

Leigh Community Centre (including Cup of Leigh Café)

Background

The Leigh-on-Sea Town Council entered into the current self repairing lease from Southend-on-Sea Borough Council on 1st January 2015 for a period of 30 years. The parts of the building designated Leigh-on-Sea Town Council office space pays a rent to the Borough Council. Under the terms of the lease LOSTC pays 40% of the annual net profit to the Borough Council. The rent payable for the office space does not form part of the 40% and cannot be included in the Community Centre expenditure. The Leigh Community Centre is a separate budget item that is self funding.

The café has been operated as a commercial concern separate to the Community Centre since the LOSTC took charge of the premises. The café originally operated as Elsie's Place until July 2015 when it was taken over by Lorna and Lottie's CIC, who operated the café until 31st December 2022. LOSTC took over the running of the café (rebranded Cup of Leigh) on 1st January 2023. Council were advised that the café would be profitable and would be self funding. Staff of the former CIC were transferred over to the new arrangement under TUPE

Cup of Leigh

The cafe was transferred to direct oversight of the Council at the beginning of Q4 2022/23 financial year. The financial figures for the year to the end of Q3 2023/24 financial year shows a deficit of - £8431.81.

Income	£49,436.58 (Gross)
Expenditure	£16,251.82 (Gross).
Staff	<u>£35,321.20</u>
Income/Expenditure	(-£2136.44)

VAT payable is £8233.59 and the amount that can be reclaimed for this period is £969.11

Leigh Community Centre

Year to end of Q3 (including café). The accounting period under the terms of the lease is 1st August to 31st July.

Income	£144,754.84 (Gross)
Expenditure	£60,708.00 (Gross)
Staff	<u>£164,614.54</u>
Income/Expenditure	(-£80,567.70)

VAT payable £23,990.40 and the amount that can be reclaimed £6,781.02
The current deficit -£97,777.08

The Annual Returns to Southend-on-Sea Borough Council shows and annual deficit and a carried forward deficit at year end 2021/22 of £1,066,266.85.

The following page provides a breakdown of the income and expenditure for the Leigh Community Centre since 2012.

	2012/13	2013/14	2014/15	2015/16	2016/17
Income	£63,368.06	£109,707.01	£127,468.40	£143,505.09	£143,166.35
Expenditure	<u>£157,580.36</u>	<u>£155,997.72</u>	<u>£170,309.07</u>	<u>£182,851.33</u>	<u>£185,377.67</u>
Profit/Loss	-£94,212.30	-£46,290.71	-£42,840.67	-£39,346.24	-£42,211.32
	2017/2018	2018/19	2019/20	2020/21	2021/22
Income	£167,592.72	£162,118.08	£131,822.62	£43,036.55	£100,006.21
Expenditure	<u>£200,852.74</u>	<u>£346,043.51</u>	<u>£343,215.74</u>	<u>£298,936.91</u>	<u>£216,892.89</u>
Profit/Loss	-£33,260.02	-£183,925.43	-£211,393.12	-£225,900.36	-£116,886.68