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REPORT TO: ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE AGENDA ITEM:

DATE OF MEETING: 10th JANUARY 2005 CATEGORY: RECOMMENDED

REPORT FROM: DIRECTOR OF CORPORATE SERVICES OPEN

MEMBERS' CONTACT POINT: KEVIN STACKHOUSE (595811)

SUBJECT: REVISED ESTIMATES 2004/05 and BASE BUDGET 2005/2006 REF: u/ks/etwalljmc/budget report

WARD(S) AFFECTED: ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON

1.0 Recommendations

- 1.1 That the proposed estimates of income and expenditure for 2004/05 and 2005/06 are approved.
- 1.2 That the proposed fees and charges for 2005/06 are approved.

2.0 Purpose of Report

- 2.1 To detail the Leisure Centre's probable out-turn for 2004/2005 and the base budget for 2005/06 (**Appendix 1**). It also sets out proposals for the level of fees and charges for 2005/06 (**Appendix 2**).

3.0 Detail

Probable Out-turn 2004/05

- 3.1 The net expenditure for 2004/05 is now estimated at £179,780, which is an increase of approximately £29,000 compared to the original estimate. An analysis of this variance is shown in the table below.

Variance	£
Increase in Repairs and Maintenance (funded from 2003/04 underspending)	+14,000
Additional wages to cover long term absences	+15,000
Reduction in income (mainly Private Hire)	+3,000
Other variations	-3,000
Overall Variance 2004/05	+29,000

3.2 To finance this, additional contributions from the constituent partners are required as follows.

- South Derbyshire District Council - £21,360
- John Port School - £4,930
- Derbyshire County Council - £2,650

Base Budget 2005/06

3.3 The budget for 2005/06 has initially been compiled at November 2004 prices. An allowance for inflation has then been added where this is considered unavoidable, to cover for price increases from November 2004 to March 2006. This calculates the cash limit estimate (base budget for 2005/06). The main assumptions built into estimates are as follows:

- Employee Costs – 2.95% (as per pay award settlement)
- Repairs and Maintenance – 3%
- Office Expenses (equipment, stationery, etc.) – cash limited
- Utilities – 3% (but taking account of current volume/usage figures)
- Contracted/Agency Services – 2.5%
- All other Supplies and Services – 2.5%
- Fees and Charges - 2% (but subject to usage/demand/market conditions, etc.)

3.4 The estimates are also based on current service levels in 2004/05 continuing. Any non-recurring items have been removed (mainly relating to additional repairs and maintenance in 2004/05).

3.5 In summary, the overall net expenditure for 2005/06 is estimated to slightly reduce compared to the 2004/05 probable out-turn. However, this assumes that the Centre will remain open throughout the year and is not closed for any major works or improvements.