
REPORT TO: ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE **AGENDA ITEM: 4**
DATE OF MEETING: 22nd SEPTEMBER 2021 **CATEGORY: RECOMMENDED**
REPORT FROM: TREASURER TO THE JOINT MANAGEMENT COMMITTEE **OPEN**
MEMBERS' CONTACT POINT: KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk
SUBJECT: FINAL ACCOUNTS 2020/21 **REF:** h/KS/live files/Etwall JMC/final accounts report 2021
WARD (S) AFFECTED: ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON

1.0 Recommendations

1.1 That the Final Accounts for 2020/2021 are approved.

2.0 Purpose of Report

2.1 To report the Leisure Centre's final accounts for 2020/21.

3.0 Detail

3.1 Items of expenditure for 2020/21 are detailed in the following table.

	Actual 2019/20 £	Budget 2020/21 £	Projected 2020/21 £	Actual 2020/21 £
Repairs and Maintenance	26,249	16,500	16,500	11,418
Contribution to Utility Costs	-6,113	10,000	-1,459	-187
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	31,986
Central Support / Overheads	20,982	23,544	16,387	17,728
Total Expenditure	103,454	111,244	92,628	90,945

Shared	Actual 2019/20 £	Budget 2020/21 £	Projected 2020/21 £	Actual 2020/21 £
South Derbyshire District Council (62%)	64,142	68,971	57,429	56,386
John Port Spencer Academy (38%)	39,312	42,273	35,199	34,559
	103,454	111,244	92,628	90,945

- 3.2 The table shows that the overall expenditure was lower than that budgeted, and a reduction compared to the previous year, 2019/20 This was due to lower day-to-day repairs maintenance and utility costs.

Utility Costs

- 3.3 The cost of gas and electricity are largely met by Active Nation as the Management Contractor.
- 3.4 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.
- 3.5 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.
- 3.6 In practice, there is usually an annual adjustment to make between the JMC and the Contractor, although it is has never been significant. Traditionally, the JMC's Budget allows a cost of £10,000 per year as a provision. In 2020/21, there was a small credit of £187.

Overheads

- 3.7 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.
- 3.8 The costs for 2020/21 were estimated to be lower compared to the 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	£ Estimated
Finance	17,109	8,555	6,731
Internal Audit	4,439	2,219	2,198
Merchant banking	1,663	832	954
Cultural Services	5,798	2,899	3,641
Comms	4,358	2,179	1,779
Property Services	1,414	707	741
Procurement	676	338	343
	35,457	17,728	16,387

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 2021, the balance on the sinking fund was £136,000 with £35,000 in the decommissioning provision.