



Joint Management Committee

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Our Ref :
2014

Date: 19 September

Dear Councillor,

Etwall Leisure Centre Joint Management Committee

A Meeting of the **Etwall Leisure Centre Joint Management Committee** will be held in the **John Port School**, on **Monday, 29 September 2014 at 17:00**. You are requested to attend.

Yours faithfully,

Secretary to the Joint Management Committee

To: **Representatives of South Derbyshire District Council**
Conservative Group
Councillors Bale and Lemmon
Labour Group
Councillor Shepherd.

Representatives of Governors of Etwall John Port School
Messrs. P. Downs, C. Harrison and B. Whyman M.B.E.

Representative of Derbyshire County Council
Councillor Hosker.

AGENDA

Open to Public and Press

- 1 Appointment of Chairman.
- 2 Appointment of Vice-Chairman.
- 3 Apologies and to note any substitutes appointed for the Meeting.
- 4 To note any declarations of interest arising from any items on the Agenda
- 5 To receive the Open Minutes of the Meeting held on 20th January 2014.

Open Minutes. **3 - 6**
- 6 Co-option of Community Group Representatives.
- 7 Schedule of Future Meetings.
- 8 STATEMENT OF ACCOUNTS 2013/14. **7 - 20**
- 9 PERFORMANCE REPORT FROM ACTIVE NATION - VERBAL PRESENTATION.

Exclusion of the Public and Press:

The Chairman may therefore move:-

That in accordance with Section 100 (A) of the Local Government Act 1972 the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

- 10 To receive the Exempt Minutes of the Meeting held on 20th January 2014.
Exempt Minutes.

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

20th January 2014

PRESENT:-

Representatives of South Derbyshire District Council

Conservative Group

Councillors Bale and Lemmon (Chairman).

Labour Group

Councillor Shepherd.

Officers

F. McArdle (Chief Executive), S. Batchelor (Director of Community & Planning Services), K. Stackhouse (Director of Finance & Corporate Services), M. Roseburgh (Culture and Community Manager) and L. Kinsey (Democratic Services Officer).

Representatives of Etwall John Port School

Governors

P. Downs, C. Harrison and B. Whyman M.B.E. (Vice-Chairman).

Officers

G. Golding and C. Sainsbury.

Representatives of Derbyshire County Council

Councillor Hosker.

Representatives of Active Nation

S. Smith.

EL/14. **MINUTES**

The Open Minutes of the Meeting held on 25th November 2013 were noted.

MATTERS DELEGATED TO COMMITTEE

EL/15. **CENTRE PERFORMANCE – ACTIVE NATION**

S. Smith (Deputy Contract Manager) gave a verbal presentation on the performance of the Leisure Centre and the good news events over the past 12 months. Updates on increased usage, and weekly attendance figures were provided from April – December 2013.

Current membership (December 2013), was;

- 921 Members paying by direct debit.
- 565 Members paying annually.

This totalled 1486 Members, plus 973 participants of the Swim Scheme.

The previous 12 months good news events included:

- Hilton Harriers FC Xmas Competition - £850 raised
- Badminton Australia Visit & GB Stars
- Derbyshire Badminton Events
- Quality Management Systems Audit (ISO1401)
- Supporter Review
- Supporter Forum – Group Exercise
- Deep Clean of Pool surround

The update concluded with an overview of the launch of a new programme which is being run from January – March 2014 (EXERCISE - THE BEST MEDICINE CAMPAIGN) which includes:

- 3 month campaign – Health Benefits of exercise
- 10,000 free passes distributed
- Launch of new exercise programmes
- Increased number of classes to cater for need
- High quality visual resources
- 109 new supporters recruited already as of Sunday 19th January 2014

The Chief Executive asked if a system was in place to record complaints and compliments. S. Smith responded that Active Nation place feedback forms in the centre and also have a feedback form on the website. A monthly impact report is produced showing statistics.

The Chief Executive suggested a mechanism be put in place for feeding back all complaints and compliments to the Joint Management Committee (JMC) and proposed that initially details are taken to the next meeting.

Mr. Whyman supported the Chief Executives proposal and agreed that details be taken to the next meeting.

The Director of Community & Planning Services commented that some complaints and comments are sent directly to him from premise users, these would now be collected and brought to future meetings.

Mr R. Hosker commented that he had recently visited the centre and was very impressed with the facilities.

EL/16. **UPDATED FINANCIAL POSITION: INCOME AND EXPENDITURE 2013/14 AND 2014/15**

A report was submitted which detailed an update on the financial position for the current financial year 2013/14, together with the proposed estimates of income and expenditure for 2014/15.

Further details were provided on the associated costs with the centre which are decreasing as projected. The only costs that have exceeded the budget are repairs and maintenance this was due to work being needed in the pool area.

RESOLVED:-

(1) That, the projected out-turn for 2013/14 and the proposed estimates of income and expenditure for 2014/15 be approved.

EL/17. **ETWALL LEISURE CENTRE - FACILITY DEVELOPMENT**

A report was submitted which updated Members on the development of new facilities at Etwall Leisure Centre and to gain approval for continuing work on proposed developments.

Since the opening of the new Centre, Officers from the School and latterly active Nation have been continually developing projects and funding bids for enhancements to Etwall Leisure Centre. Following the successful Artificial Grass Pitch project the next major project is now progressing.

Future projects were also outlined, and included;

- Gym Extension
- Foyer partition wall
- Dance studio
- Tennis/Netball Courts

Whilst these projects were not ranked in priority they were in order of financial participation impact, with the gym being the most advantageous.

In December an application for the project was submitted to the Sport England Inspired Facilities Fund for £90,000. A decision on this application will be made around April/May in the meantime work will continue to further develop the above in terms of design and business plans.

The financial aspects of the project are still being confirmed but it is estimated that if external funding bids are successful the total budget will £400,000. There is already a potential allocation of £150,000 from the District Council. If the Sport England Grant is unsuccessful each area will be considered with the dance studio being given priority. An update report will then be brought back to the committee for approval of what the final project will entail.

Mr. Whyman requested appreciation be recorded to South Derbyshire District Council for supporting John Port School. The Chairman also thanked John Port School for their continued support.

RESOLVED:-

The officers be authorised to progress plans for development of facilities at Etwall Leisure Centre

EL/18. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

MINUTES

The Exempt Minutes of the Meeting held on 25th November 2013, were noted.

J. LEMMON

CHAIRMAN

REPORT TO:	ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	29th SEPTEMBER 2014	CATEGORY: RECOMMENDED
REPORT FROM:	TREASURER TO THE JOINT MANAGEMENT COMMITTEE	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	
SUBJECT:	STATEMENT OF ACCOUNTS 2013/14	REF: u/ks/live files/Etwall JMC/final accountsreport1314
WARD (S) AFFECTED:	ETWALL, HATTON, HILTON, NORTH WEST, REPTON & WILLINGTON	

1.0 Recommendations

- 1.1 That the Statement of Accounts for 2013/2014 are considered and approved for signing by the Treasurer to the Joint Management Committee.
- 1.2 That the Committee authorises the Chairman and the Secretary to the Committee to sign the Annual Governance Statement for 2013/14.

2.0 Purpose of Report

- 2.1 To report the Leisure Centre's final accounts for 2013/14, including the formal financial and governance statements presented for Audit. This is in accordance with Local Government Accounts and Audit Regulations

3.0 Summary

- 3.1 The Leisure Centre's statement of accounts is appended to this report.
- 3.2 The main cost for the Leisure Centre is now the annual contract payment to Active Nation, to manage and maintain the facility. The accounts show the contributions made by each of the funding partners.
- 3.3 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.

Financial Summary

- 3.4 The Statement of Accounts show income and expenditure for 2013/14 compared to 2012/13. The table below provides some further analysis, together with a comparison to estimated expenditure that was considered and approved by the Committee in January 2014.

Analysis of Etwall Leisure Centre Costs	Actual 2012/13 £	Estimated 2013/14 £	Actual 2013/14 £
Repairs and Maintenance	4,025	20,000	18,736
Supplies and Services	189	2,000	2,442
Contribution to Utility Costs	1,650	5,000	4,444
Contribution to Sinking Fund	25,000	25,000	25,000
Contractor Payment	118,383	81,201	85,101
Vending Machine Lease	3,513	3,584	6,755
Sub Total - Direct Running Costs	152,760	136,785	142,478
Central Support/Overheads			
Printing	47	46	41
Financial Services	5,689	5,709	5,081
Audit Fees	2,386	2,325	2,093
Legal Services	687	819	737
Procurement	3,127	3,044	2,739
Client Management	15,504	14,906	12,894
Sub- Total - Overheads	27,440	26,849	23,586
Gross Expenditure	180,200	163,634	166,064
Less - County Council Contributions	-39,693	-32,000	-32,000
NET EXPENDITURE	140,507	131,634	134,064
Shared			
South Derbyshire District Council (62%)	-70,851	-81,613	-83,120
Derbyshire County Council (see Note below)	-34,231	0	0
John Port School (38%)	-35,425	-50,021	-50,944
	-140,507	-131,634	-134,064

Note: After 2012/13, DCC no longer contribute directly to the costs of the facility under the JMC Agreement

Annual Governance Statement (AGS)

- 3.6 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.
- 3.7 The AGS is the formal statement that recognises and publishes an organisation's arrangements for doing this; it is a statutory requirement.
- 3.8 The AGS has to be formally published as part of the Committee's accounts. It has to be signed by the Chairman and Secretary to the Committee (the District Council's Chief Executive Officer) after it has been considered and recommended for approval by the Committee.
- 3.9 The Committee has to evidence that it can meet the principles set out in the AGS before it is published. The Governance Statement is detailed in **Section 9** of the Accounts.

3.10 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.

Internal Audit Review

3.11 This was undertaken during 2013/14. The audit focused on reviewing the performance of the Leisure Centre, the information that was reported to South Derbyshire District Council and the Joint Management Committee, together with the management sum that is paid to Active Nation.

3.12 The outcome of the audit was that the Auditor was able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled.

3.13 Generally risks were found to be well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives. Some recommendations were made, the implementation of which are being monitored by the District Council's Audit Committee.

3.14 These covered the nature of performance reporting, data collection, client reviews, together with finalising the formal contract between all parties.

3.15 In summary, the Auditor commented that: "*Management and the Audit Committee should note that there are no adverse implications for the Council's Annual Governance Statement arising from this work.*"

ETWALL LEISURE CENTRE

STATEMENT OF ACCOUNTS

2013/2014

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FOREWORD

1. INTRODUCTION

The Statement of Accounts shows the financial performance of the Etwall Leisure Centre. The Leisure Centre was opened in July 2009 at a cost of £7m and replaced the previous swimming pool and squash facilities. The Leisure Centre encompasses a multi-functional sports hall, gym and swimming pool, together with facilities for general health and fitness activities. It is based on the John Port school site in the Parish of Etwall.

The Leisure Centre is governed and managed by a Joint Management Committee (JMC). The Committee consists of representatives of South Derbyshire District Council (SDDC) John Port School (JPS) together with Derbyshire County Council (DCC).

Since April 2011, the day to day operational management of the Centre has been the responsibility of Active Nation, a leisure trust. This arrangement covers a period of seven years to 2018, with an option to extend by a further 3 years.

The contractual arrangement in place requires the JMC to make an annual payment to the Trust for running and maintaining facilities. The income generated through the Centre is retained by the Trust, although over the life of the contract, additional income generated will be reflected in a reduced subsidy payable from the JMC to the Trust.

2. FUNDING ARRANGEMENTS

The net revenue expenditure of the Centre is funded 62% by SDDC and 38% by JPS. DCC no longer contribute towards the subsidy as they had previously made a contribution of £260,000 towards the capital costs of the new Centre. However, they do make an annual contribution to running costs which reflects the school usage of the swimming pool. This contribution (and any others received) effectively reduces the overall contribution of SDDC and JPS.

The JMC are still responsible for some maintenance costs and set-aside an amount of £25,000 each year into a "sinking fund" for the future replacement of plant and equipment.

The Partnership with Active Nation also allows each party to work together and generate additional investment (including additional funding from all parties) to continuously develop the Facility.

In May 2013, a new 3g Artificial Grass Pitch was installed at the Centre for multi-use purposes. The Partnership is now looking to secure external funding to enhance the gym and general health facilities

3. FINANCIAL SUMMARY

In 2013/14, the net spending of the JMC was £134,064, which was lower than 2012/13 by £6,443.

The position is summarised in the following table.

Income and Expenditure	2012/13	2013/14
	£	£
Expenditure	180,200	166,064
Less Income	39,693	32,000
Net Expenditure	140,507	134,064
Financing	2012/13	2013/14
	£	£
South Derbyshire DC	70,851	83,120
John Port School	35,425	50,944
Derbyshire County Council	34,231	0
Total Financing	140,507	134,064

4. ASSETS

The ownership of the Leisure Centre is vested in John Port School. The assets are therefore not included in the Joint Management Committee's accounts.

5. LEASES

An operating lease for the vending machine has been terminated during 2013/14. The amount paid to terminate the lease was £6,755 (2012/2013 £3,513). There are no future payments required under the lease agreement.

6. REVENUE TRANSACTIONS

These are maintained on an income and expenditure/accruals basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (*the Code*). Consequently, sums due to or from the Joint Committee during the year are included whether or not the cash has actually been received or paid in the year.

ETWALL LEISURE CENTRE - REVENUE ACCOUNT

2012/13		2013/14	
£	Expenditure	£	£
0	Employees	0	
5,677	Premises	23,180	
0	Transport	0	
25,189	Supplies and Services	27,442	
118,383	Contractor Payment	85,101	
27,440	Establishment	23,586	
<u>3,513</u>	Leasing	<u>6,755</u>	
180,200			166,064
	Income		
39,693	Admissions and Grants	32,000	
<hr/>		<hr/>	<u>32,000</u>
140,507			134,064
	Financed by:		
70,851	South Derbyshire D C		83,120
36,425	John Port School		50,944
34,231	Derbyshire County Council		0
<hr/>			<hr/>
<u>140,507</u>			<u>134,064</u>

BALANCE SHEET

		Notes	2013/2014
2012/2013			
	Fixed Assets		
£			£
-	None	1	-
	Current Assets		
-	Stocks	4	-
123,411	Debtors	2	146,224
	Cash in Hand	4	-
	Current Liabilities		
(3,570)	Creditors	3	(1,383)
(28,174)	Pension Fund Deficit	3	(28,174)
(91,667)	Sinking Fund Provision	3	(116,667)
_____	Net Assets		_____
0			0
_____			_____

Structure of the Accounts

Income and Expenditure of the JMC is recorded directly in the accounts of SDDC who act as the “accountable body” for audit purposes. Costs and any external income are incurred and recorded by SDDC, with funding contributions paid over by JPS and DCC to reimburse SDDC.

The balance sheet was reformatted in 2012/13 to reflect that the JMC has no fixed assets or long term liabilities. It’s creditors reflect the provisions made for the “sinking fund” together with an amount set-aside to cover any costs associated with a pensions deficit for staff transferred from the direct employment of the JMC to Active Nation under TUPE in 2011. These provisions are reflected in the Balance Sheet of SDDC.

Debtors and any residual creditors are amounts owed between the funding partners and reflect timing differences as at the 31st March between costs incurred and contributions paid over. Effectively, the net assets of the JMC are nil.

NOTES

1. Fixed Assets

Ownership of the Leisure Centre is vested in John Port School. This is therefore included in their accounts, together with any related financing transactions.

2. Debtors

	31 March 2013 £	31 March 2014 £
John Port School	49,180	50,944
Other	74,231	95,280
	<u>123,411</u>	<u>146,224</u>

3. Current Liabilities

	31 March 2013 £	31 March 2014 £
Pension Reserve	28,174	28,174
Sinking Fund	91,667	116,667
Other	3,570	1,383
	<u>123,411</u>	<u>146,224</u>

4 Stock and Cash in Hand

The JMC carry no stock or cash facility as these are directly managed by the Contractor.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Joint Management Committee's responsibilities

The Joint Management Committee is required:

- i) To make arrangements for the proper administration of its financial affairs and to appoint an officer who has the responsibility of the administration of those affairs. This is undertaken by the District Council's Director of Finance and Corporate Services who acts as the Treasurer to the Joint Management Committee.
- ii) To manage its affairs to secure economic, efficient and effective use of resources and safeguard any assets.

The Treasurer to the Joint Management Committee's responsibilities

The Treasurer is responsible for the preparation of the JMC's statement of accounts in accordance with proper accounting practice and is required to present fairly the financial position of the JMC at the accounting date and its income and expenditure for the year.

In preparing this statement of accounts, the Treasurer has:

- i) Selected suitable accounting policies and then applied them consistently
- ii) Made judgments and estimates that were reasonable and prudent
- iii) Complied with the Accounting Code of Practice.

The Treasurer has also:

- i) Kept proper accounting records which were up to date
- ii) Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATION BY RESPONSIBLE FINANCIAL OFFICER

I certify that this Statement of Accounts presents fairly the financial position of Etwall Leisure Centre for the year ended 31 March 2014.

.....
Treasurer to the
Joint Management Committee

.....
Date

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

ANNUAL GOVERNANCE STATEMENT 2013/14

We acknowledge as the members of the Etwall Leisure Centre Management Committee our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the body's accounting statements for the year ended 31 March 2014, we have complied with the principles set out in the following table.

	Principle	Met	Evidence
1	We have approved the accounting statements that have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	Yes	Statement of accounts considered and reviewed and statement from the Treasurer that they conform to accounting practice.
2	We have maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes	This requirement is met through the District Council's internal control arrangements. These have been approved by the District Council's Audit Committee, along with the Council's Local Code of Corporate Governance. These were approved by the Audit sub-Committee on 18 th June 2014. No major issues arose and reports were assessed and delivered through the Council's Monitoring Officer.
3	We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the body to conduct its business or on its finances.	Yes	Nothing has been reported during the year or identified in any internal or external audit.
4	We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	Yes	The Accounts were available for public inspection during July 2014. An opportunity to raise any objections direct with the Council's Auditors, was available up to 25 th September 2014. No objections were raised.
5	We have carried out an assessment of the risks facing the body and taken appropriate steps to manage those risks including the introduction of internal controls and/or external insurance cover where required.	Yes	As 2 above. Insurance cover is in place where appropriate.

6	We have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems and carried out a review of its effectiveness.	Yes	<p>An internal audit review was undertaken during 2013/14. This audit focused on reviewing the performance of the Leisure Centre, the information that was reported to South Derbyshire District Council and the Joint Management Committee, together with the management sum that is paid to Active Nation.</p> <p>The Auditor was able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives. Some recommendations were made, the implementation of which are being monitored by the Audit Committee.</p> <p>The Auditor commented that: <i>"Management and the Audit Committee should note that there are no adverse implications for the Council's Annual Governance Statement arising from this work."</i></p>
7	We have taken appropriate action on all matters raised in reports from internal and external audit	Yes	As above.
8	We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	Yes	None to report.

Signed on behalf of ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

The Chair: -----

Date -----

Print Name: -----

The Secretary to the Committee: -----

Date -----

Print Name: -----