

ENGAGE
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THE
WYRE FOREST
DISTRICT COUNCIL
SUMMARY OF
ACCOUNTS
2011 - 2012



Wyre Forest District Council



1. Introduction

Each financial year Wyre Forest District Council has to produce a set of accounts just like any other organisation. The formal document is the Statement of Accounts, which sets out the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position.

This leaflet is a summary of the accounts, designed to help you get a better understanding of the Council's financial position.

A copy of the full Statement of Accounts is available on the Council's Internet:-

www.wyreforestdc.gov.uk/statementofaccounts

2. Approval Process

The Accounts must be prepared and approved in accordance with statutory dates contained in the Accounts and Audit Regulations. This requires initial approval by the 30th June and final approval by the 30th September.

The Accounts were audited by The Audit Commission who are independent Auditors, and these deadlines were met.



3. Basis of Accounts

The Director of Resources, Joanne Wagstaffe, is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 (the Code).

The External Auditors have reviewed the Accounts and provided their opinion that the Accounts give a true and fair view of the financial position of Wyre Forest District Council for the year ended 31st March 2012.

Up to date and proper accounting records have been maintained in accordance with the accounting policies outlined in the detailed Statement. In addition, the Chief Executive and Leader of the Council are required to confirm the Council's Governance arrangements can be relied upon to produce an accurate Statement of Accounts: again this is contained in the main Statement.

4. Key Components – Revenue and Capital Income and Expenditure

The Council's accounts for the financial year ended 31st March 2012 mainly comprise of the following information:

4a. Revenue Income and Expenditure

This account covers many of the activities that the Council is involved with. It details revenue income and expenditure on each of the major activities which covers spending and income on day to day running costs; for example employees, premises and supplies and services.

Revenue income and expenditure for 2011/2012 is summarised on page 4.



4a. Revenue Income and Expenditure (continued)

Net Cost of Services	£'000
Gross Expenditure on Services	60,378
Gross Income Received from Services	(45,606)

Net Cost of Services 14,772

Revenue Account -

How we spent the money **£'000**

Central Services to the Public	1,397
Cultural and Related Services	3,832
Environment and Regulatory Services	4,065
Planning Services	1,038
Highways and Transport Services	335
Housing Services	1,471
Corporate and Democratic Core	2,634

Net Cost of Services 14,772

Parish and Town Council Precepts	459
Other Operating Expenditure and Capital Financing Accounts (including interest etc.)	(911)

Amount to be met from Government Grant/Council Tax 14,320

Funded by:

Government Grant	(1,474)
Business Rates	(4,769)
Area Based Grant	(293)
Council Tax	(7,455)

(13,991)

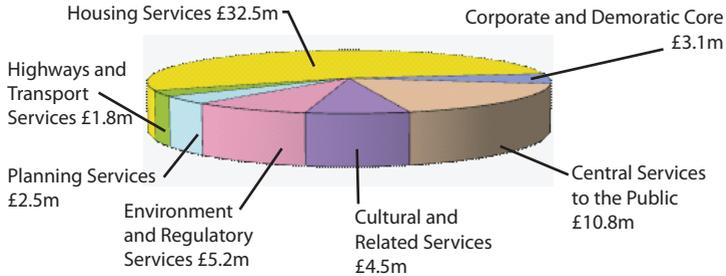
(Increase)/Decrease in General Fund Balance for the year

329

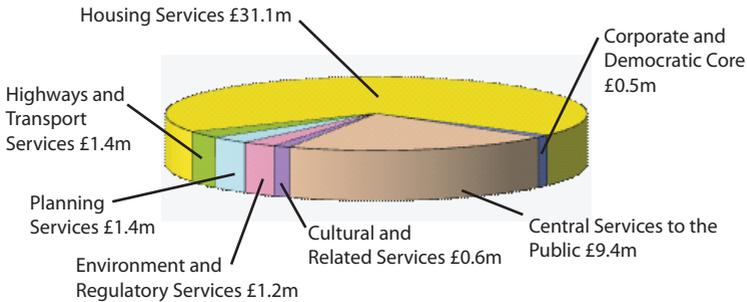


4a. Revenue Income and Expenditure (continued)

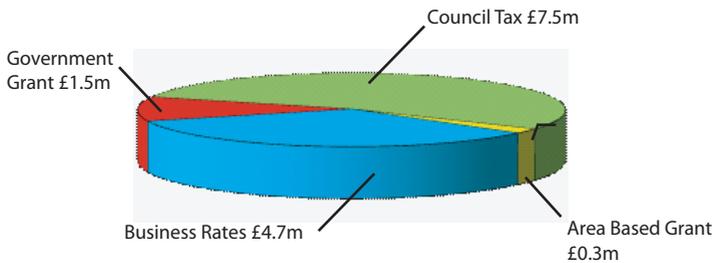
Where the revenue money was spent (Gross Expenditure of £60.4m)



Gross income from Services (£45.6m)



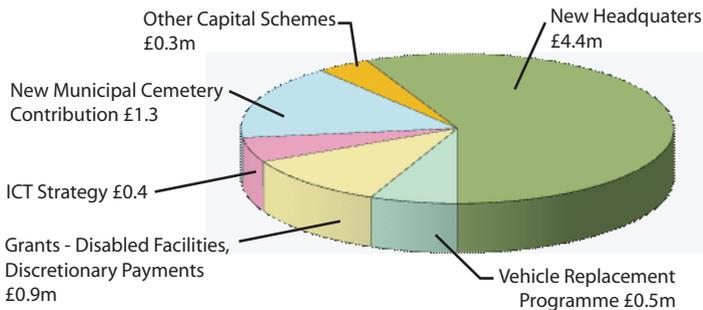
Funding (£14m)



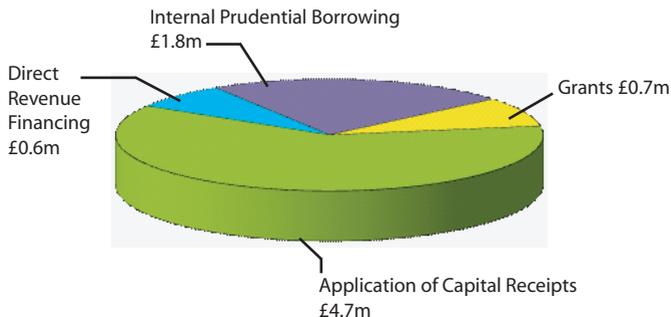
4b. Capital Expenditure and Funding 2011/2012

Capital expenditure represents the money spent by the Council for the purposes of purchasing, upgrading or improving its assets. Total capital spending in the year 2011/2012 amounted to £7.8m, which included New Headquarters, grants for items such as property renovation and for disabled facilities, spending on vehicle, equipment and system renewals and operational land and buildings works.

Items of Capital Expenditure (£7.8m)



Capital Funding (£7.8m)



4c. Simplified Balance Sheet as at 31st March 2012

The simplified Balance Sheet below shows the financial position of the Council at the end of the financial year 2011/2012.

What the Council owns and is owed
31st March 2012 £'000

What we own:

Buildings, Land, Vehicles and Equipment	51,121
Stock	88
Cash Invested	9,109
Money Owed to the Council	3,835

What we owe:

Money owed by the Council (4,361)

Net Value of what we own **£59,792**

Financing:

Usable Reserves

Capital Expenditure Reserve	5,484
Earmarked Reserves	4,003
General Reserves	3,096
Capital Grants Unapplied	796

Unusable Reserves

Capital Financing Reserves	46,550
Short-term Accumulated Absences Account	(137)

Total Financing **£59,792**



5. How well have we performed?

Finances:

Borrowing Money - average interest rate is not relevant since the Council is debt free.

Investing Money - average interest rate: 0.87%

Payment of what we owe:

Prompt Payment - we paid 98.19% of all invoices within 30 days.

Collection of what is owed to us:

Council Tax - we collected 97.27%

Performance against national and local measures:

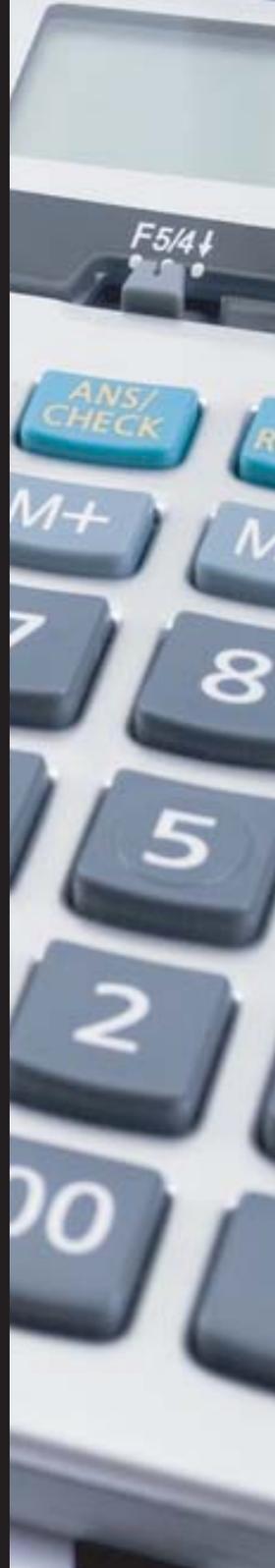
In October 2010 Central Government abolished the collection of the National Indicator set (NI's). In April 2011, the Government published a single list of all the data that will be required from local authorities by central government. However, it is stated that this list will not be used to set targets or manage the performance of local authorities.

Each year we show the results of how we performed against a range of reduced number of national and local performance measures (performance indicators).

In addition to the single list data set, the Council also collects a number of locally set performance indicators. Local indicators monitor services not included in the data set and are set by each Directorate to measure and monitor the performance of their services.

Wyre Forest Forward (WFF), launched in 2011, is a review of all aspects of the council to ensure we continue to deliver a balanced budget by 2014. However, it is not just about saving money, it is a comprehensive programme of transformation. This includes changing our ways of working and culture, to ensure that despite a reduced budget, we are still capable of delivering services of real value to our residents.

Many of the projects are underpinned by the principles of 'Systems Thinking' to which a commitment has been made in this year; this focuses on delivering exactly what the customer wants and at the first point of contact. This approach empowers staff to transform their whole service around the customer and thereby improve performance and eliminate waste. Significant work has been completed, led by the Corporate Management Team, on the redefinition of the purposes of the council, measures for checks on the successful delivery of these purposes and leadership of the purposes and values. Progress against these measures will be reported for future years.



6. Summary

This Overview gives a summary of the Statement of Accounts, which is a snapshot of this Council's finances as at 31st March 2012, showing:-

- How we raised income during the year
- How we spent money during the year
- How we performed against our budget
- How we performed in looking after the money
- How much money we have at 31st March 2012 (reserves)
- How the money is invested at 31st March 2012 (buildings, equipment and cash)



7. Financial Terms Explained

We have tried to avoid using too many financial terms in this Overview, but here are a few of them explained for you:-

Assets: Buildings, land, vehicles and money in the bank.

Borrowing: Money borrowed to pay for fixed assets and are repaying over a number of years.

Capital Expenditure: Spending on new assets and the refurbishment of old ones like buildings and vehicles.

Capital Expenditure Reserve: Allocated usable capital receipts.

Capital Financing Reserve: Capital accounting reserve "backed" or balanced within balance sheet by fixed assets - not a funding resource available to spend.

Prudential Borrowing: Allowable borrowing within our own affordable borrowing limits.

Reserves: Savings or money set aside for the future.

Revenue Expenditure and Income: Spending (and income) on day to day running costs, for example, employees, running expenses including items like premises costs and supplies and services.

Usable Capital Receipts: The amount available to finance capital expenditure in the future (after setting aside amounts laid down by statute for repayment of debt).



Director of Resources Endorsement

The purpose of this overview is to help with the overall understanding of the Council finances and accounts. This is an on-going process; if you have any comments in relation to how we can improve this understanding please let me know.

The Council continues with its strong financial performance and due to decisions to reduce expenditure in previous years is in a relatively healthy position in meeting the challenges of reduced government funding. During 2011/2012 the Council has been able to make a contribution to reserves; however, over the next four years the Council is expecting government support to reduce by around 40%. These valuable reserves will enable the Council to make the necessary adjustments to spending in a planned manner rather than having to make knee-jerk decisions.

To ensure that the Council is ready to meet future challenges, a number of initiatives are currently being undertaken including Wyre Forest Forward and the Corporate Plan, significant service review and transformation work, Shared Services and the move to the new Headquarters.

The Council has also been seeking the recovery of the deposits with "Icelandic Banks". The Council had £9m invested in these banks and have been working over the last two and a half years to secure their recovery. As at 31st March 2012 over £4.7m had been recovered and the Council is confident that the majority of the deposits will be recovered.

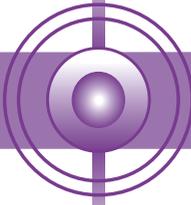
The Financial Strategy 2012/2015 approved by Council in February provides a stable financial platform to move forward with. For the coming year, Council approved a freeze in Council Tax which released an additional grant from government, however, in each of the following two years annual increases of 2.5% have currently been assumed, along with a 40% reduction in Government Grant.

If you have any questions or would like further explanation of our financial position, please contact Customer Services on 01562 732928.

Feedback on the format and information provided are welcome for future leaflets. To make these comments please email: worcestershirehub@wyreforestdc.gov.uk or alternatively use the Customer Services contact (given above).

Joanne Wagstaffe, CPFA





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For all Council Services call us...

Wyre Forest Customer Service Centres

Kidderminster Town Hall
Vicar Street, Kidderminster

Riverside (The Old Post Office)
High Street, Stourport-on-Severn

Load Street, Bewdley



email:
worcestershirehub@
wyreforestdc.gov.uk



face to face:
Monday - Friday
Kidderminster Office
8.30am - 5.00pm
(Wednesdays 10.00am - 5.00pm)
Stourport Office
9am - 4.30pm
(Closed on Tuesday)
Bewdley Office
9am - 1pm



telephone:
01562 732928

