

Draft Financial Statements 2011/12

(Final Accounts)

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Introduction

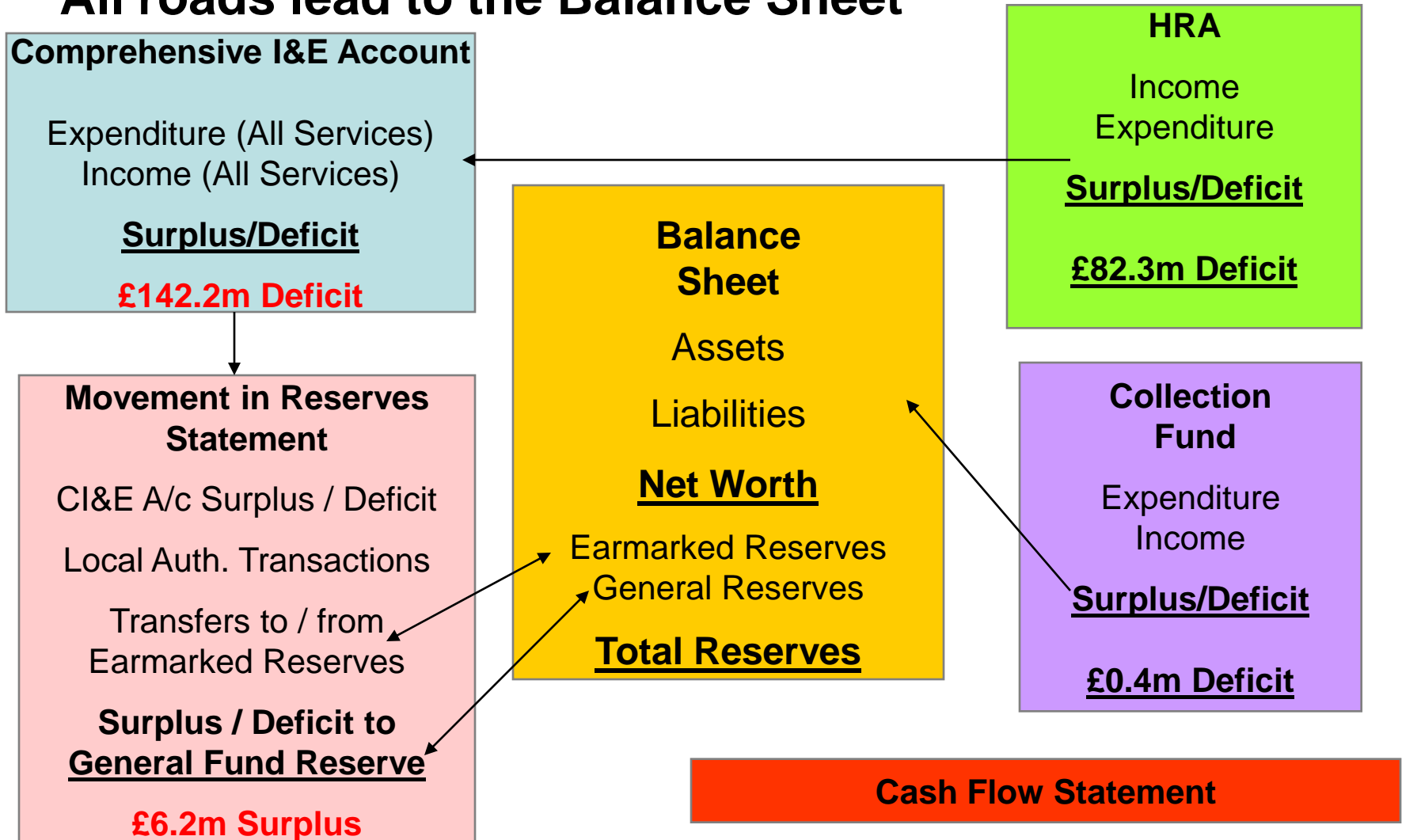
- **Legislative Background**
- **Financial Statements Overview – How they fit together**
- **Comparing Financial Statements with PCC Budget**
- **Big Picture**
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- **Facts & Figures**
- **The Council's Coffers & Net Worth**
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- **Summary**
- **Questions**

Legislative Background

- **Accounts & Audit Regs – Financial Statements must be approved by 30 Sept. 2012**
- **10 statements to be approved**
- **Format of Accounts is prescribed in law – International Financial Reporting Standards**
- **Format does not match PCC's Portfolio budget structure**

Financial Statements Overview

All roads lead to the Balance Sheet



Financial Statements vs. PCC Budget

- **CI&E Account is comparable with Private Sector**
- **CI&E Account and PCC Budget – Not Comparable**
- **Can compare “bottom line” i.e. transfer to / from Reserves in PCC Budget with Statement of Movement in Reserves**

Financial Statements vs. PCC Budget

- **Same overall information but presented differently**
- **Differences include:**
 - **Cultural, Environmental, Regulatory & Planning Services merged**
 - **Incorporates the Port under Highways & Transport Services**
 - **No equivalent of the Resources or Leader Portfolios**

The Big Picture

	<u>£m</u>
Surplus to be transferred to General Fund Res.	<u>(3.9)</u>
<u>Add:</u>	
Planned transfer from Reserves	<u>(0.4)</u>
Underspending Compared to Revised Budget	<u>(4.3)</u>
<u>Less:</u>	
Unplanned Collection Fund Deficit (PCC Share)	<u>0.1</u>
Total Net Improvement in Forecast	<u>(4.2)</u>

Note:

HRA Surplus of £1.1m vs. Budget £0.2m Surplus = £0.9m underspend

Schools surplus of £2.3m = contribution to School's Reserves

Improvement vs. Budget - £4.2m

<u>Main Reasons for the Improvement:</u>	£m
Unused Contingency	(1.8)
Early Years, Early Intervention & Youth	(1.3)
Adult Social Care – Residential, Learning Dis. & Vacancies	(0.8)
Port & MMD	(0.8)
Interest on Investment of Cash	(0.6)
Education, Home to School Transport & Court Costs	1.0
Adult Social Care – Nursing Care & Domiciliary Care	0.7
Other Miscellaneous	(0.7)
Total Net Underspend	(4.3)
Less: PCC Share of Unplanned Collection Fund Deficit	<u>(0.1)</u>
Total Improvement vs. Forecast Financial Position	(4.2)

Portfolio Performance vs. Budget - £4.3m

<u>Portfolio / Committee:</u>	<u>£000</u>
Culture & Leisure	(21)
Children's Services & Education	(229)
Environment	(38)
Community Safety	12
Health & Adult Social Care	0
Housing General Fund	(25)
Leader	2
PRED	(305)
Resources	(215)
Traffic & Transportation	7
Governance & Audit Committee	(181)
Licensing Committee	(52)
Total Portfolio & Committee Underspend	(1,045)

Portfolio Performance vs. Budget - £4.3m

Portfolio / Committee Underspends

£000

Total Portfolio & Committee Underspend (previous slide) (1,045)

Windfall Costs / (Savings)

Tower Income (142)

Planning / Building Control Fee Income 56

Housing / Council Tax Benefit (64)

Other (42)

(192)

Other Expenditure

Contingency (1,807)

Debt Financing & Interest (601)

MMD (522)

Other (117)

Total Underspend (4,284)

Facts & Figures

- **Gross Cost of Services £650m (last yr. £698m)**
- **Non Current Asset Values remained at £1.1bn (down by £17m mainly temporary cash investments >365 days)**
- **Long Term Debt (for Capital Expenditure) – up £167m to £358m (Housing Self Financing payment)**
- **Debt owed down from £36.5m to £33.3m but increased overall by 14% when excluding sums owed by Govt. (C.Tax up 6%, Hsg Rents up 4%, HBens up 14% Sundry Debts down 3%)**
- **Money owed to others down from £72.3m to £64.1m (but Payment Performance deteriorated slightly)**
- **Temporary cash surplus invested £248m – but not available to spend!**

Council Coffers



Reserves:

- **MTRS Reserve down £1.5m to £10.6m**
- **PFI Reserve down £1.2m to £19.5m**
- **Parking Reserve down £0.1m to £1.6m**
- **Pensions Reserve (Deficit) deterioration of £64m to £322m**

- **General Fund Balances up from £3.9m to £24.1m**
- **School Reserves up £2.3m to £8.6m**
- **Revenue Reserve for Capital up £4.1m to £10.5m**
- **HRA General Balances up £1.1m to £10.7m**
- **HRA Capital Reserve up £3.5m to £8.6m**



Council Coffers



**General and Earmarked Reserves
amount to £138m**

– But generally all committed

**If the Council could
“Sell Up”**



**Overall PCC is worth
£491m**

Last Year £634m!!!

Group Accounts & MMD

Headlines for MMD within the Group:

	<u>£m</u>
• MMD Profit	0.1
• PCC Revenue Support	1.2
• Net Worth	10.3

Summary

- **Transfer to General Reserves of £3.9m**

BUT

- **Overall Improvement in PCC Forecast
Financial Position of £4.2m**

- **Now for Council to decide how best this
can be worked into the MTRS**

Emerging Audit Issues (AGR)

- Overall improvement in quality compared with previous year
- Group Accounts required re-working and delays in providing working papers
- Adjustments made to opening balances on Balance Sheet to Long-term debtors £4.3m – Audit Commission suggest no need to adjust as not material
- Asset Valuation, each significant component of an asset to depreciated separately - still in discussion regarding our approach

Questions ?

