
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 5
DATE OF MEETING:	9th JANUARY 2017	CATEGORY: RECOMMENDED
REPORT FROM:	TREASURER TO THE JOINT COMMITTEE	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	
SUBJECT:	INCOME & EXPENDITURE 2016/17 and PROPOSED BASE BUDGET 2017/18	REF: u/ks/livefiles/etwalljmc/budget reports/2017 budget report Jan 17
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the projected out-turn for 2016/17 and the proposed estimates of income and expenditure for 2017/18 are approved.

2.0 Purpose of Report

- 2.1 To provide an update on the Leisure Centre's financial position for the current financial year 2016/17 against the approved budget, together with the proposed estimates of income and expenditure for 2017/18.

3.0 Detail

- 3.1 **Appendix 1** details the costs associated with the day-to-day operation of the Centre. The main cost for the Leisure Centre is the payment to Active Nation in accordance with the Contract to subsidise the Facility, although as detailed in the report, this continues to reduce.
- 3.2 The Appendix details the current year's budget for 2016/17, together with the projected out-turn against this budget and the proposed budget for 2017/18.

Summary Position

- 3.3 Overall net expenditure is expected to reduce in 2016/17 compared to the approved budget and then decrease again in 2017/18. This is mainly due to the reduction in the Contract fee following the extension of the Contract with Active Nation. This has reduced running costs by approximately £30,000 per year.
- 3.4 Additional maintenance costs have been incurred in 2016/17 due to the replacement of external doors which was not included in the approved budget for 2016/17. This expenditure totaled approximately £13,000.

- 3.5 However, utility costs attributable to the JMC are lower. Estimated expenditure for 2016/17 and 2017/18 have been revised down to reflect costs in 2015/16 and that known as at September 2016.
- 3.6 As previously reported and approved by the JMC, the contribution from the County Council will be reduced by a 1/3 in 2017/18 and this has been reflected in the proposed budget. The full effect of the County Council's contribution will impact in 2018/19 when the contribution is withdrawn altogether.
- 3.7 In the meantime, the contributions required by the constituent partners in 2016/17 and 2017/18 are lower overall as shown in the following table.

Shared	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Estimate 2017/18 £
South Derbyshire District Council (62%)	72,139	64,925	51,231	48,740
John Port School (38%)	44,214	39,792	31,399	29,873
	116,353	104,717	82,630	78,613

Sinking Fund and Decommissioning Provision

- 3.8 As at 31st March 2016, the balance on the Sinking Fund (which is used for capital replacements) was £11,667, with £10,000 in the Decommissioning provision. Annual contributions are included in the Budget.
- 3.9 The contributions in 2016/17 will increase the balances to £36,667 and £15,000 respectively and to £61,667 and £20,000 respectively in 2017/18, if they are not utilised.

APPENDIX 1

Etwall Leisure Centre - Income and Expenditure	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Estimate 2017/18 £
Repairs and Maintenance	17,039	11,280	24,280	11,500

Supplies and Services	2,353	2,000	0	0
Contribution to Utility Costs (Gas and Electricity)	7,596	18,000	7,596	8,269
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
Other Maintenance Costs - JPS - Provision Only	22,837	0	4,000	0
Sub Total - Direct Running Costs	142,876	123,691	97,501	81,394

Central Support/Overheads

Financial Services	5,472	5,403	5,403	5,403
Audit Fees	1,810	1,707	1,707	1,707
Legal Services	2,207	2,296	2,296	2,296
Procurement	2,027	1,699	1,699	1,699
Client Management	9,306	8,796	8,796	8,796
Sub- Total - Overheads	20,822	19,901	19,901	19,901

Gross Expenditure

163,698	143,592	117,402	101,295
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Less - County Council Contributions	-38,976	-34,875	-34,772	-22,682
Less - Café income	-2,000	-4,000	0	0
Less - Grass pitch surplus	-6,369	0	0	0

NET EXPENDITURE

116,353	104,717	82,630	78,613
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	Actual 2015/16 £	Budget 2016/17 £	Projected 2016/17 £	Estimate 2017/18 £
Shared				
South Derbyshire District Council (62%)	72,139	64,925	51,231	48,740
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