

Explanatory Foreword

This forward gives a guide to the Council's Statement of Accounts and the key items in them. The Statement of Accounts is by necessity presented in the very formal manner required by regulation, but in this foreword we can introduce the authority's finances in plainer terms.

The Accounts

The Statement of Accounts comprises:

- An explanatory foreword
- A Statement of Accounting Policies
- Statement of Responsibilities for Statement of Accounts
- Accounting Statements
- Notes to the Accounts (including pensions disclosures)

The Accounting Statements comprises five Core Financial Statements. These are:

- **The Income and Expenditure Account.** This summarises the resources generated and consumed in providing services and managing the Council during the year. It includes all day-to-day expenses and related income, as well as transactions showing the fixed assets consumed and pensions.;
- **The Statement of Movements on General Fund Balance.** This adjusts the balance on the Income and Expenditure account with items required by statute or non-statutory proper practice in order to show the true effect on Council Tax;
- **Statement of Recognised Gains and Losses (STRGL).** This brings together all the gains and losses for the year and shows the aggregate increase in net worth of the authority;
- **The Balance Sheet.** This is a snapshot picture as at 31 March 2010 that shows what the authority owns and owes;
- **The Cash Flow Statement.** This shows where money came from and where it went.

Notes to the Core Financial Statements follow these statements.

Additionally, the following supplementary financial statements are produced.

- The Housing Revenue Account (HRA). This covers the authority's expenditure on Council housing. The Government requires that this be shown separately;
- The Collection Fund. This shows the rates and taxes that the Council has to collect, not only for itself, but also for the Government, Wiltshire Police Authority, Wiltshire & Swindon Fire Authority and Parish Councils.

1 Changes in the Statement of Accounts

The Council follows recommended accounting practices. Full explanations of any changes required for 2009/2010 are in the Statement of Accounting Policies and the various notes to the accounts.

2 Revenue

In respect of net revenue expenditure, the Council's 2009/2010 General Fund revised budget and actual spending figures were as follows:

General Fund Portfolio	Original Budget £m	Revised Budget £m	Actual £m	Difference £m
Children and Education	53.972	56.811	57.451	0.640
community Services	115.462	117.539	117.665	0.126
Transport, Environment and Leisure	87.368	87.073	86.924	(0.149)
Economic Development, Planning And Housing	11.380	11.816	12.285	0.469
Department of Resources	47.909	58.566	58.503	(0.063)
Central Finance	20.200	20.703	20.596	(0.107)
Movement to/from Reserves	(4.075)	(20.290)	(20.983)	(0.693)
General Fund Portfolio Totals (a)	332.216	332.218	332.441	0.223
Funded by:				
Formula Grant	(100.778)	(100.778)	(100.778)	0.000
Area Based Grant	(19.325)	(19.325)	(19.391)	(0.066)
Extra Government Grant	0.000	0.000	(0.573)	(0.573)
Collection Fund (Surplus)/Deficit	(0.538)	(0.538)	(0.538)	0.000
Collection Fund Transfer	(211.591)	(211.591)	(211.591)	0.000
Unallocated headroom	0.016	0.014	0.000	(0.014)
Total Funding (b)	(332.216)	(332.218)	(332.871)	(0.653)
Movement on General Fund (a)-(b)	0.000	0.000	(0.430)	(0.430)

The outturn variation on the General Fund is £223,000 above the revised net budget for 2009/2010.

More about the Council's revenue spending on services is given, with notes, in the Income & Expenditure Account. The overall movement on the General Fund is a £430,000 return to reserves. More details are included in the Statement of Movement on General Fund.

3 Major Revenue Variations

Details of main variations to the revised budget are included in the revenue outturn report to members.

4 Capital

When buying something that will last more than a year, the cost should be spread over its expected useful life. For the authority this is called capital expenditure, as opposed to revenue expenditure which is day to day outgoings such as heating, lighting, wages etc. The Council treated £107.324m of its expenditure in 2009/2010 as capital. The major schemes included in this spend were £15.251m on Melksham Oak School, £11.191m on OWTP including Bourne Hill scheme, £9.544m on Local transport plan works and £9.140m on Wellington Academy.

5 Capital Financing

The Prudential system for capital financing allows councils to determine their own levels of debt, subject to affordability, when determining its capital strategy. Where it is economic to do so councils can borrow in order to proceed with major capital schemes, this is known as prudential borrowing. In 2009/2010, the Council funded its capital expenditure by grants and other contributions (54.0%), capital receipts (21.6%), Prudential borrowing (20.2%) and major repair reserve (HRA) (4.2%).

6 Best Value Accounting Code of Practice (BVACOP)

The 2009/2010 Statement of Accounts has been prepared in accordance with the requirements of the 2009 Best Value Accounting Code of Practice (BVACOP).

7 Pensions

There is a increase in the total net liability this year, which has increased from a revised opening balance of £290m to £564m. Further details of the pensions liability can be found in the Statement of Accounting Policies, and in the notes to the core financial statements.

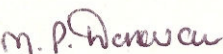
8 Local Government Reorganisation

A new unitary authority came into existence for the whole of Wiltshire on 1 April 2009. These are the first set of accounts to be produced for this new authority. In most cases, the original comparator figures are those for Wiltshire County Council, the continuing authority.

9 Further Information

Requests for further information about these accounts may be made to:

**Central Finance
Resources Department
Wiltshire Council**
County Hall
Trowbridge
Wiltshire
BA14 8JN
financialplanning@wiltshire.gov.uk



Martin Donovan
Chief Finance Officer
Wiltshire Council
June 2010

Statement of Accounting Policies

1 General Principles

This Statement of Accounts has been prepared according to the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This meets all requirements of proper accounting practice for local authorities

2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods and services.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the Balance Sheet.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3 Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged to the appropriate service revenue account in the year that the authority becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required for a lower settlement than anticipated is made, the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

4 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts in the Statement of Movement on the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Net Cost of Services in the Income and Expenditure Account. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for tangible fixed assets and retirement benefits and that do not represent usable resources for the Council – these reserves are explained in the relevant policies below.

5 Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the authority satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Revenue Support Grant) are credited to the foot of the Income and Expenditure Account after Net Operating Expenditure.

6 Retirement Benefits

Employees of the Council are members of one of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Children, Schools and Families (DCSF).
- The Local Government Pensions Scheme, administered by Wiltshire Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned while working for the Council.

However, the arrangements for the Teachers' Pension Scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the education service revenue account is charged with the employer's contributions payable to teachers' pensions in the year.

The Local Government Scheme is accounted for as a defined benefits scheme:

The liabilities of the Wiltshire pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 6.9% (based on the indicative rate of return on high quality corporate bond iBoxx Sterling Corporates Index, AA over 15 years).

The assets of the Wiltshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – bid price;
- unquoted securities – professional estimate;
- unitised securities – average of the bid and offer rates;
- property – market value.

The change in the net pensions liability is analysed into seven components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Income and Expenditure Account to the revenue accounts of services for which the employees worked.

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- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to Net Operating Expenditure in the Income and Expenditure Account.
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to Net Operating Expenditure in the Income and Expenditure Account.
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long term return – credited to Net Operating Expenditure in the Income and Expenditure Account.
- gains/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 – debited or credited to the Statement of Total Recognised Gains and Losses.
- contributions paid to the Wiltshire Pension Fund – cash paid as employer's contributions to the pension fund.

Statutory provisions limit the Council to raising council tax to cover the amounts payable by the Council to the pension fund in the year. In the Statement of Movement on the General Fund Balance 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 debits for the cash paid to the pension fund and any amounts payable to the fund but unpaid at the year end.

7 VAT

All transactions are recorded excluding VAT, except where it is irrecoverable.

8 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2009 (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of Corporate and Democratic and Non Distributed Costs. These two cost categories are defined in BVACOP and accounted for as separate headings in the Income and Expenditure Account, as part of Net Cost of Services.

9 Intangible Fixed Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) are capitalised when it will bring benefits to the Council for more than one financial year. The balance is amortised to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

10 Tangible Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Recognition: expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis, provided that it yields benefits to the Council and the services that it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of asset (e.g. repairs and maintenance) is charged to revenue as it is incurred.

Measurement: assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following bases:

- Investment properties and assets surplus to requirements – lower of net current replacement cost or net realisable value.
- Dwellings, other land and buildings, vehicles, plant and equipment – lower of net current replacement cost or net realisable value in existing use.
- Infrastructure assets and community assets – depreciated historical cost.

Net current replacement cost is assessed as:

- Non-specialised operational properties – existing use value.
- Specialised operational properties – depreciated replacement cost.
- Investment properties and surplus assets – market value.

Assets included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years. All categories of fixed asset have been revalued within the last five years as part of our rolling annual revaluations.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: the values of each category of assets and of material individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the relevant service revenue account.
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the relevant service revenue account.

Where an impairment loss is charged to the Income and Expenditure Account but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

Disposals: when an asset is disposed of or decommissioned, the value of the asset in the Balance sheet is written off to the Income and Expenditure Account as part of the gain or loss on disposal. Receipts from disposals are credited to the Income and Expenditure Account as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account. Receipts for individual assets which exceed £10,000 are classified as capital receipts i.e. to contribute to the Capital Programme and/or reduce the cost of financing it. A proportion of receipts relating to housing right to buy disposals is payable to the government as part of the pooling scheme.

Depreciation: depreciation is provided for on all assets with a determinable finite life (except for investment properties), by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use.

Depreciation is calculated on the following bases:

- Operational properties – straight-line allocation over the life of the property.
- Vehicles, plant and equipment – straight-line allocation over 5 years.
- Infrastructure – straight-line allocation over 60 years.
- Community Assets, Assets under construction and Land are not depreciated

Where an asset has major components with different estimated useful lives, these are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Grants and contributions: where grants and contributions are received that are identifiable to fixed assets with a finite useful life, the amounts are credited to the Government Grants Deferred Account. The balance is then written down to revenue to offset depreciation charges made for the related assets in the relevant service revenue account, in line with the depreciation policy applied to them.

11 Charges to Revenue for Fixed Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Impairment losses attributable to the clear consumption of economic benefits in tangible fixed assets used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, it is required to make a prudent annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. Depreciation, impairment losses and amortisations are therefore replaced by Minimum Revenue Provision in the Statement of Movement on the General Fund Balance.

12 Revenue Expenditure Funded From Capital Under Statute

Expenditure which legislation deems to be capital but does not result in the creation of fixed assets was previously referred to as Deferred Charges. In accordance with the changes in SORP 2008, any such expenditure is now classified as Revenue Expenditure Funded from Capital Under Statute and is charged to the relevant service lines in the Income and Expenditure Account for that year. To negate the impact on council tax, the General Fund Balance is credited a corresponding amount to that which is debited to the Capital Adjustment Account, and subsequently shown as a reconciling item in the Statement of the Movement on the General Fund Balance.

13 Leases

Finance leases

The Council accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to the Council. Rentals payable are apportioned between:

- A charge for the acquisition of the interest in the property (recognised as a liability in the Balance Sheet at the start of the lease, matched with a tangible fixed asset – the liability is written down as the rent becomes payable);
- A finance charge (debited to Net Operating Expenditure in the Income and Expenditure Account as the rental becomes payable).

Fixed assets recognised under finance leases are accounted for using the policies applied generally to tangible fixed assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

Operating leases

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

14 Financial Liabilities

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 rate of interest for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable and interest charged to the Income and Expenditure Account is the amount payable for the year in the loan agreement.

Where premiums and discounts have been charged to the Income and Expenditure Account, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Income and Expenditure Account to the net charge acquired against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Movement on the General Fund Balance.

15 Financial Assets

Loans and receivables

Loans and receivables are initially 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 amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Income and Expenditure Account is the amount receivable for the year in the loan agreement.

When soft loans are made, (loans which for legitimate policy reasons are made at less than market value, for example, loans to other public bodies or the voluntary sector) a loss is recorded in the Income and Expenditure Account for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of these loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Income and Expenditure Account to the net gain required

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against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Movement on the General Fund Balance. We have reviewed such loans and do not consider the impact of the loans on the accounts material.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Income and Expenditure Account.

Any gains and losses that arise when the loan finishes or is written off to the balance sheet are credited/debited to the Income and Expenditure Account.

16 Stocks and Work in Progress

Stocks are included in the Balance Sheet at the lower of cost or net realisable value. Work in progress on uncompleted jobs is valued at cost, including overhead allocations.

17 Interest in companies and other entities

The council has no material interest in any companies or other entities

18 Private Finance Initiative (PFI)

PFI contracts are agreements to receive services, where the responsibility for making available the fixed assets needed to provide the services passes to the PFI contractor. Payments made by the Council under a contract are generally charged to revenue to reflect the value of services received in each financial year.

This is covered in more detail in note 21.

19 SORP 2009 Changes

There are a number of changes for local authority accounts introduced in the 2009 SORP, mostly of a minor nature. Three changes of note, however, relate to changes in accounting for PFI projects, NNDR disclosure and collection fund presentation. More detail are disclosed in note 2.

20 Internal Interest

Interest and other items of income associated with financial assets and liabilities are based on interest received and receivable, however, accrued interest on deposits is included in the carrying value of the investment outstanding at 31 March 2010.

Expenses associated with financial assets and liabilities are mainly related to external interest payments on loans, based on the effective interest rate. Accrued loan interest is shown against the loan outstanding in line with SORP 2009. Other expenses are shown on an accruals basis.

21 Non-Compliance with Code of Practice

For operational reasons, the accounts do not fully comply with the Code of Practice on minor points. The main non-compliance is in relation to debtors and creditors. Whilst the accounts are maintained on an accruals basis i.e. all sums due to or from the Council are included whether or not the cash has actually been received or paid in the year, exceptions are made for quarterly utilities payments based on meter reading dates. Salaries and wages appear on a cash basis. Since these policies are applied consistently year on year, they have no material effect on any one year's accounts.

The Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:

- Arrange for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the management of those affairs. In this Authority, that officer is the Head of Financial Services;
- Secure economic, efficient and effective use of its resources and to safeguard its assets;
- Approve the Statement of Accounts.

The Chief Financial Officer's Responsibilities

The Head of Financial Services is responsible for the preparation of the authority's Statement of Accounts. This has, under the CIPFA Code of Practice on Local Authority Accounting in Great Britain (the Code of Practice), to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year to 31 March 2010.

In preparing this Statement of Accounts, the Head of Financial Services has:

- selected appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgements and estimates;
- complied with the Code of Practice.

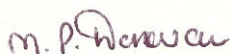
The Head of Financial Services has also:

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

The Statement of the Head Chief Financial Officer

The required financial statements have been prepared in accordance with the accounting policies.

I certify that the Statement of Accounts presents fairly the financial position of Wiltshire Council at 31 March 2010 and the income and expenditure for the year ended on that date.



Martin Donovan
Chief Finance Officer
Wiltshire Council
June 2010

ANNUAL GOVERNANCE STATEMENT

To be inserted after adoption by the Council

Independent Auditor's Report to the Members of Wiltshire Council

To be inserted here after the completion of the audit

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

To be inserted here after the completion of the audit

Income and Expenditure Account

This account shows expenditure on and income from the Council's day to day activities. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Authority.

	2009/2010		2008/2009	
	Expenditure £000	Income £000	Net Expenditure £000	Net Expenditure £000
General Fund Services				
Central Services to the Public	1,371	(677)	694	1,046
Court Services	1,102	(391)	711	584
Cultural, Environment & Planning	39,017	(6,882)	32,135	31,646
Children's and Education Services	528,016	(395,842)	132,174	91,408
Highways, Roads & Transport Services	40,883	(3,994)	36,889	32,900
Housing Services General Fund	12,195	(11,757)	438	641
Housing Services HRA	0	0	0	0
Adult Social Care	147,280	(27,853)	119,427	109,711
Corporate & Democratic Core	2,507	(292)	2,215	6,669
Non-distributed Costs	5,021	0	5,021	2,855
Net Cost of On-going Service	777,392	(447,688)	329,704	277,460
Acquired Services				
Central Services to the Public	3,440	(1,234)	2,206	0
Court Services	0	0	0	0
Cultural, Environment & Planning	71,952	(18,053)	53,899	0
Children's and Education Services	0	0	0	0
Highways, Roads & Transport Services	13,159	(11,868)	1,291	0
Housing Services General Fund	145,772	(131,272)	14,500	0
Housing Services HRA	24,977	(21,776)	3,201	0
Adult Social Care	0	0	0	0
Corporate & Democratic Core	3,955	(1,090)	2,865	0
Non-distributed Costs	3,383	0	3,383	0
Total Acquired Services	266,638	(185,293)	81,345	0
Exceptional costs	9,019	0	9,019	4,448
Net Cost of Service			420,068	281,908
Town and Parish Precepts			11,879	0
Interest payable and similar charges			9,116	9,489
(Profit)/Loss on disposal of Fixed Assets			(3,448)	(953)
Impairment of Investments			(600)	2,281
Contribution of Housing Capital receipt to Government Pool			683	0
Interest and investment income			(1,376)	(4,320)
Pension Interest Costs			48,967	33,771
Expected Return on Pension Assets			(26,589)	(25,399)
Net Operating Expenditure			458,700	296,777
General Government Grants (note 8)			(38,865)	(26,677)
Non-Domestic Rate Pool Redistribution			(81,879)	(60,869)
Demand on the Collection Fund			(223,892)	(180,989)
Total Deficit for Year			114,064	28,242

Wiltshire Council was formed following Local Government Reorganisation on 1 April 2009 from Wiltshire County Council and the four districts. The SORP requires that the income and expenditure account for 2009/2010 splits the net expenditure between ongoing services (relating to the old Wiltshire County Council Services) and acquired services (relating to the four districts). For further details see note 1.

Comparison figures are shown for Wiltshire County Council only

For clarity, these figures are restated in note 63 to show the total expenditure on each subheading within the net cost of service.

Statement of Movement on the General Fund

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

Note	2009/2010 £000	2008/2009 £000
(Surplus)/ Deficit for year on Income and Expenditure Account	114,064	28,242
Net additional amount required by statute and non-statutory proper practice to be debited or credited to General Fund balances for the year	(114,494)	(22,721)
(Increase)/ Decrease in General Fund balance for the Year	(430)	5,521
General Fund Balance Brought forward Wiltshire County Council	(4,956)	(10,477)
Acquired Services -Districts	(8,384)	
Revised opening balance	(13,340)	
Balance at 31 March	(13,770)	(4,956)

Notes on Statement of Movement on the General Fund

An Explanation of significance of Statement of Movement on General Fund Balance

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Authority is required to raise council tax on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account but is met from the Usable Capital Receipts balance rather than council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the council's spending against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

The reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

B Breakdown of amounts additional to statement of movements on General Fund Balance

	2009/2010 £000	2009/2010 £000	2008/2009 £000
Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the movement on the General Fund Balance for the year.			
Depreciation and impairment of Fixed Assets	(72,191)		(19,907)
Excess of depreciation charged to HRA over the Major Repairs Reserves	(5,050)		
Revenue Expenditure Funded from Capital under Statute	(16,652)		(7,381)
Government grants deferred amortisation	2,558		2,243
Net Profit/(Loss) on disposal of fixed assets	3,448		953
Net charges made for retirement benefits FRS17	(42,065)		(27,219)
Impairment of investments	600		(2,281)
Amount by which finance costs calculated in accordance with the SORP are different from the amount of finance costs calculated in accordance with statutory requirements.	(150)		(171)
Amount by which Council Tax income included in Income and Expenditure Account is different from the amount taken to the General Fund in accordance with regulation	(116)		0
		(129,618)	
Amounts not included in the Income and Expenditure Account but required by statute when determining the movement on the General Fund Balance for the year.			
Capital expenditure charged to General Fund balances	4,747		795
Statutory provision for repayment of debt	11,004		7,853
Employer contributions payable to the pension fund	24,035		24,173
Transfer from Useable Capital Receipts equal to the contribution to the Housing Capital Receipts Pool	(683)		0
		39,103	
Transfers to or from the General Fund Balance that are required to be taken into account when determining the movement on the General Fund Balance for the year.			
Statutorily required transfer of balance on HRA	1,804		0
Voluntary revenue provision for capital financing	0		994
Transfer from earmarked Reserves	(25,783)		(2,773)
		(23,979)	
Net Additional amount required to be credited to the General Fund Balance for the year		(114,494)	(22,721)

Statement of Total Recognised Gains and Losses

This statement brings together all the gains and losses of the Council for the year and shows the aggregate increase in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000
Deficit/(Surplus) for the year on income and expenditure account	114,064	28,242
Deficit/ (Surplus) arising on revaluation of fixed assets	(14,113)	(19,668)
Actuarial (gains)/losses on pension fund assets and liabilities	256,864	62,047
Other items	(167)	11,740
Total Recognised (Gains)/ Losses for the year	356,648	82,361

Other items in 2009/2010 relate to a few identifiable bought forward figures that were identified for during the production of the first set of accounts for the new unitary council. It is not expected that similar figures will reoccur in 2010/2011. This ties back to the movement in reserves in note 31.

Balance Sheet

This statement summarises the Council's assets and liabilities at 31 March for the years 2010 and 2009

	NOTES	31 March 2010 Wiltshire Council		31 March 2009 Wiltshire County Council	Acquired Services (Districts) £000	Other Prior year Adjustments £000	31 March 2009 Restated £000
		£000	£000	£000	£000	£000	£000
Fixed Assets							
Intangible Assets	25		9,317	10,313	1,078	0	11,391
Operational assets							
- Council dwellings & garages		245,595		0	249,823	0	249,823
- Operational properties and land		549,819		409,935	113,006	54,564	577,505
- Vehicles, plant and equipment		17,627		6,250	14,243	0	20,493
- Infrastructure		202,333		193,796	4,541	0	198,337
- Community assets		5,468		0	5,468	0	5,468
			1,020,842				
Non-Operating Assets				7,097	0	0	7,097
Investment properties		44,811		7,296	37,403	0	44,699
Assets under construction		72,274		142	10,562	0	10,704
Surplus assets held for disposal		76		0	0	0	0
			117,161				
Total Fixed Assets	16		1,147,320	634,829	436,124	54,564	1,125,517
Long term debtors	47		2,632	20,206	3,213	(20,975)	2,444
Long Term Investments			5,003	0	0	0	0
Total Long Term Assets			1,154,955	655,035	439,337	33,589	1,127,961
Current Assets							
Stocks and work in progress		813		230	690	0	920
Debtors	48	65,420		38,571	29,840	(6,024)	62,387
Temporary investments		57,626		56,549	40,825	0	97,374
Cash and Bank	49	20,489		24,884	8,541	0	33,425
			144,348				
Total Assets			1,299,303	775,269	519,233	27,565	1,322,067
Current Liabilities							
Creditors	50	(97,922)		(96,352)	(19,719)	5,219	(110,852)
Bank Overdraft	58	(13,971)		(15,229)	(5,263)	0	(20,492)
Long term loans maturing within 1 year	51	(15)		(5,130)	0	0	(5,130)
			(111,908)				
Total Assets less Current Liabilities			1,187,395	658,558	494,251	32,784	1,185,593
Long Term Liabilities							
Long Term creditor PFI		(42,182)		0	(8,593)	(32,058)	(40,651)
Provisions	30	(3,299)		(1,913)	(757)	0	(2,670)
Long Term Borrowing	51	(206,895)		(182,656)	(4,000)	0	(186,656)
Other long term creditors		(625)		(839)	(149)	0	(988)
Pension Fund Liability	38 & 52	(564,942)		(196,085)	(93,964)	0	(290,049)
Planning Deposits		(16,004)		0	(4,010)	0	(4,010)
Government Grants Deferred		(118,907)		(60,601)	(8,197)	(6,536)	(75,334)
Capital Contributions Deferred		(20,632)		(14,572)	(881)	0	(15,453)
Deferred Liability		(1,431)		0	(656)	0	(656)
			(974,917)				
Total Assets less Liabilities			212,478	201,892	373,044	(5,810)	569,126
Financed by							
Revaluation Reserve	53	(104,445)		(62,064)	(11,407)	(19,806)	(93,277)
Capital Adjustment Account	54	(612,797)		(284,475)	(403,866)	24,811	(663,530)
Useable Capital Receipts Reserve	55	(3,016)		(71)	(21,272)	0	(21,343)
Major Repairs Reserve	56	(632)		0	(1,144)	0	(1,144)
Financial Instruments Adjustment Account		3,148		2,885	725	0	3,610
Deferred Capital Receipts		(1,752)		0	(1,900)	0	(1,900)
Pension Reserve	52	564,942		196,085	93,964	0	290,049
General Fund Balance		(13,770)		(4,956)	(8,384)	0	(13,340)
Housing Revenue Account Balance		(12,746)		0	(10,942)	0	(10,942)
Earmarked Reserves	57	(30,753)		(49,296)	(7,240)	0	(56,536)
Collection Fund Adjustment Account		(657)		0	(1,578)	805	(773)
Total Equity	31		(212,478)	(201,892)	(373,044)	5,810	(569,126)

M. P. Donovan

Martin Donovan
Chief Finance Officer
June 2010

Cashflow Statement

This consolidated statement summarises the movement of cash between the Authority and third parties for both capital and revenue purposes.

	NOTES	2009/2010		2008/2009	
		£000	£000	£000	£000
Revenue Activities Net Cash Inflow/ (Outflow)	41		5,669		6,934
Servicing of Finance					
Cash outflows					
Interest Paid		9,116		7,797	
Interest element of finance lease rental payments		0	9,116	69	
Cash inflows					
Interest received		(1,376)	(1,376)	(3,900)	3,966
Capital Activities					
Cash outflows					
Purchase of fixed assets		101,497		60,203	
		101,497		60,203	
Cash inflows					
Sale of fixed assets		(5,416)		(2,518)	
Capital grants received		(53,206)		(32,541)	
Other Capital cash receipts		0		(6,493)	
		(58,622)	42,875	(41,552)	18,651
Net cash outflow/(inflow) before financing			56,284		29,551
Net increase /(decrease) in investments			(34,745)		(13,259)
Repayment of amounts borrowed			0		2,608
Capital element of finance lease rental payments			0		17
Net movement in loans			(15,124)		(5,000)
Decrease/(increase) in cash	43		6,415		13,917

Notes to the Core Financial Statements

For ease of reference, the notes 1-46 are included in the statement in the same order as advised in the Statement of Recommended Practice.

Note 1 Acquired & discontinued operations

Following local Government reorganisation, on 1 April 2009 Wiltshire County Council became the continuing authority of the new unitary Wiltshire Council. The assets of the four Districts Councils (Kennet, North Wiltshire, Salisbury and West Wiltshire) have been included in the accounts as acquired assets. All assets have been transferred at carrying balances on the constituent balances sheets.

At 31/3/2009, the net assets of Wiltshire County Council were £201,892,000 and of the acquired assets from the four districts were £373,044,000. This gives a revised opening balance as 1 April 2010 of £574,936,000, before prior year adjustments. (see note 2). Details of the effect on the balance sheet are included below.

	Wiltshire County Council £000	Kennet District Council £000	North Wilts District Council £000	Salisbury District Council £000	West Wilts District Council £000	Acquired Services (Districts) £000	Total including Acquired Services £000
Fixed Assets							
Intangible Assets	10,313	745	0	258	75	1,078	11,391
Operational assets							
- Council dwellings & garages	0	0	0	247,727	2,096	249,823	249,823
- Operational properties and land	409,935	20,615	30,122	45,331	16,938	113,006	522,941
- Vehicles, plant and equipment	6,250	2,763	3,695	6,617	1,168	14,243	20,493
- Infrastructure	193,796	628	2,010	1,903	0	4,541	198,337
- Community assets	0	0	3,246	42	2,180	5,468	5,468
Non-Operating Assets							
Investment properties	7,097	1,282	22,854	8,530	4,737	37,403	44,500
Assets under construction	7,296	0	0	10,562	0	10,562	17,858
Surplus assets held for disposal	142	0	0	0	0	0	142
Total Fixed Assets	634,829	26,033	61,927	320,970	27,194	436,124	1,070,953
Long term debtors	20,206	192	1,276	1,647	98	3,213	23,419
Long Term Investments							
Total Long Term Assets	655,035	26,225	63,203	322,617	27,292	439,337	1,094,372
Current Assets							
Stocks and work in progress	230	212	189	289	0	690	920
Debtors	38,571	6,359	6,649	7,664	9,168	29,840	68,411
Temporary investments	56,549	14,548	24,925	0	1,352	40,825	97,374
Cash and Bank	24,884	80	1,700	6,761	0	8,541	33,425
Total Assets	775,269	47,424	96,666	337,331	37,812	519,233	1,294,502
Current Liabilities							
Creditors	(96,352)	(5,295)	(6,688)	(5,071)	(2,665)	(19,719)	(116,071)
Bank Overdraft	(15,229)	(1,178)	(223)	(99)	(3,763)	(5,263)	(20,492)
Long term loans maturing within 1 year	(5,130)	0	0	0	0	0	(5,130)
Total Assets less Current Liabilities	658,558	40,951	89,755	332,161	31,384	494,251	1,152,809
Long Term Liabilities							
Long Term creditor PFI	0	0	(8,593)	0	0	(8,593)	(8,593)
Provisions	(1,913)	0	0	0	(757)	(757)	(2,670)
Long Term Borrowing	(182,656)	0	(4,000)	0	0	(4,000)	(186,656)
Other long term creditors	(839)	0	0	(149)	0	(149)	(988)
Pension Fund Liability	(196,085)	(17,151)	(25,215)	(25,189)	(26,409)	(93,964)	(290,049)
Planning Deposits	0	0	0	(3,214)	(796)	(4,010)	(4,010)
Government Grants Deferred	(60,601)	0	(4,954)	(2,218)	(1,025)	(8,197)	(68,798)
Capital Contributions Deferred	(14,572)	(881)	0	0	0	(881)	(15,453)
Deferred Liability	0	0	0	(14)	(642)	(656)	(656)
Total Assets less Liabilities	201,892	22,919	46,993	301,377	1,755	373,044	574,936
Financed by							
Revaluation Reserve	(62,064)	0	(2,021)	(9,386)	0	(11,407)	(73,471)
Capital Adjustment Account	(284,475)	(24,588)	(49,861)	(302,188)	(27,229)	(403,866)	(688,341)
Useable Capital Receipts Reserve	(71)	(11,000)	(9,566)	(412)	(294)	(21,272)	(21,343)
Major Repairs Reserve	0	0	0	(1,144)	0	(1,144)	(1,144)
Financial Instruments Adjustment Account	2,885	0	725	0	0	725	3,610
Deferred Capital Receipts	0	(118)	(18)	(1,686)	(78)	(1,900)	(1,900)
Pension Reserve	196,085	17,151	25,215	25,189	26,409	93,964	290,049
General Fund Balance	(4,956)	(862)	(6,503)	(472)	(547)	(8,384)	(13,340)
Housing Revenue Account Balance	0	0	0	(10,942)	0	(10,942)	(10,942)
Earmarked Reserves	(49,296)	(3,220)	(3,551)	(321)	(148)	(7,240)	(56,536)
Collection Fund Adjustment Account	0	(282)	(1,413)	(15)	132	(1,578)	(1,578)
Total Equity	(201,892)	(22,919)	(46,993)	(301,377)	(1,755)	(373,044)	(574,936)

There are no discontinued operations in this year.

Note 2 Exceptional items, extraordinary items and prior year adjustments

Exceptional Items

The Council has incurred exceptional expenditure due to the costs of restructuring in the run up to local government reorganisation. During the year £9,019,000 was spent on the transition and transformation to one Council for Wiltshire. Of this, £7,104,000 related to severance costs incurred during the year.

Summary of Prior Year adjustments

	WCC 31 March 2009 £000	Acquired Services (Districts) £000	Total including Acquired Services £000	PFI Adjustment £000	NNDR Adjustment £000	Collection Fund Adjustment £000	Total Other Prior Year Adjustments £000	Restated Balance Sheet 31 March 2009 £000
Fixed Assets								
Intangible Assets	10,313	1,078	11,391				0	11,391
Operational assets								
- Council dwellings & garages	0	249,823	249,823				0	249,823
- Operational properties and land	409,935	113,006	522,941	54,564			54,564	577,505
- Vehicles, plant and equipment	6,250	14,243	20,493				0	20,493
- Infrastructure	193,796	4,541	198,337				0	198,337
- Community assets	0	5,468	5,468				0	5,468
Non-Operating Assets								
Investment properties	7,097	37,403	44,500				0	44,500
Assets under construction	7,296	10,562	17,858				0	17,858
Surplus assets held for disposal	142	0	142				0	142
Total Fixed Assets	634,829	436,124	1,070,953	54,564	0	0	54,564	1,125,517
Long term debtors	20,206	3,213	23,419	(20,975)			(20,975)	2,444
Long Term Investments	0	0	0				0	0
Total Long Term Assets	655,035	439,337	1,094,372	33,589	0	0	33,589	1,127,961
Current Assets								
Stocks and work in progress	230	690	920				0	920
Debtors	38,571	29,840	68,411		(4,744)	(1,280)	(6,024)	62,387
Temporary investments	56,549	40,825	97,374				0	97,374
Cash and Bank	24,884	8,541	33,425				0	33,425
Total Assets	775,269	519,233	1,294,502	33,589	(4,744)	(1,280)	27,565	1,322,067
Current Liabilities								
Creditors	(96,352)	(19,719)	(116,071)		4,744	475	5,219	(110,852)
Bank Overdraft	(15,229)	(5,263)	(20,492)				0	(20,492)
Long term loans maturing within 1 year	(5,130)	0	(5,130)				0	(5,130)
Total Assets less Current Liabilities	658,558	494,251	1,152,809	33,589	0	(805)	32,784	1,185,593
Long Term Liabilities								
Long Term creditor PFI	0	(8,593)	(8,593)	(32,058)			(32,058)	(40,651)
Provisions	(1,913)	(757)	(2,670)				0	(2,670)
Long Term Borrowing	(182,656)	(4,000)	(186,656)				0	(186,656)
Other long term creditors	(839)	(149)	(988)				0	(988)
Pension Fund Liability	(196,085)	(93,964)	(290,049)				0	(290,049)
Planning Deposits	0	(4,010)	(4,010)				0	(4,010)
Government Grants Deferred	(60,601)	(8,197)	(68,798)	(6,536)			(6,536)	(75,334)
Capital Contributions Deferred	(14,572)	(881)	(15,453)				0	(15,453)
Deferred Liability	0	(656)	(656)				0	(656)
Total Assets less Liabilities	201,892	373,044	574,936	(5,005)	0	(805)	(5,810)	569,126
Financed by								
Revaluation Reserve	(62,064)	(11,407)	(73,471)	(19,806)			(19,806)	(93,277)
Capital Adjustment Account	(284,475)	(403,866)	(688,341)	24,811			24,811	(663,530)
Useable Capital Receipts Reserve	(71)	(21,272)	(21,343)				0	(21,343)
Major Repairs Reserve	0	(1,144)	(1,144)				0	(1,144)
Financial Instruments Adjustment Account	2,885	725	3,610				0	3,610
Deferred Capital Receipts	0	(1,900)	(1,900)				0	(1,900)
Pension Reserve	196,085	93,964	290,049				0	290,049
General Fund Balance	(4,956)	(8,384)	(13,340)				0	(13,340)
Housing Revenue Account Balance	0	(10,942)	(10,942)				0	(10,942)
Earmarked Reserves	(49,296)	(7,240)	(56,536)				0	(56,536)
Collection Fund Adjustment Account	0	(1,578)	(1,578)			805	805	(773)
Total Equity	(201,892)	(373,044)	(574,936)	5,005	0	805	5,810	(569,126)

Prior Year Adjustments - PFI

Following changes to the Code of Practice of Local Authority Accounting for 2009/2010, the assets provided under the council's PFI contracts have been brought onto the Council's balance sheet. The recognition of these fixed assets have been balanced by the recognition of a liability due to the scheme operator over the course of the contract. The adjustments are summarised in the above table. More details of the PFI schemes are included in note 21 to the accounts.

Prior Year Adjustments – NNDR

Following changes to the Code of Practice of Local Authority Accounting for 2009/2010, as a billing authority, the Council no longer recognises NNDR debtors in the balance sheet. Instead, it recognises a creditor for cash collected from NNDR debtors not yet paid to the Government at the balance sheet date. The adjustments are summarised in the above table.

Prior Year Adjustments – Collection Fund

Following changes to the Code of Practice of Local Authority Accounting for 2009/2010, the Council prepares its accounts as the major precepting agent with a requirement to include appropriate shares of the council tax debtors in both the Wiltshire balance sheet and the balance sheet of the major preceptors (police and fire). The adjustments are summarised in the above table.

Note 3 Long-term contracts

The Council has 2 current PFI schemes – North Wilts Schools PFI (inc 6th form units) and Monkton Park offices. Further details of these schemes are found in note 21

Note 4 Significant trading services

The Council ran no significant trading services during the year.

Note 5 Agency income & expenditure

Under section 101(I) of the Local Government Act 1972, (LGA 1972), a local authority may arrange for any other local authority to act as its agent and provide services. Wiltshire Council works in close partnership with many different local authorities but has no material amounts of agency income or expenditure.

Note 6 Transport Act 2000

Income and expenditure is split between on-street and off-street sources. The off-street forms part of the General Fund whereas on-street income is required statutorily to be ring-fenced and used solely for transportation expenditure. This note shows the amount received and expended on the on-street account during 2009/2010.

	2009/2010 Wiltshire Council £000
On Street Parking	
Expenditure During the Year	1,398
Income During the Year	(1,492)
Movement in Year	<u>(94)</u>

Note 7 Partnerships Schemes under S31 Health Act**Joint Procurement Arrangement**

An agreement between Primary Care Trusts and Wiltshire County Council established a joint arrangement in 2004/05 in relation to aids and adaptations. The objectives of this joint arrangement are to provide savings associated with having a joint procurement arrangement with a major equipment provider and the resultant efficiencies and economies of scale for Health and Social Services (Department of Children & Education and Department of Community Services) in the use of aids and adaptations.

Although this is a joint arrangement it is not a pooled budget with each party (Wiltshire PCT, DCS and DCE) being financially responsible for the funding of equipment costs associated with their client group.

The PCTs merged on 1 October 2006 and a new S31 agreement exists, replacing the three separate S31 agreements, these are varied on an annual basis to reflect any changes within the arrangements. The budget is administered by Wiltshire Council (previously Wiltshire County Council) on behalf of the Wiltshire PCT.

Wiltshire Council expended £1.026 million in 2009/10 (split between DCS £0.842 million and DCE £0.184 million), with Wiltshire PCT expenditure of £1.558 million, towards a total joint arrangement spend of £2.584 million.

Intermediate Care

In 2006/07 an Intermediate Care S31 Agreement was put in place from 1st April 2006 with regards to Community Support Workers with the Primary Care Trust. This is not based upon a monetary contribution, but a number of staff to work with health in a joint arrangement capacity. In 2009/10 the value of this provision was £0.665 million, a decrease from £0.881 million in 2008/2009. This difference is due mainly to a proportion of the budget being allocated differently in 2009/10.

Care in the Community

In previous financial years, A Care in the Community Joint Funded Placements with the Primary Care Trust (PCT) agreement existed for Learning Disability clients – the value of this agreement in 2008/2009 was £8.051m.

For the 2009/2010 financial year, this arrangement was superseded by the “Transfer of the Responsibility for the Commissioning of Social Care for Adults with a Learning Disability from the NHS to Local Government” under Valuing People Now proposals. A transitional arrangement exists for the first two years and from 2011/2012 this agreement will see an as yet to be determined amount transfer into WC core funding.

Note 8 General Government Grants

The Council received the following General Government Grants in 2009/2010.

	2009/2010 £000	2008/2009 £000
Revenue Support Grant	(18,899)	(8,474)
Area Based Grant	(19,391)	(18,203)
Other General Government Grants	(575)	0
Total	<u>(38,865)</u>	<u>(26,677)</u>

Revenue Support Grant is received from central government on the basis of the Council’s relative needs formula.

Area Based Grant (ASB) is a non-ring fenced grant from central government.

Note 9 Members’ Allowances

The total allowances paid to elected members during 2009/10 were £1.459 million (2008/09 Wiltshire County Council £0.731 million and Acquired Services £1.158 million).

Note 10 Senior Staff Remuneration

The Council is required to disclose the number of staff who received taxable remuneration from Wiltshire Council in excess of £50,000 for the year.

This information will follow.

Note 11 Related Party Transactions

The council is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence Wiltshire Council or to be controlled or influenced by it. Disclosure of these transactions allows readers to assess the extent to which Wiltshire 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 it.

Central government has effective control over our general operations – it is responsible for providing the statutory framework within which we operate, provides the majority of our funding in the form of grants and prescribes the terms of many of the transactions that we have with other parties.

Members of the Council have direct control over the Council's financial and operating policies. If a Member declares an interest in a transaction which involves the Council, these transactions are recorded in the Register of Members' Interests, open to public inspection at County Hall, Trowbridge.

Officers – under the requirements of the Local Government Act 2000, the Council has developed a Code of Conduct for officers and established a Register of Officers interests.

Pension fund – during the financial year the pension fund had an average balance of £2.8 million of surplus cash invested by the council. The council paid the fund a total for interest of £12K on these deposits. The council charged the fund £1.022 million for expenses incurred in administering the fund.

During 2009/10 various Wiltshire Council Councillors were also members of parish or town councils, police bodies and other bodies. Significant payments made to these bodies by Wiltshire Council are listed below:

	2009/10 £000	2008/09 £000
Age Concern	0	414
Amesbury Town Council	0	2
Care Limited	0	782
Calne Leisure Centre	76	0
Calne Town Council	113	0
Chippenham Town Council	98	
Community First	0	464
Devizes Town Council	72	105
Environment Agency	599	0
Jephson Housing Association	1,108	0
Kennet District Council	0	991
Lady Margaret Hungerford Charities	22	0
Local Government Association	0	66
Marlborough Town Council	51	0
North Wilts & Devizes Portage Service	0	75
North Wiltshire District Council	0	564
North Wilts Housing Association	0	469
Salisbury and South Wiltshire Museum	0	32
Salisbury City Council	641	0
Salisbury Diocesan Board of Education	0	116
Salisbury District Community Transport Project	0	50
Salisbury District Council	0	746
Salisbury NHS Trust	263	0
Salisbury Park and Ride	0	29
Salisbury Playhouse	156	25
Selwood Housing Association	14,105	
The Health Advocacy Partnership	0	208
Tidworth Development Trust	0	71
Trowbridge Town Council	210	81
Westlea Housing Association	14,376	0
West Wiltshire District Council	0	835
West Wiltshire Housing Society Limited	0	903
Wiltshire Archaeology and Natural History	0	19
Wiltshire Blind Association	29	0
Wiltshire County Branch - UNISON	0	162
Wiltshire and Swindon Fire Authority	24	112
Wiltshire Pension Fund	0	137
Wiltshire Police Authority	1,191	1,291
Wiltshire Wildlife Trust	633	347
Wootton Bassett Town Council	487	0
Total	34,254	9,096

Note 12 Audit Fees

Wiltshire Council incurred the following fees in respect of external audit and statutory inspection, in accordance with the Audit Commission Act 1998

	2009/2010 £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Total including Acquired Services £000
Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	400	210	401	611
	0	15	8	23
Fees payable to the Audit Commission in respect of statutory inspection				
Fees payable to the Audit Commission for certification of grant claims and returns	80	13	122	135
Fees payable to the Audit Commission for other services	0	0	(1)	(1)
Total	480	238	530	768

Note 13 is for Wales only and so is not applicable to Wiltshire Council.

This note heading is retained only to achieve consistency of numbering with the statement of recommended practice.

Note 14 The Statement of Movement on the General Fund Balance

For ease of reference, this has been included with the Income and Expenditure Account earlier in the accounts.

Note 15 Statutory adjustment to income & expenditure account

For ease of reference, this has been included with the Income and Expenditure Account earlier in the accounts.

Note 16 Summary of Capital expenditure and Sources of Finance
Movement of Fixed Assets 2009/2010

	Intangible Assets (See note 30) £000	Council Dwellings & Garages £000	Operational Properties & Land £000	Vehicles, Plant and Equipment £000	Infra-structure £000	Community Assets £000	Non-Operational Assets (See below) £000	Total £000
Cost or Valuation								
At 1 April 2009	10,329	0	425,505	17,956	222,726	0	14,774	691,290
Total Acquired Services	1,857	296,557	120,679	17,316	4,578	5,567	55,594	502,148
Prior year adjustment			54,564					54,564
Revised Opening Balance	12,186	296,557	600,748	35,272	227,304	5,567	70,368	1,248,002
Additions	1,165	4,459	16,871	4,651	8,289	0	55,237	90,672
Disposals	0	(206)	(1,948)	0		0	(158)	(2,312)
Revaluations	0		13,928			0	185	14,113
Category Adjustments			603			0	(603)	0
								0
								0
At 31 March 2010	13,351	300,810	630,202	39,923	235,593	5,567	125,029	1,350,475
Depreciation and Impairments								
At 1 April 2009	(16)		(15,570)	(11,706)	(28,930)		(239)	(56,461)
Total Acquired Services	(779)	(46,734)	(7,673)	(3,073)	(37)	(99)	(7,629)	(66,024)
Revised Opening Balance	(795)	(46,734)	(23,243)	(14,779)	(28,967)	(99)	(7,868)	(122,485)
Depreciation/Amortisation	(3,239)	(8,513)	(18,099)	(7,505)	(4,293)	0		(41,649)
Impairments		32	(39,041)	(12)		0		(39,021)
Disposals						0		0
Category Adjustments						0		0
At 31 March 2010	(4,034)	(55,215)	(80,383)	(22,296)	(33,260)	(99)	(7,868)	(203,155)
Net Book Value at 31 March 2010	9,317	245,595	549,819	17,627	202,333	5,468	117,161	1,147,320
Net Book Value at 31 March 2009	10,313	0	409,935	6,250	193,796	0	14,535	634,829
Revised Opening Net Book Value	11,391	249,823	577,505	20,493	198,337	5,468	62,500	1,125,517

Non-Operational Assets	Investment Properties £000	Assets under Construction £000	Surplus assets held for disposal £000	Total £000
Original book value	7,470	7,097	207	14,774
Accumulated Depreciation to 1 April 2009	(174)		(65)	(239)
Net Book Value 1 April 2009	7,296	7,097	142	14,535
Total Acquired Services	37,403	10,562	0	47,965
Revised Opening Balance	44,699	17,659	142	62,500
Additions in Year	19	55,218		55,237
Disposals	(92)		(66)	(158)
Revaluations	185			185
Depreciation				0
Impairments				0
Category Adjustments		(603)		(603)
Balance at 31 March 2010	44,811	72,274	76	117,161

Financing of Capital Expenditure

Below is the financing of the year's capital expenditure on fixed assets and revenue expenditure funded from capital under statute:

	31 March 2010		31 March 2009	
	£000	£000	£000	£000
Opening Capital Financing Requirement		235,798		203,424
Prior Year Adjustment - PFI	53,033			
Capital Investment				
Operational Assets	35,435		39,061	
Non-Operational Assets	55,237		18,066	
Assets Written-Off	0		7,184	
Revenue Expenditure Funded from Capital under Statute	16,652		7,381	
		160,357		71,692
Sources of Finance				
Government Grants and Other Contributions	(57,641)		(27,688)	
Capital Receipts	(23,217)		(1,423)	
Transfer from Capital Reserve	(4,663)		(2,456)	
Assets purchased through Revenue	(84)		(795)	
Minimum Revenue Provision	(9,314)		(7,853)	
Voluntary Revenue Provision	(900)		(994)	
Minimum Revenue Provision - PFI Schemes	(790)		0	
		(96,609)		(41,209)
Closing Capital Financing Requirement		299,546		233,907
Explanation of Movements in the Year				
Increase / (decrease) in underlying need to borrow		11,505		30,483
Effect of bringing the PFI into the balance sheet		52,243		0
Increase / (decrease) in Capital Financing Requirement		63,748		30,483

Note 17 Capital Commitments

The following table shows the Council's significant commitments under capital contracts contracted to be paid after 31 March 2010

Description	2009/2010 £000
Melksham Oak School	1,334
Other School construction projects	2,942
Wellington Academy	23,847
Highways	10,667
Workplace Transformation Programme	5,909
Total	44,699

Note 18 Further information on the composition of assets included in the Balance Sheet

This statement indicates the broad categories and approximate number of fixed assets held on the asset register owned by Wiltshire Council.

Council Dwellings include:

5372 HRA Properties, 1233 HRA Garages

General Properties include:

22 Office Buildings
 30 Hostels, Respite Units, & Residential Homes
 46 Public Conveniences & Sewage Treatment Works
 2 Household Waste & Recycling Centres
 63 Car Parks
 20 Leisure Centres & Swimming Pools
 13 Cemetery Buildings
 14 Depots and Workshops
 319 Primary Schools Buildings & Mobiles
 114 Secondary Schools Buildings & Mobiles
 37 Special School Buildings & Mobiles
 17 Library Buildings
 72 Farm Buildings
 8 Allotment Sites
 50 Arts, Training, Youth & Community Centre Buildings
 15 Pavilion Buildings

Vehicles and Equipment includes:

80 Waste Collection/Waste Disposal Vehicles	IT Equipment
26 Winter Service Vehicles	Gym Equipment
41 Minibuses & Schools Vehicles	CCTV Equipment
22 Street Cleansing Vehicles	Play Area Equipment
111 Other Vehicles	Refuse & Recycling Plant

Infrastructure items include:

County Roads and Highways
 Pumping Stations
 Flood Drainage Assets
 Footpaths and Streetlights
 Motorways or trunk roads are not held as these are maintained by the Highways Agency.

Community Assets include:

64 Parks, Playing Fields, and Open Spaces	Poultry Cross
8 Cemeteries	War Memorial

Non operational property – Investment properties:

128 Commercial Properties, Land and Garages held for their rental income

Assets under construction include the following ongoing projects:

Melksham Oak Secondary School	Wellington Academy
Petersfinger Park and Ride Scheme	Malmesbury Primary School
Bourne Hill Office Centralisation Scheme	New Highbury Primary School
Salisbury Vision Market Place Refurbishment	
178 Highways Projects and 26 DCE Projects	

Foundation Schools

The School Standards and Framework Act 1998 changed the status of Grant Maintained schools to Foundation Schools maintained by the Local Education Authority. The change for funding purposes took effect from 1 April 1999. Fixed Assets and Long Term Liabilities remain vested in the Governing Bodies of individual foundation schools and therefore values and amounts have not been consolidated in this balance sheet. In this authority's area there are 23 foundation schools.

Note 19 Leasing**Finance Leases**

A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee

Rentals paid in 2009/2010 and future obligations in respect of finance leases are listed below:

	Principal	Interest
	£000	£000
Amounts payable in 2010/11	30	43
Amounts payable between 2011/12 and 2014/15	120	171
Amounts payable in 2015/16 and after	471	916
	621	1,130
Asset Class		
Land and Buildings	621	1,130

Finance Lease payments in 2009/10	Principal	Interest	Total
	£000	£000	£000
Land and Buildings	30	43	73

Operating leases

An operating lease is a lease that is not a finance lease (see above) and include vehicles and gas central heating equipment. Rentals paid in respect of operating leases and future obligations for operating leases are listed below:

Operating Lease payments in 2009/10	2009/2010
	£000
Plant, vehicles and equipment	964
Operating lease payments due in 2010/11	2010/2011
	£000
Amounts payable where lease expires in 2010/11	175
Amounts payable where lease expires between 2011/12 to 2014/15	1133
Amounts payable where lease expires in 2015/16 or after	10
	1318
Asset Class	
Plant, vehicles and equipment	1318

Note 20 Leases held as investments

The Council does not receive income from finance leases or hire purchase contracts and has not acquired any assets for the purpose of letting under finance leases.

Note 21 PFI arrangements**North Wiltshire Schools PFI & additional 6th form units.****Introduction**

In October 2000 the Council entered into a Private Finance Initiative with White Horse Partnership to procure three new secondary schools. All three schools have been constructed and are operational. White Horse Partnership will maintain and operate the facilities for 30 years from the date the first school became operational in March 2002.

Accounting treatment

Under the previous accounting arrangements this scheme was considered an 'off' balance sheet' PFI as the Wiltshire County Council PFI agreement was felt to transfer the balance of risk and reward of ownership of the schools to the PFI operator. This meant the assets and liabilities of the scheme were not recorded on the WCC balance sheet. Under SORP 2009 in readiness for the transition to IFRS this PFI is now regarded to be an 'on balance sheet' PFI. Therefore prior year adjustments have been made to the accounts to reflect this change and changes have been made to the 09/10 income & expenditure and balance sheet to recognise the new assets and liabilities of the PFI scheme on the balance sheet.

Prior to 09/10 the PFI payments were wholly recorded as an operating expense within the net cost of services in the Income and Expenditure Account, for 09/10 an estimate of the amount of this charge that relates to repaying the finance liability has been made and taken from the net cost of services. In order to mitigate the effect of this on the general fund balances an equal charge for the additional MRP incurred has been made.

Funding

The funding for the annual PFI payment comes from the Council's own resources and a special government grant called a PFI credit. Over the life of the PFI project, the Council will receive PFI credits of £38.6 million. It is the Council's policy to appropriate any surplus of PFI credits to an earmarked PFI sinking fund reserve. The amount of Government funds required to support the PFI contract for a particular year is then appropriated back to the revenue account.

Capital contributions

Under the new SORP 2009 these contributions to the PFI that were retained in the Council's Balance Sheet as a prepayment and amortised to revenue in equal instalments over the life of the project have been written off to reduce the value of the outstanding liability.

The amounts incorporated into the liability comprised the following contributions;

land owned by the authority at the three schools valued at £9.6 million has been leased to WHEP as part of the contract. A capital contribution of £2.2 million was made to the project by way of a cash payment in 2001/02 and a further payment of £4.5 million in 2005/06 when the surplus land at Malmesbury School was sold.

Fair value of asset at end of PFI term

Under the new SORP 2009 the residual interest asset that was being built up in the Balance Sheet as a long term debtor in equal instalments over the life of the PFI has also been written off to reduce the value of the outstanding liability. Prior to SORP 2009 This transaction was undertaken to reflect the expected fair value of the assets that will transfer to the Council at the end of the PFI contract, now the assets are recognised fully in the 09/10 accounts this treatment is redundant.

PFI Smoothing Fund Earmarked Reserve

This represents the excess of government grant over expenditure to date in respect of the Schools PFI. This is being carried forward to meet future years' commitments under the PFI contract.

Income and Expenditure

Payments are made to the PFI contractors as monthly 'unitary payments'. These payments are commitments and can vary subject to indexation, reductions for performance and availability failures. Possible future variations to the scheme as elements are added to or taken away from the scheme.

The funding of the unitary payment will come from the individual schools budget, the overall Schools Budget and a special government grant.

As at 31 March 2009 payments totalling £36.9 million have been made to the PFI contractor. The future estimated payments the Council will make under the contract are as follows:

Period	2009/2010 £000	2008/2009 £000
Within 1-5 years	28,900	28,600
Within 6-10 years	30,900	30,500
Within 11-15 years	33,100	32,700
Within 16-20 years	35,600	35,100
Within 21-25 years	15,200	22,300
Total	143,700	149,200

Over the life of the PFI project the Council will receive government grants of £107 million.

Monkton Park Offices PFI Scheme**Introduction**

North Wiltshire District Council entered into a long-term contract for the provision and management of Monkton Park offices. This contract is for a period of 25 years.

Accounting treatment

Under the provisions of the SORP 2009 most PFI schemes were to be brought 'on balance sheet'. This scheme was already largely being treated as 'on balance sheet' so there were less changes to be made to restate this scheme. The assets and liabilities of this scheme were already reflected in the balance sheet.

As part of the contract the council transferred ownership of three offices to the contractor at a value of £1.05m, these were being treated as a long term debtor in the accounts that was being amortised to revenue over the 25 years. This treatment has changed and the debtor has been written off to reduce the value of the outstanding liability.

Income and Expenditure

The unitary charge (reduced for the share of the finance lease repayment) is payable to the net cost of services and increases over the life of the contract in line with the retail price index, the grant received towards this payment is now a fixed sum. A reserve has been set up to smooth this increase in charges over the contract term.

The payments under the unitary charge over the remaining years for the contract are assessed as follows;

Period	2009/2010 £000	2008/2009 £000
Within 1-5 years	10,410	10,031
Within 6-10 years	12,380	11,914
Within 11-15 years	14,710	14,150
Within 16-20 years	6,630	9,735
Within 21-25 years	0	0
Total	44,130	45,830

Note 22 Fixed Asset Valuation

Assets classified as Land & Buildings, excluding County Farms, are revalued as part of the Council's rolling programme for the revaluation of fixed assets. The valuations are carried out by an external valuer, Bruton Knowles, Chartered Surveyors.

All County Farms are revalued every 4 years by an external valuer. In 2008/09 Smiths Gore, Chartered Surveyors carried out this revaluation.

The basis for valuation is set out in the statement of accounting policies.

A full revaluation of all operational and non-operational land and buildings will be undertaken in 2010/2011. The following table shows the split of valuations

	Intangible Assets	Council Dwellings & Garages	Operational Properties & Land	Vehicles, Plant and Equipment	Infra-structure	Community Assets	Non-Operational Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valued at historical cost	9,317		3,531	17,627	202,333	5,468	61,713	299,989
Valued at current value in:								
2009/2010			101,595					101,595
2008/2009		243,571	163,103				31,478	438,152
2007/2008		2,024	105,023				3,533	110,580
2006/2007 and Previous years			176,566				20,438	197,004
Book Value at 31 March 2010	9,317	245,595	549,818	17,627	202,333	5,468	117,162	1,147,320

Note 23 Information about Depreciation Methodologies

All depreciation applied is on a straight line basis using the following useful lives, unless the asset life is reviewed;

- Council Dwellings. These are depreciated over a useful life of 30 years;
- Other Land and Buildings, Garages and Buildings are depreciated over a useful life of 50 years. Land is not depreciated;
- Vehicles, Plant etc. These are depreciated over 5 years;
- Community Assets, Assets Under Construction and Non Operational Assets. These are not depreciated.

The total depreciation charged to tangible fixed assets for 2009/2010 is £38,409,786. This is added to the amortisation of intangible assets of £3,239,083 to give total depreciation/ amortisation for year of £41,648,868 shown in note 16.

Note 24 Changes in Depreciation Methodologies

Due to the Local Government Reorganisation the depreciation methodologies of the 5 former councils have been merged and amended. The details of the current methodology can be found in note 23.

Note 25 Intangible Fixed assets

The intangible assets held by Wiltshire Council include the BMP/SAP software and other software packages. A breakdown is below.

	Purchased Software Licences £000
Original book value	10,329
Amortisations to 1 April 2009	(16)
Net Book Value 1 April 2009	10,313
Total Aquired Services	1,078
Balance at 1 April 2009	11,391
Expenditure in Year	1,165
Amortisations in Year	(3,239)
Impairments	
Balance at 31 March 2010	9,317

Note 26 Information about Amortisation

All amortisation applied to Intangible assets is on a straight line basis over 5 years.

The total amortisation charged for the assets for 2009/2010 is £3,239,083.

Note 27 Net Assets Employed

The net assets employed by the Council are analysed below:

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
General Fund	47,800	(201,892)	(109,999)	5,810	(306,081)
Housing Revenue Account	(260,278)	0	(263,045)		(263,045)
Total	(212,478)	(201,892)	(373,044)	5,810	(569,126)

Note 28 Related Companies

The Council has no interest in any related, subsidiary or associated companies.

Note 29 Insurance Provisions

An insurance provision is accounted for when it is probable that a cost will be incurred and a reliable estimate of the cost can be made. The insurance provision for 2009/10 is made up of 13 claims totalling £0.200 million. The provision levels are set in the following ways:-

- Property Damage. The estimated cost of reinstatement (often supported by an independent contractors repair/replacement estimate) or the actual cost based on replacement/repair invoices presented.
- Personal Injury. Based on the insurers own reserve calculation for the claim. Where insurers are not handling the claim, a 'flat' figure of £7,500 is used.

The 13 claims consisted of a mixture of Public and Employers Liability claims and own Property claims.

The Authority self insures with the Council meeting the first £0.1 million of each employers and public liability claim and between £0.1 million and £0.250 million for own property claims. There are other risks the Authority does not insure against and these include, for example, computer breakdown and loss of computer data, employment practices.

Note 30 Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. These should be recognised where the council has a present obligation as a result of a past event, that it is probable (i.e. the event is more likely than not to occur) a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made. If these conditions are not met no provision should be recognised. Amounts set aside for purposes falling outside the definition of provisions should be considered as earmarked reserves.

Provision	Purpose	2008/2009	Acquired	Total including	Movement in 2009/2010	2009/2010
		Wiltshire County Council	Services (Districts)	Acquired Services		Wiltshire Council
		£000	£000	£000	£000	£000
S.117 Mental Health Act 1983	Reimbursement of contribution fee	(64)	0	(64)	64	0
Accounting & Budget Support Trading	To offset future loss of income due to school closures	(54)	0	(54)	54	0
Malmesbury YDC- lease provision	To cover dilapidations on 25 year lease	(60)	0	(60)	0	(60)
Marlborough YC	Provision for joint use of premises with DCS	(60)	0	(60)	0	(60)
Connexions	To cover dilapidations at various premises, variations in grant levels, restructure costs	(244)	0	(244)	244	0
Substance Misuse	TUPE costs for AWP FLUX	(58)	0	(58)	58	0
Transformation Fund	Provision to provide capacity for DCE reorganisation	(30)	0	(30)	30	0
Voice & Influence	To provide continuation of Positive Engagement Activities service	(180)	0	(180)	60	(120)
Udinton	Maintenance of building and specialist fees for feasibility study for new Conference Centre	(20)	0	(20)	20	0
Calne Northern Distributor Road Compensation Claims	Compensation to be paid to owners following construction of Calne Northern Distributor Road	(650)	0	(650)	0	(650)
Insurance Claims	See Note 29 on Insurance Provisions	(166)	0	(166)	(35)	(201)
Payroll	Payment to software supplier in dispute	(207)	0	(207)	142	(65)
Magistrates Courts	Awaiting decision from Lord Chancellor's Dept	(85)	0	(85)	0	(85)
ESD Legal Costs	To provide for potential legal costs for various reasons	0	0	0	(100)	(100)
Spatial Planning	To provide for potential increases in expenditure dependent upon progress of local plans	0	0	0	(514)	(514)
Other Provisions	Various provisions of small value	(35)	0	(35)	35	0
Vitesse	To provide against potential court costs arising from a business rates arrears court case	0	0	0	(203)	(203)
Community Sports Network	ex WWDC provision in relation to sports development	0	(17)	(17)	17	0
Pay Reform Single Status	To provide against possible claims by employees for arrears of pay under equal pay legislation	0	(610)	(610)	(469)	(1,079)
Historic Buildings	To provide for repairs to historic buildings	0	(19)	(19)	(4)	(23)
Rent Deposits	Rent deposits held which may be payable to landlords upon tenancy expiry	0	(79)	(79)	(28)	(107)
Homelessness Court Desk	To provide for a homelessness court desk for Trowbridge Court	0	(5)	(5)	0	(5)
Village Halls	To provide for costs in relation to the building of village halls	0	(27)	(27)	0	(27)
Total		(1,913)	(757)	(2,670)	(629)	(3,299)

Note 31 Reserves

The Council keeps a number of reserves in the balance sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

Reserve	Note	Wiltshire CC Balance at 01/04/2009 £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000	Movements In Year £000	Wiltshire Council Balance at 31/03/2010 £000	Purpose of Reserve
Revaluation Reserve	53	(62,064)	(11,407)	(19,806)	(93,277)	(11,168)	(104,445)	Store of gains on revaluation of fixed assets not yet realised by sales
Capital Adjustment Account	54	(284,475)	(403,866)	24,811	(663,530)	50,733	(612,797)	Store of capital resources set aside to meet past expenditure
Useable Capital Receipts	55	(71)	(21,272)	0	(21,343)	18,327	(3,016)	Proceeds of fixed assets sales available to meet future capital investment
Major Repairs Reserve	56	0	(1,144)	0	(1,144)	512	(632)	Resources available to meet capital investment in council houses
Financial Instruments Adjustment Account		2,885	725	0	3,610	(462)	3,148	Balancing account to allow for differences in statutory requirements and proper accounting practices for borrowings and investments
Deferred capital receipts		0	(1,900)	0	(1,900)	148	(1,752)	Capital income yet to be received for
Pensions Reserve	52	196,085	93,964	0	290,049	274,893	564,942	Balancing account to allow inclusion of Pensions Liability in the balance sheet
General Fund		(4,956)	(8,384)	0	(13,340)	(430)	(13,770)	Resources available to meet future running costs for non-housing services
Housing Revenue Account		0	(10,942)	0	(10,942)	(1,804)	(12,746)	Resources available to meet future running costs for council houses
Earmarked Reserves	57	(49,296)	(7,240)	0	(56,536)	25,783	(30,753)	Other ring fenced resources available for specific areas
Collection Fund Adjustment Account		0	(1,578)	805	(773)	116	(657)	
Total Equity	27	(201,892)	(373,044)	5,810	(569,126)	356,648	(212,478)	

Further details of the movement of the General Fund are included in the Statement of Movement of General Fund Balances. Further details of the movement on the Housing Revenue Account are included in the HRA statement.

Note 32 Contingent Liabilities and Assets

The Council is required to show an estimate of future costs that may occur that are not currently reflected in the accounts. The estimate of the costs is a contingent liability.

A Contingent Asset is defined as a possible asset that arises from a past event and whose existence will be confirmed only by the occurrence of one or more future events not wholly within the authority's control. This is not recognised in the Income and Expenditure Account or Balance Sheet because prudence cautions that the gain might never be realised.

Both contingent assets to note for the year ended 31 March 2010 relate to VAT.

VAT – Off-Street Car Parking

The Council is pursuing a possible retrospective claim for reimbursement from HM Revenues and Customs (HMRC) for VAT output tax paid over in respect of 'off street' car parking income.

The council cannot pursue this claim until the 'Isle of Wight' case has been resolved. Should the final decision fall in favour of the Isle of Wight (plus others), and Wiltshire Council subsequently win its own tribunal case, the amount of overpaid VAT due to the Council would be in the region of £12.2million.

VAT – Fleming Claim

The Council is pursuing some retroactive claims from HMRC for the repayment of output tax that was overpaid or input tax that was under claimed during the period of 1 April 1973 and 4 December 1996.

These claim are being sought on a variety of services, following a decision in the House of Lords in the case of 'Fleming' and 'Condé Nast'.

The total VAT claim for Wiltshire Council is approximately £1.3 million.

Note 34 Post Balance Sheet Event

Following the Local Government reorganisation Salisbury City Council was formed which took on some of the responsibilities of the former District Council. Following the balance sheet date the formal transfer of assets from Wiltshire council to Salisbury City Council took place. The total value of the assets that have transferred in 10/11 is around £8.1m.

Note 35 Trust Funds

The Council administers a Trust Fund related to specific services. The majority of the funds are invested externally and the balance is invested with the Authority. This represents a long term liability for the Council and is shown as such within the Consolidated Balance Sheet.

	Balance 31 March 2010 £000	Income £000	Loss on expenditure £000	Balance revaluation £000	Balance 31 March 2009 £000
Charity of William Llewellyn Palmer	1,431	50	(55)	381	1,055
Withy Trust	227	8	(7)	63	163
Edwin Young Collection	359	12	(18)	(167)	532
John Creasey Museum	171	56	(50)	42	123
William 'Doc' Couch	4,058	111	(124)	821	3,250
Westbury Public Baths	665	94	(108)	0	679
King George V Playing Field	291	27	(33)	0	297
Other Miscellaneous Funds	266	13	(14)	41	226
	7,468	371	(409)	1,181	6,325

The Trust Fund Assets were valued at 31 March 2010 and the external investments were:

Trust Fund Assets	Market Value 31 March 2010 £000	Market Value 31 March 2009 £000
Government Fixed Interest	1	1
Managed Funds - Bonds	1,239	1,020
Managed Funds - Equities	4,087	2,765
Property	1,426	1,434
Cash	293	453
Hedge Funds	353	346
Other	45	293
	7,444	6,312

Note 36 Reserves & balances held by schools

Dedicated Schools Grant

Spending on schools is mainly funded by grant monies provided by the Department for Children, Schools and Families (DCSF) through the Dedicated Schools Grant (DSG). The DSG grant is ring-fenced and can only be used to meet expenditure properly included in the schools budget.

Details of the DSG receivable in 2009/2010 are as follows

	Expenditure 2009/2010 £000	Schools Budget 2009/2010 £000	2009/2010 £000	2008/2009 £000
Final DSG for 2009/2010	33,253	209,926	243,179	237,385
Bought forward from 2008/2009 (overspend)	(193)	0	(193)	0
Budget adjustment bought forward from 2008/2009	55	0	55	(55)
Carry forward to 2010/2011 agreed in advance	0	0	0	0
Agreed budget distribution (less net overspend from 2008/2009 to be recovered)	33,115	209,926	243,041	237,330
Actual Central expenditure	33,019	0	33,019	32,701
Actual ISB deployed to schools	0	209,926	209,926	204,822
Local authority contribution from 2009/2010	0	0	0	0
Carried forward to 2010/2011 9 underspend)	(96)	0	(96)	193

Note 37 Amounts due to & from related parties

No specific provision for bad debts is held for these amounts although they have been included in the Council's overall bad debt provision.

Note 38 Pension Fund Disclosures**Participation in Pensions Schemes**

As part of the terms and conditions of employment for officers and other employees, the authority offers retirement benefits. Although these will not actually be payable until employees retire, the authority has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The authority participates in two pension schemes:

- The Local Government Pension Scheme for civilian employees, administered by Wiltshire Council – this is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets.
- The Teachers' Pension Scheme – this is an unfunded scheme, meaning that there are no investments assets built up to meet the provisions liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The liability for this scheme falls upon central government.

Liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, on an actuarial basis using the projected unit method based on the full actuarial valuation of the fund carried out at 31 March 2007.

In 2009/10, pension costs have been charged to the Income and Expenditure Account on the basis required by FRS 17, contributions payable to the Wiltshire Council pension scheme are based on an actuarial valuation at 31 March 2010.

The estimated employer contributions for the year to 31 March 2011 will be approximately £26.282 million.

The amounts determined by the actuary to be charged to the revenue account under FRS17 were as follows:

	Year to 31 March 2010 £000	Year to 31 March 2010 % of Payroll	Year to 31 March 2009 £000	Year to 31 March 2009 % of Payroll
Current Service Costs	14,331	11.2%	14,278	13.2%
Interest Costs	48,958	38.2%	33,771	31.3%
Expected return on Employer Assets	(26,589)	(20.7%)	(25,399)	(23.5%)
Past Service Costs	219	0.2%	4,061	3.8%
Losses on Curtailments and Settlements	5,138	4.0%	508	0.5%
Total Recognised in Profit and Loss	42,057	32.9%	27,219	25.3%
Actual Return on Plan Assets	139,598		(80,362)	

These FRS17 amounts are then reversed out by a contribution to/from the Pensions reserve, so that they have no impact on the Council Tax.

Assets and liabilities in relation to Retirement Benefits

The underlying assets and liabilities for the retirement benefits attributable to the Authority as at 31 March 2010 are as follows:

Local Government Pension Scheme	31 March 2010 £000	31 March 2009 £000
Fair Value of Employer Assets	558,637	286,896
Present Value of Funded Liabilities	(1,059,501)	(443,893)
Net (Under)/Overfunding in Funded Plans	(500,864)	(156,997)
Present value of Unfunded Liabilities	(69,916)	(39,089)
Unrecognised Past Service Cost	0	0
Net Asset/(Liability)	(570,780)	(196,086)
Amount on balance sheet		
Liability	(570,780)	(196,086)
Asset	0	0
Liability Amount in Balance Sheet	(570,780)	(196,086)

A more detailed breakdown is included in note 52

The Liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. Statutory arrangements for the funding of the deficit mean that the financial position of the Authority remains healthy. The deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

Basis for Estimating Assets and Liabilities

This estimates the pensions that will be payable in future years dependant on certain assumptions. The main assumptions used in the calculations are:

Assumptions as at Year Ended:	31 March 2010 % per annum	31 March 2009 % per annum
Inflation/ Pension Increase Rate	3.8%	3.1%
Salary Increase Rate	5.3%	4.6%
Expected Return on Assets	7.0%	3.1%
Discount Rate	5.5%	6.9%

Assumptions on Mortality Rates

Life expectancies are based on the PFA92 and PMA92 tables are projected as follows:

	Males	Females
Current Pensioners	20.8 years	24.1 years
Future Pensioners	22.3 years	25.7 years

Year Ended	Prospective Pensioners Year of birth, medium cohort and 1% pa minimum improvements from 2007	Pensioners Year of birth, medium cohort and 1% pa minimum improvements from 2007
31 March 2010	calendar year 2033	calendar year 2017
31 March 2009	calendar year 2033	calendar year 2017
31 March 2008	calendar year 2017	calendar year 2004
31 March 2007	calendar year 2004	calendar year 2004
31 March 2006		

Assets in the Wiltshire County Council Pension Fund are valued at a fair value, principally market value for investment and consist of the following categories, by proportion:

Assets at Year Ended:	Expected Return on assets		Fair Value of employer assets	
	31 March 2010 % per annum	31 March 2009 % per annum	31 March 2010 £000	31 March 2009 £000
Equities	7.8%	7.7%	396,632	177,876
Bonds	5.0%	5.7%	89,382	65,986
Property	5.8%	5.7%	50,277	25,821
Cash	4.8%	4.8%	22,346	17,214
Total			558,637	286,897

Amount to be charged to operating profit

Year Ended	31 March 2010	
	£000	% of Payroll
Projected Current Service Cost	28,670	22.6%
Interest on Obligation	62,092	49.0%
Expected Return on Plan Assets	(39,123)	(30.9%)
Past Service Cost	0	0.0%
Losses/ (Gains) on Curtailments and Settlements	0	0.0%
Total	51,639	40.7%

Actuarial Gains and Losses

The actuarial gain on the Pensions Reserve can be analysed into the following categories, measured as a percentage of assets or liabilities:

	Year Ended 31 March 2010	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2007	Year Ended 31 March 2006
	£000	£000	£000	£000	£000
Fair Value of Employer Assets	558,637	286,896	355,074	369,946	322,361
Present Value of Defined Benefit Obligation	(1,129,417)	(482,981)	(486,066)	(516,842)	(509,211)
Surplus/ (Deficit)	(570,780)	(196,085)	(130,992)	(146,896)	(186,850)
Experience Gains/ (Losses) on Assets	113,009	(105,761)	(50,647)	(5,204)	43,257
Experience Gains/ (Losses) on Liabilities	(9,339)	1,503	(7,073)	19,395	6,687

The actuarial gains or losses recognised in the Statement of Total Recognised Gains and Losses for the current and previous accounting periods, and the cumulative actuarial gains and losses are shown below:

	Year Ended 31 March 2010	Year Ended 31 March 2009	Year Ended 31 March 2008	Year Ended 31 March 2007	Year Ended 31 March 2006
	£000	£000	£000	£000	£000
Actuarial Gains/(Losses)	(262,998)	(62,047)	13,879	42,046	(2,874)
Increase/ (Decrease) in Irrecoverable Surplus from membership	0	0	0	0	0
Total Actuarial Gains/(Losses) recognised in the STRGL	(262,998)	(62,047)	13,879	42,046	(2,874)
Cumulative Actuarial Gains/(Losses)	(336,394)	(73,396)	(11,349)	(25,228)	(67,274)

Further information can be found in the Wiltshire Pension Fund annual report 2008/09 which is available on request. Requests for this report, or any other queries arising from the Wiltshire Pension Fund Accounts, should be addressed to the Chief Financial Officer, Wiltshire Council, County Hall, Bythesea Road, Trowbridge, BA14 8JN

Note 39 Other pension schemes

The Council does not participate in any other defined benefit schemes and has no defined contribution schemes.

Note 40 Teachers pension scheme

In 2009/10 the Council paid £19.25 million to the Department for Education and Skills in respect of teachers' pension costs which represents 14.1% of teachers' pensionable pay. In addition, the County Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2009/10 these amounted to £2.18 million.

Note 41 Cash Flow Revenue Reconciliation

	2009/2010		2008/2009	
	£000	£000	£000	£000
(Surplus)/deficit for year:				
- General Fund	(430)		5,521	
- Housing Revenue Account	(1,804)		0	
- Earmarked Reserves	25,783		1,376	
		23,549		6,897
Movement in capital	(23,402)		(18,158)	
Minimum Revenue Provision	(3,429)		8,847	
Government Grants Deferred	1,772		2,243	
Movement in other balances	(937)		12,131	
		(25,996)		5,063
Interest Paid	(9,116)		(5,159)	
Interest received	1,376			
		(7,740)		(5,159)
Changes to:				
- creditors	12,930		(2,029)	
- stocks and work in progress	(107)		19	
- debtors	3,033		2,143	
		15,856		133
		5,669		6,934

Note 42 Cash Flow Movements in Other Current Assets

	Balance	Movement	Balance
	31/3/2009	2009/2010	31/3/2010
	£000	£000	£000
Cash in Hand / (Overdrawn)	12,933	6,415	6,518
Long Term Investments	0	(5,003)	5,003
Short Term Investments	97,374	39,748	57,626
Long term loans maturing within 1 year	(5,130)	(5,115)	(15)
Long term borrowing	(186,656)	20,239	(206,895)
Net Debt	(81,479)	56,284	(137,763)

Note 43 Cash Flow Movements in Cash and Cash Equivalents

	Balance	2009/2010	Balance
	Sheet	Movement	Sheet
	31/3/2009		31/3/2010
	£000	£000	£000
Cash and Bank	33,425	12,936	20,489
Cash Overdrawn	(20,492)	(6,521)	(13,971)
Movements in cash	12,933	6,415	6,518

Note 44 Cash Flow Cash and Cash Equivalents

The authority includes in cash and cash equivalents its bank accounts, including overdrafts and cash floats.

Note 45 Cash Flow Capital Expenditure and Income

Capital expenditure in the Cash Flow Statement differs from that in the notes to the Balance Sheet as it has been adjusted by the creditors amount to give the cash flow value.

Note 46 Cash Flow Other Government Grants

The Council is required to provide an analysis of the government grants in the cash flow. This information will follow.

Note 47 Long Term Debtors

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
Mortgages	1,602	0	1,864	0	1,864
Long Term Loans to Staff	53	4	78	0	82
Private Finance Initiative (PFI)	0	7,617	0	(7,617)	0
Other Long Term Loans	977	151	1,271	(924)	498
PFI Capital Contribution	0	12,434	0	(12,434)	0
Total Long Term Debtors	2,632	20,206	3,213	(20,975)	2,444

Note 48 Debtors

These represent sums owed to the Council for supplies and services provided before 31 March 2010 but not received at that date.

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
Other Local Authorities	2,706	0	1,575	(208)	1,367
Government Departments	25,694	6,786	9,069	(532)	15,323
Business Rates and Local Taxation	8,462	0	13,918	(6,303)	7,615
Tenants	910	0	855	0	855
Sundry Debtors	25,224	20,586	6,471	0	27,057
Payments in Advance	7,384	11,685	3,145	0	14,830
Total Debtors	70,380	39,057	35,033	(7,043)	67,047
Less: provision for bad debts					0
General Fund debtors	(2,384)	(486)	(1,899)	0	(2,385)
Housing Rent arrears	(732)	0	(684)	0	(684)
Council Tax arrears	(1,844)	0	(1,875)	284	(1,591)
NINDR arrears	0	0	(735)	735	0
Total Bad Debt provisions	(4,960)	(486)	(5,193)	1,019	(4,660)
Net Debtors	65,420	38,571	29,840	(6,024)	62,387

Note 49 Cash In Hand

This consists of the value of imprest accounts used by County Council establishments for small purchases and the bank accounts of locally managed schools.

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
Cash & Bank	280	118	7,268	0	7,386
PFI Sinking Fund	1,404	0	1,273	0	1,273
Schools' bank accounts	18,805	24,766	0	0	24,766
	20,489	24,884	8,541	0	33,425

Note 50 Creditors

These represent sums owed by the Council for supplies and services received before 31 March 2010 but not paid for at that date, or provisions created in accordance with the accounting policies.

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
Other Local Authorities	(2,258)	0	(1,650)	95	(1,555)
Government Departments	(8,193)	(22,553)	(6,820)	3,761	(25,612)
Sundry Creditors	(76,202)	(40,317)	(4,796)	19	(45,094)
Receipts in Advance	(11,269)	(33,482)	(6,453)	1,344	(38,591)
	<u>(97,922)</u>	<u>(96,352)</u>	<u>(19,719)</u>	<u>5,219</u>	<u>(110,852)</u>

Note 51 Long term borrowing

An analysis of loans by maturity is as follows:

	Wiltshire Council £000	2008/2009 Wiltshire County Council	Acquired Services (Districts)	Other Prior year Adjustments £000	Total including Acquired Services
Maturing within 1 year	(15)	(5,130)	0	0	(5,130)
Maturing in 1 to 2 years	(15)	(15)	0	0	(15)
Maturing in 2 to 5 years	(2,057)	(48)	0	0	(48)
Maturing in 5 to 10 years	(4,031)	(32)	0	0	(32)
Maturing in more than 10 years	(200,792)	(182,561)	(4,000)	0	(186,561)
Total Maturing over 1 year	<u>(206,895)</u>	<u>(182,656)</u>	<u>(4,000)</u>	<u>0</u>	<u>(186,656)</u>
Total Long Term Loans	<u>(206,910)</u>	<u>(187,786)</u>	<u>(4,000)</u>	<u>0</u>	<u>(191,786)</u>

The long term borrowing can be further analysed by lender category:

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Other Prior year Adjustments £000	Total including Acquired Services £000
Total outstanding at 31st March					
Lenders					
Public Works Loans Board	145,099	130,125	0	0	130,125
Money Market	61,811	57,661	4,000	0	61,661
	<u>206,910</u>	<u>187,786</u>	<u>4,000</u>	<u>0</u>	<u>191,786</u>

Note 52 Movement in Pension Surplus/ Deficit during the year

The movement in the liabilities in the Pension Fund are as follows:

Movement in Surplus/Deficit During the Year	Year Ended 31 March 2010 £000	Year Ended 31 March 2009 £000
Opening Defined Benefit Obligation	482,981	486,066
Current service cost	14,331	14,278
Interest Cost	48,967	33,771
Contributions by Members	8,403	6,887
Actuarial gains/(losses)	369,873	(43,715)
Past Service Costs/ (Gains)	219	4,061
Losses/ Gains on Curtailments	4,874	508
Liabilities Extinguished on Settlements	(2,804)	0
Liabilities Assumed in a Business Combination	234,007	0
Estimated Unfunded Benefits Paid	(3,443)	(2,545)
Estimated Benefits Paid	(33,830)	(16,330)
Closing Defined Benefit Obligation (A)	1,123,578	482,981

	Year Ended 31 March 2010 £000	Year Ended 31 March 2009 £000
Opening Fair Value of Employer Assets	286,896	356,858
Expected Return on Assets	26,589	23,614
Contributions by Members	8,403	6,887
Contributions by the Employer	20,592	21,628
Contributions in respect of Unfunded Benefits	3,730	2,545
Actuarial gains/(losses)	113,010	(105,761)
Assets Distributed on Settlements	(3,067)	0
Assets Acquired in a Business Combination	140,044	0
Unfunded Benefits Paid	(3,730)	(2,545)
Benefits Paid	(33,830)	(16,330)
Closing Fair Value of Employer Assets (B)	558,637	286,896

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000
TOTAL MOVEMENT IN DEFICIT (A-B)	564,941	196,085

Note 53 Revaluation Reserve

The balance of this account is the difference between the valued cost of fixed assets at 31 March 2007 and their latest valuation since this date. The reserve is constantly updated for disposals and new valuations.

This reserve records revaluation movements in 09/10 as certified by Bruton Knowles, Chartered Surveyors and Smiths Gore, Chartered Surveyors. It also reflects the previous valuations of assets in the former District Councils

Revaluation Reserve	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000
Revaluation in Year	(14,256)	(9,579)
Impairment of previously revalued assets	143	0
Depreciation adjustment on revalued assets	2,284	0
Disposals of fixed assets	661	0
Movement in Year	(11,168)	(9,579)
Balance at 1 April - Wiltshire County Council	(62,064)	(52,485)
Acquired Services -Districts	(11,407)	
Prior Year Adjustment PFI	(19,806)	
Revised opening balance	(93,277)	
Balance at 31 March	(104,445)	(62,064)

Note 54 Capital Adjustment Account

In accordance with the SORP the closing balance on the fixed asset restatement account and capital financing account has been transferred to the capital adjustment account.

	2009/2010 Wiltshire Council		2008/2009 Wiltshire County Council
	£000	£000	£000
Capital financing			
- capital receipts	(23,217)		(2,384)
- Major Repairs Reserve	(4,432)		
- reserves			(3,052)
- revenue	(4,747)		(795)
- government grants deferred	(2,558)		(2,243)
		(34,954)	
Depreciation		41,649	0
Revenue Expenditure Funded from Capital under Statute		16,652	7,381
Minimum Revenue Provision		(11,004)	0
Deferred consideration for PFI Scheme		0	(387)
Impairment of Fixed Assets		39,021	10,347
Disposal of Fixed Assets		1,653	1,324
Depreciation adjustment on revalued assets		(2,284)	5,541
Total (increase)/decrease in amounts set aside to finance capital investment		50,733	15,732
Balance at 1 April - Wiltshire County Council		(284,475)	(300,207)
Acquired Services -Districts		(403,866)	
Prior Year Adjustment PFI		24,811	
Revised opening balance		(663,530)	
Balance at 31 March		(612,797)	(284,475)

Note 55 Useable Capital Receipts Reserve

	2009/2010 Wiltshire Council		2008/2009 Wiltshire County Council
	£000	£000	£000
Amounts Receivable in year			
- disposal of land and buildings	(5,301)		0
- Housing Pooled Capital Receipt	(683)		0
		(5,984)	0
Amounts applied to finance new capital investment in year			
- capital receipts utilised	23,217		0
- capital receipts utilised City Area	411		0
- transfer to I&E equal to contribution to Housing Pooled Capital receipt	683		0
		24,311	0
Movement in Year		18,327	0
Balance at 1 April - Wiltshire County Council		(71)	(71)
Acquired Services -Districts		(21,272)	
Revised opening balance		(21,343)	
Balance at 31 March		(3,016)	(71)

Note 56 Major Repairs Reserve

The Accounts and Audit Regulations require housing authorities to set up a Major Repairs Reserve and to transfer into it a sum not less than the Major Repairs Allowance. These funds are then available to authorities for capital expenditure on Housing Revenue Account assets. The Major Repairs Allowance is an element of the HRA subsidy.

	2009/2010 Wiltshire Council £000	2008/2009 Wiltshire County Council £000
Transfer to Capital	4,432	0
Additional resources	(491)	0
HRA Depreciation	(8,479)	0
Transfer to HRA	5,050	0
Movement in Year	<u>512</u>	<u>0</u>
Balance at 1 April - Wiltshire County Council	0	0
Acquired Services -Districts	(1,144)	
Revised opening balance	(1,144)	
Balance at 31 March	(632)	0

Note 57 Earmarked Reserves

Apart from the Housing Revenue Account, which is solely for housing, the Local Government Act 1988 allows the Council only one revenue account, its General Fund. For good financial management however, it is desirable to earmark specific reserves within the fund.

Reserve	2008/2009 Wiltshire County Council £000	Acquired Services (Districts) £000	Total including Acquired Services £000	Movement in 2009/2010 £000	2009/2010 Wiltshire Council £000
Capital Revenue Reserve	(6,163)	0	(6,163)	4,663	(1,500)
PFI Reserve	(4,251)	0	(4,251)	0	(4,251)
Insurance Reserve	(6,019)	0	(6,019)	0	(6,019)
Treasury Reserve	(298)	0	(298)	298	0
Locally Managed Schools' Balances - to be spent on educational :	(19,605)	0	(19,605)	2,180	(17,425)
Closed Schools Balances	(68)	0	(68)	0	(68)
Department of Resources	(750)	0	(750)	750	0
Environmental Services Department	(1,245)	0	(1,245)	1,245	0
OWTP Reserve	(339)	0	(339)	111	(228)
Redundancy Reserve	(628)	0	(628)	628	0
Sickness Insurance Scheme	(1,897)	0	(1,897)	787	(1,110)
Free School Meals Reserve	(59)	0	(59)	0	(59)
Libraries Operating Reserves	(147)	0	(147)	96	(51)
Delayed Transfer of Care	(400)	0	(400)	400	0
VAT Income Reserve	(241)	0	(241)	241	0
One council for Wiltshire reserve	(7,186)	0	(7,186)	7,186	0
General Earmarked Reserves ex-Kennet	0	(3,220)	(3,220)	3,220	0
General Earmarked Reserves ex-North Wiltshire	0	(3,551)	(3,551)	3,551	0
General Earmarked Reserves ex-Salisbury	0	(321)	(321)	321	0
Housing PFI (ex-West Wiltshire)	0	(106)	(106)	106	0
Housing Preferred Development Partners (ex-West Wiltshire)	0	(42)	(42)	0	(42)
Total	(49,296)	(7,240)	(56,536)	25,783	(30,753)

Note 58 Cash Overdrawn

The Council main bank accounts show a cash overdrawn position of £13.971 million at 31 March 2010 (31 March 2009: £15.229 million). This is largely due to is due to un-presented cheques and BACS payments and uncleared cheques deposited on 31 March 2010 as well as other timing differences.

Note 59 Fair Value

The fair values of the financial assets are shown below, which comprise long and short term investments and 'trade' debtors. Long term investments represent the anticipated repayments due in more than one year from the Council's outstanding Icelandic investments, based on the latest information available. Short term investments include anticipated repayments due in less than one year from the Council's outstanding Icelandic investments based on the latest information available. They are calculated using a net present value approach, which provides an estimate of the value of receipts in the future in today's terms, including accrued interest less impairment.

Class	Fair Value	Carrying Amount
Long Term Investments	5,002,920	5,002,920
Short term Investments	57,626,309	57,626,171
Total Investments	62,629,229	62,629,091
Trade Debtors		
Total Financial Assets	62,629,229	62,629,091

Fair values for each class of financial liabilities are shown below.

Market loans (Lender Option Borrower Options - LOBOs) are valued using a net present value approach, which provides an estimate of the value of payments in the future in today's terms, at discount rates obtained from the market on 31st March 2010, using bid prices where applicable, and include accrued interest.

The Council's main debt liability is with the Public Works Loan Board (PWLB), which is valued, in accordance with the Statement of Recommended Practice (SORP) 2009, at the PWLB's new borrowing rate as at 31 March 2010. There is an alternative valuation, as used by PWLB, being the premature repayment rate, which results in a different fair value. SORP Guidance Notes confirm that it is acceptable to use either or both rates for the fair value reported in the notes to the accounts. The alternative valuation has also been included below.

Class	Fair Value	Carrying Amount
Market Loans	67,961,314	61,810,995
PWLB Loans	140,365,839*	145,098,753
Total Value	208,327,153	206,909,748
Trade Creditors		
Bank Overdraft		
Total Financial Liabilities	208,327,153	206,909,748

*PWLB have produced a fair value figure of loans outstanding based on a premature repayment rate, which is £147,999,373.

The effect on the fair value of a 1% increase in market interest rates would be:

Investments/Loans	Fair Value (at Discount/Market Rate plus 1%)
Long Term Investments	5,002,920
Short term Investments	57,625,428
Total Investments Value	62,628,348
Trade Debtors	
Total Financial Assets	62,628,348
Market Loans	55,592,369
PWLB Loans	121,173,075
Total Loans Value	176,765,444
Trade Creditors	
Bank Overdraft	
Total Financial Liabilities	176,765,444

In terms of loans, this results in a lower fair value because of the effect on premiums and discounts that would be payable/receivable as a result of the early repayment of debt (i.e. at 31 March 2010). Where there is an increase in the discount rates this will increase discounts receivable and reduce premiums payable on early repayment of loans.

Note 60 Impairment of Investments

Early in October 2008, the Icelandic Banks Landsbanki, Kaupthing and Glitnir collapsed and the UK subsidiaries Heritable and Kaupthing Singer went into administration. The Council had deposited £12 million with two of the Icelandic Banks, £9 million with the UK subsidiary, Heritable and £3 million with the Icelandic parent bank, Landsbanki. Since the previous financial years financial statements the Council has received three interim dividends from Heritable bank (no repayments have yet been received from Landsbanki and the investments are, along with all other deposits, subject to litigation proceedings). The Icelandic investments are shown in the accounts, at their impaired values, under various maturity dates as follows:

Bank	Date Invested	Maturity Date	Amount Invested	Interest Rate	Carrying Amount	Repayments	Impairment
Heritable Bank (1)	24/09/2008	07/10/2008	3,000,000	6.00%	1,385,505	1,049,357	565,138
Heritable Bank (2)	24/09/2008	14/10/2008	3,000,000	6.00%	1,385,505	1,049,357	565,138
Heritable Bank (3)	25/09/2008	28/10/2008	2,000,000	6.00%	923,518	699,571	376,910
Heritable Bank (4)	07/09/2008	10/10/2008	1,000,000	5.42%	463,390	349,786	186,825
Landsbanki	04/06/2008	02/03/2009	3,000,000	6.10%	2,290,241	0	709,759

The impairment has been adjusted in 2009/10 to reflect the latest available information from the relevant administrators, the Local Government Association and CIPFA as outlined below. The available information in respect of timings and payments to be made by the administrator is not definitive and it is likely that further adjustments will be made to the accounts in future years.

Heritable Bank

Heritable bank was a UK registered bank under English law. The company was placed in administration on 7 October 2008. The Council has subsequently received three interim dividends of principal totalling £3,148,070, bringing the total dividend paid to date to 34.98% of the claim. In view of this information the LAAP recommends that the following payment schedule is used to estimate the recoverable amount at 31 March 2010. The schedule is based on expected total dividends of 84.98% of the claim. Taking this into account, the following assumptions have been made in respect of the timing of recoveries:

Date	Repayment	Date	Repayment
June 2010	5.00%	September 2011	5.00%
September 2010	5.00%	December 2011	5.00%
December 2010	5.00%	March 2012	5.00%
March 2011	5.00%	June 2012	5.00%
June 2011	5.00%	September 2012	5.00%

The carrying amounts of the investments included in the Balance Sheet have been calculated using the present value of expected repayments, discounted at the investment's original interest rate. The LAAP recommends that the following repayment schedule is used to estimate the recoverable amount at 31 March 2010:

Date	Repayment Percentage	(1)	(2)	(3)	(4)
June 2010	5.00%	150,296	150,296	100,181	50,267
September 2010	5.00%	150,296	150,296	100,181	50,267
December 2010	5.00%	150,296	150,296	100,181	50,267
March 2011	5.00%	150,296	150,296	100,181	50,267
June 2011	5.00%	150,296	150,296	100,181	50,267
September 2011	5.00%	150,296	150,296	100,181	50,267
December 2011	5.00%	150,296	150,296	100,181	50,267
March 2012	5.00%	150,296	150,296	100,181	50,267
June 2012	5.00%	150,296	150,296	100,181	50,267
September 2012	5.00%	150,296	150,296	100,181	50,267

Landsbanki Islands hf

Landsbanki was an Icelandic bank, which was placed in administration on 7 October 2008. The Council has yet to receive any repayments and the outstanding deposits are currently subject to litigation proceedings through the Icelandic courts as a result of objections lodged relating to the Winding-up Boards (WUB) decision to treat local authority deposits as having priority status. It is expected that priority status will be confirmed following the litigation process and the Council has, therefore, treated the deposits with Landsbanki as having priority status in relation to the projected repayments below, under the terms of the WUB decision. Taking this into account, the following assumptions have been made in respect of the timing of recoveries:

Date	Repayment	Date	Repayment
October 2011	22.17%	October 2015	8.87%
October 2012	8.87%	October 2016	8.87%
October 2013	8.87%	October 2017	8.87%
October 2014	8.87%	October 2018	19.47%

The carrying amounts of the investments included in the Balance Sheet have been calculated using the present value of expected repayments, discounted at the investment's original interest rate. The LAAP recommends that the following repayment schedule is used to estimate the recoverable amount at 31 March 2010:

Date	Repayment Percentage	
October 2011	22.17%	715,647
October 2012	8.87%	286,259
October 2013	8.87%	286,259
October 2014	8.87%	286,259
October 2015	8.87%	286,259
October 2016	8.87%	286,259
October 2017	8.87%	286,259
October 2018	19.47%	628,621

Interest credited to the Income and Expenditure Account in respect of the investments is as follows:

Bank	Credited in 2009/2010	Received in 2009/2010
Heritable Bank (1)	113,936	0
Heritable Bank (2)	113,936	0
Heritable Bank (3)	75,945	0
Heritable Bank (4)	34,758	0
Landsbanki	160,044	0

Note 61 Financial Instrument Adjustment Account (FIAA)

Regulations issued in March 2009 allow the Authority not to charge amounts relating to impaired investments to the General Fund. Such amounts are instead transferred to the Financial Instruments Adjustment Account, an account that records the timing differences between charging these amounts to the General Fund in accordance with proper practice and in accordance with regulations. The following additional amounts have been transferred to the Financial Instruments Adjustment Account in 2009/10 under these regulations:

Bank	Amount Transferred to the Financial Instruments Adjustment Account
Heritable Bank (1)	(290,003)
Heritable Bank (2)	(290,003)
Heritable Bank (3)	(193,418)
Heritable Bank (4)	(88,036)
Landsbanki	260,885

Under the regulations, the Authority must transfer the balance, relating to the impairment, on the Financial Instruments Adjustment Account to the General Fund no later than 31st March 2011 and must also credit the Financial Instruments Adjustments Account with interest earned until such time as the balance has been transferred to the General Fund. The Council estimates that the following credits will be made to the FIAA:

Bank	Balance on FIAA at 31/03/10	Transfers During 2010/11	Balance on FIAA at 31/03/11
Heritable Bank (1)	565,138	(565,138)	0
Heritable Bank (2)	565,138	(565,138)	0
Heritable Bank (3)	376,910	(376,910)	0
Heritable Bank (4)	186,825	(186,825)	0
Landsbanki	709,759	(709,759)	0

Note 62 Nature and Extent of risks arising from Financial Instruments

Risk

The Annual Investment Strategy sets out the Council's investment policy, together with the minimum requirements for "high credit rating". The latest Treasury Management Strategy 2010-11 was approved by the Council at its meeting on 23 February 2010 and is available from the Council's Website under committee papers relating to the Cabinet meeting on 11 February 2010, agenda item number 6d on page 75 of the reports pack.

The Council contracts with a treasury adviser, regularly reviewing credit ratings of potential organisations and their respective country's ratings incorporating all three main credit rating agencies, together with other 'tools' used to assess the credit quality of institutions such as credit default swaps. The Council

uses this information to assess institutions with which it may place deposits or from which it may borrow, including interest rate forecasts for both borrowing and investment, together with setting a 'benchmark' borrowing rate. The Council's investment policy is 'aimed' at the prudent investment of surplus cash balances to optimise returns whilst ensuring the security of capital and liquidity of investments. However, as with the experience of Icelandic bank investments in October 2008, the Council, like any other organisation, can be exposed to financial risk. Examples of the main risks are shown below.

Credit Risk

The credit risk that counterparties are unable to repay investments could impinge on the Council's ability to meet its financial liabilities. Investment counterparty risk is controlled by the use of appropriate criteria to assess and monitor credit risk. The Council has an established and regularly updated lending list, which categorises counterparties according to country, type, sector, maximum investment (individually and as a group) and the maximum duration of the investment.

Liquidity Risk

Liquidity Risk arises due to the uncertainty of liquidity in the market within which the Council "deals" and the Council's own liquidity position. The Council maintains a maturity analysis of financial assets and liabilities within its treasury management system and regularly monitors the maturity of assets and liabilities.

Market Risk

Market Risk is the risk that the value of the Council's investments decrease due to market factors, such as interest rate risk (changes in the level of interest rates). Within the context of the financial instruments that the Council currently holds, it does not have significant exposure to equity risk (changes in share prices), currency risk (foreign exchange rate movements) and commodity risk (changes in the price of e.g. grain, metals etc.).

The Council's strategies take account of the forecast movement in interest rates and allow sufficient flexibility to vary the strategy if movements in interest rates are not in line with forecasts.

Refinancing Risk

Refinancing risk is the risk that the Council cannot, when required (e.g. to finance the Capital Programme), refinance by borrowing to repay existing debt because of the prohibitive rates for refinancing a loan. The majority of the Authority's borrowing is undertaken through the Public Works Loans Board (PWLB), a Government organisation that lends to local authorities. Information, including regular updates, provided by treasury advisers enables the Council to manage and monitor forecast borrowing rates and to support decisions in respect of the restructuring of loans.

Exposure to Risk - Summary Data

Credit Risk

The following table shows the percentage of Investments by country, Sovereign rating and credit rating category (based on Fitch Credit Ratings), the diversification of the Councils investments and the maximum invested with an individual borrower by country and within each credit rating category.

Country	Sovereign Rating	Credit Rating Category	Type of Institution	Duration	Investment Held %	Maximum Invested with Single Counterparty %
NA	NA	AAA - Max £15 million	Money Market Funds	0-2 Years	26.26	16.84
United Kingdom	AAA	F1+/AA - Max £15 million	UK Banks	0-1 Year	8.00	8.00
United Kingdom	AAA	F1+/AA - Max £15 million	UK Banks	0-6 Months	3.53	1.79
United Kingdom	AAA	F1+/AA - Max £15 million	UK Banks	0-3 Months	23.08	23.08
United Kingdom	AAA	Government Backed - Max £	UK Banks	0-1 Year	11.75	11.75
United Kingdom	AAA	No Rating	UK Building Societies	NA	1.54	1.54
Sweden	AAA	F1+/A+ - Max £8 million	Overseas Banks	0-1 Year	12.23	12.23
UK Subsidiary (Iceland)		No Rating	Overseas Banks	NA	13.61	9.00
					100.00	

The above table is based on credit ratings as at 31 March 2010 and includes investments with a UK building society and Icelandic banks that did not have credit ratings at that date. The building society investment was placed by the former North Wiltshire District Council under its approved Investment Strategy and credit rating policy prior to Wiltshire Council becoming a unitary authority, the maturity of which took place after 31 March 2010. The Icelandic bank investments were still outstanding at that date.

UK banks include UK subsidiaries, the parent banks of which are based in Australia (Sovereign rating AA+) and Spain (Sovereign rating AAA). Investments in UK institutions, including the UK subsidiaries, make up 48% of the Council's total outstanding investments at 31 March 2010, with 26% invested overseas, the balance (26%) being held in money market funds. Any institutions, which, after 31 March 2010, no longer fall within the minimum investment criteria laid down in the Council's Annual Investment Strategy have subsequently been removed and any outstanding investments terminated at the earliest opportunity.

The following analysis summarises the authority's potential maximum exposure to credit risk, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions. The table excludes Icelandic deposits, which the authority has impaired down, using the net present value approach, to the expected level of repayments based on the latest available guidance in LAAP 82 Update 2 May 2010 issued by CIPFA.

	Amount at 31 March 2010	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2010 %	Estimated maximum exposure to default and uncollectability	Estimated maximum exposure at 31 March 2010
	A	B	C	(AxC)	
Deposits with banks and financial institutions	56,181,920	0	0	0	0
Bonds	0	0	0	0	0
Debtors				0	

No credit limits were exceeded during the reporting period (except where the capitalisation of interest on one call account led to a temporary excess of £9,013.73 (0.06%) over its £15 million limit) and the authority does not expect any losses from the non-performance of any of its counterparties in relation to deposits.

The Council does not normally allow credit for customers. The past due amounts for both debtors and the outstanding Icelandic bank investments can be analysed as follows.

	31/03/2010 Debtors	31/03/2010 Investments	31/03/2010 Total
Less than three months		(64,037)	(64,037)
Three to six months		775,863	775,863
Six months to one year		732,424	732,424
More than one year		5,002,920	5,002,920
Total	0	6,447,171	6,447,171

Collateral - During the reporting period, the Council held no collateral as security.

Liquidity Risk

At 31 March 2010 Wiltshire Council had a mixture of PWLB and market loans outstanding. The balance sheet gives details of the split between loans payable within one year and the spread of longer term loans (loans that are outstanding for more than one year). The following table shows the detailed maturity analysis of debt outstanding at the Balance Sheet date and the average rate of interest. The table shows that the overall average interest rate is 4.325%.

Term of Loan	Market Loans (at the effective interest rate)	PWLB Loans (including Accrued Interest)	Total Amount Outstanding (including Accrued Interest)	Percentage of Total Loans	Average Rate of Interest
Within 1 Year	0	14,720	14,720	0.0%	4.428%
Between 1 and 2 Years	0	15,379	15,379	0.0%	4.429%
Between 2 and 5 Years	0	2,057,175	2,057,175	1.0%	2.791%
Between 6 and 10 Years	0	4,030,895	4,030,895	1.9%	3.309%
Between 11 and 15 Years	0	6,032,721	6,032,721	2.9%	4.423%
More than 15 Years	61,810,995	132,947,864	194,758,859	94.2%	4.360%
	61,810,995	145,098,753	206,909,748	100.0%	4.325%

The Council's policy is to limit the amount maturing in any one financial year to a maximum of 15%. Currently the maximum in any one year is 6.3% (£13 million in both 2052-53 and 2053-54).

Market loans are Lender Option Borrower Option (LOBO) loans, which give the lender the option at certain dates to vary the interest rate, at which point the Council may choose to accept the new rate of interest or repay the loan and if necessary refinance the loan at a more favourable rate of interest. LOBOs are included within the period that reflects the contracted maturity date (as opposed to the option date) as recommended by SORP 2009. On this basis, all current LOBOs fall within the "More than 15 Years" maturity period.

Market Risk

Wiltshire Council is mainly exposed to interest rate risk (in terms of financial instruments, the Council has little or no exposure to equity risk, currency risk or commodity risk). At 31 March 2010 the Council held £62.6 million (including accrued interest, less impairment) in investments, at various interest rates. This

comprised £57.6 million short term investments and £5.0 million investments classified as long term, being anticipated Icelandic deposits repayable in more than one year.

Where interest rates decrease at a time when the Council has cash "tied up" in short term investments there is an opportunity benefit, which reflects the benefit that has been gained because the Authority has been able to invest at the higher rate of interest. If interest rates had been below rates obtained on the investments outstanding at 31 March 2010 and the investments had matured prior to that date, interest taken to the Income and Expenditure Account could have been less than the interest actually credited to the account. Of course, the opposite could have been true if interest rates had risen.

The fair value of the Council's long and short term investments has been calculated using the latest guidance (per LAAP 82 Update No. 2 May 2010) in respect of the expected repayments from Icelandic investments and market rates at 31 March 2010 in the case of other short term investments. This valuation is not significantly different from the carrying amount of the investments in the accounts.

The average interest rate receivable on all short term investments held at 31st March 2010 was 1.14%. If the average rate of interest had increased by 0.5% one month prior to 31st March 2010, the additional interest that could have been credited to the Income and Expenditure Account and the Council would have been £26,000 "better off" than if the funds were invested at the lower rate. With the benefit of hindsight, market conditions at the balance sheet date indicate that interest rates didn't fluctuate significantly between the issue dates of the investments and 31 March 2010, particularly as the investments were held mainly in fixed rate call accounts and money market funds.

Note 63 Restatement of Income and Expenditure Account

For clarity, the income and expenditure net cost of services figures are restated below to show the total expenditure on each subheading within the net cost of service.

	Net Expenditure On-Going Services £000	2009/2010 Net Expenditure Acquired Services £000	Net Expenditure Full Council £000	2008/2009 Net Expenditure £000
General Fund Services				
Central Services to the Public	694	2,206	2,900	1,046
Court Services	711	0	711	584
Cultural, Environment & Planning	32,135	53,899	86,034	31,646
Children's and Education Services	132,174	0	132,174	91,408
Highways, Roads & Transport Services	36,889	1,291	38,180	32,900
Housing Services General Fund	438	14,500	14,938	641
Housing Services HRA	0	3,201	3,201	0
Adult Social Care	119,427	0	119,427	109,711
Corporate & Democratic Core	2,215	2,865	5,080	6,669
Non-distributed Costs	5,021	3,383	8,404	2,855
Net Cost of Service	329,704	81,345	411,049	277,460
Exceptional costs			9,019	4,448
			420,068	281,908

Housing Revenue Account

This account records the transactions relating to the Council's housing stock. The Local Government and Housing Act 1989 requires its separation to give a clear picture of the cost of providing homes for council tenants. Housing Revenue Account income and expenditure does not affect the amount of Council Tax levied.

Wiltshire County Council had no Housing Revenue Account. The transactions this year relate fully to acquired services. Comparison figures for 2008/2009 relating to acquired services are shown in full to give more meaningful information.

	NOTE	2009/2010		2008/2009 Acquired Service	
		£000	£000	£000	£000
Income					
Rents (gross):					
- dwellings		(20,380)		(19,944)	
- garages		(356)		(279)	
- other		(116)	(20,852)	(57)	(20,280)
Charges for services and facilities			(924)		(778)
Decreased provision for bad debts			0		0
Total Income			(21,776)		(21,058)
Expenditure					
Repairs and Maintenance			4,624		4,868
Supervision and Management:					
- general		2,587		2,485	
- special services		1,359	3,946	1,485	3,970
Rent rebates			55		53
Negative Subsidy payment to Secretary of State	6		7,502		7,371
Increased provision for bad debts			49		117
Depreciation & Impairments of Fixed Assets					
- On dwellings	3	8,258		46,576	
- On garages		148		110	
- On other Assets		73		44	
			8,479		46,730
Total Expenditure			24,655		63,109
Net Cost Of Services per Income & Expenditure Account			2,879		42,051
HRA Services share of Corporate and Democratic Core			321		321
Net Cost Of HRA Services			3,200		42,372
(Gain)/Loss on sale of HRA fixed assets			(372)		(312)
Interest Payable			145		179
Pensions interest costs and expected return on assets					0
Amortised Premiums and Discounts			0		0
Interest:					
- on mortgages		(59)		(120)	
- on balances		(79)	(138)	(259)	(379)
Deficit for the Year on HRA services			2,835		41,860

Statement of Movement on the HRA Balances

	2009/2010 £000	2008/2009 £000
(Surplus)/ Deficit for year on HRA Income and Expenditure Account	2,835	41,860
Net additional amount required by statute and non-statutory proper practice to be debited or credit to HRA balances for the year (see below)	<u>(4,639)</u>	<u>(43,148)</u>
(Increase)/ Decrease in Housing Revenue Account balance	<u>(1,804)</u>	<u>(1,288)</u>
Acquired Services		
Housing Revenue Account Surplus Brought forward	(10,942)	(9,654)
Housing Revenue Account Surplus Carried forward	(12,746)	(10,942)
 Housing Revenue Account Surplus Brought forward Wiltshire Council	 0	 0

Note to Statement of Movement on the HRA Balances

	2009/2010 £000	2008/2009 £000
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA balance for the year		
Gain/(Loss) on sale of HRA fixed assets	372	312
Financing from Depreciation	0	(44)
Impairments of Fixed Assets	0	(37,028)
Items not included in the HRA Income and Expenditure Account but included from the movement on HRA balance for the year		
Transfer to/From Major Repairs Reserve note 5	(5,050)	(6,388)
Transfer to/from Pension Reserve note 7	39	0
Revenue Contributions to Capital Expenditure	0	0
Net Additional amount required by statute to be credited to the HRA balance for the year	<u>(4,639)</u>	<u>(43,148)</u>

Housing Revenue Account Notes

1 Housing Stock

	31 March 2010	31 March 2009
Houses and Bungalows		
- 1 bedroom	377	377
- 2 bedrooms	1,566	1,568
- 3 bedrooms	1,887	1,890
- 4+ bedrooms	143	143
Flats		
- 1 bedroom	814	814
- 2 bedrooms	547	547
- 3+ bedrooms	38	38
Total dwellings as at 31 March	<u>5,372</u>	<u>5,377</u>

During the year, the council received £560,030 capital receipts in respect of HRA disposals. This was received from the disposal of 5 council houses under the right to buy scheme.

2 Arrears

The year end position regarding arrears owed to the HRA was:

	31 March 2010 £000	31 March 2009 £000
Rent arrears	771	720
less rent payments in advance	(212)	(221)
less bad debt provision	(732)	(683)
Net arrears position	(173)	(184)

3 Movement of Housing Revenue Account Assets

	Council Dwellings £000	Other Property (Garages) £000	Equipment £000	Total £000
Net Book Value 1 April 2009	0	0	0	0
Total Acquired Services	243,273	4,454	143	247,870
Revised Opening Balance	243,273	4,454	143	247,870
Additions in Year	4,456	0	0	4,456
Disposals	(206)	0	0	(206)
Revaluations	0	0	0	0
Depreciation	(8,258)	(148)	(73)	(8,479)
Impairments	0	0	0	0
Category Adjustments	0	0	0	0
Balance at 31 March 2010	239,265	4,306	70	243,641

The Balance Sheet value of Council Dwellings at 31 March 2010 was £239,265,408.

The Vacant Possession value of the properties at 31 March 2010 was £543,785,018.

The difference between the Vacant Possession value and the Balance Sheet value of dwellings within the HRA shows the Economic Cost of providing Council Housing at less than open market rents. The Economic Cost of the properties at 31 March 2010 was £304,519,610.

The value of land valued in the HRA is nil.

4 Financing of HRA capital expenditure**Financing of HRA capital expenditure**

	2009/2010 £000
Revenue and Reserves	0
Other receipts (MRR)	4,459
	4,459
Categorised as follows:	
Council Dwellings	4,459
Plant & Equipment	0
	4,459

5 Major Repairs Reserve

	2009/2010 £000	2008/2009 £000
Brought forward at 1 April	(1,144)	(1,345)
Transfer to Capital	4,432	3,470
Additional Resources	(491)	0
HRA Depreciation	(8,479)	(9,657)
Transfer to HRA	5,050	6,388
Carried forward at 31 March	<u>(632)</u>	<u>(1,144)</u>

6 Breakdown of HRA Subsidy

	2009/2010 £000
Management & Maintenance Allowance	7,687
Major Repairs Allowance	3,429
ASB Allowance	
Charges for Capital	116
Rent	(18,603)
Interest on Receipts	(131)
Housing Element	(7,502)
Rent Rebates	(54)
HRA Subsidy Due	(7,556)
Adjustment in respect of prior years	
HRA Subsidy Due	(7,556)
Defects Subsidy	
HRA Subsidy receivable (including MRA)	<u>(7,556)</u>

7 Contribution to Pension Reserve

The HRA bears a share of the pension contribution due to the FRS 17 adjustment in proportion to the payments made during the year. See note 38 to the Core Financial Statements for more information on accounting for retirement benefits

The Collection Fund

The Collection Fund is a statutory fund. It covers Council Tax and Non-Domestic Rate collection and the precepts of Wiltshire Council, Wiltshire Police Authority, Wiltshire & Swindon Fire Authority and Parish Councils.

This statement relates to only acquired services, so no comparison figures are shown.

	NOTE	2009/2010	
		£000	£000
Income			
Income from Council Tax	1		(237,769)
Transferred from General Fund			
Council Tax Benefits			(24,824)
Transitional Relief			4
Income from Business Rates	2		(118,258)
			<u>(380,847)</u>
Disbursement			
Precepts and Demands			
- Wiltshire Council		211,592	
- Wiltshire Police Authority		27,022	
- Wiltshire & Swindon Fire Authority		10,726	
- Town/ Parish Councils		11,879	
	5		261,219
Share of surplus/(deficit) on Collection Fund			
- Wiltshire County Council		538	
- Wiltshire Police Authority		63	
- Wiltshire & Swindon Fire Authority		25	
			626
NNDR			
- payment to national pool	2	117,420	
- cost of collection allowance	2	689	118,109
Provisions for Bad Debts			301
Write Offs - Council Tax			575
Write Offs - NNDR			149
Fund (surplus)/deficit for the year			(132)
			<u>380,847</u>
Fund balance b/f			(906)
(Surplus)/deficit for year			132
Fund balance c/f	6		<u>(774)</u>

Notes to the Collection Fund

1 Council Tax

Council Tax is charged according to the Government's valuation of residential properties as at 1 April 1991. Valuations are stratified into eight bands for charging purposes. Individual charges are calculated by estimating the total amount of income required by the Collection Fund's preceptors and dividing this by the Council Tax base. The tax base is the total number of chargeable properties in all valuation bands converted to an equivalent number of band D dwellings, with an allowance made for discounts and exemptions.

The average amount of Council Tax required from a property in any tax band is the band D charge, average for Wiltshire Council was £1,475.10 for 2009/2010 multiplied by the ratio specified for that band. Ratios specified for the bands A to H are as follows:

Band	Estimated No. of Taxable Properties after discounts	Band D Equivalent Dwellings	Ratio
Band A Disabled	47	26	5/9
Band A	18,150	12,101	6/9
	<u>18,197</u>	<u>12,127</u>	
Band B	32,150	25,006	7/9
Band C	42,473	37,754	8/9
Band D	30,228	30,228	9/9
Band E	23,438	28,646	11/9
Band F	14,376	20,765	13/9
Band G	9,279	15,464	15/9
Band H	1,038	2,075	18/9
		<u>172,065</u>	
Add adjustment for contributions in lieu, new properties and bad debts		5,021	
Council Tax Base 2009/2010		<u><u>177,086</u></u>	

2 National Non-Domestic Rates

The national non domestic multiplier for the year was 48.5p and for the small business rates relief multiplier was 48.10p.

3 Collection Fund Surpluses and Deficiencies

Collection Fund surpluses and deficiencies (Council Tax) are shared by all preceptors.

4 Precepts and Demands

Main Preceptors	2009/2010 Precepts	Share of Council Tax Surplus
Wiltshire County Council	211,592	538.00
Wiltshire Police Authority	27,022	63.00
Wiltshire Fire Authority	10,726	25.00
Town/Parish	11,879	0.00
	<u>261,219</u>	<u>626.00</u>

5 Collection Fund Balance

The Council has to record transactions for Council Tax and Business Rates in the Collection Fund Account. The balance, as usable income, will be paid to the Council and its major preceptors in future years.

	31 March 2010
	£000
Wiltshire County Council	665
Wiltshire Police Authority	78
Wiltshire Fire Authority	30
	774

Glossary

For the purposes of compiling the Statement of Accounts, the following definitions have been adopted and may be useful to the reader in understanding terminology used in the statement.

Accounting Code of Practice (ACOP)

Issued by CIPFA, this is a code of proper accounting practice with which Local Authorities in England and Wales must comply in preparing their financial statements.

Accruals

The recognition of income and expenditure as it falls due, not when cash is received or paid.

Amortisation

The writing down of the value of intangible fixed assets in line with its programmed useful life.

Assets

These can be either:

- **Intangible assets** – assets which are non-physical in form, that is, which cannot be seen. Examples are patents, goodwill, trademarks and copyrights;
- **Fixed assets** – tangible assets that give benefits to the authority for more than one year;
- **Community assets** – assets without determinate life that the authority intends to hold in perpetuity. They may have restrictions on their disposal. Examples include parks and historic buildings;
- **Infrastructure assets** – inalienable fixed assets such as highways and footways;
- **Non-operational assets** – fixed assets not directly used for service provision. Examples include surplus land and buildings awaiting sale or further development.

Balance Sheet

A summary of all the assets, liabilities, funds, reserves etc.

Best Value

The Council duty to provide effective and efficient services based on community need and desire.

Best Value Accounting Code of Practice (BVACOP)

Established to modernise the system of Local Authority accounting and reporting, and ensure that it meets the changed and changing needs of modern Local Government; particularly the duty to secure and demonstrate best value in the provision of services to the community.

Budget

The Council's financial plans for the year. Both capital and revenue budgets are prepared and, amongst other things, used as performance measures.

Capital Expenditure

Substantial expenditure producing benefit to the authority for more than one year.

Capital Financing Account

This account contains the amount of capital expenditure financed from revenue and capital receipts.

Capital Receipts

The proceeds of the disposal of assets, non-approved investments and the repayment of grants made by the authority.

Cashflow Statement

A summary of the inflows and outflows of cash with third parties for revenue and capital purposes.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the institute of professional local government accountants and produces standards and codes of practice followed in the production of an authority's accounts.

Code of Practice

Issued by CIPFA, this is a code of proper accounting practice with which Local Authorities in England and Wales must comply in preparing their financial statements.

Creditors

Money owed by the authority to others.

Debtors

Money owed to the authority by others.

Depreciation

The writing down of the value of tangible fixed assets in line with its programmed useful life.

Employee Costs

Pay and associated costs such as national insurance, pension contributions etc.

Exceptional Items

Items that, although usual to the activities of the authority, by their nature need separate disclosure because of their unusual size or incidence.

Extraordinary Items

Material items needing separate disclosure because they are unusual to the activities of the authority by their nature.

FRSs

Financial Reporting Standards issued by the Accounting Standards Board requiring information to be shown in accounts.

General Fund

The main revenue fund of the authority which shows income from and expenditure on the Council's day to day activities. It excludes the provision of housing which must be charged to a separate Housing Revenue Account.

Generally Accepted Accounting Practice (GAAP)

Accepted accounting practice with respect to accounts of UK companies that are intended to give a true and fair view. The same definition applies to individuals, entities that are not companies and companies which are not UK companies.

Government Grants

The amounts of money the authority receives from the Government and inter-government agencies to help fund both general and specific activities.

Government Grants Deferred

Capital grants which are credited to the balance sheet and amortised to revenue over the life of the relevant asset to offset provisions made for depreciation.

Gross Expenditure

Expenditure before deducting any related income.

Housing Revenue Account (HRA)

The account which sets out the expenditure and income on the provision of housing. Other services are charged to the General Fund.

Impairment

A reduction in the value of a fixed asset below its carrying amount on the Balance Sheet.

Income and Expenditure Account (I&E)

This account shows expenditure on and income from the Council's day to day activities. Expenditure includes salaries, wages, service and depreciation charges. It gives the cost of the main services provided by the Authority.

Leases

These may be finance leases that transfer the risks and rewards of ownership of an asset to the authority. Alternatively, they may be operating leases that are more akin to a hire agreement.

Liabilities

Amounts the authority either owes or anticipates owing to others, whether they are due for immediate payment or not.

Long Term Contracts

A contract that, once entered into, will take longer than the current period of account to complete.

Minimum Revenue Provision (MRP)

Statute requires revenue accounts to be charged with a Prudent Minimum Revenue Provision as a notional redemption cost of all external loans.

Major Repairs Allowance (MRA)

Funded by Central Government. It represents the long term average amount of capital spending required to maintain a Local Authority's housing stock in its current condition.

Net Expenditure

Gross expenditure less directly related income.

National Non-Domestic Rates (NNDR)

Salisbury District Council collects National Non-Domestic Rates from local businesses and organisations and pays them into the Government's central NNDR pool. The amount charged is the Government's national uniform rate and it is then redistributed to local authorities, including Salisbury DC, in line with a population-based formula.

Precept

The amount of income demanded of the Collection Fund by an authority entitled to that income.

Preceptor

An authority entitled to demand money of the Collection Fund. The preceptors on Salisbury District Council's Collection Fund are the Council itself (including City Area Special Levy), Wiltshire County Council, Wiltshire Police Authority, Wiltshire & Swindon Fire Authority and Parish Councils.

Provision for Credit Liabilities (PCL)

Statute requires the Council to set aside provision to repay external loans and other credit transactions. Debt-free authorities do not have to apply the whole of the balance shown within the Capital Financing Reserve.

Provisions

Amounts held in reserve against specific potential liabilities or losses where there is uncertainty as to amounts and/or due dates. Payment to a provision is counted as service expenditure.

Rateable Value

Assessment by the Inland Revenue of a property's value from which rates payable are calculated.

Reserves

Amounts prudently held to cover potential liabilities. Payments to reserves are not counted as service expenditure.

Revaluation Reserve

A capital reserve where changes in the value of fixed assets are disclosed when they are revalued. This reserve replaces the Fixed Asset Restatement Account (FARA) which was previously required.

Revenue Expenditure

Day to day running costs of services.

Revenue Income

Day to day income received for services.

Revenue Support Grant

A Government grant paid towards the cost of General Fund services.

Running Expenses

The cost of running a service less employee expenses and capital charges.

Statement of Recommended Practice (SORP)

The Code of Practice on Local Authority accounting in the UK. It sets out the proper accounting practices required to prepare a Statement of Accounts by the Local Government Act 2003.

SSAP

Standard Statements of Accounting Practice. These are agreed by accounting bodies and describe standard treatment to be used in the preparation of the accounts.

Statement of Total Recognised Gains and Losses (STRGL)

Summary of the changes in the net worth of the Authority. This brings together the gains and losses for the year from the income & expenditure account, the revaluation of fixed assets and the pension fund assets and liabilities.

Useable Capital Receipts Reserve

This reserve holds the amounts of capital receipts derived from the disposal of fixed assets until such a time that they are used to finance capital expenditure.

Useful Life

The anticipated period that an asset will continue to be of benefit.

Value Added Tax (VAT)

An indirect tax levied on taxable goods and services.