



## **Audit & Governance Committee Wednesday, 6 September 2017**

### **ADDENDA 2**

#### **5. Statement of Accounts 2016/17 (Pages 1 - 4)**

2.10pm

##### **Proposed amendments to notes to the accounts**

Two notes in the Statement of Accounts have been amended to provide further information and explanation. Note 12 is amended to provide additional information on 'other' exit packages by way of a note; and, Note 16 is amended to provide explanations of the trading operations deficits. The revised notes are set out below, and will be included in the published Statement of Accounts.

**The Committee is RECOMMENDED to note the revisions to Notes 12 and 16 set out in this addenda.**

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## AUDIT & GOVERNANCE COMMITTEE – 6 SEPTEMBER 2017

### ADDENDA

#### AGENDA item 5 - STATEMENT OF ACCOUNTS 2016/17

#### Report by the Director of Finance

##### Proposed amendments to notes to the accounts

1. Two notes in the Statement of Accounts have been amended to provide further information and explanation. Note 12 is amended to provide additional information on 'other' exit packages by way of a note; and, Note 16 is amended to provide explanations of the trading operations deficits. The revised notes are set out below, and will be included in the published Statement of Accounts.
2. **Note 12 Exit Packages**

The number of exit packages agreed in the year and the cost of those packages is given in the tables below. Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years and costs of early retirements without actuarial reduction in benefits, ex-gratia payments and other departure costs. Ill-health retirements are excluded because they do not meet the Code's definition of termination benefits.

The bandings in the tables include exit packages in the year they were individually agreed. The bandings are based on HR records for leavers in the year adjusted for accruals. Where there is a difference between the accrued amount and the actual payment in the following year this is shown as a reconciling adjustment at the foot of the table – in some instances the actual payment was higher than the accrued amount and in other instances the actual payment was lower. The bandings exclude exit packages provided for as part of redundancy provision in the year the provision was created – the individual exit packages charged against redundancy provisions are included in the bandings in the year of departure.

Band (£)	Exit packages 2016/17					
	Compulsory		Other*		Total	
	No.	£'000	No.	£'000	No.	£'000
0 - 19,999	164	970	44	181	208	1,151
20,000 - 39,999	30	783	4	92	34	875
40,000 - 59,999	5	233	1	53	6	286
60,000 - 79,999	0	0	1	74	1	74
80,000 - 99,999	0	0	0	0	0	0
100,000 - 149,999	1	104	1	120	2	224
150,000 - 199,999	0	0	0	0	0	0
200,000 - 249,999	0	0	0	0	0	0
250,000 - 299,999	0	0	0	0	0	0
<b>Total</b>	<b>200</b>	<b>2,090</b>	<b>51</b>	<b>520</b>	<b>251</b>	<b>2,610</b>
Add new provisions created						114
Less amounts provided for in previous year						-1,812
Add unused amount of previous year's provision						-420
Adjust for differences between payments and accruals						-622
<b>Total cost of exit packages in the Comprehensive Income and Expenditure Statement</b>						<b>-130</b>

\* Other comprises of 22 voluntary redundancies/retirements, and 29 settlements of which 2 were senior officers with the cost of their agreements totalling £0.194m.

Band (£)	Exit packages 2015/16					
	Compulsory		Other		Total	
	No.	£'000	No.	£'000	No.	£'000
0 - 19,999	112	625	20	136	132	761
20,000 - 39,999	16	451	6	178	22	629
40,000 - 59,999	9	423	0	0	9	423
60,000 - 79,999	3	202	0	0	3	202
80,000 - 99,999	1	87	0	0	1	87
100,000 - 149,999	1	119	0	0	1	119
150,000 - 199,999	1	152	0	0	1	152
200,000 - 249,999	0	0	0	0	0	0
250,000 - 299,999	0	0	1	250	1	250
<b>Total</b>	<b>143</b>	<b>2,059</b>	<b>27</b>	<b>564</b>	<b>170</b>	<b>2,623</b>
Add new provisions created						1,812
Less amounts provided for in previous year						-82
Add unused amount of previous year's provision						0
Adjust for differences between payments and accruals						-1,530
<b>Total cost of exit packages in the Comprehensive Income and Expenditure Statement</b>						<b>2,823</b>

The £0.250m exit package shown in the above table relates to the former Chief Executive – see Note 11.

### 3. Note 16 Trading Operations

The County Council operates trading accounts for a number of services within the authority. Details of their financial performance during 2016/17 are as follows:

2015/16		2016/17		
Surplus (-) / Deficit (+) £'000	Trading Operation	Turnover £'000	Expenditure £'000	Surplus (-) / Deficit (+) £'000
-74	<b>Legal Services</b> Provision of legal support to services within the authority	4,192	4,540	348
253	<b>Learning Disabilities Day Services (Internal)</b> Provision of day services to learning disability clients	3,999	4,371	372
36	<b>Shared Lives</b> Provision of services to supported adults and their carers	1,912	1,932	20
<b>215</b>	<b>Total</b>	<b>10,103</b>	<b>10,843</b>	<b>740</b>

For Legal Services the deficit has arisen due to a significant increase in child protection cases requiring external expenditure on Counsel which is being addressed through a staff reorganisation. For Learning Disabilities Day Services and Shared Lives, deficits have arisen due to the inclusion of capital charges and pensions adjustments within expenditure. These costs have not been recovered through internal charges as they are not chargeable to the County Fund.

### RECOMMENDATION

4. **The Committee is RECOMMENDED to note the revisions to Notes 12 and 16 set out in this addenda.**

LORNA BAXTER  
Director of Finance

Background Papers: Nil.

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