

Regulatory and Audit Committee

Title:	DRAFT Statement of Accounts for the year ending 31 March 2018
Date:	31 May 2018
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Electoral divisions affected:	All

Summary

The draft unaudited Statement of Accounts for Buckinghamshire County Council and Pension Fund for the year ended 31 March 2018 is presented to the Regulatory and Audit Committee for information.

The Committee may wish to consider if, in their opinion, the appropriate accounting policies have been followed and whether there are concerns arising from the financial statements that need to be brought to the attention of the Council.

The Director of Finance & Procurement as the Council's appointed Section 151 Officer will sign the unaudited Statement of Accounts following this meeting, after which the audit of the Accounts can commence and the draft Accounts will be published on the Council's website.

The finalised Statement of Accounts is due to be approved by the Chairman of the Regulatory and Audit Committee and the Section 151 Officer following the audit and consideration of the Auditors report at Regulatory and Audit Committee on 25 July 2018.

Recommendation

To review the Draft Statement of Accounts for Buckinghamshire County Council for the year ended 31 March 2018 and to note the timing and requirements for completion and authorisation of the draft and final Statement of Accounts.



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Executive Summary

Annual report

The Statement of Accounts contains information from our draft Annual report on our key achievements, working with our partners, for the last 12 months; bringing together our financial and performance reporting.

Investment Property

This year we increased and diversified our property investment portfolio by investing £34.75m in commercial investment properties including Knaves Beech Retail Park and Clarion House. The investment portfolio (including Agriculture Estates) increased in fair value (FV) by £9.112m (£11.726m increase in FV and £2.604 decrease in FV).

Pension Liability

This year has seen a slight decrease in the overall pension liability from £753.943m to £743.363m. The pension increase assumption has decreased by 0.25%, which has resulted in the decreased liability.

Market conditions have been favourable for assets during 2017/18. This has resulted in an asset growth with a net increase of £24.1m.

The pension liability as reported on an accounting basis has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy:

- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.
- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary. The triennial revaluation of the Pension Fund undertaken during 2016/17 has resulted in employer contribution rates increasing from 22.8% to 26.4% to recover the underlying deficit over 15 years.

Resource implications

The overall position shows a £2.888m underspend against the net revenue budget of £302.918m, as a result increasing the General Fund reserve to £27.393m. Earmarked reserves have increased by £14.595 to £99.235m. There are no planned reductions to the General Fund reserve in the MTFP which is around 7.5% of the Council's net budget requirement.

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

None

Background Papers

None