
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 4
DATE OF MEETING:	25 th JULY 2011	CATEGORY: RECOMMENDED
REPORT FROM:	TREASURER TO THE JOINT MANAGEMENT COMMITTEE	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) <a href="mailto:Kevin.stackhouse@south-
derbys.gov.uk">Kevin.stackhouse@south- derbys.gov.uk	
SUBJECT:	STATEMENT OF ACCOUNTS 2010/11	REF: u/ks/Etwall JMC/final accountsreport1011
WARD (S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the Statement of Accounts (subject to Audit) for 2010/2011 be considered and approved for signing by the Treasurer to the Joint Management Committee (JMC).
- 1.2 That the Committee authorises the Chairman and the Clerk to the Committee to sign the Annual Governance Statement for 2010/11.

2.0 Purpose of Report

- 2.1 To report the Leisure Centre's final accounts for 2010/11, including the formal financial and governance statements presented for Audit. This is in accordance with Local Government Accounts and Audit Regulations

3.0 Executive Summary and Overall Commentary

- 3.1 The Leisure Centre's final out-turn for 2010/11 is summarised in **Appendix 1**. This shows that on the main account, there was an increase of £54,865 on a budgeted net expenditure of approximately £321,000.
- 3.2 The main reason for this increase was a reduction in operating income compared to that estimated, together with an upwards revaluation of business rates on the buildings.
- 3.3 A summary of the overall variances is shown in the following table.

Membership – Fitness Plus	£15,471
Swimming Instruction	£12,077
Swimming Admissions	£10,563
Other income – gym classes, hall hire, etc	(£10,066)
Non-Domestic (Business Rates)	41,986
Energy Costs	(12,791)
Other Running Costs - Supplies and Services, etc.	(£2,375)
Total Variance compared to Budget 2010/11	£54,865

Note: Figures in brackets denote less expenditure or more income

3.4 In accordance with how costs and income are apportioned between the partners, this has affected contributions (compared to that estimated) for the year as follows:

- South Derbyshire District Council – an increase of £21,375.
- John Port School – a reduction of £741.

3.5 These amounts were after taking account of a contribution made by the County Council in 2009/10 for £34,231.

3.6 As reported in last year's accounts, this amount was held in a separate holding account pending a new agreement for the management of the Centre. However, in accordance with accounting practice, this was transferred into the JMC's revenue account in 2010/11 and effectively acted as a contribution to the overall deficit of £54,865.

3.7 The split of revenue expenditure is based on the following principles (see Appendix 4):

- All income generated with the exception of tennis, pool admissions and fitness plus membership has gone to the District Council.
- The Council met 100% of the cost of wages, allowances & pension contributions and other expenditure directly related to income generation.
- The remainder of the income and expenditure is split on a 62% Council / 38% School basis.

	TOTAL £	SDDC £	John Port School £
SDDC Expenditure (100%)	191,007	191,007	0
Split Expenditure SDDC (62%) / JPS (38%)	647,374	401,370	246,004
TOTAL Expenditure	838,381	592,377	246,004
SDDC Income (100%)	(261,728)	(261,728)	0
Split Income SDDC (62%) / JPS (38%)	(200,607)	(124,377)	(76,230)
TOTAL Income	(462,335)	(386,105)	(76,230)
Net Expenditure	376,046	206,272	169,774
Contribution from DCC	(34,231)	(21,223)	(13,008)
Financed by	341,815	185,049	156,766

Statement of Accounts

- 3.8 The draft Statement of Accounts is detailed in an attachment to this report (**Appendix 2**). The Audit Commission will now audit the financial statements and the detailed accounts. Their opinion and any issues arising from the audit will be reported to the next meeting of this Committee in October 2010.
- 3.9 The accounts and disclosures have been prepared in accordance with financial regulations and conform to proper accounting practice for local authorities in the U.K.

Annual Governance Statement (AGS)

- 3.10 The AGS acts as a public assurance statement that the Committee has adopted a sound system of internal control, in particular relating to the maintenance of the accounts and financial procedures.
- 3.11 The AGS is the formal statement that recognises and publishes the organisation's arrangements for doing this; it is a statutory requirement.
- 3.12 The AGS has to be formally published alongside the Committee's accounts. It has to be signed by the Chairman and Clerk to the Committee (i.e. the District Council's Chief Executive Officer) after it has been considered and recommended for approval by the JMC.
- 3.13 The Committee has to evidence that it can meet the requirements set out in the AGS before it is published. The draft AGS for the Committee is attached at **Appendix 3**.
- 3.14 The Committee's accounts and financial transactions are administered through the District Council, utilising its systems and procedures. This includes internal audit, day to day financial management and many other internal control procedures.
- 3.15 The draft AGS in the appendix reflects this.