

Notice of Meeting

Executive

Thursday, 17th February 2011 at 6.30pm

in the Council Chamber, Council Offices,
Market Street, Newbury

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Moira Fraser on 01635 519045
e-mail: mfraser@westberks.gov.uk

Further information and Minutes are also available on the Council's website at
www.westberks.gov.uk



Agenda - Executive to be held on Thursday, 17 February 2011 (continued)

To: Councillors Barbara Alexander, Pamela Bale, David Betts, Keith Chopping, Hilary Cole, Graham Jones, Alan Law, Gordon Lundie, Joe Mooney and Anthony Stansfeld

Agenda

Part I

Page(s)

7. **Appendix 2(e) to Financial Performance Report 2010/11 (EX2048)** 1 - 2
(CPT13)
Purpose: To inform Members of the latest financial performance of the Council.
Note: This Appendix was originally published as an exempt Part II item.

Andy Day
Head of Policy and Communication

West Berkshire Council Plan Priorities and Themes

Council Plan Priorities:

CPP1 – Support our communities through the economic downturn – to alleviate the impact on different communities and individuals who find themselves out of work and/or disadvantaged

CPP2 – Raise levels of educational achievement – improving school performance levels

CPP3 – Reduce crime and the fear of crime

Council Plan Themes:

CPT1 - Better Roads And Transport

CPT2 - Thriving Town Centres

CPT3 - Affordable Housing

CPT4 - High Quality Planning

CPT5 - Cleaner and Greener

CPT6 - Vibrant Villages

CPT7 - Safer and Stronger Communities

CPT8 - A Healthier Life

CPT9 - Successful Schools and Learning

CPT10 - Promoting Independence

CPT11 - Protecting Vulnerable People

CPT12 - Including Everyone

CPO13 - Value for Money

CPO14 - Effective People

CPO15 - Putting Customers First

CPO16 - Excellent Performance Management



West Berkshire
C O U N C I L

Agenda - Executive to be held on Thursday, 17 February 2011 (continued)

West Berkshire Council is committed to equality of opportunity. We will treat everyone with respect, regardless of race, disability, gender, age, religion or sexual orientation.

If you require this information in a different format, such as audio tape, or in another language, please ask an English speaker to contact Moira Fraser on telephone (01635) 519045, who will be able to help.



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Agenda Item 7.

APPENDIX 2(e)

17TH FEBRUARY 2011
EXECUTIVE AGENDA ITEM 7
FINANCIAL PERFORMANCE REPORT (QUARTER 3) 2010/11

LEVIES AND INTEREST FORECASTS AS AT MONTH 9

As at month 9, the below the line forecast is an underspend of £1694k. This is made up of a variety of factors, the primary ones are included below:

- Savings on the capitalisation of highways expenditure - £1.4m
- Reversal of the 2009-10 accruals - £120k
- Reduced capital financing provision required due to in year reductions to the capital programme - £40k

The significant addition to these savings in month 9 has been the capitalisation of highways expenditure.

Until the financial year 2009-10, the Council had to account in accordance with the CIPFA SORP (Statement of Recommended Practice) which ensures that local government complies with UK GAAP (Generally Accepted Accounting Practice). One of the accounting standards used within the SORP was FRS (Financial Reporting Standard) 15, this relates to the accounting of fixed assets. FRS 15 implied that expenditure could be capitalised if it enhanced the asset beyond its previously assessed standard of performance i.e. if you built a new road, any subsequent improvements to the road could only be capitalised if they were large and fundamental changes to the structure of the road compared to the last date that the road was valued.

From 2010-11, all Councils are required to account in accordance with IFRS. Under IFRS, the accounting standard for fixed assets has changed to International Accounting Standard (IAS) 16. Though most of the accounting provisions within FRS 15 remain, there an important difference "*it is not necessary for expenditure to improve the condition of the asset beyond its previously assessed standard of performance – the measurement is against the actual standard of performance at the date of expenditure*"¹. This means that the Council can capitalise expenditure if it improves, or maintains, the standard of the asset in its current state (not against the state of the asset when it was acquired or revalued). This point is confirmed in the IFRS guidance notes from CIPFA².

¹ 4.7.3 CIPFA's code of practice on transport infrastructure assets

² Module 4, B46 page 375-376

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