

SUMMARY OF ACCOUNTS 2007-08

The Council produces an annual statement of accounts which is prepared in accordance with recommended accounting practice for local authorities and are audited by an auditor appointed by the Audit Commission. The purpose of the accounts is to report the Council's financial position as at 31 March 2008.

A full copy of the Council's statement of accounts is available for purchase via Customer Services. The latest audited accounts are also accessible via a quick link on the Council's website (www.melton.gov.uk) and available for inspection at Melton Library.

The following information has been provided by the Head of Financial Services and provides a summary of the financial performance of the Council for the financial year ending 31 March 2008.

Revenue Budget

This includes the day to day running costs of services and costs incurred in managing the Council. The Council planned to spend £6,751,370 on the cost of providing such services excluding Council owned housing which is accounted for separately and reported below. The actual position at the year end showed an overspend of £46,803 which has been met from the Council's reserves to be used on expenditure of an unforeseen or of a non-recurring nature.

In addition to the above the Council budgeted for a surplus of £151,960 for the management and maintenance of its housing stock. The actual position showed a deficit of £97,074 due to monies being set aside to accelerate the Council's Decent Homes programme and this was met from the HRA Working Balance.

Income & Expenditure Account

	£'000
<u>Net Expenditure</u>	
Central Services to the Public	813
Cultural, Environmental & Planning Services	5,099
Highways, Roads & Transport Services	399
Council Owned Housing	334
Other Housing Services	793
Corporate & Democratic Services	1,073
Non Distributed Costs	107
Other Net Operating Expenditure	560
Total Net Operating Expenditure	9,178
<u>Funded by:</u>	
Council Tax Income	3,272
General Government Grants	691
Non-Domestic Rates Redistribution	3,192
Total Funding	7,155
Deficit Income & Expenditure Account	2,023
Accounting adjustments (see note below)	-2,026
Net Surplus (see note below)	-3

Includes elections and electoral registration, land charges, emergency planning, bank and audit fees, business rates collection, council tax collection & benefits, etc

Includes Sports & Leisure, Tourism, Environmental health, public conveniences, licensing, community safety, land drainage, waste & recycling, planning & building control, economic development, environmental maintenance etc.

Includes christmas lights, concessionary fares, car parking etc

Includes corporate management, cost of democracy, public accountability, statutory external audit and inspection, Mayoral expenses etc

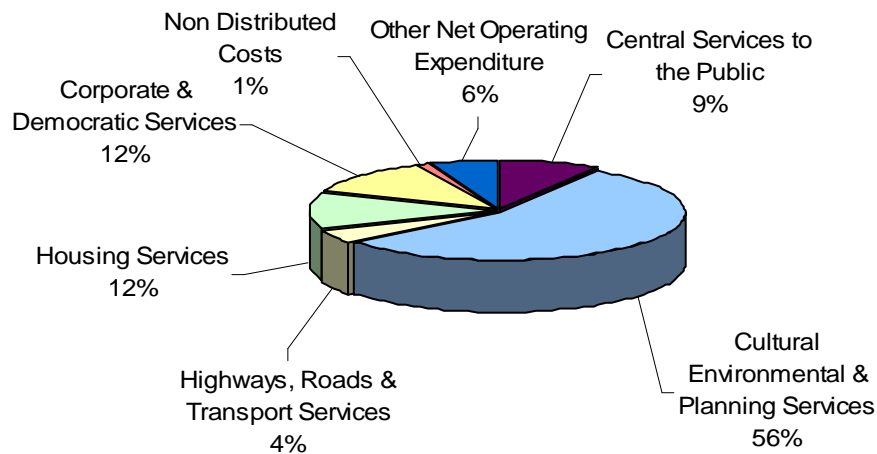
Includes ongoing pension costs through early retirement

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. However, the authority is required to raise Council Tax on a different accounting basis, the main differences being:

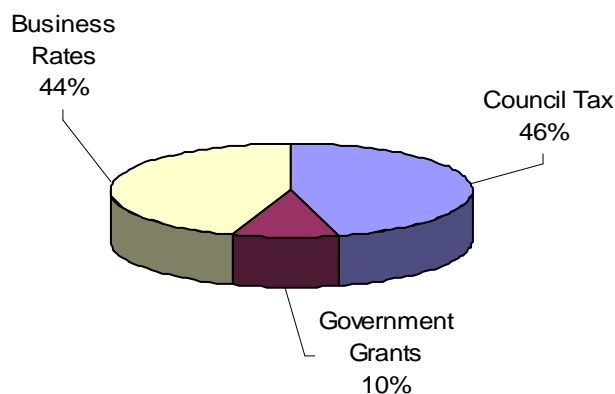
- Capital investment is accounted for as it is financed, rather than when the capital assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year is a credit of £2,026,000. When added to the deficit shown above this results in a net surplus for the year and an increase in the Council's General Fund Balance for the year of £3,000. Taking into account the balance brought forward from the previous year of £630,000 the total working balance for the Council at 31st March 2008 stood at £633,000.

Proportion of spending on services



How our Net Cost of Services are funded



The Balance Sheet

The Balance Sheet summarises all of the assets that the Council owns and the liabilities that it owes to others at 31 March 2008. It also shows how these net assets are allocated between usable resources, resources that have been set aside to finance Capital Expenditure, unrealised gains from increases in asset values and reserves needed to manage the complexities of Local Authority accounting.

	£'000	
Assets		
Fixed & Long Term Assets	119,296	Includes land and buildings, council dwellings, plant & equipment owned, etc
Money Owed to the Council	3,302	
Cash, Investments & Stock	4,359	
Total Assets	126,957	
Liabilities		
Items Owed by the Council	5,736	Spendable reserves and balances held for specific purposes or available to spend
Borrowing	7,066	
Pension Scheme	3,150	
Total Liabilities	15,952	
Net Assets	111,005	
Distributable Reserves	3,981	
Non Distributable Reserves	107,024	
Net Worth	111,005	

Housing Revenue Account

This is a separate account which details income and expenditure relating to the provision of Council owned housing.

	£,000
<u>Income</u>	
Rents	5,249
Other Income	490
Total Income	5,739
<u>Expenditure</u>	
Repairs & Maintenance	1,723
Supervision & Management Costs	1,170
Subsidy Payable to Central Government	1,265
Other Costs	1,678
Total Expenditure	5,836
Deficit in Year	97

The Council owned the following types and numbers of Council owned dwellings at 31 March 2008:

Houses	901
Bungalows	284
Flats & Maisonettes	716
Total	1,901

There were 10 properties sold under the Government's Right to Buy Scheme during last financial year.

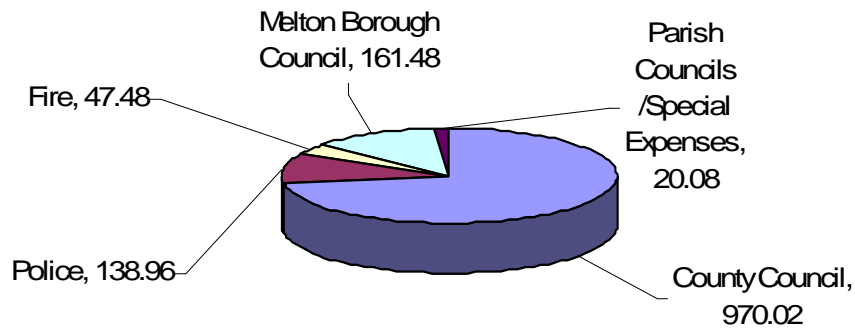
The Collection Fund

This account shows the transactions relating to the collection of council tax and non-domestic (business) rates. The Council also collects council tax on behalf of Leicestershire County Council, Leicestershire Police Authority, Leicestershire Combined Fire Authority and Parish Councils known as the "precept". Non-domestic rates have to be paid over to central government; however, the national total collected by the government is then shared out between all local authorities.

Any surplus or deficit on this account is shared out between the precepting bodies, which includes Melton. This is apportioned pro-rate to the precept due.

	£'000
<u>Income</u>	
Council Tax	21,985
Non-Domestic Rates	10,995
Other	2,070
Total Income	35,050
<u>Expenditure</u>	
Melton Borough Council incl. Parishes	3,272
Leicestershire County Council	17,675
Leicestershire Police Authority	2,532
Leicestershire Fire Authority	865
Non-Domestic Rates Transferred to the Government	10,896
Other	57
Total Expenditure	35,297
Deficit for the Year	247

Share of Average Band D Council Tax £1,338.02



Capital Expenditure

In addition to expenditure incurred on the running of its day to day services the Council spent £2,973,751 on purchasing, upgrading and improving its assets. This was against an approved capital programme budget of £3,521,000 resulting in an underspend of £547,249. A summary of the expenditure is shown below:

<u>Capital Spend</u>	£'000
Council owned Dwellings	1,593
Other Housing Services	427
Information Technology Systems	171
Council owned Assets (exc. Housing dwellings)	127
Community Centres	472
Skate Park	45
Community Enterprise & Grants	65
Other	74
	2,974