

READING BOROUGH COUNCIL

REPORT BY HEAD OF FINANCE

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	8 JULY 2015	AGENDA ITEM:	7
TITLE:	PROVISIONAL 2014/15 REVENUE OUTTURN & CAPITAL PROGRAMME		
LEAD COUNCILLOR:	JO LOVELOCK/ TONY PAGE	AREA COVERED:	CORPORATE SERVICES
SERVICE:	FINANCIAL	WARDS:	BOROUGHWIDE
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1. EXECUTIVE SUMMARY

- 1.1 This report summarises the financial position at the end of the 2014/15 financial year, setting out final budget variances subject to audit. The capital programme provisional outturn is also considered.
- 1.2 The report also explains (in Appendix E) the Final Accounts process leading to the formal approval of the accounts at the end of September.

2. RECOMMENDED ACTION

- 2.1 Audit & Governance Committee is requested to note the outturn position set out in the report subject to external audit.
- 2.2 Audit & Governance Committee is asked to note the capital programme outturn and funding, and note the use of £2.3m S106 receipts approved by Policy Committee per the schedule in Appendix D.

3. GENERAL FUND BUDGET

- 3.1 For 2014/15 the Council had a budget requirement of £126.8m which was funded by revenue support grant £33.1m, retained business rates £26.9m, council tax £65m and the estimated collection fund surplus of £1.8m. Government Regulations mean that the budget requirement does not change, but budget variances require either compensating adjustments elsewhere or result in a movement on the General Fund Balance. Variations in Business Rate and Council Tax income will leave the Council with a Collection Fund Balance, which is taken into account in future budget rounds.

3.2 The Finance Service has completed the main closing accounts processes, and in Table 1 the outturn position is set out. The table includes the original budget approved by Council in February 2014, and the probable approved at Council in February 2015, as well as the outturn and variances. The outturn is subject to external audit of the accounts which were completed at the end of June.

3.3 TABLE 1 PRELIMINARY OUTTURN - GENERAL FUND

	Budget 2014/15 £'000	Probable 2014/15 £'000	Draft Outturn 2014/15 £'000	Variance to Budget £'000	Variance to Probable £'000
CSS	12,300	11,994	12,079	-221	86
DENS	30,265	31,291	30,522	257	-769
DCEEHS/DACHS	72,726	72,726	72,659	-67	-67
Directorate Total	115,291	116,011	115,260	-30	-750
Capital Financing	12,109	11,804	11,908	-201	104
Insurance	791	841	906	115	65
Property & Pensions Liabilities, Env Agency Levy, Other Provisions & Cross Council Savings	1,870	1,992	2,367	496	375
Redundancy Provision	800	800	800	0	0
TOTAL	130,861	131,448	131,241	380	-207
Capitalisation	0	0	-836	-836	-836
Use of Reserves(-)add to	0	-604	596	596	1,200
Grants	-3,851	-3,701	-4,326	-473	-625
Use of General Fund Balance	-217	-350	118	335	468
Budget Requirement	126,793	126,793	126,793		

Commentaries comparing the Approved Budget to outturn by Directorate are set out in Appendices A to C.

3.4 EARLY TERMINATION COSTS

As part of in year budget reductions to keep net expenditure within the approved budget and the requirement to make savings so that the budget set for 2015/16

was within the available resources, taking account of the on-going reductions in government support for the council's activities, the Personnel Committee has agreed redundancy, compensation and early retirement packages to the value of £0.75m for 24 employees.

3.5 GENERAL FUND BALANCES

Based on the provisional outturn the General Fund Balance as at 31st March 2015 is as follows

	Approved Budget £'000	Forecast (February) £'000	Actual £'000
1 April 2014	5,230	5,503	5,503
Use of Balances	217	350	
Transfer to balances			118
31 March 2015	5,013	5,153	5,621

Table 1 above includes capitalisation of £836k of revenue expenditure that is of a capital nature. This will enable £836k, together with £438k from the overall underspend, and £91k arising from the Government's distribution of unused grant held back to be transferred to the Organisational Change Reserve, principally to help meet future redundancy costs.

The schedule of reserves at the year end is as follows

Forecast as at	31/3/14 Actual £'000	31/3/15 February Forecast £'000	31/3/15 Actual £'000	Variance To Plan £'000
Earmarked Reserves	950	950	950	0
Civic Offices Dual Running	1,104	0	0	0
Self Insurance	4,546	4,400	5,143	+743
Organisational Change Reserve	3,800	3,900	5,400	+1,500
Prudential Reserve	3,300	3,000	3,300	+300
Revenue Grants Unapplied	10,617	5,000	9,480	+4,480
Total General Fund	24,317	17,250	24,273	+7,023
HRA - North Whitley PFI	8,800	8,900	9,000	+100
Total	33,117	26,150	33,273	+7,123

Other reserve transfers have largely followed the budget plan agreed in February. The balance on the Insurance Reserve at the start of the year took full account of a Review of the Council's needs for this reserve undertaken by the Council's Insurance advisor. Within the draft closed accounts there has been a transfer to the insurance reserve as (broadly similar to) that recommended by the review.

3.6 HOUSING REVENUE ACCOUNT

The outturn position for the Housing Revenue Account is set out in table 2

Table 2 Preliminary Outturn - Housing Revenue Account

	Budget	Probable	Draft	Variance	Variance
	2014/15	2014/15	Outturn	to	to
	£'000	£'000	2014/15	Budget	Probable
			£'000	£'000	£'000
Repairs	15,915	15,919	12,220	-3,695	-3,699
Management	17,153	16,018	15,203	-1,950	-815
Capital	10,825	10,600	8,829	-1,996	-1,771
Total Expenditure	43,893	42,537	36,252	-7,641	-6,285
Rents	35,150	35,777	36,442	-1,292	-665
PFI Allowance/Grant	3,997	3,997	3,997	0	0
Service Charges	450	450	529	-79	-79
Interest & GF	147	147	199		
Contribution				-52	-52
Total Income	39,744	40,371	41,167	-1,423	-796
Net Income	-4,149	-2,166	4,915	-9,064	-7,081
HRA Balance b/f	11,171	13,430	13,430		
HRA Balance c/f	7,022	11,264	18,345		

The table shows the HRA having a balance £7.1m higher than was forecast in January when the budget was set for 2015/16. The main reasons for this are as follows;

	£'000
Slippage of Capital Repairs/Planned Maintenance Programme	2,800
Financing of Capital Repairs from borrowing	1,487
Underspend on Day to Day Repairs	569
Other Repair Costs	330
PFI Costs less than forecast	428
Reduced Management Costs following service restructure	387
Reduced Interest & Capital Financing Costs	284
No need to increase bad debt provision (good rent collection)	400
Voids better than budget	265
Other Income	131
Total	7,081

Within the Repairs Capital budget, slippage is due to £1.3m on the Hexham Rd project carrying forward into 15/16 as works were re-programmed due to the availability of decant properties. A further £1.3m on Solar Panels is to be carried forward due to delays in approval being granted by SSE of the installation addresses, preventing works starting. Underspend on day to day repairs is in part due to lower than expected void levels (turnover) and the £200k contingency has not been spent.

Having financed almost £1.5m repairs from borrowing, and taking account of sold council houses, as at 31 March after closing the accounts, the Council will hold £7.9m housing capital receipts, most of which will be needed to finance the agreed council house building programme together with the HRA borrowing headroom. The HRA business plan will be updated in the light of the outturn information and latest plans and reported in due course.

3.7 CAPITAL EXPENDITURE

The table below shows a comparison by service between the Draft Outturn and Probable Expenditure as reported to Policy Committee & Council in February, and the projection based on the end of January Approved Programme, reported to Policy in March.

	Probable	January	Outturn
	£m	£m	£m
Safeguarding & protecting those that are most vulnerable	0.9	0.9	0.4
Providing the best life through education, early help & healthy living	13.5	13.5	11.7
Providing Homes for those in most need	9.8	9.8	8.9
Keeping the town clean, safe, green and active	2.6	2.6	2.3
Providing Infrastructure to support the economy	23.8	19.8	18.9
Remaining financially sustainable to deliver these service priorities	18.9	17.5	18.6
Total Expenditure	69.5	64.1	60.8
Financing of the Programme			
Grant	32.5	29.6	26.6
Receipts (inc. MRA)	16.7	15.6	14.8
S106 Receipts	1.9	1.9	2.2
School Revenue & Other Contributions			1.2
Borrowing	18.4	17.0	16.0
Total Financing	69.5	64.1	60.8

The projected probable outturn (as at 30 November 2014) for the capital programme for 2014/15 was £69.5m, reported to Policy Committee in February. This was revised down to £64.1m as at 31 January 2015, predominantly due to delays in expenditure on transport Pinch Point & LSTF schemes (£4m), reported in March.

The actual outturn of £60.8m (a further reduction of £3.7m) resulted, in the main, from slower progress than previously expected on some of the schools expansion and other education projects (£2.5m).

So far as funding is concerned, the majority of the variation between actual outturn and the November position is in the amount of grant used; grant for schools and transport projects being carried forward for use in 2015/16. Borrowing was £2.4m lower than projected.

3.8 BORROWING OUTSTANDING

In line with the requirements of the CIPFA Prudential Code there is a separate Treasury Outturn report on your agenda. Table 5 shows the summary position of capital debt outstanding as measured by the adjusted capital finance requirement

Table 5 Capital Debt Outstanding
(Adjusted CFR)

	Probable £m	Outturn £m
General Fund	170.6	169.4
HRA	194.2	192.6
Total	364.8	362.0

Actual borrowing at 31 March 2015 was £314.0m gross and £276.9m net of investments.

3.9 FINAL ACCOUNTS PROCESS

Appendix E explains the final requirements for Local Authority Accounts and in particular the formal approval process at the end of June & September. The draft accounts which must be prepared in a prescribed format were "signed off" by the Head of Finance at the end of June. They have been published on the website prior to audit before being presented to the Audit & Governance (A+G) Committee before the end of September for approval. The external auditor (KPMG) is expected to review the draft accounts during July and August, prior to issuing an opinion on them at the A+G Committee at the end of September. The website publication initially has a "subject to audit" cover, with the audit opinion at the end of September. Any significant audit variations, if not apparent from a full reading of the accounts will be explained in the cover report to the Audit & Governance Committee.

3.10 DEBT OUTSTANDING

The accounts include various streams of income where money was owed to the Council at the year end, and the remaining sections of this report include a commentary on those debtor streams.

3.11 COUNCIL TAX

Table 6 shows the Council Tax Collection Rate over the last 4 years:

	2011/12	2012/13	2013/14	2014/15
Collection Rate	97.41%	97.54%	96.93%	96.61%

- 3.12 Over the last two years collection performance has been slightly reduced following the introduction of the working age Council Tax Support Scheme which requires a new or increased contribution from non pensioner households formerly entitled to council tax benefit. In addition to in year collection, previous year's arrears to the value of almost £1.3m (2013/14 £1.1m) were also collected, leaving gross arrears (for all years since 1997/98) at 31 March 2015 of £10.3m (31/3/14 £9m). We anticipate collecting at least £2.4m of this in due course (based on our historic arrears collection performance), and have accounted accordingly, so the year end council tax surplus on the collection fund will be £2.237m, £37k higher than we had estimated in January.

Recovery activity of recent years has resulted in irrecoverable debt written off continuing to fall. Only £7k was written off in 2014/15 (£32k in 2013/14 and £26k in 2012/13).

3.13 BUSINESS RATES

Arrears of Business Rates total £5.9m in 2014/15 (£4.7m in 2013/14). For 2014/15 the in year Collection Rate was just below 97.0% (97.3% in 2013/14). In addition there was a reduction in previous years arrears of £2m (2013/2014 £1.46m).

3.14 HOUSING RENTS

Arrears of rents from Council Housing and Temporary Accommodation totalled over £0.84m broken down as follows:-

	Current Tenants		Former Tenants	
	£000	% of rent	£000	% of rent
Council Housing	473	1.30%	321	0.9%
Temporary Accommodation	7		36	
	<u>480</u>		<u>357</u>	

Against these arrears a bad debt provision of £0.6m has been made. In comparison at 31/3/2014, current tenants rent arrears were £372k and former tenants rent arrears were £352k.

3.15 GENERAL DEBTORS

The table at Appendix G summarises the level of general debtors outstanding of £7.85m greater than 60 days old, beyond the normal reminder process.

The most significant areas of debt relate to Housing Benefit Overpayment and Community Care, where the majority of debt relates to domiciliary care and older peoples residential accommodation awaiting administration of clients estates. A large proportion of the debt is being paid by instalments or awaiting legal action.

Where Housing Benefit overpayments occur in most cases 40% is claimable through subsidy and the Council seeks to recover the overpayment from the claimant by either deductions from on-going benefit or by raising an invoice. In most cases arrangements to pay are agreed with claimants linked to ability to pay hence the age of the debt.

3.16 WRITE OFFS

Financial regulations require that Committee approval is given for write offs above £15,000. Approval was agreed for the 8 write offs totalling £469k (7 related to business rates) at Policy Committee.

4 CONTRIBUTION TO STRATEGIC AIMS

- 4.1 The production of accounts does not in itself contribute to the Council's strategic aims, however maintaining a "healthy" financial position is a key element underpinning sound Corporate Governance of the organisation.

5 COMMUNITY ENGAGEMENT AND INFORMATION & LEGAL IMPLICATIONS

- 5.1 None directly from this report.

6 FINANCIAL IMPLICATIONS

- 6.1 As set out above

7 BACKGROUND PAPERS

2014/15 Budget

2014/15 Closing working papers (excluding confidential items)

This overview provides the key results of the financial outturn

Approved Budget

The Approved budget for the directorate is £72m, made up as follows:

	Annual Budget	Actual	Variance
	£'000	£'000	£'000
Employee Costs	87,871	86,594	-1,277
Running Costs	92,034	109,005	16,971
Gross Expenditure	179,905	195,600	15,694
Income	-107,179	-122,940	-15,761
Net Expenditure	72,726	72,659	-67
Summary of Year end Position			
The outturn shows a net underspend of			£-67k
			0.0%

Directorate Commentary on outturn

The outturn position for Children's Services was a £162k overspend which was only £16k more than forecast in February. The pressures in residential placements and agency were largely offset by underspends on other LAC placements and vacancies within CATS. For Education services the outturn is a £174k underspend reflecting play income savings, slippage on post 16 and charging school improvement costs to grant. The £1.35m pressure on the high needs block do not impact upon the LA budget as this is DSG funded. Adult Services pressures have decreased slightly from the forecast position of a £264k overspend to a small underspend of £132k. This mainly due to a slight reduction in pressures and a slight increase in income due to various additional grants however a number of these grants are one off but are potentially funding recurrent expenditure. The extent of this issues is under review and will be reported as part of performance monitoring in June (May Data). For Commissioning & Improvement there was an £220k overspend reflecting pressures flowing from cross Council savings.

To support unexpected increases in client demand across Adult and Children Social Care, the Directorates have a strategic reserve budget. The aim is to use the reserve on a non re-current basis to meet pressures across the Directorate. This year an element of the ongoing funding has been drawn upon to manage the outturn position of the Directorate. There will still be a contribution of just over £1m to the reserve that will be added to the overall balance. This will be in line with that expected of c £3.7m as at 31 March 2015. This will be carried forward on the balance sheet and will be split 50:50 between the two new Directorates in 2015/16 to support unexpected pressures.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Children's Service	162	
Adult Services		-132
Education & Early Years		-174
Commissioning & Improvement	228	
Application of Reserve to service costs		-151
Total	390	-457
Forecast Net Position (over/-underspend)		- 67

This overview provides the key results of the financial outturn

Approved Budget

The approved budget for the directorate as shown is £30.3m, made up as follows:

	Annual Budget	Actual	Variance
	£'000	£'000	£'000
Employee Costs	29,125	28,682	-443
Running Costs	43,555	52,848	9,292
Gross Expenditure	72,680	81,530	8,849
Income	-42,415	-51,008	-8,593
Net Expenditure	30,265	30,522	257

Summary Projection of Year end Position

The end of year figures show a net overspend of	£257k
	0.8%

Directorate Commentary on outturn

The Directorate as a whole is reporting a year end overspend of £277k, just under 1% of total budget - a significant improvement on earlier forecasts of around £1m. A sharp increase in bed and breakfast costs arising from increased homelessness, increased costs arising from increased waste disposal tonnage and a declining number of traffic regulation infringements all caused significant in-year budget pressures. An allowance for these areas has been made in the 15/16 base budget going forward. There were other one-off pressures relating to accommodation and printing costs. One-off savings on Concessionary Fares and public transport contracts due to revised opening date for the Mere oak Park and Ride site helped off-set pressures.

First half projections of unachievable income, particularly for RSL and culture, has been monitored carefully and compensatory savings, a new RSL membership offer and a good performance in the later half of the year has all helped to balance the Leisure and Arts budgets. Better than expected income across many statutory services, some of which was one off, as well as reduced running costs has helped to offset other overspends.

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Waste Disposal - additional costs due to increased tonnage (£100k) and consultants costs (£144k)	244	
Declining number of traffic regulation infringements, including parking, savings from new contract awarded for off-street enforcement, and other minor parking variances.	911	194
Additional income generation (including grants) and Transport fees, and public transport contract and vacancy savings (all one off), net of costs. Savings due to reduced demand for concessionary fares.	476	1,353
Bed & Breakfast net cost pressures	655	279
Planning - Additional income from large scale planning applications and salary savings due to staff vacancies		131
Facilities Management - Reduced internal income in relation to capital schemes, rental and unachieved budget savings; unachievable saving proposal in relation to cost of fountain house and printing; some offset via lower running costs in the new Civic	460	95
Regulatory Services - salary savings, greater than budgeted Licensing income, Coroners Service overspend due to premises and mortuary costs with a corresponding increase in Joint Arrangement income, and other minor variances within Regulatory Services.	177	366
Leisure and arts services income variations and savings	340	464
Other minor variances	61	185
Total	3,324	3,067
Forecast Net Position (over/-underspend)		257

Outturn for 2014/15

This overview provides the key results of the financial outturn

Approved Budget

The Approved budget for the directorate is £12.5m, made up as follows:

	Annual Budget	Actual	Variance
	£'000	£'000	£'000
Employee Costs	14,752	14,954	202
Running Costs	19,170	18,650	-520
Gross Expenditure	33,922	33,604	-318
Income	-21,622	-21,525	97
Net Expenditure	12,300	12,079	-221

Summary of Year end Position

The outturn shows a net underspend of	£-221k
	-1.8%

Directorate Commentary on outturn

There are various variances within Customer Services; in general, trading areas had a better year end than forecast, and overall (subject to final checking) the service had a £704k underspend, but housing benefit costs, after Government Grant were £707k over spent. Over £500k of this latter variance had been expected, as it arose following audit adjustments to the 2013/14 final claim, and the service has been carefully managing costs in recent months to mitigate this loss.

Childcare Lawyers - the caseload had been at its lowest level ever, and although it has recently been rising; at outturn the service has substantially achieved the agreed budget reductions in Reading's share of costs which was originally planned to be phased in over 2 years - but has been relaised in a single year as we have a £138k underspend. Land Charges was 16k under as anticipated, and our overall Legal costs were £165k under including these variances.

Other services had smaller underspends as below

Significant Budget Variations - Service & Explanation of Year End Position (>£100k)	Overspend £000	Underspend £000
Customer Services		-704
Housing Benefit	707	
Finance		0
Legal		-165
MD Office		-25
M&PR		-34
Total	707	-928
Net Position (over/-underspend)		-221

Scheme	S106	Amount used
Bus link - Revenue	1644 - Kennet Island	151,111.00
	Applied to revenue - bus link	151,111.00
Arts and Leisure		
Arthur Newbery Park	1564 - Sadina Pierces Hill	2,807.22
	1897 - 28 Lower Elmstone Road	4,747.04
	3017 - 177 Park Lane	1,889.84
	3125 - 45 Oak Tree Road	571.20
	3164 - 1 Oak Tree Road	2,081.70
	Arthur Newbery Park total	12,097.00
Balmore access/paths	1534 - 2-4 All Hallows Road	2,312.00
	Balmore Walk total	2,312.00
Beresford Road Rec	2065 - 644 Oxford Road	16,431.40
	1445 - Land at Battle Hospital	69,763.78
	1549 - 120 Connaught Road	2,393.38
	Beresford Road Rec Total	88,588.56
Blagrave Rec Ground	3137 - 98 School Road, Tilehurst	1,667.00
	Blagrave Rec Total	1,667.00
Bugs Bottom Environmental Impr	647 - Phase 8, Shipnell's Farm	9,845.00
	Bugs Bottom total	9,845.00
Caversham Court Garages	1616 - 276 Kidmore Road	2,366.19
	1465 - 1 North Street	6,000.00
	1912 - 17 & 19 St Peters Hill	11,419.17
	3259 - 11 Gosbrook Road	11,034.05
	3971 - 67 Kensington Road	1,500.00
	Caversham Court total	32,319.41
Cintra Park Infrastructure	1666 - 68-72 Northcourt Avenue	12,392.00
	3111 - British Sch, 153 Southampton Street	3,762.92
	3987 - 7 Craven Road	2,000.00
	4020 - 17 Newcastle Road	6,327.08
	Cintra Park Total	24,482.00
Christchurch/Hills Mdws.Imprs. (S106)	1758 - 27-29 Church Road	686.97
	Christchurch and Hills Meadows improvements total	686.97
Coley Rec Ground	3002 - 2 Berkeley Avenue	2,033.46
	Coley Rec Total	2,033.46
Concert Hall Stage	530 - Bear Wharf, Fobney St	29,946.16
	Concert Hall Stage total	29,946.16
Forbury Gardens	1440 - Princes Court, 20-24 Vachel Road	14,150.00
	Forbury Gardens total	14,150.00
John Rabson's Recreational Grounds play area	1999 - The Whitley Tavern, Northumberland Avenue	464.00
	John Rabson's total	464.00
Kennet Towpath Improvements (DB 313)	1250 - Land R/O 51-65 Bulmershe Road	290.00
	Kennet Towpaths total	290.00
Kensington Road Rec	1445 - Land at Battle Hospital	117,222.29
	3203 - Land adj 122 Wantage Road	4,094.40
	Kensington Road Rec total	121,316.69
Lousehill Copse	1983 - Dee Park	12,377.11
	Lousehill Copse total	12,377.11
Mapledurham Pavillion	1428 - Land r/o 46 Highdown Hill Road	2,063.60
	1466 - 42 Highdown Hill Road	1,375.00
	1578 - 276 & Land r/o 274 Kidmore Road, Caversham	2,000.00
	1592 - 60 St Peters Avenue	238.87
	3025 - Land Adj 5 Richmond Road	2,046.45
	3176 - 29 Woodcote Road	1,900.09
	Mapledurham Pavillion total	9,624.01

Scheme	S106	Amount used
Museum Store	1880 - Land at Windermere Road	10,901.00
	Museum Store total	10,901.00
Palmer Park Improvements	3033 - Land r/o 61-65 Eastern Avenue	3,618.00
	Palmer Park total	3,618.00
Prospect Park - Phase 3	2087 - 55 Bath Road	55.00
	Prospect Park total	55.00
Robert Hewett Rec	1270 - 2 Berkeley Avenue	4,000.00
	1420 - 24-28 Coley Place	4,576.68
	1774 - 154 Castle Hill	9,000.00
	1778 - 28 William Street	1,998.22
	1894 - 28 Argyle Street	7,929.08
	1933 - 33 Wolsley Street	3,153.00
	1974 - Land at 6a & 8 Lorne Street	1,570.64
	2056 - 32 Berkeley Avenue	4,000.00
	3015 - 23 Russell Street	5,283.48
	Robert Hewett Rec total	41,511.10
Thames Parks Plan - Phase 3	3043 - 147 Henley Road	1,616.07
	3062 - Land at Caversham Rectory	2,070.72
	3141 - Abbotsmead Place/School Lane	23,759.41
	3180 - 15-18A Hawthorne Road	6,167.08
	3236 - Land r/o 50 Norcot Road	1,710.14
	Thames Parks Plan total	35,323.42
Town Hall Lift	744 - Folk House, Church Street	66.84
	1405 - 46 Waylen Street	485.35
	1417 - Briants Avenue	1,798.58
	Town Hall lift total	2,350.77
Arts and Leisure total		455,958.66
Education		
St John's Primary Expansion to 2FE	1320 - 119 Orts Road	841.99
	1349 - 211 London Road	3,400.00
	1476 - 16 Kings Road	0.05
	2114 - 29a Kendrick Road	8,923.68
	3319 - 48 Queens Road	10,269.00
	St Johns Primary	23,434.72
St Martins Expansion	3229 - 39 Prospect Street	2,464.98
	3345 - 3 Derby Road	10,593.89
	St Martins Primary	13,058.87
Education total		36,493.59
Environment		
St Mary's Boundary Wall	558 - 11/12 Gun Street	2,805.00
	St Marys Wall	2,805.00
Environment Total		2,805.00
Affordable Housing		
Former Avenue School site, Northumberland Avenue -Extra Care Housing Scheme	3253 - Abbotsmead Place	259,022.64
	3262 - 56 London Road	3,625.00
	3300 - 98-100 School Road	14,000.00
	3319 - 48 Queens Road	2,000.00
	3341 - Land at Abbey Hall	2,500.00
	3345 - 3 Derby Road	15,474.57
	3971 - 67 Kensington Road	10,875.00
	3987 - 7 Craven Road	31,500.00
	4020 - 17 Newcastle Road	22,834.54
	Cedar Court	361,831.75
Affordable housing total		361,831.75

Scheme	S106	Amount used
RUAP		
Reading Station	BCC Developer Contribution	245,257.52
	1813/2105 - Aldwych House, Blagrove Street	248,167.27
	3298 - Land at Foudry Place	91,844.02
	4011 - 42 Kenavon Drive	206,176.98
	4067 - 350 Basingstoke Road	258,803.00
	4070 - Thames Tower	273,029.26
	Reading Station total	1,323,278.05
RUAP total	1,323,278.05	
Grand total		2,331,478.05
Of which:		
Capital		2,180,367.05
Revenue		151,111.00
		2,331,478.05

Final Accounts Process

The draft final accounts, and audit accounts for previous years can be accessed on the Council's website

A cursory glance at these documents will show that the presentation therein is somewhat different to that used for the Council's budget, and indeed in the above explanation of year end variances. This is because the accounts must be prepared in accordance with the Code of Practice for Local Authority Accounting (the "Accounts Code").

Amongst other things, the code requires that the Council's accounts are presented in in with International Financial Reporting Standards (IFRS). Furthermore, the Accounts Code requires many adjustments to the day to day accounts by which the Council manages its budget including capital charges for all services, the apportionment of much of all support services across front line services (so the cost of services are shown including their managerial, corporate and administrative on-costs), and technical adjustments to reflect the long term cost of LA pensions, the cost of untaken leave at the year end.

In principle, by requiring all local authorities to prepare accounts in line with the same accounting guidance comparative information drawn from those accounts between authorities ought to be more accurate, and more fairly represent the relative total cost of services. In addition the Account Code requires the council to produce group accounts that include the activities of companies we own; principally Reading Transport.

The Accounts Code is published by CIPFA and each year they consult about amendments to the Code to keep local authority accounting practice up to date. CIPFA's Local Authority Accounting Panel (which the Head of Finance attends) produces guidance notes to explain how to prepare most aspects of the accounts.

This is the final year of application of the Accounts & Audit Regulations 2011 which changed the approval process for the accounts. The requirement is that the Head of Finance signs the accounts off by the end of June. They are then audited and must be approved by Councillors (hopefully with their audit opinion) by the end of September. Audit & Governance Committee formally do this approval on behalf of the Council. The 2014 regulations have the same requirements but move forward over the next 3-4 years the approval date to May (CFO sign off) and July (Audit & Committee approval).

As in previous years the accounts both pre audit, after the end of June, and following audit at the end of September will be published on the website, with a small number of printed copies being available to Councillors.

Appendix G

General Debtor Arrears (accounts over 60 days old)

The table sets out the arrears by service @ 31 March 2015
By Age of debt (days)

	TOTAL	61-90	91-120	120+
Community Care	1,539	108	176	1,255
DEACS	113	37	1	75
DENS	760	107	92	561
Housing	320	0	0	320
Benefits	4,917	327	233	4,357
CSS	191	69	17	105
CSS (other)	11	0	0	11
Total	7,851	648	519	6,684

As at 31 March 2014, debt totalled £6.659m, the increase (net) more than entirely arising from increases in overpaid HB, which is often recovered from on-going benefit at weekly amounts limited by DWP.