

## WIRRAL COUNCIL

### CABINET

13 JULY 2015

<b>SUBJECT</b>	<b>FINANCIAL MONITORING OUT-TURN 2014/15</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>ACTING SECTION 151 OFFICER</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

1.1 This report details the Out-turn for 2014/15 and concludes the reporting to Cabinet for the 2014/15 financial year. There are separate Appendices for Revenue (including details of the reserves), Capital (including resources used to fund the Programme) and the Collection Summary (including Council Tax, Business Rates and Sundry Debts).

#### 2.0 BACKGROUND AND KEY ISSUES

2.1 Throughout the financial year Cabinet received Monitoring Reports in respect of Revenue (including income and debt collection) and Capital. This report is a summary of the actual out-turn for 2014/15.

2.2 The last monitoring reports were for Month 10 and were considered by Cabinet on 12 March 2015. Since the end of March work has been on-going in order to conclude the accounts for the financial year. In respect of income collection Cabinet also received a number of specific reports relating to the write-off of sundry debt.

2.3 The detail contained within the Appendices informs part of the Annual Statement of Accounts for 2014/15. The Statement was issued on 30 June 2015. It is subject to review by the appointed External Auditor (Grant Thornton UK LLP) and will be considered by Audit & Risk management committee on 22 September 2015. The Statement has to be published by 30 September 2015.

#### REVENUE OUT-TURN

2.4 Appendix 1 provides the detail of which the headlines are:-

- The revenue outturn is an underspend of £0.5 million. This was an improvement on the £0.8 million overspend projected at Month 10.

- Underspending within Regeneration and Environment (£3.3 million due to in the early delivery of savings, additional income and reduced staffing costs) and Transformation and Resources (£2.5 due to reduced capital financing costs and reduced staffing costs).
- The main adverse variations were within the Families and Well Being Directorate (£2.8 million overspend due to demand pressures and slippage on savings) and Corporate Growth and Savings (£2.9 million overspend due to slippage on Remodelling savings due to service structures taking longer to implement than was anticipated).
- With the underspend mitigating the overspend there has been no requirement to use reserves or general fund balances to fund the adverse variations.
- General Fund Balances at 31 March 2015 are £18.7 million. This is above the target for 2014/15 and 2015/16.
- Earmarked Reserves at 31 March 2015 are £87.4 million.

Purpose of Earmarked Reserves	Balance £ million
To Support Service Activities and Projects	31.8
To Support the Councils Remodelling Programme	15.4
Mitigation of Future Risks: Insurance & Taxation	25.1
Schools Related	15.1
<b>Total Earmarked Reserves</b>	<b>87.4</b>

## **CAPITAL OUT-TURN**

2.5 Appendix 2 provides the detail of which the headlines are:-

- The capital spend was £32.5 million. This compares to a predicted spend at Month 10 of £39.5 million.
- The capital spend has been used to improve:-  
 Educational achievement through the major works at Somerville School and classrooms at Holy Trinity and Woodchurch Road Schools.  
 Health and wellbeing through the new 3G football pitches and fitness suite at Guinea Gap and the Arrowe Park Sports Pavilion.  
 Economic regeneration through Regional Growth Fund grants to support businesses and also further investment into New Brighton.  
 Investing into highways and road safety and also works to Cleveland Street Depot and the new Salt Barn.  
 Support for the vulnerable through the completion of the new Foxfield School and Disabled Facilities Grants / aids and adaptations.

- The capital spend was funded from borrowing of £6.0 million, government grants of £21.8 million, useable capital receipts of £3.9 million and revenue/reserves £0.8 million.
- Capital Receipts received in 2014/15 were £3.4 million which was above the target for the year of £2.5 million.

## **COLLECTION (INCOME)**

2.6 Appendix 3 provides the detail of which the headlines are:-

- The Council Tax Collection Rate increased from 95.4% in 2013/14 to 95.5% in 2014/15.
- The Business Rates Collection Rate increased from 96.9% in 2013/14 to 98.2% in 2014/15.
- The level of Sundry Debt arrears increased from £23.5 million at 31 March 2014 to £30.9 million at 31 March 2015. The 2015 figures include £14 million of invoices raised in the final week of the financial year. By 30 April 2015 the arrears were comparable with April 2014.

2.7 The Appendix also includes details of further write-offs totalling £0.47 million of which £0.42 million relate to Adult Social Services. These will be charged against the provision for bad debts and reflect the on-going programme to review outstanding debts.

## **3.0 RELEVANT RISKS**

3.1 There are none associated with the summary of the financial position for 2014/15. The position has been monitored throughout the year and has been the subject of monthly reports to Cabinet.

3.2 In respect of the collection of income this has been the subject of reports to Cabinet and the inclusion of items which are irrecoverable overstates the potential income which could be collected by the Council.

## **4.0 OTHER OPTIONS CONSIDERED**

4.1 No other options were considered. There is a legal requirement to publish the Statement of Accounts and agree the capital spend and financing at the end of the financial year.

## **5.0 CONSULTATION**

5.1 This is an end of year report. Consultation takes places as part of the planning and implementation of specific schemes or projects within the Council Budget and Capital Programme.

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 This report provides the end of year financial report which incorporates the actions agreed as part of the Revenue and Capital Monitoring reports and sundry Debtor write-off reports presented to Cabinet throughout the 2014/15 financial year.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 There are none arising directly from this report. These would be considered when planning and implementing specific schemes or projects.

## **8.0 RESOURCE IMPLICATIONS**

8.1 The financial implications are summarised as headlines in Section 2 and detailed within the Appendices.

8.2 There are no staffing, IT or asset implications arising directly from this report.

## **9.0 LEGAL IMPLICATIONS**

9.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The Accounts must comply with the Code Of Practice on Local Authority Accounting. There is a legal requirement to publish the Statement of Accounts each year.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 There are no implications arising directly from this report being a report on the overall financial affairs for the financial year just completed.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no implications arising directly from this report. These are included in reports to Cabinet on individual schemes and in the Carbon Budget report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are no implications arising directly from this report.

## **13.0 RECOMMENDATIONS**

13.1 Revenue

- a) The Revenue Out-turn for 2014/15 which showed an underspend of £0.5 million be noted.
- b) The transfer of the underspend to General Fund Balances be confirmed.
- c) The Reserves as detailed in the Annex be confirmed.

### 13.2 Capital

- a) The additional re-profiling of £9.9 million from 2014/15 to 2015/16 be noted.
- b) The financing of the Programme for 2014/15 be noted.
- c) The Programme for 2015/16 and beyond be kept under review to ensure it is realistic and deliverable.

### 13.3 Collection Summary

- a) The Council Tax in-year collection rate of 95.5% being an improvement upon the 95.4% rate in 2013/14 be noted.
- b) The Business Rates collection rate increased to 98.2% in 2014/15 from 96.9% in 2013/14 be noted.
- c) The Sundry Debtors arrears at 31 March 2015 stood at £30.9 million which was an increase on the position at 31 March 2014 for the reasons set out be noted.
- d) That the sundry debts for Adults Social Services and Other Directorates detailed in the report be written-off against the Provision for Bad Debts.

## 13.0 REASONS FOR RECOMMENDATIONS

13.1 Local authorities have to produce an Annual Statement of Accounts which demonstrates the financial performance of the Council for the year and the financial position at the end of the period. The full Statement is approved by Audit & Risk Management Committee on behalf of the Council. This report informs Cabinet of the key elements.

13.2 The Collection Summary provides details on income collection performance and any sums which are deemed irrecoverable need to be written off in accord with the authorisation processes set out in the Council Constitution.

**REPORT AUTHOR:** Tom Sault  
Acting S151 Officer / Head Of Financial Services  
Telephone 0151 666 3407  
Email tomsault@wirral.gov.uk

## APPENDICES

- Appendix 1 Revenue Out-turn 2014/15.
- Appendix 2 Capital Out-turn 2014/15.
- Appendix 3 Collection Summary 2014/15.

## REFERENCE MATERIAL

- CIPFA Code Of Practice On Local Authority Accounting In The UK 2014/15.
- Local Government Act 2003 and subsequent amendments.
- Local Government (Capital Finance and Accounting) Regulations 2008.
- Accounts and Audit (England) Regulations 2011.

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Cabinet – Out-turn 2012/13	13 June 2013
Cabinet – Out-turn 2013/14	7 July 2014
Cabinet – Budget 2014/17	12 February 2014
Council – Budget 2014/17	25 February 2014
Cabinet – Budget 2015/18	10 February 2015
Council – Budget 2015/18	24 February 2015
Cabinet – Revenue Monitoring 2014/15	Monthly reports
Cabinet – Capital Monitoring 2014/15	Monthly reports
Cabinet – Sundry Debtor (DASS) Write-offs	6 November 2014
Cabinet – Sundry Debtor Write-offs	15 January 2015
Cabinet – Sundry Debtor Write-offs	10 February 2015