
REPORT TO: ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE **AGENDA ITEM: 6**
DATE OF MEETING: 6 JULY 2022 **CATEGORY: RECOMMENDED**
REPORT FROM: TREASURER TO THE JOINT MANAGEMENT COMMITTEE **OPEN**
MEMBERS' CONTACT POINT: KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk
SUBJECT: FINAL ACCOUNTS 2021-22 **REF:** h/KS/live files/Etwall JMC/final accounts report 2022
WARD (S) AFFECTED: ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON

1.0 Recommendations

1.1 That the Final Accounts for 2021/2022 are approved.

2.0 Purpose of Report

2.1 To report the Leisure Centre's final accounts for 2021/22.

3.0 Detail

3.1 Items of expenditure for 2021/22 are detailed in the following table.

	Actual 2020/21 £	Budget 2021/22 £	Projected 2021/22 £	Actual 2021/22 £
Repairs and Maintenance	26,249	16,500	16,500	8,021
Contribution to Utility Costs	-6,113	10,000	-14,253	-7,690
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	31,986	31,709
Central Support / Overheads	20,982	16,387	17,729	18,338
Professional Fees	0	0	0	2,250
Total Expenditure	103,454	104,087	81,962	82,628

Shared	Actual 2020/21	Budget 2021/22	Projected 2021/22	Actual 2021/22
South Derbyshire District Council (62%)	64,142	64,534	50,817	51,229
John Port Spencer Academy (38%)	39,313	39,553	31,146	31,399
	103,454	104,087	81,962	82,628

- 3.2 The table shows that the overall expenditure was lower than that budgeted, and just above that projected when last reported in January 2022. There were lower costs on day-to-day repairs and maintenance, which were largely offset by a lower credit on utility costs.
- 3.3 All other costs were generally in accordance with that projected. The professional fees related to an audit and “mystery visit” exercise undertaken by an external organisation. The results of this exercise were reported to a previous meeting of the Committee.

Utility Costs

- 3.4 The cost of gas and electricity are largely met by Active Nation as the Management Contractor.
- 3.5 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.
- 3.6 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.
- 3.7 In practice, there is usually an annual adjustment to make between the JMC and the Contractor, although it has never been significant. Traditionally, the JMC’s Budget allows a cost of £10,000 per year as a provision. In 2021/22, there was a small credit of £7,690.

Overheads

- 3.8 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. A breakdown is summarised below.

Actual Central recharges for CCD30 2021/22			
Split 50/50 between Etwall & Greenbank			
	£ Total Recharge	£ Etwall Share	£ Estimated
Finance	19,522	9,761	9,761
Internal Audit	4,818	2,409	2,409
Merchant banking	1,510	755	755
Cultural Services	5,898	2,949	2,339
Comms	4,238	2,119	2,120
Procurement	690	345	345
	36,676	18,338	17,729

Sinking Fund

- 3.9 Each year, a contribution of £25,000 is made to a sinking fund which is earmarked to replace major items of plant and equipment. In addition, a further provision of £5,000 is made for future decommissioning costs.

3.10 As of 31st March 2022, the balance on the sinking fund was £161,000 with £40,000 in the decommissioning provision.