



Joint Management Committee

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Our Ref : DT

Date: 10th January 2014

Dear Councillor,

Etwall Leisure Centre Joint Management Committee

A Meeting of the **Etwall Leisure Centre Joint Management Committee** will be held in the **Room J2, Jubilee Centre, John Port School**, on **Monday, 20 January 2014** 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 Bale and Lemmon (Chairman).

Labour Group

Councillor Shepherd.

Representatives of Governors of Etwall John Port School

Messrs. P. Downs, C. Harrison and B. Whyman M.B.E. (Vice-Chairman),

Representative of Derbyshire County Council

Councillor Hosker.

AGENDA

Open to Public and Press

- 1** Apologies
- 2** To receive the Open Minutes of the Meeting held on 25th November 2013.
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** Centre Performance - Active Nation
- 5** Updated Financial Position: Income and Expenditure 2012/14 and 2014/15 **3 - 6**
- 6** Etwall Leisure Centre - Facility Development **7 - 8**

Exclusion of the Public and Press:

- 7** The Chairman may therefore move:-
That in accordance with Section 100 (A) of the Local Government Act 1972 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.
- 8** To receive the Exempt Minutes of the Meeting held on 25th November 2013.
- 9** Catering Provision at Etwall Leisure Centre
- 10** Contract for the Management of Green Bank & Etwall Leisure Centres

REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 5
DATE OF MEETING:	20th JANUARY 2014	CATEGORY: RECOMMENDED
REPORT FROM:	TREASURER TO THE JOINT COMMITTEE	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	
SUBJECT:	UPDATED FINANCIAL POSITION: INCOME & EXPENDITURE 2013/14 and 2014/15	REF: u/ks/etwalljmc/budget report 13
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the projected out-turn for 2013/14 and the proposed estimates of income and expenditure for 2014/15 are approved.

2.0 Purpose of Report

- 2.1 To detail the Leisure Centre's financial position for the current financial year 2013/14, together with the proposed estimates of income and expenditure for 2014/15. This follows the budget out-turn report considered by the Committee in June 2013.

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 Since April 2011, 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 until 2018.
- 3.3 The contractual arrangement in place requires the JMC to make an annual payment to the Trust for running and maintaining facilities. 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.

- 3.4 The Contract for the Centre encompasses a multi-functional sports hall, gym and swimming pool, together with facilities for general health and fitness activities. This was expanded in May 2013, when a new 3g Artificial Grass Pitch was installed at the Centre for multi-use purposes.

Funding Arrangements

- 3.5 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) effectively reduces the overall contribution of SDDC and JPS.
- 3.6 The JMC are still responsible for some maintenance and utility costs. In addition, an amount of £30,000 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.
- 3.7 A 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. Currently, bids have been made by the Partnership to external funding bodies to expand the gym and general health facilities in the Centre to meet demand.

Updated Financial Position

- 3.8 **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.
- 3.9 The Appendix details the current year’s budget for 2013/14, together with the projected out-turn against the budget and the estimate for 2014/15.

Summary Position

- 3.10 As expected, the overall net cost of the Centre is reducing due to the lower contract fee in accordance with the tendered and agreed sum. However, there is an increase in costs in the current financial year 2013/14, due to repairs in the swimming pool and shower facilities.
- 3.11 The accounts show reduced contributions from the County Council in accordance with the new JMC agreement. However, even allowing for this, the net cost of the Centre to the JMC is approximately £36,000 less than in 2012/13, with the estimated cost of £104,000 in 2014/15 compared to an actual cost of £260,000 back in 2011/12.

- 3.12 Other costs are remaining fairly static; it is proposed to increase the contribution to the “Sinking Fund” by £5,000 per year to provide for any future decommissioning costs. The current value of the Sinking Fund is £91,667 (as at 31st March 2013).
- 3.13 Central support costs and overheads charged to the JMC are also reducing as the relevant proportion of budget savings made in these areas by the District Council is passed onto the JMC.
- 3.14 After allowing for the County Council contribution, the contributions required from the funding partners, i.e. the District Council and the School, will fall from £131k in 2013/14 to £104k in 2014/15.

APPENDIX 1

Analysis of Etwall Leisure Centre Costs	Actual 2012/13 £	Budget 2013/14 £	Projected 2013/14 £	Estimate 2014/15 £
Repairs and Maintenance	4,027	11,280	20,000	11,280
Other Costs	189	2,000	2,000	1,950
Contribution to Utility Costs	1,650	5,000	5,000	5,000
Contribution to Sinking Fund	25,000	25,000	25,000	25,000
Contribution to Decommissioning Costs	0	0	0	5,000
Contractor Payment	118,383	81,201	81,201	62,411
Vending Machine Lease	3,513	3,780	3,584	3,780
Sub Total - Direct Running Costs	152,762	128,261	136,785	114,421
Central Support/Overheads				
Printing	47	46	46	47
Financial Services	5,689	5,545	5,709	4,105
Audit Fees	2,386	2,326	2,325	1,661
Legal Services	687	670	819	673
Procurement	3,127	3,048	3,044	2,227
Client Management	15,504	15,110	14,906	13,484
Sub- Total - Overheads	27,440	26,744	26,849	22,198
Gross Expenditure	180,202	155,005	163,634	136,619
Less - County Council Contributions	-39,694	-40,000	-32,000	-32,000
NET EXPENDITURE	140,508	115,005	131,634	104,619
Shared				
South Derbyshire District Council (62%)	-70,852	-71,303	-81,613	-64,864
Derbyshire County Council (see Note)	-34,231	0	0	0
John Port School (38%)	-35,425	-43,702	-50,021	-39,755
	-140,508	-115,005	-131,634	-104,619

Note: After 2012/13, DCC no longer contribute directly to the costs of the facility under the JMC Agreement

REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	20th JANUARY 2014	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF COMMUNITY & PLANNING SERVICES BUSINESS MANAGER, JOHN PORT SCHOOL	EXEMPT PARAGRAPH NO:
MEMBERS' CONTACT POINT:	STUART BATCHELOR, ext 5820, batchelors@south-derbys.gov.uk GRAHAM GOLDING, GG@johnport.derbyshire.sch.uk	DOC:
SUBJECT:	ETWALL LEISURE CENTRE – FACILITY DEVELOPMENT	REF: SB
WARD (S) AFFECTED:	ETWALL, HATTON, HILTON, WILLINGTON	TERMS OF REFERENCE:

1.0 Recommendation

1.1 To authorise officers to progress plans for the development of facilities at Etwall Leisure Centre.

2.0 Purpose of the Report

2.1 To update Members on the development of new facilities at Etwall Leisure Centre and gain approval for continuing work on other proposed developments.

3.0 Detail

3.1 Since the opening of the new centre officers of the School, Council and latterly Active Nation have been continually developing projects and funding bids for enhancements to Etwall Leisure Centre. Following the successful Artificial Grass Pitch project the next major project is now progressing.

A Legacy for Etwall Project

3.6 Officers have reviewed the opportunities that the Leisure Centre and School site offers and evaluated the potential of financial benefit, ie. increasing income and increasing participation for school pupils and the community. The result of this review is the following list of projects:

3.7 Gym Extension: the extension of the existing fitness gym into adjacent space, potentially achieving a significant increase in the size of the current facility to provide for an area for daytime curriculum use and increased strength and conditioning and cardio-vascular space for school and community use.

3.8 Foyer Partition Wall: the provision of a removable partition wall in the main foyer area to improve the environment for instructor led classes and spectators.

- 3.9 Dance Studio: the redevelopment of a school gym into a fully equipped dance studio available for curriculum and community use.
- 3.10 Tennis/Netball Courts – the refurbishment and floodlighting of a minimum of 2 tennis/netball courts.
- 3.11 Whilst these projects are not ranked in absolute priority they are in order of financial/participation impact with the gym being the most advantageous.
- 3.12 In developing these projects officers have discussed opportunities with National Governing Bodies of Sport to identify if the development of sporting ‘excellence and performance’ can be further promoted from the John Port School/Etwall Leisure Centre site. This opportunity exists most with badminton where the above projects could release space in the sports hall so that more time/courts can be released for a county level Badminton Performance Centre.

Sport England – Inspired Facilities Fund

- 3.13 In December an application for the project was submitted to the Sport England Inspired Facilities Fund for £90,000. A decision on this application will be made around April/May and meantime work will continue to further develop the above in terms of design and business plans. An update report will be brought back to this Committee for approval of what the final project will entail.

4.0 Financial Implications

- 4.1 Whilst the financial aspects of the projects are still being confirmed it is estimated that if external funding bids are successful the total budget will be £400,000. Already there is a potential allocation of £150,000 from the District Council and the School has provisionally indicated support dependent upon the business plan for the final project. Active Nations will provide significant capital linked to the confirmation of the 3-year extension to their management contract available within their current contract.

5.0 Corporate Implications

- 5.1 The development of Etwall Leisure Centre meets the corporate/strategic objectives of all partners in that it enhances the facilities for school pupils and the community. They will also support the ongoing financial viability for the partners in operating a very successful community and educational establishment.

6.0 Community Implications

- 6.1 Etwall Leisure Centre is a very successful dual-use leisure facility which has the capacity to become even more popular providing quality facilities for education, participation and performance by the local community.

7.0 Conclusions

- 7.1 The provision of the new Artificial Grass Pitch continued to show how well the partners work together and the list of new projects will continue this ambitious partnership.