

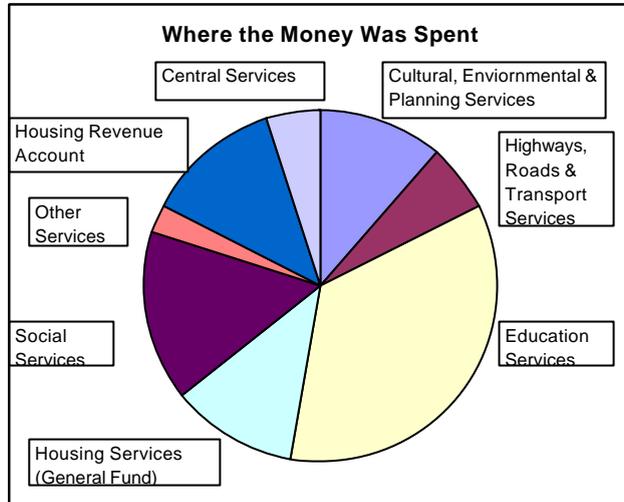
# Summary Accounts 2005/06

## INTRODUCTION

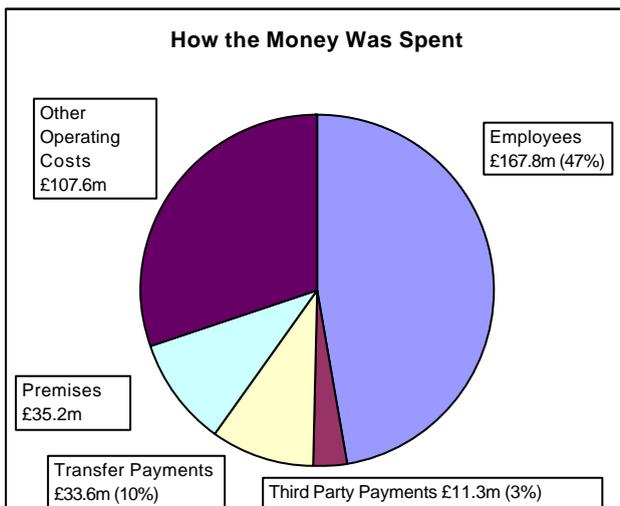
The full Statement of Accounts is available on the Council's website. It's format and content is set by Financial Reporting Standards and the Accounting Code of Practice, therefore this summary report aims to provide a simplified version of the accounts.

## REVENUE TRANSACTIONS

The Council set a budget of £166.382m which included growth of £5.387m and savings of £6.010m. In the year it spent £355.5m on providing day-to-day services to the public and has managed a number of pressures during the year. There was an underspending of £2.3m during the year, compared to the budget, although £1.2m of this was for projects that could not be fully provided in 2005/06, and the resources will be used in 2006/07. The remainder of the underspend has arisen due to one-off events that are unlikely to arise in future years. The adjacent graph shows this expenditure on a service basis.



These costs can also be shown by category of expenditure - see below



**Employees** costs include the full cost of employing all staff, including teachers

**Third party payments** include levies from internal drainage boards

**Transfer payments** relate principally to benefit payments and rent rebates

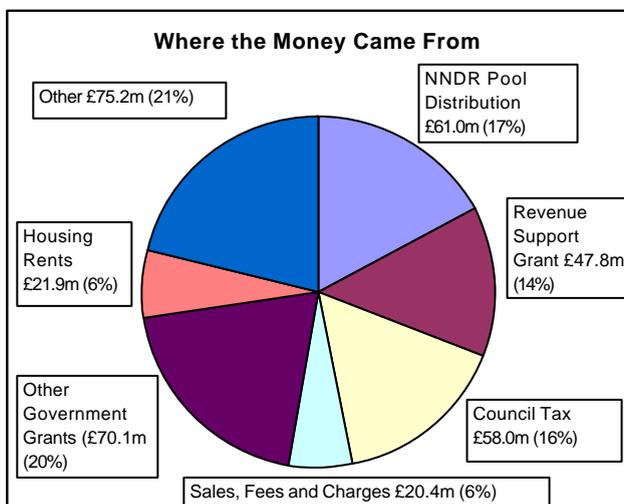
**Premises** costs are the cost of running all council premises

**Other operating costs** includes such diverse items as social services costs for supporting residents and funding borrowing to support the capital expenditure.

The revised budget assumed that £3.4m would need to be withdrawn from balances to fund the expenditure but the underspend in the year meant that only £1.1m was needed, leaving the general fund balance at £5.3m. The funding of the expenditure in the year is shown in the attached chart.

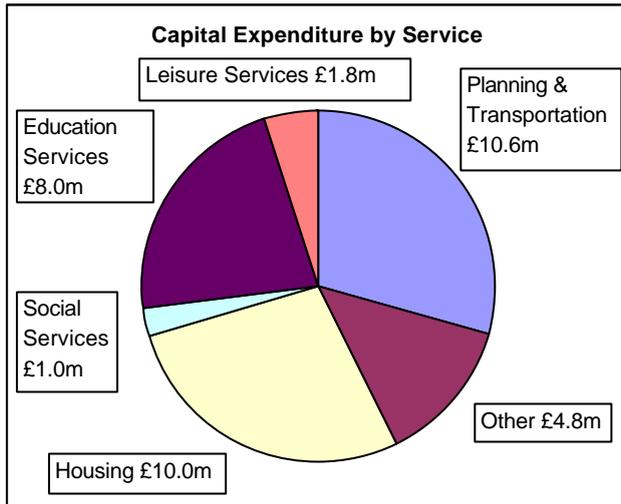
NNDR Distribution and Revenue Support Grant are paid by the government to support general expenditure, other government grants are to fund specific service provision.

While Council Tax may seem very visible to those who pay it, it only represents 16% of the Council's total funding.



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## CAPITAL TRANSACTIONS



The expenditure on building and improving the Council's fixed assets was £36.2m compared to an original budget of £44.2m. The change in expenditure has arisen due to re-programming of some of the work.

The Council maintains a wide-ranging capital programme containing initiatives such as:

- Hazel Court waste site (£1.2m)
- Local Transport Plan (£6m)
- NDS Modernisation works on a variety of schools (£3.1m)
- Oaklands Sports Centre (£1.2m)
- Modernisation and repairs to Council Properties (£3.9m).

## SUMMARY BALANCE SHEET AS AT 31 MARCH 2006

The balance sheet shows the end of year financial position for the Council as a whole. It presents the financial value of the land, buildings and other assets owned by the Council and the value of borrowings and other debts owed by the Council.

The value of **fixed assets** increased by £33m in the year, net of adjustments for revaluations, depreciation and disposals.

The **pension liability** represents the Council's net financial commitment to existing pensioners, future pensioners and current employees. The **pension reserve** is the offsetting amount the Council would need to make available over a period of time to fund these benefits. This results in a net nil cost to the taxpayer.

**Capital accounting** represent the proportion of the Council's fixed assets that have been funded to date. The balance of these assets is financed mainly from long-term borrowing.

**Earmarked reserves** are funds of money held by the Council for specific purposes. These include money for future capital investment projects and unspent allocations held by schools. The value reduced by £3.4m during the year, mainly due to funding capital expenditure.

**General reserves** need to be maintained at an adequate level to provide a sound financial basis and meet any unforeseen calls on the Council's resources. As a result of the overall net spend in 2005/06, the balance on general reserves has reduced by £1.1m, but is still considered to be at an adequate level.

	£m	£m
<b>Fixed Assets:</b>		
Intangible assets	1.3	
Land and buildings	268.4	
Council housing	382.0	
Vehicles, plant, etc.	5.0	
Roads, bridges, etc.	55.5	
Investment Properties	42.2	
Assets under construction	<u>22.5</u>	776.9
<b>Other Assets and Liabilities:</b>		
Stocks	0.4	
Cash-in-bank	7.5	
Investment, debtors and other assets	75.6	
Liabilities	(155.1)	
Pension liability	<u>(108.8)</u>	<u>(180.4)</u>
<b>NET ASSETS</b>		<b><u>596.5</u></b>
<b>Financed by:</b>		
Capital accounting	676.1	
Pension reserve	(108.8)	
Earmarked reserves	23.9	
General reserves	<u>5.3</u>	
<b>TOTAL EQUITY</b>		<b><u>596.5</u></b>

## FURTHER INFORMATION

The full Statement of Accounts is available on the Council's website, and can also be viewed at the Central Library.