

Audit Committee

29 May 2018

Annual Report and Accounts 2017/18

Leader Cllr Clive Eginton
Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Andrew Jarrett – Director of Finance, Assets and Resources

Reason for Report: To present the annual report and accounts to members.

RECOMMENDATION: That the draft annual report and accounts be approved.

Relationship to Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the corporate plan pledges.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: It is a statutory requirement to follow the Code of Practice on Local Authority Accounting in the United Kingdom.

Risk Assessment: The Section 151 Officer is responsible for the administration of the financial affairs of the Council. Adhering to the Code of Practice on Local Authority Accounting mitigates the risk of receiving a qualified set of accounts.

1.0 Introduction

1.1 The annual accounts for 2017/18 have been produced in full compliance with the Code of Practice on Local Authority Accounting and all other relevant accounting legislation. There are actually very few accounting changes for 2017/18.

2.0 The Annual Report and Accounts

2.1 The main highlights of the annual accounts are to be found in the narrative report to the accounts beginning on page iii. In overall terms, 2017/18 has been another challenging, but successful, year. However, a small under-spend has been achieved and we have been able to increase some of our reserves.

2.2 The detailed management accounts will be included in the outturn report presented to the Cabinet on the 14 June 2018. This report indicates the continuing financial pressure that the Council faces due to Central Government's continuing austerity programme and the ongoing uncertainty surrounding our main funding sources. As a direct result this Council has

managed to reduce expenditure and increase income in a number of services and continue to maintain a “prudent” level of balances. It is also beginning to explore and accept some more commercial opportunities to either increase revenue or cut cost in order to protect frontline service provision.

- 2.3 In order to provide a summary financial position of how the Council ended 2017/18 a list of all available reserves is detailed below.

Balances held as at 31 March 2018

Useable Reserves	B/fwd 31/03/17 £k	In Year Movement (Surplus)/Deficit £k	C/fwd 31/03/18 £k
General Fund Balance	(2,241)	(449)	(2,690)
General Fund Earmarked Reserves	(10,029)	(619)	(10,648)
Housing Revenue Account Balance	(2,000)	0	(2,000)
HRA Earmarked Reserves	(12,453)	(2,774)	(15,227)
Major Repairs Reserve	Nil	0	Nil
Capital Receipts Reserve	(2,438)	(1,104)	(3,542)
Capital Grants Unapplied	(2,162)	(772)	(2,934)
Total cash-backed reserves	(31,323)	(5,718)	(37,041)

- 2.4 As can be seen from the above balances, the Council remains in a strong position to deal with the funding challenges it faces. A strong culture of financial awareness is now embedded throughout the Council. This is enhanced with regular budget monitoring reports tabled at Leadership Team meetings, meetings of the Cabinet and the Policy Development Groups.

- 2.5 This Council continues to take proactive steps to strategically plan for further reductions in Central Government financial support. The Leadership Team, with the Chief Executive and Group Managers have ongoing dialogue with service managers to discuss funding reduction scenarios in order to balance our ongoing expenditure needs associated with the current Corporate Plan.

3.0 The Audit

- 3.1 Grant Thornton will commence the formal audit of our draft Accounts week commencing the 28th of May 2018 and will be on site for approximately 3 weeks. They anticipate having their final report in time to present to the Special Audit Committee planned for the 16th July 2018. Both parties have been working hard together to facilitate the earliest reporting for the Audit Committee.

4.0 Conclusion

- 4.1 Members are asked to approve the draft annual report and accounts which reflect a true and fair view of the financial position of the Council as at 31 March 2018.

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Background Papers:

File Reference:

Circulation of the Report: Cllr Peter Hare-Scott