

**MID DEVON DISTRICT COUNCIL LEISURE SERVICES
MEDIUM TERM FINANCIAL PLAN 2016-17 TO 2019-20**

	Current Base 2016-17 £	Infl %	2017-18 £	Infl %	2018-19 £	Infl %	2019-20 £
Employee costs 1000's							
Cost pressures			159,000				
Savings - efficiencies in operational cover					(25,000)		(25,000)
Base budget	1,643,080		1,659,511		1,836,696		1,838,871
<i>Inflation base</i>	1,643,080	1.0%	1,818,511	1.0%	1,811,696	1.5%	1,813,871
One off initiatives - Fitness launch			15,000		0		0
Total in year cost	1,643,080		1,833,511		1,811,696		1,813,871
Premises costs 2000's							
Cost pressures - Additional Utilities - Fitness Development Project*			2,000		2,010		0
Savings 2% Maintenance and utilities			(14,418)		(14,339)		(14,318)
Base budget	715,510		720,876		716,960		715,905
<i>Inflation base</i>	715,510	0.75%	708,459	1.2%	704,631	1.6%	701,587
One off initiatives							
Total in year cost	715,510		708,459		704,631		701,587
Transport related costs 3000's							
Cost pressures							
Savings							
Base budget	4,350		4,383		4,435		4,506
<i>Inflation base</i>	4,350	0.75%	4,383	1.2%	4,435	1.6%	4,506
One off initiatives			0		0		0
Total in year cost	4,350		4,383		4,435		4,506
Supplies and services 4000's							
Cost pressures - Additional Equipment - Fitness Development Project*			30,000				
Savings 3% - Licences, equipment, purchases			(7,244)		(8,022)		(7,906)
Base budget	239,670		241,468		267,394		263,522
<i>Inflation base</i>	239,670	0.75%	264,223	1.2%	259,372	1.6%	255,617
One off initiatives - Marketing - Launch Fitness Development Project*			15,000				
Total in year cost	239,670		279,223		259,372		255,617
Sub Total - Controllable Expenditure	2,602,610		2,825,576		2,780,135		2,775,581
Support Services 5000's	300,340	1%	303,343	1.0%	306,377	1.5%	310,972
Recharge adjustments							
Total gross expenditure	2,902,950		3,128,919		3,086,511		3,086,554
Fees, charges and grants 7000's							
Cost pressures - Projected shortfall for 2016/17	90,000		0		0		0
Savings							
Base budget	(2,685,020)		(2,672,871)		(2,753,057)		(2,835,648)
<i>Inflation base</i>	(2,595,020)	3.00%	(2,672,871)	3.0%	(2,753,057)	3.0%	(2,835,648)
One off initiatives - Income generation - Fitness Development Project*	0		(90,000)		(137,700)		(185,000)
Income growth of 3% (Strategic Areas - Business/Marketing Plans)			(80,186)		(82,592)		(85,069)
Total in year cost	(2,595,020)		(2,843,057)		(2,973,348)		(3,105,718)
Total income	(2,595,020)		(2,843,057)		(2,973,348)		(3,105,718)
NET COST OF SERVICES	307,930		285,862		113,163		(19,164)
Capital Charges and Depreciation 6000's							
Capital Financing	529,870		529,870		529,870		529,870
Estimated increase in capital charging - Fitness Development project*	0		18,215		36,429		36,429
Estimated Increase in business rates - Fitness Development Project*	0		2,500		5,000		5,000
	0						
	0						
	0						
	0						
TOTAL BUDGET EXPENDITURE	837,800		836,447		684,462		552,135
Budget (Surplus) / Deficit	837,800		836,447		684,462		552,135

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Current Base						
2016-17	Infl	2017-18	Infl	2018-19	Infl	2019-20
£	%	£	%	£	%	£

Notes:

- 1000's Additional costs in 2017/18 following restructure, optimum deployment. Future savings of circa 16 hours per week per site from operational efficiencies
- 1000's Additional staffing will be required for the launch period of 3 months. Additional staffing at front of house and in fitness studio at peak times to maintain new clients
- 2000's Fitness development Project will incur additional spend on utilities. Further savings can be made by closer management of the maintenance budget
- 3000's No significant increase or savings projected
- 4000's An additional spend of Circa £30k per annum will be required additional equipment within the Fitness Development Project*
- 4000's Targeted savings within licences (UK Active), equipment requirements and purchases of 3%. Minimalising wasted stock
- 4000's Additional marketing budget of £15k will be required for a targeted campaign prior to and post launch to target latent demand 2017/18
- 5000's Savings yet to be identified by MDDC, full options exploration will be required.
- 6000's Additional budget requirements for an increase in capital charging and business rates post launch of Fitness Development Project*
- 7000's Fitness Development Project income generation based on launch in January 2018, with an increase towards latent demand of 2120 members in 2019/20
- 7000's Additional income generation per business area targeted at 3% from 2017/18 - 2019/20
- 7000's Provisional under recovery of income projected, circa £90k 2016/17

<u>Leisure Services MTFP - Summary</u>	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Total Gross Expenditure	2,903	3,129	3,087	3,087
Total Income	(2,595)	(2,843)	(2,973)	(3,106)
Net Cost of Services	308	286	114	-19
Capital Financing	530	530	531	531
Estimated increase in capital charging - Fitness Development project*	0	18	37	37
Estimated Increase in business rates - Fitness Development Project*	0	3	6	6
Total Budget Requirement	838	837	688	555

Summary Notes

Projections for 2019/20 show that with strong leadership strategic planning, and the launch of the Fitness Development Project at Exe Valley Leisure Centre, Leisure Services 1 can achieve a positive contribution to overheads, circa £19k - Excluding Capital Charges

2 Including Capital Charges leisure is projected to operate with a deficit of circa £555k