

Summary of Accounts 2006 / 07

The County Council's accounts are an important element in demonstrating the stewardship of public money. They show the funds available and how they are used by managers in delivering services to the people of North Yorkshire. This leaflet summarises the full Statement of Accounts and provides an overview of the County Council's financial position for the year ended 31st March 2007.

Budget Outturn 2006/07

A comparison of the County Council's approved budget with actual spending is as follows :-

Budget for 2006/07

	£m
Original Approved budget funded from	
Council Tax	203.9
Government Funding	76.2
	<u>280.1</u>
Subsequent increase as a result of underspends in 2005/06 being carried forward and spent in 2006/07, funded from general balances	5.4
= Revised Budget / Net Expenditure	<u>285.5</u>
Actual net spending in 2006/07 by Directorate	
Children and Young People's Service	69.2
Business and Environmental Services	52.3
Adult and Community Services	109.1
Capital Financing Charges	27.5
Other Central Budgets	18.4
	<u>276.5</u>
= Year end budget underspend	<u>(9.0)</u>

The £9m underspend includes planned underspends and managed savings that are being carried forward for spending in 2007/08, (£6.5m), with the remainder, (£2.5m), increasing the level of the general working balance.

Income and Expenditure Account 2006/07

The headings and figures in this statement are based on a nationally agreed reporting format and are not the same as the County Council's day to day accounting arrangements.

2005/06				
Net Spend		Spend	Income	= Net Spend
£m		£m	£m	£m
What we spent				
308.4	Education	441.0	(393.8)	47.2
127.6	Social Services	222.3	(82.4)	139.9
42.1	Highways, Roads & Transport	48.6	(6.9)	41.7
33.4	Cultural, Environmental & Planning	44.8	(12.4)	32.4
0.4	Other Services	14.1	(3.4)	10.7
511.9		770.8	(498.9)	271.9
19.4	Other Operating Costs			19.0
531.3	Net Operating Expenditure			290.9
This was paid for by				
(191.8)	Council Tax			(203.9)
(164.3)	Revenue Support Grant		Both from Central	(12.3)
(175.3)	National Non-Domestic Rates		Government	(63.9)
0.0	Other Government Funding			(4.7)
(531.4)	Total Funding			(284.8)
(0.1)	(Surplus) / Deficit for the Year			6.1

Thus, in this format, the reported total cost of providing services in 2006/07 was £770.8m.

Service income was £498.9m consisting of grants from the Government towards specific services totalling £413.4m and £85.5m from fees, charges and sales.

After allowing for other operating costs net revenue spending was £290.9m and, combined with Income from Council Tax payers and Central Government of £284.8m, resulted in a reported net deficit of £6.1m.

This £6.1m deficit, however, includes some adjustments that do not impact on real spending by the County Council as follows :-

	£m
Reported Deficit (per above)	6.1
- Effect of adjustments relating to Pensions, Capital Accounting and Movement in Reserves	(9.7)
= Real surplus in year	(3.6)
+ Approved spending carried forward from 2005/06	(5.4)
= Budget underspend reported on Page 1	(9.0)

Balance Sheet as at 31st March 2007

The Balance Sheet shows the financial year end position for the County Council as a whole. It includes the financial value of the land, buildings and other assets owned by the Council, as well as the value of borrowings and other debts owed by the Council.

31/03/2006 £m		31/03/2007 £m
1,340.8	Capital Assets	1,484.3
28.2	Cash in Bank	28.3
85.2	Short Term Investments	86.6
31.5	Money owed to the County Council (Debtors)	34.3
(116.6)	Money owed by the County Council (Creditors)	(123.9)
5.2	Other Assets	6.0
(264.0)	Long Term Borrowing	(288.2)
(393.7)	Pensions and other Liabilities	(392.1)
<u>716.6</u>	Total Assets less Total Liabilities	<u>835.3</u>
668.3	Accounting Reserves	774.6
38.5	Earmarked Reserves	47.3
9.8	General Balances	13.4
<u>716.6</u>	Total Reserves and Balances	<u>835.3</u>

Capital Assets includes land, buildings, infrastructure and vehicles. These assets have increased by £144m in 2006/07 with the majority being due to a revaluation of primary school land and buildings.

Cash in bank consists mainly of funds held in school bank accounts.

Short Term Investments reflect the County Council's surplus cash balances invested with approved organisations, mainly banks.

Long Term Borrowing is the debt outstanding on external loans taken out by the County Council to finance annual capital expenditure, (e.g. schools, roads).

Pensions and Other liabilities consist mainly of the County Council's net financial commitment to existing and future pensioners.

Accounting Reserves relate to pensions and capital accounting and are needed to ensure that required pensions liabilities and increased values of capital assets have no direct impact on the Council Tax payer.

Earmarked Reserves are funds held by the County Council for specific purposes e.g. schools delegated balances of £23.8m, Insurance reserves of £7.8m, Job Evaluation reserve of £6.1m and reserves held for other purposes totalling £9.6m.

General Balances are required to provide adequate funds to meet any unforeseen calls on the County Council's services. These balances are £13.4m but include £6.5m of planned underspends and managed savings in 2006/07 which will be spent on services in 2007/08. The "general working" balance at 31st March 2007 is £6.9m; the County Council's target is to maintain a level of general working balances equivalent to 2% of the Net Revenue Budget (£5.9m in 2007/08).

Cash Flow Summary 2006/07

This section summarises the total cash inflows and outflows during the year and includes both capital and revenue. The cash flow gives an indication of the volume of cash going through the County Council's books in a year.

2005/06		2006/07	
£29.3m	Cash held at start of year	£28.2m	
£831.4m	+ Cash In	£1,019.5m	£778.2m from Revenue activities £39.7m from Capital activities £201.6m from financing and borrowing
£832.5m	- Cash Out	£1,019.4m	£733.3m from Revenue activities £86.1m from Capital activities £200.0m from financing and borrowing
£28.2m	= Cash held at end of year	£28.3m	

The County Council's full Statement of Accounts

Our full Statement of Accounts for 2006/07 has been prepared in accordance with the Accounting Code of Practice for Local Authority Accounts. For the purposes of these Summary Accounts, some modifications have been made to provide information at this more summarised level.

A copy of the full 2006/07 audited Statement of Accounts is available at www.northyorks.gov.uk. Copies are also available upon request by telephoning 01609 532119.

Capital Expenditure 2006/07

Capital expenditure represents money spent by the County Council on purchasing, upgrading and improving assets such as buildings and roads. The benefit of this expenditure is experienced over a number of years.

Total capital investment in 2006/07 was £95.4m and consisted of:-

- £89.4m against a Capital Plan of £90.7m.
- £6.0m spent on fixed assets from within Directorate revenue budgets, principally from schools delegated budgets.

A breakdown of the £95.4m capital investment into service areas and how it was paid for is as follows:-

2005/06 £m		2006/07 £m
	Service Area	
34.0	Children & Young People's Service	39.0
38.8	Environmental & Business Services	43.9
5.3	Adult & Community Services	2.0
3.4	Other Services	10.5
81.5		95.4
	Funded by	
44.6	Borrowing	47.9
21.5	Grants & Contributions	32.8
8.4	Receipts from the sale of surplus assets	6.4
7.0	Contributions from the Revenue Budget	8.3
81.5		95.4

The following are examples of the individual projects in which the County Council has invested during 2006/07 :-

	£m
Scarborough Integrated Transport	3.5
Rationalisation of Highways Depots and Salt Barns	3.4
New, Replacement Road Lighting Columns	1.7
Building Schools for the future	1.2

The County Council plans to invest in excess of £263m in capital assets during the next three financial years.

Total borrowing for capital purposes at 31st March 2007 was £317.8m consisting of:-

2005/06 £m		2006/07 £m
269.4	External borrowing from the Public Works Loan Board	284.0
5.0	External borrowing from other institutions	15.0
8.9	Temporary borrowing from internal sources	20.6
(2.1)	Debt administered on behalf of other authorities	(1.8)
281.2		317.8

Council Tax

The following table shows how much Council Tax was charged for County Council services for each property band during 2006/07.

Band A	£599.65
Band B	£699.59
Band C	£799.53
Band D	£899.47
Band E	£1,099.35
Band F	£1,299.23
Band G	£1,499.12
Band H	£1,798.94

The Council Tax collected by each borough/district council contributes to the combined cost of local services including Police and Fire. There is one bill per dwelling for county council, district council, police, fire and parish charges based on the value of each property, which has been valued (as at 1st April 1991) and placed in one of the above eight council tax valuation bands.

Audit Status

The County Council's 2006/07 Accounts have been reviewed by the Audit Commission's independently appointed auditors and were formally approved on 27th September 2007.

Group Accounts

In addition to the main financial statements of the County Council, our full accounts for 2006/07 also include a set of "Group Accounts".

These accounts are required to present a full picture of the County Council's financial position as a result of our relationship with Yorwaste Ltd, (a waste disposal company owned and operated in conjunction with the City of York Council), and NYnet Ltd, (a company set up by the County Council with the aim of providing a high speed broadband communication infrastructure across North Yorkshire).

On consolidating Yorwaste's and NYnet's financial position with the County Council's, net assets increase by £8.1m, (to £843.3m) and the deficit for the year increases by £1.2m, (to £7.3m).

Staffing

The County Council employed 14,380 full time equivalent staff at the end of the financial year of which 8,426 were employed in schools.

North Yorkshire Local Government Pension Fund

The value of the North Yorkshire Pension Fund at 31st March 2007 was £1,265.7m compared with £1,150.5m at 31st March 2006 and a summary of its Final Accounts position is as follows:-

2005/06 £m		2006/07 £m
879.2	Opening Net Assets as at 1st April	1,150.5
82.3	Income from Fund Members	88.3
(45.5)	Benefits paid to pensioners	(50.6)
(1.0)	Expenses of administering the Fund	(1.0)
14.7	Income from investments	16.3
220.8	Increase in market value of investments	62.2
<u>1,150.5</u>	Closing Net Assets as at 31st March	<u>1,265.7</u>

Net Assets Statement as at 31st March 2007

31/03/2006 £m		31/03/2007 £m
237.0	Fixed Interest Securities	266.8
523.9	Shares in Companies	297.1
354.2	Units in Pooled Funds	661.7
9.2	New Money owed to The Pension Fund	11.9
26.2	Cash	28.2
<u>1,150.5</u>	Total Net Assets	<u>1,265.7</u>

The County Council administers the North Yorkshire Pension Fund covering public sector staff employed by the County Council, City of York Council, 7 District Councils and 52 other bodies.

The Fund includes public sector employees throughout the North Yorkshire area, except teachers, police officers and fire-fighters for whom separate pension arrangements apply.

There were 28,401 contributors to the Fund at 31st March 2007, and 11,721 people receiving a pension.

The last actuarial valuation at 31st March 2004 resulted in changes to employer's contribution rates to ensure that over the medium term the Fund's assets will pay for future pension liabilities. The next Triennial Valuation takes place as at 31st March 2007 and will impact upon employer's contribution rates with effect from 1st April 2008.

What we do for you

Business and Environmental Services

The County Council's Business and Environmental Services directorate provides services that have a major impact on businesses and the infrastructure of the County. It is responsible for roads and footways maintenance, bridges, gritting roads in winter, promoting accident reduction and road safety, providing better facilities for cyclists and pedestrians and support for public passenger transport. Further responsibilities include: managing waste disposal, household waste recycling centres, trading standards and animal health and welfare, strategic planning for land use, mineral and waste planning, economic development, arts, public rights of way and countryside services. It also attracts £m's worth of funding from Europe, central government and other sources for the benefit of North Yorkshire's businesses and communities.

Adult and Community Services

The Adult and Community Services directorate provides a range of services to help people in need. Older people are assisted to live both independently and in accommodation with care, including residential and nursing homes and, increasingly, through Extra Care facilities. People with physical or learning disabilities are enabled to live active, fulfilling lives. All these services are critical in helping people retain or regain their independence. The directorate also provides a range of vital community services including library and customer service centres, the Archives Service and the registration of births, marriages and deaths.

Children and Young People's Service

The County Council provides for around 87,400 children and young people in over 390 schools and supports approximately 300 pre-school groups. There are 12,500 pupils with special educational needs in the County, 90% of whom receive funding through resources given to schools and 10% of whom receive provision directly from the County Council.

The County Council is a major provider of lifelong learning with 24,000 adult enrolments each year enabling people to pursue their interest in all forms of education beyond school. The Youth Service also provides a wide range of activities, help and support to young people, particularly those who need it most.

The County Council helps protect and support vulnerable children and families. This includes looking after approximately 400 children at any one time, mainly in foster care, and providing services to the families of over 520 disabled children and young people.

The County Council leads the Children's Strategic Partnership which is bringing together all public services provided for children and young people in order to ensure the best possible outcome for them.

The Council Plan

This Plan sets out the County Council's vision for North Yorkshire and our aims and objectives up to 2010. Its purpose is to explain our main priorities, how we are performing against key targets and how it is all paid for.

It can be referred to or downloaded from our website at www.northyorks.gov.uk

It is our intention to maintain the rate of improvement in services we have achieved in recent years.

This Plan will help us to do that, and to meet important challenges in modernising services and managing limited resources.

The Best Value Performance Plan 2007/08 can be downloaded at www.northyorks.gov.uk