
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM:	9
DATE OF MEETING:	14 JANUARY 2002	CATEGORY:	RECOMMENDED
REPORT FROM:	CHIEF FINANCE OFFICER		OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)		
SUBJECT:	REVENUE BUDGET 2001/02 & 2002/03	REF:	KS/JHM
WARD(S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	TERMS OF REFERENCE:	

1.0 Recommendations

- 1.1 That the proposed estimates of income and expenditure for 2001/02 and 2002/03 are approved.
- 1.2 That the proposed fees and charges for 2002/03 are approved.

2.0 Purpose of Report

- 2.1 To detail the Leisure Centre's probable out-turn for 2001/02 and the base budget for 2002/03. It also sets out proposals for the level of fees and charges for 2002/03.

3.0 Executive Summary

Probable Out-turn 2001/02

- 3.1 The Leisure Centre's net expenditure is projected to be £148,680, which is an increase of approximately £4,000 on the original cash limit estimate for 2001/02. The main reasons for this are summarised below:
 - Essential Maintenance Works to the Pool (as agreed at the JMC on 8th October 2001) - £11,000
 - Provision to purchase of a new pool cover - £3,000

Mostly offset by

- Reduction in Energy Costs - £7,000
- Increase in overall income - £1,000
- Reduction in wages costs - £2,000

The remaining increase (i.e. the £4,000 above) is to be funded by the underspend from 2000/01, as agreed by the JMC on 8th October 2001. This is reflected in the revised contributions for 2001/02, and is lower than £8,354, which was reported in October.

Base Budget 2002/03

3.2 The base budget for 2002/03 (at November 2001 prices) shows a net expenditure of £150,680, which is a further increase of approximately £2,000 on the projected out-turn for 2001/02. The main reasons for this are summarised below:

- Increase of 11% in Employer's Superannuation Contribution Rate - £1,000
- Provision for Full Manpower Establishment - £1,000
- Provision to replace the Pool Inflatable - £2,000
- Provision to increase the printing budget for publicity - £1,500
- Increase in charges from Technical Services - £1,000

Partly offset by

- Reduction in overall premises costs - £5,000

4.0 Detail

4.1 The report is sub-divided into two appendices, as follows:

- ◆ Appendix 1 - a summary of the Leisure Centre's income and expenditure account.
- ◆ Appendix 2 - a schedule showing the proposed fees and charges for 2002/03.

4.2 Basis of 2002/03 Estimates

The budget for 2002/03 has initially been compiled at November 2001 prices. An allowance for inflation has then been added where this is considered unavoidable, to cover for price increases from November 2001 to March 2003. This calculates the cash limit estimate for 2002/03, in which budgets should be managed. The assumptions built into estimates are as follows:

- Employee Costs - 3%
- Energy, Rates and Water Costs - 2.5%
- Contracted Services - 2.5%
- Pensions - an increase from 270% to 300% of the employees' basic amount
- All other costs - no increase
- Fees and Charges - an average of 2.5% across all services

The estimates are also based on service levels in 2001/02 continuing.

4.3 Proposed Fees and Charges 2002/03

Appendix 4 provides a schedule of the proposed level that will operate from 1 April 2002, together with a comparison to the existing charge. Although there are some large increases in percentage terms, they are relatively minor in monetary terms, especially for swimming. However, almost all charges would rise above the current rate of inflation being used for budgetary purposes, i.e. 2.5%. The proposed charges for the "standard" scale (for swimming) would still compare favourably with other facilities in neighbouring areas. On current income levels, these increases could generate an additional £2,000 to £3,000 p.a.

5.0 Financial Implications

5.1 As detailed in the report

6.0 Conclusions

6.1 The Committee is requested to consider carefully the income and expenditure proposals for the Leisure Centre and to approve the probable out-urn for 2001/02 and the base budget for 2002/03.

7.0 Background Papers

Estimate Working Documents

