106,371	109,030	111,756
Operator Profit	94,766	97,135	99,563	102,052	104,604	107,219	109,899	112,647	115,463	118,349	121,308	124,341	127,449	130,636	133,901
Irrecoverable VAT	197,587	202,527	207,590	212,780	218,099	223,552	229,141	234,869	240,741	246,759	252,928	259,252	265,733	272,376	279,186
Sub Total Support Costs	371,446	380,732	390,250	400,006	410,006	420,257	430,763	441,532	452,570	463,885	475,482	487,369	499,553	512,042	524,843
Total Operating Expenditure	3,872,647	3,975,304	4,080,820	4,189,280	4,300,773	4,415,392	4,533,232	4,654,390	4,778,968	4,907,072	5,038,810	5,174,294	5,313,642	5,456,972	5,604,410
Net Operating Surplus / (loss)	(304,336)	(374,700)	(447,924)	(524,091)	(603,292)	(685,619)	(771,166)	(860,032)	(952,318)	(1,048,129)	(1,147,575)	(1,250,767)	(1,357,821)	(1,468,859)	(1,584,005)

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	No change to existing leisure centre													
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39

Repairs costs	900,387	900,387	900,387	612,656	612,656	612,656	612,656	612,656	736,686	736,686	736,686	736,686	736,686	736,686	736,686	736,686
Operating Surplus / (Loss) After Rep	(1,204,722)	(1,275,087)	(1,348,310)	(1,136,747)	(1,215,948)	(1,298,275)	(1,383,822)	(1,472,688)	(1,689,003)	(1,784,815)	(1,884,260)	(1,987,452)	(2,094,507)	(2,205,545)	(2,320,691)	(2,320,691)

Required repairs and works 2023-2027

£5,402,320

Required repairs and works 2028 - 2032

£3,063,280

Required repairs and works 2033 - 2037

£5,156,800

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Minor improvements														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40
Total Income	3,976,567	4,011,876	4,047,185	4,082,494	4,113,503	4,148,812	4,184,121	4,219,430	4,254,739	4,290,048	4,325,357	4,360,666	4,395,975	4,431,285	4,466,594
Total Operating Expenditure	3,913,609	4,017,290	4,123,856	4,233,392	4,345,988	4,461,737	4,580,735	4,703,081	4,828,877	4,958,228	5,091,245	5,228,040	5,368,731	5,513,439	5,662,289
Net Profit/(Loss)	62,958	(5,414)	(76,671)	(150,897)	(232,485)	(312,925)	(396,614)	(483,651)	(574,137)	(668,180)	(765,888)	(867,374)	(972,756)	(1,082,154)	(1,195,695)
Income															
Main Pool	844,270	851,774	859,279	866,784	874,288	881,793	889,297	896,802	904,307	911,811	919,316	926,821	934,325	941,830	949,334
Teaching Pool	599,979	605,313	610,646	615,979	621,312	626,645	631,978	637,311	642,645	647,978	653,311	658,644	663,977	669,310	674,643
Learner pool	262,491	264,824	267,157	269,490	271,824	274,157	276,490	278,823	281,157	283,490	285,823	288,156	290,490	292,823	295,156
Splashpad	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tag Active	309,375	312,125	314,875	317,625	320,375	323,125	325,875	328,625	331,375	334,125	336,875	339,625	342,375	345,125	347,875
Soft play inc Polar Adventure	246,175	248,325	250,475	252,625	250,475	252,625	254,775	256,925	259,075	261,225	263,375	265,525	267,675	269,825	271,975
Fitness	947,588	956,011	964,434	972,857	981,280	989,703	998,126	1,006,549	1,014,972	1,023,395	1,031,818	1,040,241	1,048,664	1,057,087	1,065,510
Studios	58,949	59,473	59,997	60,521	61,045	61,569	62,093	62,617	63,141	63,665	64,189	64,713	65,237	65,761	66,285
Spin	15,060	15,194	15,328	15,462	15,596	15,730	15,864	15,997	16,131	16,265	16,399	16,533	16,667	16,801	16,935
Multi-purpose room	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sports Hall inc events	106,875	107,825	108,775	109,725	110,675	111,625	112,575	113,525	114,475	115,425	116,375	117,325	118,275	119,225	120,175
Health project grants	56,250	56,750	57,250	57,750	58,250	58,750	59,250	59,750	60,250	60,750	61,250	61,750	62,250	62,750	63,250
Other income	42,467	42,844	43,221	43,599	43,976	44,354	44,731	45,109	45,486	45,864	46,241	46,619	46,996	47,374	47,751
Sub Total	3,489,478	3,520,457	3,551,437	3,582,416	3,609,095	3,640,075	3,671,054	3,702,034	3,733,013	3,763,992	3,794,972	3,825,951	3,856,930	3,887,910	3,918,889
Secondary Spend															
Merchandising	53,847	54,326	54,804	55,283	55,762	56,240	56,719	57,197	57,676	58,155	58,633	59,112	59,591	60,069	60,548
Café	397,125	400,655	404,185	407,715	411,245	414,775	418,305	421,835	425,365	428,895	432,425	435,955	439,485	443,015	446,545
Vending	36,117	36,438	36,759	37,080	37,401	37,722	38,043	38,364	38,685	39,006	39,327	39,648	39,969	40,291	40,612
Sub Total Secondary Spend	487,089	491,419	495,748	500,078	504,408	508,737	513,067	517,397	521,726	526,056	530,386	534,715	539,045	543,375	547,705
Total Income	3,976,567	4,011,876	4,047,185	4,082,494	4,113,503	4,148,812	4,184,121	4,219,430	4,254,739	4,290,048	4,325,357	4,360,666	4,395,975	4,431,285	4,466,594
Expenditure															
Staffing															
Staff Costs	1,908,343	1,956,051	2,004,953	2,055,076	2,106,453	2,159,115	2,213,093	2,268,420	2,325,130	2,383,259	2,442,840	2,503,911	2,566,509	2,630,672	2,696,438
Staff training and uniforms	37,558	38,497	39,460	40,446	41,457	42,494	43,556	44,645	45,761	46,905	48,078	49,280	50,512	51,774	53,069
Staffing Sub Total	1,945,901	1,994,549	2,044,412	2,095,523	2,147,911	2,201,608	2,256,649	2,313,065	2,370,891	2,430,164	2,490,918	2,553,191	2,617,021	2,682,446	2,749,507
Premises															
Utilities (Gas/Electricity)	376,264	385,671	395,313	405,196	415,325	425,709	436,351	447,260	458,442	469,903	481,650	493,691	506,034	518,685	531,652
Water / Sewerage	60,496	62,008	63,558	65,147	66,776	68,445	70,157	71,911	73,708	75,551	77,440	79,376	81,360	83,394	85,479
Insurance	52,424	53,735	55,078	56,455	57,867	59,313	60,796	62,316	63,874	65,471	67,108	68,785	70,505	72,268	74,074
NNDR	14,830	15,201	15,581	15,971	16,370	16,779	17,199	17,629	18,069	18,521	18,984	19,459	19,945	20,444	20,955
Building Maintenance & Repairs	194,672	204,406	214,626	225,358	236,625	248,457	260,880	273,924	287,620	302,001	317,101	332,956	349,604	367,084	385,438
Equipment purchase	12,267	12,880	13,524	14,200	14,910	15,656	16,439	17,260	18,123	19,030	19,981	20,980	22,029	23,131	24,287

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Minor improvements														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40
Equipment Rental	951	975	999	1,024	1,050	1,076	1,103	1,131	1,159	1,188	1,218	1,248	1,279	1,311	1,344
Equipment Maintenance & Repairs	24,639	25,871	27,164	28,523	29,949	31,446	33,018	34,669	36,403	38,223	40,134	42,141	44,248	46,460	48,783
Maintenance Contracts	2,057	2,160	2,268	2,381	2,500	2,625	2,757	2,895	3,039	3,191	3,351	3,518	3,694	3,879	4,073
Pool Chemicals	113,408	116,243	119,149	122,128	125,181	128,311	131,518	134,806	138,176	141,631	145,172	148,801	152,521	156,334	160,242
Trade Waste Collection	6,250	6,406	6,567	6,731	6,899	7,071	7,248	7,429	7,615	7,806	8,001	8,201	8,406	8,616	8,831
Premises sub total	858,259	885,557	913,828	943,114	973,453	1,004,889	1,037,466	1,071,230	1,106,229	1,142,515	1,180,139	1,219,156	1,259,625	1,301,605	1,345,159
Services and Administration															
Design, marketing & advertising	65,623	67,264	68,945	70,669	72,436	74,247	76,103	78,005	79,956	81,954	84,003	86,103	88,256	90,462	92,724
Postage	858	880	902	924	947	971	995	1,020	1,046	1,072	1,099	1,126	1,154	1,183	1,213
Printing & Stationery	8,462	8,674	8,891	9,113	9,341	9,574	9,814	10,059	10,310	10,568	10,832	11,103	11,381	11,665	11,957
Photocopier	2,503	2,566	2,630	2,695	2,763	2,832	2,903	2,975	3,050	3,126	3,204	3,284	3,366	3,450	3,537
Security Charges	4,648	4,765	4,884	5,006	5,131	5,259	5,391	5,525	5,664	5,805	5,950	6,099	6,251	6,408	6,568
Bank Charges	9,535	9,773	10,018	10,268	10,525	10,788	11,058	11,334	11,617	11,908	12,206	12,511	12,823	13,144	13,473
Professional fees & licences	23,837	24,433	25,044	25,670	26,312	26,970	27,644	28,335	29,044	29,770	30,514	31,277	32,059	32,860	33,682
Phones ICT software and comms	39,990	40,989	42,014	43,065	44,141	45,245	46,376	47,535	48,724	49,942	51,190	52,470	53,782	55,126	56,504
Sundries/General Expenses	13,468	13,805	14,150	14,504	14,866	15,238	15,619	16,009	16,410	16,820	17,240	17,671	18,113	18,566	19,030
Sub Total Admin and Marketing	168,925	173,148	177,477	181,914	186,462	191,123	195,901	200,799	205,819	210,964	216,238	221,644	227,186	232,865	238,687
Supplies															
Cleaning Supplies	70,987	72,761	74,580	76,445	78,356	80,315	82,323	84,381	86,490	88,653	90,869	93,141	95,469	97,856	100,302
Cafe Cost of Sales	224,072	229,674	235,416	241,301	247,333	253,517	259,855	266,351	273,010	279,835	286,831	294,002	301,352	308,886	316,608
Vending cost of sales	18,199	18,654	19,120	19,598	20,088	20,590	21,105	21,633	22,173	22,728	23,296	23,878	24,475	25,087	25,714
Merchandise Items for re-sale	63,192	64,772	66,391	68,051	69,752	71,496	73,283	75,115	76,993	78,918	80,891	82,913	84,986	87,111	89,288
Misc Expenses/Contingency	192,629	197,445	202,381	207,440	212,627	217,942	223,391	228,975	234,700	240,567	246,582	252,746	259,065	265,541	272,180
Sub Total Supplies and Services	569,078	583,305	597,888	612,835	628,156	643,860	659,956	676,455	693,367	710,701	728,468	746,680	765,347	784,481	804,093
Overheads/Support Cost															
Central Support	79,093	81,070	83,097	85,174	87,303	89,486	91,723	94,016	96,367	98,776	101,245	103,776	106,371	109,030	111,756
Operator Profit	94,766	97,135	99,563	102,052	104,604	107,219	109,899	112,647	115,463	118,349	121,308	124,341	127,449	130,636	133,901
Irrecoverable VAT	197,587	202,527	207,590	212,780	218,099	223,552	229,141	234,869	240,741	246,759	252,928	259,252	265,733	272,376	279,186
Sub Total Support Costs	371,446	380,732	390,250	400,006	410,006	420,257	430,763	441,532	452,570	463,885	475,482	487,369	499,553	512,042	524,843
Total Operating Expenditure	3,913,609	4,017,290	4,123,856	4,233,392	4,345,988	4,461,737	4,580,735	4,703,081	4,828,877	4,958,228	5,091,245	5,228,040	5,368,731	5,513,439	5,662,289
Net Operating Surplus / (loss)	62,958	(5,414)	(76,671)	(150,897)	(232,485)	(312,925)	(396,614)	(483,651)	(574,137)	(668,180)	(765,888)	(867,374)	(972,756)	(1,082,154)	(1,195,695)
Capital costs / repairs	900,387	900,387	900,387	612,656	612,656	612,656	612,656	612,656	736,686	736,686	736,686	736,686	736,686	736,686	736,686
Minor changes investment	449,254	449,254	449,254	449,254	449,254										
Overall Surplus / (Loss)	(1,286,683)	(1,355,055)	(1,426,311)	(1,212,807)	(1,294,395)	(925,581)	(1,009,270)	(1,096,307)	(1,310,823)	(1,404,866)	(1,502,573)	(1,604,060)	(1,709,441)	(1,818,840)	(1,932,381)

Maidstone Leisure Centre Financial Modelling

Detailed Budget

	Minor improvements														
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/28	2038/39	2039/40
Required repairs and works 2023-2027	£5,402,320														
Required repairs and works 2028 - 2032				£3,063,280											
Required repairs and works 2033 - 2037									£5,156,800						
Cost of minor changes 2025/26 to 2029/30	£2,000,000														