

AUDIT AND RISK COMMITTEE

29 June 2010

STATEMENT OF ACCOUNTS 2009/10

Report of the Director of Corporate Services

STRATEGIC AIM:	To be a well managed organisation
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1. PURPOSE OF THE REPORT

- 1.1 This report presents revenue and capital outturn for 2009/10 together with the statutory Statement of Accounts 2009/10 in the form prescribed by regulation (Appendix A). The explanatory note at Appendix B provides information to assist Members in understanding how the statutory accounts relate to the financial management information reported during the course of the year.

2. RECOMMENDATIONS

- 2.1 That the Committee approves the Statement of Accounts 2009/10 at Appendix A for publication and submission to the external auditor.

3 GENERAL FUND

- 3.1 The provisional outturn on the general fund was reported to Cabinet on 18 May 2010 with the detailed information on performance against the budget at directorate level (Report 111/2010 refers).
- 3.2 The final outturn is shown in the following table; there have been no significant changes to the provisional outturn.

	£000
Net cost of services	27,424
Other operating expenditure	2,702
Net operating expenditure	30,126
Resources	
Government support	(9,559)
Demand on Collection Fund	(20,727)
Transfer from earmarked reserves	(311)
Adjustment for 2008/09 stock transfer pre-ballot costs	(88)
Surplus for year	(559)
General Fund balance brought forward	(1,699)
General Fund balance carried forward	(2,258)

- 3.3** This table is equivalent to the Income and Expenditure Account and the Statement of Movement on General Fund Balance within the Statement of Accounts at Appendix A.
- 3.4** The outturn shows a surplus that is £45,000 greater than the provisional outturn and £527,000 greater than the quarter 3 forecast. The main change from the quarter 3 forecast which has generated an increase in the surplus is the treatment of the costs of the HRA stock transfer process. Following the successful transfer of the housing stock to Spire Homes in November 2009, the Council is permitted to charge the pre and post-ballot costs of the transfer against the capital receipt. The costs for 2008/09 and 2009/10 were £88,000 and £347,000 respectively. This has resulted in an additional one-off credit of £435,000 to the General Fund.

4 HOUSING REVENUE ACCOUNT

- 4.1** The Housing Revenue Account is a ring-fenced account within the General Fund. Following the transfer of the Council's housing stock during 2009/10 the Housing Revenue Account will be closed in 2010/11.

The overall position is summarised below:

	£000
Income	
Rents and Charges for services and facilities	(2,685)
Expenditure	
Repairs and maintenance	801
Supervision and management	605
Negative HRA subsidy	867
Depreciation of fixed assets	466
Net expenditure	54
Interest and investment income	(60)
Surplus for year	(6)
Balance brought forward	114
Balance carried forward	120

- 4.2** This table is equivalent to the Housing Revenue Income and Expenditure Account and Movement on HRA Balance within the Statement of Accounts at Appendix A.
- 4.3** Formal approval of the Secretary of State for Communities and Local Government is required for the closure of the Housing Revenue Account. When this is received any balance remaining on the account will be transferred into the General Fund.

5 CAPITAL

- 5.1 The provisional outturn on the general fund was reported to Cabinet on 18 May 2010, (Report 111/2010 refers). The final outturn is shown in the following table; there have been no significant changes.

	£000
Total capital expenditure for year	42,376
Funded from:	
Government grants	17,732
Other grants and contributions	762
Capital receipts	21,909
Revenue contributions to capital	211
Borrowing	1,762
Total funding	42,376

- 5.2 The figures for expenditure and funding from capital receipts include £21,882,000 representing that part of the housing stock purchase price that is retained to meet the contractual planned spending on bringing the stock to decent homes standards and completing the major improvements that were included within the formal offer made to tenants on which the ballot was based.

6. RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	Low	The accounts must be published by 30 June 2010 to meet statutory requirements.
Viability	Low	The overall position is compatible with the Medium Term Financial Plan.
Finance	Low	The overall position is compatible with the Medium Term Financial Plan.
Profile	Medium	The accounts are subject to External Audit and the audit opinion will be published by 30 September 2010.
Equality and Diversity	Low	There are no specific equality and diversity issues arising from this report.

Background Papers

Provisional Outturn Report 2009/10
Medium Term Financial Plan

Report Author

Debbie Muddimer

Tel No: (01572) 722577
e-mail: enquiries@rutland.gov.uk

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.