

**DIBDEN GOLF CENTRE CATERING OPERATING DEFICIT –
SUPPLEMENTARY ESTIMATE****1. INTRODUCTION**

- 1.1 Members considered a supplementary estimate in respect of a projected shortfall for Dibden Golf Centre Catering of £49,500 for the 2004/05 financial year which formed part of the total supplementary estimate request of £43,000 for Catering overall.
- 1.2 As the budget for 2005/06 had already been finalised prior to the supplementary estimate for 2004/05 being agreed, it is anticipated that provision will need to be made in the 2005/06 budget.
- 1.3 However, further changes have been introduced at the Golf Centre and officers believe that the operating deficit can be reduced to £31,650 during the forthcoming year.
- 1.4 The reasons for the deficit in 2004/05 were explained in the previous report to Cabinet in April 2005.

2. MEASURES WHICH HAVE BEEN PUT IN PLACE TO COMBAT THE DEFICIT.**2.1 TRADING PERFORMANCE**

- 2.1.1 Gross profit margins have recently increased towards their targets. This is due to stringent monitoring of wastage and stock on the liquor side and the monitoring of portion control and sales mix on the food side.
- 2.1.2 A better price has been negotiated with the brewery and the food supplier has recently changed to provide a more cost effective procurement service.
- 2.1.3 Prices were increased from 1 April, taking into account local competitors, and new menus have also been developed.
- 2.1.4 Marketing of the facility will be a major priority during the forthcoming year.

2.2 EMPLOYEES

- 2.2.1 The correct management structure has been in place since 1 April 2005 i.e. Manager plus Assistant Manager. Support is also available from the Catering Support Officer in areas which require management control.
- 2.2.2 Several contracted employees have resigned and have not been replaced. The remaining contracted employees have transferred to annualised hours contracts which allocate more hours in the busy summer months and less in the quieter winter months.

2.2.3 A bank of casual employees are available to cover busier times i.e. weddings and major functions. These employees will only be paid for the actual hours they work.

2.2.4 Detailed wages monitoring systems have been introduced and each individual function will be assessed to ensure that the minimum number of employees required to run the service will be on duty.

3. PROJECTED POSITION FOR 2005/06

3.1 A supplementary estimate of £31,650 is requested for 2005/06, the bid is made up of the following elements:

	£
Salaries	7,380
Wages	12,700
Laundry	700
BT Telephones	500
Gaming Machine (loss of income)	2,350
Gaming Machine (termination of hire)	-2,600
Pool Table (loss of income)	620
Food Purchases	10,000
TOTAL	31,650

3.2 It is hoped that the measures outlined in paragraph 2 will reduce the figure of £31,650 as this is an estimate based on the 2004/05 trading position, actual performance against budgets will be reported regularly.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are as previously stated in this report.

5. CRIME AND DISORDER IMPLICATIONS

5.1 There are no crime and disorder implications.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental implications.

7. PORTFOLIO HOLDER COMMENTS

7.1 To follow

8. RECOMMENDATION

8.1 It is recommended that Cabinet approve a supplementary estimate for the 2005/06 financial year of £31,650 for Dibden Golf Centre catering.

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Background Papers:

Cabinet Report E- Financial Report
6 April 2005.

