
REPORT TO: ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE AGENDA ITEM: 8.

DATE OF MEETING: 16th JANUARY 2006 CATEGORY: RECOMMENDED

REPORT FROM: DIRECTOR OF CORPORATE SERVICES OPEN

MEMBERS' CONTACT POINT: KEVIN STACKHOUSE (595811)

SUBJECT: PROBABLE OUT-TURN 2005/06 and ESTIMATES 2006/2007 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 2005/06 and 2006/07 are approved.
- 1.2 That the proposed fees and charges for 2006/07 are approved.

2.0 Purpose of Report

- 2.1 To detail the Leisure Centre's probable out-turn for 2005/2006 and the original estimate for 2006/07 (**Appendix 1**). It also sets out proposals for the level of fees and charges for 2006/07 (**Appendix 2**).

3.0 Detail

Probable Out-turn 2005/06

- 3.1 The net expenditure for 2005/06 is now estimated at £186,270, which is an increase of approximately £10,000 compared to the original estimate. An analysis of this variance is shown in the table below.

Variance	£
Additional wages and training costs associated with extra swimming lessons and aqua aerobics (note that this has generated additional income – see below)	5,800
Additional repairs and maintenance (financed from money held over from 2004/05)	8,330
Increase in energy costs (price rises) and recharges from the School	10,560
Increase in income from swimming lessons and aqua aerobics	-10,600

Other reductions (insurance, vending and technical support)	-4,220
Overall Variance 2005/06	+9,870

3.2 In accordance with the funding agreement, to finance this, additional contributions from the constituent partners are required as follows.

- South Derbyshire District Council - £2,140
- John Port School - £5,030
- Derbyshire County Council - £2,700

Original Estimate 2006/07

3.3 The budget for 2006/07 has initially been compiled at November 2005 (today's) prices. An allowance for inflation has then been added where this is considered unavoidable, to cover for price increases to March 2007. This calculates the cash limit estimate for 2006/07, in which budgets should be managed.

3.4 Inflation measures are based on data available from HM Treasury for various categories of income and expenditure. The assumptions built into estimates are as follows:

- Employee Costs – 2.95% (as per the existing national pay settlement)
- Responsive Repairs and Maintenance – 2.5%
- Planned Maintenance – 5%
- Utilities – 5%
- Business Rates – 2.7%
- Fuel – 5.6%
- Insurance Premiums – 2.7%
- Other Supplies and Services – 2.7%
- Office Expenses (equipment, stationery, etc.) – cash limited
- Other Categories – 2.68% (the Government's general measure of inflation)
- Other income (excluding rents) - 2.68% - but subject to demand and roundings.

3.5 The estimates are also based on service levels in 2005/06 continuing, and include any full year effects of previous year's growth and capital expenditure. However, any non-recurring items have been removed (mainly relating to additional repairs and maintenance in 2005/06).

3.6 In summary, the overall net expenditure for 2006/07 is estimated to increase by a further £6,440 compared to 2005/06. After allowing for inflation, the main reason for the increase is the full year effect of the additional energy costs incurred during 2005/06.

Proposed Fees and Charges 2006/07

3.7 **Appendix 2** provides a schedule of the proposed level that will operate from 1st April 2006, together with a comparison to the existing charge. No major changes are proposed for 2006/07 and generally, it is proposed that fees and charges are increased by around the rate of inflation.