

Statement of Accounts 2011/12

Review Meeting 20th June 2012

18.30-20.40

Questions Raised and responses including additional information requested

	Analytical Review
	<p>The committee reviewed in detail the draft statement of accounts, supporting notes and detailed analytical review of the CIES, Balance Sheet and Cashflow, All variances over £250k were accompanied with commentary detailing the reasons for the change from 10/11 to 11/12 accounts.</p> <p>Decrease in net services as a result of budget reductions and the impact of joint working arrangements with South Northamptonshire</p>
1.	CIES - Why has expenditure increased in cost centre 16341 BPSC?
	<p><i>As part of 2011/12 programme of valuations the sports centres have been componentised to comply with IFRS Code and IAS. This has resulted in significant elements that would have been valued as the building and depreciated over 40/50 years, being split into component parts and depreciated over different useful economic lives to comply with the Code and the Councils Componentisation Policy.</i></p> <p><i>The Council's depreciation and componentisation policy are included within the notes to the accounts – Accounting Policies Section.</i></p> <p><i>For example with hypothetical numbers</i></p> <p><i>Previously:£10m Building over 40 years annual depreciation £250k</i></p> <p><i>Now: £10m Building split into Building £5m 40 years, Plant and Equipment £4m 20 years and Specialist £1m 10 years. Annual depreciation now £125k on building, £200k on Plant and £100k on specialist. Total £425k depreciation, which represents an increase of £175k for the individual sports centre asset depreciation charge as a result of componentisation.</i></p>
2	CIES – Why has expenditure increased in cost centre 16351 KGSC?
	<p><i>As above – impact of valuations and componentisation on depreciation charge.</i></p>
3	CIES - Why has expenditure increased in cost centre 16352 SPSC?
	<p><i>As above – impact of valuations and componentisation on depreciation charge.</i></p>
4	CIES - Why has expenditure increased in cost centre 16300 Cooper School Bicester?
	<p><i>Additional expenditure incurred in 11/12 for equipment replacement and overhaul of facilities to facilitate the generation of additional income.</i></p>
5	CIES - Cost centre 18528 and 18529 (Fuel Expenditure / Recharges) – Looks considerable less spend on fuel.
	<p><i>Looks like dramatically reduced spend – difference to where sitting in cost centres between 10/11 and 11/12. Was originally coded into a holding account and recharged out. Now costs are charged</i></p>

direct to services - so other fuel costs will be sitting within other cost centres.

Information to be provided for what spent in 2010/11 v 2011/12 for fuels costs. Procurement agreement in place for all utilities.

	10/11	11/12	Movement
	£	£	£
Electricity	174,445	163,247	-11,198
Gas	94,243	54,503	-39,740
Fuel & Oil (Vehicles)	411,653	468,184	56,531
Woodchip Fuel	0	8,222	8,222
Total	680,340	694,156	13,815

6	CIES - Cost centre 14803 – Development Control Advice why costs increased £30k?
	<i>£36k of costs were incurred in respect of HS2 in 2011/12 – funded from specific Earmarked Reserve.</i>
7	CIES - Cost centre 10558 – CCTV Monitoring reduction in expenditure £200k?
	<i>A capital impairment was processed in 2010/11 for £198k. No such transaction was required in 2011/12.</i>
8	CIES - Cost centre 15105 – Local Plans and Policy costs decreased £80k?
	<i>Recharge of shared management team costs between areas and organisations reducing recharges to service cost centre.</i> <i>Other reductions are as a result of the reallocation of Departmental Admin costs within the department.</i>
9	CIES - Cost centre 14807 – Development Control reduction of expenditure £250k and increase in income £440k
	<i>Impact of New Homes Bonus money being received and recognised in year under IFRS and additional planning fee income.</i> <i>Significant costs were incurred in 2010/11 in respect of the Ardley Incinerator appeal.</i>
10	CIES - Cost centre 15904 – Active Women: why costs incurred in 11/12 nil in 10/11. What is this in relation to?
	<i>New scheme project to encourage healthier / active lifestyles in area. Total spend £12k.</i>
11	CIES - Cost centre 16084 – Shop Mobility – why decrease in costs on £18k?
	<i>In 2010/11 there was a Capital Impairment of £18.3k. No similar transactions were required in 2011/12.</i>
12	CIES - Cost Centre 18843 – Bus Station: What is the £50k increase?
	<i>There was a prior year gain on revaluation which reduced overall costs in 2010/11.</i>
13	Xmas Illuminations and how does this reconcile with recent Exec Report

	<i>This is Revenue items for the cost centres that feed the CIES for the statement of Accounts. Recent Exec Report was in relation to Capital and does not tie into this report.</i>
14	<p>CIES - Cost Centre 17906 – Housing Benefits</p> <p>Query / Discussions around the large amount of expenditure and income that is going through a district council</p> <p>Further discussion on the implications given developments for Universal Credit, Welfare Reform Act.</p>
	<i>Discussions were had around impact for finance, housing services and budget given upcoming and planned changes to legislation.</i>
15	<p>Balance Sheet</p> <p>Bad Debts – Increase from prior year? Economic Conditions or other factors driving</p> <p>Could a top ten bad debt provision be produced for 50045 and 70000 and where the Council are in the debt collection process</p>
	<p><i>The Council reviews its debtor accounts and aged profile and sets aside a provision it considers to be appropriate based on the ageing and apply a % value to these accounts to establish a provision.</i></p> <p><i>These are not debts that have been written off but based on history and market factors the Council considers may not be collected of its debt at each balance sheet date.</i></p> <p><i>Top Ten Accounts in each of the main bad debt provision codes to be provided, along with current status of place in Council's debt recovery process to be provided.</i></p> <p><i>(See appendix a – EXEMPT)</i></p>
15	<p>Balance Sheet</p> <p>Short Term Debtors Increase from prior year</p>
	<i>Movement in Short Term Debtors in down to timing of raising invoices and payment profiles. Snapshot at 31 March. Central Government departments have changed payment profiles during 2011/12. No significant underlying trends on debtors.</i>
16	<p>Balance Sheet</p> <p>Reserves – Text around usable and unusable to make it clear on type/purpose</p>
	<i>Additional narrative will be included to explain usable and unusable reserve to aid members and readers.</i>
17	<p>Balance Sheet</p> <p>Reserves – what is a suitable % for general reserves</p>
	<i>The Council has a policy and review process to consider its reserves and what it believes to be a suitable level. The Chief Financial Officer (CFO) will have overall responsibility for setting and establishing an appropriate level of reserves. This will drive the budget and Medium term Financial Strategy (MTFS).</i>
18	<p>Balance Sheet – 50029 Bus Token Stock</p> <p>What does this relate to? Moved to nil.</p>

	<i>Relates to the value assigned to the concessionary bus tokens. Scheme now transferred and County will honour tokens (within set time limit) Stock has nil value to council for 11-12 as scheme no longer operating by CDC</i>
19	Exit Packages - Query 50:50 as should be 60:40 Cherwell / South Northants
	<i>Note was reviewed and confirmed the table is the total cost and therefore sentence to be amended to read 60:40 split of costs between CDC and SN as per the agreement in the business case.</i> <i>This note along with the officers remuneration note are likely to be of interest once the final draft is published.</i>
20	Cash-flow - Signage and casting
	<i>The Statements and notes will be checked and ensure appropriate signage and casting.</i>
21	Pension Reserve – Implications of increased deficit, public attention etc
	<i>2010/11 Pension deficit decreased due to one off past service gain from change in discounting the liability based on CPI from RPI and resulting actuarial gain from change in assumption therefore any reduction in assets and liabilities masked by this gain.</i> <i>2011/12 Deficit increased due to actuarial loss – based on assumptions (life expectancies etc) and return of assets for investments for CDC share of the Oxford Scheme. There is no one off gain for 11-12 based on change in policy and discount rate used.</i> <i>Actuarial data provided by Oxfordshire Pension Actuary: Barnett Waddingham.</i>
22	Member Access to General Ledger – to drill into the detail of individual cost centres or specific cost centres of interest.
	<i>Should members wish to have access to the ledger – consideration will be given to provide access to system in members’ room and provide training to those who would like to access the ledger.</i>