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**REPORT TO:** ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE      **AGENDA ITEM: 5**  
**DATE OF MEETING:** 11<sup>th</sup> JULY 2016      **CATEGORY: RECOMMENDED**  
**REPORT FROM:** TREASURER TO THE JOINT MANAGEMENT COMMITTEE      **OPEN**  
**MEMBERS' CONTACT POINT:** KEVIN STACKHOUSE (01283 595811) [Kevin.stackhouse@south-derbys.gov.uk](mailto:Kevin.stackhouse@south-derbys.gov.uk)  
**SUBJECT:** FINAL ACCOUNTS 2015/16      **REF:** u/ks/live files/Etwall JMC/final accountsreport1516  
**WARD (S) AFFECTED:** ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON

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## 1.0 Recommendations

1.1 That the Final Accounts for 2015/2016 are considered and approved for Audit.

## 2.0 Purpose of Report

2.1 To report the Leisure Centre's final accounts for 2015/16.

## 3.0 Detail

3.1 Items of income and expenditure for 2015/16 are detailed in **Appendix 1**. This also shows a comparison with the actual expenditure for 2014/15, the budgeted expenditure for 2015/16, together with the estimated position as reported to the Committee in January 2016.

3.2 A summary is provided in the following table.

Total Income and Expenditure	Actual	Budget	Estimated	Actual	Variance
	2014/15	2015/16	2015/16	2015/16	2015/16
	£	£	£	£	£
Expenditure	195,760	132,346	141,366	163,698	22,332
Income	-37,097	-34,000	-38,025	-47,345	-9,320
<b>Net Cost</b>	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>116,353</b>	<b>13,012</b>

3.3 Although the net cost, as expected, was lower in 2015/16 compared to 2014/15, it was greater than the budget and estimated figures for the year. The main reason was the cost of repairs and maintenance and in particular, the amounts directly incurred by the School.

3.4 These totalled £19,563 and £22,837 in 2014/15 and 2015/16 respectively. These costs are still to be invoiced by the School, although they have been accrued in the Accounts of the JMC.

3.5 In addition, there were also some additional maintenance costs incurred by the JMC. The cost of repairs and maintenance is detailed below.

<b>Works</b>	<b>£</b>
Water Chlorination works	1,056
Install cycle shelters	9,905
Replacement pump head and terminal block	1,248
Replace bollard lights and up lights	1,495
Invasive inspection of roof and site report	1,560
Clean out gutter, reinstate flashings and repoint lead work	590
Cleaned and disinfected water tank	662
Removal of disabled shower panels	522
	<b><u>17,038</u></b>

3.6 As the table shows, the main cost was the installation of cycle shelters, although the County Council reimbursed approximately 50% of the cost and this is included in the income figures.

3.7 There was also additional income as the Artificial Grass Pitch returned a surplus for 2015/16, although income from the café was slightly lower.

3.8 The following table summarises the contributions of the School and the Council towards the net cost of the facility.

<b>Share of Net Cost</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimated</b>	<b>Actual</b>	<b>Variance</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
South Derbyshire District Council (62%)	98,371	60,975	64,071	72,139	8,067
John Port School (38%)	60,292	37,371	39,270	44,214	4,945
	<b><u>158,663</u></b>	<b><u>98,346</u></b>	<b><u>103,341</u></b>	<b><u>116,353</u></b>	<b><u>13,012</u></b>

### **Sinking Fund**

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

3.10 During 2015/16, £106,000 was used towards the project to extend the fitness suite and provision of community facilities. This had previously been approved by the Committee.

3.11 As at 31<sup>st</sup> March 2016, the remaining balance on the sinking fund stood at £11,667, with £10,000 in the decommissioning provision. At its meeting in January, the Committee agreed to use the sinking fund to replace other items of plant; this will depend on the amount of financing that remains in the sinking fund.

## **Pensions Reserve**

- 3.12 A provision of £28,174 still remains, which was ring-fenced in 2011 to meet any costs of past service pension deficit following the TUPE transfer of former JMC employees to Active Nation. An assessment of any liability remaining on the JMC will be considered as part of the current valuation of the County Council Pension Fund.
- 3.13 This is due to report in December 2016 and the outcome will be reported to the Committee at its annual budget meeting in January 2017.

<b>Etwell Leisure Centre - Income and Expenditure</b>	<b>Actual 2014/15 £</b>	<b>Budget 2015/16 £</b>	<b>Estimated 2015/16 £</b>	<b>Actual 2015/16 £</b>	<b>Variance 2015/16 £</b>
Repairs and Maintenance	19,927	11,280	11,000	17,039	6,039
Supplies and Services	0	2,000	500	2,353	1,853
Contribution to Utility Costs (Gas and Electricity)	28,234	7,000	17,800	7,596	-10,204
Contribution to Sinking Fund	25,000	25,000	25,000	25,000	0
Contribution to Decommissioning Costs	5,000	5,000	5,000	5,000	0
Main Contractor Payment	60,899	62,411	62,411	63,051	640
Other Maintenance Costs - JPS - Provision Only	19,563	0	0	22,837	22,837
Insurance (2012 and 2013 only)	12,000	0	0	0	0
Artificial Grass Pitch - Provision Only	8,243	0	0	0	0
Vending Machine Lease (now terminated)	-2,020	0	0	0	0
<b>Sub Total - Direct Running Costs</b>	<b>176,846</b>	<b>112,691</b>	<b>121,711</b>	<b>142,876</b>	<b>21,165</b>
<b>Central Support/Overheads</b>					
Financial Services	4,407	5,336	5,336	5,929	593
Audit Fees	1,706	1,686	1,686	1,810	124
Legal Services	1,911	2,268	2,268	2,206	-62
Procurement	2,010	1,678	1,678	2,027	349
Client Management	8,880	8,687	8,687	8,850	163
<b>Sub- Total - Overheads</b>	<b>18,914</b>	<b>19,655</b>	<b>19,655</b>	<b>20,822</b>	<b>1,167</b>
<b>Gross Expenditure</b>	<b>195,760</b>	<b>132,346</b>	<b>141,366</b>	<b>163,698</b>	<b>22,332</b>
Less - County Council Contributions	-33,097	-32,000	-34,025	-38,976	-4,951
Less - Surplus - Artificial Grass Pitch	0	0	0	-6,369	-6,369
Less - Café income	-4,000	-2,000	-4,000	-2,000	2,000
<b>NET EXPENDITURE</b>	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>116,353</b>	<b>13,012</b>
<b>Shared</b>					
South Derbyshire District Council (62%)	98,371	60,975	64,071	72,139	8,067
John Port School (38%)	60,292	37,371	39,270	44,214	4,945
	<b>158,663</b>	<b>98,346</b>	<b>103,341</b>	<b>116,353</b>	<b>13,012</b>

**NOTES**

The Budget figure 2015/16 as approved by the Committee in January 2015; the Estimated figure 2015/16 as reported to the Committee in January 2016.

The Variance is the difference between the Estimated and Actual figures for 2015/16