

# North Lanarkshire Council Report

## Education and Families Committee

approval  noting

Ref KH/CM/KS

Date 21/05/19

### North Lanarkshire Leisure Ltd: 2018/19 Operational Performance Monitoring - Quarter 3 and Financial Performance as at 27 January 2019 (Period 11)

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#### Executive Summary

This report provides details of North Lanarkshire Leisure (NL Leisure) Ltd's performance in meeting the 2018/19 performance indicator targets in Quarter Three. The report also provides an update on the preparations for the integration of NL Leisure with CultureNL.

Financial performance is considered within the context of the charity's approved activities and budgets for the financial year 2018/19.

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#### Recommendations

Members are asked to:

1. Note NL Leisure's operational performance for Quarter Three 2018/19;
2. Note NL Leisure's financial performance against its approved 2018/19 revenue and capital budgets as at the financial period ending on 27 January 2019;
3. Identify areas of activity for further detailed reporting and consideration by the Council; and
4. Otherwise note the contents of this report.

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#### Supporting Documents

<b>The plan for North Lanarkshire</b>	All five priorities are supported by NL Leisure.
<b>Appendix 1</b>	2018/19 Performance Indicators – Quarter 3 Outcomes
<b>Appendix 2</b>	NL Leisure Financial Performance Report – Revenue 1 April 2018 – 27 January 2019
<b>Appendix 3</b>	NL Leisure – Financial Monitoring Report – Capital -1 April 2018 – 31 March 2019
<b>Appendix 4</b>	NL Leisure – Financial Position as at 27 January 2019
<b>Appendix 5</b>	NL Leisure – Cash Flow – 28 January – 31 March 2019
<b>Appendix 6</b>	NL Leisure - Financial Monitoring Report – Revenue 2019-20 Budget

## **1. Background**

- 1.1 NL Leisure was set up in 2006 as a wholly owned, non-profit company and is a registered charity. NL Leisure delivers community based sport and leisure venues, programmes and activities on behalf of the Council. Governance responsibilities are fulfilled by a Board of Directors which meets on a quarterly basis.
  - 1.2 At present NL Leisure is in the process of integrating with CultureNL to form a single entity, 'Culture and Leisure North Lanarkshire Ltd' which will deliver culture, sport and leisure activities across North Lanarkshire.
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## **2. Report**

### **Performance Indicators**

- 2.1 NL Leisure's performance was previously reported quarterly to the ALEOs and External Bodies Monitoring Sub Committee which, at its 29 August 2018 meeting, approved a suite of performance indicators, together with targets. Performance is now reported to this committee quarterly – performance against targets and outcomes achieved in Quarter Three (1 October to 31 December 2018) is listed in Appendix One.

### **ALEO Service Review**

- 2.2 At the meeting of 26 February 2019, members noted the decision taken at Policy and Resources Committee in September 2018 to deliver cultural, leisure, sports and related services through a single organisation, with CultureNL retained as the single legal entity and charity responsible for delivering these integrated services on behalf of the Council. A Programme Board, containing representation from each of the existing charitable Boards, was set up to progress implementation and integration arrangements.
- 2.3 At its special meeting on 28 February 2018, the Council's Policy and Strategy Committee approved the proposed variations to CultureNL's Articles of Association. Such variations aimed to reflect the inclusion of sporting and leisure activities within the charity's objectives and the proposed change of name to 'Culture and Leisure North Lanarkshire.' Committee delegated authority to the Head of Legal and Democratic Solutions and the Head of Communities to finalise the Articles of Association following any feedback received from the Office of the Scottish Charity Regulator (OSCR). Committee also authorised the Head of Legal and Democratic Solutions to prepare the necessary Special Resolutions to bring about the change of name and other revisions to CultureNL's Articles of Association. The Committee, mindful of the earliest date by which NL Leisure's Board of Directors could consider the proposed revisions and OSCR timeline to review, noted the proposed integration date would be extended from 1 April to 1 June 2019.
- 2.4 Since then, the Board of NL Leisure has been making preparations to ensure the smooth and effective transfer of its business and staff to Culture and Leisure North Lanarkshire. Supporting this activity, the Board are undertaking due diligence including consideration of the nomination of directors for potential appointment to the Board of the single entity.

- 2.5 The Council is supporting both NL Leisure and CultureNL with integration arrangements and will assist as required and appropriate, with any clarifications for OSCR in furtherance of this work.
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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland**

There are no considerations which require to be addressed at this time.

#### **3.2 Equality Impact Assessment**

There is no requirement for an Equality Impact Assessment at this time.

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### **4. Implications**

#### **4.1 Financial Impact**

##### **Public Accountability Obligations – Financial Year 2018-19**

- 4.1.1 To satisfy the Council's duty to ensure the organisation delivering sport and leisure management services on its behalf is financially sound, the Council's Section 95 Officer maintains appropriate and proportionate processes and procedures for scrutinising NL Leisure's financial performance.
- 4.1.2 The Council's Legal Agreements with NL Leisure specify the financial information which must be submitted to the Council including an annual business plan, quarterly management accounts, audited financial statements etc, to enable Financial Solutions to assess and report any financial risk likely to arise as a result of the Council using NL Leisure to deliver these services.
- 4.1.3 The Council expends revenue and capital resources annually with NL Leisure to deliver services which assist the Council in achieving its priority outcomes. For financial year 2018-19, the Council has approved revenue and capital spend equating to £8.137m and £3.660m respectively, and therefore has a duty to ensure this money is being properly used to deliver both the Council's and NL Leisure's key objectives.
- 4.1.4 Members will wish to note the Council's 2018-19 revenue contributions represent 32.7% of the organisation's budgeted income of £24.876m, with the balance of income of £16.740m being primarily generated through trading activities, as outlined within Appendix 2.

##### **Financial Performance 1 April 2018 to 27 January 2019**

- 4.1.5 Based on their financial statements to 27 January 2019, NL Leisure is projecting a year end deficit of £0.095m, which is an adverse variance to the break-even budget. This position includes an anticipated significant under recovery in income of £1.380m, offset by a corresponding material underspend in expenditure of £1.285m anticipated.
- 4.1.6 There are material under recoveries in income of £1.498m in relation to AccessNL memberships, catering, investment income, Trading CIC income and

other leisure income including football, aquatics, fitness, golf and a variety of other sports. This has been partly offset by increased income from swimming lessons and management fee of £0.118m. Temporary closure of pitches and facilities for planned maintenance has contributed to the reduced income by c. £0.350m, which will have been partly offset by reduction in costs also. Management action to address the overall income under-recovery includes: accelerated 2019-20 savings, which will have a part year impact in 18-19; close management of vacancies; and, authorising essential expenditure only. Further details on variances are provided at Appendix 2.

- 4.1.7 Appendix 3 provides a summary of the revised approved capital programme for 2018-19 of £3.660m which is currently projected to spend in full by 31 March 2019.

### **Overall Financial Standing as at 27 January 2019**

- 4.1.8 Appendix 4 provides 2018-19 key balances to give members an indication of the overall financial standing of the company as at 27 January 2019, along with the previous year's comparator figures. However, Committee are advised that due to financial peaks and troughs in the trading year, it is difficult to make true comparisons with the reported position as at 31 March 2018. Some commentary on key balances and indicators worthy of note are contained within the appendix.

- 4.1.9 The company has a cash balance of £1.724m as at 27 January 2019. A cash flow forecast to 31 March 2019 is provided at Appendix 5 which shows a balance of £1.143m by the year end. Members will appreciate the reported deficit outlined in 4.1.5 above may put further demand on cash resources. However, as previously advised, the cash position is closely monitored and Financial Solutions continue to seek assurance over forecast cash balances. Updates regarding this will continue to be brought to future committees.

### **4.2 Budget 2019/20**

- 4.2.1 Appendix 6 provides a summary of the proposed budget for 2019/20. Income and expenditure of £24.440m is anticipated resulting in a breakeven budget. This budget absorbs cost pressures of £1.825m, including a management fee reduction, reduced income recoveries, incremental salary costs, pension auto-enrolment costs, insurance and inflation on operational and utility costs. Efficiency measures and anticipated cost savings have been approved to manage the cost pressures including; service reviews and restructuring, pricing reviews and rental income growth, procurement savings, and other approved savings.
- 4.2.2 Members will recall that the former Education Committee previously noted, at its meeting in May last year, that NL Leisure received a loan of £0.804m from the Council to support one-off restructure costs linked to their future operating model. The loan agreement provides for this to be repaid over a 5 year period at £0.161m per annum, commencing 2019/20. These repayments are incorporated within NL Leisure's future cash flow and business planning models.
- 4.2.3 Subsequent to board approval of the 2019/20 budget, Financial Solutions has been advised of additional cost pressures as a result of 2019/20 pay negotiations, which were not incorporated into the original budget. Additional

savings are anticipated to offset. Further information regarding revisions to the budget and financial performance will be reported to future committees.

#### 4.3 **HR/Policy/Legislative Impact**

4.3.1 There are no policy or legislative impacts or Human Resource impacts arising from this report for the Council, however the Council's Legal and Democratic Solutions and People and Organisational Development sections are available to provide guidance and support to the integration process and separately to both North Lanarkshire Leisure and CultureNL.

#### 4.4 **Environmental Impact**

4.4.1 There are no environmental implications to the report at this point.

#### 4.5 **Risk Impact**

4.5.1 In conjunction with Business Solution's staff, NL Leisure's risk register was extensively reviewed and updated in the period November 2018 – March 2019 and has now been submitted to the Council's Risk Management section for upload onto the Council's Fig Tree risk management system. The quality of the register was commented on very positively by the Council's Risk Management section.

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### 5. **Measures of success**

5.1 NL Leisure continues to support young people into work, exceeding its target for the number of 16-24 year olds employed as a percentage of the total workforce with 37.1% reported in Quarter Three falling into this age bracket. NL Leisure has exceeded target in all three quarters so far this year.

5.2 Over 65s Access NL discounted membership has exceeded target in Quarter Three, as it has in both previous quarters however, due to the continued growth in budget and independent gyms across North Lanarkshire, a number of other categories of Access NL membership continue to be below target.

5.3 The Health Referral Programme, which seeks to minimise health issues by supporting people to achieve and maintain a healthy weight, continues to grow with Quarter Three performance exceeding performance for the same quarter last year (performance in all three quarters in 2018/19 has exceeded performance for the equivalent 2017/18 quarter).

5.4 As in Quarter Two, NL Leisure continues to exceed target with regards the number of apprentices employed, with 6 being employed in Quarter Three (2 grounds maintenance, 1 electrical and 3 business administration).

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**Head of Business Solutions**

Activity Area Key

\* = }  
 + = } Codes only used for Year End Performance Reporting  
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Improve economic opportunities and outcomes												
OBJECTIVE: Reduce unemployment, particularly among our 16-24 population												
Ref	Frequency	Activity Area	Target Outcome	Calculator/Detail	Year	Target	Q1	Q2	Q3	Q4	YTD	Comments
1	Quarterly	^ Apprenticeships	Provide training and work experience opportunities		2018-19	5	4	8	6			2 Grounds Maintenance, 1 Electrical & 3 Business Administration
					2017-18	7	7	6	5	1	1	
2	Quarterly	* Number and % of NLL workforce falling into this age bracket	Supporting young people into employment	No of 16-24 year olds/NLL Workforce = % of 16-24 year olds in NLL workforce during period	2018-19	35.00%	339/887 = 38.2%	319/851 = 37.4%	315/849 = 37.1%			NLL continues to support young people into work with >35% of its workforce aged 16-24.
					2017-18	34.00%	301/860 = 35.0%	300/789 = 38.0%	301/851 = 35.37%	301/840 = 35.83%	1203/3340 = 36.02%	
OBJECTIVE: Support businesses within the North Lanarkshire area												
3	Quarterly	* Use of local suppliers (Number and %)	Support and sustain local economy	No of businesses from NL area / total no of businesses during period = % of businesses from NL during period	2018-19	35.00%	158/494 = 32%	160/456 = 35.1%	149/426 = 35.0%			NLL continues to undertake a significant amount of business with companies within North Lanarkshire thereby helping to support the local economy.
					2017-18	34.00%	152/462 = 32.9%	148/448 = 33.0%	293/608 = 48.2%	403/622 = 64.8%	996/2140 = 46.54%	
Support all children and young people to realise their full potential												
OBJECTIVE: Increase numbers of young people participating in sporting programmes and diversionary activities												
4	Quarterly	* Student Access NL discounted memberships	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	2,453	1,756	1,554	979			Continued growth in budget gym chains and local private gyms continues to impact on this indicator - students are a particular target of these gyms and are being offered lower priced membership and, as a consequence, Student Access NL membership has reduced significantly in Quarter 3.. A risk reduction strategy is in place with growth in NLL's Personal Trainer programme, gym redesign and refurbishment to provide more functional training environment in accordance with current health & fitness segment trends and efforts to incentivise membership are underway. In addition increased nutritional advice, guidance and support is offered via NLL's in-house nutritionist.
					2017-18	2,400	2,042	2,093	3,026	3,158	2,580	
5	Quarterly	* Under 18s/Kids NL membership packages	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	4,434	4,591	4,675	3,605			Reduction in Adult Membership due to growth in commercial budget chains and local private gyms is also reducing membership of under 18s/Kids since the parents/guardians make the purchasing choices. Quarter 3 saw a reduction on previous Quarter and also Quarter 3 in previous year.
					2017-18	4,904	5,128	4,334	4,106	5,099	4,667	

**Support all children and young people to realise their full potential**

**OBJECTIVE: Increase numbers of young people participating in sporting programmes and diversionary activities**

Ref	Frequency	Activity Area	Target Outcome	Calculator/Detail	Year	Target	Q1	Q2	Q3	Q4	YTD	Comments
6	Quarterly	+ Friday Night Project	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	9,850	1,916	1,250	1,670		4,836	Kirkwood Sports Barn lost as a Friday Night Project venue as a result of closure due to fire damage. NLL are examining the future direction of the service to support children in need from areas of higher deprivation and the charity is working with local groups and schools to put in place an action plan that includes a more targeted approach. Although this indicator is below target overall for the first three Quarters there was a significant improvement in Quarter 3.
					2017-18	7,486	2,761	2,661	1,751	2,579	9,752	
7	Quarterly	+ Saturday Sports Scene Project	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	20,411	3,841	4,708	5,164		13,713	There has been an improvement in Quarter 3 2018-19 figures over both the previous quarter and the same period last year.
					2017-18	19,000	5,554	6,113	4,180	4,362	20,209	
8	Annual - Q2	+ Child-friendly Cumbernauld 1k and 3k races	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	449		410			410	This is an annual race which takes place in September. This year's performance was slightly below target and last year's actual number of participants however this year's figure of 410 still reflects strong performance.
					2017-18	358		445			445	
9	Quarterly	+ Holiday programme attendances GENERIC AND SPORTS SPECIFIC	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	70,000	4,214	11,915	1,468		17,597	This is a significant variance against target. This year's figures contain both the general and sports specific holiday programme figures combined, when previously only the general programme was counted. In setting this target NLL reviewed 17/18 actual attendance at generic and sports specific holiday programmes (total 62,938) and increased the target slightly to reflect continuous improvement. Although below target overall, Q3 performance is higher than the same period last year. Other free activity programmes are adversely competing.
					2017-18	29,000	5,251	19,826	1,017	697	26,791	
10	Quarterly	* NLL Learn to Swim Programme	Minimise anti-social behaviour, tackle alcohol and drug mis-use, and support children to achieve and maintain a healthy weight.		2018-19	5,536	5,424	5,616	5,404			Minor reduction in Q3 compared to target and previous years Q3
					2017-18	4,700	5,420	5,622	5,499	5,383	5,481	

**Improve the health and wellbeing of our communities**

**OBJECTIVE: Increase the number of people enjoying the benefits of a physically active life**

11		* % of Adults in North Lanarkshire meeting CMO's Physical Activity Guidelines	Increase the number of physically active adults.		2018-19	59.5%		57.71%				2017-18 Outturn was 58.50%. Reduction in North Lanarkshire Physical Activity levels compared to target may be due to the ongoing impact of budget reductions. World Health Organisation and Scottish Government Target is to increase by 15% from 2018 to 2030, based on a 2016 Scottish Baseline. This is a national Scottish Health Survey (SHeS) Indicator.
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**Improve the health and wellbeing of our communities**

**OBJECTIVE: Increase the number of people enjoying the benefits of a physically active life**

Ref	Frequency	Activity Area	Target Outcome	Calculator/Detail	Year	Target	Q1	Q2	Q3	Q4	YTD	Comments
12	Quarterly	* Adult Access NL memberships	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	4,276	4,248	4,008	3,921			Reduction reflects challenging operating environment with significant continued growth in budget chain gyms and independent owner operated gyms across North Lanarkshire. NLL is trying to improve it's offer through tailored fitness programmes and the number and range of classes.
					2017-18	5,200	4,484	4,578	4,444	4,498	4,501	
13	Quarterly	* Couple Access NL memberships	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	593	624	554	590			As above - Reduction reflects challenging operating environment and growth in independent owner operated gyms across North Lanarkshire.
					2017-18	625	615	619	602	658	624	
14	Quarterly	* "Corporate" Access NL memberships	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	6,648	6,597	6,048	6,040			As above - Reduction reflects challenging operating environment and growth in independent owner operated gyms across North Lanarkshire.
					2017-18	7,000	7,078	7,051	6,989	6,875	6,998	
15	Quarterly	* Over 65s Access NL discounted memberships	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	1,263	1,573	1,758	1,751			This indicator is continuing to show strong performance.
					2017-18	1,246	1,395	1,406	1,395	1,414	1,403	
16	Annual - Q2	^ Cumbernauld 10k race	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	1,126		1,350			1,350	This is an annual event with performance this year improving by 21% on last year's figure.
					2017-18	860		1,115			1,115	

**Improve the ability, participation and empowerment of our communities**

**OBJECTIVE: Increase the number of people enjoying the benefits of a physically active life**

17	Annual Q1	^ ClubsportNL Half Marathon	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	299	322				322	The half marathon saw a 9% increase in participants from last year and exceeded target. Greater use made of social media to promote event.
					2017-18	265	296				296	
18	Quarterly	^ Sporting clubs affiliated to ClubsportNL	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	60	49	53	54			Although Quarter 3 has shown a slight improvement over Quarter 2 the trend is generally downward reflecting the difficult operating environment for both sports clubs and NLL.
					2017-18	65	48	53	58	59	59	
19	Quarterly	+ Operate Health Referral Programme	Minimise health issues, supporting people to achieve and maintain a healthy weight.		2018-19	5,521	1,605	1,512	1,215		4,332	Provided in partnership with NHS Lanarkshire this important health programme continues to grow compared to 2017/18 participation rates.
					2017-18	5,600	1,325	1,184	1,164	1,346	5,019	

**Improve the ability, participation and empowerment of our communities**

**OBJECTIVE: Increase the number of people enjoying the benefits of a physically active life**

Ref	Frequency	Activity Area	Target Outcome	Calculator/Detail	Year	Target	Q1	Q2	Q3	Q4	YTD	Comments
20	Quarterly	* Discounted memberships given to low income groups	Promote inclusion whilst minimising anti-social behaviour, alcohol and drug mis-use		2018-19	2,801	2,618	2,429	2,175			Budget chain and local private gyms continue to present challenging competition in this indicator.
					2017-18	3,125	2,468	2,466	3,126	3,733	2,948	
21	Quarterly	* Free access for targeted groups within areas of deprivation	Promote inclusion and support target groups to improve their health and wellbeing, sustain independence and make healthy life choices		2018-19	201	188	225	95			Reduction in partner funded places compared to previous years
					2017-18	365	200	200	200	246	212	
22	Quarterly	* Talented Athletes and Coaches Sports Passes	Support for North Lanarkshire's Talented Athletes and Coaches to progress on the national and international sporting stage, permitting free access to sports facilities associated with their sport and associated strength and conditioning requirements		2018-19	30	8	9	6			Membership reduced due to reduction in subsidy levels
					2017-18	48	39	37	32	26	34	

**Improve North Lanarkshire's resource base**

**OBJECTIVE: Improve the effectiveness of engagement**

**OBJECTIVE: Create strong sustainable town centres and communities**

23	Quarterly	+ Number of visitors to facilities (Customer Attendances)	Increasing participation and performance in sport and ensuring that more people are more active more often		2018-19	5,056,780	1,173,412	1,207,674	1,052,730			8.37% reduction on YTD total as at Quarter 3 compared to same period last year due to external competition, closure of Kirkwood Sports Barn and reduced subsidy levels and programme reductions, such as Schools Learn to Swim etc.
					2017-18	5,215,000	1,237,273	1,332,525	1,177,515	1,360,546	5,107,859	
24	Annual - Q4	^ Targeted reduction in CO2 emissions	Reduction in NLL's Carbon Footprint		2018-19	8,762						This indicator is reported at year end - NLL are continuing to implement a number of measures that will reduce both energy consumption and carbon emissions. Will be fully assessed at year-end.
					2017-18	10,784				8,850	8,850	
25		+ % of Adults Satisfied with Sport & Leisure Services	High levels of residents satisfaction with S&L services		2018-19	62%		58.08%				Annual indicator reported once per year. Reduction in satisfaction mirrors the national trend and that of the benchmarking family group from the Local Government Benchmarking Framework (LGBF) in accordance with funding reduction for public sector sport and leisure management provision, with this national Statutory Performance Indicator (SPI) being sourced from the Scottish Household Survey (SHS 2017)
					2017-18						61%	

Improve North Lanarkshire's resource base													
OBJECTIVE: Improve the effectiveness of engagement													
OBJECTIVE: Create strong sustainable town centres and communities													
Ref	Frequency	Activity Area	Target Outcome	Calculator/Detail	Year	Target	Q1	Q2	Q3	Q4	YTD	Comments	
26		+ % of Adults (Service Users) Satisfied with Sport & Leisure Service	High levels of service users satisfaction with S&L services		2018-19	87%		89.24%				Annual indicator reported once per year. The SHS Narrative for this indicator was changed slightly to Sport & Cultural Services in the 2017 Scottish Household Survey (SHS 2017) report, where this national indicator is derived from. North Lanarkshire continue to track above the Improvement Scotland (IS) Local Government Benchmarking Framework (LGBF) family benchmarking group and Scottish average for Service Users' satisfaction with local sport and leisure services.	
					2017-18						86%		
Statutory Performance Indicators													
27	Annually	+ NLL Pools - Attendance per 1,000 of the population			2018-19	4,056	1,049	1,167	870			3,086	This indicators shows marginal growth compared to same YTD position in 2017/18, however efficiency savings enacted at the end of Q3 may impact on future swimming pool attendances performance. Will be fully assessed at year-end.
					2017-18	3,232	1,022	1,159	885	950		4,016	
28	Annually	+ Indoor Sports SPI - Attendance per 1,000 of the population			2018-19	7,519	1,891	1,738	1,677			5,306	External competition and austerity savings (as noted above) impacting indoor attendances. Will be fully assessed at year-end.
					2017-18	8,617	2,080	1,976	1,758	2,101		7,915	
29		+ Outdoor Sports Facilities – Attendance per 1,000 population.	Increase the number of people taking part in sport and physical activity outdoors		2018-19		531	653	555			1,739	New SPI introduced by the Improvement Service (IS) as a result of the Local Government Benchmarking Framework. Target cannot be determined as this is a new indicator and has never been collated separately before. Call lodged with IS to confirm that this SPI is going live and guidance and definitions awaited from the IS.

**FINANCIAL MONITORING REPORT - REVENUE**  
**1 April to 27 January 2019 (Period 11)**

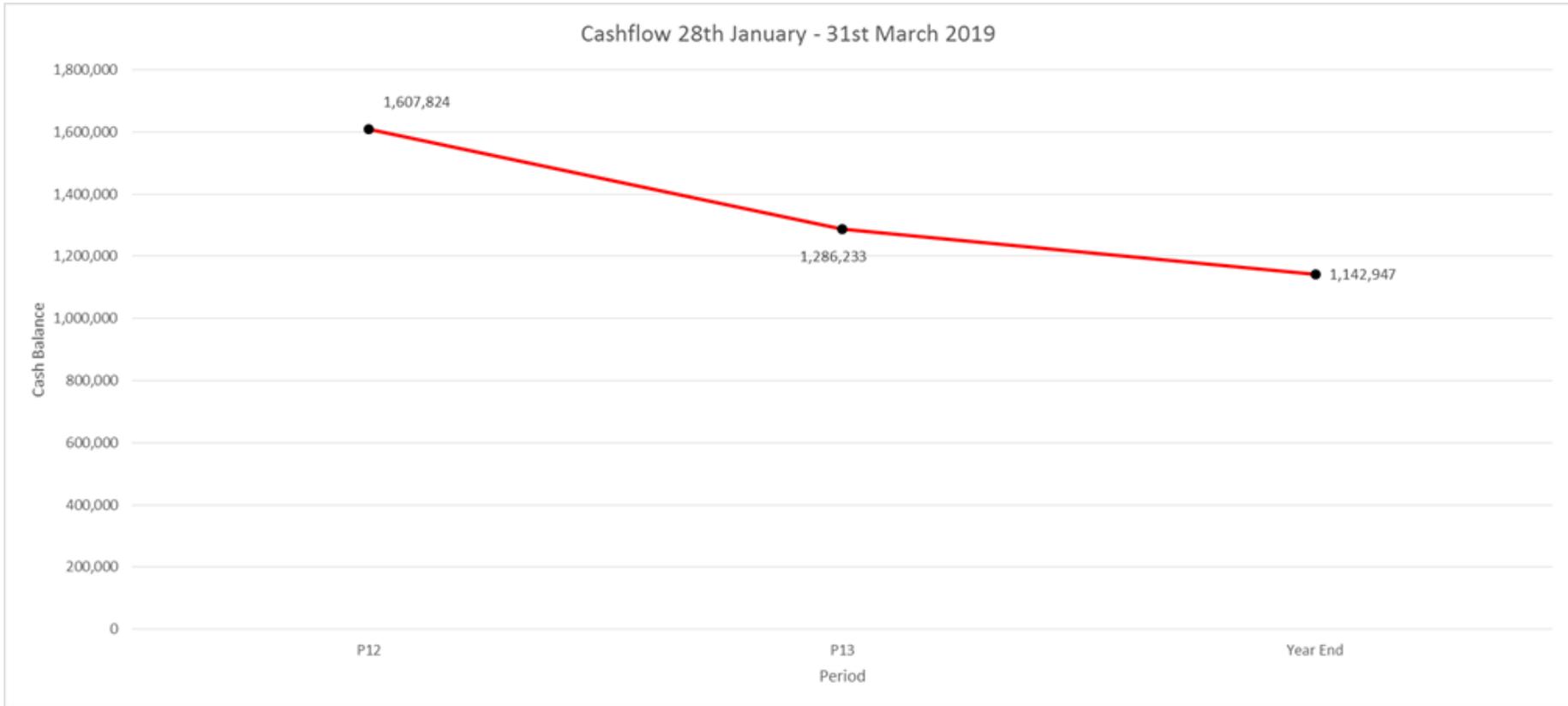
Income & Expenditure	2018-19			2017-18
	Annual Budget	Projected Outturn	Outturn Variance	Final Outturn
NLC Management Fee	8,136,817	8,209,894	73,077	8,310,056
<u>Leisure income</u>				
Access NL Memberships	6,839,026	6,507,714	(331,312)	6,902,234
Swimming Lessons	1,393,001	1,437,000	43,999	1,374,081
Others	6,402,613	5,502,530	(900,083)	5,729,269
Catering, Merchandising & Rent	1,828,864	1,604,389	(224,475)	1,764,284
External grant/project funding	54,723	55,892	1,169	199,828
Finance & Investment Income	82,998	78,240	(4,758)	112,245
NLL Trading CIC - Conferencing	138,541	100,919	(37,622)	103,753
<b>Total Incoming Resources</b>	<b>24,876,583</b>	<b>23,496,578</b>	<b>(1,380,005)</b>	<b>24,495,750</b>
Less: Governance costs	95,294	76,731	18,563	132,503
<u>Less: Charitable activities co</u>				
Cost of Sales (relating to catering etc)	723,579	600,352	123,227	725,000
Employee costs	14,986,323	13,904,302	1,082,021	14,884,704
Premises & Utilities	4,004,018	3,827,598	176,420	3,995,765
Supplies & Services	1,336,195	1,334,444	1,751	1,366,003
Transport & Plant	394,243	377,425	16,818	174,805
Administration, Payments other	3,336,931	3,471,123	(134,192)	3,490,848
<b>Total Expenditure</b>	<b>24,876,583</b>	<b>23,591,975</b>	<b>1,284,608</b>	<b>24,769,628</b>
Surplus/ (Deficit) inc. Redundancy costs	0	(95,397)	(95,397)	(273,878)
Redundancy Costs	0	0	0	853,223
<b>Trading Surplus/(Deficit)</b>	<b>0</b>	<b>(95,397)</b>	<b>(95,397)</b>	<b>579,345</b>

**FINANCIAL MONITORING REPORT - CAPITAL**  
**1 April 2018 to 31 March 2019**

<b>Project</b>	<b>Approved Revised Program</b>	<b>Projected Outturn</b>	<b>Variance</b>	<b>Comments</b>
Shotts Leisure Centre - Upgrade	166,000	166,000	0	On Target
Tryst Sports Centre - Upgrade	990,000	990,000	0	On Target
Pavillions - Upgrade	200,000	200,000	0	On Target
Major Maintenance - Various Locations	407,288	407,288	0	On Target
Health & Safety - Various Locations	331,000	331,000	0	On Target
3G Pitches Upgrade - Various Locations	824,060	824,060	0	On Target
Time Capsule - Upgrade Changing Facilities	300,000	300,000	0	On Target
Broadwood - Roof Improvements	90,000	90,000	0	On Target
Airdrie Leisure Centre - Pitch Improvements	149,109	149,109	0	On Target
Kilsyth Cond Works	161,000	161,000	0	On Target
Condition Survey	42,000	42,000	0	On Target
	<b>3,660,457</b>	<b>3,660,457</b>	<b>0</b>	

**NORTH LANARKSHIRE LEISURE LTD**  
**FINANCIAL POSITION**  
as at 27th January 2019

Indicator	2018/19	2017/18 Final Outturn	Commentary
	<b>£'(000)</b>	<b>£'(000)</b>	
Fixed Assets	3,021	2,835	This includes plant, equipment, furniture & fittings, etc.
Cash	1,724	1,116	The cashflow is monitored on a weekly basis with management action taken as necessary.
Trade Debtors	1,398	1,424	Includes NLC management fee
Stock	43	53	
<b>Current Assets</b>	<b>3,165</b>	<b>2,594</b>	
Trade & Other Creditors	(1,620)	(3,465)	Includes amounts owed to HMRC/NLC.
<b>Current Liabilities</b>	<b>(1,620)</b>	<b>(3,465)</b>	
Net Current Assets/(Liabilities)	1,545	(871)	
Net Assets exc. Pension Fund	<b>4,566</b>	<b>1,963</b>	
Pension Fund Liability	(5,113)	(5,113)	
Long-term Loan	(643)		Balance of loan payable to NLC (over 12 months)
<b>Total Long-Term Liabilities</b>	<b>(5,756)</b>	<b>(5,113)</b>	
<b>Net Assets/(Liabilities)</b>	<b>(1,190)</b>	<b>(3,150)</b>	
Current Ratio	1.95	0.75	A current ratio exceeding 1 indicates the charity has sufficient resources to meet its current commitments. Comparison of current assets & current liabilities equate to net current assets of £1.545m, and a current ratio of 1.95. Although more favourable to the position reported at year end, this is primarily due to financial peaks and troughs throughout the trading period and can only be considered a temporary improvement.



**FINANCIAL MONITORING REPORT - REVENUE**  
**2019-20 Budget**

Income & Expenditure	2019-20	2018-19	2019-20	Explanation of Significant Movements
	Annual Budget	Annual Budget	Movement	
NLC Management Fee	7,902,571	8,136,817	(234,246)	Approved reduction in NLC Management Fee for 19/20
<u>Leisure income</u>				
Access NL Memberships	6,588,992	6,839,026	(250,034)	Reduced memberships
Swimming Lessons	1,393,001	1,393,001	0	
Others	6,330,065	6,402,613	(72,548)	
Catering, Merchandising & Rent	1,956,284	1,828,864	127,420	Rental income increases
External grant/project funding	54,723	54,723	0	
Finance & Investment Income	82,998	82,998	0	
NLL Trading CIC - Conferencing	131,544	138,541	(6,997)	
<b>Total Incoming Resources</b>	<b>24,440,179</b>	<b>24,876,583</b>	<b>(436,404)</b>	
Less: Governance costs	95,294	95,294	0	
<u>Less: Charitable activities co</u>				
Cost of Sales (relating to catering etc)	740,945	723,579	17,366	
Employee costs	14,473,499	14,986,323	(512,824)	Cost pressures of Increments, Pension auto-enrolment , offset by approved savings
Premises & Utilities	4,172,182	4,004,018	168,164	Utility costs increases, partly offset by engineering & ground maintenance savings
Supplies & Services	1,098,196	1,336,195	(237,999)	Mainly leasing costs savings
Transport & Plant	399,482	394,243	5,239	
Administration, Payments other	3,460,581	3,336,931	123,650	Cost pressures of Insurances , partly offset by savings
<b>Total Expenditure</b>	<b>24,440,179</b>	<b>24,876,583</b>	<b>(436,404)</b>	
<b>Trading Surplus/(Deficit)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	