
REPORT TO: ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE **AGENDA ITEM:** 7
DATE OF MEETING: 27th SEPTEMBER 2017 **CATEGORY:** RECOMMENDED
REPORT FROM: TREASURER TO THE JOINT MANAGEMENT COMMITTEE OPEN
MEMBERS' CONTACT POINT: KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk
SUBJECT: FINAL ACCOUNTS 2016/17 **REF:** u/ks/live files/Etwall JMC/final accounts report 16 17
WARD (S) AFFECTED: ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON

1.0 Recommendations

1.1 That the Final Accounts for 2016/2017 are considered and approved.

2.0 Purpose of Report

2.1 To report the Leisure Centre's final accounts for 2016/17.

3.0 Detail

3.1 Items of income and expenditure for 2016/17 are detailed in **Appendix 1**. This also shows a comparison with the actual expenditure for 2015/16, the budgeted expenditure for 2016/17, together with the estimated position as reported to the Committee in January 2017.

3.2 A summary is provided in the following table.

Total Income and Expenditure	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Actual 2016/17 £
Expenditure	163,698	143,592	117,402	94,546
Income	-47,345	-38,875	-34,772	-36,635
Net Cost	116,353	104,717	82,630	57,911

3.3 The table shows that the net cost was much lower than the original budget and that projected in January 2017. This was mainly due to anticipated expenditure of up to £13,000 to undertake maintenance/replacement of external doors, eventually being undertaken by contractors.

3.4 In addition, the JMC's contribution to utility costs was lower than estimated. This was due to the tariff price reducing to the base tariff.

- 3.5 The following table summarises the contributions of the School and the District Council towards the net cost of the facility.

Share of Net Cost	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Actual 2016/17 £
South Derbyshire District Council (62%)	72,139	64,625	51,231	35,905
John Port School (38%)	44,214	39,792	31,399	22,006
	116,353	104,417	82,630	57,911

Sinking Fund

- 3.6 Each year, a contribution of £25,000 is made to a sinking fund which was set up to replace major items of plant and equipment. In addition, a further provision of £5,000 is made for future decommissioning costs.
- 3.7 During 2015/16, £106,000 was used towards the project to extend the fitness suite and provision of community facilities. This had previously been approved by the Committee.
- 3.8 As at 31st March 2017, the balance on the sinking fund was £36,667, with £15,000 in the decommissioning provision.

Pensions Reserve

- 3.9 A provision of £28,174 was still set-aside as at 31st March 2017, which was ring-fenced in 2011 to meet any costs of past service pension deficit following the TUPE transfer of former JMC employees to Active Nation. Following the latest valuation of the Derbyshire Pension Fund which reported in December 2016, no additional liability has been identified.
- 3.10 Therefore, this provision is available for use elsewhere at the discretion of the JMC.

Future Financial Pressures

- 3.11 In recent years, the overall cost to the funding partners has decreased. This continued in 2016/17 with a reduction in the management fee to Active Nation. Although most costs are fairly predictable and stable, costs of maintenance and utilities can fluctuate, although these costs have been downward over the last 2 years.
- 3.12 As previously reported to the Committee, the overall cost of the facility to the funding partners will again increase in 2017/18 and in future years. This is due to the phased reduction in the contribution from the County Council. This contribution will reduce from £34,000 in 2016/17, to zero in 2018/19.

APPENDIX 1

Etwall Leisure Centre - Income and Expenditure

	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Actual 2016/17 £
Repairs and Maintenance	17,039	11,280	24,280	8,681
Supplies and Services	2,353	2,000	0	0
Contribution to Utility Costs (Gas and Electricity)	7,596	18,000	7,596	3,075
Contribution to Sinking Fund	25,000	25,000	25,000	25,000
Contribution to Decommissioning Costs	5,000	5,000	5,000	5,000
Main Contractor Payment	63,051	62,411	31,625	31,625
Support Costs/Overheads	20,822	19,901	19,901	21,165
JPS Costs (met direct)	22,837	0	4,000	0
Gross Expenditure	163,698	143,592	117,402	94,546
Less - County Council Contributions	-38,976	-34,875	-34,772	-34,773
Less - Surplus - Artificial Grass Pitch	-6,369	0	0	0
Less - Café income	-2,000	-4,000	0	-1,862
NET EXPENDITURE	116,353	104,717	82,630	57,911
Shared				
South Derbyshire District Council (62%)	72,139	64,625	51,231	35,905
John Port School (38%)	44,214	39,792	31,399	22,006
	116,353	104,417	82,630	57,911