

Income and Expenditure Account – Significant Changes

	2007/08 £'000	2008/09 £'000	Significant Changes £'000	Explanation of Significant Changes
<u>Housing Services</u>				
Housing Revenue Account	-137	0		
General Fund Housing	5,947	6,170		
	5,810	6,170		
<u>Central Services</u>				
Corporate & Democratic Core	2,794	3,196		
Non Distributed Costs	5,508	4,651	-857	2007/08 included the cost of non value adding works as part of the move to the Gateway Offices. These were not repeated in 2008/09
Central Services to the Public	1,848	1,976		
	10,150	9,823		
<u>Cultural, Environmental & Planning Services</u>				
Cultural & Related Services	6,230	13,128	6,898	The reduction in value of Leisure assets is charged to the revenue account as a loss
Environmental Services	8,099	8,844		
Planning & Development Services	4,085	3,300		
	18,414	25,272		
<u>Highways, Roads & Transport Services</u>				
Street Lighting	97	145		
Parking Services	1,082	3,994	2,912	The reduction in value of Car Parks is charged to the revenue account as a loss
Public Transport	881	954		
	2,060	5,093		
NET COST OF SERVICES (Notes 1 to 9)	36,434	46,358		
Parish Precepts	2,861	3,373		
Trading Activities (Note 10)	-3,036	19,701	22,737	The reduction in value of industrial and commercial assets is charged to the revenue account as a loss
-Gain / Loss on Disposal of Fixed Assets	587	-75	-662	Representing fewer disposals in 2008/09
- Gain / Loss on Disposal of Financial Assets	0	-62		
HRA Capital Receipts Pooling Levy (Note 11)	100	77		
Interest and Investment Income	-6,143	-6,449		
Impairment of Icelandic Investments	0	727	727	Estimated loss of Capital and Interest
Interest Cost / Return on Pensions	1,657	2,709	1,052	Accrued interest on future pension liabilities
Other Operating Costs	688	554		
Post Stock Transfer Capital Receipts	-4,716	-768	3,948	A sharp downturn in the number and value of sales through Right to Buy. The Stock Transfer deal entitled us to a share of VAHT's sales.
Commuted Sum Income	-91	-127		
Capital Income	-4,573	-2,601	1,972	Fewer asset sales during 2008/09
NET OPERATING EXPENDITURE	23,768	63,417		
Precepts on the Collection Fund	-11,736	-12,601		
Transfer from Collection Fund of Surplus	-103	-47		
Other Government Grants	-557	-539		
Revenue Support Grant	-1,639	-1,420		
NNDR share of Pool	-9,766	-10,199		
	-23,801	-24,806		
DEFICIT / -SURPLUS FOR THE YEAR	-33	38,611	33,644	Primarily the impact of reductions in asset values as can be seen from comments above

Statement of Balances

This statement is designed to reconcile the surplus or deficit declared in the Income and Expenditure Account to the Council's actual use of balances in the year. This is achieved by taking out (or adding in) those figures included in the Income and Expenditure Account which are non cash transactions.

STATEMENT OF BALANCES	2008/09
	£'000
Balance In Hand at the start of the year	-5,331
Income and Expenditure - Deficit for the Year	38,611
Net Amount Required by Statute and Non Statutory Proper Practices (See the table below)	-37,523
General Fund -Surplus / Deficit For The Year	1,088
Balance in Hand as at the year end	-4,243

Therefore, the transactions which have been removed or added totalling £37.523 million include;

ITEM REMOVED OR ADDED TO THE INCOME AND EXPENDITURE ACCOUNT TO ARRIVE AT A USE OF BALANCES	2008/09
	£'000
Reductions in the value of fixed asset – either as a result of a reduction because of market conditions (impairment) or because the state of the asset has deteriorated (depreciation)	-39,083
2008/09 capital expenditure which did not created an asset or increase the value of assets recorded on the Council's balance sheet. Examples included spend on affordable housing and Disabled Facilities Grants. In both cases whilst the spend creates an asset, the asset is ultimately not owned by the Council	-3,315
Pension Fund Adjustments – Under accounting convention the cost of services reported in the income and expenditure account should include the full cost of pension contributions as would be required to in order to ensure the pension fund is fully funded. In practice the Council is making up the shortfall in funding over a longer timeframe and so the notional cost to services is removed and replaced with the actual payments to the pension fund. In this case the due amount is £6.4 million whilst the actual payment made was £3.5 million, resulting in a difference of £2.9 million.	-2,874
Icelandic Bank Impairment – This adds back the estimated write off of sums which potentially may not be recovered. This adjustment is made by virtue of the Government's dispensation taking the potential impact into 2009/10	-626
Use of Specific Revenue Reserves – Analysed in Note 16	-3,623
Contributions to Specific Revenue Reserves – Analysed in Note 16	5,532
Contribution to Capital Reserves – Money from asset sales plus the transfer to reserves of Government's capital grant for Growth Area Funding (GAF3)	6,467
Net Amount Required by Statute and Non Statutory Proper Practices (see table above)	-37,523

Balance Sheet - Significant Changes

	2007/08 £'000	2008/09 £'000	Significant Changes £'000	Explanation of Significant Changes
<u>TANGIBLE ASSETS</u>				
Operational Assets				
Other Land and Buildings	57,800	54,702	3,098	Downwards revaluations and depreciation
Vehicles, Equipment and IT	1,920	2,130		
Leased Properties	12,549	12,425		
Non Operational Assets				
Community Assets	169	169		
Surplus Assets	3,427	3,427		
Assets Under Construction	9,720	21,190	11,470	Accumulated spend on the new theatre and other projects less spend on projects completed and brought into use during the year
Investment Properties	68,247	44,446	-23,801	Downwards revaluation of mainly industrial and commercial property reflecting wider economic conditions
	153,832	138,489		
Investments	54	2		
Long Term Debtors	176	164		
	230	166		
LONG TERM ASSETS	154,062	138,655		
<u>CURRENT ASSETS</u>				
Stocks in Hand	54	29		
Sundry Debtors	14,789	8,073	-6,716	The value of short term debts owed to the Council. The 2007/08 figure included sums owed by VAHT for Right to Buy sales and from Crest Homes for the Multi Storey Car in Walton Street. These sums have now been received.
Cash at Bank / In Hand	588	5		
Short Term Investment	96,634	93,963	-2,671	Reduction in sums invested
	112,065	102,070		
<u>CURRENT LIABILITIES</u>				
Short Term Loans	0	0		
Sundry Creditors	-11,827	-14,199	-2,372	Money owed by the Council which is due to be paid in the next 12 months. The increase mainly represents year end creditors including those on high value projects such as the theatre
Cash Overdrawn	0	-105		
	-11,827	-14,304		
NET CURRENT ASSETS	100,238	87,766		
TOTAL ASSETS Less CURRENT LIABILITIES	254,300	226,421		
Pensions Liability	-39,592	-44,280	-4,688	Represents the value by which the pension fund is under funded. The amount has increased.
Deferred Capital Contributions	-854	-837		
Provisions	-9	-76		
	-40,455	-45,193		
NET ASSETS	213,845	181,228	-32,617	

Balance Sheet – Significant Changes Continued.

	2007/08 £'000	2008/09 £'000	Significant Changes £'000	Explanation of Significant Changes
FINANCED BY				
Deferred Capital Receipts	-57	-39		
Revaluation Reserve	-4,499	-11,261	-6,762	An increase in Value of Walton Street Car Park plus increases in some land value
Financial Adjustments Account	0	626	626	Expected value of capital and interest which may not be recovered on Icelandic investments
Financial Instruments Reserve	0	-397	-397	Accumulated interest held in reserve until such time that is realised through the sale of the associated investments
Capital Adjustment Account	-155,798	-130,051	25,747	The majority of the reduction is accounted for by the downwards revaluation of assets due to the reduction in values associated with the economic downturn
Capital Receipts Unapplied	-57,240	-42,785	14,455	Capital funds spent on the delivery of the Capital Programme
Capital Reserve Unapplied	-3,782	-5,845	-2,063	Mainly the additional VAT Shelter contribution paid by VAHT during 2008/09
Capital Grants Unapplied	0	-2,900	-2,900	Government funding for Growth Areas which has yet to be applied
General Revenue Reserves	-5,532	-4,420	1,112	Combined general working balances including General Fund, Collection Fund and Special Expenses
Earmarked Revenue Reserves	-26,529	-28,436	-1,907	Net increase in the value of reserves, primarily accounted for by an increase in the interest equalisation account
Pension Reserve	39,592	44,280	4,688	Increase in pension under funding as a result of reductions in the value of investments
	-213,788	-181,189		
TOTALS	-213,845	-181,228	32,617	

Statement of Total Recognised Gains and Losses (STRGL “STRUGGLE”)

This statement attempts to explain the overall change in balance sheet values from 2007/08 to 2008/09. The statement separates out transactions between those which have gone through the income and expenditure account and those which have not.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	Year Ending 2008/09 £'000	
Deficit / -Surplus on the Income and Expenditure Account for the Year	38,611	The Deficit in year taken from the Income & Expenditure Account
-Gains or Losses on Revaluation of Fixed Assets	-7,493	Gains are not taken to the Income and Expenditure Account
-Surplus / Deficit on Revaluation of Available for Sale Financial Assets	-397	The market uplift in value of certain investments. The Gain will be taken to the I&E account when realised
Movement on the Collection Fund Balance	82	Net change in year on our share of the collection fund balance
Actuarial -Gain/Loss relating to pensions	1,814	The loss on investment for the year as reported by the pension fund actuary
Total Recognised -Gains and Losses for the Year	32,617	

Cash Flow Statement – Significant Variances

Whilst previous statement show either the value consumed and earned by the Council, some of which is still owed or due, this statement aims to show purely the physical cash which changed hands during the year.

	2007/08 £'000	2008/09 £'000	Significant Changes £'000	Explanation of Significant Changes
Revenue Activities				
Expenditure				
Employment Costs	22,810	23,726		
Other Operating Costs	27,151	35,198	8,047	Includes the Capital spend classed as revenue, i.e. Enabling Grants, etc.
Housing Benefits	23,840	25,965	2,125	Higher payments of housing benefit reimbursed by central Government
Housing Subsidy	-31	0		
Bucks County Council Precept	64,357	67,717	3,360	Council Tax increase over 2007/08
Thames Valley Police Authority Precept	9,187	9,621		
Bucks & Milton Keynes Fire Authority	3,454	3,652		
Parish Precepts	2,861	3,373		
Payments to National Pool	40,934	43,579	2,645	Additional business rates income paid to the Government
Total Payments	194,563	212,831		
Income			0	
Council Tax Income	-83,025	-87,802	-4,777	Council Tax increase over 2007/08
N.N.D.R. Income	-41,662	-45,560	-3,898	Collection of additional business rates
Revenue Support Grant	-1,639	-1,420		
DSS Rebate Grants	-31,614	-32,839	-1,225	Higher Demand for housing benefit
Other Government Grants	-2,118	-7,472	-5,354	LABGI & Growth Area funding
Other Income	-32,371	-30,875	1,496	Impact of economic downturn
Total Receipts	-192,429	-205,968		
Net Cash Inflow From Revenue Activities	2,134	6,863		
Returns on Investments and Servicing of Finance				
Interest Paid	0	0		
Interest Received	-6,198	-6,786		
Net Cash -Inflow / Outflow	-6,198	-6,786		
Capital Activities				
Cash Outflows				
Purchase of Fixed Assets / Enhancements	14,092	11,375	-2,717	Lower spend on Housing Schemes partly offset by major projects such as the Theatre
Capital Grants and Advances	0	0		
Total Payments	14,092	11,375		
Cash Inflows				
Sale of Fixed Assets	-6,079	-4,764	1,315	Fewer asset sales in year
Capital Grants Received	-3,378	0	3,378	No new capital grants received in year
Other Income	-3,389	-3,329		
Total Receipts	-12,846	-8,093		
Net Cash -Inflow/Outflow From Capital Activities	1,246	3,282		
Management of Liquid Resources				
-Decrease / Increase in short term investments	3,084	-2,671	-5,755	Representing the reduction in investments to fund capital spend
-Increase / Decrease in Cash	266	688	421	