

Title: **Statement of Accounts 2007/08**

Lead Member: **Cllr While – Finance Portfolio Holder**

Reporting officer: **Ian Jamieson – Corporate Director
(Chief Finance Officer)**

Purpose

To present the Statement of Accounts for the year ended 31 March 2008 for approval.

Background

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with the Statement of Recommended Practice and with the Accounts and Audit regulations. The statements must be presented to members for approval within 3 months of the financial year-end. The accounts are presented subject to audit to comply with the statutory deadline. They include separate charity statements for Westbury Pool and the King George's Field, Warminster.

An explanation of the contents and the main statements is given below:

Explanatory Foreword: a guide to the most significant matters reported in the accounts, explaining in overall terms the authority's financial position.

Statement of Responsibilities for the Statement of Accounts: sets out the legal and professional responsibilities of the authority and Chief Financial Officer.

Statement on Internal Control: sets out the framework within which financial control is managed and reviewed and the main components of the system, including arrangements for internal audit.

Statement of Accounting Policies: an explanation of the basis used in preparing the accounts, disclosing any departure from best practice.

The Financial Statements:

- **Income and Expenditure Account:** reports the income, expenditure and net cost for the year of the functions for which the authority is responsible and demonstrates how the cost has been financed from general government grants and income from local taxpayers.

- **Statement of Movement on the General Fund Balance:** reconciles the income and expenditure account, which is compiled under normal accounting practice, with the entries that are required by legislation that determine what can be funded by Council Tax.
- **Statement of Total Recognised Gains and Losses:** identifies the items that have caused the change in the net worth of the Council in the year.
- **Consolidated Balance Sheet:** reports the balances and reserves of the authority and shows the assets and liabilities as at the year-end.
- **Cash Flow Statement:** summarises the capital and revenue inflows and outflows of cash arising from transactions with third parties.
- **Notes to the Accounts:** provide more detailed information of items included in the financial statements for the user.
- **Collection Fund:** a statutory requirement for the billing authority to account separately for council tax and non-domestic rates, showing the distribution to major preceptors and the General Fund.

The Key Facts

Net Expenditure Summary:

	Base Budget £'000	Actual £'000	Difference £'000	Note
General Fund	14,875	14,354	(521)	1
Capital	2,404	1,483	921	2

Notes:

1. The outturn for monitoring purposes was an underspend of £0.521 million against a base budget of £14.875 million. Cabinet will be considering the impact of this at its meeting on 2 July 2008.

The underspend was primarily due to increased investment income, reduced past pension costs and unexpected additional funding through the local authority business growth grant. This was partially offset by increased costs for concessionary fares, maintenance of leisure sites and cost of temporary staff.

However when adjusting the expenditure for accounting purposes the actual spend is £15.287 million, which gives an overspend of £0.412 million. This equates to 2.8% of the net revenue budget.

The above figure has been adjusted to account for funding from general fund balances and movements to specific reserves.

An amount of £336,000 from general fund balances was agreed to fund activity in 2007/08.

Specific reserves were also created to fund refurbishment works at the multi storey car par, £200,000 (£323,000 in total) and for local government reorganisation, £128,000.

Other service specific reserves were also created which netted of to £269,000.

- Capital spending was lower due to slippage of £0.699 million into next year. The largest projects being cemetery provision and infrastructure £283,000 and five towns initiative £231,000.

Reserves and Balances:

	Opening £'000	Closing £'000	Change £'000	Note
General Fund	1,938	1,526	(412)	1
Usable Capital Receipts	1,964	840	(1,124)	2
Collection Fund	26	(88)	(114)	3
Vehicle Replacement Fund	192	204	12	4
Housing PDP	109	139	30	6
Commercial Properties	38	38	0	7
Planning Delivery Grant	91	74	17	8
District Elections	39	0	(39)	9
HBJCs	18	0	(18)	10
Housing PFI	185	84	(101)	13
Multi Storey Car Park	0	323	323	14
Local Govt Reorganisation	0	128	128	15
Service Commitments	87	215	128	16

Notes:

- General Fund balance has decreased as funding of projects has been made from the reserve during the year and the recommended risk based level is £0.900 million in 2008-09.
- Capital Receipts reserve is lower because of capital expenditure and this will be used to finance future capital programmes.
- Council tax deficit distributed as part of 2009/10 Council Tax.
- Fund for future vehicle purchases, instead of leasing. Will be used to finance the capital programme in 2008/09.
- Housing Preferred Development Partnership contributions, which will be used over several years on agreed schemes.
- Commercial Properties reserve used to fund Council's obligations to tenants as required by lease, mainly for repairs and maintenance.
- Balance of Planning Delivery Grant received in 2005/06, 2006/07 and 2007/08, which will be spent on agreed schemes to improve the planning service.
- Used during 2007/08 to fund the district elections.

9. These funds were re-classified as provisions in the council balance sheet.
10. Used to fund set-up costs of Housing PFI scheme as previously reported to Council.
11. Used to fund the refurbishment costs to the multi storey car park.
12. Used to fund costs arising from local government reorganisation.
13. A reserve to meet known commitments for which the Council has budgeted or has received income.

Effect on strategies and codes

These are contained in the report.

Risk management implications

These are contained in the report.

Finance and performance implications

These are contained in the report.

Legal and human rights implications

There are no direct legal or human rights implications.

Next steps

The figures are presented here subject to audit. Any significant adjustments resulting from the audit will be reported in due course.

The out turn for the financial year will be reported to Cabinet on 2 July and the use and allocation of the underspend will be considered.

Recommendations

1. That the Statement of Accounts for the financial year ended 31 March 2008 be approved (subject to audit).
2. That the Accounts of the Westbury Pool and the King George's Field, Warminster charities for the financial year ended 31 March 2008 be approved (subject to audit).

Background Papers: Final Accounts Working Papers – Room 33