

Income and Expenditure Account

2006/07			2007/08		
Restated Net Expenditure £m		Note	Gross Expenditure £m	Income £m	Net Expenditure £m
	CONTINUING SERVICES				
87.2	Children's and Education Services*	1	571.2	(479.7)	91.5
99.5	Adult Social Care*		167.8	(71.5)	96.3
37.2	Highways, Roads & Transport Services		61.1	(16.4)	44.7
46.1	Cultural, Environmental & Planning Services	2	69.0	(14.7)	54.3
1.2	Central Services to the Public		1.5	(0.6)	0.9
0.4	Courts Services		0.4	0.0	0.4
0.1	Housing Services		0.2	(0.1)	0.1
6.3	Corporate and Democratic Core		10.5	(5.1)	5.4
3.2	Non Distributed Cost		4.1	(0.1)	4.0
281.2	NET COST OF SERVICES		885.8	(588.2)	297.6
	OTHER ITEMS				
0.2	Flood defence levies				0.3
(1.1)	Net surplus on trading a/c's	3			(0.8)
19.8	Interest payable				19.4
(6.9)	Interest and investment income				(8.0)
(2.4)	Pensions – Interest cost & expected return on assets	4			(4.3)
(5.6)	Principal & Interest on transferred debt				(5.4)
285.2	NET OPERATING EXPENDITURE				298.8
(201.1)	Precepts on District Councils				(211.5)
(66.4)	Distribution from Non-Domestic Rates				(68.4)
(12.8)	Revenue Support Grant				(11.5)
(0.7)	Surplus on Collection Funds				(0.7)
(2.3)	Local Authority Business Growth Incentive Scheme				(1.5)
1.9	DEFICIT FOR THE YEAR (a)				5.2

*2006/07 figures restated by £28.2m to reflect the transfer of children's services to Children & Young People's Service.

Statement of Movement on the General County Fund Balance

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months thus reflecting UK Generally Accepted Accounting Practice (UK GAAP). However, the authority is required, by statute, to raise council tax on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General County Fund Balance shows whether the Council has over or under spent against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

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

2006/7 £m		2007/8 £m
1.9	Deficit for the year on the Income and Expenditure Account (a)	5.2
(0.2)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year (b)	(10.5)
1.7	(Increase) / Decrease in General County Fund Balance for the year	(5.3)
(34.4)	General County Fund Balance brought forward	(32.7)
(32.7)	General County Fund Balance carried forward (c)	(38.0)

Analysis of the movement on the General County Fund Balance for the year between the amount generally available to the authority and the net amount held by schools under locally management schemes:

2006/7 £m		2007/8 £m
(19.8)	Amount of General County Fund Balance held by schools under local management schemes	(23.7)
(4.4)	Amount of General County Fund set aside for other earmarked purposes	(5.3)
(8.5)	Amount of General County Fund generally available for new expenditure	(9.0)
(32.7)	Total General County Fund Balance (c)	(38.0)

Note of reconciling items for the Statement of Movement on General County Fund Balance:

2006/7 £m		Note	2007/8 £m
	Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General County Fund Balance for the year		
(0.2)	Amortisation of intangible fixed assets	6	(0.2)
(42.4)	Depreciation and impairment of fixed assets	6	(58.8)
(4.4)	Deferred charges treated as revenue expenditure in accordance with the SORP, but which are classified as capital expenditure by statute	10	(1.9)
23.0	Government Grants Deferred amortisation	13	16.1
0	Net gain / (loss) on sale of fixed assets		0
0	Financial Instruments adjustment account		(0.5)
(7.2)	Net charges made for retirement benefits in accordance with FRS 17		0.7
(31.2)			(44.6)
	Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General County Fund Balance for the year		
13.4	Statutory provision for repayment of debt		14.1
0.7	Capital expenditure charged in-year to the General Fund Balance		2.3
14.1			16.4
	Transfers to or from the General County Fund Balance that are required to be taken into account when determining the Movement on the General County Fund Balance for the year		
16.8	Net transfer to earmarked reserves		17.7
(0.2)	Net additional amount required to be charged to the General County Fund Balance for the year (b)		(10.5)

Statement of Total Recognised Gains and Losses

2006/7 £m		Note	2007/8 £m
1.9	(Surplus) / Deficit for the year on the Income and Expenditure Account (a)		5.2
(42.6)	Surplus arising on revaluation of fixed assets	5	(55.5)
(64.2)	Actuarial (gains) / losses on the pension fund assets and liabilities	4	(12.4)
2.0	Other (gains) / losses required to be included in the STRGL		8.3
(102.9)	Total recognised (gains) / losses for the year		(54.4)

Balance Sheet as at 31 March 2008

31 March 2007 £m		Note	31 March 2008 £m	
0.6	FIXED ASSETS Intangible Assets	5-11		0.9
	Tangible Assets			
632.8	Land and buildings		680.0	
3.9	Vehicles, plant & equipment		4.1	
171.1	Infrastructure		188.4	
11.2	Community assets		12.0	
819.0				884.5
	Non-Operational Assets			
3.1	Investment properties		3.4	
18.8	Assets under construction		7.7	
3.1	Surplus assets, held for disposal		3.1	
25.0				14.2
65.0	Long term investments	22		66.1
60.0	Long term debtors	23		55.0
969.6	Total Long Term Assets			1020.7
	CURRENT ASSETS			
3.9	Landfill Allowances		0	
1.0	Stocks and work in progress	24	0.9	
34.3	Debtors	23	43.5	
8.0	Payments in advance		5.7	
76.6	Short term investments	22	111.0	
123.8				161.1
	CURRENT LIABILITIES			
(0.7)	Borrowing repayable on demand or within 12 months	13	(0.7)	
(77.9)	Creditors	26	(80.8)	
(5.5)	Cash overdrawn	25	(4.7)	
(12.1)	Receipts in advance		(18.3)	
(96.2)				(104.5)
27.6	Net Current Assets			56.6
997.2				1077.3
	LONG TERM LIABILITIES			
(363.2)	Long term borrowing	13	(376.6)	
(0.3)	Deferred liabilities	30	(0.3)	
(7.2)	Provisions	27	(5.4)	
(60.8)	Grants and contributions deferred	12	(87.3)	
(152.7)	Defined benefit pension scheme	4	(139.6)	
(10.6)	Capital contributions unapplied	28	(11.4)	
(594.8)				(620.6)
402.4	Net Assets			456.7

31 March 2007 £m		Note	31 March 2008 £m	
	FINANCED BY			
489.5	Capital Adjustment Account	29		457.4
36.5	Revenue reserves	29		53.8
0	Revaluation Reserve	29		51.6
2.1	Capital receipts unapplied	29		1.8
0.2	Other capital reserves			0.1
(5.9)	Financial Instruments Adjustment A/c	29		(6.4)
(152.7)	Pension reserve	29		(139.6)
24.2	County fund: Earmarked sums	29	29.0	
8.5	Uncommitted balance	29	9.0	38.0
402.4				456.7

The Balance Sheet figures for 31st March 2007 have been adjusted from those included in the Statement of Accounts for 2006/7 to accommodate the implementation of the Revaluation Reserve. The Revaluation Reserve replaces the Fixed Asset Restatement Account (FARA). The balance on the FARA at 31st March has now been written off to the Capital Financing Account to form the new Capital Adjustment Account. The Revaluation Reserve has been included in the Balance Sheet with a zero opening balance. The closing position on the Reserve at 31st March 2008, therefore shows revaluation gains arising since 1st April 2007.

The Financial Instruments Adjustment Account is new for 2007/8. The 2006/7 balance incorporates deferred premiums and discounts on early repayment of debt from the 2006/7 balance sheet.

Cash Flow Statement

2006/07 £m		Note	2007/08		
			£m	£m	£m
	Revenue Activities				
	Cash outflows:				
459.9	Cash paid to and on behalf of employees		482.6		
276.6	Other operating costs		346.0		
736.5				828.6	
	Cash inflows:				
(201.1)	Precepts on district councils		(211.6)		
(66.4)	Non-domestic rate income		(68.4)		
(12.8)	Revenue support grant		(11.5)		
(424.1)	Other government grants	36	(443.5)		
(64.2)	Cash received for goods and services		(147.9)		
(4.1)	Other revenue cash income		(4.2)		
(772.7)				(887.1)	
(36.2)	Revenue activities cash inflow	37			(58.5)
	Return on Investments and Servicing of Finance				
	Cash outflows:				
21.6	Interest paid		20.7		
(1.9)	Premiums paid/discounts received		0		
0.1	Lease rentals		0		
19.8				20.7	
	Cash inflows:				
(9.6)	Interest received			(5.3)	
10.2					15.4
	Capital Activities				
	Cash outflows:				
71.2	Purchase of fixed assets		67.6		
5.9	Other capital cash payments		3.2		
77.1				70.8	
	Cash inflows:				
(4.6)	Sale of fixed assets		(4.8)		
(29.7)	Capital grants received		(37.4)		
(7.9)	Other capital contributions		(4.6)		
(42.2)				(46.8)	
34.9					24.0
8.9	Net cash (inflow)/ outflow before Financing				(19.1)
	Management of Liquid Resources				
(5.4)	Net change in investments	38			27.6
	Financing				
	Cash outflows:				
100.2	Repayments of amounts borrowed			61.4	
	Cash inflows:				
(99.6)	New loans raised			(70.7)	
0.6					(9.3)
4.1	(Increase)/Decrease in Cash	38			(0.8)