

**ENGAGE  
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DELIVER**

**THE  
WYRE FOREST  
DISTRICT COUNCIL  
SUMMARY OF  
ACCOUNTS  
2010 - 2011**



**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 at: -

[www.wyreforestdc.gov.uk/cms/your-council-and-elections/council-budgets-and-spending.aspx](http://www.wyreforestdc.gov.uk/cms/your-council-and-elections/council-budgets-and-spending.aspx)

## 2 The 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, David Buckland, 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 2010/11 (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 2011.

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**

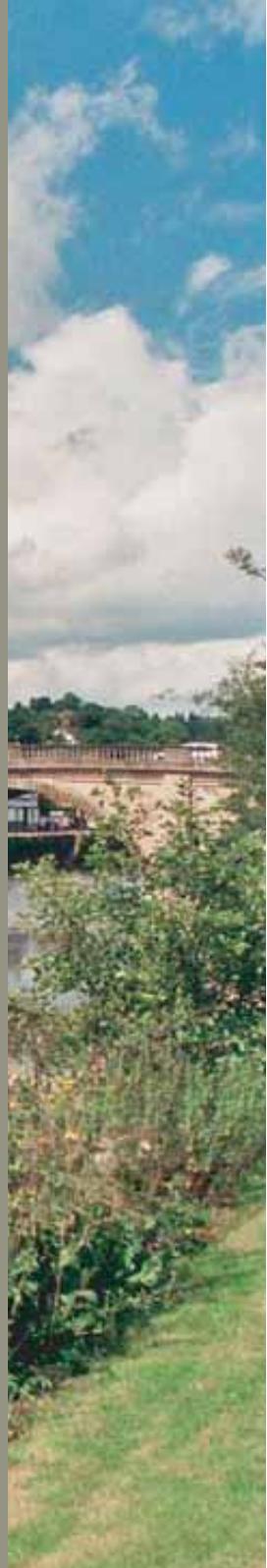
#### **Revenue and Capital Income and Expenditure**

The Council's accounts for the financial year ended 31st March 2011 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 2010/11 is summarised on page 4.



## 4a Revenue Income and Expenditure (continued)

<b>Net Cost of Services</b>	<b>£'000</b>
Gross Expenditure on Services	61,026
Gross Income Received from Services	(48,905)
<b>Net Cost of Services</b>	<b><u>12,121</u></b>

### Revenue Account -

<b>How we spent the money</b>	<b>£'000</b>
Central Services to the Public	1,280
Cultural, Environmental, Regulatory and Planning Services	10,298
Highways and Transport Services	1,175
Housing Services	2,212
Corporate and Democratic Core	(2,844)
<b>Net Cost of Services</b>	<b><u>12,121</u></b>

Parish and Town Council Precepts	459
Other Operating Expenditure and Capital Financing Accounts (including interest etc.)	2,774
<b>Amount to be met from Government Grants and Council Tax</b>	<b><u>15,354</u></b>

### Funded by:

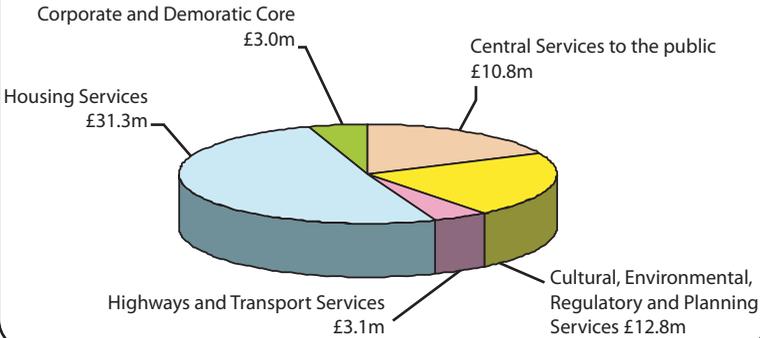
Government Grant	(1,023)
Business Rates	(7,044)
Area Based Grant	(327)
Council Tax	(7,382)
	<b><u>(15,776)</u></b>

<b>(Increase) in General Fund Balance for the year</b>	<b>(422)</b>
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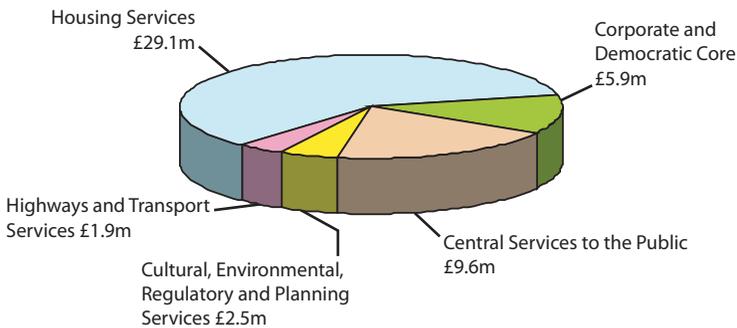


## 4a Revenue Income and Expenditure (continued)

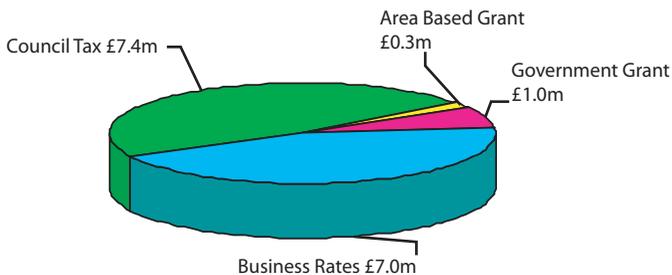
### Where the revenue money was spent (Gross Expenditure of £61m)



### Gross income from Services (£49m)



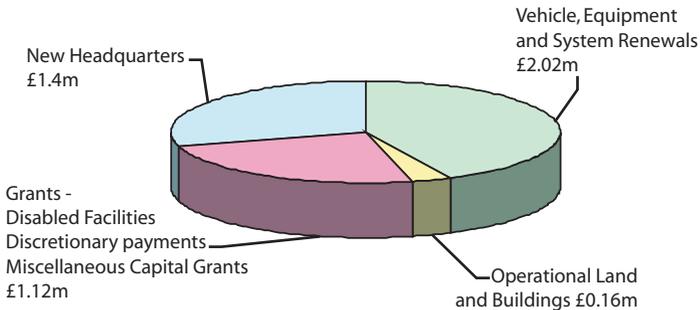
### Funding (£15.7m)



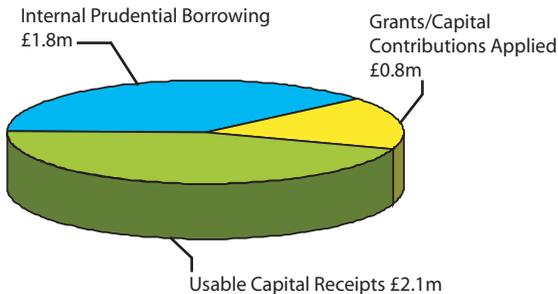
## 4b Capital Expenditure and Funding 2010/2011

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 2010/2011 amounted to £4.7m, 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 (£4.7m)



### Capital Funding (£4.7m)



## 4c Simplified Balance Sheet as at 31st March 2011

The simplified Balance Sheet below shows the financial position of the Council at the end of the financial year 2010/2011.

What the Council owns and is owed  
31st March 2011 £'000

### What we own:

Buildings, Land, Vehicles and Equipment	47,871
Stock	86
Cash Invested	17,274
Money Owed to the Council	2,499

### What we owe:

Money owed by the Council	(5,759)
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<b>Net Value of what we own</b>	<b><u>61,971</u></b>
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### Financing:

#### Usable Reserves

Capital Expenditure Reserve	10,104
Earmarked Reserves	2,688
General Reserves	3,418
Capital Grants Unapplied	885

#### Unusable Reserves

Capital Financing Reserves	44,933
Short-term Accumulated Absences Account	(57)

<b>Total Financing</b>	<b><u>61,971</u></b>
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## 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: 0.85%

### **Payment of what we owe:**

Prompt Payment - we paid 97.02% of all invoices within 30 days.

### **Collection of what is owed to us:**

Council Tax - we collected 97.58%

### **Performance against national and local measures:**

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

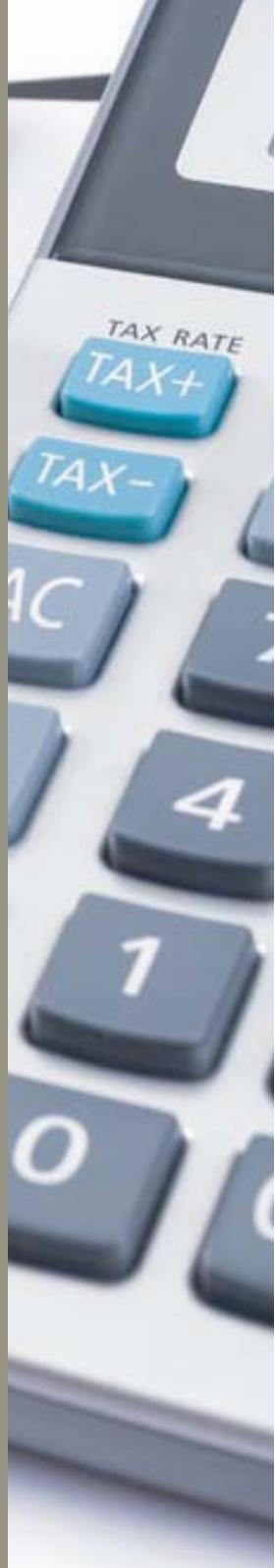
We use the National Indicator set (NI's) which were introduced on 1st April 2008 to measure our performance. As some NI's are not collected by financial year, some comparative information is not yet available. In addition, a number of NI's have been deleted during 2010/2011.

The Council also collects a number of locally set performance indicators. Local indicators monitor services not included in the National Indicators and are set by each Directorate to measure and monitor the performance of their services.

### **Overall Performance 2010/2011:**

- 47% improved
- 38% worsened
- 15% remained the same

It was announced by Government in October 2010 that statutory reporting of National Indicators would be discontinued, however the Council will continue to collect a reduced set of PI's to monitor our own performance.



## 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 2011, 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 2011 (reserves)
- How the money is invested at 31st March 2011 (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 repaid 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.

**Capitalisation Direction:** Permission from the Government to charge revenue expenditure to capital.

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

**Reserves:** Savings or money set aside for the future.

**Revenue Expenditure and Income:** Spending on day to day running costs, for example, employees, running expenses including items like premises costs and supplies and services; income from 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 2010/2011 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 has been working over the last two and a half years to secure their recovery. As at 31st March 2011 over £3m had been recovered and the Council is confident that the majority of the deposits will be recovered.

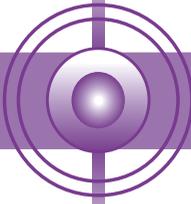
The Financial Strategy 2011/2014 approved by Council in February provides a stable financial platform to move forward with. For the coming year, Council approved a freeze in Council Tax which released an additional grant from government, however, in each of the following two years annual increases of 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](mailto:worcestershirehub@wyreforestdc.gov.uk), or alternatively use the Customer Services contact (given above).

David Buckland, CPFA, MAAT





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**For all Council Services call us...**

**Wyre Forest Customer Service Centres**

**Kidderminster Town Hall**  
Vicar Street, Kidderminster

**Civic Centre**  
New Street, Stourport-on-Severn

**Load Street, Bewdley**



email:  
worcestershirehub@  
wyreforestdc.gov.uk



face to face:  
Monday - Friday  
Kidderminster Town Hall  
8.30am - 5.00pm  
(Wednesdays 10.00am - 5.00pm)  
Stourport Civic Centre  
9am - 5pm  
Bewdley, Load Street  
9am - 1pm



telephone:  
01562 732928

