



Joint Management Committee

Secretary to the Committee

Frank McArdle

Chief Executive,
South Derbyshire District Council,
Civic Offices, Civic Way, Swadlincote,
Derbyshire. DE11 0AH
Phone 01283 595702.
Fax 01283 595854.
E-mail: frank.mcardle@southderbyshire.gov.uk

Business Manager

Robert Redfern

Etwall Leisure Centre, John Port School Site,
Hilton Road, Etwall, Derbyshire. DE65 6HZ
Phone 01283 735404
E-mail: robert.redfern@activenation.org.uk

Our Ref: DS

Date: 04 January 2021

Dear Councillor,

Etwall Leisure Centre Joint Management Committee

A Meeting of the **Etwall Leisure Centre Joint Management Committee** will be a **Virtual Committee**, held via Microsoft Teams on **Wednesday, 06 January 2021 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

Councillor Muller (Chairman) and Councillor Corbin

Labour Group

Councillor Shepherd

Representative of the Governors of John Port Spencer Academy

Mr D Parker (Vice-Chairman) Mrs K Squire and Ms M Walker-Endsor

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** INCOME & EXPENDITURE 2020-21 AND PROPOSED BASE **3 - 5**
BUDGET 2021-22
- 4** ACTIVE NATION PERFORMANCE REPORT **6 - 11**

Exclusion of the Public and Press:

- 5** The Chairman may therefore move:-
That in accordance with Section 100 (A)(4) 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.

REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM:3
DATE OF MEETING:	6th JANUARY 2021	CATEGORY:
		RECOMMENDED
REPORT FROM:	TREASURER TO THE JOINT COMMITTEE	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk	DOC: U/ks/live files/Etwall JMC/budget reports/2021 budget report Jan 21
SUBJECT:	INCOME & EXPENDITURE 2020/21 AND PROPOSED BASE BUDGET 2021/22	
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	TERMS OF REFERENCE: HCS

1.0 Recommendations

- 1.1 That the projected out-turn for 2020/21 is considered and noted.
- 1.2 That the estimates of income and expenditure for 2021/22 are approved.

2.0 Purpose of the Report

- 2.1 To provide an update on the Leisure Centre's financial position for the current financial year 2020/21, together with submitting proposed estimates of income and expenditure for 2021/22.

3.0 Executive Summary

- 3.1 Based on income and expenditure to-date, the net cost of operating the Leisure Centre will be below the Budget for 2020/21. Proposals for the Budget 2021/22 also shows a reduction compared to the base budget for 2020/21. In both cases, this is due to the lower cost of utilities and overheads.

4.0 Detail

- 4.1 **Appendix 1** details the costs associated with the day-to-day operation of the Leisure Centre. The primary cost is the fixed payment to the contractor (Active Nation) in accordance with the management contract. Active Nation also work in partnership with the Council and the Academy to develop services and improve the health and well-being of local residents.
- 4.2 The net cost of the Centre is financed by South Derbyshire District Council and the John Port Spencer Academy in the proportion of 62% and 38% respectively. This is in accordance with the Joint Management Agreement.

Summary Position

- 4.3 Net expenditure in 2020/21 is forecast to out-turn at just under £20,000 lower than Budget. This is due to lower utility costs and overheads.

Utility Costs

- 4.4 The cost of gas and electricity are largely met by Active Nation as the Management Contractor.
- 4.5 Under the Contract, the JMC contribute to these costs or receive a refund, should tariffs increase/decrease compared to a pre-determined baseline which is determined through a formula. This is also adjusted for usage.
- 4.6 The reason for this provision is to protect the Contractor from meeting significant increases in prices which may be outside of their control. Conversely, the JMC benefits where prices fall, or usage is lower.
- 4.7 In practice, there is usually an annual adjustment to make between the JMC and the Contractor, although it is never significant. Traditionally, the JMC's Budget allows a cost of £10,000 per year as a provision. In 2020/21, it is currently forecast to be a small credit of £1,459.

Overheads

- 4.8 These are the costs that the District Council incur in managing the contractor and administering the JMC's Accounts. They can vary year to year depending on the actual costs incurred by the District Council and are a proportion of the overall costs incurred, split on an estimate of time spent.
- 4.9 The costs for 2020/21 and 2021/22 are forecast to be lower compared to the current budget and the actual for 2019/20. A breakdown is summarised below.

Actual Central recharges for CCD30 2020/21 Split 50/50 between Etwall & Greenbank		
	Total Recharge	Etwall Share
Finance	13,461.38	6,730.69
Internal Audit	4,396.84	2,198.42
Merchant banking	1,907.27	953.63
Comms	3,557.66	1,778.83
Procurement	685.43	342.71
Cultural Services	7,282.54	3,641.27
Property Services	1,481.94	740.97
	32,773.07	16,386.54

Net Expenditure

- 4.10 Overall, the net expenditure and contributions are summarised in the following table.

	Actual 2019/20 £	Budget 2020/21 £	Projected 2020/21 £	Proposed Budget 2021/22 £
South Derbyshire District Council (62%)	64,142	68,971	57,429	64,534
John Port Spencer Academy (38%)	39,313	42,273	35,198	39,553
NET EXPENDITURE	103,454	111,244	92,628	104,087

Sinking Fund and Decommissioning Costs

- 4.11 As part of the Budget, an annual contribution of £25,000 is made to a sinking fund to finance major replacements of plant and equipment. A contribution of £5,000 per year is also made to a decommissioning reserve.
- 4.12 As of 31 March 2020, the balance on the Sinking Fund was £111,000, with £30,000 in the Decommissioning Reserve. The contributions in 2020/21 will increase the balances to £136,000 and £35,000 respectively and to £161,000 and £40,000 respectively in 2021/22 if they are not utilised.

APPENDIX 1

Etwall Leisure Centre - Income and Expenditure	Actual 2019/20 £	Budget 2020/21 £	Projected 2020/21 £	Proposed Budget 2021/22 £
Repairs and Maintenance	26,249	16,500	16,500	16,500
Contribution to Utility Costs (Gas and Electricity)	-6,113	10,000	-1,459	10,000
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	32,336	31,200	31,200	31,200
Central Support Costs (Overheads)	20,982	23,544	16,387	16,387
Total Expenditure	103,454	111,244	92,628	104,087

Shared	Actual 2019/20 £	Budget 2020/21 £	Projected 2020/21 £	Estimate 2021/22 £
South Derbyshire District Council (62%)	64,142	68,971	57,429	64,534
John Port Spencer Academy (38%)	39,313	42,273	35,198	39,553
	103,454	111,244	92,628	104,087



ACTIVE NATION

Etwall January 2021

Key Areas Presented:

- >> Brand Map
- >> Facility operation
- >> Contract successes
- >> Reopening challenges

Our Brand Map



Facility operation in line with government restrictions

>> 2nd November – Launch of Active Nation ‘On Demand’. Giving access to over 550 on line workouts’ accessible 24/7.

>> 4th November – Government enforced ‘lock down’. Closure of facilities

>> 2nd December – Reopened facilities within tier 3 restrictions. Facilities reopened included:

- ✓ Swimming – Family swim, lane swim, club swimming
- ✓ Gym
- ✓ 3G – Block Bookings
- ✓ Badminton – Casual bookings only

>> 7th December – Reopened Learn To swim Programme which operated until 20th December (Christmas period)

>> 24th December until 4th January Reduced operating hours throughout the festive period. (SDDC Approved)

>> 4th January – Launch of ‘Live’ Group Exercise timetable through our ‘On Demand’ service. A full group exercise timetable offering by Active Nation instructors streamed to our supporters across the country.

Successes - September-December 2020

- >> Feedback both in venue and via social media from supporters who have confidence to use the venues.
- >> Supporters accepting and understanding of changing processes and following guidance within the venue.
- >> Successful operation of venue with new processes and procedures in place to ensure covid secure.
- >> Launch of Active Nation 'On Demand' service giving access to over 550 classes 24/7.
- >> Constant review and adaptation of operation, facilities, staffing and procedures to enable the facility to operate effectively through the 3rd Quarter.
- >> Retention of the majority of the team throughout a second enforced 'lock down' and during phased reopening of venue, utilising the furlough scheme and restructuring team approach.
- >> Continue to work with National Governing Bodies and in line with PHE and Government guidelines to offer as many services as possible.

Challenges - July-August 2020

>> Continuous adaptation of facilities and programmes to ensure compliance of all guidelines from UK Active, PHE, Government and all of the different NGB in order to operate facilities securely.

>> Staffing restructure – Establish a structure that will manage the safe and effective operation of the venue for the foreseeable future.

>> Management of staff. Uncertainty of Job Retention Scheme/Job Support Schemes. Dates these are in place and when they are available until.

>> Maintaining the most up to date guidance from all National Governing Bodies, from all sports and activities. Swim England have recently launched version 7 of their guidance.

>> Balancing operational requirements whilst maintaining financial viability throughout phased reopening.