



Joint Management Committee

Secretary to the Committee

Frank McArdle

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Our Ref :

Date: 24 December 2014

Dear Councillor,

Etwall Leisure Centre Joint Management Committee

A Meeting of the **Etwall Leisure Centre Joint Management Committee** will be held in the **John Port School**, on **Monday, 12 January 2015 at 17:00**. You are requested to attend.

Yours faithfully,

A handwritten signature in black ink that reads 'Frank McArdle'.

Secretary to the Joint Management Committee

To: **Representatives of South Derbyshire District Council**
Conservative Group
Councillors Bale and Lemmon
Labour Group
Councillor Shepherd.

Representatives of Governors of Etwall John Port School
Messrs. P. Downs, C. Harrison and B. Whyman M.B.E.

Representative of Derbyshire County Council
Councillor Hosker.



AGENDA

Open to Public and Press

- 1 Apologies and to note any substitutes appointed for the Meeting
- 2 To note any declarations of interest arising from any items on the Agenda
- 3 To receive the Open Minutes of the Meeting held on 27.10.2014.
- 4 ETWALL BUDGET REPORT JAN 15 **3 - 6**
- 5 PERFORMANCE REPORT FROM ACTIVE NATION - VERBAL PRESENTATION.

Exclusion of the Public and Press:

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.

REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM:
DATE OF MEETING:	12th JANUARY 2015	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 2014/15 and PROPOSED BASE BUDGET 2015/16	REF: u/ks/etwalljmc/budget report Jan 15
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the projected out-turn for 2014/15 and the proposed estimates of income and expenditure for 2015/16 are approved.

2.0 Purpose of Report

- 2.1 To detail the Leisure Centre's financial position for the current financial year 2014/15 against the approved budget, together with the proposed estimates of income and expenditure for 2015/16.

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; under the terms of the contract, an extension of this arrangement 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 £138,000 – the estimate for 2015/16.

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 £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.
- 3.8 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.
- 3.9 Currently, bids have been made by the Partnership to external funding bodies to expand the gym and other facilities in the Centre to meet demand.

Updated 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 2014/15, together with the projected out-turn against the budget and the proposed budget for 2015/16.

Summary Position

- 3.12 Projected spending is expected to increase in 2014/15 and 2015/16 compared to the Original Budget for 2014/15. However, this is less than overall expenditure in 2013/14 due to a planned reduction in the contractor payment.
- 3.13 The main reasons for the increase compared to the Original Budget are continuing pressures on general repairs and maintenance, together with increases in utility costs.

3.14 The Budget continues to propose setting aside contributions to a Sinking Fund and future decommissioning costs. The current amount in the Sinking Fund is approximately £100,000, although the Committee has previously agreed to earmark this towards developing the facility.

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

Share of Net Expenditure	Actual 2013/14 £	Budget 2014/15 £	Projected 2014/15 £	Estimate 2015/16 £
South Derbyshire District Council (62%)	83,119	64,863	70,411	79,432
John Port School (38%)	50,944	39,755	43,155	48,684
	134,063	104,618	113,567	128,116

Etwall Leisure Centre - Income and Expenditure	Actual 2013/14 £	Budget 2014/15 £	Projected 2014/15 £	Estimate 2015/16 £	
Repairs and Maintenance	18,736	11,280	12,000	27,280	**
Supplies and Services	2,442	1,950	475	2,000	
Contribution to Utility Costs	4,444	5,000	16,500	16,500	**
Contribution to Sinking Fund	25,000	25,000	25,000	25,000	
Contribution to Decommissioning Costs	0	5,000	5,000	5,000	
Contractor Payment	85,101	62,411	64,104	62,411	
Vending Machine Lease	6,755	3,780	0	0	
Sub Total - Direct Running Costs	142,478	114,421	123,079	138,191	
Central Support/Overheads					
Printing	41	47	0	0	**
Financial Services	5,081	4,105	6,225	6,225	
Audit Fees	2,093	1,661	2,258	2,258	
Legal Services	737	673	1,928	1,928	
Procurement	2,739	2,227	2,568	2,568	
Client Management	12,894	13,484	10,606	10,606	
Sub- Total - Overheads	23,585	22,197	23,585	23,585	
Gross Expenditure	166,063	136,618	146,664	161,776	
Less - County Council Contributions	-32,000	-32,000	-33,097	-33,660	
NET EXPENDITURE	134,063	104,618	113,567	128,116	
Shared					
South Derbyshire District Council (62%)	83,119	64,863	70,411	79,432	
John Port School (38%)	50,944	39,755	43,155	48,684	
	134,063	104,618	113,567	128,116	

**Note:

Repairs & Maintenance

14/15 year to date £11,406 not anticipating more more spend until next year

15/16 budget £27,280 - on-going repairs and maintenance anticipated.

Utilities

Utility costs actual 13/14 £16,527 due to change in tariff forecast for the same 14/15

Overheads

Charges actual on ledger 13/14 forecast & budget same