

Report to:	Clyde Valley Learning and Development Joint Committee
Date of Meeting:	13 June 2011
Report by:	Treasurer to Clyde Valley Learning and Development Joint Committee

Subject:	2010/2011 Annual Report and Accounts - Clyde Valley Learning and Development Joint Committee
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise of the Clyde Valley Learning and Development Joint Committee final accounts position as at 31 March 2011.

2. Recommendation(s)

2.1. The Joint Committee is asked to approve the following recommendation(s):-

- (1) that the Annual Report and Accounts for the Clyde Valley Learning and Development Joint Committee for the year ended 31 March 2011 be approved.

3. Background

3.1. The Annual Report and Accounts, as detailed at Appendix 1 to the report, shows the Income and Expenditure Account and Balance Sheet to 31 March 2011 for the Clyde Valley Learning and Development Joint Committee. These accounts have been passed for external audit to PriceWaterhouseCoopers.

3.2. The Annual Report and Accounts, as detailed at Appendix 1 to the report, comprises:-

- ◆ Introduction by the Convener
- ◆ Service Review by the Project Manager
- ◆ Financial Statement by the Treasurer
- ◆ Movement in Reserves Statement
- ◆ Comprehensive Income and Expenditure Account for the year ended 31 March 2011
- ◆ Balance Sheet as at 31 March 2011
- ◆ Cash Flow Statement for year ended 31 March 2011
- ◆ Notes to the Financial Statements
- ◆ Statement of Accounting Policies
- ◆ Statement of Responsibilities for the Statement of Accounts
- ◆ Statement on the System of Internal Financial Control
- ◆ Audit Arrangements

3.3 2010/2011 is a year of transition with the implementation of International Financial Reporting Standards. Included in the Annual Report and Accounts for the Joint Committee are a number of new statements. Many of these have zero balances but have been included in this first year for completeness.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. The Accounts show that the Joint Committee's total revenue expenditure amounted to £0.325 million in 2010/2011 and was met by other income of £0.325 million (£0.155 million of which was the utilisation of the funds carried forward from 2007-08). This results in a break even position.

5.2. As detailed above, £0.155 million of the balance carried forward from 2007/2008 was used in 2010/2011. After taking account of any accruals and commitments, this leaves a revenue cash balance of £0.049 million to be carried forward for use in future years.

6. Other Implications

6.1. The main risk associated with the Clyde Valley Learning and Development Joint Committee Revenue Budget is failure to manage the budget resulting in expenditure exceeding available funding. The risk has been assessed as low given the detailed budget management applied within the Joint Committee. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensured early warning for corrective action to be taken where appropriate.

7. Equality Impact Assessment and Consultation Arrangements

7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning

Treasurer to Clyde Valley Learning and Development Joint Committee

25 May 2011

Link(s) to Council Objectives and Values

◆ Value: Accountable, Effective and Efficient

Previous References

◆ None

List of Background Papers

- ◆ Clyde Valley Learning and Development Committee Annual Report and Accounts 2010/2011.

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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***CLYDE VALLEY LEARNING AND DEVELOPMENT
JOINT COMMITTEE***

ANNUAL REPORT AND ACCOUNTS

2010 / 2011

CLYDE VALLEY LEARNING AND DEVELOPMENT JOINT COMMITTEE

ANNUAL REPORT AND ACCOUNTS 2010/2011

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EXPLANATORY FOREWORD

Service Outline by the Project Manager

The Service outline by the Project Manager sets out the objectives and Service performance of the Joint Committee for financial year 2010/11.

Financial Statements

The purpose of the Annual Report and Accounts is to demonstrate stewardship of the public monies which fund the work of the Committee.

The CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2010/11, supported by International Financial reporting standards (IFRS) ensures a set of statements is produced, each statement with a single clear objective. These are noted below:

- Income and Expenditure Account - *summary of resources generated and consumed by the Joint Committee in the year.*
- Statement of Movement on General Fund balance - *reconciliation showing how the balance of income versus expenditure in the year linked in with statutory requirements for a balanced budget at financial year end.*
- Statement of Recognised Gains and Losses - *demonstration of how the movement in net worth in the Balance Sheet is identified to the Income and Expenditure Account balance and to other unrealised gains and losses.*
- Balance Sheet – *summarises the assets and liabilities of the Joint Committee.*

The cumulative underspend at the end of the year will be held by the Committee for utilisation in future years. These monies are reflected as a creditor balance on the Balance Sheet.

Financial Position

The Income and Expenditure Account and its accompanying notes and statements summarise the costs and sources of funding in carrying out the Committee's activities.

For 2010/11, the Revenue Expenditure results for the Committee are shown on page 14 – a bottom line break-even position on their Income and Expenditure Account.

The major element of the Project's expenditure is incurred in respect of Administration Costs (£0.181m, 56%).

The major element of the Board's income is in respect of the monies received from the Scottish Government (via South Lanarkshire Council) who contributed to the start-up costs of the project. This contribution totalled £0.560m in 2007/2008 and any balance unutilised has been carried forward into 2011/12 as a Creditor (£0.047m). These monies will be used for future progress on the project.

There is no movement in cash for 2010/2011, as the cumulative underspend is invested in South Lanarkshire Council's Loans Fund. This reflects the practical arrangement that exists between the Committee and South Lanarkshire Council where the Council's Loans Fund lends or borrows according to the required cash flow and activities of the Committee.

The Statement of Accounting Policies has been included which details the policies implemented when compiling and presenting the Income and Expenditure Account, Balance Sheet and related statements. The accounting policies are those recommended by the Code of Practice on Local Authority Accounting in Great Britain.

The Statement of Responsibilities for the Statement of Accounts advises that the Head of Finance for South Lanarkshire Council is designated Treasurer to the Committee and is responsible for the proper administration of the Committee's financial affairs. Full details of the Treasurer's responsibilities are included in this statement.

Further information on the Committee's finances can be obtained from the Treasurer to the Clyde Valley Learning and Development Joint Committee, Finance and Information Technology Resources, Floor 4, Almada Street, Hamilton, ML3 0AB.

Introduction by the Convenor of Clyde Valley Learning and Development Joint Committee

The past year has been a watershed in the evolution of the Clyde Valley Learning and Development Project. The economic challenges facing each of our Member Councils and associated organisations have brought the work of the Project into sharp focus. Seeking out more efficient ways of working while maintaining and improving standards of delivery has never been more relevant or indeed critical to the delivery of our services.

The work of the Project during 2010/11 has provided the basis for much of the good practice in the delivery of training, learning and development, both planned and delivered across the Clyde Valley during this period. From the establishment of an effective and much copied infrastructure for the delivery of e-learning, to the delivery of Social Care training and vocational qualifications, the Clyde Valley Project has been the driving force for change at all levels.

This year has seen the Project branch out into the field of Education, a service which promises to yield major opportunities to share and develop further good practice by pooling the knowledge, skills and experience of the Clyde Valley Councils and their partners over the coming years.

The Committee is dependent on the continued involvement of all the Elected Members representing the interests of their own authorities and of the Clyde Valley Project as a whole, through their attendance at and participation in the Joint Committee meetings. This support from both Members and officers has been clearly demonstrated through the time and effort afforded the Project during the last year. Long may it continue!

As Chair of the Joint Committee I would once again like to extend my thanks to the members of the Implementation Steering Group, the Clyde Valley Project staff and members of staff from each of the Clyde Valley authorities for their continued enthusiasm and commitment to the work of the Project during the past year. I would like to thank the Members for their active involvement and would encourage their continued support in the future. I would hope next year to be able to report having a full complement of Members present at each meeting.

I am confident we can look forward to an optimistic future with the work of the Project remaining at the forefront of best practice and continuing to deliver real benefits to our councils in the coming year.

Councillor Denis McKenna
Chair
Clyde Valley Learning and Development Joint Committee

PROGRESS REVIEW 2010 / 2011

Introduction

Grant funding for the Clyde Valley Learning and Development project was formally awarded on 11 July 2007. Work on the project commenced with the appointment of a Project Manager on 17 September 2007. The project manager's secondment to the project has now been formally extended to 31 March 2012. The information in this report relates to the period from 1 April 2010 to 31 March 2011.

Objectives

The overall objective of the project remains to establish and deliver a number of shared approaches to training, learning and development between the Clyde Valley Councils (South Lanarkshire, North Lanarkshire, East Dunbartonshire, West Dunbartonshire, Glasgow City, East Renfrewshire, Inverclyde and Renfrewshire Councils) which will result in

- Greater efficiency due to shared working rather than a council-by-council approach
- Reduced duplication of effort
- The identification, development and sharing of best practice
- Setting, achieving and maintaining the highest standards of service delivery
- Modernising service delivery by improving practice and making best use of information technology
- A consistent approach to training, learning and development
- Ensuring equality of opportunity for all Clyde Valley employees in accessing appropriate learning and development.
- Developing centres of excellence from which to deliver models suitable for replication nationally

Key Outcomes

- Purchase of a common learning management system to allow hosting, tracking and reporting of e-learning content by the Clyde Valley councils. Savings of 25% on cost plus ongoing accumulated savings in delivery of e-learning. Savings to date of £71,100.
- Economies of scale in purchase of e-learning content saving £27,500.
- The increased availability of e-learning content will also generate significant savings for each council when set against traditional methods of training delivery.
- Use of online portfolios (Learning Assistant) by five of the partner councils to facilitate the delivery of Scottish Vocational Qualifications (SVQs) within their respective councils saved 33% of assessor time. Combined savings to date of £83,900.

- The establishment of a single Clyde Valley centre for the delivery of accredited front line management and leadership programmes has brought accredited programmes to the whole of the Clyde valley while making savings in delivery of £32,000.
- Innovative partnership approach to delivery of Management Development programme has created a best practice model while saving some £43,000 in delivering the programme.

Achievements and Benefits

The formation of a robust partnership between member councils has developed a sense of ownership of the Clyde Valley's work plan with member councils now thinking in terms of a Clyde Valley solution when addressing learning and development issues within each council.

The project has expanded from its first phase of three subject areas, and continues to grow from strength to strength. The establishment of the common e-learning environment promises to deliver the highest level of savings yet for the Clyde Valley. It is in this area that the potential to share content, methods and processes with other councils in Scotland is at its greatest.

The Clyde Valley group is now an established part of the landscape in addressing established and emerging learning and development needs for the member and associate member councils.

Phase One

First Aid training – The Clyde Valley's First Aid training is currently provided by Cordia (one of Glasgow City Council's "Arm's Length Organisations") on behalf of the Clyde Valley group. To date over 3,000 candidates have been trained with an average saving of 8% per transaction compared to previous provision. Training is delivered in "hubs" throughout the Clyde Valley with mixed groups of employees from member councils attending workshops. In cash terms this represents £13,300 to date with the prospect of the savings continuing at this rate for the foreseeable future. In addition, candidates have achieved a 100% pass rate, while evaluation has shown that over 85% of participants were confident of immediately being able to apply what they had learned in a work situation.

The programme has been supported through centralised administration by South Lanarkshire Council on behalf of the Clyde Valley which represents further time savings for the participating councils. The shared model has subsequently been replicated by three other Scottish Councils (North, East and South Ayrshire).

Diversity – An e-learning package has been developed and customised to reflect individual councils' requirements, available in versions for front line staff and managers. The economies of scale derived from shared development and procurement have resulted in savings of around 60% when compared with prices quoted for single council purchase. The Clyde Valley group has a longer term objective to be self sufficient in producing e-learning content. As a result the group is currently investigating the possibilities of developing a similar e-learning solution in-house.

Delivery of Vocational Qualifications (SVQs) – Savings to date amount to £83,900 across the Clyde Valley. The major contributing factor being the extended use of online portfolio software to aid the delivery, assessment and verification processes. As a result of spare capacity generated by this approach, the group has now reached an agreement, where possible to deliver vocational qualifications for Clyde Valley partners from existing capacity within the group, rather than using external providers. In each example, the business case and projected benefits are evaluated before final decisions are taken. The group continues to investigate further opportunities for savings and sharing good practice, such as reviewing the number of accredited VQ centres throughout the Clyde Valley.

Phase Two

Accredited Management Training – The Clyde Valley group has delivered accredited training through two different projects. The first involved the delivery of training by the Clyde Valley partners on behalf of Glasgow City Council whereby Clyde Valley training staff supported supporting Glasgow City Council to deliver Institute of Leadership and Management (ILM) award level programmes for an initial tranche of 500 first line managers. This approach of trainers sharing and supporting delivery in other partner councils is now well established and can be called upon at relatively short notice should it be required.

The group has taken this thinking to its logical conclusion through the establishment of an accredited Clyde Valley centre in partnership with the Chartered Management Institute (CMI) to deliver accredited management and leadership programmes, the group has demonstrated savings of £32,000. Of greater significance however, the established new way of working has resulted in ongoing shared development of new courses, materials and programmes resulting in better use of time and resources. For the employees of the Clyde Valley Councils there is now an increased choice of high quality learning and development opportunities with the option of achieving accreditation at various locations throughout the Clyde Valley.

Management Development – North and South Lanarkshire Councils now deliver the newly accredited management development programme in partnership with Glasgow Caledonian University (GCU). The approach to development, accreditation, validation and delivery of the post graduate certificate, diploma and masters programmes received recognition from the academic board of the university and was highly commended for its innovative approach to collaborative working between the three parties. Delivery costs generated through this partnership approach have yielded initial savings of £43,000.

Social Care – From the outset of the project it was recognised that learning and development issues in social care were a high priority, and had the potential to generate significant efficiencies across the Clyde Valley. In May 2008, a Development Officer was seconded to the project to help support the development of the social care learning and development agenda.

This was quickly followed by the establishment of a Social Care Sub Group in July 2008. The Sub Group comprises representatives of the Clyde Valley councils, and is drawn from officers in the field of Social Work/Social Care training, learning and development. The Sub Group was given the task of identifying priority subject areas for learning and development based on common strategic and local requirements. These were then prioritised based on defining a business case for change, and identifying an appropriate solution to address the need.

The following subject areas were identified in the first instance:

- Moving and assisting training
- Food hygiene
- Anti racist training
- Child and adult protection
- Behaviour management
- Personal safety
- Induction for social care managers and team leaders

A wide range of delivery models and approaches have now been identified and are currently being implemented and evaluated by the group. These range from joint procurement of training (moving and assisting and food hygiene), development of e-learning content (anti-racist training), joint approaches to core training (child and adult protection) and development of a best practice checklist and training materials capable of being customised to meet local delivery requirements (personal safety and induction).

Equality Training –The Equality Training sub group identified a number of areas of common concern, including training for Equality Impact Assessments, provision of translation and interpreting services and developing consistent standards for equality training. An audit of provision of equality training at present provided for managers and supervisors has been completed and will be used to target common development needs.

Elected member training – The officers' sub group was established and set about exploring opportunities for joint training provision. An initial audit of planned training and possible development opportunities suggested scope for shared provision of planning regulations, scrutiny and code of conduct, finance, personal safety, media training / presentations and public speaking. The group evaluated the options to pursue this agenda and have agreed to follow an informal approach where training commissioned by member councils is made available to partners, and the offers reciprocated as demand requires.

E-Learning – This aspect of the Clyde Valley's work represents a major area for potential savings and development of best practice. In June 2009 the group undertook a joint procurement process to purchase a common e-learning management system and related infrastructure (content development tool, 360° appraisal software, evaluation and reporting tool). The joint approach alone yielded savings of 25% in price savings to the Clyde Valley when set against existing charges for single council purchase.

Of far greater significance to the Clyde Valley and beyond, is the opportunity this common approach provides to deliver common training content through e-learning, while significantly reducing costs of delivery when compared to traditional training methods. In addition, the common approach reduces duplication of effort as content developed by the Clyde Valley is immediately available to all member councils. This agreement has been formalised through an e-learning sharing protocol which has been opened up to all Clyde Valley councils and additionally to other councils throughout Scotland.

Phase Three

Future priorities – The project implementation steering group has held a series of development days to review progress to date, identify further subject areas for phase three of the project and evaluate the existing delivery outcomes in more detail. It has been agreed

to develop a business case to investigate potential benefits from addressing the following strategically important subject areas over the coming year:

- Performance Management
- Management of Strategic and Cultural Change
- Consistency in Equality and Diversity Training
- Learning and Development in Education
- Energy Management

Specific interest in the work of the project has expanded the project's membership through the admission of Associate Members. In 2008 North Ayrshire and South Ayrshire Councils were formally introduced as Associate Members. More recently several other councils have become aware of the work of the Clyde Valley and have indicated an interest in participating in some of the group's activities through Associate Membership. To date Aberdeen City and Midlothian Councils have become associates, with pending interest from a further five councils currently in discussion.

Conclusion

Many of the barriers to establishing the project have now been overcome, and both the Project's Joint Committee and the member councils remain as committed as ever to achieving the objectives and realising the potential of the project.

As a workforce development project, the primary activities address the learning and development needs of all the employees of the Clyde Valley councils. However, in attempting to demonstrate best value in the delivery of appropriate and targeted learning and development, the outcomes delivered remain focused on each council delivering excellence in all service areas to the general public across the Clyde Valley.

Gerry Farrell,
Project Manager - Clyde Valley Learning and Development Project

FINANCIAL STATEMENT BY TREASURER

During 2010/11, I have continued to enjoy the support of staff within Personnel Services of South Lanarkshire Council and also my own staff in Finance and Information Technology Resources. I would take this opportunity to show my appreciation for the continued support of the operational staff in the constituent Councils and would stress that this unified approach remains essential in forming the financial direction of the Joint Committee.

During financial year 2007/2008, the Joint Committee received an allocation of funding from the Government's Efficiency and Reform Fund (£0.560m). This money was for start-up costs on a stream of projects to be implemented by the Joint Committee. In the current year, 2010/11, utilisation of these funds was £0.207m. Taking into account previous use of these funds (£0.306m), leaves £0.047m to be carried into financial year 2011/12.

I look forward to continuing my support of the finances of the Joint Committee and to further assist the Committee in the financial elements of the project's workstreams.

Paul Manning

Treasurer – Clyde Valley Learning and Development Joint Committee

Movement in Reserves Statement

A Statement of Movement in Reserves is not required as net operating expenditure for the year ended 31 March 2011 is zero as shown in the Comprehensive Income and Expenditure Account. There are no balances recorded in the Comprehensive Income and Expenditure Account which are required by statute and non-statutory proper practices to be debited or credited to the General Fund balance for the year ended 31 March 2011.

**Comprehensive Income and Expenditure Statement
for the Year Ended 31 March 2011**

2009/2010 £000		2010/2011 £000	Notes
0	Employee Costs	0	
0	Property Costs	0	
36	Supplies and Services	142	
205	Administration Costs	181	1
3	Payments to Other Bodies	2	2
1	Financing Charges	0	
245	Total Expenditure	325	
(245)	Income	(325)	
0	(Surplus) / Deficit on Provision of Service	0	
0	Total Comprehensive Income and Expenditure	0	

Balance Sheet as at 31 March 2011

2009/10 £000s		2010/11 £000s	Notes
	<u>Current Assets</u>		
52	Debtors	37	3
204	Investment in South Lanarkshire Council Loans Fund	49	4
256	Total Assets	86	
	<u>Current Liabilities</u>		
(256)	Creditors	(86)	5
0	Total Assets less Liabilities	0	
	<u>Represented By :</u>		
0	General Fund Balance	0	
0		0	

Paul Manning
Treasurer
01 June 2011

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Committee during the reporting period. The statement shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of taxation and grant income or from the recipients of services provided by the Joint Committee. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Committee's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the Joint Committee.

2009/10		2010/11
£000		£000
0	Net (surplus) or deficit on the provision of services	0
186	Adjust net surplus or deficit on the provision of services for non cash movements	160
0	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	0
<hr/> 186	Net cash flows from Operating Activities (note 6)	<hr/> 160
(186)	Investing Activities (note 7)	(160)
<hr/> 0	Financing Activities (note 8)	<hr/> 0
0	Net increase or decrease in cash and cash equivalents	0
<hr/> 0	Cash and cash equivalents at the beginning of the reporting period	<hr/> 0
<hr/> 0	Cash and cash equivalents at the end of the reporting period (note 9)	<hr/> 0
<hr/> <hr/>		<hr/> <hr/>

Notes to the Financial Statements

1 Administration Costs

The Board makes payments to South Lanarkshire Council for administration / support services.

	2010/11 £000	2009/10 £000
Personnel – Employee Time	61	102
Total Payment to South Lanarkshire Council	61	102
Training Costs for Member Councils	120	96
Drawdown of Learning Assistant Licences		7
Total Administration Costs	181	205

2 Auditors Remuneration

The auditor's remuneration is included in the Payments to Other Bodies' expenditure. The auditor remuneration of £1,950 consists of two components: a fixed charge of £190 and auditor fees of £1,760.

	2010/11 £000	2009/10 £000
Auditors Remuneration :		
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor (PricewaterhouseCoopers LLP)	2	2
	2	2

3 Debtors

The Debtors figures is analysed as follows:

	2010/11 £000	2009/10 £000
Training Recharges	0	2
Licence Recharges	0	6
Prepayment of Licences - Brightwave	29	31
Unused Learning Assistant Licences	8	13
	37	52

4 Debtors

The Debtors figures is analysed as follows:

	2009/10 £000	2008/09 £000
Training Recharges	2	5
Unused Learning Assistant Licences	20	20
	22	25

5 Short Term Investments

All of the Committee's £0.204m short term investments are held in the South Lanarkshire Councils Loan Fund.

6 Creditors

The Creditors figure is analysed as follows :-

	2009/10 £000	2008/09 £000
Training invoices	0	10
Audit fee	2	1
Balance of Efficiency and Reform Monies held on behalf of constituent councils and the Training Project	224	404
	226	415

7 Cash Flow Statement – Investing Activities

2009/10		2010/11
£000		£000
0	Purchase of property, plant and equipment, investment property and intangible assets	0
186	Purchase of short-term and long-term investments	160
0	Other payments for investing activities	0
0	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	0
0	Proceeds from short-term and long-term investments	0
0	Other receipts from investing activities	0
186	Net cash flows from investing activities	160

8 Cash Flow Statement – Financing Activities

2009/10		2010/11
£000		£000
0	Cash receipts of short- and long-term borrowing	0
0	Other receipts from financing activities	0
0	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	0
0	Repayments of short- and long-term borrowing	0
0	Other payments for financing activities	0
0	Net cash flows from financing activities	0

9 Cash Flow Statement – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2010 £000		31 March 2011 £000
0	Cash held by officers	0
0	Bank current accounts	0
0	Short-term deposits with building societies	0
0	Total cash and cash equivalents	0

10 Financing and Management of Liquid Resources

Liquid Resources are held by South Lanarkshire Council as lead authority and are available to the Committee as required.

11 Financial Instruments

The investment disclosed in the Balance Sheet is classified within the following financial instrument category:

	2010/11 £000	2009/10 £000
Investments Maturing within 12 months	49	204

12 Date of Signing of Annual Accounts

The accounts were authorised by the Head of Finance, Finance and Information Technology on 01 June 2011, Treasurer to the Clyde Valley Learning and Development Project – Joint Committee.

13 Post Balance Sheet Events

No events occurred between 1 April 2011 and 01 June 2011 that would have an impact on the 2010/2011 financial statements. The later date is the date on which the accounts were authorised by the Head of Finance, Finance and Information Technology Resources, Treasurer to the Clyde Valley Learning and Development Joint Committee.

Statement of Accounting Policies

(a) **General**

The general policies adopted in compiling and presenting the Accounts are those recommended by the Code of Practice on Local Authority in the United Kingdom 2010/11, issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC), supported by International Financial Reporting Standards (IFRS). There are no significant departures from those recommendations.

(b) **Debtors and Creditors**

Accruals basis

The income and expenditure account is compiled on an accruals basis. Where goods have been sold but the income not received by end 31 March 2011 or goods have been received but not paid for by end March 2011, then the income and expenditure account has been amended to reflect the outstanding amounts.

(i) Debtors

All specific and material sums payable to the Joint Committee have been brought into account.

(ii) Creditors

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31st March 2011, together with specific accruals in respect of further material items.

(c) **Allocation of Support Expenses**

The allocation of Support Expenses is the cost of those South Lanarkshire employees who provide a direct service to the Joint Committee. The individual support department is Personnel Services where employees are directly involved in the operations of the Joint Committee. The recharge is made on a consistent basis.

(d) **Borrowing Facilities**

The Committee is a separate legal entity and has South Lanarkshire Council as its lead authority. The loans' fund of South Lanarkshire Council acts as banker to the Joint Committee and consequently lends or borrows according to the required cash flow and activities of the Committee.

(e) **Financial Instruments**

For investments due within 12 months, prevailing benchmark rates have been used to provide the fair value. Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding.

Creditors due within 12 months are not classed as a financial instrument

Statement of Responsibilities for the Statement of Accounts

The Clyde Valley Learning and Development Joint Committee's responsibilities

The Clyde Valley Learning and Development Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Committee, that officer is the Treasurer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Committee's statement of accounts in accordance with proper accounting practices set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom 2010/11*, supported by International Financial Reporting Standards (IFRS).

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the aforementioned Code of Practice

The Treasurer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Paul Manning
Treasurer – Clyde Valley Learning & Development Joint Committee
01 June 2011

Statement on the System of Internal Financial Control

1. The statement is given in respect of the Statement of Accounts for Clyde Valley Learning and Development Joint Committee. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. As a Joint Committee established during financial year 2007/08, I am aware of our governance duties. As the work of the Joint Committee develops, I undertake to continue my commitment to transparency and openness in our governance arrangements and will review these as appropriate during 2011/12.
4. The following activities have taken place to date in relation to establishing a robust governance infrastructure:
 - All eight Councils continue to be represented on the Joint Committee.
 - The scheme of delegation, terms of reference, standing orders, financial regulations and stakeholder roles and responsibilities defined in 2007/08 remain in place.
 - Meetings of the Joint Committee are held on a quarterly basis with Councillor Denis McKenna (South Lanarkshire Council) elected Chair of the Joint Committee. Councillor Jean Jones (North Lanarkshire Council) has been elected as Vice-Chair of the Joint Committee.
 - Scheme of delegation allows for Clyde Valley Implementation Steering Group to manage direct and prioritise the work programme.
 - Minute of agreement has been produced and signed by each of participating Councils.
 - Centralised invoicing and re-charging administered through South Lanarkshire Council.
 - Financial Management arrangements through South Lanarkshire Council's FMS Ledger system.
5. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. These arrangements follow the systems of financial management in place within the lead authority, South Lanarkshire Council. The Joint Committee use the Council's Financial Management and Payroll systems and are subject to the relevant controls in place as directed by the Internal/External Audit guidance.
6. It is my view that in the fourth year of the Joint Committee (financial year 2010/11), the systems for internal control were reasonably effective and will continue to be reviewed and improved as appropriate in 2011/12.

Paul Manning
Treasurer - Clyde Valley Learning and Development Steering Group

Audit Arrangements

Under arrangements approved by the Commission for Local Authority Accounts in Scotland (“The Accounts Commission”), the auditor with overall responsibility for the audit of the accounts of the Clyde Valley Learning and Development Project – Joint Committee for the year ended 31 March 2011 is:

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Glossary of Terms

Much of the terminology used in this Report is intended to be self-explanatory, however, the following additional definition and interpretation of terms used may be helpful:

1. Employee Costs

This includes salaries, wages, overtime, bonus, enhancements, employer's pension and national insurance, travelling and subsistence expenses and other staff allowances.

2. Property Costs

This includes rent and rates, property insurance, repair and maintenance of property, upkeep of grounds, heating and lighting, furnishings and fittings and the allocation of accommodation costs.

3. Supplies and Services

This includes materials, books, uniforms and protective clothing, the purchase and maintenance of equipment and tools and various services carried out by external contractors.

4. Administration Costs

This includes printing and stationery, advertising, postages, telephone costs and central support services allocations for administration.

5. Payments to Other Bodies

This includes payments to other organisations and agencies providing services complementing or supplementing the work of the Joint Committee.

7. Borrowing Facilities and Temporary Interest on Revenue Balances

The loans fund of South Lanarkshire Council lends or borrows according to the cash flow of the Joint Committee. This temporary interest credited / debited to the Joint Committee's Income and Expenditure Account reflects the interest earned or charged to the Committee for funds lent to or borrowed from the loans fund of South Lanarkshire Council.

8. Sales, Fees and Charges

This is income from charges to citizens and organisations for the direct use of the Joint Committee's services or the purchase of goods from the Committee e.g. sale of training courses.