

# STATEMENT OF ACCOUNTS

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I certify that the accounts set out on Pages 2 to 27 present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March, 1999.

F.R. Marshall B.A., C.P.F.A., I.R.R.V.  
Director of Resources



# STATEMENT OF ACCOUNTS

## EXPLANATORY FOREWORD

### 1. INTRODUCTION

The accounts set out in this booklet have been produced in accordance with various statutory provisions, codes of practice etc., which apply to the accounts of local authorities. A more simplified form of the accounts can be found in the Council's Annual Report for 1998/99.

### 2. EXPLANATION OF THE ACCOUNTS IN THIS BOOKLET

This Statement of Account includes the following statements.

- ◆ **The Consolidated Revenue Account** reports for the year, the costs of the Council's activities, and demonstrates how that cost has been financed from General Government grants and income from local taxpayers.
- ◆ **The Consolidated Balance Sheet** summarises the financial position of the authority at the year-end. It shows what assets the authority owns, what it owes, and is owed, and what resources are available to the authority for future years. As the balance is consolidated it includes all the other accounts' elements, including the Collection Fund, General Fund and the Direct Service Organisation's Accounts.
- ◆ **The Collection Fund** shows all those transactions of Kennet as the authority responsible for billing for local taxation, including the income received from Council Tax and the distribution of this income to the various authorities who can precept (or ask for money) from this Fund, including Kennet.
- ◆ **The Cash Flow Statement** summarises the inflows and outflows of cash and cash equivalents arising from transactions with other people or organisations
- ◆ **The Direct Service Organisation's** accounts show details of those parts of the Council's work force which are organised into units to compete for their work with the private sector. There is currently only one Direct Services Organisation (DSO) in operation, being the Cleansing DSO.
- ◆ **Movement in Reserves Statement** shows the main reserves separated into capital and revenue, and shows the changes in these over the year.

### 3. THE GENERAL FUND

The figures for the year comparing actual spending levels with budgets were as follows:

	1998/99 £000's		1997/98 £000's	
	Actuals	Estimates	Actuals	Estimates
Net Revenue Expenditure	6,396	6,394	5,842	5,845
Parish Precepts	830	830	812	812
<b>Total Net Revenue Expenditure</b>	<b>7,226</b>	<b>7,224</b>	<b>6,654</b>	<b>6,657</b>

Although the overall position is almost identical to that envisaged when the budgets were prepared there were some variations at individual service level. Most of these variations were caused by changing internal allocations of staff costs to services rather than 'real' overspends. Overall the year's financial position has been very satisfactory, and nothing that happened in the year will affect any future financial plans of the Council.

### 4. CONSOLIDATED BALANCE SHEET

In addition to the working balances held for General Fund, Collection Fund and the two DSOs, the Council maintains earmarked reserves for various purposes, which are set out on page 18. The total of such reserves was £5,157 (000's) at the end of 1998/99, a decrease of £281 (000's) from the previous year's figure of £5,438 (000's). The levels of these reserves are considered to be prudent given possible future changes in central government support to district councils affecting revenue support grant and spending limits.

### 5. COLLECTION FUND ACCOUNT

The Council Tax element of the Collection Fund made a surplus of £340 (000's). In 1999/00 the greater part of this will be paid over to Wiltshire County Council, with smaller proportions due to Kennet District Council and the Wiltshire Police Authority.

Where there is a balance on the community charge part of the Collection Fund (which does not appear in the collection fund accounts) this is refunded to Kennet's local taxpayers by way of a reduced Council Tax levy. A refund of some £48 (000's) has been possible in 1998/99. There may be a smaller contribution from this source in 1999/00 and in future years, but it is expected to become insignificant in the near future.

### 6. DIRECT SERVICES ORGANISATION

The Council's statutory Cleansing DSO (Direct Services Organisation) made a surplus in 1998/9 of £45 (000's). The Grounds Maintenance DSO made a surplus of £10 (000's)

Now capital charges are made to the DSO revenue accounts, the financial target of the DSO is to break even, which they have achieved. Further details can be found on Page 25 and 26 of these accounts

## **7. INVESTMENTS AND BORROWING**

Since transfer of the Council's housing stock to Sarsen Housing Association, Kennet has been a "debt free" authority. This is a beneficial situation as it allows the Council more flexibility in capital financing. (This is explained in more detail in the statement of accounting policies under Capital Receipts.) For this reason the Council has carried out no borrowing in 1998/99 and has no outstanding debt.

The Council's investments have been maintained since 1995 in three funds (two managed externally, and one managed internally) in low risk investments. Investment income in 1998/99 was less than that in 1997/98 as a result of lower interest rates in the year.

## **8. PRIOR YEAR ADJUSTMENTS**

During 1997/98 it was discovered that the calculation of receipts and costs made after housing transfer could have included improvement costs on council houses made in the three years prior to transfer. This would have had the effect of reducing the set aside amount (in the provision for credit liabilities) and increasing the amount in usable capital receipts. The Council has made an adjustment (of £4,997 (000's)) in this year's accounts following discussions with District Audit. This adjustment will provide an additional £4,997 (000's) of resources to help fund the Council's continuing grant aid in this area.

## **9. THE FUTURE**

The Council's position is looking healthy after a year in which no financial problems occurred. However, the low interest rates over the last 12 to 18 months has significantly reduced the level of income the Council receives on its investments, but not to the extent that Council services will be impaired.

F. Marshall B.A., C.P.F.A., I.R.R.V.  
Director of Resources  
13<sup>th</sup> July, 1999

# STATEMENT OF ACCOUNTS

## STATEMENT OF ACCOUNTING POLICIES (INCORPORATING EXPLANATIONS OF TERMS USED)

### 1. GENERAL

The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain 1998, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), now a Statement of Recommended Practice.

### 2. FIXED ASSETS

Fixed Assets are defined as expenditure on the acquisition of, or enhancement to, the value of tangible assets which yield benefits to the Council and the service it provides for more than one year.

Operational land and properties are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use. Non-operational assets are included in the balance sheet at the lower of net current replacement cost or net realisable value. Infrastructure Assets are included in the balance sheet at historical cost, net of depreciation, where applicable. Short lived assets like vehicles and equipment are carried at Historic cost as a proxy for current costs. Further details of the basis of valuation for assets are included in the notes to the Consolidated Balance Sheet.

The capital accounting requirements state that where a service employs an asset it should be charged for its usage. The charge consists of depreciation and an element of notional interest. In these accounts depreciation is calculated as a straight line value over the life of the asset. Depreciation has not been applied to land or to those buildings where the building is maintained to extend its life indefinitely. The notional interest charge is based on the value shown in the balance sheet. The rates used are those set in the guidance, being 6% for assets valued at current valuations, and 6.75% for those assets valued at historic costs.

### 3. DEFERRED CHARGES

Deferred Charges are payments of a capital nature where no fixed asset is created but which may properly be financed over a number of years. The main examples of these in Kennet are:

- ◆ Housing Association Grants enabling Housing Associations to provide social housing
- ◆ Private sector grants made to effect capital improvements to private dwellings.
- ◆ Miscellaneous Assets

New guidance on the treatment of deferred charges suggests that deferred charges should be written off to revenue over the period that the Council gets benefit from the expenditure. Kennet does not comply with this requirement as it feels that this would confuse the accounts. (See the note on page 12 on the impact of this decision.)

#### **4. BASIS OF CHARGES FOR BORROWING**

The Council is now a debt free Council and carries out no borrowing. Because of this the Council no longer makes minimum revenue provisions towards repayment of debt, or pays any external interest.

#### **5. CAPITAL RECEIPTS**

Capital Receipts arise when a fixed asset is sold. As the Council is now debt free it no longer has to set aside Capital Receipts into a provision for credit liabilities, with some exceptions. The main exception to this is amounts received in respect of Housing Association Grant, which is all set aside.

The Provision for Credit Liabilities can be used by debt free authorities to fund any items of capital expenditure except Housing Association Grant, as it is no longer needed to repay debt.

If Capital Receipts are called 'Usable' they may be used to finance all capital expenditure including Housing Association Grant. The balance on the Usable Capital Receipts account represents those capital receipts falling into the usable part but which have not yet been used to finance capital expenditure.

When some assets are sold the sale price is not received immediately. One example of this is where a council house is sold and a council mortgage is given. In this case the capital receipt is received over a number of years as the mortgage is repaid. Until the mortgage is repaid the outstanding amount is known as a "deferred credit."

#### **6. DEBTORS AND CREDITORS**

The Revenue Account of the Council is maintained on an accruals basis in accordance with the Code of Accounting Practice and SSAP2. That means that sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. This policy is only used for material amounts (which for this year means amount greater than £500.00). Capital transactions are also included on this basis.

#### **7. STOCKS AND WORK IN PROGRESS**

Stocks are valued at the latest price paid. This is a departure from the requirements of the code and SSAP 9, which requires stocks to be shown at actual costs or net realisable value if lower. The effect of this treatment is not material.

## 8. COST OF OVERHEADS

The accounting treatment of different types of overheads is subject to differing treatment according to the advice of the Code of Practice. These are discussed below.

- ◆ **Support Services and Service Management.** As advised, Support service costs and Service Management are reallocated to users on the basis of actual time spent by staff where this is relevant. Other means of apportionment are used as appropriate: e.g.: - floor area for public office costs, pages printed for reprographics costs, calls taken for telephonists time etc.
- .. **Corporate Management.** This is defined as those "activities which local authorities engage in specifically because they are elected multi-purpose authorities." As advised these costs are allocated to a separate expenditure head and are not reallocated.
- ◆ **Regulation.** The advice on regulation is that the costs of regulation should be allocated to a separate head in the accounts of the service and not apportioned to units of the service. The Kennet practice is that regulation costs are allocated according to the actual time spent on the services in question.

## 9. PROVISIONS

The Council sets aside provisions for specific future expenses that are likely or certain to be incurred, but the amount of which can not be accurately determined. Provisions for doubtful debts are shown in the Balance Sheet as a reduction to debtors rather than under this head.

## 10. RESERVES

The Council maintains certain reserves to meet general, rather than specific, future expenditure. The main example of this is the General Fund working balance which is held in order to be prudent, and the only intended use of these balances would be in the case of unexpected expenditure, income loss or a budget overspend.

In addition to these reserves, there are amounts held for a special purpose that do not fall into the definition of provisions. These are now called "Earmarked Reserves." The expenditure charged to reserves has been included in the cost of services of the Consolidated Revenue Account.

## 11. ACCOUNTING FOR PENSION COSTS

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

These costs have been determined on the basis of contribution rates that are set to meet 100% of the liabilities of the Superannuation Fund, in accordance with relevant Government regulations. As a result the Council does not comply with the accounting requirements of SSAP24. "Accounting for pension costs" and the liabilities included in the balance sheet are understated in respect of pension costs. In accordance with standard accounting practice for local authorities, the additional costs that it would have been necessary to provide for in the

accounts for the period under SSAP 24 are disclosed by way of a note to the Consolidated Revenue Account.

## **12. INVESTMENTS**

Investments are shown in the Consolidated Balance Sheet at the lower of cost and current market value.

## **13. GOVERNMENT GRANTS**

Grants and Subsidies have been credited to the appropriate revenue and capital accounts and accruals are made where the grant due for the year is not received by 31st March.

## **14. OPERATING LEASES**

Operating Leases are those leases in which the lessor retains most of the risks and rewards of ownership of the asset. The assets acquired through operating leases do not appear in the Council's balance sheet, as the Council does not own them. The leasing payments are charged directly to the service having use of the asset.

CONSOLIDATED REVENUE ACCOUNT

<b>Consolidated Revenue Account for the year ended 31 March 1999</b>					
Note	Cost of Services	1998/9			1997/98
		Gross Expenditure £000,s	Income £000's	Net Expenditure £000's	Net Expenditure £000's
	Electoral Registration	62	2	60	64
	Tourism	410	91	319	271
	Housing Benefits	10,818	9,980	838	638
	Local Taxation	1,064	442	622	395
	Emergency Planning	67	3	64	88
	Corporate Management	497	2	495	505
	Amenity Areas	298	123	175	268
	Refuse Collection	1,197	301	896	965
	Environmental Health	2,150	113	2,037	1664
	Leisure	2,644	938	1,706	1741
	Planning & Development	2,577	742	1,835	1196
	Transportation	733	592	141	172
	Other Services	2,344	957	1,387	1353
	Housing (Non-HRA)	801	114	686	550
	General Revenue Account	25,661	14,400	11,261	9,870
	<b>Net Cost of Services</b>	<b>25,661</b>	<b>14,440</b>	<b>11,261</b>	<b>9,870</b>
	Precepts paid to parish Councils			829	812
	Total Net Surplus from Direct Service Organisations			(45)	(19)
2	Surplus from Trading Operations - Markets			(56)	(28)
	Premiums on Premature Debt Repayment			0	0
	Interest Receivable			(3,501)	(3,610)
1	Transfer from Asset Management Revenue A/c			(907)	(812)
	<b>Net Operating Expenditure</b>			<b>7,581</b>	<b>6,213</b>
	Contribution to/(from) Earmarked Reserves			(281)	514
	Contribution to DSO Reserves			45	19
9	Contribution to Capital Finance Reserve			(119)	(92)
	<b>Amount to be met from Government Grant and Local Taxpayers</b>			<b>7,226</b>	<b>6,654</b>
3	Precept demanded from the Collection Fund			(2,886)	(2,394)
	Contribution from Non-Domestic Rate Pool			(2,421)	(2,372)
	Revenue Support Grant			(1,885)	(1,883)
	<b>(Surplus)/Deficit for the year</b>			<b>34</b>	<b>5</b>
	<b>Balance Brought Forward</b>			<b>929</b>	<b>934</b>

CONSOLIDATED REVENUE ACCOUNT

Surplus/(Deficit) for the year	(34)	(5)
<b>Balance Carried Forward</b>	<b>895</b>	<b>929</b>

## 1. ASSET MANAGEMENT REVENUE ACCOUNT

The Asset Management Revenue Account is the account that removes the capital charges included within the cost of services figures to ensure that these notional charges do not affect the amount payable by Government Grants and Local Taxpayers. The amount transferred to the General Fund was calculated as follows:

	1998/99 £000's	1997/98 £000's
Capital Charges made to General Fund services	(1,026)	(904)
Depreciation	119	92
<b>Net on account given to General Fund</b>	<b>(907)</b>	<b>(812)</b>

## 2. MARKET UNDERTAKINGS

The Council operates markets in Devizes, Marlborough, Pewsey and Ludgershall. The financial results were as follows:

	1998/9			1997/8
	Expenditure £000's	Income £000's	Net £000's	Net £000's
<b>Total for the year</b>	<b>120</b>	<b>176</b>	<b>(56)</b>	<b>(28)</b>

## 3. FUNDS FROM COLLECTION FUND

The Council determines its call on the collection fund when the budgets are prepared, and it receives this amount regardless of the income that the collection fund actually secures. The precept demanded from the Collection Fund for Kennet of £2,886 (000's) includes £830 (000's) in respect of parish councils' precepts.

## 4. PUBLICITY

The level of activity is in the order of £202 (000's) analysed as follows: -

	1998/99 £000's	1997/98 £000's
Recruitment Advertising	87	46
Other Advertising	115	96
<b>Total Advertising</b>	<b>202</b>	<b>142</b>

## 5. SECTION 137 EXPENDITURE

**Section 137** of the Local Government Act 1972 enables a local authority to spend up to a certain limit on activities not specifically authorised by other powers but which bring direct benefit to the people in their area. For Kennet the allowable amount was £148 (000's) for 1998/99 (£146 (000's) in 1997/98.) The Council makes contributions to Citizen Advice Bureau in its area, amounting to £32 (000's) in 1998/99 (£31 (000's) in 1997/98).

## 6. AGENCY SERVICES

The Council carried out certain work on an agency basis for which it is re-imbursed:

		1998/99 £000's	1997/98 £000's
Grass Verge Maintenance	Wilts.County Council	39	37
Sewerage Maintenance	Water Companies	75	63
Sewerage Improvements	Water Companies	0	8
<b>Total</b>		<b>114</b>	<b>108</b>

## 7. PENSION COSTS

		1998/9 £000's	1997/98 £000's
Employer's contributions		721	529
Contributions as a % of pensionable pay		15.55%	12.3%
Discretionary Payments		64	74
Discretionary Payments as a % of pensionable pay		1.38%	1.7%

Employer's Contributions have increased significantly from 1997/98 to 1998/99. The rate of contribution has increased from 210% to 265% as part of a planned increase.

If the Council had paid at the rate necessary to provide for future pensionable liabilities on a systematic and rational basis its contribution rate would have been 425% of employees' contributions. This would have meant a payment of £1,156 (000's) over the period during which the local authority derives the benefit from its employee's services, representing 24.94% of pensionable pay.

Further information can be found in Wiltshire County Council's Superannuation Fund's Annual Report which is available from: County Hall, Trowbridge. BA14 8JJ.

## 8. OPERATING LEASES

Operating Leases are used for the purchase of most vehicles and equipment.

	Leasing Payments made in the year		Outstanding Payments under the lease as at	
	1998/99 £000's	1997/98 £000's	31/3/99 £000's	31/3/98 £000's
Vehicles and Equipment	357	312	904	1,120
Computer Equipment	250	349	486	994
Contract Hire Vehicles	276	255	171	272
<b>Total</b>	<b>883</b>	<b>916</b>	<b>1,561</b>	<b>2386</b>

## 9. CAPITAL FINANCING RESERVE

The authority is not required to set aside a minimum revenue provision for the redemption of external debt as it is debt free, so the transfer to the Capital Financing Reserve is a reversal of depreciation charged to services, £119 (000's) in 1998/99, (£92 (000's) in 1997/98).

If these accounts complied with the treatment of deferred charges referred to in the Statement of Accounting Policies, the impact would be that the housing cost of service would be higher to the extent of improvement grants given in the year (£704 (000's)), and LASHG Grants given in the year (£1,488 (000's)), and to balance this there would be a higher transfer to Capital Financing Reserve. Other costs of service would be higher to the extent of miscellaneous assets funded in the year (£166 (000's)), which has been charged direct to the Capital Financing Reserve.

## 10. INCOME UNDER LOCAL AUTHORITY (GOODS AND SERVICES) ACT 1970

In previous years the Council has received income from the sale of computer software, which falls under the Local Authority (Goods and Services) Act 1970. It did not receive any income in 1998/99. The figure for 1997/98 was £17 (000's).

## 11. OFFICERS' EMOLUMENTS

The number of employees whose remuneration, excluding pension contributions, was £40,000 or more in bands of £10,000 were:

Emoluments	1998/99	1997/98
<b>Number of Employees in the year</b>		
£40,000 to £49,999	4	3

## NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

£50,000 to £59,999	3	3
£60,000 to £69,999	1	1
£70,000 to £79,999	1	1

### 12. MEMBERS' ALLOWANCES

In accordance with the Local Authority (Members' Allowances) Regulations 1991 the Authority publishes each year details of the total amount basic allowance, attendance allowance and special responsibility allowance paid to members of Kennet District Council. The total amount paid for the year ended 31 March 1999 was £69,322.

### 13. RELATED PARTY TRANSACTIONS

Related parties of a Local Authority include, Central Government, other Local Authorities and Precepting Bodies, Pension Funds, Housing Associations, members and Chief Officers :-

- Central Government – details of transactions with Central Government are given throughout the Statement of Accounts and include, for example, Housing Benefit Payments on Behalf of the Department of Social Security
- Housing Associations – the Council has a reciprocal agreement with Sarsen Housing Association for the collection of Housing Rents and Council Tax
- Pension Funds – details of transactions with the pension funds are given in note 7 to the Consolidated Revenue Account
- Precepting Bodies – details of transactions with Precepting Bodies are detailed within the Collection Fund Account
- Members and Chief Officers – no material transactions have been declared.

<b>Consolidated Balance Sheet as at 31 March 1999</b>				
Note		31/3/99		31/3/98
		£000's	£000's	£000's
	<b>Operational Assets</b>			
1	Council Dwellings	0		0
1	Other Land and Buildings	14,027		11,924
1	Vehicles, Plant and Equipment	759		297
1	Infrastructure	780	<b>15,566</b>	684
	<b>Non Operational Assets</b>			12,905
1	Investment Property	630	<b>630</b>	630
	<b>TOTAL FIXED ASSETS</b>		<b>16,196</b>	<b>13,535</b>
	<b>Long-Term Assets</b>			
1a	Deferred Charges	0		0
	Long-term Investments	50		50
3	Long-term Debtors	530	<b>580</b>	725
	<b>TOTAL LONG-TERM ASSETS</b>		<b>16,776</b>	<b>14,310</b>
	<b>Current Assets</b>			
	Stocks	67		46
	Investments	43,441		46,266
5	Debtors	1,451		1,879
	Cash in Collectors Hands	146	<b>45,105</b>	74
	<b>Current Liabilities</b>			
6	Creditors	(2,418)		(1,666)
	Cash Overdrawn	(125)	<b>(2,542)</b>	(557)
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>59,338</b>	<b>60,352</b>
8	Deferred Government Grants	(0)		(0)
	Other Revenue Provisions	(1,744)		(1,706)
	Deferred Credits	(462)	<b>(2,206)</b>	(404)
	<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>57,132</b>	<b>58,242</b>
	<b>Financed By:</b>			
4	Fixed Asset Restatement Reserve	(16,702)		(15,493)
	Capital Financing Reserve	52,431		56,822
	Useable capital receipts reserve	14,830	<b>50,559</b>	9,900
9	General Fund Earmarked Reserves	5,157	<b>5,157</b>	5,438
	General Fund Working balance	895		929
7	Collection Fund Reserves	373		543
	DSO Reserves (Cleansing)	148	<b>1,416</b>	103

CONSOLIDATED BALANCE SHEET

	<b>TOTAL EQUITY</b>		<b>57,132</b>	<b>58,242</b>
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**1a. CAPITAL EXPENDITURE AND DISPOSALS IN THE YEAR (including Deferred Charges)**

	Other Land & Buildings £000's	Vehicles Plant & Equipment £000's	Infrast- ructure £000's	Non- Operation al Assets £000's	TOTAL £000's
<b>Value as at 1/4/98</b>	11,924	297	684	630	<b>13,535</b>
Purchases/Spending	2,802	588	95	242	<b>3,727</b>
Disposals	(0)	(6)	(0)	(0)	<b>(6)</b>
Revaluation in year	(699)	(1)	(0)	(242)	<b>(942)</b>
Depreciation	(0)	(119)	(0)	(0)	<b>(119)</b>
<b>Value as at 31/3/99</b>	<b>14,027</b>	<b>759</b>	<b>779</b>	<b>630</b>	<b>16,195</b>

The above expenditure included the purchase of MOD properties at a cost to the Council of £1,772(000's). It is intended that these properties will be sold during the 1999/2000 financial year.

**DEFERRED CHARGES**

The movement in Deferred Charges in the year was as follows:

	Balance as at 1/4/98	Spending in the year	Written off in the year	Balance as at 31/3/99
	£000's	£000's	£000's	£000's
Improvement Grants	0	704	(704)	<b>0</b>
LASHG* Payments	0	1,488	(1,488)	<b>0</b>
Miscellaneous Assets	0	166	(166)	<b>0</b>
<b>Total Deferred Charges</b>	<b>0</b>	<b>2,358</b>	<b>(2,358)</b>	<b>0</b>

\* Local Authority Social Housing Grant

**FUNDING OF CAPITAL EXPENDITURE**

The total expenditure shown above of £6,085 (£3,727 plus £2,358) was funded in the following manner.

	1998/99 £000's	1997/98 £000's
Provision for Credit Liabilities	<b>4,318</b>	1,400
Capital Receipts	<b>1,141</b>	2,640
Revenue and Reserves	<b>216</b>	109
Capital Grants	<b>410</b>	578
<b>Total Financing</b>	<b>6,085</b>	<b>4,727</b>

**1b. FIXED ASSET REVALUATION**

As at the 1 April 1994, all the Council's assets (over £10,000) were valued, in the following manner.

Other Land and Buildings were valued at:

- Open Market Value in existing use (where a market existed) \*
- Depreciated Replacement cost (where no alternative market existed) \*

Vehicles, Plant and Equipment were valued at purchase price less depreciation.

Infrastructure was valued at historic cost less depreciation

Non Operational Assets were valued at Open Market Value. \*

A proper valuation was carried out by the Council's valuer, Mr David Stubbs, FRICS, between November 1993 and September 1994 for those categories of assets marked with a \*. The other valuations were provided from internal sources of information.

The next valuation is due during the financial year 1999/2000.

**1c. INFORMATION ON ASSETS HELD**

In the following information assets are included where they are valued at more than £10,000 with the exception of vehicles which are all included. At the 31st March 1998, assets held were as follows:

	As at 31/3/99	As at 31/3/98
District Council Central Office	1	1
Other Offices	2	2
Housing Land for Development	10.71 acres	2.55 acres
Other Land	64.55 acres	64.18 acres
Depots and Workshops	2	2
Woodland Amenity area	14.6 acres	14.6 acres
Public Conveniences	12	12
Off Street Car Parks	13	13
Leisure Centres	2	2
Market Halls	1	1
Commercial Properties	10	10
Vehicles	21	26
Other Equipment	3	2
Multi user software packages	10	2

**1d. SIGNIFICANT CONTRACTS COMMITTED**

As at the 31st March 1999 there were no significant contracts committed.

## 2. FINANCE LEASES

The Council holds no material assets acquired under finance leases.

## 3. LONG TERM DEBTORS

	Balance as at 31/3/99 £000's	Balance as at 31/3/98 £000's
Mortgages	455	658
Other	75	67
<b>Total Long-term Debtors</b>	<b>530</b>	<b>725</b>

## 4. PROVISION FOR CREDIT LIABILITIES

In accordance with statutory requirements the Council is required to set aside sums as a provision to repay external loans. The Council is no longer obliged to maintain a separate account called a Provision for Credit Liabilities, (in fact the previous balance is now part of the Capital Financing Reserve) but instead a memorandum of the amounts involved is required, as follows:

	1998/99 £000's	1997/98 £000's
Balance brought forward	42,612	54,545
Reserved proportion of capital receipts	1,488	2,475
Minimum revenue provision	0	0
Repayment of external loans	0	0
Funding of Capital expenditure in the year	(3,971)	(1,313)
Funding of LSVT Levy to government	(131)	(98)
Borrowing adjustment	(347)	(87)
Prior Year Adjustment	(5,038)	0
<b>Balance carried forward</b>	<b>34,613</b>	<b>42,612</b>

## 5. DEBTORS

	31/3/99 £000's	31/3/98 £000's
Government Departments	116	422
Other Local Authorities	7	10
Council Tax Payers	582	508
Community Charge Payers	35	77
Non-Domestic Rate Payers	246	356
Sundry Debtors	903	759
Investment Interest Expected	0	220
Prepayments	145	122

NOTES TO THE CONSOLIDATED BALANCE SHEET

Water Companies	23	20
<b>Total Debtors</b>	<b>2,057</b>	2,494
<b>Less provision for bad debts</b>	<b>(606)</b>	(615)
<b>Total Net Debtors</b>	<b>1,451</b>	1,879

**6. CREDITORS**

<b>Balance as at</b>	<b>31/3/99</b> <b>£000's</b>	31/3/98 £000's
Government Departments	1,411	734
Other Local Authorities	75	73
Sundry Creditors	551	426
Local Tax Payers – Prepayments	210	275
Trade Refuse Income	171	158
<b>Total Creditors</b>	<b>2,418</b>	1,666

**7. COLLECTION FUND RESERVE**

The balance on the Council's statutory Collection Fund is made up of two parts. The Community Charge balance of £33 (000's) will be used to reduce the district's Council tax bill next year, as discussed in the foreword. The balance of £340 (000's) on the Council Tax Collection Fund will be paid out to authorities receiving precepts from the account in the year, in proportion to the amount of their precept. So the greater part of this balance will be passed to Wiltshire County Council.

<b>All Figures in £000's</b>	<b>1998/9</b>	1997/8
Community Charge Collection Fund Balance	33	60
Council Tax Collection Fund Balance	340	483
<b>Total Collection Fund Balance</b>	<b>373</b>	543

**8. PROVISIONS**

<b>All Figures in £000's</b>	<b>1/4/98</b>	<b>Movement</b>	<b>31/3/99</b>
General Renewals & Repairs (R&R)	709	(104)	605
Refuse DSO R & R	423	(4)	419
CCT Costs preparation	15	(15)	0
Play Equipment s. 104	54	30	84
Planning Appeals	40	0	40
Public Enquiry Planning Issues	84	19	103
Early retirement*	166	66	232
Exempt VAT	80	0	80
Other Provisions	135	46	181
<b>Total Provisions</b>	<b>1,706</b>	<b>38</b>	1,744

\* Provision to meet early retirement costs arising from restructuring.

**9. EARMARKED RESERVES**

<b>All Figures in £000's</b>	<b>1/4/98</b>	<b>Movement</b>	<b>31/3/99</b>
Housing Enabling	867	<b>70</b>	937
Environmental Improvement	265	<b>(37)</b>	228
Misc.Grants and Contributions	633	<b>148</b>	781
Planning Funds	118	<b>1</b>	119
Leisure Reserves	163	<b>8</b>	171
Area Conservation Partnerships	104	<b>(11)</b>	93
EHO & Sewerage Funds	450	<b>(78)</b>	372
Sale of Computer Services	300	<b>5</b>	305
Amenity Areas	600	<b>85</b>	685
Insurance Reserves *	32	<b>4</b>	36
Rural Bus Subsidies	248	<b>68</b>	316
Economic Development Reserve	100	<b>(56)</b>	44
Residual LSVT Income Reserve	1,380	<b>(504)</b>	876
Devizes Improvement Reserve	94	<b>(14)</b>	80
Other	84	<b>30</b>	114
<b>Total Reserves</b>	<b>5,438</b>	<b>(281)</b>	<b>5,157</b>

\*The insurance fund covers All Risks for equipment, and Public Health Act payments. The potential risk is not considered material, in volume or value.

<b>COLLECTION FUND ACCOUNT</b>			
		<b>1998/99</b>	<b>1997/98</b>
		<b>£000's</b>	<b>£000's</b>
	<b>Income</b>		
	<b>Income from Council Tax</b>	<b>19,048</b>	16,561
	<b>Transfers from General Fund</b>		
	Council Tax Benefits	<b>1,585</b>	1,477
	Transitional Relief	<b>0</b>	0
	<b>Income Collectable from Business Ratepayers</b>	<b>8,757</b>	7,832
	<b>Contributions</b>		
	Adjustment of previous year's community charges	<b>0</b>	0
	Towards previous year's collection fund deficit	<b>0</b>	0
	<b>Total Income</b>	<b>29,390</b>	25,870
	<b>Expenditure</b>		
	<b>Precepts and Demands</b>		
	Wiltshire County Council	<b>15,746</b>	13,895
	Wiltshire Police Authority	<b>1,782</b>	1,561
	Kennet District Council	<b>1,956</b>	1,493
	Devizes Town Council	<b>356</b>	356
	Ludgershall Town Council	<b>60</b>	60
	Marlborough Town Council	<b>70</b>	77
	Other Parish Councils	<b>344</b>	319
	<b>Total Precepts</b>	<b>20,314</b>	17,761
	<b>Business Rates</b>		
	Contribution to the National Pool	<b>8,668</b>	7,740
	Cost of Collection	<b>89</b>	92
	<b>Contributions</b>		
	Towards previous year's estimated collection fund surplus	<b>400</b>	150
	Provision for losses on banding appeal revaluations	<b>0</b>	(261)
	Bad and Doubtful Debt Provision	<b>62</b>	55
	<b>Total Expenditure</b>	<b>29,533</b>	25,537
	<b>Net (Surplus)/Deficit for the year</b>	<b>143</b>	(333)
	<b>Balance at beginning of year</b>	<b>483</b>	150
	<b>(Deficit)/ Surplus for the year</b>	<b>(143)</b>	333
	<b>Balance at end of year</b>	<b>340</b>	483

### 1. GENERAL COMMENTS

These accounts represent the transactions of the Collection Fund. From the 1st April 1993 the introduction of Council Tax made changes in the way the Collection Fund was run. The Council now runs two collection funds; Community Charge and Council Tax. The Community Charge part of the collection fund is not reported in the figures on the previous page.

### 2. COUNCIL TAX

The Council's tax base (i.e. the number of chargeable dwellings in each valuation band adjusted for dwellings where discounts apply) converted into an equivalent number of Band D properties was as follows:

Figures are estimates used for setting tax for 1998/9	No.of dwellings in 1998/99 (adj.for discounts)	Ratio	No.of Band D equivalent dwellings
Band A	2,952	6/9	1,968
Band B	3,859	7/9	3,001
Band C	6,815	8/9	6,058
Band D	4,122	9/9	4,122
Band E	3,532	11/9	4,683
Band F	2,475	13/9	3,575
Band G	1,967	15/9	3,278
Band H	240	18/9	480
Total			27,165
Other Adjustments			1,502
Total Band D equivalents			<b>28,667</b>

### 3. NATIONAL NON-DOMESTIC RATES

National Non-Domestic Rates are collected on behalf of the government to be paid into a National Pool. The collection fund receives amounts paid by the Rate Payers in this area, and pays this amount over to the national pool net of allowable costs of collection. The total Non-Domestic Rateable value in the Kennet area as at 31/3/99 was £22,905,625 (£22,154,125 at 31/3/98). The National rate in 1998/9, set by the government, was 47.4p (45.8p in 1997/98).

<b>CASH FLOW STATEMENT</b>				
<b>Note</b>		<b>1998/99</b>		<b>1997/98</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
	<b>Revenue Activities</b>			
	<b>Expenditure</b>			
	Employees	(5,222)		(4,743)
	Other Operating Costs	(9,234)		(8,416)
	Precepts Paid	(18,705)		(16,399)
	Net NNDR paid to national pool	(5,829)		(5,299)
	Housing Benefit paid out	(8,720)		(8,610)
			<b>(47,710)</b>	<b>(43,467)</b>
	<b>Income</b>			
	Council Tax income	18,948		16,540
	National Non Domestic Rate Income	8,731		7,632
	Revenue Support Grant	1,885		1,883
	DSS Grant for rebates	10,315		8,747
3	Other Government grants	120		124
	Cash received for goods and services	3,154		3,040
	Other revenue cash payments/income	2,016	<b>45,169</b>	2,265
1	<b>Net Cash Flow from Revenue Activities</b>		<b>(2,541)</b>	<b>(3,236)</b>
	<b>Servicing of Finance</b>			
	<b>Expenditure</b>			
	Interest paid	0		0
	<b>Income</b>			
	Interest Received	3,501	<b>3,501</b>	3,610
	<b>Capital Activities</b>			
	<b>Expenditure</b>			
	Purchase/Spending on fixed Assets	(3,893)		(1,392)
	Payment of LASHG and Improvement Grants	(2,192)		(3,335)
	Payment of Levy – stock transfer	(131)		(99)
	Other Capital Payments	(48)		(45)
	<b>Income</b>			
	Sale of fixed assets	0		490
	Capital grants received	2,740		3,418
	Other capital income	243	<b>(3,281)</b>	92
	<b>Net cash inflow before financing</b>		<b>(2,321)</b>	<b>(497)</b>
	<b>Management of Liquid Resources</b>			
	Net Decrease in Liquid Resources		<b>2,825</b>	
	<b>Financing</b>			
	Expenditure		<b>0</b>	0
	Income		<b>0</b>	0

CASH FLOW STATEMENT

2	<b>Increase/(Decrease) in Cash</b>		<b>504</b>	(497)

**1. RECONCILIATION TO CONSOLIDATED REVENUE ACCOUNT**

	<b>1998/99</b>		<b>1997/98</b>
	<b>£000's</b>		<b>£000's</b>
Surplus/(Deficit) on General Fund	(34)		(5)
Surplus/(Deficit) on the DSO accounts	45		19
Surplus/(Deficit) on Collection Fund	(170)	(159)	333
<b>Non Cash Transaction reversed out</b>		<b>(159)</b>	347
Non Cash Capital Accounting Adjustments	(12)		65
Interest for year excluded from revenue	(3,501)		(3,610)
Transfer from HRA working balance	0		0
Capital Financing - Revenue & Reserves	215		109
Net Contributions to/from reserves	(281)		514
Collection fund non-cash items	0	(3,579)	(36)
<b>Items on a accrual basis</b>		<b>(3,738)</b>	(2,611)
Movement in Debtors	136		(296)
Movement in Stock	(21)		(10)
Movement in Creditors	1,044		(273)
Movement in Provisions	38		(47)
Other	0	1,197	(1)
<b>Net Cash Flow from Revenue Activities</b>		<b>(2,541)</b>	<b>(3,236)</b>

**2. MOVEMENT IN CASH**

	<b>1/4/98</b>	<b>Movement</b>	<b>31/3/99</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Cash in Hand	74	72	146
Cash Overdrawn	(557)	432	(125)
<b>Total Cash</b>	<b>(483)</b>	<b>504</b>	<b>21</b>

**3. MANAGEMENT OF LIQUID ASSETS**

	<b>1/4/98</b>	<b>Movement</b>	<b>31/3/99</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Liquid Resources (Short-Term Deposits)	46,266	2,825	43,441
<b>Total Liquid Resources</b>	<b>46,266</b>	<b>2,825</b>	<b>43,441</b>

Liquid resources have been defined as short-term deposits and other current asset investments that can be readily converted into cash at or close to its carrying amount.

**4. ANALYSIS OF GOVERNMENT REVENUE GRANTS**

	<b>1998/99</b>	<b>1997/98</b>
	<b>£000's</b>	<b>£000's</b>
Improvement Grant - Revenue	31	32
NNDR Allowance for cost of collection	89	92

NOTES TO THE CASHFLOW STATEMENT

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<b>Total Revenue Grants</b>	<b>120</b>	124
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STATEMENT OF TOTAL MOVEMENT ON RESERVES

	CAPITAL RESERVES			REVENUE RESERVES				TOTAL
	Fixed Asset Restatement Reserve	Capital Financing Reserve	Usable Capital Receipts	General Fund	Collection Fund	DSOs	Earmarked Reserves	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Balance as at 1/4/98	15,493	(56,822)	(9,900)	(929)	(543)	(103)	(5,438)	(58,242)
Net (Surplus)/Deficit for the year		(97)		34	170	(45)	281	343
Transfer between reserves		5,038	(5,038)					0
Transfers to Provisions								
Unrealised (gains)/loss from revaluation of assets	941							941
Effect of Disposal of Fixed Assets Value of Assets disposed of	6							6
Proceeds of disposal								
Net (Surplus)/Deficit								
Receipts from other sources	262	(1,488)	(1,033)					(2,259)
Financing of fixed assets		166						166
Financing of LSVT levy		131						131
Financing of deferred charges		641	1,141					1,782
<b>Balance as at 31/3/99</b>	<b>16,702</b>	<b>(52,431)</b>	<b>(14,830)</b>	<b>(895)</b>	<b>(373)</b>	<b>(148)</b>	<b>(5,157)</b>	<b>(57,132)</b>



**DIRECT SERVICES ORGANISATION  
CLEANSING DSO  
SUMMARY REVENUE & APPROPRIATION ACCOUNT**

		1998/99	1997/98
		£000's	£000's
<b>Expenditure</b>			
Labour		684	526
Materials		2	18
Capital Charges		53	37
Transport and Plant		795	731
Other Costs		17	59
Overheads		57	94
<b>TOTAL EXPENDITURE</b>		<b>1,608</b>	1,465
<b>Income</b>			
Charges to other accounts of the Local Authority		1,139	1,044
Charges to other clients		205	125
Charges for works under MOD contract		309	315
Total Income		<b>1,653</b>	1,484
<b>HISTORICAL COST SURPLUS</b>		<b>45</b>	19
<b>Appropriations:</b>			
Other Provisions		0	0
Appropriation Account		0	0
DLO General Reserve		0	0
<b>TOTAL</b>		<b>0</b>	0

The Cleansing DSO is required to break even after taking into account capital charges of depreciation and notional interest. This financial target has been met in 1998/99. The profit made by the Cleansing DSO was £45 (000's) which was transferred to the appropriation account.

Further details about all aspects of this DSO's operations are set out in the Council's Direct Services Organisation Report.

**DIRECT SERVICES ORGANISATION  
 GROUNDS MAINTENANCE DSO  
 SUMMARY REVENUE & APPROPRIATION ACCOUNT**

	<b>1998/99</b>	1997/98
	<b>£000's</b>	£000's
<b>Expenditure</b>		
Labour	<b>87</b>	58
Hired Services	<b>66</b>	40
Materials	<b>17</b>	8
Capital Charges	<b>0</b>	7
Transport and Plant	<b>81</b>	79
Other Costs	<b>2</b>	5
Overheads	<b>16</b>	17
<b>TOTAL EXPENDITURE</b>	<b>269</b>	214
<b>Income</b>		
Charges to other accounts of the Local Authority	<b>149</b>	148
Charges to other clients	<b>130</b>	79
Total Income	<b>279</b>	227
<b>HISTORICAL COST SURPLUS</b>	<b>10</b>	13
<b>Appropriations:</b>		
Other Provisions	<b>0</b>	0
Appropriation Account	<b>0</b>	0
DLO General Reserve	<b>0</b>	0
<b>TOTAL</b>	<b>0</b>	0

The Grounds Maintenance DSO is required to break even after taking into account capital charges of depreciation and notional interest. This financial target has been met in 1998/99. The profit made by the Grounds Maintenance DSO was £10 (000's) which was transferred to the Council's Revenue Account.

## 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 Director of Resources.
- ◆ To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ◆ approve the statements of accounts.

### **The Director of Resources Responsibilities**

The Director of Resources is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice') and is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 1999.

#### **In preparing this Statement of Accounts the Director of Resources has:**

- ◆ Selected Suitable accounting policies and applied them consistently
- ◆ Made judgements and estimates that are reasonable and prudent
  - ◆ Complied with the code

#### **The Director of Resources has also:**

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