
REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	21st JUNE 2010	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	
SUBJECT:	STATEMENT OF ACCOUNTS 2009/10	REF: u/ks/etwalljmc/final accountsreport0910
WARD (S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the Statement of Accounts (subject to Audit) for 2009/2010 be considered and approved for signing by the Treasurer to the Joint Management Committee.
- 1.2 That the Committee authorises the Chairman and the Clerk to the Committee to sign the Annual Governance Statement for 2009/10.

2.0 Purpose of Report

- 2.1 To report the Leisure Centre's final accounts for 2009/10, including the formal financial statement presented for Audit. It also sets out an Annual Governance Statement. This is a new requirement for audited bodies with a turnover of less than £1m.

3.0 Executive Summary and Overall Commentary

- 3.1 The Leisure Centre's final out-turn for 2009/10 is summarised in **Appendix 1**. This shows that on the main account, there was an increase of £12,252 on a budgeted net expenditure of approximately £335,000.
- 3.2 However, it should be noted that this is much less compared to the projected figure reported to the Committee in January 2010 when setting the budget for 2010/11. At that stage, forecasts were highlighting an increase in net expenditure of approximately £60,000, following the opening of the new centre in July 2009.
- 3.3 In that budget report, it was indicated that some income and expenditure had been difficult to gauge with certain assumptions having to be made in the initial business plan around such factors as membership take-up.

- 3.4 However, over the recent months, actual expenditure and income has become much clearer. Although, there were variations to the initial costings, these were not as significant overall compared to earlier forecasts.
- 3.5 The variance of approximately £12,000 is summarised in the following table, the main differences (compared to estimates) being that membership and swimming instruction were lower than anticipated.

Membership	£20,000
Swimming Instruction	£25,000
Other income – gym classes, hall hire, etc	(£20,000)
Supplies and Services – equipment, insurance, etc.	(£15,000)
Other variances	£2,000
Total reduction in Net Expenditure compared to Budget 2009/10	£12,000

Note: Figures in brackets denote less expenditure or more income

Membership and Swimming Instruction

- 3.6 Initial costings assumed membership would ultimately reach 500. The actual take-up during the year was:
- August 2009 – 100
 - September 2009 – 200
 - December 2009 – 400
 - March 2010 - 450
- 3.7 The main reason for the reduction in swimming instruction was that the pool in the old centre was closed for 2 months earlier in the financial year. The shortfall in income at that point was not compensated over the remainder of the year.
- 3.8 However, as the above table highlights, income in other areas combined, out-performed that estimated.
- 3.9 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 £17,430.
 - John Port School – a reduction of £6,501.
 - Derbyshire County Council – an increase of £1,323.
- 3.10 The contribution from the County Council only relates to the old pool, i.e. the costs associated with that facility from April to July 2009.
- 3.11 The County Council also contributed an additional £34,000. This amount is not included in the above figures, although it is shown in the statement of accounts as attributable to the Joint Management Committee.

3.12 In accordance with accounting practice, it is being held in a separate holding account pending a new agreement for the management of the Centre. This could affect how that amount is distributed between the various partners.

Statement of Accounts

3.13 The draft Statement of Accounts is detailed in an attachment to this report. The Audit Commission will now audit these. Their opinion and any issues arising from the audit will be reported to the next meeting of this Committee in October 2010.

3.14 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)

3.15 This is a new requirement under the Account and Audit Requirements for “small bodies” with a turnover of less than £1m.

3.16 The AGS acts as a public assurance statement that the Committee has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.

3.17 The AGS is the formal statement that recognises/records and publishes the organisation’s arrangements for doing this; this is a statutory requirement.

3.18 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 Committee.

3.19 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 the end of the financial statements.

3.20 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.

3.21 The draft AGS in the appendix reflects this.