

Current Cost of Service, Forecast Trading Position Year 1 and impact of implementing growth proposals

Detailed expansion of table 6 high level business case

(Add extra columns if required to demonstrate savings achieved in future years)

Expenditure Year	Service budget 14-15	Current cost of delivery 13-14	Year 1 14-15	Year 2 15-16	Year 3 16-17	(Saving) or Growth 3 year
	£000	£000	£000	£000	£000	£000
Employees	6107	6,928	7,035	7,035	7,035	321
Premises	3246	3,625	2,771	2,771	2,771	-2,562
Transport	42	52	71	71	71	57
Supplies & Services	1173	1,230	1,314	1,264	1,239	127
3rd Party Payments	12	12	209	209	209	591
Transfer Payments	23	23				-69
Support Services	3219	3,219	3,219	3,219	3,219	0
Capital Financing const	0		81	81	81	243
Contribution to reserves				100	150	250
Total Expenditure	13,822	15,089	14,700	14,750	14,775	-1,042
Income	£000	£000	£000	£000	£000	£000
Fees & Charges	5,981	5,861	7,554	7,604	7,629	5,204
Grants	499	499				-1,497
Other Income	0	0				0
Recharges	196	196				-588
Total Income	6,676	6,556	7,554	7,604	7,629	3,119
Net cost of service (profit/(loss))	7,146	8,533	7,146	7,146	7,146	-4,161

Total attributed savings over 3 year

Please give details about assumptions made above relating to current costs, anticipated variations to expenditure and income in Year 1 of ASDV and what is included in expenditure and income in respect of growth. Please also include any adverse impacts that may occur such as corporation tax/VAT and any impact on the trading position that may occur if the ASDV is not established.
Include any savings anticipated from the new arrangements

- 1 - The 2014-15 budgets include approved 2013-14 current budgets, less temporary COI budgets of £164k and less Phase 1 and 2 Vacancy Management budget savings of £143k. Further budget reductions from Phase 3 have not been included yet as they are unconfirmed, as is the same for any further Cross Cutting budgets reductions that may be applied. The net £80k growth bid for 2014-15 has been included, as has an additional £120k (reduced from the requested £370k) for savings that are no longer able to happen.
- 2 - Current Premises budgets and "Cost of Delivery" assume an amount of £698k in respect of Repairs & Maintenance which is financed from a separate aggregated budget within Assets which is not specifically identified for specific Services
- 3 - Support Costs are not budgeted for against Services but have been included as per the amounts charged to Leisure in 2012-13. No reduction in future years have been included as these costs will be outside of the direct control of Everybody Sport and Recreation
- 4 - Capital Financing represents the financing elements of leasing charges, other capital charges are not recorded as it is understood that these will remain with the Council
- 5 - Year 1 Employee costs assume all current senior officers are subject to TUPE and/or will be assimilated into equivalent senior positions within the company and that an equivalent budget value will also be transferred. Any senior posts that are not subject to a transfer of funding will create a financial pressure.
- 6 - Third party Payments represent £209k of payments made to a "Joint Use" school, primarily consisting of shared utility costs and an income sharing arrangement
- 7 - No inflation costs have been included in the above table for expenditure, neither have any procurement savings that may be realised
- 8 - Increased costs in respect of employees is not factored into the above summary as this will be contained within the total service provision cost
- 9 - Reduced expenditure of £500k is anticipated in respect of NNDR due to mandatory relief of 80% being received
- 10 - Net additional income from a change of VAT treatment on income and expenditure is included of approx £409k
- 11 - Fees and Charges are included as having been increased by 4% in year 2014-15
- 12 - £150k savings in respect of Middlewich Leisure centre transfer have not been reflected in the above figures as any reduction in net expenditure will be offset against a reduction of the Management Fee

Capital Expenditure and Funding (table 7 high level business case)

(To be used where there is capital investment as part of the project)

Expand year columns if required

Expenditure	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
Land/Building Purchase				0
Professional Fees (External)				0
Contracted Services				0
ICT Hardware				0
Software Licences				0
Furniture, Plant , Equipment				0
Capitalized Staffing Costs				0
Grants & Loans (Given)				0
Other Costs				0
Total Expenditure	0	0	0	0
Income				
Grants				0
Developer & Other Contributions				0
Revenue Contribution				0
External funding				0
Total Income	0	0	0	0
Capital Receipts				
Prudential Borrowing				0
Total Funding	0	0	0	0

Revenue Expenditure and Income

(use to reflect the revenue expenditure incurred to realise the project, any funding received and who will incur the net cost)

Expenditure (List)	£000	Cost falls to (CEC/ADSV/ Other)
External Legal Fees	7	CEC
Leisure Consultant Fees	16	CEC
Insurance Fees	5	CEC
TOTAL Expenditure	28	0
Funding (List)		
Project budget	150	
External funding		
TOTAL Funding	150	0