

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	25 September 2013
<b>Subject:</b>	Statement of Accounts 2012/13
<b>Report of:</b>	Simon Dix, Finance and Asset Management Group Manager
<b>Corporate Lead:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Councillor A L Keyte
<b>Number of Appendices:</b>	1

## **Executive Summary:**

The Statement of Accounts for 2012/13 shows the financial position of the Council as at 31 March 2013 as well as the performance during the year. It is a statutory requirement to publish the accounts, with the audit certificate and opinion, no later than 30 September 2013.

This year we saw a decrease in working balances of £338,495 to £450,000 and a net worth decrease of £4.96m to £6.9m.

## **Recommendation:**

**To APPROVE the 2012/2013 Statement of Accounts.**

## **Reasons for Recommendation:**

It is a statutory duty for the Council to adopt the Statement of Accounts.

## **Resource Implications:**

Revenue and Capital balances as detailed within the report.

## **Legal Implications:**

The process and schedule for approval of the Statement of Accounts are regulated by the "Accounts and Audit (England) Regulations 2011 SI 2011 No 817".

## **Risk Management Implications:**

None

## **Performance Management Follow-up:**

None

## **Environmental Implications:**

None

## 1.0 INTRODUCTION/BACKGROUND

- 1.1 The attached Statement of Accounts is a statutory document produced to demonstrate the Council's financial position at the end of the financial year i.e. 31 March. As per the revised Accounts and Audit (England) Regulations 2011 guidelines, approval of the accounts is now made by the Section 151 Officer by 30 June then the accounts are audited and amended, if necessary, by 30 September before the Section 151 Officer signs the accounts again. These accounts are then approved by the Audit Committee and the Chairman must sign them as well.
- 1.2 The accounts must be prepared in accordance with "The Code of Practice on Local Authority Accounting in the United Kingdom 2012-13" ("the 2012 Code") published by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 This year there were no major changes for us and the Code concentrated on clarifying the accounting requirements in a number of areas where there was previously a degree of uncertainty e.g. exit packages.
- 1.4 On 31 August 2013 the Director of Resources left the authority as part of the management restructure and the Finance and Asset Management Group Manager became the new Section 151 Officer responsible for signing the audited Statement of Accounts. To maintain his independence the Group Manager took no active part in the preparation of the accounts.

## 2.0 REVIEW OF THE STATEMENT OF ACCOUNTS

### 2.1 Income and Expenditure

The decrease in working balances has arisen from a number of variances:

#### Overspends

Expenditure Area	£'000	Reason
Savings Plans Not Met	1,036	Combination of delays in implementation and withdrawal of promised Government legislation on Planning Fees
Staff termination Costs	474	Redundancy and pension costs associated with delivery of future savings
<b>TOTAL</b>	<b>1,510</b>	

## Underspends

Expenditure Area	£'000	Reason
Additional Grant Funding	-127	New Burdens grants plus additional homelessness grant.
Planning Income	-123	Additional planning fees.
Reserves	-90	No longer required.
Working balance	-188	Planned use
External audit fees	-40	Reduction due to change in auditor.
Staff Savings	-376	Savings across the Authority following management intervention as posts were held vacant pending completion of savings plans
Housing Benefits	-61	Additional housing benefit recovered
Insurance provision release	-120	MMI reduction in provision required following administrator's report.
<b>TOTAL</b>	<b>-1,125</b>	

**Other net underspends** **-47**

**Total Net (Underspend)/Overspend** **338**

## 2.2 Balance Sheet

The total net worth of the Council, the aggregate value of all of the assets and liabilities in the balance sheet, has decreased by £4.95 million in the year from £11.8 million to £6.9 million.

The decrease in net worth is summarised in the Movement in Reserves Statement and the main reason is a £4m increase in the pension reserve due to a less favourable set of financial assumptions than the year before (e.g. falling bond yields). A full valuation of the Gloucestershire Pension Fund will take place towards the end of 2013.

## 2.3 Council Tax Fund Collection Balances

The balance on the Collection Fund at the year-end was as follows:

	Council Tax £
Balance at 01/04/13	316,163
Committed 2013/2014 for reduction of council tax levels	210,000
Balance for Distribution 2013/2014	-106,163
Distributed as follows:	
Tewkesbury Borough Council	-10,818
County/Police Authorities	-95,355

## 2.4 Capital Resources

The table below sets out the Council's capital resources at 31 March 2013. The total balance is £15,855,571 including capital grants. However after allowing for commitments of £8,129,380 the unallocated budget available for new capital projects is £7,726,191.

	Useable Capital Receipts (£)	Capital Grants (£)	Total (£)
Balance at 31/03/13	15,855,571	29,000	15,884,571
Capital Commitments - next 5 years	8,129,380	29,000	8,158,380
Balance Available	7,726,191	0	7,726,191

Expenditure of capital resources in 2012/13 was £1.3m and included £704k on Disabled Facilities Grants, £158k on computer software and £90k on the telephony project.

The capital balances are invested and accruing interest which is credited to the Council's revenue account. Capital expenditure currently results in a loss of interest of approximately £10,000 per £1m spent.

## 3.0 OTHER OPTIONS CONSIDERED

3.1 The Committee can amend the accounts if required or not approve them (which would contravene the Accounts and Audit (England) Regulations 2011).

## 4.0 CONSULTATION

4.1 None

## 5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 The control and good management of financial resources is essential in order to effectively deliver the Council's priorities.

## 6.0 RELEVANT GOVERNMENT POLICIES

6.1 The Accounts and Audit (England) Regulations 2011

**7.0 RESOURCE IMPLICATIONS (Human/Property)**

7.1 None

**8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

8.1 None

**9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

9.1 The Statement of Accounts is available in a number of different formats depending on the users' needs. The Council also had a statutory day under Sections 15 and 16 of the Audit Commission Act where members of the public can inspect financial documents and speak directly the Auditor about the accounts. This was advertised on our website and in the local press.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

10.1 Executive Committee on 5 June 2013 approved the inclusion of Earmarked Reserves and the financing of capital expenditure.

---

**Background Papers:** None

**Contact Officer:** Emma Harley, Corporate Accountant  
01684 272006 [emma.harley@tewkesbury.gov.uk](mailto:emma.harley@tewkesbury.gov.uk)

**Appendices:** Appendix A – Statement of Accounts