

## Summary of Accounts 2008/09

The County Council's accounts are an important element in demonstrating the stewardship of public money. They show the funds available and how they were 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 2009.

### Budget Outturn 2008/09

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

#### Budget for 2008/09

|  | £m            |
|--|---------------|
| Original Approved Budget funded from   |               |
| Council Tax  | 228.0         |
| Government Funding   | 94.7          |
|  | <u>322.7</u>  |
| Subsequent increase as a result of underspends in 2007/08 being carried forward and spent in 2008/09, (funded from general balances) | 7.5           |
| = Revised Budget / Net Expenditure   | <u>330.2</u>  |
| Actual net expenditure in 2008/09 by Directorate   |               |
| Children and Young People's Service  | 76.9          |
| Business and Environmental Services  | 63.0          |
| Adult and Community Services   | 130.1         |
| Capital Financing Charges  | 29.8          |
| Other Central Budgets  | 16.4          |
|  | <u>316.2</u>  |
| = Year end budget underspend   | <u>(14.0)</u> |

The £14.0m underspend includes planned underspends and managed savings that are being carried forward for spending in 2009/10, (£9.1m), with the remainder, (£4.9m), increasing the level of the general balance.

## Income and Expenditure Account 2008/09

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.

| 2007/08                     |                                    |              |                   |                |
|-----------------------------|------------------------------------|--------------|-------------------|----------------|
| Net Spend                   |                                    | Spend        | - Income          | = Net Spend    |
| £m                          |                                    | £m           | £m                | £m             |
| <b>What we spent</b>        |                                    |              |                   |                |
| 111.2                       | Children's and Education Services  | 579.4        | (454.7)           | 124.7          |
| 120.4                       | Adult Social Care                  | 211.0        | (70.1)            | 140.9          |
| 44.2                        | Highways, Roads & Transport        | 57.7         | (5.9)             | 51.8           |
| 39.1                        | Cultural, Environmental & Planning | 48.3         | (7.0)             | 41.3           |
| 15.2                        | Other Services                     | 14.0         | (1.2)             | 12.8           |
| <b>330.1</b>                |                                    | <b>910.4</b> | <b>(538.9)</b>    | <b>371.5</b>   |
| 17.7                        | Other Operating Costs              |              |                   | 43.1           |
| <b>347.8</b>                | <b>Net Operating Expenditure</b>   |              |                   | <b>414.6</b>   |
| <b>This was paid for by</b> |                                    |              |                   |                |
| (215.6)                     | Council Tax                        |              |                   | (228.0)        |
| (11.5)                      | Revenue Support Grant              |              | Both from Central | (11.6)         |
| (68.7)                      | National Non-Domestic Rates        |              | Government        | (83.1)         |
| (1.4)                       | Other Government Funding           |              |                   | (28.0)         |
| <b>(297.2)</b>              | <b>Total Funding</b>               |              |                   | <b>(350.7)</b> |
| <b>50.6</b>                 | Deficit for the Year               |              |                   | <b>63.9</b>    |

Thus, in this format, the reported total cost of providing services in 2008/09 was £910.4m.

Service income was £538.9m consisting of grants from the Government towards specific services totalling £431.5m and £107.4m from fees, charges and sales.

After allowing for other operating costs net revenue spending was £414.6m and, combined with Income from Council Tax payers and Central Government of £350.7m, resulted in a reported net deficit of £63.9m.

This £63.9m deficit is, however, notional and includes some significant technical adjustments that do not impact on real spending, (i.e. as per page 1), by the County Council as follows :-

|   | £m            |
|---|---------------|
| Reported Deficit (as above)   | 63.9          |
| - Effect of adjustments relating to Pensions, Capital Accounting and Movement in Reserves | (70.4)        |
| = Real surplus in year  | (6.5)         |
| + Approved spending carried forward from 2008/09  | (7.5)         |
| = Budget underspend reported on Page 1  | <b>(14.0)</b> |

## Balance Sheet as at 31st March 2009

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.

| 31/03/2008   |  | 31/03/2009   |
|--------------|--|--------------|
| £m           |  | £m           |
| 1,673.1      | Capital Assets                               | 1,688.5      |
| 28.8         | Cash in Bank                                 | 29.1         |
| 128.6        | Short Term Investments                       | 119.8        |
| 40.2         | Money owed to the County Council (Debtors)   | 41.7         |
| (147.0)      | Money owed by the County Council (Creditors) | (158.8)      |
| 2.6          | Other Assets                                 | 1.4          |
| (325.4)      | Long Term Borrowing                          | (319.9)      |
| (534.8)      | Pensions and other Liabilities               | (624.5)      |
| <u>866.1</u> | Total Assets less Total Liabilities          | <u>777.3</u> |
| 802.9        | Accounting Reserves                          | 702.9        |
| 48.0         | Earmarked Reserves                           | 52.7         |
| 15.2         | General Balances                             | 21.7         |
| <u>866.1</u> | Total Reserves and Balances                  | <u>777.3</u> |

**Capital Assets** include land, buildings, infrastructure and vehicles. These assets have increased mainly due to a revaluation of some of the County Council's assets and new capital spending in 2008/09.

**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 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, (often short term), purposes and consists of schools grant and delegated balances of £28m, Insurance reserves of £9.6m and reserves held for other purposes totalling £15.1m.

**General Balances** are required to provide adequate funds to meet any unforeseen calls on the County Council's services. These balances are £21.7m but include £9.1m of planned underspends and managed savings in 2008/09 which will be spent on services in 2009/10. The remaining "general working" balance is, therefore, £12.6m; the County Council's target is to maintain a level of general working balances equivalent to 2% of the Net Revenue Budget.

## Cash Flow Summary 2008/09

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.

| 2007/08   |                            | 2008/09   |  |
|-----------|----------------------------|-----------|--|
| £28.3m    | Cash held at start of year | £28.8m    |  |
| £1,002.2m | + Cash In                  | £1,008.4m | £888.0m from Revenue activities<br>£60.2m from Capital activities<br>£60.2m from financing and borrowing |
| £1,001.7m | - Cash Out                 | £1,008.0m | £839.7m for Revenue activities<br>£117.5m for Capital activities<br>£50.8m for financing and borrowing   |
| £28.8m    | = Cash held at end of year | £29.1m    |  |

## The County Council's full Statement of Accounts

A full Statement of Accounts for 2008/09 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 2008/09 audited Statement of Accounts is available at [www.northyorks.gov.uk](http://www.northyorks.gov.uk). Alternatively, copies are also available upon request by telephoning 01609 532119.

## Capital Expenditure 2008/09

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 2008/09 was £117.4m and consisted of:-

- £115.9m against a Capital Plan of £126.3m.
- £1.5m spent on fixed assets from within Directorate revenue budgets.

A breakdown of the £117.4m capital investment into service areas and how it was paid for is as follows:-

| 2007/08<br>£m |  | 2008/09<br>£m |
|---------------|--|---------------|
|               | <b>Service Area</b>                      |               |
| 38.0          | Children & Young People's Service        | 48.6          |
| 46.6          | Business & Environmental Services        | 56.4          |
| 2.9           | Adult & Community Services               | 2.7           |
| 7.3           | Other Services                           | 9.7           |
| <u>94.8</u>   |  | <u>117.4</u>  |
|               | <b>Funded by</b>                         |               |
| 28.2          | Borrowing                                | 44.6          |
| 47.5          | Grants & Contributions                   | 54.8          |
| 7.3           | Receipts from the sale of surplus assets | 5.3           |
| 11.8          | Contributions from the Revenue Budget    | 12.7          |
| <u>94.8</u>   |  | <u>117.4</u>  |

The following are examples of the projects in which the County Council has invested during 2008/09 :-

|   | £m   |
|---|------|
| Structural Maintenance of Roads                   | 17.8 |
| Scarborough Integrated Transport                  | 16.7 |
| Schools - Devolved Funding                        | 10.0 |
| Richmond School - Building Schools for the Future | 7.6  |

The County Council plans to invest in excess of £361m capital assets during the next three financial years.

Total accumulated borrowing for capital purposes at 31st March 2009 was £364.5m consisting of:-

| 2007/08<br>£m |   | 2008/09<br>£m |
|---------------|---|---------------|
| 318.2         | External borrowing from the Public Works Loan Board | 309.7         |
| 10.0          | External borrowing from other institutions          | 20.0          |
| 6.7           | Temporary borrowing from internal sources           | 36.2          |
| (1.7)         | Debt administered on behalf of other authorities    | (1.4)         |
| <u>333.2</u>  |   | <u>364.5</u>  |

## Council Tax

The following table shows how much Council Tax was charged for County Council services for each property band during 2008/09.

|        |           |
|--------|-----------|
| Band A | £658.91   |
| Band B | £768.72   |
| Band C | £878.54   |
| Band D | £988.36   |
| Band E | £1,208.00 |
| Band F | £1,427.63 |
| Band G | £1,647.27 |
| Band H | £1,976.72 |

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 2008/09 Accounts have been reviewed by the Audit Commission's independently appointed auditors, Deloitte & Touche LLP, and were formally approved on 30 September 2009.

## Group Accounts

In addition to the main financial statements of the County Council, the full accounts for 2008/09 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 Limited, (a waste disposal company owned and operated in conjunction with the City of York Council), and NYnet Limited, (a company set up by the County Council to provide a high speed broadband communication infrastructure across North Yorkshire).

On consolidating Yorwaste's and NYnet's financial position with that of the County Council, net assets increase by £2.5m, (to £779.8m) and the deficit for the year increases by £3.6m, (to £67.5m).

## Staffing

The County Council employed 14,877 full time equivalent staff at the end of the financial year of which 8,687 worked in schools.

## North Yorkshire Local Government Pension Fund

The value of the North Yorkshire Pension Fund at 31st March 2009 was £828.8m compared with £1,223.0m at 31st March 2008 and a summary of its Final Accounts position is as follows:-

| <b>2007/08</b>        |  | <b>2008/09</b>      |
|-----------------------|--|---------------------|
| <b>£m</b>             |  | <b>£m</b>           |
| <b>1,265.7</b>        | <b>Opening Net Assets as at 1st April</b>  | <b>1,223.0</b>      |
| 96.1                  | Income from Fund Members                   | 105.6               |
| (58.1)                | Benefits paid to pensioners                | (60.7)              |
| (1.2)                 | Expenses of administering the Fund         | (1.2)               |
| 7.3                   | Income from investments                    | 26.7                |
| (86.8)                | Decrease in market value of investments    | (464.6)             |
| <b><u>1,223.0</u></b> | <b>Closing Net Assets as at 31st March</b> | <b><u>828.8</u></b> |

### Net Assets Statement as at 31st March 2009

| <b>31/03/2008</b>     |                                    | <b>31/03/2009</b>   |
|-----------------------|------------------------------------|---------------------|
| <b>£m</b>             |                                    | <b>£m</b>           |
| 252.8                 | Fixed Interest Securities          | 162.9               |
| 270.6                 | Shares in Companies                | 369.0               |
| 649.7                 | Units in Pooled Funds              | 259.0               |
| 7.8                   | New Money owed to The Pension Fund | 12.7                |
| 42.1                  | Cash Instruments and Deposits      | 25.2                |
| <b><u>1,223.0</u></b> | <b>Total Net Assets</b>            | <b><u>828.8</u></b> |

The County Council administers the North Yorkshire Pension Fund for 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 28,372 contributors to the Fund at 31st March 2009, and 13,333 people receiving a pension.

The average pension paid out is approximately £3.8k per annum and over 75% of the pensions paid out are less than £5k per annum.

The results of the 2007 Triennial Valuation set Employer Contribution Rates for the three years from 1st April 2008 to 31st March 2011. At the Valuation date of 31st March 2008 the Fund Solvency was determined at around 56% and this figure reduced to 35% as at 31st March 2009 as a result of the unprecedented events affecting the financial markets around the world.

## What the County Council does for you

### Business and Environmental Services

The Business and Environmental Services directorate provides services that have a major impact on businesses and the environment of the County. It is responsible for roads and footways maintenance, bridges, gritting in winter, 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 (livestock), strategic planning for land use, mineral and waste planning, economic development, arts, public rights of way and countryside services. It also attracts millions of pounds worth of funding from Europe, central government and other sources to benefit North Yorkshire's business and communities.

### Adult and Community Services

The Adult and Community Services directorate provides a range of services to help people in need. It helps older people to live both independently and in accommodation with care. This care includes residential and nursing homes and, increasingly, Extra Care facilities. We help people with mental health, physical or learning difficulties live active, fulfilling lives. The directorate also plays an important role in safeguarding vulnerable people, including older people, so that they can live with dignity and respect.

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 nearly 130,000 children and young people between the ages of 0-19. We maintain over 390 schools and support approximately 300 pre-school groups.

There are 12,500 children with special needs in the County, 90% of whom receive funding through resources provided by the County Council and 10% of whom receive provision directly from the County Council.

The County Council protects and supports 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 is a major provider of Lifelong Learning with 24,000 adult education enrolments each year enabling people to pursue their interests in all forms of education. For our Youth Services, the County Council provides a wide range of activities, help and support to young people, particularly those who need it most.

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. Increasingly, we are setting up integrated services which bring together staff from all the services, which work for children, to provide help in a combined way. Children's centres, extended services in schools, and the integrated youth support service are being established all over the County in 2008/09.

## The Council Plan

This Plan sets out the County Council's vision for North Yorkshire and our aims and objectives up to 2012. 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](http://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. An annex to the Council Plan sets out our performance indicator results for 2008-09 and can be downloaded at [www.northyorks.gov.uk](http://www.northyorks.gov.uk)

If you would like this information in another language or format such as Braille, large print or audio, please contact [communications@northyorks.gov.uk](mailto:communications@northyorks.gov.uk) or phone (01609)532013.

