



## Joint Management Committee

Secretary to the Committee

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Centre Manager

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Our Ref :

Date: 22 December 2015

Dear Councillor,

### **Etwall Leisure Centre Joint Management Committee**

A Meeting of the **Etwall Leisure Centre Joint Management Committee** will be held in the Examination Centre, **John Port School**, on **Monday, 11 January 2016** at **17:00**. You are requested to attend.

Yours faithfully,

Secretary to the Joint Management Committee

To: **Representatives of South Derbyshire District Council**  
**Conservative Group**  
Councillors Billings and Mrs. Plenderleith (Chair)

**Labour Group**  
Councillor Shepherd.

**Representatives of Governors of Etwall John Port School**  
Messrs. P. Downs, C. Harrison and B. Whyman M.B.E. (Vice-Chair).

**Representative of Derbyshire County Council**  
Councillor Mrs Lauro.



## **AGENDA**

### **Open to Public and Press**

- 1** Apologies and to note any substitutes appointed for the Meeting.
  
- 2** To receive the Open Minutes of the Meeting held on 13th July 2015 and 28th September 2015.  
Etwall JMC Open Minutes 13th July 2015 **3 - 6**  
  
Etwall JMC Open Minutes 28th September 2015 **7 - 10**
  
- 3** To note any declarations of interest arising from any items on the Agenda
  
- 4** INCOME & EXPENDITURE 2015-16 AND PROPOSED BASE **11 - 14**  
BUDGET 2016-17
  
- 5** ACTIVE NATION PERFORMANCE REPORT – Verbal Presentation

### **Exclusion of the Public and Press:**

- 6** The Chairman may therefore move:-  
That in accordance with Section 100 (A) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

13<sup>th</sup> July 2015

**PRESENT:-**

**Representatives of South Derbyshire District Council**

Conservative Group

Councillor Billings and Councillor Mrs Plenderleith

Labour Group

Councillor D Shepherd

Officers

S Batchelor (Director of Community & Planning Services), M Roseburgh (Cultural Services Manager) K Stackhouse (Director of Finance and Corporate Services) and T Lindgren (Democratic Services Officer)

**Representatives of Etwall John Port School**

Governors

B Whyman MBE (Chair) and P Downs

Officers

G Golding

**Representatives of Active Nation**

J. Dobson, D Johns and S Ricketts

EL/26 **APOLOGIES**

Apologies were received on behalf of Councillor Mrs Lauro and C Harrison.

EL/27 **MINUTES**

The Open Minutes of the Meeting held on 20<sup>th</sup> April 2015 were noted, approved as a true record and signed by the Chairman.

EL/28 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest from had been received.

EL/29 **STATEMENT OF ACCOUNTS 2014/15**

The Director of Finance and Corporate Services introduced the report, which he explained fell into two parts. The first part gave details of income and expenditure performance against budget during the course of the year, the second part dealt with the statutory report together with governance issues and in particular, included the Annual Governance Statement for 2014/15. The net

expenditure had increased in 2014/15 compared to 2013/14, by approximately £25,000 and by £45,000 compared to the actual Budget. The main cost for the Leisure Centre is the annual contract payment to Active Nation, to manage and maintain the facility.

Members of the Committee considered the detailed financial information contained in the report, and in particular asked questions on maintenance costs and utility charges in 2014/15. The Director of Finance and Corporate Services responded that utility costs had risen since the start of the contract compared to the base cost and that the sum was inclusive of 2013/14 and 2014/15.

The Director of Finance and Corporate Services reported that the overall settlement figures for the AGP are still to be agreed, including the requirement to set-up a Sinking Fund for replacements. As the accounts for 2014/15 are effectively closed, any transactions in the JMC's account will be reflected in 2015/16.

**RESOLVED:-**

***(1) That the Statement of Accounts for 2014/2015 be considered and approved for signing by the Treasurer to the Joint Management Committee.***

***(2) That the Committee authorised the Chairman and the Secretary to the Committee to sign the Annual Governance Statement for 2014/15.***

EL/30 **ACTIVE NATION PERFORMANCE REPORT – VERBAL REPORT**

Mr. Johns wanted to record his thanks to the school and Mr. Golding, for their assistance in the huge achievement of keeping every area opened throughout the completion of the refurbishment.

Mr Dobson presented the quarterly review of Etwall Leisure Centre, making particular reference to the following items;

- **Good News Stories**
  - Refurbishment project at Etwall nearly completed
  - Gym more than doubled in size
  - 21 new Keiser bikes installed
  - New gym now opened
  - New reception area complete
  - New studio due to re-open end of July 2015
  - Tennis courts cleaned and repaired
  - Swim Scheme now 95% capacity (100% expected in the near future)
  - Holiday Scheme April to May 109 participants
  - Online Active Nation launched

- **Memberships**
  - 989 Direct Debit Memberships
  - 561 Annual Memberships
  - Average length of membership 9.5 months
  - Ongoing success with Etwall primary School catering for Pre-School
  
- **Supporter Comments**
  - 15 comments received between April - June 2015, compared to 68 comments received at the same time last year. The main reason for the decline in comments is that Mr. Dobson and team is on-site and the refurbishment of the facilities.
  
- **Centre Usage Figures**
  - Currently 8.000 visitors per week (including schools)
  - 2011/12 - 319,939
  - 2012/13 - 348,737
  - 2013/14 - 323,513
  - 2014/15 - 362,523

**RESOLVED:-**

***The Committee considered and accepted the points made in the presentation.***

The meeting terminated at 6:00pm

MR. B WHYMAN MBE

CHAIRMAN



ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

28<sup>th</sup> September 2015

**PRESENT:-**

**Representatives of South Derbyshire District Council**

Conservative Group

Councillor Mrs Plenderleith (Chair) and Councillor Muller (substituting for Councillor Billings)

Labour Group

Councillor D Shepherd

Officers

S Batchelor (Director of Community & Planning Services) and T. C Lindgren (Democratic Services Officer)

**Representatives of Etwall John Port School**

Governors

B Whyman MBE (Vice - Chair), C Harrison and P Downs

Officers

G Golding

**Representatives of Active Nation**

J. Dobson and S Ricketts

EL/31 **APPOINTMENT OF CHAIR**

Councillor Mrs. Plenderleith was appointed as Chair of the Committee for the ensuing year.

EL/32 **APPOINTMENT OF VICE- CHAIR**

Mr. Whyman was appointed as Vice-Chair of the Committee for the ensuing year.

EL/33 **APOLOGIES**

Apologies were received on behalf of Councillor Billings.

EL/34 **MINUTES**

The Open Minutes of the Meeting held on 13th July 2015 were noted, approved as a true record and signed by the Chairman.

EL/35    **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest from had been received.

EL/36    **ACTIVE NATION PERFORMANCE REPORT – VERBAL REPORT**

Mr Dobson presented the quarterly review (April to August 2015) of Etwall Leisure Centre, making particular reference to the following items;

- **Good News Stories**
  - Refurbishment near its completion and a date for the official opening will soon be advertised.
  - Currently receiving 150 new subscriptions per month
  - Now have 70 station gym with state of the art functional 'Queenax' rig.
  - All staff have now been trained in 'Kettlebells' and 'TRX' enabling them to deliver sessions to smaller groups.
  - Both the new studio and Spin Studio are now open, with classes already at capacity the demand for spaces continue to grow
  - A new Duty Management team and cleaning team are now in place to assist in running the centre as efficiently as possible.
  - Etwall's first 'Sportive' event took place in September, with Bryan Steel, former GB Cyclist, leading the team of 30 cyclists.
  - The Etwall triathlon was a great success with over 500 participants.
  - The Summer holiday scheme engaged 40 children per day.
  - Summer Soccer Stars delivered sessions to 50 children per day.
  - The Badminton tournament was a great success with over 200 people turning up for the event.
  - The re-launch of the Saturday Night Project has so far engaged over 50 children per week
  
- **Gym & Exercise Memberships**
  - 721 new subscription between April and August 2015.
  - 1,564 in total Memberships
  - Average length of membership 9.5 months
  - 311 new swimming lessons subscriptions
  - 95% occupancy on the scheme (250 spaces remain available)
  
- **Supporter Comments**
  - 23 comments received between April – August 2015, Mr Ricketts added that the main reason for the decline in comments is due to the current refurbishment of the facilities.
  
- **Centre Usage Figures**
  - There are currently 8.500 visitors per week (including schools)
  - Usage increased with over 42,500 visits since the 2011/12.
  - The centre saw 24,068 'All Weather Pitch Users' between April and August 2015 (46,968 in total last financial year)

The committee extended their thanks to Mr. Dobson and Mr. Ricketts for the fantastic work they have achieved at Etwall Leisure Centre.



**RESOLVED:-**

***That the Committee considered and noted the points made in the presentation.***

The meeting terminated at 5:30pm

COUNCILLOR. MRS. A. PLENDERLEITH

CHAIRMAN



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<b>REPORT TO:</b>	<b>ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 4</b>
<b>DATE OF MEETING:</b>	<b>11th JANUARY 2016</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>TREASURER TO THE JOINT COMMITTEE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811) <a href="mailto:Kevin.stackhouse@south-derbys.gov.uk">Kevin.stackhouse@south-derbys.gov.uk</a></b>	
<b>SUBJECT:</b>	<b>INCOME &amp; EXPENDITURE 2015/16 and PROPOSED BASE BUDGET 2016/17</b>	<b>REF:</b> u/ks/live files/etwalljmc/budget report Jan 16
<b>WARD(S) AFFECTED:</b>	<b>ETWALL, HATTON, HILTON, NORTH WEST, REPTON &amp; WILLINGTON</b>	

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## **1.0 Recommendations**

- 1.1 That the projected out-turn for 2015/16 and the proposed estimates of income and expenditure for 2016/17 are approved.

## **2.0 Purpose of Report**

- 2.1 To detail the Leisure Centre's financial position for the current financial year 2015/16 against the approved budget, together with the proposed estimates of income and expenditure for 2016/17.

## **3.0 Detail**

### **Background**

- 3.1 The Leisure Centre is governed and managed by the Joint Management Committee (JMC). The Committee consists of representatives of South Derbyshire District Council (SDDC) John Port School (JPS) together with Derbyshire County Council (DCC).
- 3.2 The day to day operational management of the Centre has been the responsibility of Active Nation, a leisure trust. This is undertaken under a contractual arrangement for a period of seven years, which ends in 2018. Under the terms of the contract, an extension for a further 3-year period is currently being negotiated.
- 3.3 The contractual arrangement in place requires the JMC to make an annual payment to the Trust for running and maintaining facilities.

- 3.4 The income generated through the Centre is retained by the Trust, although over the life of the Contract, additional income generated will be reflected in a reduced subsidy payable from the JMC to the Trust.
- 3.5 Since 2011/12, the net cost of the Leisure Centre will have reduced from approximately £260,000 to just over £105,000 – the estimate for 2016/17.

### **Funding Arrangements**

- 3.6 The net revenue of the Centre is funded 62% by SDDC and 38% by JPS. Although DCC do not directly contribute towards this subsidy, they do make an annual contribution to running costs which reflects the school usage of the swimming pool. This contribution (and any others received) reduces the overall contributions of SDDC and JPS.
- 3.7 The JMC are still responsible for some maintenance and utility costs. In addition, an amount of £25,000 is set-aside each year into a “sinking fund” for the future replacement of plant and equipment, together with a provision against any future decommissioning costs of £5,000.
- 3.8 As at 31<sup>st</sup> March 2015, the balance of these funds was £126,000, although approximately £106,000 of the current sinking fund has been used as a contribution to the gym extension and the provision of new fitness facilities in 2015/16.
- 3.9 The partnership arrangement with Active Nation also allows each party to work together and generate additional investment (including additional funding from all parties) to continuously develop the Centre.

### **Latest Financial Position**

- 3.10 **Appendix 1** details the costs associated with the Centre. The main cost for the Leisure Centre is the payment in accordance with the Contract to subsidise the Facility.
- 3.11 The Appendix details the current year’s budget for 2015/16, together with the projected out-turn against the budget and the proposed budget for 2016/17.

### **Summary Position**

- 3.12 Projected spending is expected to increase in 2015/16 compared to the Original Budget. This is mainly due to the increased utility costs.

### **Utility Costs**

- 3.13 The projected figure for 2015/16 and base budget for 2016/17 reflects actual costs being incurred and compares to that charged 2014/15. The

charges to the JMC are based on an increase in the base tariff for both electricity and gas of over 30% since the commencement of the Contract.

- 3.14 The cost of gas and electricity are initially borne by the Contractor. However, the Contract allows for the Contractor to reclaim additional costs where consumption rises above a certain level or if the tariff increases beyond a base level as set out in the Contract.

### Repairs and Maintenance

- 3.15 In previous years, additional maintenance costs have been incurred compared to that budgeted. The current budget of approximately £11,000 is coming under pressure in 2015/16 and additional liabilities are currently being assessed.
- 3.16 Approximately £30,000 of works has been identified and in particular the replacement of the Air Handling System, which has not been budgeted for. The JMC should consider carefully any additional costs and how the Council and the School will be able to provide sufficient resources for the work to be undertaken through the JMC.

### Other Maintenance Costs

- 3.17 During 2014/15, the school incurred some further maintenance costs associated with the Leisure Centre of £19,563. These are yet to be charged to the JMC but were accrued in the accounts as a provision.

### Contribution to Costs of the Artificial Grass Pitch (AGP)

- 3.18 The school has previously informed the Council that costs of £2,962 and £8,243 in 2013/14 and 2014/15 respectively have been incurred. These are yet to be charged to the JMC but have also been accrued in the accounts as a provision.
- 3.19 The overall settlement figures for the AGP are still to be agreed, including the requirement to set-up a Sinking Fund for replacements.

### Share of Net expenditure

- 3.20 After allowing for the County Council contribution and other income, the contributions required from the funding partners, i.e. the District Council and the School, will be as follows:

Share of Net Expenditure	Actual 2014/15 £	Budget 2015/16 £	Projected 2015/16 £	Estimate 2016/17 £
South Derbyshire District Council (62%)	98,371	60,975	64,071	64,925
John Port School (38%)	60,292	37,371	39,270	39,792
	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>104,717</b>

<b>Etwall Leisure Centre - Income and Expenditure</b>	<b>Actual 2014/15 £</b>	<b>Budget 2015/16 £</b>	<b>Projected 2015/16 £</b>	<b>Estimate 2016/17 £</b>
Repairs and Maintenance	19,927	11,280	11,000	11,280
Supplies and Services	0	2,000	500	2,000
Contribution to Utility Costs (Gas and Electricity)	28,234	7,000	17,800	18,000
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	60,899	62,411	62,411	62,411
Other Maintenance Costs - JPS - Provision Only	19,563	0	0	0
Insurance (2012 and 2013 only)	12,000	0	0	0
Artificial Grass Pitch - Provision Only	8,243	0	0	0
Vending Machine Lease (now terminated)	-2,020	0	0	0
<b>Sub Total - Direct Running Costs</b>	<b>176,846</b>	<b>112,691</b>	<b>121,711</b>	<b>123,691</b>
<b>Central Support/Overheads</b>				
Financial Services	4,407	5,336	5,336	5,403
Audit Fees	1,706	1,686	1,686	1,707
Legal Services	1,911	2,268	2,268	2,296
Procurement	2,010	1,678	1,678	1,699
Client Management	8,880	8,687	8,687	8,796
<b>Sub- Total - Overheads</b>	<b>18,914</b>	<b>19,655</b>	<b>19,655</b>	<b>19,901</b>
<b>Gross Expenditure</b>	<b>195,760</b>	<b>132,346</b>	<b>141,366</b>	<b>143,592</b>
Less - County Council Contributions	-33,097	-32,000	-34,025	-34,875
Less - Café income	-4,000	-2,000	-4,000	-4,000
<b>NET EXPENDITURE</b>	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>104,717</b>
<b>Shared</b>				
South Derbyshire District Council (62%)	98,371	60,975	64,071	64,924
John Port School (38%)	60,292	37,371	39,270	39,792
	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>104,717</b>