

BODY: CABINET
DATE: 8 July 2015
SUBJECT: Annual Accounts 2014/15
REPORT OF: Financial Services Manager

Ward(s): All

Purpose: To present the annual accounts and final outturn for 2014/15.

Contact: Pauline Adams, Financial Services Manager Tel: 01323 415979.

Recommendations: Members are asked to -

- i) Agree the final outturn for 2014/15.
- ii) Approve the transfer to reserves and provisions as set out in paragraphs 2.3 and 3.2.

1.0 Introduction

1.1 The Accounts and Audit Regulations 2011 require the Council to formally approve and publish the Statement of Accounts for the financial year ending 31 March 2015 by 30 September 2015. The draft accounts were submitted to the Audit and Governance Committee meeting on 24 June 2015 for noting. Any comments will be verbally reported.

1.2 A report to the Cabinet meeting on 1 June 2015 set out the provisional outturn for 2014/15. The forecast was for a credit variance of £216,000 on service expenditure.

1.3 Since that time the work on closing the accounts has now been completed and the final outturn confirmed. The outturn forms part of the Statement of Accounts presented to the Audit and Governance Committee.

2.0 General Fund Final Outturn 2014/15

2.1 The content of the accounting statements and notes differ from budget reports submitted to Cabinet during the year, in that Income and Expenditure is analysed according to the statutory national groupings set out in CIPFA's Service Reporting: Code of Practice (SeRCOP), rather than reflecting the management organisation of the Council.

It is only the bottom line of the movement in reserves for the general fund that turns this statutory presentation into a comparable outturn figure with the performance monitoring arrangements.

- 2.1** The general fund final service outturn is a favourable variance of £15,000 detailed in the table below.

	Original Budget £'000	Revised Budget £'000	Actual £'000	Variance £'000
Corporate Services	11,694	11,253	11,094	(160)
Community Services	(3)	466	(129)	(595)
Tourism & Leisure Services	2,855	2,894	2,969	75
Service Expenditure	14,546	14,613	13,933	(680)
Contingencies	178	73	-	(73)
Net Interest and Capital Financing	1,650	1,895	1,894	(0)
Transfer to (from) Reserves	-	657	628	(29)
Financed by				
Government Grants	(6,014)	(6,517)	(6,539)	(22)
Council Taxpayers	(7,188)	(7,188)	(7,188)	(0)
Business Rates	(3,725)	(3,725)	(2,935)	790
Transfer to (from) General Fund Balance	(553)	(193)	(207)	(15)

The main change from the details of the service variances reported to the June Cabinet relates to an adjustment for movements in bad debt provision, lower than expected government grants to support business rates reliefs and government support to compensate below inflation increases charged to business ratepayers.

- 2.2** The General Fund Balance at 31 March 2015 was £4.899m. Details of other reserves are included in the accounts.
- 2.3** In addition to the transfers to and from reserves as approved by Cabinet on the 1 June 2015 a transfer of £488,015 was made to the Capital Programme reserve in line with the budget strategy representing the balancing mechanism on capital financing costs. This includes savings on external interest payable due to the continued use of internal balances and the actual timing of capital spending incurred compared to the expected cash flow profile.

3.0 Housing Revenue Account

- 3.1** The figure previously reported to the Cabinet on 1 June 2015 set out a favourable variance of £186,000. The final net expenditure for the year was a surplus of £445,500 a favourable variance against budget of £137,000. This movement in variance is due to a reduction in the level of the provision for bad debts required.

The Housing Revenue Account Balance as at 31 March 2015 was £3.150m

- 3.2** In addition to the transfers to and from reserves as approved by Cabinet on the 1 June 2015 a transfer of £700,000 was made to the Housing Regeneration and Investment Reserve in line with the budget strategy and

the 30 year Housing Business Plan. This represents the variance between the budgeted and actual depreciation allowance.

4.0 Capital Expenditure

4.1 The final capital expenditure for the year was £17.6m compared to a revised budget of £19.0m a variance of £1.4m or 7.8%.

5.0 Statement of Accounts

5.1 The draft statement of accounts is available from Financial Services and an overview and key points of interest attached at Appendix 1.

5.2 It is the Chief Financial Officer's (CFO) responsibility to ensure the preparation of the Statement is in accordance with the CIPFA/LASAAC Code of Practice on local Authority Accounting in the United Kingdom (the Code). The CFO is also responsible for certifying that the accounts represent a true and fair view of the authority's financial position by 30th June.

5.3 There were no major changes to the Code and presentation of the accounts for 2014/15.

5.4 The external auditor (BDO) is due to commence work on 20 July and the accounts are open for public inspection between 13 July and 7 August 2015. The date for questioning the external auditor has been set as 10 August 2015 until the end of the audit. All queries and questions must be put in writing to him and sent directly to his offices.

6.0 Summary

6.1 The 2014/15 accounts have now been finalised and have resulted in the outturn position on the general fund varying by £201,000 from the provisional outturn reported to the Cabinet on 1 June due to an adjustment for movements in bad debt provision, lower than expected government grants to support business rates reliefs and government support to compensate below inflation increases charged to business ratepayers.

6.2 There is a requirement to approve the statement of accounts 2014/15 by 30 September 2015. This responsibility has been delegated to the Audit and Governance Committee by Full Council.

Background Papers:

The Background Papers used in compiling this report were as follows:

Unaudited Statement of Accounts 2014/15

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and Guidance notes for practitioners

Final Accounts Working Papers 2014/15

Cabinet Report 1 June 2015: Corporate Performance – Quarter 4 2014/15.

Audit and Governance Committee Report 24 June 2015 - Account Accounts
2014/15.
