

# Strategic Overview and Scrutiny Panel

Grand Jury Room, Town Hall  
20 March 2012 at 6.00pm

The Strategic Overview and Scrutiny Panel look at policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the policies and budget of the Council. The Panel reviews corporate strategies within the Council's Strategic Plan, overviews Council partnerships, considers the Council's budgetary guidelines for the forthcoming year, and scrutinises Cabinet decisions or Cabinet Member decisions (with delegated power) which have been called in.

# Information for Members of the Public

## Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at [www.colchester.gov.uk](http://www.colchester.gov.uk) or from Democratic Services.

## Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at [www.colchester.gov.uk](http://www.colchester.gov.uk)

## Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

## Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off or switched to silent before the meeting begins and note that photography or audio recording is not permitted.

## Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

## Facilities

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### **Terms of Reference (but not limited to)**

To review corporate strategies and strategic partnerships to ensure the actions of the Cabinet and Portfolio Holders accord with the policies and budget of the Council.

To monitor and scrutinise the financial performance of the Council, and make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions.

To link the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic / Action Plans.

To scrutinise executive decisions made by Cabinet or a Cabinet Member, the Colchester and Ipswich Joint Museums Committee and the North Essex Parking Partnership (decisions relating to off-street parking only) which have been made but not implemented, and referred to the Panel through call-in.

To monitor the Council's operational performance in relation to the Strategic Plan and Performance Indicators, and the Cabinet's performance in relation to the Forward Plan.

The panel will be the appropriate route for any member to refer a 'local government matter' in the context of Councillor Call for Action.

### **Process for Councillor Call for Action**

Councillors have the ability to call for debate and discussion a topic of neighbourhood concern, limited to issues affecting a single ward, in an attempt to bring about specific solutions for local problems, without going through the Council's executive decision making process.

Members may not call for debate matters relating to a planning or licensing decision, an individual complaint or where a right of recourse to a review or right of appeal is already provided for in law. Examples of where a member can bring an action to the panel's attention are poor service performance or increased anti-social behaviour.

The panel may reject a request as not within the guidance or where they consider the usual channels have not been exhausted, or accept that an investigation is the appropriate action.

The panel may conduct an investigation in the usual scrutiny manner and a report with recommendations will be compiled and brought to the Council or partners attention, with the Council or partners having a duty to respond. The panel will consider and publish the responses to their recommendations and feed back this information to the Councillor requesting the action.

**COLCHESTER BOROUGH COUNCIL  
STRATEGIC OVERVIEW AND SCRUTINY PANEL  
20 March 2012 at 6:00pm**

**Members**

Chairman : Councillor Andrew Ellis.  
Deputy Chairman : Councillor Dennis Willetts.  
Councillors Kim Naish, Gerard Oxford, Colin Sykes,  
Nigel Chapman, Nick Cope, Bill Frame, Theresa Higgins and  
Will Quince.

**Substitute Members** : All members of the Council who are not Cabinet members or members of this Panel.

**Agenda - Part A**

(open to the public including the media)

Members of the public may wish to note that agenda items 1 to 5 are normally brief and agenda items 6 to 9 are standard items for which there may be no business to consider.

**Pages**

**1. Welcome and Announcements**

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched off or to silent;
- location of toilets;
- introduction of members of the meeting.

**2. Substitutions**

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

**3. Urgent Items**

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

**4. Declarations of Interest**

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

## **5. Minutes**

**1 - 9**

To confirm as a correct record the minutes of the meeting held on 14 February 2012.

## **6. Have Your Say!**

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

## **7. Items requested by members of the Panel and other Members**

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

***Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.***

#### **8. Referred items under the Call in Procedure**

To consider any decisions taken under the Call in Procedure.

#### **9. Decisions taken under special urgency provisions**

To consider any Portfolio Holder decisions taken under the special urgency provisions.

#### **10. Colchester Community Stadium Limited**

**10 - 33**

See report from the Scrutiny Officer.

#### **11. Exclusion of the public**

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

# STRATEGIC OVERVIEW AND SCRUTINY PANEL

## 14 FEBRUARY 2012

*Present :-* Councillor Andrew Ellis (Chairman)  
Councillors Nigel Chapman, Nick Cope,  
Theresa Higgins, Kim Naish, Will Quince, Colin Sykes  
and Dennis Willetts

*Substitute Member :-* Councillor Jon Manning for Councillor Bill Frame

*Also in Attendance :-* Councillor Tina Dopson  
Councillor Paul Smith  
Councillor Mike Hardy  
Councillor Pauline Hazell

### 31. Minutes

The minutes of the meeting held on 10 January 2012 was confirmed as a correct record, subject to the following three amendments.

Councillor Laura Sykes was added to the list of those Councillors in attendance.

Under minute 29, on the item 'The review of Public Transport provision in the Borough', the final sentence from Councillor Laura Sykes under Have Your Say should read "Councillor Sykes felt that enabling the '65' buses to stop at Lakelands, and enter and exit the J Sainsbury car park to bring shoppers to the store would help users, relieve congestion and reduce litter and abandoned trolleys".

The first sentence on discussions under the heading Temporary Bus Station in Queen Street, to read "Mr. Vipond responded to Councillor Willetts who asked that Cabinet reconsider the decision to relocate the bus station away from Queen Street to Osborne Street.

With regards to the minutes from 10 January 2012, Councillor Willetts spoke about the discussions on the Temporary Bus Station in Queen Street, in the context of a recent press article that suggested the school close to the temporary bus station site would not be against the bus station staying permanently on the site, and that their pupils could play elsewhere. Councillor Willetts said the advice officers gave the panel on these discussions, and as minuted, was that as part of the land transfer agreement, the land would be given back to the school for educational purposes. Councillor Willetts asked that if the minutes are correct had the Panel been misinformed. The Chairman said this would be discussed later, as part of discussions on the Work Programme.

**Councillor Jon Manning (in respect of being a member of Colchester Rugby Club) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Theresa Higgins (in respect of her membership of Essex County Council and her spouse being an employee of the University of Essex) declared a personal**

## **interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

### **32. Fundamental Service Review of the Sport and Leisure Service**

#### **Presentation(s)**

Councillor Tina Dopson, Portfolio Holder for Communities and Diversity, Mr. Gareth Mitchell, Head of Life Opportunities and Mr. Simon Grady, Sport and Leisure Manager, attended the meeting.

Councillor Dopson introduced the Fundamental Service Review (FSR) for Sport and Leisure Services, and Mr. Mitchell and Mr. Grady gave a presentation detailing the work of the FSR.

Councillor Dopson said this was an overarching review that had started in March 2011. The review was undertaken in line with the Council's vision "for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council".

Councillor Dopson said the business case set out proposals to take a more commercial approach to delivering the service whilst seeking to increase local people's participation in sport. She also made it clear that the administration had given officers a strong political steer that it would welcome opportunities for certain individual parts of the service to be delivered by other organisations, but that the core of the service should remain part of the Council. The proposals would require capital investment of £1.621m, but would enable the Sport and Leisure Service to thrive and maximise sports participation across the borough.

Mr. Grady spoke about the size and scope of the Sport and Leisure Service, a large operation with a wide range of activities, sports and services provided at various locations including Leisure World Colchester, Leisure World Highwoods, Leisure World Tiptree and Leisure World Tennis Centre, the latter comprising 22 tennis courts, including 6 with floodlighting, all helping to provide an opportunity for customers to live a healthy active lifestyle.

Mr. Mitchell provided some context to the review, saying it was broken down into many parts, but overall the service is as close as the Council gets to delivering a demand-led retail service. The implementation of the Business Plan would enable a service of enormous potential, enabling contribution to the wider vision of improved health and wellbeing, at a time of population growth, and in the year of the London Olympic and Paralympic Games, that would see increased enthusiasm for all things sport-related.

The Business Case, like all previous FSRs, focused on Customer Excellence, Efficiencies and Effectiveness, and provided the three opportunities of an improved customer experience, a community network and commercial hub, and a business development capability. The customer experience would be the best in the sector, delivered by staff who have excellent customer skills, and enabled by technology that



delivers unrivalled access to activities in the borough, including the “my leisure world” website, personal leisure card and account and a range of self-service opportunities.

Mr. Grady spoke about the community network of facilities and partnerships providing many local opportunities to participate for the broadest range of customer groups. A commercial hub at the Leisure World Colchester site would deliver a high commercial return, high volume participation, will be family orientated and provide a range of leisure opportunities of wide appeal.

The Community Network would provide a bookings brokerage service, unlock underused community facilities through new partnerships, give a cross-borough view of service provision, maintain participation and reduce costs at joint-use centres and would seek an external operator for the tennis centre as well as considering the potential for part of the tennis centre to be used for residential development to be explored.

The Commercial Hub would provide an extension of the Activa fitness centre. There would be a relocation of the catering provision to the front-of-house, a market testing of the catering service and the Classic Bar will be replaced with a multi-purpose activity room. There will be a reconfiguration of the reception area with the renting and leasing of space to external providers for guaranteed retail income, a refocusing of the events programme, staffing and management, and the implementation of repairs and maintenance efficiencies.

Mr. Mitchell said the business development capability will place the current sports development function at the heart of the service and focus on increasing participation and generating additional revenue through improved customer and business insight, a revised service pricing and programming strategy, the promotion of targeted services and activities, the development and promotion of new products and services and bidding for external grant funding and commissioned services

Built into the overall business case was a significant increase in income. An example of this increase is the financial projections for the extension of the Activa fitness centre that had a projected increase in income of £567k per annum over a three year period.

The business case would achieve revenue savings of £839k by the end of year three, made up by £387k efficiency savings, £676k income growth and £224k revenue re-investment in the service. The recurring net revenue budget is £804k cost in 2011/12 and would move, based on these projections, to a £35k surplus in 2014/15. The total business case was reliant on a capital investment of £1.621m and the total potential revenue savings over 8 years could be in the region of £5.879m.

Councillor Ellis thanked Councillor Dopson and officers for presenting the report.

### **Have Your Say**

Councillor Pauline Hazell said her comments would focus on the possible sale of land for housing development at the Shrub End Tennis Centre. Given that the FSR business case seeks to play its part in securing a legacy for Colchester from the

Olympic and Paralympic Games by capitalising on the increased enthusiasm for all things sport-related following the Games, it appeared to her to be illogical at this time to sell off tennis courts with little financial gain.

Councillor Hazell said any land sale would restrict any future development of the Tennis Centre and hinder the possibility of future indoor courts and all year round coaching, something that had been considered previously but not carried through. If the land was sold it would leave a less attractive commercial enterprise and it was counter-productive to reduce facilities in a borough with an ever increasing population.

In conclusion, Councillor Hazell said some residents are against the development, saying this will increase traffic congestion in an area of high volume traffic. Councillor Hazell was unsure about the ownership of the site and sought clarification on this point, and whilst she had no objection to placing the tennis centre outside of Council control, she believed that if the tennis centre was outsourced it would be better to do so in its entirety.

### **Open discussion**

Councillor Dopson said this was a large complex FSR with services provided through many combinations and permutations. Years ago this review would have been completed in a less transparent environment, without sharing the possible changes as outlined in the business case.

In regards to the Shrub End Tennis centre site, it was not an absolute that part of this site would be sold for development, but the report did say there was potential to do this and the idea would be explored further. The business case was an honest reflection of what will be considered and had not left out any of the ideas or potential changes that had been discussed as part of the process. Councillor Dopson said it would be good if the local press could prompt all groups that would like to show an interest in the initiatives being considered to get in touch with Council officers within the Life Opportunities service group.

Councillor Cope thanked Councillor Hazell for raising the issue of the Shrub End Tennis Courts, asking that if some of the courts are sold for development where did that sit with the Council's health agenda. Councillor Cope also believed that if the development did go ahead, finding the right solution in terms of development size and impact would be very important.

Mr. Mitchell said the Council still retains a desire to maximise participation in tennis. The courts that would be considered for development are in a poor state of repair, and when modelling this alternative use of part of the site, it did not show that revenue would reduce as a result of losing these courts. Mr. Grady said officers have in recent times seen an increase in take-up of the tennis courts at the Leisure World Tennis Centre, but this is anecdotal, and with no comparative data from five years ago it is not possible to make a direct comparison. Officers believe there is more participation, but there still remain peaks (the "Wimbledon factor") and troughs in take-up. With an improvement in standards and facilities it is felt that the provision of tennis will not be hindered by the loss of the courts.

In response to Councillor Sykes, Mr. Mitchell confirmed that the decision to downsize the Shrub End tennis facility would not be taken without prior dialogue with potential external contractors. Officers will invite expressions of interest, and an exploratory look at the development opportunities will be undertaken in parallel. With the poor state of repair of the tennis courts in question, recent discussions clearly indicate the retention of the courts would mean additional investment to ensure their viability.

In respect of the effects of the review on staffing levels, Mr. Mitchell said the first step of the process was to seek cabinet approval for the business case, followed by a specific plan around the jobs process. Should the catering service be outsourced the staff affected by this change would most likely transfer to the external contractor through the TUPE arrangements. It was anticipated that the implementation of suggested core changes would require a smaller management structure and also provide an opportunity to reduce staffing levels at the Tiptree and Highwoods joint-use sports centres. Mr. Mitchell said there are currently more than 400 staff employed by the Sport and Leisure Service including over 200 casual staff. Although the human resources plan is not complete at this point in time, he anticipated that of the 170 permanent full and part-time staff in the service, approximately 12 posts will be removed from the overall staffing establishment, nearly half of which are currently vacant through natural wastage.

Mr. Mitchell said the review, undertaken in difficult times, naturally brought a feeling of uncertainty, but given the size of the service the anticipated scale of job losses is very small. The terms and conditions of staff will need to change, allowing for greater staff flexibility and new ways of working. Councillor Sykes said the number of staff losses being reported in the local press was nothing short of scandalous, when the true figures could be far less. Mr. Mitchell said there was a great deal of work still to be done in terms of establishing the new terms and conditions and new job roles, and it would be misleading to give incorrect information before the detail is finally completed.

Councillor Quince said he was pleased the Administration was tackling this service and welcomed the presentation of the Sports and Leisure business case. That said he believed the scrutiny process was a farce, not a proper FSR, where two options, that of a Trust or Private Operator had not been considered, and asked why these options had not been considered.

Councillor Dopson said as mentioned in appendix 1 of the report, plans to transfer the whole of sport and leisure services to a non-profit organisation were developed in 2005-06, but the transfer did not happen. This option has been revisited and a benchmarking exercise both nationally and locally was considered (as detailed in appendix 1 of the report), but the decision taken by the Cabinet was based on organisational needs rather than for financial reasons. The Cabinet took the view that the potential savings as illustrated in the report are not enough to take the 'trust' option. It was felt important that to ensure continuity in some of the diverse services the Council currently provide the overall service should stay in the Council's control, though it was also accepted that some parts of the overall service will be better done by external companies. Responding to Councillors Quince and Ellis, Councillor Dopson said ultimately, and all options considered, it was a political decision to retain this

service in-house.

Responding to Councillor Willetts later in the discussions, Councillor Dopson said where it is considered appropriate, internal services are outsourced to private companies and there are a number of examples within Colchester e.g. grass cutting, IT support. But having examined the possibility for the Sport and Leisure Service, it was decided due to the mixed economy, combined with the services the Administration wanted to retain in-house, that the overall service should stay in the Council's control. Councillor Dopson confirmed that no more testing on alternative delivery options was undertaken other than that described in appendix 1 of the report. The political decision was to keep the service in-house, that it was valued and there was a desire to see it improve and develop. Councillor Dopson said other Councillors are perfectly entitled to disagree. Councillors Quince and Ellis believed this was a lost opportunity, a flawed process that did not give consideration to other options. It was felt it would have been beneficial to examine in detail the 'trust' model at other local authorities.

Councillor Sykes said the 'trust' model had been examined and considered by the Administration on two previous occasions, in 2003/04 and 2005/06. On both occasions the model was rejected. Councillor Sykes said we are now being asked to consider if the proposals are reasonable, and there was not a necessity to consider the 'trust' model in any further review.

Responding to Councillor Manning, Mr. Mitchell said the Council's partnership with Essex County Council (ECC) was primarily around the Olympic and Paralympic Games with a whole programme of activities that will have a positive impact on local schools. Colchester also added greater value, at a strategic level, to the Active Essex Partnership, managed by ECC. Mr. Grady said Colchester remained a valued partner to local schools, with Colchester, through a joint-use partnership, being able to provide sport and leisure services at Leisure World Tiptree and Leisure World Highwoods outside of school time. These joint agreements are expected to continue with ongoing discussions around 'academy' considerations.

Mr. Grady said the University of Essex could be seen as a competitor as well as a partner. There needed to be a balance, recognising that the Council could not provide all sport and leisure for all the local population. Councillor Dopson said the new swimming pool at the University would compliment the Leisure World pools, providing a different but complimentary level of expertise.

In response to Councillors T. Higgins, Manning and Naish, Mr. Grady said the Council provides a wide range of sports at all the sports centres / halls, providing facilities in various geographic locations to attract residents within each catchment area. The Active Colchester website provides a Community Sports Network, a locally co-ordinated partnership for increasing participation in sport and physical activity. Mr. Mitchell said for any new residents to the area this provided a network of contacts and information to encourage their participation. Mr. Grady confirmed that there was full disabled access to the six floodlit courts at the Leisure World Tennis Centre, and there was one disabled parking bay adjacent to the courts. If this space is taken disabled visitors can park in the other vacant spaces.

Mr. Mitchell confirmed that the outsourcing of catering would be undertaken through the Council's procurement process. The Council will be very specific about the type of food and drink outlets and will look at all kinds of catering organisations to ensure the most appropriate form of catering provision is procured that fits with a healthy lifestyle.

Mr. Mitchell said that given the current economic climate there was a risk to the business case and this is noted in the review Risk Register. The service was currently exceeding its budget, and whilst some elements of the service are performing well, some are not, and we are seeking to improve poor performance and reduce costs in those areas as part of this review. The Sport and Leisure Service has so far proven to be quite resilient against the economic downturn and it was believed there was an opportunity to increase future income through improved customer service and a growing population. Mr. Mitchell said these are good reasons to be confident about the future of the service. In regards to on-line facilities, improved customer service skills and improved technology would enable front-line staff to give more time to help vulnerable customers who may need support accessing the service on-line. An ever increasing proportion of enquiries are made electronically, and this will be an enormous opportunity for people to communicate via on-line and smartphones. Mr. Mitchell later confirmed that the Communications and Marketing Manager is currently looking at the potential of Smartphone Applications and how to take forward the wider digital strategy for Colchester.

Responding to whether it was felt the business case was trying to provide all things to all people, and whether the Council had got the balance right, Mr. Mitchell said what the service does well is to provide and manage multi-sport leisure facilities. Sports such as rugby, cricket and tennis are better provided by established external organisations and clubs. That said even within the service there will always be less profitable areas, but the business case provides an opportunity to deliver a range of activities for all members of society that would not be considered by other private profit-making organisations.

Mr. Mitchell said the national figure of £22.5bn savings in health costs from one million or more people across the country participating in sport was quoted from the Department of Health, a published piece of research, and included the saving in acute hospital costs and primary care interventions. A localised breakdown of the overall figure is not available.

In response to Councillor Willetts, Mr. Mitchell said the implementation plan will govern the way forward. It is felt that the investment in improved software technology will enable a reduction in the running costs of joint-use sports centres. Mr. Grady said the amount being saved by reviewing the planned preventative maintenance regime and adopting a more reactive and less proactive approach to maintenance of building and plant is £55,000. Officers had looked at the way plant maintenance was carried out and a more effective use of resources had enabled this reduction. Mr. Mitchell said the current service pricing has developed over a period of many years. The review will look at pricing in its entirety, including subsidies and off-peak incentives. It is anticipated that there will be income growth opportunities and pricing levels may need to be adjusted. The net effect will be better for the overall service. Mr. Mitchell confirmed that the take-up of memberships in the service by members of Council staff

was low. Council staff are already entitled to a discounted membership package, but the proposals in the business case are to offer a more attractive offer to Council staff which would enable those staff members to be ambassadors for the service. The business case assumes 100 Council staff out of the 800-900 staff within the organisation take up this attractive offer, providing an additional £15k income for the service. This proposal would also help the Council to better fulfil its wellbeing responsibilities to staff.

Mr. Mitchell responded to Councillor Willetts by explaining that in the past satellite centres had been managed in a different way. Under the new approach, all centres would be brought together and managed in a single, unified structure. It was apparent prior to the FSR that there were opportunities to implement efficiencies, but that he had decided, rather than do a number of smaller reviews, to incorporate these opportunities into the overall FSR process. There was never any thought that “nobody was doing anything about inefficiencies”, it was purely a question of timing.

In response to Councillor Ellis (on behalf of Councillor Elliott), it was confirmed that the efficiency savings at Leisure World Tiptree will be through anticipated improvements in software technology, coupled with the opportunity to change shift patterns and improve changeovers. The savings would therefore predominantly, but not in total, come from a reduction in staffing levels.

Mr. Mitchell confirmed to Councillor Ellis that the capital provision of £1.621m would be “paid back” through recurring year on year increased income growth and reduced costs through the revenue budget, with no further capital investment needed for 5 years beyond the implementation of the business plan. Mr. Mitchell said he would speak to the Head of Resource Management with regards to any potential NNDR relief.

Councillor Ellis concluded the discussions by thanking the Panel for undertaking a good examination of the proposals. Councillor Ellis trusted that the quoted figures are correct and hoped it would be the revenue generator being reported.

Councillor Ellis thanked Councillor Dopson and officers for attending the meeting, presenting the review and responding to questions from the Panel.

*RESOLVED* that the Panel;

- i) Noted the Cabinet report “Fundamental Service Review of Sport and Leisure Services”, and asked the Cabinet to note and consider the comments from Members of the Panel.
- ii) Thanked the Portfolio Holder for Communities and Diversity and officers for attending the meeting, presenting the review and responding to questions from the Panel.

### **33. Work Programme**

Councillor Ellis asked the Panel to agree to a review in 2012/13 of the processes that

led to the decisions taken on the Activity Centre in the Abbots building and Joyce Brooks House. Councillor Ellis said what he was requesting was specifically about the process, not about the decision taken. Councillor Sykes said he had no problem with scrutinising the process and took the view that the opposition group should chair scrutiny panels and it was in all the Panel Member's gift to put forward suggestions for review.

Mrs. Ann Hedges, Executive Director said a judicial review had been lodged in regards to the decision concerning Joyce Brooks House, which was staid at the moment while discussions continued, so any Council review would need to be scheduled following the conclusion of any legal process.

Councillor Willetts had previously spoken about the 10 January discussions on the Temporary Bus Station in Queen Street, in the context of a recent press article that suggested the school close to the temporary bus station site would not be against the bus station staying permanently on the site, and that their pupils could play elsewhere. Councillor Willetts said it would be helpful if clarification could be given concerning what appeared to be a contradictory statement to that given by officers.

*RESOLVED* that the Panel;

- i) Noted the current Work Programme.
- ii) Agreed to a review in 2012/13 (date to be confirmed) of the processes that led to the decisions taken on the Activity Centre in the Abbots building and Joyce Brooks House.
- iii) Agreed to Mrs. Hedges seeking clarification on the status of the legal agreement around the bus station given the comments by the school in the media.



## Strategic Overview and Scrutiny Panel

Item  
**10**

20 March 2012

<b>Report of</b>	<b>The Scrutiny Officer</b>	<b>Author</b>	<b>Robert Judd</b> <b>Tel. 282274</b>
<b>Title</b>	<b>Colchester Community Stadium Limited</b>		
<b>Wards affected</b>	None		

**This is a report setting out the governance arrangements and current work of Colchester Community Stadium Limited.**

### **1. Action required**

- 1.1 The Panel is asked to consider and comment on the work of the Colchester Community Stadium Limited.

### **2. Reason for Scrutiny**

- 2.1 The Council's Code of Corporate Governance states a principle to engage with stakeholders to ensure robust public accountability.
- 2.2 The Strategic Overview and Scrutiny Panel agreed to the review at the commencement of the municipal year.
- 2.3 Mr. David Murthwaite and Mr. Clive Gilham, Chairman and Chief Executive of the Colchester Community Stadium Company (CCSC) attended the previous review on 9 February 2010.
- 2.4 At the meeting on 9 February 2010, the Panel asked the Colchester Community Stadium Company to consider in the interests of openness and transparency, the publication of all key Performance Indicator information as set out in the service agreement between the stadium company and the football club as commercial operator of the stadium.

### **3. The evening's arrangements**

- 3.1 Mr. David Murthwaite, Chairman of the Colchester Community Stadium Board (CCSB) and Mr. Clive Gilham, Chief Executive of the CCSB, and Councillor Anne Turrell, Leader of the Council and Portfolio Holder for Strategy and Performance and Mr. Adrian Pritchard, Chief Executive of Colchester Borough Council will attend the meeting for this item.
- 3.2 A short presentation will be given highlighting the Company's activities over the last twelve months, including governance arrangements, operating costs, activities and achievements of the community stadium.

### **4. Governance arrangements for the Colchester Community Stadium Limited**



- 4.1 Colchester Community Stadium Limited (CCSL) was created by Colchester Borough Council, and is an arms length company set-up to manage the Community Stadium. It is a company limited by shares which is wholly owned by the Council. Colchester Borough Council retains the freehold interest in the new community stadium and it is leased to CCSL for 125 years.
- 4.2 The company's Statement of Accounts contains year-end final accounts that are published on the Council website <http://www.colchester.gov.uk/accounts>. The last published accounts, to the 31 March 2011 (copy attached) were audited and an unqualified opinion was given by the company's external auditors.
- 4.3 The CCSB currently comprises of eight members, two independent directors (with a right to seek a third independent director if CCSB feel it necessary to do so), three Colchester Borough Council representatives, currently the Leader, the Deputy Leader, Portfolio Holder for Street Services and the Chief Executive Officer, one Colchester United Football Club director, one Colchester United Community Sports Trust director and the Chief Executive of the Company.
- 4.4 The CCSB has developed into a progressive partnership that is committed to ensuring the Community Stadium is used for the benefit of all and offers a wide range of opportunities from social and recreational activities to health and education programmes.
- 4.5 CCSL sub-lets exclusive use areas such as the offices and the club shop to the Football Club and the Trust, and also gives the Club a licence for that period to use the remainder of the complex on league match days. However, it retains legal control of these areas on all non-match days. CCSL's remit is to ensure a balance of community and commercial activity takes place within a financially viable business plan.
- 4.6 CCSL has outsourced day to day operational delivery of its services on non match days to a Management Company which acts as commercial operator of the stadium – currently the Management Company is the Football Club under a 5-year management agreement. This avoids CCSL taking on staff that might duplicate staff already employed by the Club. It also makes the best use of Club expertise and incentivises the Club to play a direct part in the development of non-matchday business activity and optimise income within an approved business plan.

## **5. Community Stadium Events Committee**

- 5.1 The Events Committee was established by the Board in 2008, operating as a sub-committee, responsible for managing the community events function on behalf of the Board.
- 5.2 The club and caterer have agreed, in its service agreement, to provide a minimum of 24 community events “at cost” every year. The beneficiaries of these events are groups such as voluntary groups, charities and schools.
- 5.3 The events targets and results for 2010-11 are published on-line at <http://www.cucst.org.uk/downloads/Community%20Events%20Board%20Report%202010-11.pdf>. The key resolution to the Panel's 2010 review was a request to the Colchester Community Stadium Company to consider in the interests of openness and transparency, and as the manager of the community stadium, the publication of all key Performance Indicator information as set out in the service agreement between the company and the football club. A copy is attached of the 2010-11 Community Stadium usage for commercial, free and supported events.

- 5.4 In 2010-11 the Committee approved a total of 19 community events, with 5 of these not going ahead for various reasons. Whilst this performance was viewed as disappointing, it was due mainly to a change in managerial responsibilities in the Management Company and a lack of understanding of their fundamental responsibility to actively market opportunities in the community.
- 5.5 It is understood that the company has addressed these issues and that 2011-12 will be a year of adjudication on the merit of applications, given the larger number of community groups applying to use the stadium. The application form has been simplified in light of previous experiences and there is now an e-voting system for the committee members to speed the approvals process.

## **6. Standard and Strategic Plan References**

- 6.1 The Council's governance arrangements forms parts of the Council's commitment to customer excellence which underpins the Council's Strategic Plan vision.
- 6.2 There is no publicity, equality and diversity, human rights, community safety, health and safety, risk management or financial implications in this matter.
- 6.3 Scrutiny is a key function to ensure decisions have been subject to full appraisal and that they are in line with the aims of the strategic plan. The role of scrutiny is also an important part of the Council's risk management process, helping to check that risks are identified and challenged.

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011  
FOR  
COLCHESTER COMMUNITY STADIUM LIMITED**

TUESDAY



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FOR THE YEAR ENDED 31 MARCH 2011

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COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2011

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**DIRECTORS**

C M Gilham  
G P Leaf  
A B Barton  
D C Murthwaite  
A R Pritchard  
M J Springett  
Cllr A Turrell  
R A Cowling  
Cllr C M C Hunt

**REGISTERED OFFICE**

PO Box 885 Town Hall  
High Street  
Colchester  
Essex  
CO1 1ZE

**REGISTERED NUMBER**

06867951 (England and Wales)

**AUDITORS**

Baker Chapman & Bussey  
Statutory Auditor  
3 North Hill  
Colchester  
Essex  
CO1 1DZ

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report with the financial statements of the company for the year ended 31 March 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of providing strategic management oversight and overall management of the Weston Homes Community Stadium. The company also acts as landlord to the two principle tenants, Colchester United Football Club and Colchester United Community Sports Trust.

The company is managed by its board of directors who meet regularly throughout the financial year. The board of directors consists of five representatives from key stakeholders in the community stadium together with four independents, including the Chair and Chief Executive. Specifically, the stakeholders represented are from Colchester Borough Council (CBC), Colchester United Football Club ("the Club") and Colchester United Community Sports Trust ("the Trust").

**REVIEW OF BUSINESS**

The directors are pleased that the Weston Homes Community Stadium has been extensively used throughout the year for a wide variety of community activities and commercial events in addition to providing an excellent 10,000 seat football stadium for the Club. The stadium also provides accommodation for the Club and Sports Trust including a separate dedicated community space and two 5-a-side football pitches.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

C M Gilham  
G P Leaf  
A B Barton  
D C Murthwaite  
A R Pritchard  
M J Springett  
Cllr A Turrell  
R A Cowling  
Cllr C M C Hunt

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2011**

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This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to be 'C M Gilham', written over the text 'ON BEHALF OF THE BOARD'.

C M Gilham - Director

1 June 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
COLCHESTER COMMUNITY STADIUM LIMITED**

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We have audited the financial statements of Colchester Community Stadium Limited for the year ended 31 March 2011 on pages five to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors

Jacqueline Frost (Senior Statutory Auditor)  
for and on behalf of Baker Chapman & Bussey  
Statutory Auditor  
3 North Hill  
Colchester  
Essex  
CO1 1DZ

1 June 2011



STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
<b>CONTINUING OPERATIONS</b>			
Revenue	3	362,590	267,047
Administrative expenses		(337,857)	(277,004)
<b>OPERATING PROFIT/(LOSS)</b>		<b>24,733</b>	<b>(9,957)</b>
Finance costs	5	(1,987)	(1,575)
Finance income	5	-	1
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>	6	<b>22,746</b>	<b>(11,531)</b>
Income tax	7	(2,355)	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>20,391</b>	<b>(11,531)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>20,391</b>	<b>(11,531)</b>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 MARCH 2011

	Notes	2011 £	2010 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	190,236	177,798
Cash and cash equivalents	9	28,085	22,933
		<u>218,321</u>	<u>200,731</u>
<b>TOTAL ASSETS</b>		<u>218,321</u>	<u>200,731</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	1	1
Retained earnings	11	8,860	(11,531)
<b>TOTAL EQUITY</b>		<u>8,861</u>	<u>(11,530)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	21,000	28,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	179,105	177,261
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	7,000	7,000
Tax payable		2,355	-
		<u>188,460</u>	<u>184,261</u>
<b>TOTAL LIABILITIES</b>		<u>209,460</u>	<u>212,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>218,321</u>	<u>200,731</u>

The financial statements were approved by the Board of Directors on 1 June 2011 and were signed on its behalf by

 G P Lear - Director

 C M Gilham - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011

	Called up share capital £	Profit and loss account £	Total equity £
<b>Balance at 2 April 2009</b>	1	-	1
<b>Changes in equity</b>			
Total comprehensive income	-	(11,531)	(11,531)
<b>Balance at 31 March 2010</b>	<u>1</u>	<u>(11,531)</u>	<u>(11,530)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	20,391	20,391
<b>Balance at 31 March 2011</b>	<u><u>1</u></u>	<u><u>8,860</u></u>	<u><u>8,861</u></u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2011**

		Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	14,139	(10,494)
Interest paid		(1,987)	(1,575)
Net cash from operating activities		<u>12,152</u>	<u>(12,069)</u>
<b>Cash flows from investing activities</b>			
Interest received		-	1
Net cash from investing activities		<u>-</u>	<u>1</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	35,000
Loan repayments in year		(7,000)	-
Share issue		-	1
Net cash from financing activities		<u>(7,000)</u>	<u>35,001</u>
<b>Increase in cash and cash equivalents</b>		<u>5,152</u>	<u>22,933</u>
Cash and cash equivalents at beginning of year	2	<u>22,933</u>	-
Cash and cash equivalents at end of year	2	<u><u>28,085</u></u>	<u><u>22,933</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2011

1 RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Profit/(loss) before income tax	22,746	(11,531)
Finance costs	1,987	1,575
Finance income	-	(1)
	<u>24,733</u>	<u>(9,957)</u>
Increase in trade and other receivables	(12,438)	(177,798)
Increase in trade and other payables	1,844	177,261
	<u>14,139</u>	<u>(10,494)</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 31 March 2011

	31 3 11 £	1 4 10 £
Cash and cash equivalents	<u>28,085</u>	<u>22,933</u>

Period ended 31 March 2010

	31 3 10 £	2 4 09 £
Cash and cash equivalents	<u>22,933</u>	<u>-</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011

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1 **STATEMENT OF COMPLIANCE WITH IFRS'S**

The company's financial statements for the year were authorised for issue on 1 June 2011 and the statement of financial position signed on the board's behalf by Graham Leaf and Clive Gilham

Colchester Community Stadium Limited is a limited company incorporated and domiciled in England & Wales

2 **ACCOUNTING POLICIES**

**Basis of preparation**

The company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006

The financial statements are presented in sterling, not rounded and are prepared under the historical cost convention

**Changes in accounting policies**

The financial statements have been prepared under IFRS to be consistent with that of the holding company, having previously prepared its financial statements under UK GAAP accounting standards

The change in accounting policy has had no affect on the company's reported financial position, financial performance or cash flow. The transition date for the purposes of applying IFRS for the company was 2 April 2009 (date of incorporation). The accounts will not be materially affected by any standards or interpretations that have been issued but are not yet effective

**Revenue recognition**

Revenue represents net invoiced rents, excluding value added tax and net of discounts. Rents are taken to revenue for the period to which they relate

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Borrowing costs**

All borrowing costs are recognised in the profit or loss in the period in which they are incurred

**Loan and other receivables**

Loans and other receivables (including trade and other receivables, and bank balances) are initially recognised at original invoice amount (subsequently measured at amortised cost using the effective interest method) less any allowances for any uncollectible or impaired amounts

**Trade and other payables**

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method

3 **SEGMENTAL REPORTING**

The company has one main business segment, that of providing strategic management oversight and overall management of Weston Homes Community Stadium, including acting as landlord to the two principle tenants. As a result, no additional business segment information is required to be provided. It operates in one geographical segment, and accordingly no geographical segment information is required to be provided

4 **EMPLOYEES AND DIRECTORS**

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

Included with in the profit/(loss) before income tax is

	Year ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Directors' remuneration and other benefits etc	<u>35,250</u>	<u>29,250</u>

Other than the above costs the company had no wages and salaries

**5 NET FINANCE COSTS**

	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Finance income		
Deposit account interest	<u>-</u>	<u>1</u>
Finance costs		
CBC loan interest	<u>1,987</u>	<u>1,575</u>
Net finance costs	<u>1,987</u>	<u>1,574</u>

**6 PROFIT/(LOSS) BEFORE INCOME TAX**

The profit before income tax (2010 - loss before income tax) is stated after charging/(crediting)

	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Auditors' remuneration	<u>1,700</u>	<u>1,000</u>

**7 INCOME TAX****Analysis of the tax charge**

	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Current tax		
Tax	<u>2,355</u>	<u>-</u>
Total tax charge in income statement	<u>2,355</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 7 INCOME TAX - continued

## Factors affecting the tax charge

The tax assessed for the year is lower (2010 - higher) than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Profit/(loss) on ordinary activities before tax	22,746	(11,531)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2010 - 21%)	4,777	(2,422)
Effects of Losses (brought)/carried forward	(2,422)	2,422
Total income tax	2,355	-

## 8 TRADE AND OTHER RECEIVABLES

	2011 £	2010 £
Current		
Trade debtors	120,180	107,742
Called up share capital not paid	1	1
Prepayments	70,055	70,055
	<u>190,236</u>	<u>177,798</u>

## 9 CASH AND CASH EQUIVALENTS

	2011 £	2010 £
Bank deposit account	1,002	1,002
Bank accounts	27,083	21,931
	<u>28,085</u>	<u>22,933</u>

## 10 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	2011 £	2010 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

## 11 RESERVES

	Retained earnings £
At 1 April 2010	(11,531)
Profit for the year	20,391
At 31 March 2011	<u>8,860</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

12 TRADE AND OTHER PAYABLES

	2011 £	2010 £
Current		
Trade creditors	91,200	89,888
Accruals and deferred income	85,318	86,457
VAT	2,587	916
	<u>179,105</u>	<u>177,261</u>

13 FINANCIAL LIABILITIES - BORROWINGS

	2011 £	2010 £
Current		
Other loans	<u>7,000</u>	<u>7,000</u>
Non-current		
Other loans	<u>21,000</u>	<u>28,000</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	Totals £
Other loans	<u>7,000</u>	<u>7,000</u>	<u>14,000</u>	<u>28,000</u>

The loan is in respect of an agreement dated 1 July 2009 and is repayable over 5 years. The initial interest rate was 6% until 29 January 2010, to be reviewed annually thereafter. The current interest rate is 6%.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

## 14 OTHER FINANCIAL COMMITMENTS

Commitments under operating leases the company as lessee

	Year ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Minimum lease payments under operating leases recognised as an expenses during the year	<u>300,000</u>	<u>225,000</u>

The agreement above is in respect of a 125 year lease initially at £300,000 per annum The lease is drafted but currently unsigned

Commitments under operating leases the company as lessor

	Year ended 31 3 11 £	Period 2 4 09 to 31 3 10 £
Minimum lease receipts under operating leases recognised as revenue during the year	<u>362,590</u>	<u>265,312</u>

All the leases are currently drafted but unsigned The draft lease commitments are as follows

	Term	Initial Annual rent
Colchester United Football Club	125 years	£300,000
Colchester United Community Sports Trust - offices	125 years	£15,000
Colchester United Community Sports Trust - 'Imagine Centre'	20 years	£18,750

## 15 RELATED PARTY DISCLOSURES

During the period the company paid £15,000 (2010 £13,500) to Straight Bat (UK) Limited, a company controlled by Clive Gilham, in respect of the supply of services of the Chief Executive At the period end the company owed Straight Bat (UK) Ltd £1,200 (£2010 1,763)

The other independent directors, Tony Barton, Graham Leaf and David Murthwaite have been paid fees of £6,000, £6,000 and £8,250 (2010 £4,500, £4,500 and £6,750) respectively

Included in other creditors is a loan of £28,000 (2010 £35,000) from Colchester Borough Council The loan is interest bearing and is repayable in instalments of £7,000 Interest of £1,987 (2010 £1,575) has been charged in the year

In addition, Colchester Borough Council charged the company rent of £300,000 (2010 £225,000) At the year end the company owed Colchester Borough Council £90,000 (2010 £88,125)

During the period the company charged Colchester United Football Club, an entity controlled by Robbie Cowling, rent of £300,000 (2010 £225,000) and non match day income of £27,500 (2010 £15,000) At the year end the company was owed £99,000 (2010 £88,125) by Colchester United Football Club

In addition, during the period the company charged Colchester United Community Sports Trust, a company whose directors include Mike Springett, £15,000 and £18,750 (2010 £14,062 and £11,250) for hire of community space and premises respectively At the period end the company was owed £10,125 (2010 £19,617) by Colchester United Community Sports Trust

## 16 POST BALANCE SHEET EVENTS

The directors agreed, during the year, to undertake improvement works to the main car park at the stadium This work is scheduled to be completed during the closed season and likely to commence in May 2011 at an estimated cost of £120,000 The funding for this project will be equally provided by unsecured loans over a 10 year period from Colchester Borough Council and Colchester United Football Club

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

17 ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Colchester Borough Council

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit/(Loss) for the financial year	20,391	(11,531)
Share capital issued in period	-	1
<b>Net addition/(reduction) to shareholders' funds</b>	<b>20,391</b>	<b>(11,530)</b>
Opening shareholders' funds	(11,530)	-
<b>Closing shareholders' funds</b>	<b>8,861</b>	<b>(11,530)</b>

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company is exposed through its operations to the following risks

Credit risk

Credit risk arises principally from the company's trade and other receivables and cash at bank

The company uses a reputable bank and trades only with recognised, credit worthy customers. Balances are regularly checked to ensure risk of exposure to bad debts is minimised

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The only current risk is that in respect of the loan from Colchester Borough Council and any risks are not considered material

Liquidity risk

Liquidity risk arises from the company's management of working capital and repayments of its liabilities. Management of risks is managed by monitoring budgets and actual cash flows

20 FAIR VALUES

The fair values of the financial assets and liabilities as at 31 March 2011 and 31 March 2010 are not materially different from their book values

21 ACCOUNTING ESTIMATES AND JUDGEMENTS

There are no critical accounting judgements made in applying the company's accounting policies

RECONCILIATION OF EQUITY

2 APRIL 2009

(Date of Transition to IFRSs)

	UK GAAP £	Effect of transition to IFRSs £	IFRSs £
<b>ASSETS</b>			
TOTAL ASSETS	-	-	-
<b>SHAREHOLDERS' EQUITY</b>			
TOTAL EQUITY	-	-	-
<b>LIABILITIES</b>			
TOTAL LIABILITIES	-	-	-
TOTAL EQUITY AND LIABILITIES	-	-	-

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued  
31 MARCH 2010

	UK GAAP £	Effect of transition to IFRSs £	IFRSs £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	177,798	-	177,798
Cash and cash equivalents	22,933	-	22,933
	<u>200,731</u>	<u>-</u>	<u>200,731</u>
<b>TOTAL ASSETS</b>	<u>200,731</u>	<u>-</u>	<u>200,731</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	1	-	1
Profit and loss account	(11,531)	-	(11,531)
<b>TOTAL EQUITY</b>	<u>(11,530)</u>	<u>-</u>	<u>(11,530)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	28,000	-	28,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	177,261	-	177,261
Financial liabilities - borrowings			
Interest bearing loans and borrowings	7,000	-	7,000
	<u>184,261</u>	<u>-</u>	<u>184,261</u>
<b>TOTAL LIABILITIES</b>	<u>212,261</u>	<u>-</u>	<u>212,261</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>200,731</u>	<u>-</u>	<u>200,731</u>

The notes form part of these financial statements

**RECONCILIATION OF LOSS  
FOR THE PERIOD 2 APRIL 2009 TO 31 MARCH 2010**

	UK GAAP £	Effect of transition to IFRSs £	IFRSs £
Revenue	267,047	-	267,047
Administrative expenses	(277,004)	-	(277,004)
Finance costs	(1,575)	-	(1,575)
Finance income	1	-	1
<b>LOSS BEFORE TAX</b>	<u>(11,531)</u>	<u>-</u>	<u>(11,531)</u>
<b>LOSS FOR THE YEAR</b>	<u><u>(11,531)</u></u>	<u><u>-</u></u>	<u><u>(11,531)</u></u>

The notes form part of these financial statements

**WESTON HOMES COMMUNITY STADIUM COLCHESTER**  
**COMMUNITY USAGE**  
**ANNUAL REVIEW 2010 - 2011**

DEPARTMENT	COMMERCIAL		FREE		SUPPORTED	
	Event type	No's	Event type	No's	Event type	No's
CUFC	League Football	97,673			England Games, etc	7,236
	Other	10,471				
	Sub totals	108,144				7,236
Management Company	Conference/Meetings	16,740			Colchester/Essex Community Events	3,747
	Functions	10,398				
	Sub totals	27,138				3,747
CUCST	Sports Participation	18,057	Education Programmes	4,058		
			Creative Partnership activities	605		
			Community inclusion programmes	1,156		
			Health programmes	849		
	Sub totals	18,057		6,668		
Totals		153,339		6,668		10,983
Grand Total			<b>170,990</b>			

Notes:

1. Commercial – Usage at full cost
2. Free – Free at Point of Delivery/Grant funded
3. Supported – Usage at discounted cost

