



Worcester

CITY COUNCIL

Worcester - Proud of our past, focused on our future

STATEMENT OF ACCOUNTS

2014/15



**WORCESTER CITY COUNCIL
DRAFT STATEMENT OF ACCOUNTS 2014/15**

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**WORCESTER CITY COUNCIL
STATEMENT OF RESPONSIBILITIES**

The City Council's responsibilities

The City Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Director Resources.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts.

The Corporate Director - Resources responsibilities

The Corporate Director Resources is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code"). The Corporate Director Resources is required to present the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2015.

As the responsible officer, I certify that in preparing this Statement of Accounts for the year ended 31st March 2015, I have:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that were reasonable and prudent, and
- complied with the Code.

I have also:

- kept proper accounting records which were up to date,
- taken reasonable steps to prevent and detect fraud and other irregularities.

These accounts give a true and fair view of the financial position of Worcester City Council at the reporting date and of its expenditure and income for the year ended 31 March 2015.

Lesley Meagher
Corporate Director - Resources

21 August 2015

**WORCESTER CITY COUNCIL
EXPLANATORY FOREWORD**

1. Introduction

This Draft Statement of Accounts present the financial position of the Council for the year ended 31 March 2015. The Accounts are produced in the format stipulated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in accordance with best accounting practice under the terms of section 21(2) of the Local Government Act 2003. This foreword provides a brief explanation of the financial aspects of the Council's activities and a guide to the significant matters reported in the accounts.

2. The Accounting Statements

The accounting statements included in the accounts are listed below along with an explanation of their purpose:

Movement in Reserves Statement. This shows how the Council has used or added to the different reserves it holds, which are either 'usable reserves' (those that can be applied to cover costs or reduce local taxation) or 'unusable' reserves (which are mainly accounting adjustments). The MiR Statement starts with the 'Surplus (or Deficit) on the Provision of Services', which comes from the Comprehensive Income and Expenditure Statement, and ends with the total usable and unusable reserves shown on the Balance Sheet.

Comprehensive Income and Expenditure Statement. This statement shows the true economic cost of providing the authority's services. It summarises the resources that the Council has generated and used in providing services and managing its business during 2014/15. It includes all expenditure and income on an accruals basis, as well as transactions measuring the value of fixed assets used, and the projected value of retirement benefits earned by employees in the year.

Balance Sheet. This shows the Council's financial position on 31 March 2015. It shows the balances and reserves held by the Council at that date, and summarises the assets used by the Council to provide its services.

Cash Flow Statement. This summarises the cash received and payments made by the Council during 2014/15, and includes both revenue and capital items.

Collection Fund. By law, this fund is kept separate from other funds and accounts. The Collection Fund summarises the income received from council taxpayers and business ratepayers and shows how it has been distributed between this council, the county council, parish councils, the police and fire authorities and central government.

WORCESTER CITY COUNCIL EXPLANATORY FOREWORD

3. Budget Performance - Net Revenue Budget

For 2014/15 the Council has delivered a budget surplus of £376k on operational budgets, despite the challenging financial climate and year-on-year budget savings. The Council has planned throughout the year how to save money in the following year, and as a consequence taken steps in-year to deliver future budget savings. This has resulted in underspends in a number of areas across most activities.

At a headline level, the budget surplus of £376k is comprised as follows:

£110k overspend on operating expenditure (0.5% of the £22.2m budget)

£412k surplus on income against a budget of £14.6m;

£50k shortfall on net Housing Benefit subsidy of £32.4m, and;

£123k surplus on net interest, capital charges and MRP.

On expenditure, the key points are an underspend on employees of £63k (0.6% of budget) spread across several service areas and a non-pay overspend of £173k (1.4% of budget) relating mainly to additional costs of fleet maintenance and vehicle hire.

On income, the key points are that Fees & Charges delivered a surplus of £156k on budget including an extra £107k from Planning Fees and Development Management income. Court summons fees in Revenue & Benefits totalled £264k, £39k in excess of budget. Other income was a surplus of £203k mainly due to unbudgeted income of £152k in Cleaner and Greener from a new contract.

4. Transformation Plan

For 2014/15 £1.1m (91%) of the £1.2m saving targets in the Transformation Plan have been delivered. The shortfall of £0.1m relates to fees and charges income on car parks and the crematorium.

5. Gross Revenue Expenditure

The Comprehensive Income and Expenditure Statement shows the gross cost of service provision:

Expenditure Type	2014/15	2013/14
	£000	£000
Employee expenses	9,024	9,407
Premises related expenses	1,773	1,875
Transport related expenses	715	785
Supplies and services	2,043	1,622
Third party (including shared services)	8,255	8,022
Housing Benefit and Council Tax payments	32,670	31,375
Capital charges	2,745	3,970
Gross Cost of Services	57,225	57,056

WORCESTER CITY COUNCIL EXPLANATORY FOREWORD

5. Gross Revenue Expenditure (Cont'd)

Employee expenses include all payments for the City Council's employees including salaries, employer's national insurance and pension contributions, training, professional subscriptions, recruitment, and health and safety costs.

Premises, transport related expenses and supplies and services costs include the cost of maintaining buildings, of operating vehicles and of buying goods and services. **Third party** payments mainly comprise payments to partners delivering services for the Council.

Capital charges are net servicing of finance costs, impairments and depreciation, and represent the real cost of using assets to provide the Council's services.

6. Gross Revenue Income

The Comprehensive Income and Expenditure Statement shows the gross income from service provision:

Income	2014/15	2013/14
	£000s	£000s
Government Grants	38,887	33,633
Rent Income	435	458
Fees and Charges	7,774	8,020
Other Income	2,200	2,892
Total Income	49,297	45,003

Government Grants include £33.234m towards the cost of Housing Benefits and administering those payments.

Rent income is mainly rents from industrial and commercial properties

Fees and charges and other service income comes from users paying for Council services like leisure facilities, building control, car parking, planning, land charges fees and licensing.

Other income includes miscellaneous items such as recharges to external bodies, contributions from shared services, and other partnership contributions.

7. Pension Fund

The Council's share of the assets and liabilities of its Pension Fund is a net liability and has been calculated in accordance with International Accounting Standard 19. The net liability has increased by £8,855m to £42,779m (in 2013/14 it decreased by £5,048m to £33.924m). A further explanation can be found in Note 20 to the Core Financial Statements.

**WORCESTER CITY COUNCIL
EXPLANATORY FOREWORD**

It is important to understand that the net pensions liability is a position taken at just one point in time and based on many assumptions about the future. Market prices can move up as well as down in the short term and it is therefore not possible to quantify what long term effect the movement in market prices will have on the Pension Fund.

8. Borrowing

The Council borrows for cash flow purposes within specified limits or to fund capital expenditure. Note 20 (Long Term Borrowing) in the Notes to the Core Financial Statements shows details of the Council's outstanding loans and when they mature.

9. Capital Expenditure and Source of Funding

Capital expenditure for 2014/15 was £3.089m (2013/14 £1.016m). This compares with a budget of £4.578m for the year, and the difference largely relates to delayed expenditure on capital projects managed in partnership with other local authorities. Funding will be carried forward to 2015/16 to complete these items.

A summary of the capital expenditure in 2014/15 is shown below. Of the £3.089m spend, £1.960m added to the value of the Council's own assets, and the balance of £1.129m charged in year to the Comprehensive Income and Expenditure Statement as 'revenue expenditure funded from capital under statute' created assets owned by others - for example, grants to homeowners, or contributions to capital projects managed by other local authorities. The sources of funding for the Council's capital expenditure are also shown below:

<u>Capital Expenditure</u>	£000	<u>Source of Funding</u>	£000
Housing and building grants	943	Earmarked reserves	177
HQ Office move	310	Grants	265
High Street improvements	167	Usable capital receipts	1,201
Swimming Pool and Sports Centres	426	Revenue financing	29
Vehicles, ICT and equipment	1,066	S.106 contributions	843
Other smaller capital items	177	Borrowing	574
Total	<u>3,089</u>	Total	<u>3,089</u>

The comparative figures for 2013/14 are:

<u>Capital Expenditure</u>	£000	<u>Source of Funding</u>	£000
Housing and building grants	254	Earmarked reserves	648
Fort Royal/North Riverside	408	Grants	244
High Street improvements	177	Usable capital receipts	10
Vehicles, ICT and equipment	134	Other resources	49
Other smaller capital items	43	S.106 contributions	65
Total	<u>1,016</u>	Total	<u>1,016</u>

10. Reserves

The General Fund balance brought forward from 2013/14 was £1.266m. There were no changes to this during 2014/15 and therefore this balance will be carried forward into 2015/16.

The General fund is maintained for emergency funding issues and to bridge any short-term timing differences in matching income and expenditure budgets.

Earmarked reserves balances brought forward from 2013/14 were £6.149m. The balance at the year-end is £9.101m, a net increase of £2.952m. Of this net increase £1.9m of existing earmarked reserves were utilised in year and a further £4.8m was added to earmarked reserve balances during the year. The main additions relate to external housing grants of £0.7m, New Homes Bonus grant £1.5m and localised Business Rates grants of £0.9m.

11. Significant Changes in Accounting Policies

The Council reviews its accounting policies from time to time, but there have been no significant changes to accounting policies in the financial year.

12. Events after the Balance Sheet Date - GP Surgeries Rateable Values

The Upper Tribunal heard the appeal earlier this year and upheld the Valuation Tribunal (VTE) decision in June of 2014 concerning 3 surgeries in Sheffield. The case was concerned with the method of valuation used to arrive at the rateable value of purpose built GP surgeries. The outcome of this decision was the significant reduction in rateable value and associated rates payable of similar properties impacting both the 2005 and 2010 rating lists.

The financial impact of this legal ruling has now been quantified and an additional provision for appeals totalling £3.2 million has been charged to the Collection Fund. The City Council share of the additional provision is £1.29 million. Whilst this has impacted the surplus/deficit on provision of services, statutory regulation has reversed the impact through the movement in reserves to the collection fund adjustment account. Any general fund impact will be recognised in future years when a deficit on the collection fund is declared.

13. Further Information

Further information about the accounts is available from the Corporate Director - Resources, The Guildhall, High Street, Worcester, WR1 2EY. Interested members of the public also have a statutory right to inspect the draft accounts before the audit is completed, and this has been advertised in the local press and on the Council's website.

In the 'About Your Council' pages under 'City Council Finances' on the Council's website, readers can find copies of audited Annual Accounts going back to 2010/11 as well as a wide range of information about the Council's budgets, medium term planning, fees and charges and annual reports. The 'Council reports' pages also has reports and documents covering the full spread of the Council's management and activities.

The website is at <http://www.worcester.gov.uk>

WORCESTER CITY COUNCIL ANNUAL GOVERNANCE STATEMENT

1.Scope of Responsibility

1.1 Worcester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Worcester City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.3 Worcester City Council has approved and adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE guidance. The Code of Corporate Governance is available on the Council's website at www.worcester.gov.uk or can be obtained from the Monitoring Officer, Worcester City Council, The Guildhall, High Street, Worcester, WR1 2EY.

1.4 This statement explains how Worcester City Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2.The purpose of the Governance Framework

2.1 The governance framework comprises the cultural values, systems and processes by which the Council is directed and its activities through which it accounts to, engages with and leads its communities. The framework allows the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2 A significant part of the framework is the Council's system of internal control which is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives, but can provide reasonable, though not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Worcester City Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3 The Council's approach to corporate governance is underpinned by our values of delivering the results people want; one Council; challenge to improve and empowerment with accountability. The revised governance framework is built around the following core principles:

- Focus on the outcomes for Worcester City and create a vision for the area which the Council can play a leadership role in helping to implement.
- Members and officers working together to achieve a common purpose with clearly defined roles.
- Promoting values for the Council and demonstrating values of good governance through upholding high standards of conduct.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

WORCESTER CITY COUNCIL ANNUAL GOVERNANCE STATEMENT

- Engage with local people to ensure robust public accountability.

2.4 A Governance framework has been in place at Worcester City Council for the year ended 31st March 2015 and up to the date of approval of the 2014/15 report and Statement of Accounts.

3. The Governance Framework

3.1 The key elements of the systems and processes that comprise the Council's governance framework are described below.

3.2 In 2014/15 the Council approved the Worcester City Council Corporate Plan 2015-2020. It sets out Worcester City Council's vision for shaping Worcester's future – "Proud of our past, focused on our future", and sets out five key themes that will deliver this vision. The five key themes are:

- Increasing prosperity through successful businesses and great jobs;
- Growing a vibrant city with sports, leisure and retail;
- Making the most of our history and heritage;
- Continuing to enhance our city centre and riverside; and
- Ensuring our city is clean green and safe.

The Corporate Plan 2015-2020 also identifies the goals, strategies and measures that will address these themes through continued effective and efficient management of resources and the development of innovative and flexible service delivery. The Corporate Plan 2015-20 sets out the various approaches we will take for example, becoming an enabling authority which sets clear outcomes and identifies the services that it wants to deliver. The Council will continue to focus on core projects as part of the existing transformation plan, which has been refreshed into a new programme, called "Mind the Gap", to deliver cumulative revenue savings, to deliver co-ordinated business improvement reviews, to ensure that the technology the Council uses is fit for the future and to develop a People Matters Plan to identify the skills, knowledge and attributes that will be required in the Council's workforce to enable the Council to deliver its priorities. Delivery against the priorities in the Mind the Gap Programme is regularly reviewed and is being cascaded through the Corporate Planning Process into Service Plans, Service Managers' objectives and cascaded to service teams and staff objectives through the appraisal process.

3.3 The Council Constitution – The Council constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure these are transparent and accountable to local people. The agendas and minutes of all the public meetings of the Council and its committees are available on our website.

3.4 Council Structure – The Council operates a Leader and Cabinet model with Cabinet members responsible for individual portfolios.

3.5 Policy development and Scrutiny- The Council has two Scrutiny committees:

- Scrutiny Committee
- Performance Management and Budget Scrutiny Committee

In 13/14 it was agreed that in line with CIPFA guidance the Council would review the role of the Audit Committee with a view to it being a Committee of the Council rather than an overview and scrutiny committee. Work to deliver on this has taken place in 14/15 and the Audit Committee is now a committee of the Council.

3.6 The Standards Committee - This committee's role is to promote and maintain high standards of conduct by Members and to monitor the operation of the Members Code of Conduct.

3.7 Head of Paid Service – The Managing Director is designated Head of Paid Service and has overall corporate management and operational responsibility. He provides professional advice to all parties in the decision making process and together with the Monitoring Officer is responsible for the system of record keeping for all Council decisions. The current Managing Director will leave the authority at the end of May 2015 and interim senior management arrangements will be put in place until a successor has been appointed. The Corporate Director Resources will be the Acting Head of Paid Service as part of the interim senior management arrangements.

3.8 Monitoring Officer - The Council has designated the Legal Services Manager as Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations.

3.9 Chief Finance Officer – The Corporate Director Resources is designated as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. The S151 Officer has responsibility for establishing sound financial management within the Council and ensuring adherence to the Council's own financial standards and rules. The Council's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010).

3.10 Code of Corporate Governance – The local code sets out the Council's definition of Corporate Governance, the values it stands for and the key principles of corporate governance that it has adopted.

3.11 Anti Fraud and Corruption Arrangements – The Council continues to review and update its Anti Fraud and Corruption Policy to ensure it demonstrates a commitment to tackling fraud and corruption whether within or external to the Council.

3.12 Corporate Complaints – The Council has a complaints policy and procedure which describes how complaints can be made and how they will be monitored.

3.13 Stakeholder Communication – The following main methods are used to communicate the Council's objectives and achievements to local people:

City Life, a quarterly newsletter sent to all households

The Council Website

Social media including Facebook and Twitter

The annual Council Tax leaflet

The Council also undertakes consultation exercises for example, the Viewpoint satisfaction survey and budget consultation.

3.14 Partnership Governance – Partnerships are a key component of service delivery. The Council is engaged in a wide range of partnerships including shared service arrangements with other Councils, a public private partnership for Revenues and Benefits and the Hub (Customer Services) as well as the creation of the Place Partnership Limited property management company with other Councils, the police and the fire authority.

3.15 Performance Management - Performance Management - The Council's approach to performance management and the Performance Management Framework was revised in 14/15. The framework will be aligned with the Council's priorities as set out in the Corporate Plan 2015-2020 and the Council's Mind the Gap Programme as these themes become embedded across the Council.

3.16 Risk Management - Worcester City Council's risk management strategy was reviewed in 2014/15. The Corporate Risk Register is monitored by management on a quarterly basis; with Cabinet asked to review the register on a six monthly basis, Audit Committee also receive a risk management report on a six monthly basis. Cabinet approves the Management Action Plan each year, with risks and progress to date reassessed in all the areas. The Corporate Risk Register is designed to be a live document, therefore any risks that are brought to CMT's attention as being strategically important will be added to the register. The Strategy and Transformation Service Manager has responsibility for corporate risk management.

3.17 Internal Audit - Worcester City Council's responsibility for maintaining an adequate and effective internal audit function is set out in Regulation 6 of the Accounts and Audit (England) Regulations 2011. The Council's External Auditor will assess Internal Audit against these regulations and the United Kingdom Public Sector Internal Audit Standards.

4. The Review of Effectiveness

4.1 Worcester City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Service Manager of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The review has been carried out through the Council's Corporate Governance Assurance Board and has incorporated a review of progress against the areas of continuous improvement and the improvement initiatives identified in last year's annual governance statement.

4.2 In 13/14 the Council identified two categories of actions to strengthen its governance arrangements. These were divided into five areas of continuous improvement as well as five improvement initiatives. These are summarised as follows:

Improvement Initiatives

Delivering the Transformation Plan (now Mind the Gap)
Pay Review (now Pay Matters)
Website
Implementing the scrutiny review action plan
New Partnership arrangements

Continuous Improvement

Contract and Client management
Improving Business continuity Planning
Hopmarket
Learning and Development
Value for Money

Overall, the review found that the Council had made progress in all of the areas identified in the 13/14 annual governance statement.

4.3 Delivering the Transformation Plan (now "Mind the Gap")

The overall savings target for 2014-15 was £1,209,000. By the end of the 4th quarter, the transformation plan had achieved savings of £1,098,000. 2015-16 Mind the Gap projects have been incorporated into the service planning process and will be kept under review through quarterly reporting to the Performance Management and Budget Scrutiny Committee and Cabinet. Mind the Gap will continue as an improvement initiative for the year 2015-16.

4.4 Pay Review (now "Pay Matters")

A Project Board which includes the Head of Paid Service, the S.151 Officer, the Monitoring Officer, the Service Manager Finance and the Service Manager Human Resources has been established. The Project Board is also supported by a project officer from West Midlands Employers. Service Managers have been engaged in the early stages of the process and generic groups of jobs have been identified. Further work will be undertaken in 2015-16 to evaluate specific job evaluation schemes. Communication with staff is also underway through Wider Management Team and via the Council's staff publication "In the Know". The timetable for implementation is programmed for January 2016. Pay Matters will continue as an improvement initiative for the year 2015-16.

4.5 Website

A new Council website has been up and running since July 2014. The website has been well received and usage levels are monitored and recorded by the Communications Team. This improvement initiative has been addressed and is now part of business as usual arrangements.

4.6 Implementing the scrutiny review action plan

The Council's constitution has been updated in line with the scrutiny review action plan, in particular clarifying pre-decision scrutiny and call-in/pre-implementation scrutiny arrangements. The Audit Committee has also become a committee of the Council in line with CIPFA guidance. The majority of actions in the scrutiny review action plan for the effective day-to-day management of the scrutiny function have been implemented or are part of existing procedures, however further work will be undertaken in 2015-16 to implement the outstanding actions in the scrutiny review action plan. This improvement initiative will be kept under review in 2015-16 as an area of continuous improvement to monitor the implementation of the outstanding actions within the scrutiny review action plan.

4.7 New Partnership arrangements

The Partnership Framework documentation was reviewed in January 2015 and a draft partnership register has been prepared. Further work is required to embed the changes within relevant services through appropriate communication and training. This improvement initiative will be kept under review in 2015-16 as an area of continuous improvement to monitor the effectiveness of the partnership register and the communication with relevant services.

4.8 Contract and Client management

A contracts register has been compiled by the Procurement Team and the register is now held centrally rather than within individual services. To comply with the Council's duties under the Transparency Code, the contracts register is now available on the Council's website. This area of continuous improvement will be kept under review during 2015-16 to monitor the effectiveness of the centralised contracts register and to improve client management.

4.9 Improving business continuity planning

The Council's business continuity procedures in respect of ICT were tested as part of the Council's relocation from the Orchard House offices to the Museum and Art Gallery in February 2015. However, the Business Continuity Plan remains in draft form with some outstanding information required for non-critical services. This area of continuous improvement will be kept under review during 2015-16 whilst the Business Continuity Plan is signed off.

4.10 Hopmarket

The new governance arrangements for the Hopmarket Charity have now been implemented, including the adoption of a new governance document, a reduction in the number of trustees and a mechanism for appointing independent trustees. This area of continuous improvement has been addressed and is now part of business as usual arrangements.

4.11 Learning and development

The learning and development requirements for each employee are identified as part of the annual Performance and Development Review process and through 1:2:1s throughout the year. HR has developed an L&D plan and collates information relating to L&D requirements. An e-learning platform called the Learning Lounge has been created for members and staff and is promoted through In the Know. The learning Lounge contains mandatory training courses as well as other courses which may be of interest to specific staff. This area of continuous improvement has been addressed and is now part of business as usual arrangements.

4.12 Value for Money

Service Plans have been subject to a challenge process to ensure that all service areas have accounted for the identified target savings. The format for Service Plans has been updated to clearly identify where expected savings are coming from and how these savings will be achieved. Value for Money performance measures have been included in Service Plans for 2015/16. This area of continuous improvement will be kept under review during 2015-16 to monitor Value for Money performance measures in Service Plans.

4.13 Project Management

In addition to the areas for improvement identified in the Council's AGS action plan the Council has also ensured the effectiveness of governance arrangements through continued improvements in project management arrangements. The Strategic Programme Board has supported effective project delivery through robust overview of delivery of corporate projects. Project delivery has also been incorporated into quarterly performance reporting to ensure there is visibility of delivery against key corporate plan projects. The Council has successfully delivered a range of projects and has ensured that where there have been delays or issues in project delivery that officers have focussed on capturing lessons learned to ensure the Council can continue to improve its approach.

4.14 Internal Audit

The Internal Audit function has operated as a shared service since 2010/11, is hosted by Worcester City, and, provides the Internal Audit function for five district councils as well as the Hereford and Worcester Fire and Rescue Service. The shared service operates in accordance with the Institute of Internal Auditors International Standards and the United Kingdom Public Sector Internal Audit Standards (PSIAS) and objectively reviews on a continuous basis the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic and effective use of resources as well as ensuring there is protection of the public purse.

The Internal Audit Plan for 2014/2015 was risk based (assessing audit and assurance factors, materiality risk, impact of failure, system risk, resource risk fraud risk, and external risk) using a predefined scoring system, which is embedded in the methodology, and was approved by the Audit Committee. It included: a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion'; other corporate systems for example governance and a number of operational systems for example procurement, planning enforcement and economic development.

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The 2014/2015 audit plan, agreed by Audit Committee, was delivered with a small amendment due to the requirement to provide additional assurance work with regard to the Client side of the Revenue and Benefits Partnership with Civica. With the amendment the coverage provided sufficient assurance to assist in arriving at the audit and overall governance opinion. Audits across the corporate spectrum have been undertaken, the outcomes of which have been reported to Audit Committee where appropriate. Core financial audits provided overall reasonable assurance.

Based on the audits performed in accordance with the audit plan the Worcester Internal Audit Shared Services Service Manager concludes that the Council's governance framework arrangements during 2014/2015 have not always provided full assurance but are satisfactory in many areas with any identified issues being addressed by the management team as part of the process of continuous improvement.

4.15 Mind the Gap Programme – In 2013/14 the Council developed a Transformation Plan which identified a savings requirement of £4.1 million by 2018/19. The transformation plan has been reshaped into the Mind the Gap Programme. The Mind the Gap Programme sets out the various ways that savings will be delivered in coming years. All the actions for delivery in 2015/16 or where work needs to begin in 2015/16, are captured in Service Plans. The Mind the Gap Programme and the Corporate Plan have been developed with members and have been subject to scrutiny before being adopted by full Council. They have also been shared with partners and communicated to staff through a series of Staff Conferences. Delivery of the Mind the Gap Programme will be a key area for focus in 2015/16.

5. Significant Governance Issues

5.1 The statutory duties of the Monitoring Officer and the Section 151 Officer require them to draw to members' attention any improper practices, financial imprudence or problems with the systems of internal control. No significant weaknesses or issues have been identified.

5.2 However, Worcester City Council seeks to strengthen its governance arrangements by monitoring internal and external assurance gathering throughout the year as outlined in paragraph 2. Some of the improvement initiatives for 2014/15 will carry forward to 2015/16. Other improvement initiatives have also been identified, as well as areas for continuous improvement. Under each area, outcomes, measurable targets and any key milestones have been identified, where appropriate, to ensure that future improvement initiatives and areas for continuous improvement achieve the required results. These can be summarised as follows:

Improvement Initiatives

- **Mind the Gap** - To deliver savings targets against Service Plans in 2015-16 financial year
- **Pay review** - To implement a new pay structure in January 2016
- **S.106 decision making processes** - To improve decision making processes for identifying suitable s.106 projects and for allocating s.106 monies

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- **Grant award processes** - To establish criteria and transparent processes for the allocation of grant funding
- **Committee report writing procedures** - To implement quality standards for committee report writing

Continuous Improvement

- **Contract and Client management** - To publish on a quarterly basis a contract register, to monitor the register, to ensure that it is up to date and to develop staff guidance and provide training on contract management
- **Improving Business Continuity Planning** - To achieve final sign off on the BCP during the first half of the 2015-16 financial year.
- **Value for Money** - To monitor Value for Money performance measures in Service Plans during the 2015-16 financial year.
- **Implementing the scrutiny review action plan** - To complete all outstanding actions in the scrutiny review action plan during the 2015-16 financial year
- **New Partnership arrangements** - To embed best practice in respect of the recording and management of partnership arrangements through the monitoring of the effectiveness of the partnership register and the communication with relevant services during the 2015-16 financial year.

Signed:

L Meagher, Acting Head of Paid Service
Director Corporate Resources

Signed:

Councillor Simon Geraghty
Leader of the Council

WORCESTER CITY COUNCIL

STATEMENT OF ACCOUNTING POLICIES

1. General

The Statement of Accounts summarises the Council's transactions for the 2014/15 financial year and its position as at 31st March 2015. The Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting 2014/15, relevant International Financial Reporting Standards and the Service Reporting Code of Practice (SeRCOP). The accounts generally use 'historical cost' figures, except for certain categories of non-current assets and financial instruments which are revalued differently as required by accounting rules.

2. Accruals of Income and Expenditure

All revenue and capital transactions are accounted for on an 'accruals' basis. This means that the Council's costs and income due in the year are recorded whether or not the cash has actually been received or paid during the year. In particular:

- Fees, charges, rents and other income are shown as income at the point the Council provides the goods or service;
- Supplies and services provided to the Council are treated as expenditure as they are consumed;
- Interest receivable on investments is accounted for as income using the effective interest rate for the investment rather than the cash flows set by the contract;
- Where income and costs have been recognised but cash has not been received or paid, a debtor or creditor for that amount is recorded in the Balance Sheet. Where it is doubtful that a debtor will pay in full, the balance due is reduced and the income that might not be collected is charged to revenue.

3. Government Grants

Government grants and other contributions to revenue expenditure are shown on an accruals basis and recorded in the accounting statements when it is reasonably sure that the Council will comply with any conditions attached to the grants and that the grants will be received.

Grants that are due are not shown in the Comprehensive Income and Expenditure Account until the Council has met any conditions attached to the grant or contribution; until then, the expected grant is shown in the balance sheet as a creditor. Then when conditions are met, the grant or contribution is shown in the Comprehensive Income and Expenditure Account either in the relevant service line if it is a grant for a specific service ("ring-fenced"), or in the line Taxation and Non-Specific Grant Income if it is a general ("non-ringfenced") grant or a capital grant.

The Movement in Reserves Statement then takes capital grants credited to the Comprehensive Income and Expenditure Statement out of the General Fund Balance. Where the grant has been used to pay for capital spending, it is posted to the Capital Adjustment Account. When the grant has not yet been used by the end of the year, it is held in the Capital Grants Unapplied Reserve and transferred to the Capital Adjustment Account once it has been used to pay for capital spending.

Of the main Government grants received each year, Revenue Support Grant is a general grant allocated by central government, so it is 'non-ringfenced' and credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

4. Assets - Property, Plant & Equipment

This describes all assets that have physical substance and are used by the Council in providing its goods and services, rented to others, or used for administration, and that are expected to be used in more than one financial year.

Recognition

All spending on buying, creating or enhancing Property, Plant and Equipment has been capitalised on an accruals basis at the time the cost is incurred, provided that the Council expects to gain future economic benefits or service potential from the asset and the cost of the asset can be measured reliably. However, spending on repairing or maintaining assets is charged direct to revenue accounts as there is no increased future benefit. Assets costing less than £5,000 are treated as 'de minimis' - the amount is too small to be recorded as a capital asset - and charged to the revenue costs of services in the year.

Measurement

Property, Plant and Equipment are first measured at cost, which includes purchase price and any costs needed to bring the asset into use.

Assets are then carried in the Balance Sheet using these measurement bases:

- Community assets (mainly open land) – depreciated historical cost;
- Heritage assets (things with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture) – historical cost or insurance value;
- All other assets – fair value, which means the amount that would be paid for the asset in existing use ("existing use value").

Assets included in the balance sheet at fair value are revalued as often as needed to be sure that their carrying amount is not materially different from their fair value at the year-end, and as a minimum revalued every five years. Any increases in fair value are not taken as income but are held in the Revaluation Reserve as an "unrealised gains". Balance-sheet values are useful for general purposes, but are not usually used for decision-making - for example, if the Council was considering selling an asset, it would first refer to the balance-sheet value but then use an up-to-date valuation.

The Revaluation Reserve was set up on 1 April 2007, and only holds gains after that date. Gains before then have been consolidated into the Capital Adjustment Account.

Impairment

Impairment happens when the value of an asset suddenly drops, and where it comes from a "clear consumption of economic benefits" (the asset will not last as long as had been expected) it is charged to the relevant service revenue costs.

Other impairments are first charged against any revaluation gains in the Revaluation Reserve for the same asset, with any excess over the gain in the Revaluation Reserve then charged to the relevant service revenue costs.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

Disposals

When it becomes probable that an asset will soon be sold, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of the revaluation or of 'fair value less costs to sell'. If the 'fair value less costs to sell' is less than the revaluation, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are only recognised up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale, as they are not being used.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any receipts from disposal are credited to the same line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The Local Government Act 2003 states that amounts received when an asset is sold are classed as capital receipts. A share of receipts from housing disposals is payable to central Government; the remaining receipts must be credited to the Capital Receipts Reserve and can then only be used for new capital investment.

The Movement in Reserves Statement shows when all these amounts are taken out of the General Fund Comprehensive Income and Expenditure Statement and put into reserves.

The written-off value of disposals is not a charge against Council Tax, because there are separate arrangements for capital financing. Any losses on disposals are shown in the Comprehensive Income and Expenditure Statement outside the costs of services, and then charged to the Capital Adjustment Account through the Movement in Reserves Statement. Any gains can only be spent on capital assets, so they too do not affect Council Tax.

5. Assets - Charges to Revenue for Non-current Assets

Service revenue accounts are charged with depreciation on assets used to record the real cost of holding non-current assets during the year. Where capital expenditure is funded by Government Grants or other contributions the depreciation charge is offset by writing down the grant.

Impairment losses are charged to revenue. Impairment losses are losses attributable to the clear consumptions of economic benefits and other losses where there are no accumulated gains in the Revaluation Reserve to which they can be matched.

The Council is not required to raise Council Tax to cover depreciation or impairment losses.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

6. Assets - Depreciation

Depreciation is the annual charge for using assets, and spreads the cost of an asset over the time it is used. It is calculated for all assets with a finite useful life on a straight line basis - the charge each year is the value of the asset divided by its expected useful life. Newly acquired assets are not depreciated in the year of acquisition, but all assets are fully depreciated in the year of disposal. Assets under construction are not depreciated until they are ready to be used. The life expectancy of the main asset classes is:

Buildings - 10 to 100 years;
Vehicles - 5 to 7 years;
Plant - 5 to 30 years;
Equipment - 4 to 15 years.

Community Assets and Investment Properties are not depreciated as the assets do not have an identifiable working life.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. A component is classed as significant if its value is greater than 20% of the total value of the asset or is over £200,000, whichever is higher.

7. Assets - Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals from investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The revaluation gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any receipts, the Capital Receipts Account.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

8. Revenue Expenditure Funded from Capital under Statute

To be classed as 'capital', spending normally has to create an asset of long-term benefit to the Council. Exceptionally, some costs that do not meet that definition can be capitalised by law, and for the City Council that is usually the costs of Disabled Facilities Grants, housing renovations grants, and grants to other bodies for their own capital spending - these create assets that are not owned by the City Council. The payments are charged as expenditure to the relevant service revenue account, and any grant funding the Council receives to support its own payments is credited to the same account. Where the Council funds its grants from existing capital resources or by borrowing, a transfer through the Movement in Reserves Statement takes the costs out of the revenue accounts into the Capital Adjustment Account, so is no impact on Council Tax-payers.

9. Operating Leases

Rentals payable under operating leases are charged to the relevant service revenue account on an accruals basis (i.e. when the rents are due, not when they are paid).

10. Reserves

In addition to its general revenue balances the Council has set aside specific 'earmarked reserves' for future identified expenditure. Expenditure is not charged directly against reserves. When expenditure is incurred it is first charged against the relevant service revenue account, so that the costs are recorded in the right place. The Movement in Reserves Statement then shows the appropriate transfer from the reserve into the General Fund Balance, so that there is no net charge against council tax for the expenditure.

The pension reserve, employee benefit reserve and capital adjustment account do not represent useable revenue resources for the Council.

11. Estimation Techniques

In line with FRS18, a distinction is made between accounting policies and estimation techniques. Accounting policies set out how things should be included and recorded; estimation techniques are about "how much?", using expertise and information to come up with a £p figure for assets, liabilities, gains, losses and changes in reserves where exact figures are not available - for example, in valuing an asset that accounting policies say should be recorded at 'fair value' but is not actually on the market. Where estimation techniques are used, the notes to the accounts explain when and how this has been done.

There have not been any material changes to the basis of the estimation techniques used since the preparation of the last Statement of Accounts.

12. Inventories

Inventories are valued at the latest price paid for the items held in stocks and stores, with an allowance made for slow moving and obsolete items.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

13. Costs of Central Support Services

When readers are comparing the costs of front-line services provided by different councils or other providers, it is essential that the elements of costs are all treated the same way. Worcester City Council follows the costing principles of the CIPFA SeRCOP, and so fully charges the cost of central support services and overheads to the services that receive the supply or service, with the exception of certain costs that cannot be charged to front-line services and so stay shown within Corporate and Democratic Core and Non Distributed Costs.

These are more fully explained in note 28 'Amounts reported for resource allocation decisions'.

14. Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave, paid sick leave, and non-monetary benefits for current employees. They are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement age or an officer's decision to accept voluntary redundancy. Termination benefits are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of employment of an officer or a group of officers.

In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits or the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at year-end.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

Post Employment Benefits

The Council participates in one defined benefits scheme for its employees, administered by Worcestershire County Council. Pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. An actuarial valuation is undertaken by the funds actuaries Mercer Human Resource Consulting Limited every 3 years and is due again in 2016. This includes revised contribution rates payable by the Council in future financial years.

The liabilities of the Worcestershire County Council Local Government Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – an assessment of future payments based on assumptions. Liabilities are discounted to their value at current prices using a discount rate prescribed by the actuary.

The assets of the pension scheme are included in the Balance Sheet at their fair value.

The total pension cost recognised in the Comprehensive Income and Expenditure Statement is made up of:

- The **current service cost** represents the future cost to the employer of one year's accrual of pension benefits for active members, calculated on the actuarial assumptions used at the start of the year for accounting standard IAS19 purposes. Interest on the service cost is now included within the service cost. This cost is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- The **net interest cost** is the difference between the interest paid on pension liabilities and earned on pension assets. The costs are included in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- The **administration expenses** are the costs of running the fund payable by the employer. This does not include any investment management expenses. These charges are spread across services along with the current service cost.
- The **past service and curtailment costs** are normally the costs of increased benefits being awarded if members retire early during the year. These costs could also come from changes in scheme benefits or augmented benefits for active members. Any past service costs would be shown in the Comprehensive Income and Expenditure Account as the 'Non-distributed costs' line' within Net Cost of Services.

The Balance Sheet includes **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. These are debited or credited to the Pensions Reserve.

Contributions paid to the pension scheme (the cash paid as employer's contributions to the pension fund in settlement of liabilities) is budgeted and accounted for as an in-year expense.

Note 21 on pages 51 to 54 gives the details of assumptions, changes and costs for the current year and comparatives for the previous year.

WORCESTER CITY COUNCIL STATEMENT OF ACCOUNTING POLICIES

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with the debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Further information can be found in Worcestershire County Council's Pension Fund Annual Report, available on their website www.worcestershire.gov.uk.

15. Bad debt provisions

Provision is made for bad and doubtful debts in relation to council tax, business rates, housing benefit overpayments and sundry debts. These provisions reduce the value of total debtors shown on the Balance Sheet. The provisions have been estimated in accordance with recommended practice and past experience and where necessary, a charge is made to the service that is receiving the income. When debts are written-off the same amount is released from the provision.

16. Financial Liabilities (loans)

Financial Liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Income and Expenditure Account for interest payable are based on the carrying amount of the liability, multiplied by the effective interest rate for the instrument. For the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and the interest charged to the Income and Expenditure Account is the amount payable for the year in the loan agreement.

17. Financial Assets (investments)

Loans and receivables are measured at fair value and carried at their amortised cost. Annual credits to the Income and Expenditure account for interest receivable are based on the carrying value of the asset multiplied by the effective rate of interest for the instrument.

18. VAT

VAT is included within the accounts only if it cannot be recovered, and then it is charged to service expenditure or capital expenditure as appropriate.

19. Associated and subsidiary companies, group accounts

In considering the requirement to prepare Group Accounts, the Council has adopted FRS2 and the CIPFA Code of Practice. The Council is of the opinion that it does not have any material interests in companies and other entities and need not prepare group accounts.

WORCESTER CITY COUNCIL
STATEMENT OF ACCOUNTING POLICIES

20. Accounting for Council Tax

As a billing authority, the Council acts as an agent, collecting and distributing Council Tax income on behalf of its major preceptors - Worcestershire County Council, West Mercia Police Authority, Hereford and Worcester Fire and Rescue Authority, and itself.

Council Tax income for the year is the Council's accrued income for the year and not the amount required to be transferred from the Collection Fund under regulation. The difference between the amount included in the Income and Expenditure account and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The cash collected by the Council from Council Tax debtors belongs proportionately to the billing authority and major preceptors. This results in a debtor/ creditor position between the Council and major preceptors for the difference between the cash collected from Council Tax debtors and the precept paid over during the year. The Balance Sheet includes the Council's share of Council Tax arrears and impairment for bad debts, Council Tax over payments and prepayments and the debtor/ creditor from the preceptors.

The Council's share of net cash collected from Council Tax debtors in the year is included within the Cash Flow Statement. The difference between the major preceptors' share of net cash collected and amounts paid to precepting authorities is included in the Net Increase/ Decrease in Other Liquid Resources within Management of Liquid Resources.

21. Accounting for National Non-Domestic Rates

From 2014/15 the National Non-Domestic Rates scheme was changed to a localised Business Rates regime. Worcester City joined a local Worcestershire Business Rates pooling arrangement with Worcestershire County Council, Malvern Hills District Council, Wychavon District Council and Wyre Forest District Council. Under the pooling arrangement, levy income which would have been payable to central government is retained by the partners and transferred into the pool. The pool funds form a local risk reserve and available funding for partners.

The Council has made a provision for the likely cost of refunds following successful appeals by businesses against their NNDR assessment.

The cash received in respect of cost of collection allowance is included within Revenue Activities in the Cash Flow Statement. The difference between the amount of cash collected from NNDR taxpayers and the amount paid over to central government and other parties is included in the Net Increase/ Decrease in Other Liquid Resources within Management of Liquid Resources.

22. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

WORCESTER CITY COUNCIL
STATEMENT OF ACCOUNTING POLICIES

23. Accounting for Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Council in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation

The City Council receives Shared Services for Revenues and Benefits, Building Control, ICT, Worcester Regulatory Services, a Joint Museum Service, and the Worcestershire Hub under a separate shared services contract, from the relevant host Council within Worcestershire. Under these jointly controlled operations, each Council accounts separately for its own transactions arising within the agreement, including the assets, liabilities, income, expenditure and cash flows.

Worcester City Council hosts the Internal Audit Shared Service as a jointly controlled operation and so accounts for the costs incurred for Malvern Hills District Council, Bromsgrove District Council, Redditch Borough Council and Wychavon District Council, its partners in the arrangement.

The arrangements are consolidated into the City Council's accounts, and where appropriate, the notes to the accounts show both the details to support the accounts and the comparative details excluding the amounts for the Shared Service.

24. Heritage Assets

All of the Council's heritage assets are held due to their cultural, environmental or historical associations making their preservation for future generations important. The Council holds a number of assets at its two museums in the City. The Council also holds a number of other assets, including furniture, art works and ceramics at the Guildhall.

Where the Council has information on the cost or value of heritage assets, these assets are recognised on the balance sheet otherwise a disclosure is made and the notes to the financial statements will explain the significance and nature of those assets not reported on the balance sheet.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. The value on the balance sheet is on a valuation or cost basis if this information is available. Where a valuation is not practical the assets are held on the balance sheet at the valuation provided for insurance purposes.

Any impairment of heritage assets is recognised and measured in accordance with the Authority's general policies on impairment.

25. Other Accounting Matters

The Hopmarket Charity is administered by the Council. Once completed, summary accounts for this charity will be reported to the Hopmarket Charity.

WORCESTER CITY COUNCIL
STATEMENT OF ACCOUNTING POLICIES

26. Critical judgements in applying accounting policies

In applying the accounting policies set out in the Statement of Accounting Policies, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has determined that the South Worcestershire Shared Services Joint Committee and the Worcestershire Shared Services Joint Committee both meet the definition of a Jointly Controlled Operation. The Council has therefore accounted for its share of the Joint Committee's assets and liabilities and income and expenditure as documented in the Legal Agreement.
- The Council has not consolidated the Hopmarket Charity accounts under IAS27 Consolidated and separate financial statements as these balances are not material to the accounts as a whole.
- The valuation of certain assets (such as sports centres) based upon Modern Equivalent Asset method of valuation is subject to significant estimation uncertainty.

27. Impact of changes in accounting standards during 2014/15

CIPFA/LASAAC has decided to defer the adoption of IFRS 13 Fair Value Measurement until the 2015/16 Code while it reviews its application of the Standard for local government circumstances.

Other standards introduced during 2014/15, such as IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Ventures, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements (as amended in 2011) and IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) are not relevant to the Council's accounts.

28. Events after the balance sheet date

The accounts have taken into consideration any material event after the balance sheet date i.e. those that:

- provide evidence of conditions that existed at the balance sheet date for which the Council adjusts the amounts recognised in its financial statements or recognise items that were not previously recognised (adjusting events);
- indicate conditions that arose after the balance sheet date for which the Council would not adjust the amounts in its financial statements (non-adjusting events).

WORCESTER CITY COUNCIL
MOVEMENT IN RESERVES STATEMENT
For the year ended 31st March 2015

Note	General Fund Balance £'000s	Earmarked Reserves £'000s	Capital Receipts Reserve £'000s	Total Usable Reserves £'000s	Total Unusable Reserves £'000s	Total Authority Reserves £'000s
	1,260	4,761	1,910	7,931	21,673	29,604
<u>Movement in Reserves During 2013/14</u>						
Deficit on the provision of services	(2,904)			(2,904)		(2,904)
Other Comprehensive Income and Expenditure	-			-	8,161	8,161
Total Comprehensive Income and Expenditure	(2,904)			(2,904)	8,161	5,257
Adjustments between accounting basis and funding basis under regulations	4,946	-	1,362	6,308	(6,308)	-
Net Increase before Transfer to Earmarked Reserve	2,042	-	1,362	3,404	1,853	5,257
Transfers to/(from) Earmarked Reserves	(2,036)	1,388	-	(648)	648	-
Increase in 2013/14	6	1,388	1,362	2,756	2,501	5,257
Balance at 31st March 2014	1,266	6,149	3,272	10,687	24,174	34,861
Balance at 1st April 2014	1,266	6,149	3,272	10,687	24,174	34,861
<u>Movement in Reserves During 2014/15</u>						
Surplus on the provision of services	85			85		85
Other Comprehensive Income and Expenditure				-	(6,423)	(6,423)
Total Comprehensive Income and Expenditure	85			85	(6,423)	(6,338)
1 Adjustments between accounting basis and funding basis under regulations	2,866	-	1,979	4,845	(4,845)	(0)
Net Increase/(Decrease) before Transfer to Earmarked Reserve	2,951	-	1,979	4,930	(11,269)	(6,338)
2 Transfers to/(from) Earmarked Reserves	(2,952)	2,952	-	-	-	-
Increase/(Decrease) in 2014/15	(0)	2,952	1,979	4,930	(11,269)	(6,338)
Balance at 31st March 2015	1,266	9,101	5,251	15,618	12,905	28,522

WORCESTER CITY COUNCIL
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT
For the year ended 31st March 2015

Note	2014/15 Gross Expenditure £000s	2014/15 Gross Income £000s	2014/15 Net Expenditure £000s	2013/14 Net Expenditure £000s
27 Service Expenditure Analysis				
Central services to the public	3,434	(1,432)	2,002	1,492
Cultural and related services	8,474	(2,869)	5,605	5,456
Environmental and Regulatory Services	4,778	(3,379)	1,399	2,156
Planning Services	1,587	(690)	897	957
Highways and transport services	1,304	(3,534)	(2,230)	(1,011)
Housing services	36,137	(35,750)	387	1,248
Corporate and democratic core	1,401	(1,642)	(241)	1,734
Non-distributed costs	110	-	110	21
27 NET COST of SERVICES	57,225	(49,297)	7,928	12,053
3 Other operating expenditure			123	113
4 Financing and investment income and expenditure			1,634	1,758
5 (Surplus) on discontinued operations			(411)	(868)
6 Taxation and non-specific grant income			(9,359)	(10,151)
28 (SURPLUS) DEFICIT ON PROVISION OF SERVICES			(85)	2,904
22 Surplus on revaluation of non current assets			(2,049)	(1,551)
20 Remeasurements of the net defined benefit liability (pension)			8,471	(6,611)
Reduction in long term loans relating to house purchases			1	1
Other Comprehensive Income and Expenditure			6,423	(8,161)
TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE			6,338	(5,257)

The major movement in 'remeasurement of the net defined benefit liability (pension)' is because last financial year the fund rose in value, this financial year it fell in value. Note 20 contains the detail.

WORCESTER CITY COUNCIL
BALANCE SHEET
as at 31st March 2015

Note	2014/15 £000s	2013/14 £000s	
Long term assets			
9	Property, plant & equipment	54,457	54,244
10	Heritage assets	7,667	6,883
11	Investment property	2,791	4,302
12	Long term debtors	1,001	1,002
		65,916	66,432
Current assets			
13	Short term investments	12,750	6,000
14	Assets held for sale	100	8
15	Inventories	23	16
16	Short term debtors	4,236	5,534
17	Cash and cash equivalents	5,301	8,895
		22,410	20,453
Current liabilities			
18a	Short term creditors	6,040	7,383
18b	Provisions	2,436	2,128
		8,476	9,511
Long term liabilities			
19	Long term borrowing	8,548	8,588
20	Pensions liability	42,779	33,924
		51,327	42,512
NET ASSETS		28,523	34,861
Financed by:			
21	Usable reserves	15,618	10,687
22	Unusable reserves	12,905	24,174
TOTAL RESERVES		28,523	34,861

WORCESTER CITY COUNCIL
CASH FLOW STATEMENT
For the year ended 31st March 2015

Note	2014/15 £000s	2013/14 £000s
Net (surplus)/deficit on the provision of services	(85)	2,904
Adjustments to net surplus or deficit on the provision of services for non-cash movements	3,762	(3,006)
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(246)	(242)
Net cash flows from:		
23 Operating activities	245	251
24 Investing activities	(121)	284
25 Financing activities	40	17
Net decrease in cash and cash equivalents	3,594	208
Cash and cash equivalents at the beginning of the reporting period	8,895	9,103
26 Cash and cash equivalents at the end of the reporting period	5,301	8,895

Figures in (brackets) show money 'in'; other figures show money 'out'.

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

1. Adjustments between accounting basis and funding basis under regulations

The following table details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	Usable Reserves 2014/15		
	General Fund Balance	Capital Receipts Reserve	Movements in unusable reserves
	£000s	£000s	£000s
Adjustments involving the Capital Adjustment Account			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):</i>			
Changes for depreciation and impairment of non current assets	1,652		(1,652)
Revenue expenditure funded from capital under statute	(40)		40
Statutory Provision for repayment of Debt	(455)		455
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,776		(2,776)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Payments to Housing Capital Receipts Pool	1	(1)	-
Adjustments involving the Capital Grants Unapplied Account			
Capital grants and contributions unapplied credited to the CIES	(147)		147
Application of grants to capital financing transferred to the Capital Adjustment Account	6	(6)	-
Adjustments involving the Capital Receipts Reserve			
Transfer of sale proceeds as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(3,187)	3,187	-
Transfer from Deferred Capital Receipts Reserve			-
Use of the Capital Receipts Reserve to finance capital expenditure		(1,201)	1,201
Adjustments involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement.	2,564		(2,564)
Employers' pension contributions and direct payments to pensioners payable in the year	(2,180)		2,180
Adjustments involving the Collection Fund adjustment account			
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements.	1,838		(1,838)
Adjustment primarily involving the Accumulated Absences Account			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	38		(38)
Total adjustments	2,866	1,979	(4,845)

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

1. Adjustments between accounting basis and funding basis under regulations (cont'd)

These adjustments were made in the previous year to the total comprehensive income and expenditure recognised by the Council in that year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	Usable Reserves 2013/14		
	General Fund Balance	Capital Receipts Reserve	Movements in unusable reserves
	£000s	£000s	£000s
Adjustments involving the Capital Adjustment Account			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Changes for depreciation and impairment of non current assets	3,540		(3,540)
Revenue expenditure funded from capital under statute	431		(431)
Statutory Provision for repayment of Debt	(491)		491
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	505		(505)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Payments to Housing Capital Receipts Pool	1	(1)	-
Adjustments involving the Capital Grants Unapplied Account			
Capital grants and contributions unapplied credited to the CIES	(309)		309
Application of grants to capital financing transferred to the Capital Adjustment Account			
Adjustments involving the Capital Receipts Reserve			
Transfer of sale proceeds as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,373)	1,373	-
Transfer from Deferred Capital Receipts Reserve			-
Use of the Capital Receipts Reserve to finance capital expenditure		(10)	10
Adjustments involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement.	2,855		(2,855)
Employers' pension contributions and direct payments to pensioners payable in the year	(1,292)		1,292
Adjustments involving the Collection Fund Adjustment Account			
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements.	1,096		(1,096)
Adjustment primarily involving the Accumulated Absences Account			
Amount by which officer remuneration charged to the CIES Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(16)		16
Total adjustments	4,946	1,363	(6,308)

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

2. Transfers to or from Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back to earmarked reserves to meet General Fund expenditure in 2014/15.

	Balance at 31st March 2014 £000's	Transferred in £000's	Transferred out £000's	Balance at 31st March 2015 £000's	Purpose of reserve
Revenue Reserves					
Regeneration and Economic Development	90	147	-	237	For regeneration and economic development schemes
Cleaner & Greener Operations	55	-	(55)	-	For investment in road sweeping and play areas
HMO Reserve	26	-	(26)	-	For risk reserve, HMO licensing equalisation
Land Charges	90	34	-	124	For ring-fenced risk reserve, pending Government changes
Recreational Improvements	36	-	-	36	For recreational improvements and equipment replacement
Three Choir/Elgar Choral Festivals	16	-	(16)	-	For agreed contribution on 3 year cycle
Elections Reserve	74	-	(18)	56	For equalising the cost of elections over a four year period
Art & Museum Specimens	13	-	-	13	For acquisition of exhibits and initiatives
Housing & Planning Delivery Grant	346	-	(97)	249	For support to various SWDP, staffing and ICT developments
Climate Change Initiatives	17	-	(17)	-	For initiatives to improve climate change performance
Pension Backfunding	861	-	(370)	491	For funding pensions deficit, cash payments from April 2014
Change Programme Reserve	442	430	(113)	759	For transformation, new burdens and outsourcing costs
LAMS	6	6	-	12	For potential mortgage defaults on LAMS
External Grants (other)	-	164	-	164	For various ringfenced initiatives funded by external grants
External Grants (housing)	-	722	-	722	For ringfenced grant funded housing schemes including homelessness
Licensing (Taxi)	-	6	-	6	For a strategic review of taxi provision (3 years)
VAT Risk Reserve	-	48	-	48	For a risk reserve if VAT decision is challenged and reversed
Environment Warranty Insurance	985	-	(26)	959	For insurance premiums excesses and claims on former housing land
Corporate Plan priority projects	224	18	(242)	-	For Cabinet priority projects
Service improvement	100	76	-	176	For service delivery improvements
Subtotal Revenue Reserves	3,380	1,651	(980)	4,051	
Capital/Other Reserves					
Asset Reserve - General	80	515	-	595	For capital investment, replacement and maintenance of assets
Asset Reserve - Swimming Pool	46	-	(46)	-	For swimming pool business case
Asset Reserve - Crematorium Filters/Burners	69	99	-	168	For investment in crematorium facilities and burners
Asset Reserve - Car Park Infrastructure	57	118	-	175	For investment in car park and parking infrastructure
Nunnery Lane Deposits	18	-	-	18	For developer deposits towards making up road for adoption
Guildhall Floodlights & Tourism	30	-	(30)	-	For Guildhall improvements
New Homes Bonus	1,478	1,489	(499)	2,468	For investments from the New Homes Bonus grant funding
Localised Business Rates	578	978	-	1,556	For NNDR appeal costs and collection fund deficit
Regional Housing Pot Allocation	413	7	(350)	70	For grant payments for home improvements
Subtotal Capital/Other Reserves	2,769	3,206	(925)	5,050	
Total Earmarked Reserves	6,149	4,857	(1,905)	9,101	

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

2. Transfers to or from Earmarked Reserves (cont.)

For comparison, this note sets out the amounts set aside in the previous year from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back to earmarked reserves to meet General Fund expenditure in 2013/14.

	Balance at 31st March 2013 £000's	Transferred in £000's	Transferred out £000's	Balance at 31st March 2014 £000's	Purpose of reserve
Revenue Reserves					
Regeneration and Economic Development	122	-	(32)	90	For town centre improvement scheme
Cleaner & Greener Operations	-	55	-	55	For investment in road sweeping and play areas
HMO Reserve	-	26	-	26	For risk reserve, HMO licensing for 1st year of operation
Building Control	-	17	-	17	For a ringed fenced programme
Land Charges	73	-	(13)	60	For ring-fenced risk reserve, pending Government changes
Recreational Improvements	49	-	-	49	For improvements, including sports equipment replacement
Three Choir/Elgar Choral Festivals	8	8	-	16	For agreed contribution on 3 year cycle
Elections Reserve	18	56	-	74	For equalising the cost of elections over a four year period
Art & Museum Specimens	13	-	-	13	For acquisition of exhibits and initiatives
Housing & Planning Delivery Grant	406	-	(60)	346	For support to various SWDP, staffing and ICT developments
Climate Change Initiatives	17	-	-	17	For initiatives to improve climate change performance
Pension Backfunding	630	231	-	861	For funding pensions deficit, cash payments to start April 2014
Change Programme Reserve	124	418	-	542	For transformation and commissioning costs
LAMS	-	22	(16)	6	For potential mortgage defaults on LAMS
Environment Warranty Insurance	985	-	-	985	For insurance premiums and claims on former housing land
Corporate Plan priority projects	650	80	(506)	224	For projects (e.g. Angel Place) committed but not drawn down
Subtotal Revenue Reserves	3,094	912	(626)	3,380	
Capital/Other Reserves					
Asset Reserve - General	177	10	(107)	80	For urgent capital replacement and maintenance
Asset Reserve - Swimming Pool	79	-	(33)	46	For swimming pool business case and implementation
Asset Reserve - Crematorium Filters/Burners	-	69	-	69	For required investment in crematorium facilities
Asset Reserve - Car Park Infrastructure	108	-	(51)	57	For required investment in car park infrastructure
Nunnery Lane Deposits	18	-	-	18	For developer deposits towards making up road for adoption
Guildhall Floodlights & Tourism	30	-	-	30	For Guildhall improvements
New Homes Bonus	833	1,065	(420)	1,478	For investments from the New Homes Bonus grant funding
Localised Business Rates	-	578	-	578	For economic growth/risk reserve, pending review of recurring impact
Regional Housing Pot Allocation	423	-	(10)	413	For ringfenced grant payments for home improvements
Subtotal Capital/Other Reserves	1,668	1,723	(621)	2,769	
Total Earmarked Reserves	4,761	2,635	(1,247)	6,149	

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

	2014/15	2013/14
	£000's	£000's
3. Other operating expenditure		
Precepts from Council Tax paid to parish councils	122	112
Payments to the Government Housing Capital Receipts Pool	1	1
Total	<u>123</u>	<u>113</u>

4. Financing and investment income and expenditure

Interest payable and similar charges	371	373
Pensions interest cost and expected return on pensions assets	1,444	1,610
Interest receivable and similar income	(126)	(121)
Other investment income - rental	(90)	(104)
Other investment income - revaluation	35	-
Total	<u>1,634</u>	<u>1,758</u>

The pensions figure includes actuarial estimates of long-term performance, and so may change significantly from year to year.

5. Surplus or deficit on discontinued operations

Gains on disposing of non-current assets	<u>(411)</u>	<u>(868)</u>
	(411)	(868)

This gain comes from the sale of investment assets.

6. Taxation and non-specific grant income

Council tax income	(5,077)	(4,833)
Non-domestic rates	(3,462)	(4,828)
Non-ringfenced government grants	(684)	(490)
Capital grants and contributions	(136)	-
Total	<u>(9,359)</u>	<u>(10,151)</u>

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

7. Material items of income and expenditure

There were no material items of income and expenditure that have not already been highlighted in these Notes.

8. Grant income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2014/15	2013/14
	£000's	£000's
Shown within 'Taxation and non specific grant income'		
Revenue Support Grant (RSG)	(2,673)	(3,485)
SBRR (Small Business Rates Relief grant)	(372)	(334)
Other business rates relief	(226)	#REF!
Flood relief grants	(63)	(12)
Capitalisation redistribution grant	-	(18)
Business Rates New Burden Admin Costs	(11)	(61)
Council Tax Annexe Grant 14-15	(2)	-
Grants used for capital financing	(10)	(65)
Total	<u>(3,357)</u>	<u>#REF!</u>

	2014/15	2013/14
	£000's	£000's
Shown within the 'Service Expenditure Analysis' lines		
DWP Housing Benefit Grants	(32,591)	(31,298)
DWP Housing Benefit Admin	(514)	(689)
DCLG New Homes Bonus	(1,489)	(1,065)
DCLG Disabled Facilities Grant	(254)	(244)
DCLG Council Tax Freeze Grant	-	(54)
European Elections	(90)	-
DCLG Local Council Tax New Burdens	(163)	-
DWP Discretionary Housing Payments	(161)	(158)
Sports England Grant	(580)	(536)
Single Homelessness	(125)	-
Welfare Assistance Grant	(708)	(351)
AOHN grants	(260)	-
Preventing Homelessness	(139)	-
Local Council Tax Admin Support Grant	(117)	-
Mortgage Rescue	(23)	(20)
Repairs and Renewals	(61)	(107)
Other grants of less than £50,000	(190)	(144)
Total	<u>(37,466)</u>	<u>(34,666)</u>

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

9.

The changes in the Council's non-current asset base is detailed in the table below. All of the assets of the Council were used during 2014/15 by one or more of the services shown in the Comprehensive Income and Expenditure Statement.

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Assets under Construction	Total Property Plant & Equipment	Heritage Assets	Investment Assets	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation								
At 1 April 2014	52,985	11,853	406	2	65,246	6,883	4,302	76,431
Additions	328	1,282	-	350	1,960	-	-	1,960
Revaluation increases to revaluation reserve	1,143	-	-	-	1,143	764	105	2,012
Revaluation (decreases) to surplus/deficit on provision of services	(195)	-	-	-	(195)	-	-	(195)
Derecognition - disposals	(1,300)	(97)	-	-	(1,397)	-	(1,510)	(2,907)
Derecognitions - other	-	-	-	-	-	-	-	-
Other movements	(20)	-	6	-	(14)	20	(106)	(100)
At 31 March 2015	52,941	13,038	412	352	66,743	7,667	2,791	77,201
Accumulated depreciation								
At 1 April 2014	2,039	8,963	-	-	11,002	-	-	11,002
Depreciation charge for year	957	465	-	-	1,422	-	-	1,422
Depreciation written out to the revaluation reserve	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Derecognition - disposals	(66)	(72)	-	-	(138)	-	-	(138)
Derecognition - other	-	-	-	-	-	-	-	-
At 31 March 2015	2,930	9,356	-	-	12,286	-	-	12,286
Net book value								
At 31 March 2015	50,011	3,682	412	352	54,457	7,667	2,791	64,915
At 31 March 2014	50,946	2,890	406	2	54,244	6,883	4,302	65,429

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

9.

The table below shows the changes in the Council's non-current asset base that happened last year.

	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Assets under Construction	Total Property Plant & Equipment	Heritage Assets	Investment Assets	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000
Cost or valuation								
At 1 April 2013	57,477	12,038	409	50	69,974	6,883	3,901	80,758
Additions	245	158	-	182	585	-	-	585
Revaluation increases to revaluation reserve	1,141	-	-	-	1,141	-	410	1,551
Revaluation (decreases) to surplus/deficit on provision services	(1,230)	-	(3)	-	(1,233)	-	(9)	(1,242)
Derecognition - disposals	-	-	-	-	-	-	-	0
Derecognition - other	228	-	-	(228)	-	-	-	0
Other reclassifications	(4,876)	(343)	-	(2)	(5,221)	-	-	(5,221)
At 31 March 2014	52,985	11,853	406	2	65,246	6,883	4,302	76,431
Accumulated depreciation								
At 1 April 2013	5,796	8,123	-	-	13,918	-	-	13,918
Depreciation charge for year	957	1,078	-	-	2,035	-	-	2,035
Depreciation written out to revaluation reserve	(2,299)	-	-	-	(2,299)	-	-	(2,299)
Derecognition - disposals	(2,415)	(238)	-	-	(2,653)	-	-	(2,653)
Derecognition - other	-	-	-	-	-	-	-	0
At 31 March 2014	2,039	8,963	-	-	11,001	-	-	11,001
Net Book Value								
At 31 March 2014	50,946	2,890	406	2	54,245	6,883	4,302	65,430
At 31 March 2013	51,681	3,915	409	50	56,055	6,883	3,901	66,840

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

9. Movement on non-current assets (cont'd)

Capital commitments

As at 31st March 2015 the Council had approved the following capital budget:

	at 31 March 2015		at 31 March 2014	
	Approved schemes £000s	Contractual commitments £000s	Approved schemes £000s	Contractual commitments £000s
Housing renovation	304	-	380	-
ICT investment	120	-	30	-
Vehicle/plant/bin replacements	1,140	-	1,110	-
Perdiswell Culvert	505	-	160	-
Crematorium	300	-	150	-
Infrastructure replacement	-	-	67	-
Angel Place regeneration	-	-	100	-
Cornmarket regeneration	-	-	78	-
Swimming Pool and leisure Centres	6,000	-	5,500	-
Cathedral Square	400	-	-	-
Technology Park	500	-	-	-
	9,269	-	7,575	-

Asset valuation

The Council's property portfolio is valued by Andrew Harding, the council's estates valuation manager, who is a member of the Royal Institute of Chartered Surveyors (RICS). The valuations are carried out in accordance with the requirements of the RICS Appraisal and Valuation Manual and the Accounting Code of Practice. Asset valuations are reviewed on a regular basis having regard to use and type of asset. Plant and machinery are included in the valuation of buildings.

Increases in the value of 'built for sale' homes and investment properties came from market movements, while increases in the value of most other items came from an increase in building costs. The increase relating to Investment Properties is mainly affected by the wider economic market driving rental demand up or down.

	2014/15 Change £000s	2013/14 Change £000s
Revaluations and impairments were:		
<u>Operational Properties</u>		
Community centres	394	175
Sports facilities	3	100
Car parks	5	(2,689)
Depots	-	(142)
Offices	400	-
Museums	325	-
Other	(179)	159
<u>Non-Operational Properties</u>		
Buildings (Investment Properties)	105	398
	1,053	(1,999)

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

10. Heritage Assets

Cost or Valuation	Memorials £'000	Museums £'000	Guildhall £'000	Total £'000
1 April 2013	15	5,840	1,028	6,883
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations/Impairments	-	-	-	-
Reclassifications	-	-	-	-
31 March 2014	15	5,840	1,028	6,883
1 April 2014	15	5,840	1,028	6,883
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations/Impairments	-	-	764	764
Reclassifications	-	20	-	20
31 March 2015	15	5,860	1,792	7,667

General

Heritage assets are things of historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. They are rarely sold and are held at 'valuation' or, if valuation is impracticable, at historical cost.

St Andrew's Spire - In the opinion of the Council, St Andrew's Spire cannot be valued. This is a church spire of cultural value for which there is no alternative use that could be used to inform a valuation on market or fair value basis, and it is most unlikely that in the event of total destruction the spire would be rebuilt. Cost or valuation information is therefore not available and conventional valuation techniques are not reliable in these cases. The Council has decided that the costs of obtaining valuations for this item would be disproportionate in terms of the benefit derived.

Memorials - A memorial in memory of a former council employee, the Stuart McNidder Memorial, located on the Sidbury canal bridge, features helmets, breastplates and pikes to represent the opposing sides of the Civil War. The memorial is reported in the balance sheet at insurance valuation.

Museums - The Council's museums collections are reported in the balance sheet at insurance valuations. The museums collections are managed as part of the Joint Museums Service shared service of the City and Worcestershire County Council. The collections include archaeology, social history, natural sciences, fine and decorative arts. There is more detail of the museums collections on the following pages of this Note.

Guildhall - The Guildhall collections are reported in the balance sheet based upon historic valuations provided in April 2014 by Philip Serrell (Auctioneers and Valuers). The collection held at the Guildhall includes oil paintings, water colours, prints, antiques, furnishings, porcelain, silver and Civic Regalia.

10. Heritage Assets: Further information on the Councils' collections

Natural History

Herbarium

A large and significant part of the collections, with at least 10,000 individual specimens comprising a wide variety of flowering plants, mosses, algae, lichens, liverworts, ferns and fungi, the majority from Worcestershire and including the earliest recorded specimens of several species. The nineteenth century collections of local naturalists include those of William Matthews, Harvey Buchanan Holl, and J.H. Thompson. The collection of over 300 specimens of flora from Wyre Forest was amassed by George Jordean, butler to a surgeon from Bewdley. The herbarium is now generally very fragile and the greatest priority is to improve its storage.

Geology

The geological collection was mainly assembled in the 19th century. It holds important scientific material including type, figured and cited specimens. It has historical significance because of the association with the early pioneers of the science including Murchison, Phillips, Lyell, Buckland and Owen. The individual collections of well known local geologists can still be recognised, including Strickland, Hastings, Symonds, Buchanan Hall, Allies, Roberts, Reece and Winnington-Ingram.

Stratigraphical Collection

A large collection of British rocks and fossils dating from the Precambrian to the Pleistocene. The majority are from Worcestershire and the neighbouring counties. They include material collected during the construction of the Malvern and Ledbury railway tunnels in the nineteenth century. Many individual collections have been amalgamated to form this reference collection.

Vertebrate Collection

A small collection of mainly British and local vertebrate fossils determined and listed by Delair. It contains some of the most spectacular specimens as well as important scientific and historical material. The particular strengths are local Old Red Sandstone fish, Liassic ichthyosaurs and Pleistocene mammal remains from the River terrace deposits of the Severn and Avon.

Birds, Mammals, Fish, Shells and Insects

A substantial collection of birds both full mounts and study skins. The largest single part of the collection, including most of the study skins, was bequeathed to the Museum in 1907 by Robert Fisher Tomes, a local Justice of the Peace and collector.

A selection of British, particularly local, mammal specimens purchased mainly in the late twentieth century. This is further enhanced by groups of horns and bones.

A small collection of mainly British freshwater fish, but including the amazing sturgeon, nearly 2 metres in length, which was caught in Worcester in the 1830s.

10. Heritage Assets: Further information on the Councils' collections (cont'd)

A small group of mainly British corals, sponges, sea urchins and crustaceans.

Some 10,000 examples of land, sea and freshwater shells, including collections by Whitmore, Gale, Martin, Moseley and Thomas. This includes examples from Worcestershire, and is one of the largest such collections in a provincial museum.

Several thousand specimens of mainly British butterflies, moths and beetles, including the collections of Carlton Rea and Bloom, and those from the former Malvern Museum.

Fine Art

Early work includes two 17th century views of the city and a Dutch interior by David Teniers III (1638-85), as well as a landscape attributed to Thomas Gainsborough (1727-1788).

A good collection of 19th century landscape paintings by important local artists including, Benjamin Williams Leader, Henry Harris Lines, Harry Adams, David Bates.

A significant collection of late 19th century and early 20th century landscape and interior paintings showing the influence of French plein-air naturalism, alongside a British concern for social realism. This area of the collection includes work by Alexander Stanhope Forbes (1857 - 1947), William Blandford Fletcher (1858-1936), Charles Napier Hemy (1841-1917), Arthur Mead (1864-1948), Julius Olson (1864-1942) Laura Knight (1877-1970) and Sir Arnesby Brown (1866 -1955). Many of these artists were of national importance and were members of the New England Art Club (NEAC). This area of the collection is important as it represents the start of modernism in British art, providing a link between the strengths of the 19th century collections and the contemporary collection of landscape based work.

The Sale Bequest of 19th century English watercolours is one of the strongest and most coherent elements of the collection. There are 87 watercolours altogether, including 29 works by David Cox (1783-1859), and works by Samuel Prout (1783-1852), Peter de Wint (1784-1849), Thomas Sidney Cooper, William Callow (1812-1908) and W.J. Muller (1812-1845).

A small collection of 20th century watercolours including work by Lamorna Birch and Eileen Lawrence.

A significant collection of contemporary work in all medias acquired through the Contemporary Art Society Special Collections Scheme with funding from the Arts lottery and the Elmley Foundation. This collection focuses on work which explores the imagery of contemporary landscape, particularly that which contrasts with the often idyllic rural scenes already represented in the rest of the art collection. This collection includes works by Paul Seawright, Sophy Ricketts, Willie Doherty, Heather & Ivan Morrison, Carol Rhodes and Dan Holdsworth.

Topographical paintings, prints, drawings and photographs of Worcester, many of exceptional artistic merit and documentary value.

10. Heritage Assets: Further information on the Councils' collections (cont'd)

Archaeology

Includes:

Large deposits from the key city centre excavations Lychgate, Crown Gate, Blackfriars, Sidbury, Copenhagen Street, High Street, Deansway and the Magistrates Court.

Significant collections of flints by three key collectors: A.E. Jones, Bruton and Bowen. Stone axes from several sites across Worcestershire.

Bronze age pottery and axes from sites both in the city and wider county; a Bronze Age sword dredged from the River Severn.

Roman pottery, glass, metalwork, glassworking and bronzeworking waste plus a rural Roman milestone. Roman Severn Valley and Samian ware are also well represented.

Anglo Saxon jewellery, metalwork, a sword and scabbard and a saggy-bottomed pot from sites both in the city and wider county.

Medieval pottery, floortiles, domestic metalwork, glass, shoes and a rare barrel latrine from sites within the city walls.

Post medieval pottery and glass bottles. Eighteenth and Nineteenth porcelain waste and kiln furniture from the city industry.

Human remains including Roman cremations and skeletons demonstrating industrial and social illnesses and medical interventions. The nature of the city site is that burial grounds have been filled and subsequently redeveloped for alternative uses. A more detailed policy to cover this complex area of human history collecting is currently in draft format.

Associated documentary archives of pro-forma site records, notes, maps, plans, drawings, photographs, written reports and digital material.

Social History & Applied Art

Includes:

Working Histories

Large industrial and agricultural machinery from key Worcester firms including items from Lee & Perrins, Fownes Glovemakers, Spetchley Bros Brewery and Guinness Hop Farm. In some cases they represent the first stage of mechanisation and demonstrate local enterprise and creativity in the design of the process.

Sizeable collections from individual Worcester tradesmen and small firms, including the Stewards Chemist Shop, Littlebury printers, early twentieth century offices and a cobbler's shop.

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A large and important collection of gloves - the Ring Glove collection – and a range of glovemaking tools both from factories and outworkers. This reflects Worcester’s international recognition between the 18th and 20th century as a centre for the manufacture of gloves.

A small collection of shoes drawn from Worcester’s late nineteenth and early twentieth century shoemaking factories.

A representative collection of Royal Worcester porcelain (a comprehensive collection is held by the Museum of Worcester Porcelain) from 1751 to the present day alongside interesting examples of work by other local, English and international manufacturers, with a particularly strong collection of Boehm of Malvern.

Ephemera from Worcester firms such as Kays.

Community, Domestic and Personal Histories

Architectural fragments, particularly from churches, in Worcester. In some cases the area has been redeveloped and the building no longer exists. Together with photographic records recording architectural change in the city, these form a physical record of the urban landscape.

Weaponry, armour and historic items relating to the Civil War period and the particular role of Worcester.

Coins, tokens and medals, both with a Worcester connection and from wider England, including coinage from the earliest times.

A moderately-sized costume collection including some examples of agricultural costume and a small collection on long-term loan collected by the Worcester Women’s Institute.

Domestic items with a particular strength in kitchen items and cookery.

A small collection of furniture, including a varied school collection.

Preservation and Management

Appropriate storage, handling and, when required, conservation ensure that the collections continue to be accessible to the people of Worcestershire and beyond. Budget and staff time are allocated each year towards achieving a professional level based on exceeding the minimum standard in *Benchmarks in Collections Care for Museums, Libraries and Archives* and on raising the *Fast Forward* benchmark score.

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10. Heritage Assets: Further information on the Councils' collections (cont'd)

With many artefacts, a balance must be reached to enable access today and preservation for the future. Curatorial judgements are made about loans, displays, educational activities and storage methods on an object-by-object basis but with an overarching presumption that access should be increased wherever possible.

Specialist expert advice is sought whenever collections require active intervention or conservation. Use is made of professional networks for advice.

The number of objects requiring active conservation is larger than resources available and additional funding is sought through grant applications and public appeals. Prioritisation of spend is based on a triage judgement of damage and is planned alongside the exhibition and display programmes. Museums Worcestershire will display items requiring conservation in their damaged state if to do so will not further increase the damage, but these will always be accompanied by an explanation of the issue for the public. Active conservation work is commissioned from professional conservators on the *Conservation Register* either to train in-house staff and volunteers or to undertake specialised work.

The Worcester City Museums Acquisition and Disposal Policy 2008-2013 and the Museums Worcestershire Collections Management Policy detail procedures and policy for collection development, care, research and conservation.

Heritage Assets: Summary of Transactions

Transaction Information is not provided before 1 April 2010 as it is not practical to provide this information.

There have been no significant acquisitions or disposals of Heritage Assets since 1 April 2010. The Joint Museums Service annual report identifies changes to the museums collections.

11. Investment properties - income

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2014/15	2013/14
	£000's	£000's
Rental income from investment property	<u>90</u>	<u>104</u>
	<u>90</u>	<u>104</u>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

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12. Long Term Debtors

The Council's long term debtors are due to pay in more than one year and include:

	2014/15	2013/14
	£000's	£000's
Local Authority Mortgage Scheme Deposit	1,000	1,000
Deferred Capital Receipts	<u>1</u>	<u>2</u>
	<u>1,001</u>	<u>1,002</u>

In November 2012 the Council approved Worcester City Council to participate in the Local Authority Mortgage Scheme (LAMS), a scheme to provide help to first time buyers who can afford mortgage payments but not the initial deposit. The Scheme has a maximum indemnity value of £2,000,000 with a scheme take up of £1,000,000 actioned in 2012/13. There is a maximum loan size to each individual borrower of £171,000, and is restricted to properties with postcodes falling within the district

13. Investments

The Council does not have any long term investments. The Council's short term investments on 31st March were:

	2014/15	2013/14
	£000's	£000's
Bank/Building Society balances at amortised cost - invested:		
Over 3 months and up to 12 months	<u>12,750</u>	<u>6,000</u>
	<u>12,750</u>	<u>6,000</u>

Joint ventures

Worcester Racecourse Ltd (WRL) is a joint venture company owned 81% by Arena Leisure Racing Limited and 19% by Worcester City Council. The purpose of the venture is to operate National Hunt Racing at the Racecourse on Pitchcroft, an activity which is authorised by the Worcester City Council Act 1985. The Council has 19 £1 shares with voting rights. The latest available set of Audited Accounts is as at 31st December 2013 and shows that the shareholders' deficit at that time (£3,830,178) was broadly similar to that of the previous year (£3,810,253). Therefore, once again the Council has not revalued the fair value of the investment.

WRL is a company with limited liability and so in the event of losses or deficits the Council's liability is restricted to the £19 value of its shareholding. Copies of the audited accounts for WRL are available from Companies House.

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14. Assets held for sale

	2014/15	2013/14
	£000's	£000's
Current assets		
Opening balance	8	505
Assets newly classified as held for sale	100	8
Revalued on re-classification		-
Property, Plant & Equipment disposals	(8)	(505)
Closing balance	100	8

Assets that are available for immediate sale in their present condition, and where a sale is highly probable, are shown separately from the assets that the Council uses to deliver its services or to provide future income.

15. Inventories

	2014/15	2013/14
	£000's	£000's
Operational stock	23	16

Most of the 'operational stock' carried by the Council is used in providing the day-to-day services.

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16. Debtors

The money owed to the Council and due for payment in less than one year is:

	2014/15	2013/14
	£000's	£000's
Council taxpayers	265	266
Government departments	1,013	2,825
Local authorities	971	114
Worcester Community Housing	267	631
Payments in advance	332	124
Other debtors	2,476	2,632
	5,324	6,592
Less: provision for doubtful debts	(1,088)	(1,057)
	4,236	5,535

The amount due from Worcester Community Housing is the City Council's share of the proceeds from the sale of former Council dwellings.

The provision for doubtful debts is based upon an age analysis of the arrears. 100% is provided on sundry debts that are over 6 months old, and 100% is provided on Council Tax arrears, Housing Benefit overpayments and National Non-Domestic Rates arrears that are over four years old. The percentage provision on debts that are more recent is based on a sliding scale according to the year due.

17. Cash and cash equivalents

Cash equivalents are investments that can be cashed within 3 months of deposit - the balances of cash and cash equivalents are:

	2014/15	2013/14
	£000's	£000's
Cash and bank held by the Council	(299)	(105)
Short term investments	5,600	9,000
	5,301	8,895

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18a. Creditors

The money owed by the Council and due for payment in less than one year is:

	2014/15	2013/14
	£000's	£000's
Government departments	540	200
Local Authorities	1,153	1,488
Receipts in advance	1,006	2,115
Section 106 planning obligations	1,220	2,076
Other creditors	2,121	1,504
	<u>6,040</u>	<u>7,383</u>

18b. Provisions

	2014/15	2013/14
	£000's	£000's
Non Domestic Rates - Appeals Provision	2,436	2,128
	<u>2,436</u>	<u>2,128</u>

19. Long term borrowing

	2014/15	2013/14
	£000's	£000's
P.W.L.B.	3,475	3,515
Money market	5,073	5,073
	<u>8,548</u>	<u>8,588</u>
Maturing within one year	5,140	5,140
Maturing in 1-2 years	41	41
Maturing in 2-5 years	1,114	1,114
Maturing in 5-10 years	253	253
Maturing in more than 10 years	2,000	2,040
	<u>8,548</u>	<u>8,588</u>

£5m of the amount shown as 'Long term borrowing maturing within one year' is a 50-year loan that is due for repayment in 2054 but can be repaid without penalty on 3 December each year it is held.

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20. Pension costs

As part of the terms and conditions of employment, the Council offers retirement benefits to its employees. Although these benefits will not be payable until the employee retires, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Worcestershire County Council Pension Fund, which is a defined benefit scheme. This means that retirement benefits are determined independently of the investments of the fund and the Council has an obligation to make contributions where assets are insufficient to meet employee benefits. The Council and employees pay contributions into the fund which are calculated at a level intended to balance pensions liabilities and investment assets.

Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the 'earned' cost of retirement benefits is reversed out in the Statement of Movement in the General Fund Balance. The following transactions have been made in the Comprehensive Income and Expenditure Statement during 2014/15:

Included in the Comprehensive Income and Expenditure Account

	2014/15	2013/14
	£000's	£000's
Net cost of service		
Current service cost	1,010	1,224
Past service and curtailment costs	110	21
Net operating expenditure		
Net interest cost	1,444	1,610
Appropriations		
Movement on pensions reserve	(384)	(1,563)
Net charge to the Comprehensive Income and Expenditure account	2,180	1,292

Included in the Movement in Reserves Statement

<u>Amount charged against council tax</u>		
Employer's contribution payable to the scheme	2,200	1,313

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20. Pension costs (cont'd)

Assets and liabilities in relation to retirement benefits

The underlying assets and liabilities for retirement benefits attributable to the Council at 31st March are as follows:

	31st March 2015 £000's	31st March 2014 £000's	31st March 2013 £000's	31st March 2012 £000's	31st March 2011 £000's
Market value of assets	57,179	51,647	54,527	49,177	52,615
Estimated liabilities	(99,958)	(85,571)	(93,499)	(82,182)	(77,499)
Net liability	(42,779)	(33,924)	(38,972)	(33,005)	(24,884)

The net liability of £42,779m is an estimate of the extent to which the pension fund's existing assets do not meet estimated future liabilities. The deficit in the scheme is not payable immediately and it will be made good by future pension contributions made over the remaining working lives of employees, as estimated by the schemes actuaries.

The Worcester City Council Pension fund is managed over a significant period and an estimated deficit position on the pension fund at this stage has no direct impact upon the level of the Council's General Fund reserves.

Basis for estimating assets and liabilities

The pension fund liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions including the future number of pensioners and salary levels etc. The pension fund liabilities have been assessed by Mercer Human Resource Consulting Limited, an independent firm of actuaries. The estimates for the fund are based upon the latest actuarial valuation of the scheme as at 31st March 2013.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The principal assumptions used by the actuary are:

	2014/15 %	2013/14 %
Rate of CPI inflation	2.0	2.4
Rate of increase in salaries	3.5	3.9
Rate of increase in pensions	2.0	2.4
Discount rate on liabilities	3.2	4.4

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20. Pension costs (cont'd)

	Proportion of assets 2014/15 %	Proportion of assets 2013/14 %
Equities	91.9	91.3
Bonds - Government	0.0	0.0
Bonds - Other	6.5	6.3
Cash / Liquidity	1.6	2.4

Mortality assumptions:

	2014/15	2013/14
Life expectancy (years) at 65 for future pensioners:		
Men	25.6	25.5
Women	28.1	28.0
Life expectancy (years) at 65 for current pensioners:		
Men	23.4	23.3
Women	25.8	25.7

	2014/15 £000's	2013/14 £000's
Movement in liability		
Net pensions liability at 1st April	(33,924)	(38,972)
Current service costs	(1,010)	(1,224)
Employer's contributions	2,200	1,313
Administration expenses	(20)	(21)
Past service / curtailment cost	(110)	(21)
Net interest / return on assets	(1,444)	(1,610)
Remeasurements of the net defined benefit liability	(8,471)	6,611
Net pensions liability at 31st March	(42,779)	(33,924)

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20. Pension Costs (cont'd)

The actuaries report shows how the pension fund would be affected by changes in the assumptions made:

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4
		<i>discount</i>	<i>inflation</i>	<i>pay growth</i>	<i>life expectancy</i>
		+ 0.1%	+ 0.1%	+ 0.1%	+ 1 year
	£000s	£000s	£000s	£000s	£000s
Liabilities	(99,958)	(98,306)	(101,637)	(100,215)	(101,955)
Assets	<u>57,179</u>	<u>57,179</u>	<u>57,179</u>	<u>57,179</u>	<u>57,179</u>
Deficit	(42,779)	(41,127)	(44,458)	(43,036)	(44,776)
Projected service cost for next year	1,314	1,273	1,357	1,314	1,342
Projected net interest cost for next year	1,334	1,321	1,390	1,344	1,400

Pensions liability relating to shared services

For those Shared Services governed by Joint Committees this Council transferred its staff to the host authorities (Wychavon District Council – Revenues and Benefits and ICT, Worcestershire County Council – Worcestershire Hub and Museums, Malvern Hills District Council - Building Control and Bromsgrove District Council for Regulatory Services) on a fully funded basis for pension’s purposes.

The shared services were admitted to the pensions fund as ghost admitted bodies, and as such any liability or surplus that accrues is the responsibility of the partners to those shared services. This arrangement has now changed for the shared services within the South Worcestershire Shared Service Joint Committee and on 1st April 2011 each partner council’s share of the ghost admitted bodies’ assets and liabilities in the pension scheme was transferred back to them. The staff of each shared service are now included within the host council’s scheme.

The tables below show the overall deficit of the remaining shared service still in a ghost admitted body – Worcestershire Regulatory Shared Service. The council’s share of assets and liabilities in this scheme represents 11.11% of the total.

	Regulatory Services	
	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Present value of liabilities	(27,790)	(21,545)
Fair value of assets	19,841	17,397
Deficit in scheme	(7,949)	(4,148)
Worcester City Council share of deficit	(883)	(461)

No provision is made to recover the deficits within this account. The deficit will be made good over time, either through improved fund performance or through higher contribution rates being paid into the fund as advised by the independent actuaries.

WORCESTER CITY COUNCIL
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21. Usable reserves	2014/15	2013/14
	£000's	£000's
Earmarked Reserves	9,101	6,149
General Fund Balance	1,266	1,266
Useable Capital Receipts	5,251	3,273
	<u>15,618</u>	<u>10,687</u>

The Council's 'usable reserves' represent money that can be used to pay for services or reduce the amounts that have to be raised from taxation.

Earmarked reserves have been set aside for specific spending in the future, and Note 2 lists all the earmarked reserves and shows the changes during the year.

There is no legal minimum or maximum level of reserves that a local authority is expected to keep: each Council chooses its own working balance to help smooth out uneven cash flows, avoid unnecessary temporary borrowing and be ready for any unexpected events or emergencies.

22. Unusable reserves	2014/15	2013/14
	£000's	£000's
Revaluation Reserve	15,863	13,814
Capital Adjustment Account	42,978	45,565
Pensions Reserve	(42,779)	(33,924)
Deferred Capital Receipts	1	2
Accumulating Compensated Absences Adjustment Account	(229)	(191)
Collection Fund Adjustment Account	(2,930)	(1,092)
Balance at 31st March	<u>12,905</u>	<u>24,174</u>

The Council's 'unusable reserves' cannot be used to provide services or reduce the amounts that have to be raised by taxation. They are shown in more detail on the following pages.

22. Unusable Reserves (cont'd)

Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the notional value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired, and the gains are lost;
- used to provide services, and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment .

	2014/15	2013/14
	£000's	£000's
Balance at 1st April	13,814	12,263
Upward revaluation of assets	2,185	2,951
Downward revaluation of assets	(136)	(1,400)
Balance at 31st March	15,863	13,814

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

The figures on the next page show details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

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22. Unusable Reserves (cont'd)

Capital Adjustment Account

	2014/15	2013/14
	£000's	£000's
Balance at 1st April	45,565	48,583
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>		
Charges for depreciation and impairment of non current assets	(1,652)	(3,540)
Revenue expenditure funded from capital under statute	(1,128)	(431)
Accumulated Depreciation written out		-
Statutory provision for repayment of debt	455	491
Amounts of non current assets written off on disposal as part of the gain on disposal to the Comprehensive Income and Expenditure Statement	(2,776)	(505)
<i>Capital financing applied in the year:</i>		
Use of the Capital Receipts Reserve to finance new capital expenditure	1,201	10
Capital contributions	11	-
Use of earmarked reserves	195	648
Application of grants to capital financing	1,107	309
Balance at 31st March	<u>42,978</u>	<u>45,565</u>

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22. Unusable Reserves (cont'd)

Pensions Reserve

	2014/15	2013/14
	£000's	£000's
Balance at 1st April	(33,924)	(38,972)
Actuarial (losses) or gains on pension assets and liabilities	(8,471)	6,611
Reversal of items relating to retirement benefits debited on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,584)	(2,876)
Employer's pension contributions and direct payments to pensioners payable in the year	2,200	1,313
Balance at 31st March	<u>(42,779)</u>	<u>(33,924)</u>

Deferred Capital Receipts

These are debts being repaid and relating to loans for the purchase and improvement of Council House dwellings. Loans are no longer given for these purposes.

	2014/15	2013/14
	£000's	£000's
Opening Balance	2	3
Council house purchaser payments	<u>(1)</u>	<u>(1)</u>
Closing Balance	<u>1</u>	<u>2</u>

WORCESTER CITY COUNCIL
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22. Unusable Reserves (cont)

Accumulating Compensated Absences Adjustment Account

This account absorbs the differences that would otherwise show in the General Fund Balance from accruing for compensated absences earned but not taken in the year i.e. annual leave entitlement carried forward at 31 March. As this is not a cash charge to taxpayers, statutory arrangements require transfers to or from this account so that there is no impact on the General Fund Balance.

This account is required by International Financial Reporting Standards.

	2014/15	2013/14
	£000's	£000's
Balance at 1st April	(191)	(207)
Amounts accrued at the end of the current year		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(38)	16
Balance at 31st March	<u>(229)</u>	<u>(191)</u>

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences from the council tax income being shown in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers, compared with the statutory arrangements for paying amounts to the General Fund from the Collection Fund.

	2014/15	2013/14
	£000's	£000's
Balance at 1st April	(1,092)	4
Amount by which Collection Fund council tax and business rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements:		
- Council Tax	24	28
- NNDR (Business rates)	(1,862)	(1,124)
Balance at 31st March	<u>(2,930)</u>	<u>(1,092)</u>

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23. Cash Flow Statement - operating activities

The cash flows for operating activities come from:

	2014/15	2013/14
	£000's	£000's
Interest received	(126)	(121)
Interest paid	371	373
	<u>245</u>	<u>252</u>

24. Cash Flow Statement - investing activities

The cash flows for investing activities come from:

	2014/15	2013/14
	£000's	£000's
Purchase of property, plant and equipment	1,960	585
Other payments for investing activities	1,128	431
Payments to capital receipts pool	1	1
Proceeds from the sale of Property, Plant and Equipment and of Investment Property	(3,209)	(733)
Capital grants received	(1)	-
Net cash flows from investing activities	<u>(121)</u>	<u>284</u>

25. Cash Flow Statement - financing activities

The cash flows for financing activities come from:

	2014/15	2013/14
	£000's	£000's
Receipts from short & long term borrowing	-	-
Other receipts from financing activities	-	-
Repayments of short and long-term borrowing	40	17
Other payments for financing activities	-	-
Net Cash Flow from financing activities	<u>40</u>	<u>17</u>

26. Cashflow - cash and cash equivalents

The total movements and balances each year are:

	2014/15	2013/14
	£000's	£000's
Opening balance	8,895	9,103
Changes in year	(3,594)	(208)
Closing balance	<u>5,301</u>	<u>8,895</u>

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27. Amounts reported for resource allocation decisions - segmental analysis

The Comprehensive Income and Expenditure Statement (CIES) shows how the Council has used its resources to deliver services to the public. This shows the cost in the year of providing services, and the income and expenditure against each service.

The following tables detail the Council's net revenue expenditure by service as it was reported to management, and show how this reconciles to the Comprehensive Income and Expenditure Statement and the subjective analysis within the explanatory forward.

Segmental analysis	Managing Director	Corporate Director - Service Delivery	Corporate Director - Resources	Total
	£000's	£000's	£000's	£000's
2014/15				
Fees, charges and other service income	(21)	(8,778)	(902)	(9,701)
Government grants	(256)	(2,861)	(35,589)	(38,706)
Employee expenses	1,549	5,626	2,871	10,046
Other expenses	2,052	6,988	36,488	45,527
Support service recharges	(4,789)	1,336	3,453	0
Net cost of services	(1,465)	2,311	6,320	7,166
Amounts not reported in-year				762
Net cost of services				<u>7,928</u>

	Managing Director	Corporate Director - Service Delivery	Corporate Director - Resources	Total
	£000's	£000's	£000's	£000's
2013/14				
Fees, charges and other service income	(389)	(8,072)	(204)	(8,665)
Government grants	(914)	(2,272)	(33,005)	(36,191)
Employee expenses	1,589	6,327	1,470	9,386
Other expenses	5,855	5,547	32,542	43,944
Support service recharges	(2,735)	1,833	902	0
Net cost of services	3,406	3,363	1,705	8,474
Amounts not reported in-year				3,579
Net cost of services				<u>12,053</u>

Support service recharges' have changed materially between 2014/15 and 2015/16 as a result of much higher pension charges increasing the amounts recharged and of £1.1m of government grants no longer being eligible to be recharged (instead now shown in the 'Government grants' line).

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

28. Amounts reported for resource allocation decisions

Reconciliation to surplus or deficit on CIES provision of services

The table below shows income and expenditure that applies to the whole Council and not just its operating segments.

On the next page is the comparative table for the previous year.

Subjective analysis - Type of income and expenditure	Segmental Analysis	Not reported in-year to Management	Net Cost of Services	Corporate Amounts	Total
2014/15	£000	£000	£000	£000	£000
Fees, charges & other service income	(7,774)	-	(7,774)	-	(7,774)
Interest and investment income	-	-	-	(126)	(126)
Rents	(435)	-	(435)	-	(435)
Income from council tax	-	-	-	(4,954)	(4,954)
Housing and council tax benefits	(32,109)	-	(32,109)	-	(32,109)
Benefits administration	(643)	-	(643)	-	(643)
Other government grants	(5,881)	(254)	(6,135)	(4,282)	(10,417)
Other income	(1,494)	(707)	(2,200)	(55)	(2,255)
Total income	(48,336)	(961)	(49,297)	(9,417)	(58,714)
Employee expenses	10,046	(1,022)	9,024	1,444	10,468
Premises related expenses	1,773	-	1,773	-	1,773
Transport related expenses	715	-	715	-	715
Supplies and services	2,043	-	2,043	-	2,043
Third party payments	8,255	-	8,255	-	8,255
Transfer payments	32,670	-	32,670	-	32,670
Capital charges	-	2,745	2,745	(40)	2,705
Gross cost of services	55,503	1,722	57,225	1,404	58,629
(Surplus) on the provision of services	7,166	762	7,928	(8,013)	(85)

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

28. Amounts reported for resource allocation decisions (cont)

The table below shows comparative figures for the previous year.

	Segmental Analysis	Not reported in-year to Management	Net Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000
2013/14					
Fees, charges & other service income	(8,020)	-	(8,020)	-	(8,020)
Interest and investment income	-	-	-	1,489	1,489
Rents	(458)	-	(458)	(104)	(562)
Income from council tax	-	-	-	(4,833)	(4,833)
Housing and council tax benefits	(31,297)	-	(31,297)	-	(31,297)
Benefits administration	(689)	-	(689)	-	(689)
Other government grants	(1,647)	-	(1,647)	(5,318)	(6,965)
Other income	(2,885)	(7)	(2,892)	-	(2,892)
Total income	(44,996)	(7)	(45,003)	(8,766)	(53,769)
Employee expenses	9,386	21	9,407	-	9,407
Premises related expenses	1,979	(104)	1,875	-	1,875
Transport related expenses	785	-	785	-	785
Supplies and services	1,923	(301)	1,622	373	1,995
Third party payments	8,022	-	8,022	-	8,022
Transfer payments	31,375	-	31,375	(756)	30,619
Capital charges	-	3,970	3,970	-	3,970
Gross cost of services	53,470	3,586	57,056	(383)	56,673
Deficit on the provision of services	8,474	3,579	12,053	(9,149)	2,904

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

29. Members' allowances

Councillors (or Members) are not paid but do receive allowances. Part 6 of Worcester City Council's Constitution sets out the rules for the Members' Allowance Scheme, and is available on the Council's public website. The allowances paid are recommended by an independent remuneration panel and approved by full Council.

The amount paid to members for basic allowances, special responsibility allowances and attendance allowances, travel and subsistence and ICT allowance in 2014/15 was £205,456 (2013/14 £207,724).

30. Employees' remuneration

The number of Council employees whose remuneration (excluding employers pension contributions) was in excess of £50,000 was:

Remuneration Band	Number of employees	
	2014/15	2013/14
£50,000 - £54,999	3	2
£54,999 - £59,999	1	1
£60,000 - £64,999	1	2
£65,000 - £69,999	-	-
£70,000 - £74,999	2	2
£75,000 - £79,999	-	-
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£105,000 - £109,999	1	1
£120,000 - £124,999	-	-
	8	8

Remuneration for these purposes means all amounts paid to or receivable by an employee except for pensions contributions, and includes any allowances and the money value of any other benefits received other than in cash.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

30. Employees' remuneration (cont.)

The total remuneration of senior management (including employers pension contributions) earning between £50,000 and £150,000 per year was:

Post Title	2014/15				
	Salary, Allowances, Benefits £	Loss of Office £	Sub Total £	Pension Contrib'ns £	Total £
Managing Director	106,635	-	106,635	25,422	132,057
Corporate Director - SD *	73,023	-	73,023	17,379	90,402
Corporate Director - Resources	73,164	-	73,164	17,413	90,577
PIE Service Manager **	26,681	-	26,681	6,142	32,823
	279,504	-	279,504	66,356	345,859

* SD - Corporate Director - Service Delivery

** Also the Council's Monitoring Officer - left Aug 2014

These are the managers who make up the Corporate Management Team (CMT).

Post Title	2013/14				
	Salary, Allowances, Benefits £	Loss of Office £	Sub Total £	Pension Contrib'ns £	Total £
Managing Director	105,784	-	105,784	24,118	129,902
Corporate Director - SD *	72,483	-	72,483	16,504	88,987
Corporate Director - Resources / Finance Services Manager***	72,736	-	72,736	16,516	89,252
PIE Service Manager**	64,875	-	64,875	14,792	79,667
	315,878	-	315,878	71,930	387,808

* SD - Corporate Director - Service Delivery

** PIE Service Manager is also the Council's Monitoring Officer

These are the managers who make up the Corporate Management Team (CMT).

31. Exit Packages

Number of exit packages agreed:

	2014/15		2013/14	
	Number	£000's	Number	£000's
In the band £0-£20k	12	95	9	76
In the band £20k-£40k	-	-	-	-
In the band £40k-£60k	-	-	-	-
In the band £60k-£80k	-	-	-	-
In the band £80k-£100k	1	90	-	-
	13	185	9	76

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

32. Fees payable to auditors

Grant Thornton UK LLP are the Council's auditors appointed by the Audit Commission for 2014/15. The Council has incurred the following fees for the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non audit services provided by the Council's external auditor:

	2014/15	2013/14
	£000's	£000's
Work relating to each financial year		
Accrued external audit fees	68	67
Rebate from Audit Commission	(7)	(11)
Work carried out in each financial year		
Statutory inspection fees and NFI	2	1
Certification of grant claims fees	11	29
	75	86

33. Related party transactions

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central government has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates. It provides the majority of its funding in the form of grants and it prescribes the terms of many of the transactions that the council has with other parties (e.g. housing benefits). Grants received from government departments are set out in the subjective analysis in Note 28 and in detail in Note 8.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

33. Related party transactions (cont'd)

Members

Members of the Council have direct control over the Council's financial and operating policies. The Council maintains a register of interests for Councillors which is regularly updated and available for public inspection.

Some Council members are also members of Worcestershire County Council, St Peter's and Warndon Parish Councils, West Mercia Police & Crime Panel and Hereford and Worcester Fire and Rescue Authority. The Council collects and distributes precepts on behalf of these bodies.

The Council also has member representatives on various outside bodies, such as St Richard's Hospice, Worcester Racecourse, and Citizens Advice Bureau. Members also represent the Council on the South Worcestershire Shared Services Joint Committee, the Joint Museum Committee and Worcestershire Regulatory Shared Service Joint Committee. There are usually only one or two Member representatives on each outside body. All Members of the Council were also Trustees of the Hopmarket Charity until November 2014 when the Trustee numbers were reduced as part of new governance arrangements for the charity.

Entities Controlled or Significantly Influenced by the Council

The Council is a partner in the South Worcestershire Shared Services Joint Committee, the Joint Museums Shared Service and the Worcestershire Regulatory Shared Service Joint Committee. All of these partnerships are jointly controlled operations. Under the South Worcestershire Shared Services Joint Committee, Revenues and Benefits, Customer Services (through the Worcestershire Hub), Building Control, and ICT are provided as shared services by the partner Councils.

During 2014/15 the Council paid £1.318m to Wychavon District Council the host of the Revenues and Benefits Shared Service, £79k to Malvern Hills District Council for South Worcestershire Building Control Service, £424k (net) to Worcestershire County Council for the Worcestershire Hub and £548k (net) to Wychavon District Council for the provision of the ICT Shared Service and £1.021m to Worcestershire County Council for provision of Property services. Under the Worcestershire Regulatory Shared Service Joint Committee the Council paid £574k (net) to Bromsgrove District Council, the host authority. Under the Joint Museums Shared Service the Council paid £495k to Worcestershire County Council, the host authority.

The Council provided management and administration support services to the Hopmarket Charity, for which it recovered costs of £35,000 in 2014/15 (£35,000 2013/14).

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

34. Leases

The future minimum lease payments due under non-cancellable operating leases for multi-functional devices in future years are:

	2014/15	2013/14
	£000's	£000's
Not later than one year	8	-
Later than one year and not later than five years	21	-
Later than five years	-	-
	<u>28</u>	<u>-</u>

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2014/15	2013/14
	£000's	£000's
Minimum lease payments	<u>2</u>	<u>-</u>

35. Financial Instruments

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice, and has set treasury management indicators to control key financial instruments risks in accordance with CIPFA's Prudential Code

The Council's investments (financial assets) are detailed in note 13 with cash and cash equivalents explained in note 17. The Council has short term investments but no long term investments. The Council's borrowings (financial liabilities) are detailed in note 19. The Council has both short term and long term borrowings.

Financial assets and financial liabilities represented by loans and receivables are carried in the Balance Sheet at nominal value plus accrued interest. Their fair value has been assessed by calculating the net present value of the cash flows that will take place over the term of the instruments using the following assumptions:

- Interest is calculated using the most common market convention - actual over 365 days
- Where interest is paid/received every 6 months on a day basis, interest is rounded to 2 equal instalments
- For fixed term deposits it is assumed that interest is received on maturity
- Interest value and date has not been adjusted where a relevant date occurs on a non working day.

The discount rate used in the present value calculation is the rate applicable in the market on the date of valuation (31 March 2015) for an instrument with the same duration, same structure and terms (or as similar as possible).

Accrued interest to 31 March 2015 has been included in the fair value calculation in order to provide a comparison with the Balance Sheet carrying value. The interest rates quoted in the calculation were provided by Capita Asset Services, the Council's treasury management advisors, from the market on 31 March 2015 using bid prices where applicable.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

35. Financial Instruments (cont'd)

Fair values of financial assets and liabilities as at 31 March 2015 are set out below:

	Nominal Value £000	Balance Sheet £000	Fair Value £000
Financial asset - trade receivables (debtors)	485	485	485
Financial asset - loans & receivables	18,350	18,350	18,395
Financial liability - trade payables (creditors)	1,524	1,524	1,524
Financial liability at amortised cost- LOBO loan	5,000	5,073	6,609
Financial liability at amortised cost - PWLB loan	3,448	3,475	4,013

The fair value of the LOBO loan is higher than the carrying amount because it has been calculated over the full term of the loan which is 50 years.

The new borrowing rate has been used as the discount factor for PWLB loans. The fair value is higher than the carrying value because the Council's portfolio of PWLB loans include a number of fixed rate loans where the interest rate is lower than the new borrowing rate used in the fair value calculation.

Risk Management

The Council's financial instrument activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments
- Re-financing risk - the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market risk- the possibility that a financial loss might arise from changes such as adverse interest rates and stock market movements

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are through a legal framework set out in the Local Government Act 2004 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act.

These procedures require the Council to manage risk in the ways explained on the next page.

35. Financial Instruments (cont'd)

Risk Management

The Council manages risk in the following ways:

- by formally adopting the requirements of the Code of Practice
- by approving annually in advance prudential indicators for the following three years limiting:
 - The Council's overall borrowing
 - Its maximum and minimum exposures to fixed and variable rates
 - Its maximum and minimum exposures to the maturity structure of its debt
 - Its maximum annual exposure to investments maturing beyond a year
- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparts in compliance with Government Guidance.

The Council's Treasury Management Strategy and Prudential Indicators are approved by Council annually prior to the start of the year to which they relate. This document outlines the detailed approach to managing risk in relation to the Council's treasury activity and any financial instrument exposure.

i. Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the annual investment strategy which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with credit ratings from recognised credit rating agencies. The annual investment strategy also imposes a maximum amount and time to be invested within each category. Investments must be in sterling and have a maturity of no more than one year.

Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. The Council has no experience of default concerning its investments. The Council does not generally allow credit for its trade debtors. The Council's approach to determining appropriate provisions for bad and doubtful debts is outlined in note 16.

ii. Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

The Council has ready access to borrowings from the Money Markets to cover any day to day cash flow need, and the PWLB provides access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

35. Financial Instruments (cont'd)

iii. Re-financing Risk

The Council currently has long term debt and a limited investment portfolio, with all investments being in sterling and short term. Financial liabilities also included operating leases and short-term creditors. Cash flow procedures are in place and the approved treasury and investment strategies address the main risks around re-financing and maturity. The Finance Service manage the operational risks within the treasury management portfolio through monitoring investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs.

iv. Market risk

Interest rate risk - the Council is exposed to interest rate movements on its investments and borrowings (upon maturity). The Council has strategies in place for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. The Finance Service monitor the market and forecast interest rates within the year to adjust exposures appropriately.

Price risk - the Council, excluding the pension fund, does not generally invest in equity shares but it does hold 19% of the issued share capital (19 shares at £1 each) in Worcester Racecourse Limited. The holding is generally illiquid but the Council is exposed to decreases in the value of shareholders funds.

Foreign exchange risk - the Council has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

36. Capital expenditure and financing

	2014/15	2013/14
	£000's	£000's
Capital expenditure adding to non-current asset valuation		
Land and buildings	328	182
Vehicles, plant and equipment	1,283	158
Work in progress	350	245
Additions to fixed assets	1,961	585
Capital expenditure not adding to fixed asset valuation		
Revenue expenditure funded from capital under statute	1,128	431
Total Capital expenditure	3,089	1,016
Financed by:		
Usable capital receipts	1,201	10
Grants and other contributions	265	293
Capital reserves	177	648
Section 106 funds	843	65
Borrowing	574	-
Revenue reserve	29	-
Total capital financing	3,089	1,016

"Revenue expenditure funded from capital under statute" covers items that would not normally be treated as capital spend under the usual rules of accounting, but are set as 'capital' by law. This is usually items that create an asset which is not owned by the Council - for example, when the Council makes a Disabled Facilities Grant payment to a householder, or when the Council works in partnership with another local authority to improve community facilities owned by several authorities.

37. Contingent Assets and Liabilities

Contingent assets or liabilities are possible benefits or obligations arising from past events and which depend on uncertain future events not wholly within the control of the Council.

At 31 March 2015 the Council had no contingent assets.

As at 31 March 2015 the Council had the following contingent liabilities:

- At 31 March 2013 a group of Property Search Companies were seeking to claim refunds of fees paid to the Council to access land charges data. Proceedings have still not been issued. The claimants have intimated that they may bring a claim against all English and Welsh local authorities for alleged anti-competitive behaviour. It is not clear what the value of any such claim would be against the Council. It is possible that additional claimants may come forward to submit claims for refunds, but none have been intimated at present.
- On 30 September 1992, the Council's then insurer, Municipal Mutual Insurance (MMI), announced that it had ceased taking new business or issuing renewals and placed a moratorium on claims payments. On 6 October 1992 MMI resumed the full payment of claims. MMI have now fallen into insolvency and been placed into administration. A Scheme of Arrangement has now been triggered. This means a levy on all former customers of a proportion of claims paid on the councils behalf. Based upon information provided by the administrators a potential liability may occur, but the timing and the amount could not be defined. As at 31 March 2013 no provision had been made for this liability; in January 2014 the Council paid £81,702 as a levy payment under the Scheme of Arrangement. This may not be the final figure and the Council may receive a refund or be required to pay a further amount. No provision has been made for either a refund or a payment during 2015/16.
- As a result of changes to the funding of local government, and specifically the introduction of the National Non Domestic Rates (NNDR) Retention Scheme from 1 April 2014 councils assumed part of the liability for refunding rate payers who successfully appeal against the rateable value of their properties on the rating list. Under the revised regulations the Council is required to make a provision for its share of this liability. These accounts include a provision of £2.436m, set aside to cover the Council's share of the total estimated unpaid liability related to the settlement of all appeals received up to 31 March 2015. This estimate has been based on experience from current and historic rateable value appeals lodged and the impact of associated settlements, using information provided by the Valuations Office Agency (VOA). Whilst the provision reflects the forecast impact of appeals received to date, there remains uncertainty regarding the volume and timing of future appeals.

WORCESTER CITY COUNCIL
NOTES TO THE CORE FINANCIAL STATEMENTS
For the year ended 31st March 2015

38. Assumptions made about the future and other major sources of estimation uncertainty

	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to rise, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pensions liability of changes in individual assumptions can be measured, and used to inform judgements. As an example, for 2014/15, a 0.1% increase in the discount rate (the value today of assets in the future) would reduce the pension liability by £1.652m, while the same increase in the rate of inflation would raise the liability by £1.679m and an increase of 1 year in life expectancy of pensioners would raise the pension liability by £1.997m. However the assumptions interact in complex ways, and the overall effect of changes in all the various elements of pension cost and investment return is impossible to predict with any certainty.</p>
Provision for backdated appeals - business rates	<p>The new localised business rates requires billing authorities to account for the estimated effect of business rate valuation appeals including any back-dating.</p> <p>A provision for the costs of refunds has been made in the Collection Fund, based on the information available to date about the likely number and success of appeals.</p>	<p>If refunds are greater than the provision made in the Collection Fund then there will be a further loss to the Council; if refunds are less than the provision then the Council will receive more than provided for.</p>

NOTES TO THE CORE FINANCIAL STATEMENTS

For the year ended 31st March 2015

39. Impact of future Accounting Standards to be introduced after 1 January 2015

Several accounting standards have been updated or issued but not yet adopted by the Code of Practice that applies to local authorities. These are:

IFRS 13 Fair Value Measurement (May 2011)

Annual improvements to IFRSs (2011-13 cycle)

- IFRS1 Meaning of effective IFRSs
- IFRS3 Scope exceptions for joint ventures
- IFRS13 Scope of paragraph 52 (deferred to the 2015/16 Code)
- IAS40 Clarifying the interrelationship of IFRS3 Business Combinations and IAS40 Investment Property when classifying property as 'investment' or 'owner-occupied'.

The changes to accounting standards are being prepared for but are not yet implemented.

40. Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by the Corporate Director - Resources on 30 June 2015. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The settlement of the contingent liability regarding Municipal Mutual Insurance remains outstanding and at the time of preparing these accounts the precise outcome is uncertain. We have therefore not crystallised the contingency into a provision.

Late notification of a national legal case on Business Rates appeals for GP surgeries was received in June 2015. This will take effect nationally and for Worcester City Council significantly increases the level of provision needed to be held for the cost of revaluation appeals. Subsequent to the signing of the draft accounts the financial impact has been assessed and a further provision for appeals of £3.2 million (£1.291 million Worcester City share) has been included in these accounts.

**WORCESTER CITY COUNCIL
COLLECTION FUND
For the year ended 31st March 2015**

Note	2014/15 Business Rates £000's	2014/15 Council Tax £000's	2014/15 Total £000's
	Income		
1, 2	-	(44,489)	(44,489)
3	(39,994)	-	(39,994)
	189	-	189
	(39,805)	(44,489)	(84,294)
	Expenditure		
	Precepts, demands and shares		
	20,096		20,096
	16,077	4,930	21,007
	3,617	31,602	35,219
	-	123	123
	-	5,438	5,438
	402	2,239	2,641
	40,192	44,332	84,524
	Charges to Collection Fund		
	Less:		
	-	-	-
5	168	(55)	113
	3,961	-	3,961
	139	-	139
	4,268	(55)	4,213
	4,655	(212)	4,443
	2,809	(287)	2,522
	7,464	(499)	6,965

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

Business Rates are also known as Non-Domestic Rates (NDR) or National Non-Domestic Rates (NNDR).

The notes on the following pages explain some of the detail behind the numbers above.

**WORCESTER CITY COUNCIL
COLLECTION FUND
For the year ended 31st March 2015**

Comparative with last year 2013/14	2014/15	2013/14
	£000's	£000's
Note		
Income		
1, 2 Council Tax Receivable	(44,489)	(42,608)
3 Business Rates receivable	(39,994)	(40,126)
Transitional Protection Payments	189	252
	<u>(84,294)</u>	<u>(82,482)</u>
Expenditure		
Precepts, demands and shares		
Central Government	20,096	20,104
Billing authority (Worcester City Council)	21,007	20,781
County Council	35,219	33,733
Parishes	123	112
Police Authority	5,438	5,180
Fire Authority	2,641	2,536
	<u>84,524</u>	<u>82,446</u>
Charges to Collection Fund		
Less:		
Losses in collection	-	207
5 Increase in bad debt provision	113	117
Increase in provision for appeals	3,961	2,128
Allowance for Cost of Collection	139	140
Reconciliation adjustments	-	-
	<u>4,213</u>	<u>2,592</u>
Deficit or (surplus) for the year	4,443	2,556
Deficit (surplus) b/fwd at 1 April 2014	2,522	(34)
Deficit (surplus) c/fwd at 31 March 2015	<u>6,965</u>	<u>2,522</u>

1. Council Tax Base: basic principles

The Council Tax is a tax set by local councils according to the value of residential properties.

Each local authority that issues Council Tax bills by law has to set a Council Tax Base every year. The Tax Base is the number of chargeable dwellings in the local area, assessed into one of eight bands according to the estimated or actual property value as at 1st April 1991. As each band is charged a proportion of the Band D charge for Council Tax, the total Tax Base is reported as a single number allowing for the different proportions and for discounts such as 'single persons'.

The Local Government Act 2012 replaced the national Council Tax Benefit scheme with local Council Tax Support (CTS) schemes intended to help people on low incomes. This new Council Tax reduction scheme has increased the 'discounts' taken off the Tax Base and so reduced the total Tax Base from 2013/14 onwards by around 4,000 Band D equivalents.

WORCESTER CITY COUNCIL
COLLECTION FUND
For the year ended 31st March 2015

1. Council Tax Base: basic principles (cont'd)

The basic amount of Council Tax for a Band D property (£1,481.80 in 2014/15, £1,453.52 in 2013/2014) is multiplied by the proportion specified by legislation for the particular band to give an individual amount due.

Council Tax bills were based on the following proportions for Bands A to H:

	Proportion	Amount	Number of properties Band D equivalents	
			2014/15	2013/14
Band A	6/9	£987.87	2,720	2,564
Band B	7/9	£1,152.51	8,275	8,027
Band C	8/9	£1,317.15	8,027	7,935
Band D	1	£1,481.80	4,606	4,535
Band E	11/9	£1,811.08	3,597	3,544
Band F	13/9	£2,140.38	1,805	1,779
Band G	15/9	£2,469.67	595	589
Band H	18/9	£2,963.59	8	8
			29,633	28,981

2. Council Tax

The Council Tax income is made up of the following amounts:

	2014/15 £000's	2013/14 £000's
Due from taxpayers	44,489	42,608

3. Business Rates

Business rates are organised on a national basis. The Government specifies an amount (2014/15 48.2p, 47.1p in 2013/2014) and, after allowing for the transition arrangements that 'smooth' any major changes year-on-year, local businesses pay rates calculated by multiplying their rateable value by that amount.

Up until 2013/14 the City Council collected rates due from the ratepayers in its area and paid the proceeds into a national pool administered by the Government. Central Government redistributed the sums paid into the Pool back to local authorities' General Funds on the basis of a fixed amount per head of population.

In 2013/14 Central Government replaced the national pool with Localised Business Rates. The income shown in the Collection Fund statement is the income reported to Central Government in the City Council's "NNDR3" return: the 'precepts, demands and shares' are those paid out and reported to Central Government in the City Council's "NNDR1" return.

The Business Rates income (after reliefs) of £39.805m (£39.874m for 2013/2014) was based on an average rateable value for the Council's area. The rateable value was £101,457,569 at 31st March 2015 (£102.25m at 31st March 2014).

**WORCESTER CITY COUNCIL
COLLECTION FUND
For the year ended 31st March 2015**

4. Collection Fund surpluses and deficits for Council Tax

The surplus on the Fund of £499k at 31st March 2015 in respect of Council Tax transactions will be distributed in subsequent financial years to Worcestershire County Council, West Mercia Police Authority, Hereford & Worcester Fire and Rescue Authority and the City Council in proportion to the value of the respective precepts and demands made by the Councils on the Collection Fund. The allocations are as follows:

	2014/15 £000's Surplus	2013/14 £000's Surplus
Worcestershire County Council	356	205
West Mercia Police Authority	61	35
Hereford and Worcester Fire and Rescue Authority	25	15
Worcester City Council	57	32
	<u>499</u>	<u>287</u>

5. Provision for Council Tax Bad Debts and Write Offs

The Provision for Bad Debts and Write Offs as at 31 March 2015 is as follows:

	2014/15 £000's	2013/14 £000's
Brought forward at 1 April	656	539
Charge/credit for year	(129)	117
Carried forward at 31 March	<u>527</u>	<u>656</u>

6. Write Offs

The amounts written off during the year were as follows:

	2014/15 £000's	2013/14 £000's
Council Tax	72	120
NNDR	168	211
	<u>240</u>	<u>331</u>

The Council's Financial Regulation 11.10 allows for the writing off of debts deemed irrecoverable. Although written out of the accounts, the debts are still due in law and recovery action will continue.

WORCESTER CITY COUNCIL ACCOUNTING DEFINITIONS

The Code of Practice on Local Authority Accounting 2014/15 uses some technical terms that all readers may not be familiar with. Some of these are:

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are inflows and outflows of cash and cash equivalents.

Financing activities are activities that result in changes in the size and composition of the principal, received from or repaid to external providers of finance.

Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Material. Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor.

Notes contain information in addition to that presented in the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement. Notes provide narrative descriptions or disaggregations of items presented in those statements and information about items that do not qualify for recognition in those statements.

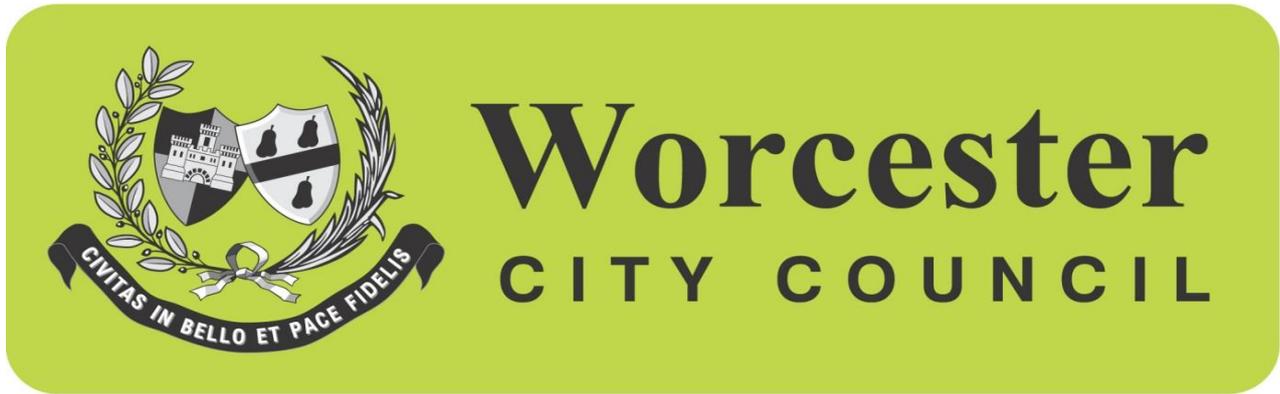
Other Comprehensive Income and Expenditure comprises items of expense and income (including reclassification adjustments) that are not recognised in the Surplus or Deficit on the Provision of Services as required or permitted by the Code. Examples include changes in revaluation surplus; actuarial gains and losses on defined benefit plans; and gains and losses on remeasuring available-for-sale financial assets.

Operating activities are the activities of the authority that are not investing or financing activities.

Reclassification adjustments are amounts reclassified to Surplus or Deficit on the Provision of Services in the current period that were recognised in Other Comprehensive Income and Expenditure in the current or previous periods.

Surplus or Deficit on the Provision of Services is the total of income less expenses, excluding the components of Other Comprehensive Income and Expenditure.

Total Comprehensive Income and Expenditure comprises all components of Surplus or Deficit on the Provision of Services and of Other Comprehensive Income and Expenditure.



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Approval of Statement of Accounts 2014/15

I confirm that this Statement of Accounts including the Annual Governance Statement were approved by Council at its meeting held on 30th September 2015.

Signed on behalf of Worcester City Council

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**Councillor Roger Knight
Mayor and Chair of the Council**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER CITY COUNCIL

We have audited the financial statements of Worcester City Council for the year ended 31 March 2015 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the members of Worcester City Council, as a body, in accordance with Part II of the Audit Commission Act 1998 and as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Corporate Director of Resources and auditor

As explained more fully in the Statement of the Corporate Director of Resources Responsibilities, the Corporate Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards also require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporate Director of Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Worcester City Council at 31 March 2015 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and applicable law.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We are required to report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998; or
- we designate under section 11 of the Audit Commission Act 1998 a recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission in October 2014.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, we are satisfied that, in all significant respects, Worcester City Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

Certificate

We certify that we have completed the audit of the financial statements of Worcester City Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

James Cook
for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Birmingham

30-Sep-15