

BUCKINGHAMSHIRE COUNTY COUNCIL

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2001

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Head of Finance

Date: 27 September 2001

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Responsibilities of the Head of Finance

The Head of Finance is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code'), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2001.

In preparing this statement of accounts, the Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Head of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

** Page 2 to be Audit letter of Certification **

EXPLANATORY FOREWORD AND FINANCIAL COMMENTARY

1. INTRODUCTION

The Council's accounts for 2000/01 are set out on pages 9 to 44 and consist of:-

- Consolidated Revenue Account, covering expenditure on services during the year and how this was financed;
- Consolidated Balance Sheet, setting out the financial position of the Council on 31 March 2001;
- Consolidated Cash Flow Statement, summarising the overall movement of all the Council's cash during the year;
- Statement of Total Movements in Reserves;
- Direct Service Organisations' Accounts, showing the operations of the Council's direct service organisations for the year;
- Trust Funds Accounts, showing the operations of the funds for the year and their financial position;
- Pension Fund Accounts, setting out the transactions of the fund for the year and its financial position.

These accounts are supported by the Statement of Accounting Policies (pages 5 to 8) and various notes to the accounts. In addition a glossary of terms is provided (pages 45 and 46) to provide explanations of the terminology used.

This foreword and commentary provides a brief outline of the events affecting the Council in 2000/01 and the Council's financial position generally.

Further Information

Further information about the accounts is available from the Head of Finance, County Offices, Walton Street, Aylesbury, HP20 1UD.

2. REVENUE BUDGET

For 2000/01 the Council developed its budget options, within the resources available, by reference to its Council Plan and strategic objectives. It also drew on information from formal budget consultations with partner agencies and other interested parties.

At its meeting on 24 February 2000, the County Council approved a net budget of £343.349m. The budget represented a 5.6% increase over the previous year's budget.

3. FINAL ACCOUNTS

Revenue

A summarised statement detailing the actual income and expenditure for 2000/01, compared to Service Committee's own controllable budgets, is set out below.

| Service Committee | Cash Limit | Actual | Variation | |
|------------------------|------------|---------|-----------|-------|
| | £m | £m | £m | % |
| Corporate Services | 14,369 | 14,186 | (183) | (1.3) |
| Education | 219,827 | 219,268 | (559) | (0.3) |
| Environmental Services | 36,664 | 36,526 | (138) | (0.4) |
| Policy & Resources | 2,214 | 2,194 | (20) | (0.9) |
| Social Services | 68,776 | 68,460 | (316) | (0.5) |
| Totals | 341,850 | 340,634 | (1,216) | (0.4) |

Services are allowed to carry forward any underspend up to 1% of their cash limit, and half of any underspend above that.

The full revenue account is set out on page 9.

Capital Expenditure

During 2000/01 the Council made capital payments totalling £31.3m. Capital expenditure relates to the provision of assets which will be of long term benefit to the community such as roads and schools.

The current system of controls over local authority capital finance was introduced by the Government in 1990/91. The Government limits the amount of borrowing the Council undertakes by the issue of credit approvals.

The Council's capital expenditure in 2000/01 was financed by several sources, the main sources being capital receipts generated from the disposal of assets (£15.9m) and borrowing from the PWLB (£9.2m). In addition, some schemes attract Government grants or contributions from other sources. Some capital expenditure was financed from revenue resources.

Full details of capital expenditure and its financing are contained on pages 18 to 21.

STATEMENT OF ACCOUNTING POLICIES

1. GENERAL PRINCIPLES AND ACCOUNTING POLICIES

The accounts have been prepared in accordance with the latest Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and also with guidance notes issued by CIPFA on the application of Financial Reporting Standards.

Accounting policies specific to the Pension Fund are set out on pages 36 and 37.

2. CENTRAL ADMINISTRATIVE EXPENSES

Many central departments operate trading accounts. Committees purchase services from these trading accounts on the basis of negotiated service level agreements. Office accommodation costs are allocated on the basis of floor area and relevant central expenses are allocated fully to all services on an appropriate basis, as are the costs of central departments that do not operate as trading accounts.

3. CONSOLIDATED BALANCE SHEET

The Consolidated Balance Sheet comprises the balances of all services and funds of the Council. This excludes funds maintained on behalf of third parties, that is the Pension and Trust Funds. Investments in companies controlled by the Council are included in the Consolidated Balance Sheet at cost.

4. FIXED ASSETS

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides for a period of more than one year.

The freehold and leasehold properties which comprise the authority's property portfolio have been valued as at 1 April 2000 by external independent valuers - Bruton Knowles - on the undermentioned bases in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institute of Chartered Surveyors (RICS). Some information, however, has been obtained from existing records or site plans without, in the majority of cases, a detailed site survey. This includes all land and buildings valued at £50,000 or more, along with a large number of small pieces of highways land and woodland areas, totalling approximately 520 acres, individually assessed as being below £50,000, which have been valued as a whole.

Major items of plant and machinery and furniture and equipment are included in the valuation of the buildings.

Operational properties have been valued on the basis of open market value for the existing use or, where this could not be assessed because there was no evidence of market value of suitably comparable properties or where the asset is of a specialised nature, at depreciated replacement cost.

Properties regarded by the authority as non-operational have been valued on the basis of open market value.

Fixed assets are revalued once every five years, on a rolling programme basis, although material changes to asset valuations will be adjusted as they occur. Assets acquired under finance leases are also capitalised in the authority's accounts, together with the liability to pay future rentals.

Under accounting standard FRS15 – which applies for the first time in 2000/01 financial year – all assets are required to be depreciated over their remaining useful life.

5. PROVISION FOR CREDIT LIABILITIES

The County Council has a Provision for Credit Liabilities, in accordance with legislative requirements, for the purpose of repaying debt. This Provision has been written down to nil through the repayment of loans.

6. CAPITAL RECEIPTS

Income from the disposal of fixed assets is accounted for on an accruals basis. Income that is not reserved for the repayment of external loans and has not been used, is included in the balance sheet as usable capital receipts.

FRS3 (Financial Reporting Standard), requires profits or losses arising from the sale of capital assets to be brought into the revenue account. It is not possible for the County Council to comply with this requirement as the legislation governing the application of capital receipts by local authorities does not empower the Council to credit them to the County Fund Revenue Account.

7. INTEREST ON BALANCES

Interest earned on the day-to-day management of its surplus cash balances is credited directly to the Revenue Account.

8. STOCK VALUATION

Stocks are valued at the lower of cost and net realisable value.

9. VALUATION OF INVESTMENTS

Investments are included in the accounts at cost price.

10. DEBTORS AND CREDITORS AT THE YEAR END

All transactions are generally recorded on a system of income and converted payments. Sums due to the Council are brought into account at the time they are due; amounts which have not been received at the year end appear in the balance sheet as debtors. Relevant items paid during the first weeks of the following year and significant items outstanding at the year end are converted to expenditure and included in the Balance Sheet as creditors. This treatment complies with the accruals concept set out in SSAP2.

11. LONG TERM DEBTORS

This includes amounts owing to the Council, but which are likely to be repaid over more than one year.

12. LONG TERM BORROWING

The Code of Practice on Local Authority Accounting specifies that long term borrowing due to be repaid within one year is classified as a current liability. In order to provide a clearer presentation of the Council's total borrowing to finance expenditure on fixed assets, the analysis of long term borrowing (note 8 to the balance sheet) includes those amounts to be repaid during 2001/02.

The Council sets aside a provision for the repayment of the principal element of debt from the revenue account, for which there is a statutory minimum. Interest payable on these loans is charged to the Asset Management Revenue Account.

Debt Restructuring

In December 2000, the Council restructured £48.3m of its outstanding long term loans with the PWLB, moving them onto lower fixed term interest rates. For this, the Council had to pay a premium. This premium has been treated as a deferred charge, to be written down over the life of the new loans.

13. PENSIONS

The County Council participates in two different pension schemes which meet the needs of employees in particular services. Both schemes provide members with defined benefits related to pay and service. The schemes are as follows:-

Teachers' Pension Scheme

This is an unfunded scheme administered by the Department for Education and Skills (DfES). The pension cost charged to the accounts is the contribution rate set by the DfES on the basis of a notional fund.

Local Government Pension Scheme

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The pension costs that are charged to the Council's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

The pension costs included in the accounts in respect of these schemes have been determined in accordance with relevant Government regulations. As a result, the County Council does not comply with the accounting requirements of SSAP 24, 'Accounting for pension costs' and the liabilities included in the balance sheet are understated in respect of pension costs. However, in accordance with standard accounting practice for local authorities, the pension costs that it would have been necessary to provide for in the accounts for the period under SSAP 24 are disclosed in note 15 to the Consolidated Revenue Account.

A new accounting standard, FRS 17, is applicable for the first time in 2000/01. This requires the Council to disclose the estimated capitalised cost of discretionary pension enhancements for current and future years (see page 15).

14. PROVISIONS AND RESERVES

The Council has a number of provisions and reserves, details of which appear in notes 10 and 14 to the Consolidated Balance Sheet.

The Statement of Total Movement in Reserves is on page 33 and shows the annual movement of the revenue reserves together with those of the capital reserves.

15. PROBATION

On 1 April 1996 the Oxfordshire and Buckinghamshire Probation Service was formed. This authority's contribution is shown in the Consolidated Revenue Account on page 9.

16. RELATED PARTY TRANSACTIONS

All County Councillors and senior officers of the Council have been asked to declare any transactions with the Council by themselves, their close family, or any organisation that they are involved with. The disclosure in note 16 to the revenue account is based on those responses received by the Head of Finance.

Some organisations are related parties due to the value of transactions with the County Council. Those with whom the transactions exceeded £2m have been disclosed in note 16 to the revenue account.

17. FOUNDATION SCHOOLS

The Schools 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 1st April 1999. This change has resulted in the inclusion of closing balances for current assets and liabilities controlled by Foundation Schools in this Consolidated Balance Sheet.

However, 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 there are 13 Foundation Schools.

18. MAGISTRATES' COURTS

From 1st April 1999 the Thames Valley Magistrates' Courts Service was formed, a combination of Buckinghamshire, Milton Keynes, Oxfordshire, West Berkshire, Wokingham, Bracknell, Windsor & Maidenhead, and Slough Magistrates' Courts services, under the financial lead of this Authority.

All the revenue and capital expenditure of the merged service is included in this Authority's financial system, as is the grant from the Lord Chancellor's Department and contributions from the other constituent authorities.

As a result, all assets and liabilities of the Thames Valley Magistrates' Courts Service are included in this Consolidated Balance Sheet.

CONSOLIDATED REVENUE ACCOUNT

| 1999/00 | | 2000/01 | | |
|----------------------------|---|---------------------|----------------|----------------|
| Net Expenditure £000 | | Expenditure £000 | Income £000 | Net £000 |
| | Service expenditure – Note 2 | | | |
| See Note 1 | Central Services | 14,706 | 2,557 | 12,149 |
| | Court and Probation Services | 14,413 | 10,258 | 4,155 |
| | Cultural, Environmental & Planning | 25,567 | 5,417 | 20,149 |
| | Education | 265,497 | 50,047 | 215,450 |
| | Highways, Roads & Transport | 27,919 | 2,410 | 25,509 |
| | Housing | 487 | 162 | 325 |
| | Social Services | 100,986 | 30,182 | 70,804 |
| 326,326 | Total Service expenditure | 449,574 | 101,033 | 348,541 |
| 537 | Other revenue transactions - Note 6 | | | (1,976) |
| 326,863 | Net Cost of Services | | | 346,565 |
| 14,300 | Precepts paid - Note 7 | | | 14,779 |
| (18,884) | Asset management revenue account - Note 9 | | | (21,377) |
| (3) | DSO (Surplus)/ Deficit | | | 7 |
| (403) | Trading Account Surplus | | | (261) |
| (2,298) | Interest on Balances | | | (2,856) |
| 289 | Council Tax Benefit Subsidy | | | 569 |
| 319,864 | Net Operating Expenditure | | | 337,426 |
| 90 | Revenue Contribution to Capital Programme | | | 17 |
| 3,349 | Provision for Repayment of External Debt | | | (4,550) |
| 2,398 | Appropriations to/(from) earmarked reserves - Note 11 | | | 8,179 |
| 325,701 | Total net expenditure | | | 341,072 |
| | Financed from: | | | |
| 105,481 | National non-domestic rates | | | 119,629 |
| 101,215 | Revenue support grant | | | 95,891 |
| 118,686 | Council tax | | | 128,446 |
| 182 | Surplus/(Deficit) on collection funds | | | (49) |
| 325,564 | | | | 343,917 |
| 137 | Contribution (to)/from non-earmarked reserves | | | (2,845) |
| 325,701 | | | | 341,072 |

NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

1. Comparison of Service Expenditure with Previous Year

For the financial year 2000/01 Local Authorities are required to publish their accounts on the new Best Value Accounting Code of Practice format.

The following table gives a breakdown of the Service Expenditure based on the format used 1999/00, to allow a comparison of the current year's expenditure with the previous year's.

| 1999/00 | | 2000/01 | | |
|-------------------------|----------------------------------|---------------------|----------------|----------------|
| Net Expenditure £000 | | Expenditure £000 | Income £000 | Net £000 |
| | Service expenditure | | | |
| 215,285 | Education | 280,759 | 52,590 | 228,169 |
| 37,255 | Environmental Services | 43,988 | 5,832 | 38,156 |
| 2,809 | Magistrates' Courts | 14,133 | 10,258 | 3,875 |
| 1,257 | Policy & Resources | 2,319 | 14 | 2,305 |
| 3,108 | Corporate Services | 6,025 | 2,157 | 3,868 |
| 66,613 | Social Services | 102,350 | 30,182 | 72,168 |
| 326,326 | Total Service expenditure | 449,574 | 101,033 | 348,541 |

2. Further Analysis of Service Expenditure Headings

The following tables provide further information on the net expenditure within each of the Service Headings in the main revenue account.

a) Central Services

| CENTRAL SERVICES | Net Exp £'000 |
|-----------------------------------|------------------|
| Corporate and Democratic Core | 4,342 |
| Unapportionable Central Overheads | 7,406 |
| Central Services to the Public | 401 |
| | 12,149 |

b) Court and Probation Services

| COURT AND PROBATION SERVICES | Net Exp £'000 |
|------------------------------|------------------|
| Magistrates Court | 3,875 |
| Coroners | 280 |
| | 4,155 |

c) Cultural, Environmental and Planning Services

| CULTURAL, ENVIRONMENTAL, PLANNING | Net Exp £'000 |
|--|------------------|
| Cultural and Related Services | 8,835 |
| Environmental Services | 9,556 |
| Planning and Development Services | 1,758 |
| | 20,149 |

d) Education Services

| EDUCATION SERVICES | Net Exp £'000 |
|-------------------------------------|------------------|
| Individual School Funds | 169,170 |
| LEA Centrally Held School Funds | 37,901 |
| Schools Expenditure Outside the LSB | 768 |
| Non-School Funding | 7,611 |
| | 215,450 |

e) Highways, Roads and Transport Services

| HIGHWAYS, ROADS AND TRANSPORT | Net Exp £'000 |
|---|------------------|
| Transport Planning, Policy and Strategy | 913 |
| Highways/Roads (Structural) | 9,822 |
| Highways/Roads (Routine) | 9,745 |
| Street Lighting | 1,415 |
| Traffic Management and Road Safety | 1,932 |
| Parking Services | 142 |
| Public Transport | 1,540 |
| | 25,509 |

f) Housing Services

| HOUSING SERVICES | Net Exp £'000 |
|--|------------------|
| General Fund Housing (Travellers' sites) | 325 |
| | 325 |

g) Social Services

| SOCIAL SERVICES | Net Exp £'000 |
|--|------------------|
| Service Strategy | 297 |
| Children's - commissioning and social work | 5,853 |
| Children Looked After | 7,589 |
| Family Support Services | 1,538 |
| Youth Justice | 434 |
| Other Children's and Families' Services | 503 |
| Older People (incl older mentally ill) | 30,427 |
| Adults with a Physical Disability | 6,152 |
| Adults with Learning Difficulties | 13,470 |
| Adults with Mental Health Needs | 3,974 |
| Other Adult Clients | 465 |
| Asylum Seekers | 87 |
| Supported Employment | 15 |
| | 70,804 |

3. Agency services

The Council did not carry out any work on an agency basis during 2000/01.

4. Local Authority (Goods and Services) Act 1970

In 2000/01 the Council generated income of £0.839m from other bodies.

5. Operating Leases

The Council paid rentals totalling £1.435m in 2000/01. The estimated undischarged obligations were £2.484m as at 31 March 2001.

6. Other Transactions

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|-------------------------------------|-----------------|
| | Contributions to/ (from) provisions | |
| 270 | Doubtful debts (note 7) | (390) |
| (242) | Equity Share Housing | (76) |
| - | Insurance | (1,375) |
| (11) | DSO Closure | - |
| | Other Transactions | |
| 98 | Insurance | (42) |
| (68) | Efficiency Fund | 87 |
| 1,029 | Repairs and Renewals Expenditure | 738 |
| 579 | MKC Unison | - |
| (219) | Windows NT | (327) |
| - | PWLB Deferred Premium | 41 |
| (193) | Other use of reserves | (13) |
| (541) | MKC Added Years Contribution | (520) |
| (165) | Unallocated income | (99) |
| 537 | | (1,976) |

7. Provision for doubtful debts

The provision for doubtful debts was £1,310,000 at 1 April 2000. This provision has been reassessed and reduced to £1,220,000 at 31 March 2001.

8. Precepts paid

The following table provides information on precepts paid to other bodies providing public services.

| 1999/00 £000 | | 2000/01 £000 |
|-------------------------|---------------|-------------------------|
| 11,022 | Fire Services | 11,382 |
| 2,649 | Flood Defence | 2,737 |
| 629 | Probation | 660 |
| 14,300 | | 14,779 |

9. Asset Management Revenue Account

| 1999/00 £000 | | 2000/01 £000 |
|-------------------------|---|-------------------------|
| (33,362) | Capital charges made to Services | (43,090) |
| 16,258 | Interest paid on external debt | 14,428 |
| (3,702) | MK Contribution to interest paid | (3,398) |
| (384) | Reimbursement of interest paid | (323) |
| (585) | Capital grants and contributions released | (872) |
| 2,892 | Provision for depreciation | 11,878 |
| (18,884) | | (21,377) |

10. Officers' Remuneration

The number of employees whose remuneration was £40,000 or more is shown below in bands of £10,000. The remuneration amounts include redundancy and early retirement payments (the numbers of which are highlighted), but exclude employee pension contributions.

| 1999/00 Total | Remuneration Band £ | 2000/01 | |
|------------------|---------------------------|---------|------------------------------|
| | | Total | Redundancies/ Retirements |
| 69 | 40,000 - 49,999 | 93 | 5 |
| 16 | 50,000 - 59,999 | 34 | 1 |
| 9 | 60,000 - 69,999 | 6 | 2 |
| 2 | 70,000 - 79,999 | 3 | - |
| 1 | 80,000 - 89,999 | 1 | - |
| 1 | 90,000 - 99,999 | - | - |
| - | 100,000 - 109,999 | 1 | 1 |

11. Appropriations to/(from) earmarked reserves in the year

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---|-----------------|
| 3,625 | Revenue contribution to capital reserve | 5,103 |
| (1,579) | Delegated budget reserve | 1,740 |
| 1,517 | Committees' reserves | (644) |
| (35) | Trading Accounts' reserves | (117) |
| (417) | Repairs and Renewals Funds | 166 |
| 164 | Insurance reserves | 1,538 |
| 600 | Modernisation reserve | (217) |
| (1,477) | Other earmarked reserves | 610 |
| 2,398 | | 8,179 |

The closing balances on these reserves are set out at note 14 to the Balance Sheet.

12. Delegated budgets carried forward

The Education Committee has delegated budgets to Primary and Secondary Schools, Special Schools, Continuing Education and Youth & Community establishments. Part of the arrangements under delegation is the carry forward of under- and over-expenditure against budgets.

The net amount to carry forward at 31 March 2001 was £5.224m (31 March 2000: £3.412m). This amount includes school overspends to carry forward of £2.206m.

13. Section 5 of the Local Government Act 1986

Section 5 requires expenditure on certain types of publicity to be disclosed. This is shown in the table below:

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|-------------------------|-----------------|
| 413 | Recruitment advertising | 509 |
| 85 | Other publicity | 72 |
| 498 | | 581 |

14. Trading Accounts

The turnover and surplus/ deficits on the Council's internal trading accounts are:

| Activity | Turnover £'000 | Surplus/ (Deficit) £'000 |
|---------------------------|-------------------|--------------------------------|
| Chief Executive | 972 | (19) |
| Director of Corp Services | 164 | 27 |
| Finance | 4,390 | 248 |
| Administration | 973 | (11) |
| Legal | 1,202 | 69 |
| Contracts | 754 | 1 |
| Architects | 2,080 | 150 |
| Fleet Hire | 1,612 | 53 |

15. Pension Costs

Teachers

In 2000/01 the Council paid £6.2m in respect of teachers' pension costs, which reflects an average employer's contribution of 7.2% of teachers' pensionable pay. In addition, the County Council is responsible for all pension payments relating to added years it has awarded. In 2000/01 these amounted to £1.6m.

The capital cost of discretionary increases in pension payments agreed by the authority total £0.8m for decisions made in the current year, and £30.0m for decisions made in previous years.

Local Government Pension Scheme

The Council paid an employer's contribution as determined by Actuarial Valuation of 13.5% (1999/00: 13.5%) or in the case of manual workers 11.25% (1999/00: 11.25%) of superannuable employees' reckonable pay into the Pension Fund, from which retirement pensions and related benefits are paid. In 2000/01 the County Council paid an employer's contribution of £8.6m into the Pension Fund.

In addition, the County Council is responsible for all pension payments relating to added years benefits it has awarded. In 2000/01 these amounted to £1.5m.

The capital cost of discretionary increases in pension payments agreed by the authority total £0.6m for decisions made in the current year, and £25.8m for decisions made in previous years.

The Fund's Actuary has advised that the pension costs that it would have been necessary to provide for in 2000/01 in accordance with SSAP 24, 'Accounting for pension costs' was £8.8m.

16. Related Party Transactions

Based on the declarations received by the Head of Finance, none of the County Councillors or senior officers or close relatives has undertaken any material transactions with the County Council during 2000/01.

Based on the level of payments made during 2000/01, the following are considered to be related parties of the County Council:

Inland Revenue – Payment of employer's and employees contributions (£50.9m during 2000/01);

Environment Agency (£2.5m);

Fremantle Trust – Provision of care to Social Services clients (£8.0m);

Hyder Consulting Ltd – Road and bridge design, laboratory, landscape, ecology and forestry (£2.8m);

Raynesway Constructing – Highways maintenance activities (£6.2m); and

Babtie Group – Architectural Consultancy (£2.3m).

There have also been transactions with other local authorities, including the receipt of council tax totalling £128.4m from the District Councils in Buckinghamshire. Income from bodies under the Local Authority (Goods and Services) Act 1970 is disclosed in note 4 to the revenue account.

Transactions with Central Government included the receipt of £95.9m of revenue support grant and £119.6m of non-domestic rates. In addition £40.7m of other grants were received from Government Departments.

During the year £17.4m was received from Customs & Excise, representing the net recovery of VAT incurred.

CONSOLIDATED BALANCE SHEET

The consolidated balance sheet summarises the balances of the individual accounts of the County Council, excluding Trust and Pension Funds.

| 31.3.00 £000 | | Notes | 31.3.01 £000 | |
|------------------|--|-------|-----------------|------------------|
| | | | £000 | £000 |
| 528,699 | Fixed Assets | 1 | | 548,190 |
| | Other Long Term Assets | | | |
| 846 | Deferred charges | 2 | 8,123 | |
| 10 | Investments | | 10 | |
| 2,685 | Long term debtors | 3 | 1,731 | |
| 3,541 | | | | 9,864 |
| 532,240 | Total Fixed and Long Term Assets | | | 558,054 |
| | Current Assets | | | |
| 282 | Stocks and work in progress | 4 | 170 | |
| 20,438 | Debtors | 5 | 16,669 | |
| 66,100 | Temporary investments | | 75,750 | |
| 456 | Cash in hand | | 375 | |
| 87,276 | | | 92,964 | |
| | Current Liabilities | | | |
| (17,193) | Temporary loans | | 617 | |
| (39,750) | Creditors | 6 | (42,058) | |
| (883) | Bank Balance | | (1,119) | |
| (57,826) | | | (42,560) | |
| 29,450 | Net Current Assets | | | 50,404 |
| 561,690 | Total Assets less Current Liabilities | | | 608,458 |
| | Other Liabilities | | | |
| (186,506) | Long term borrowing | 7 | (193,574) | |
| (18,853) | Capital grants deferred | 8 | (23,729) | |
| (10,324) | Capital contributions and receipts deferred | 9 | (12,207) | |
| (5,701) | Provisions | 10 | (5,072) | |
| (221,384) | | | | (234,582) |
| 340,306 | Total Assets less Liabilities | | | 373,876 |
| | Equity | | | |
| 193,578 | Fixed asset restatement reserve | 11 | | 197,499 |
| 103,980 | Capital financing reserve | 12 | | 127,652 |
| 5,047 | Usable capital receipts reserve | 13 | | 0 |
| 37 | DSO reserves | | | 30 |
| 27,009 | Earmarked reserves | } 14 | | 35,195 |
| 10,655 | Non-earmarked reserves | | | 13,500 |
| 340,306 | Total Equity | | | 373,876 |

NOTES TO CONSOLIDATED BALANCE SHEET

1. Fixed Assets

(a) Movement of Fixed Assets

| | Land & buildings £000 | Vehicles, plant & equipment £000 | Infrastructure assets £000 | Surplus assets £000 | Other non-operational properties £000 | Assets under construction £000 | Total £000 |
|--|--------------------------|-------------------------------------|-------------------------------|------------------------|--|-----------------------------------|----------------|
| Net Book Value at 31 March 2000 | 428,984 | 4,723 | 76,877 | 3,571 | 9,134 | 5,410 | 528,699 |
| Depreciation b/f | - | 6,745 | 5,461 | - | - | - | 12,206 |
| Gross Book Value at 31 March 2000 | 428,984 | 11,468 | 82,338 | 3,571 | 9,134 | 5,410 | 540,905 |
| Additions | 9,933 | 1,722 | 10,678 | - | - | 9,450 | 31,783 |
| Disposals | (8,902) | (132) | - | (832) | - | - | (9,866) |
| Reclassifications | (20,629) | - | - | 19,604 | 3,159 | (2,134) | 0 |
| Revaluations | 14,027 | 101 | (2) | (682) | 28 | (4,021) | 9,451 |
| Gross Book Value at 31 March 2001 | 423,413 | 13,159 | 93,014 | 21,661 | 12,321 | 8,705 | 572,273 |
| Depreciation b/f | - | (6,744) | (5,461) | - | - | - | (12,205) |
| Depreciation for year | (8,140) | (1,287) | (2,058) | (109) | (284) | - | (11,878) |
| Net book value at 31 March 2001 | 415,273 | 5,128 | 85,495 | 21,552 | 12,037 | 8,705 | 548,190 |

Residential properties have been revalued this year within the agreed rolling programme to a valuation date of 1st April 2000. Previous year's revaluations have been: Miscellaneous properties, including Libraries, Youth Centres, Continuing Education Centres and Office Accommodation (revalued during 1999/00); Other Miscellaneous properties (1998/99); Smallholdings, Green Belt and Social Services properties (1997/98); and Schools (1996/97). Previous valuations of surplus property have been checked and updated as changes in circumstances (e.g. grant of planning consent) have affected the value.

Expenditure on assets under construction is reclassified to the relevant fixed asset category once the asset becomes operational.

In 2000/01, all Agricultural Estates were reclassified as surplus to reflect the Council's policy to dispose all its Agricultural Estates holdings. The Estates will remain in operation until they are sold, the timing of which will be based on maximising the receipts from these disposals.

From 2000/01, under accounting standard FRS15, all building assets are required to be depreciated over their remaining useful life. This is a departure from previous accounting policy of not depreciating assets on the basis that sufficient repairs and maintenance maintained the value and lives of the assets. Balances brought forward have not been restated. The depreciation charge reflects straight line depreciation based on the asset life at the last valuation.

(b) Capital Expenditure

| | Land & buildings | Infra-structure | Vehicles, plant, furniture & equipment | Other | Total payments | Change in Capital accruals | Total |
|--------------------------------------|------------------|-----------------|--|------------|----------------|----------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Education | | | | | | | |
| Nursery & Primary | 5,380 | - | - | - | 5,380 | 18 | 5,398 |
| Secondary | 4,029 | - | 1,100 | - | 5,129 | 264 | 5,393 |
| Special | 2,196 | - | - | - | 2,196 | (286) | 1,910 |
| Youth & Community | 232 | - | - | - | 232 | - | 232 |
| Library & Museum | 249 | - | - | - | 249 | (6) | 243 |
| | 12,086 | - | 1,100 | - | 13,186 | (10) | 13,176 |
| Magistrates' Courts | 713 | - | 109 | - | 822 | - | 822 |
| Planning & Transportation | | | | | | | |
| Highways | - | 10,678 | - | - | 10,678 | (117) | 10,561 |
| Fleet Hire | - | - | 310 | - | 310 | - | 310 |
| | - | 10,678 | 310 | - | 10,988 | (117) | 10,871 |
| Policy & Resources | | | | | | | |
| Information Technology | - | - | 203 | 356 | 559 | - | 559 |
| Structural Maintenance | 3,313 | - | - | - | 3,313 | - | 3,313 |
| Office Accommodation | 1,653 | - | - | - | 1,653 | 21 | 1,674 |
| | 4,966 | - | 203 | 356 | 5,525 | 21 | 5,546 |
| Social Services | | | | | | | |
| Residential Care | 761 | - | - | 15 | 776 | 52 | 828 |
| | 761 | - | - | 15 | 776 | 52 | 828 |
| Totals for year | 18,526 | 10,678 | 1,722 | 371 | 31,297 | (54) | 31,243 |

(c) **Capital Financing**

| | £000 | £000 | | £000 |
|-------------------------------------|--------|---------------|----------------------------|---------------|
| Source of Funding | | | Expenditure in year | |
| Use of Credit Approvals | | 9,211 | Payments | |
| Capital Receipts (Note 13) | 15,856 | | Fixed Assets | 30,927 |
| Government Grants | 5,529 | | Deferred Charges (Note 2) | 370 |
| Contributions from external sources | 985 | | | |
| | | 22,370 | | |
| Contributions from Revenue Account | | 17 | | |
| Contributions from Reserves | | - | | |
| Contributions from Renewals Fund | | 310 | | |
| Move in unfinanced expenditure | | (611) | | |
| | | 31,297 | | 31,297 |

(d) **Major Capital Schemes**

During the year, payments were made in respect of the following major capital schemes:-

| | £000 |
|---|-------|
| Education | |
| Primary Schools | 3,854 |
| Secondary Schools | 3,722 |
| Special Schools | 1,936 |
| Environmental Services | |
| Tingewick Bypass | 906 |
| National Transport Public Information Service | 431 |
| Wendover Bypass | 793 |
| Oxford Road Railway Reconstruction | 1,492 |
| Policy & Resources | |
| IS/ IT Strategic Developments | 289 |
| Structural Maintenance | 2,714 |
| Health and Safety | 836 |
| Roof Replacement at Schools | 665 |
| Farm Compensation Payments | 598 |

(e) Statement of Physical Assets

An outline of the main assets used by the Council is highlighted below:

Education

| | | | |
|-------------------------------|-----|------------------------------|----|
| Nursery Schools | 4 | Continuing Education Service | 21 |
| Primary Schools | 192 | Youth and Community Service | 19 |
| Secondary Schools | 34 | Libraries | 25 |
| Special Schools | 14 | Museum Facilities | 2 |
| Other Special Needs Provision | 4 | Environmental Studies Centre | 1 |

Environmental Services

| | | | |
|-----------------------------------|-------|-------------------------|-----|
| Kilometres of Principal Roads | 344 | Farms and smallholdings | 106 |
| Kilometres of other roads | 2,678 | Other holdings | 23 |
| Divisional Offices | 3 | Country Parks | 5 |
| Highways Depots | 4 | Picnic Sites | 15 |
| Gypsy Sites | 8 | Follies and Monuments | 6 |
| Waste Disposal and Landfill Sites | 10 | Community Wood | 1 |

Social Services

| | | | |
|-----------------------------------|----|-----------------------------|----|
| Homes for Children/Young People | 4 | Hostels/Small staffed units | 24 |
| Homes for older people | 14 | Group Homes | 8 |
| Adult Disability Resource Centres | 15 | Elderly Day Centres | 9 |
| Family Centres | 4 | | |

Other Services

| | | | |
|----------------------------------|----|-----------------------------------|-----|
| Magistrates' Courts and Justices | | Transport Management Organisation | |
| Clerks Offices | 20 | Vehicles | 188 |
| Offices inc County Hall | 13 | Other Plant & Equipment | 133 |
| Car Parks | 1 | | |

(f) Commitments under Capital Contracts

The following significant amounts are outstanding on capital contracts which have been entered into by the Council at 31 March 2001:-

| | £000 |
|--------------------------------------|-------|
| A421 Tingewick Bypass | 550 |
| Frogmoor/Oxford Street, High Wycombe | 685 |
| A418 Oxford Road, Aylesbury | 1,278 |
| Aylesbury High School | 287 |
| Wycombe West Redevelopment | 5,523 |
| Royal Latin School | 1,561 |
| Aylesbury Music Centre | 705 |
| Millbrook Combined School | 458 |

2. Deferred Charges

The Council incurred expenditure on capital grants and I.T. development costs in 2000/01 amounting to £370,000. Such capital expenditure for which there is no tangible asset has been treated as a deferred charge and will be written down over the period of benefit to the Council.

The movements for the year are as follows:-

| | Balance at 1 April 2000 | Expenditure | Amounts written off | Balance at 31 March 2001 |
|------------------------------|------------------------------------|--------------------|--------------------------------|-------------------------------------|
| | £000 | £000 | £000 | £000 |
| Capital Grants | 491 | 14 | (74) | 431 |
| I.T. Development Costs | 355 | 356 | (170) | 541 |
| Debt Restructuring Premium | - | 3,767 | (41) | 3,726 |
| Asset Transfer – Social Care | - | 3,425 | - | 3,425 |
| | 846 | 7,562 | (285) | 8,123 |

During the year the Council transferred 5 homes to an external care provider. In return for this the Council will benefit from reduced unit costs of care. This deferred charge will be written down over the period of benefit received.

3. Long Term Debtors

| 1.4.00 £000 | | 31.3.01 £000 |
|------------------------|--|-------------------------|
| 1,786 | Further Education Funding Council | 1,687 |
| 852 | Commission for the New Towns | 0 |
| 47 | Right to Buy Mortgages and Other Loans | 44 |
| 2,685 | | 1,731 |

4. Stocks and Work in Progress

| 1.4.00 £000 | | 31.3.01 £000 |
|------------------------|------------------------------|-------------------------|
| 90 | Highways | 143 |
| 6 | Direct Service Organisations | 5 |
| 186 | Other Departments | 22 |
| 282 | | 170 |

5. Debtors

| 1.4.00 | | 31.3.01 |
|----------------|--|----------------|
| £000 | | £000 |
| | Amounts falling due within one year | |
| 3,694 | Government Departments | 4,147 |
| 1,268 | Other Local Authorities | 505 |
| 14,470 | Sundry debtors | 11,508 |
| 1,888 | Payments in advance | 1,343 |
| 171 | Car loans to employees | 219 |
| 21,491 | | 17,722 |
| | Amounts falling due after one year | |
| 257 | Car loans to employees | 167 |
| (1,310) | Provision for doubtful debts | (1,220) |
| 20,438 | | 16,669 |

6. Creditors

| 1.4.00 | | 31.3.01 |
|---------------|--------------------------------------|----------------|
| £000 | | £000 |
| 4,185 | Inland Revenue | 4,822 |
| 116 | Government Departments | 275 |
| 1,973 | Other Local Authorities | 1,929 |
| 2,881 | Deposits from contractors and others | 2,352 |
| 26,783 | Other sundry creditors | 22,580 |
| 1,418 | Receipts in advance | 7,760 |
| 2,394 | Capital expenditure creditors | 2,340 |
| 39,750 | | 42,058 |

7. Long term borrowing

From time to time the Council undertakes long term borrowing, principally as a means of financing expenditure on fixed assets. All loans outstanding are with the Public Works Loan Board, and the interest rates payable as at 31 March 2001 vary between 4.625% and 10.250%. The total loans outstanding are analysed by maturity as follows:-

| 1.4.00 £000 | | 31.3.01 £000 |
|------------------------|---------------------------|-------------------------|
| 1,732 | Maturing within 1 year | 6,732 |
| 6,732 | Maturing in 1 - 2 years | 1,732 |
| 15,196 | Maturing in 2 - 5 years | 5,196 |
| 44,690 | Maturing in 5 - 10 years | 13,660 |
| 118,156 | Maturing in over 10 years | 166,254 |
| 186,506 | | 193,574 |

8. Capital Grants Deferred

| 1999/00 £000 | | 2000/01 £000 |
|-------------------------|------------------------------------|-------------------------|
| 15,118 | Opening balance at 1 April | 18,853 |
| | Add: | |
| 4,105 | Government grants received in year | 5,529 |
| | Less: | |
| (370) | Government grants applied in year | (653) |
| 18,853 | Balance at 31 March | 23,729 |

Capital grants deferred represents funding received from Central Government Departments for specific capital projects. The grant is transferred to the Asset Management Revenue Account on the same basis as the asset to which the grant relates is depreciated.

9. Capital Contributions and Receipts Deferred

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|--|-----------------|
| 9,270 | Opening balance at 1 April | 10,324 |
| | Add: | |
| 1,273 | Contributions from external sources received in year | 985 |
| - | Additions to Deferred Capital Receipts | 1,120 |
| | Less: | |
| (215) | Contributions applied in year | (219) |
| (4) | Deferred Capital Receipts received in year | (3) |
| 10,324 | Balance at 31 March | 12,207 |

Capital contributions deferred represents funding received from external bodies, other than Central Government Departments, for specific capital projects. Contributions are transferred to the Asset Management Revenue Account on the same basis as the asset to which the contribution relates is depreciated.

Capital receipts deferred relate to income anticipated over a period exceeding one year which, once received, will be deemed to be a capital receipt.

10. Provisions

| | Balance 1.4.00 £000 | Add income £000 | Less expenditure £000 | Balance 31.3.01 £000 |
|---------------------------|------------------------------------|--------------------------------|--------------------------------------|-------------------------------------|
| Equity share housing | 100 | 76 | 76 | 100 |
| Surplus properties | 180 | - | 21 | 159 |
| Insurance | 3,164 | 541 | 1,566 | 2,139 |
| Social Services provision | 1,000 | 323 | - | 1,323 |
| Stores closedown costs | 85 | 49 | 126 | 8 |
| Street lighting | 768 | 120 | 25 | 863 |
| Commuted Sums - Trees | 4 | - | 1 | 3 |
| Commuted Sums - Bridges | - | 77 | - | 77 |
| Education provision | 400 | - | - | 400 |
| | 5,701 | 1,186 | 1,815 | 5,072 |

The Equity Share Housing provision, established in order to meet any potential losses arising from the early sale of properties in which the County Council has an interest under the equity share housing scheme for employees, has been maintained at £100,000.

The Surplus Properties provision is used to meet the costs of maintaining surplus leasehold office accommodation no longer required following local government reorganisation prior to sale

Insurance provisions exist for meeting notified claims under a self insurance scheme. There are cumulative limits to these, above which claims would be met by the Council's insurers. These cover areas of insurance such as motor, fire, and employees. In addition a provision is maintained for possible liabilities following MMI ceasing to undertake new business.

The Social Services provision has been set up to cover costs of potential claims.

A Stores Closedown Costs provision has been used to cover the costs of closing the in-house stores function.

The street lighting provision receives commuted payments from private developers to compensate the County Council for additional costs incurred in providing new lighting as specified by the developers. Appropriate annual contributions from the provision are credited to the revenue account. Similar provisions exist to meet future costs of maintaining trees and bridges.

An Education provision exists to cover a deficit budget anticipated upon closure of a school.

11. Fixed Asset Restatement Reserve

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|-----------------------------------|-----------------|
| 177,600 | Opening balance at 1 April | 193,578 |
| 29,455 | Magistrates' Courts | - |
| (6,145) | Revaluation of Fixed Assets | 9,451 |
| (7,332) | Disposal of Fixed Assets | (5,530) |
| 193,578 | Balance at 31 March | 197,499 |

The system of capital accounting requires the establishment of the fixed asset restatement reserve. The reserve is written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on revaluations. See Statement of Total Movements in Reserves on page 33.

12. Capital Financing Reserve

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---|-----------------|
| 89,625 | Opening balance at 1 April | 103,980 |
| - | Capital Receipts set aside | - |
| 7,852 | Capital Receipts used for financing | 15,856 |
| 90 | Contributions from Revenue Account | 17 |
| - | Contributions from Reserves | - |
| 1,031 | Contributions from Renewals Fund | 310 |
| 4,797 | Minimum Revenue Provision - net of depreciation | (3,609) |
| - | Voluntary Set-aside | 10,226 |
| 585 | Release of Capital Grants and Contributions | 872 |
| 103,980 | Balance at 31 March | 127,652 |

The capital financing reserve contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

13. Usable Capital Receipts Reserve

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---|-----------------|
| 3,679 | Opening balance at 1 April | 5,046 |
| 9,219 | Receipts in year | 10,810 |
| 12,898 | | 15,856 |
| | Less: | |
| - | Receipts set aside in year | - |
| (7,852) | Receipts used for financing Capital Expenditure | (15,856) |
| 5,046 | Balance at 31 March | 0 |

The usable capital receipts reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside any statutory amounts for the repayment of external loans.

14. Revenue Reserves

| | Balance 1.4.00 £000 | Transactions in year Additions £000 | Use of £000 | Balance 31.3.01 £000 |
|---|------------------------------------|--|------------------------|-------------------------------------|
| DSO Reserves | 37 | - | 7 | 30 |
| Earmarked Reserves | | | | |
| Revenue Contribution to Capital Reserve | 13,562 | 5,903 | 800 | 18,665 |
| Delegated Budgets | | | | |
| Schools | 3,010 | 1,740 | - | 4,750 |
| Adult Education | 375 | - | 8 | 367 |
| Further Education Funding Council | 616 | 35 | - | 651 |
| Arts, Sport & Recreation | 126 | - | 19 | 107 |
| Committees' Carry Forwards | 3,036 | - | 644 | 2,392 |
| Trading Accounts Reserve | 452 | - | 117 | 335 |
| Vehicles and Plant Renewal | 1,795 | 586 | 420 | 1,961 |
| Insurance | 2,209 | 1,568 | 30 | 3,747 |
| Efficiency Fund | 653 | 173 | 90 | 736 |
| The Camp, Little Kimble | 54 | - | - | 54 |
| Training Reserve | 83 | - | 12 | 71 |
| Modernisation Reserve | 600 | - | 217 | 383 |
| Other Liabilities | 160 | - | 55 | 105 |
| Other Earmarked Reserves | 278 | 593 | - | 871 |
| | 27,009 | 10,598 | 2,412 | 35,195 |
| Non Earmarked Reserves | 10,655 | 2,845 | - | 13,500 |
| | 37,701 | 13,443 | 2,419 | 48,725 |

DSO reserves are the total reserves of the Direct Service Organisations (DSOs) operated by the Council. Further details are given on page 34.

The revenue contribution to capital reserve is used for the financing of capital expenditure and receives appropriations from the revenue account.

The delegated budgets reserves relate to the net unspent sums held on behalf of schools, with delegated budgets under the terms of the Education Reform Act, Youth & Community and Continuing Education, including unspent funding from the Further Education Funding Council.

Committees are able to carry forward underspendings of up to 1% of controllable non-delegated budgets and half of any underspendings over and above 1%.

Trading account surpluses of up to 3% of gross expenditure can be carried forward.

The Vehicles and Plant Renewal reserve is used to finance the replacement of vehicles and plant. Appropriations to the reserve come from a revenue account contribution equal to the annual depreciation over the useful life of these assets and the sale of surplus vehicles and plant.

The Insurance reserve relates to the estimated liabilities in respect of insurance claims not yet notified.

Committees may call on the Efficiency Fund to finance initial expenditure on projects which will lead to longer term savings. Committees subsequently repay the amounts so used out of savings.

The Camp, Little Kimble, comprises 5 acres of land bequeathed to the County Council. The income from renting the land is to be used to defray any expenses involved.

The Training Reserve is used to provide for Youth Training within the Council.

The Modernisation Reserve is used to meet costs arising from the Local Government Act 2000.

The Other Liabilities reserves exist to meet potential liabilities arising from contracts entered into by the Council.

The Other Earmarked Reserves relate to partnership funding for the Youth Offending Team, monies unspent by the Combined Fire Authority and computer lease costs.

Non-earmarked reserves are kept at a prudent level to cover unforeseen eventualities and liabilities.

15. Provision for Credit Liabilities (memorandum account)

| | 2000/01 £000 |
|--|-------------------------|
| Balance brought forward | 0 |
| Amount set aside for Minimum Revenue Provision | 8,141 |
| Voluntary Set-aside | 10,225 |
| Reserved capital receipts | - |
| | 18,366 |
| Amounts applied to repay loans | (18,366) |
| Credit approvals used | - |
| Balance carried forward | 0 |

16. Related Companies

Each of the companies below is regulated under the Local Authorities (Companies) Order 1995, by virtue of the County Council's interest and any other interest held by other local authorities.

(a) Buckingham Borough Development Company Limited

The County Council owns 51% of the share capital of the Buckingham Borough Development Company Limited, which is valued at cost and is included in the Consolidated Balance Sheet at a value of £51.

The net assets of the Company at 31 March 2001 were £23,504 (1999/00: £27,363), its loss before tax for the year ended 31 March 2001 was £3,859 (1999/00: £7,613 loss) and net loss after tax was £3,859 (1999/00: £7,613 net loss). The Council has not received any dividend from the Company in respect of the year ended 31 March 2001 (1999/00: Nil).

The Council holds a debenture of £10,000 from the Company. The Company has invested its surplus funds from time to time with the Council. At 31 March 2001, the Company had invested within the Council £90,000 (1999/00: £109,000).

The principal activity of the Company is the development of land in the vicinity of the town of Buckingham. It is the Council's policy to retain profits within the Company and to expend them for the benefit of the inhabitants of Buckingham and Gawcott.

The company has decided to wind up its remaining activities, through a Members Voluntary Liquidation, as soon as possible, and it is hoped to complete the process next year.

(b) Berks and Bucks Enterprise Agency

The County Council has a 10% interest in the Berks and Bucks Enterprise Agency, which is a company limited by guarantee and not having a share capital. At 31 December 2000 the Company's net assets were £129,281 (1999: £123,621) and the surplus for 2000 was £5,660 (1999: £973).

The principal activities of the Company are the stimulation and promotion of new enterprise, industry and commerce in and around Berkshire and Southern Buckinghamshire.

(c) Chiltern Woodlands Project Ltd

The County Council has a 9% interest in the Chiltern Woodlands Project Ltd, which is a company limited by guarantee and not having a share capital. At 31 March 2001 the Company's net assets were £39,137 (1999/00: £10,213) and the surplus for 2000/01 was £28,924 (1999/00: £12,756 deficit).

The Company promotes and encourages the sympathetic management of woodlands in the Chiltern Hills.

(d) Countec Ltd

The County Council had a 33% interest in Countec Ltd, which is a company limited by guarantee and not having a share capital during the 2000/01 financial year. As from 3 April 2001 the Council ceased to be the owners. As at 31 March 2001 the Company's net assets were £45,726 (26 March 2000: £42,530) and the surplus for the year was £3,196 (1999/00: £6,180). The Company is principally engaged in the strategic development of education and the promotion of economic development in Milton Keynes and North Buckinghamshire, via the organisation of link activities between education and business establishments.

(e) Beaconsfield High School Uniforms Ltd

This limited company, having share capital at cost of £1,000, is wholly owned by Beaconsfield High School. As at 31 March 2001 the Company's net assets were £5 (1999/00: £5) and the accumulated profits were £nil (1999/00: £nil), after donating £14,688 (1999/00: £13,100).

The principal activity of the company is the sale of school uniforms to pupils of Beaconsfield High School. Under Deed of Covenant, all profits are donated to the school.

Copies of the accounts of the County Council's associated companies disclosed above are available from Companies House.

CONSOLIDATED CASH FLOW STATEMENT

| 31.3.00 £000 | 31.3.01 | |
|------------------|--|------------------|
| | £000 | £000 |
| | Revenue activities | |
| | Cash outflows | |
| 219,239 | Cash paid to and on behalf of employees | 234,800 |
| 172,802 | Other operating cash payments | 185,192 |
| 392,041 | | 419,992 |
| | Cash inflows | |
| (182) | Surplus on Collection Funds | (49) |
| (105,481) | National non-domestic rates | (119,630) |
| (101,215) | Revenue Support Grant | (95,891) |
| (118,686) | Council Tax | (127,877) |
| (991) | Former Grant Maintained Schools balances | (0) |
| (32,445) | Other government grants | (40,729) |
| (56,711) | Cash received for goods and services | (78,192) |
| (415,711) | | (462,368) |
| (23,670) | Revenue activities net cash (inflow)/outflow - note 1 | (42,376) |
| | Servicing of Finance | |
| | Cash outflows | |
| 15,505 | Interest paid | 15,117 |
| 5 | Interest element of finance leases | 5 |
| 15,510 | | 15,122 |
| | Cash inflows | |
| (6,578) | Interest received | (6,794) |
| 8,932 | | 8,328 |
| | Capital activities | |
| | Cash outflows | |
| 23,642 | Purchase of fixed assets | 30,927 |
| 262 | Deferred charges | 370 |
| 23,904 | | 31,297 |
| | Cash inflows | |
| (9,219) | Sale of fixed assets | (10,810) |
| (4,105) | Capital grants received | (5,529) |
| (1,273) | Capital contributions received | (985) |
| (14,597) | | (17,324) |
| 9,307 | | 13,973 |
| (5,431) | Net cash (inflow)/outflow before financing | (20,075) |
| | Management of Liquid Resources | |
| 1,750 | Net increase/(decrease) in temporary investments | 9,650 |
| 13,058 | Net (increase)/decrease in temporary loans | 17,810 |
| | Financing | |
| (15,000) | Loan taken out | (13,800) |
| 6,732 | Repayments of amounts borrowed | 6,732 |
| 1,109 | (Increase)/decrease in cash - note 2 | 317 |

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

1. Reconciliation of revenue cash flow

| 31.3.00 £000 | | 31.3.01 £000 | £000 |
|-----------------|---|-----------------|-----------------|
| 137 | Contribution to/(from) Non-Earmarked Reserves (page 9) | | (2,845) |
| (2,398) | Appropriation to reserves (page 14) | (8,179) | |
| 2,298 | Interest on balances | 2,851 | |
| (21,905) | Other non - committee transactions | (27,924) | |
| (22,005) | | | (33,252) |
| 2,608 | (Decrease)/Increase in debtors | (3,859) | |
| (2,888) | (Increase)/Decrease in revenue creditors | (2,362) | |
| (173) | (Decrease)/Increase in stocks | (112) | |
| (1,349) | (Increase)/Decrease in capital creditors | 54 | |
| (1,802) | | | (6,279) |
| (23,670) | Revenue activities net cash flow | | (42,376) |

2. Movement in cash

| | As at 31.3.00 £000 | As at 31.3.01 £000 | Movement £000 |
|--------------|--------------------------|--------------------------|------------------|
| Cash in hand | 456 | 375 | (81) |
| Bank balance | (883) | (1,119) | (236) |
| | (427) | (744) | (317) |

3. Movement in other net current assets

| | As at 31.3.00 £000 | As at 31.3.01 £000 | Movement £000 |
|-------------------|--------------------------|--------------------------|------------------|
| Debtors | 21,748 | 17,889 | (3,859) |
| Revenue creditors | (37,356) | (39,718) | (2,362) |
| Stocks and stores | 282 | 170 | (112) |
| Capital creditors | (2,394) | (2,340) | 54 |
| | (17,720) | (23,999) | (6,279) |

STATEMENT OF TOTAL MOVEMENTS IN RESERVES 2000/01

| | Capital Reserves | | | Revenue Reserves | | | Total £000 |
|--|------------------|----------------|--------------|------------------|---------------|-----------|----------------|
| | Fixed | | | | | | |
| | Asset | Capital | Usable | Unearmarked | Earmarked | DSO | |
| | Restatement | Financing | Capital | Reserves | Reserves | Reserves | |
| | Reserve | Reserve | Receipts | Reserves | Reserves | Reserves | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Opening balance at 1 April | 193,578 | 103,980 | 5,046 | 10,655 | 27,009 | 37 | 340,305 |
| Net surplus/(deficit) for year | - | 7,816 | - | 2,845 | 8,186 | (7) | 18,840 |
| Unrealised gains/(losses) from revaluation of fixed assets | 9,451 | - | - | - | - | - | 9,451 |
| Cost or value of assets disposed of | (5,530) | - | - | - | - | - | (5,530) |
| Proceeds of disposals | - | - | 10,810 | - | - | - | 10,810 |
| Financing of fixed assets | - | 15,856 | (15,856) | - | - | - | 0 |
| Closing balance at 31 March | 197,499 | 127,652 | - | 13,500 | 35,195 | 30 | 373,876 |

DIRECT SERVICE ORGANISATIONS

Authority

1. In 2000/01 the Council continued to operate 2 businesses initially set up under the provisions of the Local Government Act 1988. The following statement provides key figures.

Targets

2. The DSOs aim to break even after taking into account capital charges which include a notional charge of 6% of the value of fixed assets.

Future Operating

3. As DSOs are no longer a statutory requirement, the Council is letting schools where the DSOs are situated to amalgamate the running of the businesses within the schools' accounts.

Performance

4. The Catering DSO exceeded its financial objectives, whilst the Cleaning DSO made a small deficit, which has been charged to its reserves.

DSO Summary Revenue Accounts

| | Sales £000 | Cost of sales and expenses £000 | Net profit/(loss) £000 |
|-----------------------|-----------------------|--|-----------------------------------|
| Education catering | 172 | 169 | 3 |
| Building cleaning | 102 | 112 | (10) |
| Totals 2000/01 | 274 | 281 | (7) |
| Totals 1999/00 | 411 | 408 | 3 |

Appropriations

Deficit for year

| |
|-----|
| (7) |
|-----|

Reserves

Balance at 1 April 2000

| |
|----|
| 37 |
|----|

Surplus/ (Deficit) for the year

| |
|-----|
| (7) |
|-----|

Balance at 31 March 2001

| |
|----|
| 30 |
|----|

TRUST FUNDS ACCOUNTS

The Council is responsible for administering trust funds which have been established over the years for a variety of purposes. The Thameside Preservation Trust was established in the 1930s for the purpose of acquiring and preserving an area of land adjoining the River Thames at Bourne End. The Colne Valley Standing Conference is a Trust formed by a consortium of local authorities with an interest in the Colne Valley Park. Buckinghamshire County Council has administered the Conference from 1 April 1995. All other trust funds are connected with the education service and were established to provide either school prizes or grants to students. Income receipts of the funds are invested internally, whilst the capital bases of the funds are either invested in gilts or income shares of the Charities Official Investment Fund. The funds are not included in the Consolidated Balance Sheet.

Income and expenditure of the funds is set out below:-

| 1999/00 | | 2000/01 | | | |
|---------|--------------------------------|-------------|--------------|--------------|-------|
| | | Education | Thameside | Colne Valley | Total |
| | | Trust Funds | Preservation | Standing | |
| £000 | | £000 | Trust | Conference | £000 |
| 96 | Balance at 1 April | 34 | 42 | 20 | 96 |
| 51 | Add: income for the year | 9 | 2 | 39 | 50 |
| 147 | | 43 | 44 | 59 | 146 |
| 51 | Less: expenditure for the year | 9 | - | 37 | 46 |
| 96 | Balance at 31 March | 34 | 44 | 22 | 100 |

| | 1999/00 | | 2000/01 | |
|---|---------|--------------|---------|--------------|
| | Cost | Market value | Cost | Market value |
| | £000 | £000 | £000 | £000 |
| 1 Education Trust Funds | | | | |
| Investments | 24 | 214 | 24 | 214 |
| Cash | 10 | 10 | 10 | 10 |
| | 34 | 224 | 34 | 224 |
| 2 Thameside Preservation Trust | | | | |
| Cash | 42 | 42 | 44 | 44 |
| 3 Colne Valley Standing Conference | | | | |
| Cash | 20 | 20 | 22 | 22 |

PENSION FUND ACCOUNTS

1. Introduction

The County Council administers a Pension Fund covering staff employed by the County Council, Milton Keynes Council, the District and Parish Councils of Buckinghamshire, the Thames Valley Police Authority, Buckinghamshire and Milton Keynes Fire Authority, and other scheduled and admitted bodies. There are now 76 employers who are part of the Fund. These are listed in Note 10 to the Financial Statements. Teachers, fire fighters and police officers, for whom separate pension schemes apply, are excluded from the Pension Fund.

As at 31 March 2001, four external fund managers, Merrill Lynch Investment Managers (MLIM), Deutsche Asset Management, Capital International and Legal and General Investment Management carried out the day-to-day management of the investments of the Pension Fund assets. Each fund manager has approximately 25% of the Fund. During 2000/01, Morley Fund Management (with 50% of the fund) was replaced and the mandate for Merrill Lynch Investment Managers was reduced from 50% to 25% of the Fund. MLIM have since been replaced with Fidelity Investments with effect from 1 July 2001.

The purpose of the Pension Fund is to provide defined benefit pensions for employees and their widows, widowers and children, based on pay and past service.

In order to ensure the proper management of the Fund, the Council has adopted a Statement of Investment Principles (SIP) in relation to the investment of the Pension Fund's assets. The SIP can be viewed on the Council's Pension website.

2. Membership of Fund

The following summarises the membership of the Fund:

| 31 Mar 2000 | | 31 Mar 2001 |
|-------------|---------------------|-------------|
| 14,030 | Contributors | 14,266 |
| 7,722 | Pensioners | 7,985 |
| 5,401 | Deferred Pensioners | 6,604 |

3. Accounting Policies

The accounts have been prepared in accordance with the relevant Statement of Recommended Practice. The accounts summarise the transactions and net assets of the Fund. They do not take account of liabilities to pay pensions and other benefits in the future. These are addressed by a triennial actuarial valuation (see note 9 to the Pension Fund accounts). The Pension Fund does not form part of the Consolidated Accounts of Buckinghamshire County Council.

(a) Basis of Preparation

The financial statements are prepared on an accruals basis, that is, income and expenditure are recognised as they are earned or incurred, not as they are received or paid.

(b) Valuation of Investments

All investments are valued at their market value at 31 March 2001 and are determined as follows:

- (i) Listed securities are valued at market value issued by the Stock Exchange on which the portfolio is based.
- (ii) Unit trust and managed fund investments are stated at the mid-point of the latest prices quoted by the managers at 31 March 2001.

- (iii) Unlisted securities are valued by the investment managers, having due regard to latest dealings, professional valuation, asset values and other appropriate financial information.
- (iv) Investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the exchange rate ruling at the balance sheet date.
- (v) Any interest included in the purchase or sale of an investment is accounted for as part of the market value of that investment.

(c) Contribution Income

Contributions relating to wages and salaries paid up to 31 March 2001 have been included in these accounts.

(d) Benefits Payable

Benefits payable includes all valid benefit claims notified during the financial year.

(e) Transfer Values

The transfer values relate to transfers which have been agreed during the financial year.

(f) Foreign Currency Transactions

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of the transaction.

(g) Irrecoverable deductions

The Fund is unable to reclaim Advance Corporation Tax (ACT). However, the fund retains the following taxation status:-

- a) VAT input tax is recoverable on all fund activities by virtue of Buckinghamshire County Council being the administering authority.
- b) The fund is an exempt approved fund under the Income Taxes Act 1988 and is therefore not liable to UK income tax or capital gains tax.
- c) Income earned from investments overseas in the United States and certain other countries is exempt from national taxation and therefore not subject to withholding tax.

(h) Investment Management Expenses

Fund manager fees have been calculated according to the specific mandate and the associated contract agreement as follows:

| Fund Manager | Mandate | Negotiated Fee Basis |
|---------------------------------------|------------------------|-----------------------------|
| Capital International | Active Global Equities | Performance related fee |
| Deutsche Asset Management | Active Balanced | Percentage of fund |
| Legal & General Investment Management | Passive Index-tracker | Percentage of fund |
| Merrill Lynch Investment Managers | Active Balanced | Percentage of fund |

Pension Fund Account for the year ended 31 March 2001

| 1999/00 £000 | | Notes | 2000/01 | |
|-----------------|---|-------|-----------|-----------------|
| | | | £000 | £000 |
| | Contributions and Benefits | | | |
| 37,838 | Contributions receivable | 1 | 37,046 | |
| 9,101 | Individual Transfers in | | 11,779 | |
| 46,939 | | | | 48,825 |
| (30,711) | Benefits payable | 2 | (33,228) | |
| (6,203) | Leavers | 3 | (5,162) | |
| (716) | Administrative expenses | 4 | (784) | |
| (37,630) | | | | (39,174) |
| 9,309 | Net additions (withdrawals) from dealings with members | | | 9,651 |
| | Returns on investments | | | |
| 19,522 | Investment income | 5 | 18,175 | |
| 53,404 | Change in market value of investments | 6 | (102,165) | |
| (1,146) | Investment management expenses | | (1,157) | |
| 71,780 | Net returns on investments | | | (85,147) |
| 81,089 | Net increase/ (decrease) in Fund during the year | | | (75,496) |

| | | |
|----------------|---|-----------------|
| | Net assets of the scheme | |
| 705,779 | At 1 April | 786,868 |
| 81,089 | Net increase/ (decrease) in Fund during the year | (75,496) |
| 786,868 | At 31 March | 711,372 |

Net Assets Statement

| 31.3.00 £000 | | Note | 31.3.01 £000 |
|-------------------------------|-------------------------------|------|-------------------------------|
| | Investments | 6 | |
| 105,489 | Fixed interest securities | | 46,741 |
| 539,670 | Equities | | 432,885 |
| 9,349 | Index-linked securities | | - |
| 102,924 | Managed and unitised funds | | 202,895 |
| 25,301 | Cash deposits | 7 | 25,085 |
| 782,733 | | | 707,606 |
| 4,135 | Net current assets | 8 | 3,766 |
| 786,868 | Net assets at 31 March | | 711,372 |

Notes to the Financial Statements

1 Contributions receivable

| 1999/00 £000 | | 2000/01 £000 |
|-------------------------------|-------------------------|-------------------------------|
| | Employers | |
| 8,679 | Administering Authority | 9,233 |
| 16,741 | Scheduled Bodies | 14,584 |
| 1,112 | Admitted Bodies | 1,225 |
| | Members | |
| 3,795 | Administering Authority | 3,932 |
| 6,944 | Scheduled Bodies | 7,430 |
| 567 | Admitted Bodies | 642 |
| 37,838 | | 37,046 |

N.B. The 1999/2000 Employer's Scheduled Bodies Contributions includes a lump sum payment of £3.131m.

2 Benefits payable

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---|-----------------|
| 27,131 | Pensions | 28,420 |
| 2,997 | Commutations and lump sum retirement benefits | 4,009 |
| 583 | Lump sum death benefits | 799 |
| 30,711 | | 33,228 |

3 Payments to and on account of leavers

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---|-----------------|
| 123 | Refunds to members leaving service | 382 |
| 80 | Payments for members joining the state scheme | 135 |
| 4,017 | Individual transfers to other schemes | 4,645 |
| 1,983 | Group transfers to other schemes | - |
| 6,203 | | 5,162 |

4 Administrative expenses

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|--|-----------------|
| 665 | Administration of benefits | 714 |
| 44 | Actuarial fees | 61 |
| 7 | Legal and performance measurement fees | 9 |
| 716 | | 784 |

5 Investment income

| 1999/00 £000 | | 2000/01 £000 |
|-----------------|---------------------------------------|-----------------|
| 2,187 | Income from fixed interest securities | 4,510 |
| 14,661 | Dividends from equities | 10,669 |
| 492 | Income from index-linked securities | 682 |
| 342 | Income from managed or unitised funds | 458 |
| 1,810 | Interest on cash deposits | 1,484 |
| - | Gain on forward contracts | 228 |
| 30 | Other | 144 |
| 19,522 | Total investment income | 18,175 |

6 Investments

| | Value At 1.4.00 | Purchases At Cost | Sales Proceeds | Change in Market Value | Value At 31.03.01 |
|-------------------------------|-----------------------|-------------------------|--------------------|------------------------------|-------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Fixed interest securities | 105,489 | 269,463 | (327,908) | (303) | 46,741 |
| Equities | 539,670 | 541,484 | (569,890) | (78,380) | 432,884 |
| Index linked securities | 9,349 | 5,800 | (16,276) | 1,127 | - |
| Managed and unitised funds | 102,924 | 205,447 | (88,999) | (16,476) | 202,896 |
| Cash deposits | 25,301 | 7,917 | - | (8,133) | 25,085 |
| | 782,733 | 1,030,111 | (1,003,073) | (102,165) | 707,606 |

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Analysis of the value of investments

| 31.3.00 £000 | | 31.3.01 £000 |
|-----------------|-----------------------------------|-----------------|
| | Fixed interest securities | |
| 62,222 | UK public sector | 29,077 |
| 43,267 | Overseas public sector | 17,664 |
| 105,489 | | 46,741 |
| | Equities | |
| 421,380 | UK quoted | 245,871 |
| 1,912 | UK Unquoted | 2,572 |
| 116,378 | Overseas quoted | 184,441 |
| 539,670 | | 432,884 |
| | Index-linked securities | |
| 9,349 | UK quoted | - |
| | Managed and unitised funds | |
| 102,924 | Managed funds | 194,615 |
| | Cash deposits | |
| 25,301 | Sterling and foreign cash | 25,085 |

7 Self Investment

The Fund's net assets include a loan from Buckinghamshire County Council of £2.2m (1999/00 was a loan to BCC of £14.7m). Interest is paid at local authority 7-day rate.

8 Current assets and liabilities

| | | |
|----------------|---|----------------|
| 31.3.00 | | 31.3.01 |
| £000 | | £000 |
| | Current debtors (assets) | |
| 1,917 | Contributions due 31 March | 2,633 |
| 2,367 | Dividend income receivable | 2,716 |
| 373 | Transfer values receivable | 1,485 |
| 537 | Sundry debtors and prepayments | 442 |
| 5,194 | | 7,276 |
| | Less current creditors (liabilities) | |
| (195) | Transfer values payable | (596) |
| (291) | Management charges | (485) |
| (573) | Sundry accruals | (2,429) |
| (1,059) | | (3,510) |
| 4,135 | Net current debtors or (creditors) | 3,766 |

9 Actuarial Position of the Fund

In accordance with the Local Government Pension Scheme Regulations 1997, actuarial valuations are currently made at three-yearly intervals.

The main purposes of actuarial valuations are:

- (a) to assess the contributions required to provide for benefits currently accruing to active members;
- (b) to assess whether the funds in hand are sufficient to meet the existing commitments.

If funds are not sufficient, additional employers' contributions are payable, whereas if the funds are more than sufficient these may be reduced.

The Fund's Consulting Actuaries, Watson Wyatt, undertook a valuation of the Fund as at 31 March 1998 in compliance with Regulation 77(1) of the Local Government Pension Scheme Regulations 1997 (SI 1997 No 1612). On that date the market value of the assets held were £656.9m, sufficient to cover 92% of the accrued liabilities assessed on an ongoing basis. The revised employers' contribution arrangements were effective from 1 April 1999.

The main assumptions used in the valuation were:

- | | | | |
|----|---------------------------------------|---------------------------------|-----------|
| a) | The valuation rate of interest | 7 ¹ / ₂ % | per annum |
| b) | Future increase in general pay levels | 5 ¹ / ₄ % | per annum |
| c) | Future pension increases | 3 ¹ / ₂ % | per annum |
| d) | Future dividend growth | 4 ¹ / ₂ % | per annum |
| e) | Future inflation | 3 ¹ / ₂ % | per annum |

The next actuarial valuation is currently being undertaken and any revision to the employers' contribution rates will become effective from 1 April 2002.

10 List of Scheduled and Admitted Bodies

Scheduled Bodies

Buckinghamshire County Council
Buckinghamshire & Milton Keynes Fire Authority
Thames Valley Police Authority
Aylesbury Vale District Council
South Bucks District Council
Chiltern District Council
Wycombe District Council
Milton Keynes Council

Amersham Town Council
Aston Clinton Parish Council
Beaconsfield Town Council
Bucks Valuation and Community Charge Tribunal
Buckingham Town Council
Burnham Parish Council
Chalfont St Giles Parish Council
Chalfont St Peter Parish Council
Chepping Wycombe Town Council
Chesham Town Council
Chiltern Crematorium Joint Committee
Denham Parish Council
Gerrards Cross Parish Council
Iver Parish Council
Lane End Parish Council
Marlow Town Council
Newport Pagnell Town Council
Olney Town Council
Wendover Parish Council
Wooburn Parish Council

Amersham & Wycombe College
Aylesbury College
Bucks Chilterns University College
Beaconsfield High School
Beechview Middle School
Brookmead School
Brushwood Middle School
Castlefield School
Chalfonts Community College
Cottesloe School
Gerrards Cross C E School
Danesfield C C School

Note 10 continued

Denbigh School
Great Marlow School
Hamilton Combined School
Holmer Green Upper School
Loudwater Combined School
Milton Keynes College
New Bradwell Combined School
Overstone Combined School
Radcliffe School
Stanton Middle School
Stantonbury Campus
Two Mile Ash School
Waddesdon C E School
Wycombe Royal Grammar School

Election Fees

Aylesbury Vale Local
Aylesbury Vale Parliamentary
Chiltern Local
Chiltern Parliamentary
Milton Keynes Local
Milton Keynes Parliamentary
Wycombe Local
Wycombe Parliamentary

Admitted Bodies

Beacon Housing Association
Bucks Arts Association
Bucks Association for the Blind
Bucks Association for Local Councils
Bucks Community Action
Chiltern Hundreds Housing Association
Fremantle Trust
Milton Keynes Development Corporation
National Foundation for Educational Research (NFER)
NFER Publishing
Race Equality Council
South Bucks Carers Project
Chiltern Leisure Trust
ADP Chessington

GLOSSARY OF TERMS

AGENCY

The provision of services by an authority on behalf of another body which is legally responsible for providing the services. The authority providing the services in the first instance is reimbursed by the responsible body.

BUDGET

A statement for the Council's expected level of service and spending over a set period, usually one year.

CAPITAL CHARGES

Services are charged for the use of assets. The charge is based on the capital value of the asset plus a charge for depreciation where appropriate. Capital charges are credited to the Asset Management Revenue Account and depreciation is used to write down the value of the asset.

CAPITAL FINANCING

The financing of capital spending from the revenue budget usually spread over several years. The financing methods employed by the County Council include:-

- a. Borrowing: The interest payable on such loans is charged to the Asset Management Revenue Account.
- b. Leasing: A financial institution pays for items used by the Council and makes an annual leasing charges for a set contract period followed by nominal charges until the item is disposed of.
- c. Revenue Contributions to Capital Outlay: The full cost of capital expenditure is charged to the revenue account in a single year.

CAPITAL FINANCING RESERVE

This reserve contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts.

CAPITAL RECEIPTS

Proceeds from the sale of capital assets. They may be used to finance new capital expenditure or to repay existing loan debt. Receipts available to finance capital expenditure in future years are held in a usable Capital Receipts reserve.

COUNCIL TAX

The replacement for community charge was introduced in April 1993 as the means of raising money locally to pay for local authority services. It is based upon the value of domestic property.

COUNTY FUND

The Council's main revenue fund. All income and government grants are paid into the fund which then meets the costs of services.

CREDITORS

Amounts owed by the Council at the Balance Sheet date for goods received or work done.

DEBTORS

Amounts due to the Council but unpaid at the Balance Sheet date.

DEFERRED CHARGES

An item in the Balance Sheet where there is no tangible asset. Examples being grants to voluntary bodies for capital expenditure, assets which have been sold where sale proceeds are insufficient to clear outstanding debt.

DEFERRED LIABILITY

Assets acquired under Finance leases are capitalised and the liability to pay future rentals is recorded as a deferred liability.

DIRECT SERVICE ORGANISATIONS (DSOs)

Organisations within Buckinghamshire County Council responsible for providing some local authority services which include building cleaning and catering. Separate accounts and an annual report are legally required for these DSOs.

FIXED ASSET RESTATEMENT RESERVE

Fixed Assets are recorded on the balance sheet at their value and not historic cost. This reserve records the increase in value that has resulted and is written down by depreciation and disposals and is increased by revaluations.

INFRASTRUCTURE

Network of roads, bridges, sewers, lighting etc which is a pre-condition to development.

LOANS OUTSTANDING

Loans raised to finance capital spending which have still be to repaid.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount of the authority's outstanding debt which must be repaid by the revenue accounts in the year.

NATIONAL NON-DOMESTIC RATES (NNDR)

The amount raised from businesses to fund Local Authority services.

ORIGINAL (OR BASE) BUDGET AND CASH LIMITED BUDGET

The budget for the financial year approved by Council in February of each year.

Cash Limited Budget is the approved budget as amended by virement.

OUTTURN

The actual level of spending and income in a particular year.

PROVISIONS

These form part of the Council's revenue reserves and are sums set aside for a specific purpose, the nature of which is known but the exact amount and date when due is not. Expenditure and income are attributed directly to those provisions and funds.

PROVISION FOR CREDIT LIABILITIES

Amounts which have to be set aside and used to reduce the authority's outstanding debt or to recognise that credit approvals have been used as approval not to charge expenditure to revenue.

PUBLIC WORKS LOANS BOARD (P.W.L.B.)

A government body from which a local authority may raise long term loans.

RECHARGE

The transfer of costs from one committee's account to another.

REVENUE EXPENDITURE

Revenue expenditure is spending on the day to day running expenses of the Council. It includes expenses such as salary and wages, heating, lighting, rent, rates, stationery and capital financing.

REVENUE SUPPORT GRANT

This is the main non-specific grant from the Government to Local Authorities. It is paid to the County Council directly.

SPECIFIC GRANTS

Government grants to aid certain services, paid at a fixed proportion of the spending actually incurred (e.g. 80% of Magistrates' Courts' expenditure).

TRADING ACCOUNTS

Central departments operate as trading accounts selling their services to service committees under service level agreements. Trading accounts also are in existence within the Planning and Transportation Department.

TRUST FUND

Funds administered by the County Council for such purposes as charities, prizes and specific projects.

VIREMENTS

Transfer of amounts from one budget heading to another within a service or between services.