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# WYRE FOREST DISTRICT COUNCIL SUMMARY OF ACCOUNTS 2016 - 2017



**Wyre Forest** District Council

# Introduction

Each financial year Wyre Forest District Council produces a set of accounts just like any other organisation. This Statement of Accounts, 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 website:

[www.wyreforestdc.gov.uk/the-council/what-we-spend-and-how-we-spend-it](http://www.wyreforestdc.gov.uk/the-council/what-we-spend-and-how-we-spend-it)

# Approval Process

The statutory deadline for initial approval of the 2016-17 Statement of Accounts was 30th June 2017, with final approval by 30th September in accordance with the Accounts and Audit Regulations. However, with effect from 2017-18 onwards the statutory deadline for initial approval of the Accounts will be 31st May, and 31st July for final approval. The Council successfully carried out a 'dry run' of these earlier dates for 2016-17.

The Accounts were audited by Grant Thornton UK LLP, independent Auditors.



# Basis of Accounts

The Corporate Director: Resources, Tracey Southall, is responsible for the preparation of the Statement in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17. This includes full compliance with the International Financial Reporting Standards (IFRS).

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 2017.

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. This report can be found in the main Statement.

## Key Components - Revenue and Capital Income and Expenditure

The Council's accounts for the year ended 31st March 2017 mainly comprise of:

## Revenue Income and Expenditure

This account covers all of the main council functions. 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.





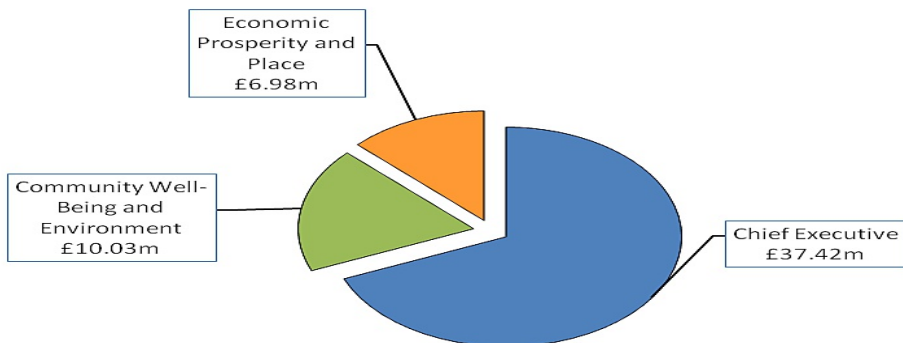
# Revenue Income and Expenditure (continued)

<b>Net Cost of Services</b>	<b>£'000</b>
Gross expenditure on services	54,433
Gross income received from services	(42,317)
<b>Net Cost of Services</b>	<b>12,116</b>
<b>Revenue Account -</b>	
<i>How we spent the money</i>	
Chief Executive	3,399
Community Well-Being and Environment	5,989
Economic Prosperity and Place	2,728
<b>Net Cost of Services</b>	<b>12,116</b>
Parish and Town Council Precepts	916
Other operating expenditure and capital financing accounts (interest etc.)	499
<b>Amount to be met from Government Grants/Council Tax</b>	<b>13,531</b>
<b>Funded by</b>	
Council Tax	(7,645)
Business Rates	(3,042)
New Homes Bonus	(2,357)
Revenue Support Grant	(1,222)
Transferred Asset	(440)
<b>Total funding</b>	<b>(14,706)</b>
<b>Increase in General Fund Balance for the year</b>	<b>(1,175)</b>

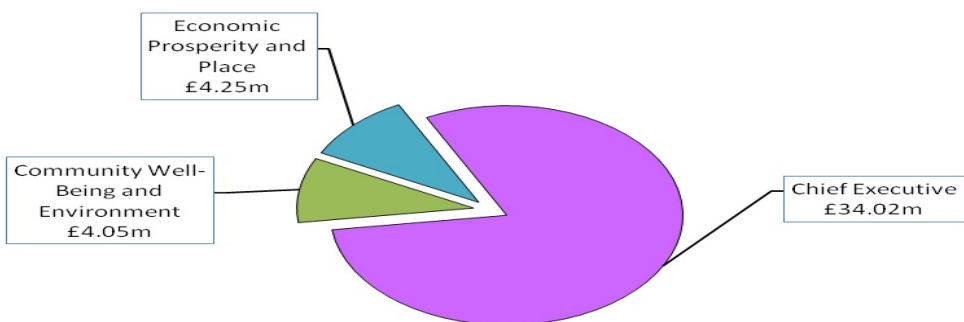


# Revenue Income and Expenditure (continued)

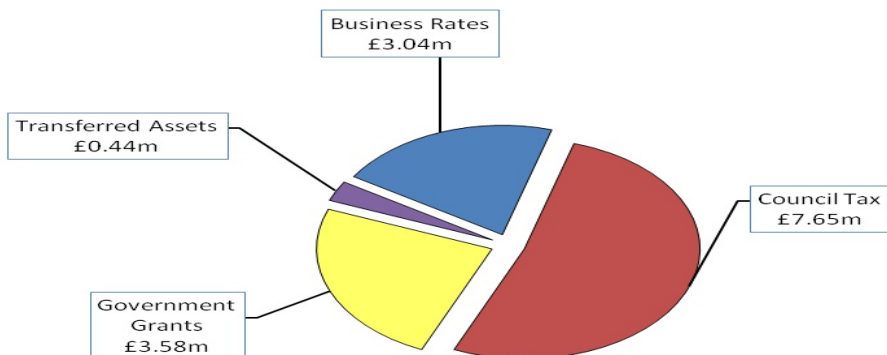
**Gross Expenditure on Services by Directorate (£54.43m)**



**Gross Income from Services by Directorate (£42.32m)**



**Funding (£14.71m)**

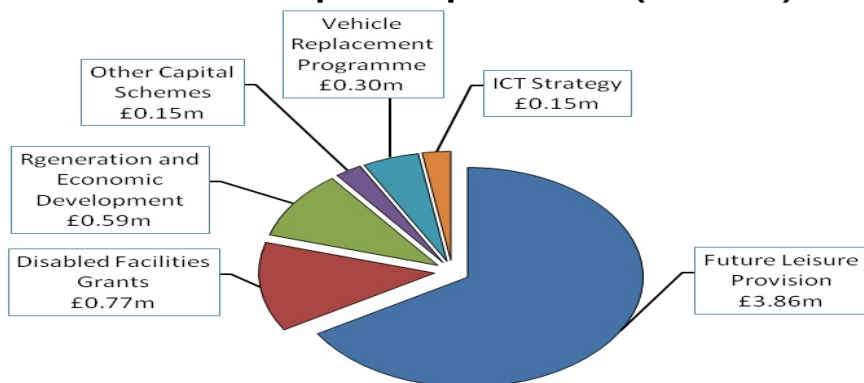




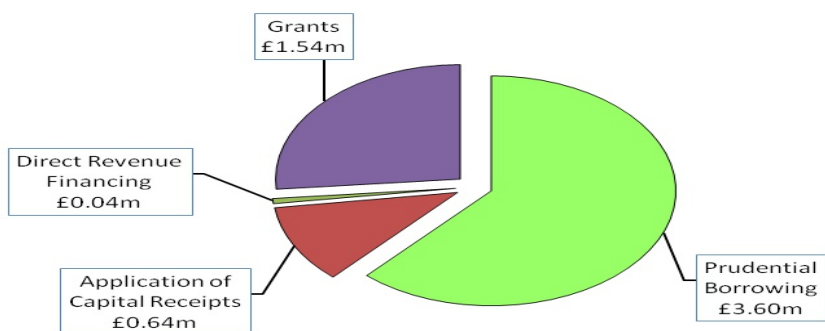
# Capital Expenditure and Financing

Capital expenditure is money spent by the Council to upgrade or improve its assets. Total capital spending in the year 2016-17 was £5.82m, which included future leisure provision, grants for disabled facilities, vehicle, equipment and system renewals and operational land and building works.

**Items of Capital Expenditure (£5.82m)**



**Capital Funding (£5.82m)**





# Balance Sheet

The Balance Sheet shows the financial position of the council at the end of the 2016-17 financial year.

## What the council owns and is owed £'000

### What we own

Buildings, land, vehicles and equipment	50,083
Inventories	96
Cash invested	17,828
Money owed to the council	4,547

### What we owe

Money owed by the council	(25,963)
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## Net value of what we own 46,591

### Financing

#### Usable Reserves

Capital Expenditure Reserve	2,572
Earmarked Reserves	5,714
General Reserves	4,914
Capital Grants Unapplied	579

#### Unusable Reserves

Capital Financing Reserves	32,972
Short-term Accumulated Absences Account	(160)

## Total Financing 46,591

Wyre Forest Leisure Centre



# How well have we performed?

## Finances:

**Borrowing** - the council took out a further £3m in loans during 2016-17 (net of in-year maturities that were replaced), taking the total borrowing up to £17m, with interest rates ranging from 0.80% to 3.99%.

**Investing money** - average interest rate = 0.54%

## Payment of what we owe

**Prompt payment** - we paid 93% of all invoices within 30 days

## Collection of what is owed to us

**Council Tax** - we collected 97%

**Business Rates** - we collected 96%

# Performance against national and local measures:

Over the last 12 months the Council has continued to focus on the use of performance measures as part of its transformational programme "Wyre Forest Forward". The measures underpin the delivery of a systems thinking methodology rather than relying on traditional PIs or Targets. The dash-board of measures which support our purposes are customer focused to ensure changes improve the customer's experience.

The measures continue to evolve over time. However it is important that they are not treated like PIs or targets which often imply that once they are met then no further work is needed.

Reports are considered by the Corporate Leadership Team on a monthly basis where they monitor the leading measures whilst quarterly reports are considered by the Overview and Scrutiny Committee where measures are reported. We continue to publish our 'Year in Pictures' Performance Summary to ensure we effectively communicate to the community a summary of our key service delivery performance from the previous financial year.

Please visit our website and click 'The Council' for more information.



**Wyre Forest**  
District Council

[www.wyre-forestdc.gov.uk](http://www.wyre-forestdc.gov.uk)



# 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 we have 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.

**Earmarked Reserves:** Savings or money set aside for the future for a specific purpose.

**International Financial Reporting Standards (IFRS):** An international framework to ensure common approach to the production of Statement of Accounts across the world.

**Inventories:** Things we have bought but have not yet used.

**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.





# A Word from the Corporate Director: Resources...

The purpose of this overview is to help with the overall understanding of the Council's 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 most significant issue facing the Council remains its financial position. Our net revenue budget will have reduced from £16.4m in 2009-10 to £10.74m in 2019-20 based upon current plans. This represents a fall of around 35% in absolute terms, and more in real terms. The Council continued to protect key front-line services in 2016-17 despite significant reductions in government grant. It is streamlining services as part of the Wyre Forest Forward Programme. The approved budget proposals go a very considerable way towards closing the gap between what we are spending and our income. Alongside this work, the Council continues to oversee its most significant capital investment programme in many years, including major injections of finance in its key priority of securing the economic prosperity of the district.

This has been the fourth year of the Business Rates Retention Scheme and the first year of operation of the smaller Worcestershire Business Rates Pool without Malvern Hills District Council. Results for this year are extremely positive for the Pool overall and also for Wyre Forest with the Pool retaining total levy of £1.18m, of which 50 percent (after deduction of the £10k Worcestershire County Council administration fee) is held in a risk reserve with the remainder distributed to Pool members. This Council has achieved our revised budget estimate of £2.802m including our estimated share of retained growth of £200k over baseline.

We know that Government Funding will fall further in the future and it is clear that the future financial position for the Council will continue to be challenging, particularly in the light of the fiscal uncertainty given the commencement of the 'Brexit' process, with austerity measures set to continue to balance the national budget. However it is too early to judge the impact of Brexit on Local Government Finances; at the moment the only tangible impact has been modest financial market volatility but this





has not had a material impact to date. The reduced level of funding currently programmed for the Council in the future is being mitigated by a raft of transformational reviews being developed and implemented as part of the Wyre Forest Forward programme.

If you have any questions or would like further explanation of our financial position, please visit **[www.wyreforestdc.gov.uk](http://www.wyreforestdc.gov.uk)** or contact Customer Services on **01562 732928** and ask to speak to a member of the Accountancy team.

A full copy of the Statement of Accounts is available on the Council's website.

Tracey Southall, CPFA







**Income generated from our commercial services is reinvested in other council services to benefit all who live, work and visit Wyre Forest.**

## MOT

Book your MOT with us today! Our team of experienced mechanics carry out an independent check on your vehicle, but do not carry out any of the required repairs. This ensures an unbiased test, as there is no incentive for our mechanics to find faults, so you can trust us to give you an honest inspection.



## Garden Waste

Sign up for our garden waste collection service! The fortnightly collections run from March to December. The service will save you time loading your car and taking the waste to a household recycling centre. For info on the service and special offers, visit our website.



## Grounds Maintenance

Our highly skilled team are available to complete landscaping works. Whether its tree works, landscaping or general grounds maintenance, our team are flexible and reliable to get the job done. Fill in the enquiry form on our website to arrange a visit for a free, no obligation quote.



For more information on these services and others that we offer, please visit our website at **[wyreforestdc.gov.uk/the-depot](http://wyreforestdc.gov.uk/the-depot)**, or contact us by email at **[operationalservices@wyreforestdc.gov.uk](mailto:operationalservices@wyreforestdc.gov.uk)**