

Derbyshire County Council

PRE-AUDIT

Quick Guide to the 2011-12 Statement of Accounts

Introduction

Our accounts are important in showing how we use public money. They show the resources we have available and how our managers use them to provide services to the people of Derbyshire. This leaflet shows our financial position as at 31st March 2012 and gives an overview of our financial performance during 2011-12.

The information in this summary is based upon our pre-audit Statement of Accounts. However, the full Statement of Accounts has to be prepared in line with national accounting rules and is a lengthy and complex document.

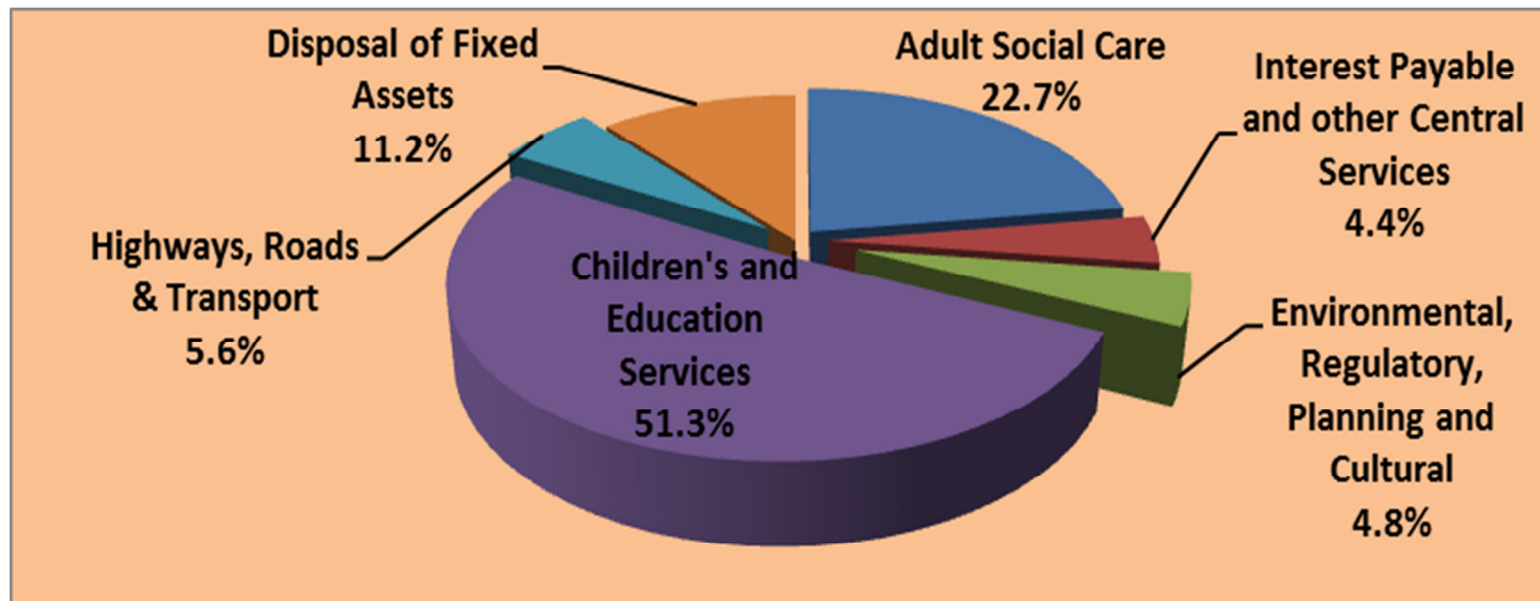
This leaflet has been designed to provide a brief summary of the main facts and figures. We have tried to write it in a user-friendly way without unnecessary jargon.

Revenue Expenditure

Revenue expenditure relates to the day to day running costs of the Council. Included are items such as wages, fuel, printing and stationery.

There are also complex accounting adjustments such as depreciation, which results in a charge for the wear and tear on assets (such as buildings) that are used to provide services.

The Government determines the way Councils should show how their expenditure is broken down by service area.



Revenue Funding

The Council's funding comes from various sources such as Government Grants, Council Tax and Business Rates, as shown in the chart below. The Council's budget for 2011-12 was cut to reflect a reduction in Government Funding.

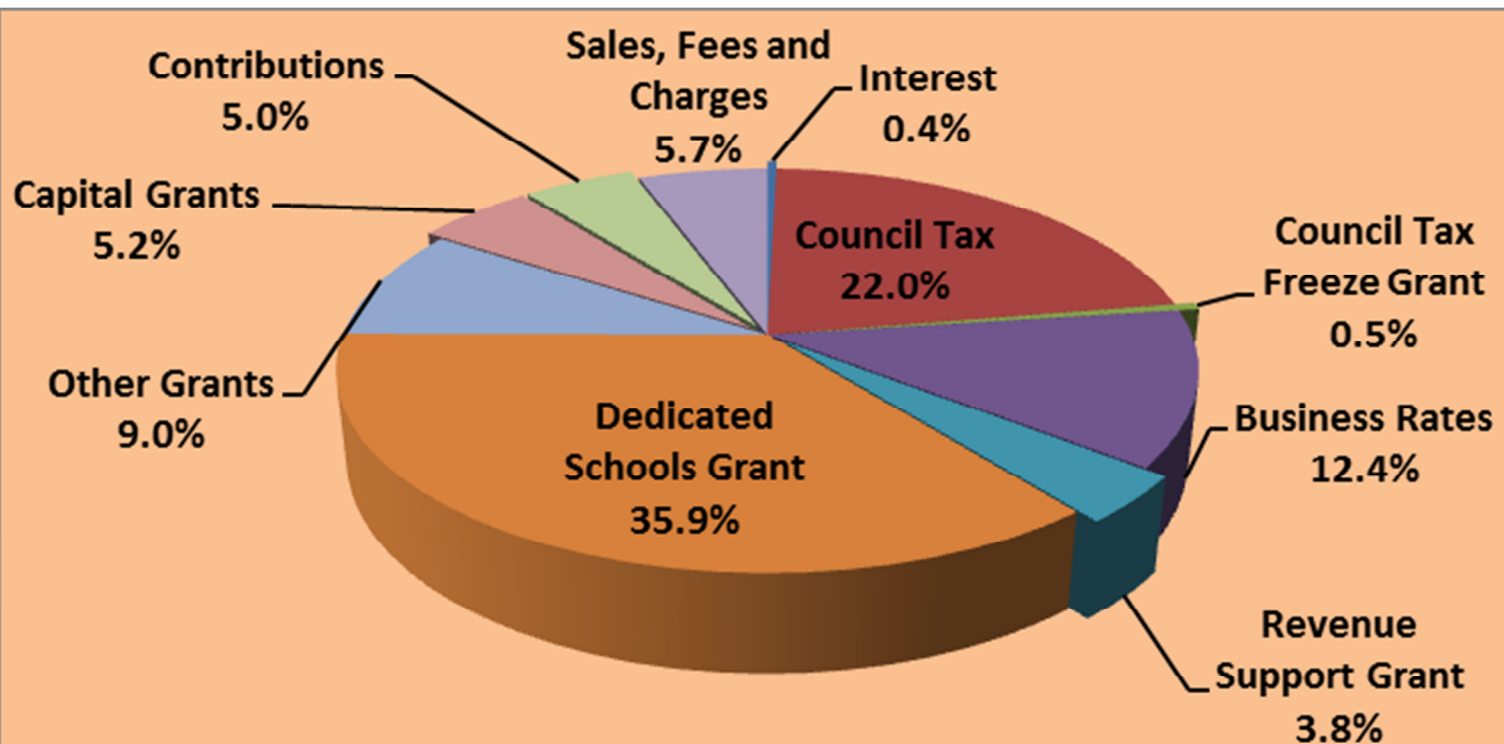
The Council Tax for a band D property was £1,077.22. There was no increase to council tax this year due to the Government providing additional grant to Councils for this purpose.

The table on the following page shows expenditure for 2011-12, together with further details of how this spending was funded.

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Revenue Expenditure and Funding in 2011-12

Funding	£m	Expenditure	£m
Interest	5.020	Central Services to the Public	3.989
Council Tax	279.177	Cultural and Related Services	25.346
Council Tax Freeze Grant	6.961	Environmental and Regulatory Services	38.555
Business Rates	157.156	Planning Services	3.514
Revenue Support Grant	48.577	Children's and Education Services	719.480
Dedicated Schools Grant	454.451	Highways, Roads & Transport	78.579
Other Grants	113.592	Adult Social Care	318.106
Capital Grants	66.518	Corporate & Democratic Core	20.626
Contributions	62.899	Pensions Costs	8.857
Sales, Fees and Charges	72.769	Interest Payable	27.563
Total External Funding	1,267.120	Disposal of Fixed Assets	157.569
Deficit from Reserves	135.338	Levies & Precepts	274
Total Funding	1,402.458	Total Expenditure	1,402.458

The deficit reported for the year is a calculated figure which represents many of the complex accounting adjustments previously mentioned. Many of these do not have a real cash impact to the Council, however are required to be completed by law.

After allowing for these adjustments, the Council has actually seen an increase to cash reserves (money set aside to help finance spend in the future) of £29.315m.

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Capital Investment

Capital Investment is money we spend on buying, upgrading and improving assets which will last a number of years, such as buildings, roads, equipment and furniture.

This expenditure is mainly met from loans and grants received.

Spend during 2011-12 included new build or refurbishment to the following:

- £24.305m spent on Highways, Roads and related expenditure
- £3.182m Peak School Residential Accommodation
- £4.256m Oaklands Residential and Community Care and Extra Care Centre
- £2.153m Shirland Primary School
- £1.515m Aldercar School Sports Hall
- £32.173m on projects not resulting in an asset, such as awarding of grants to other organisations.

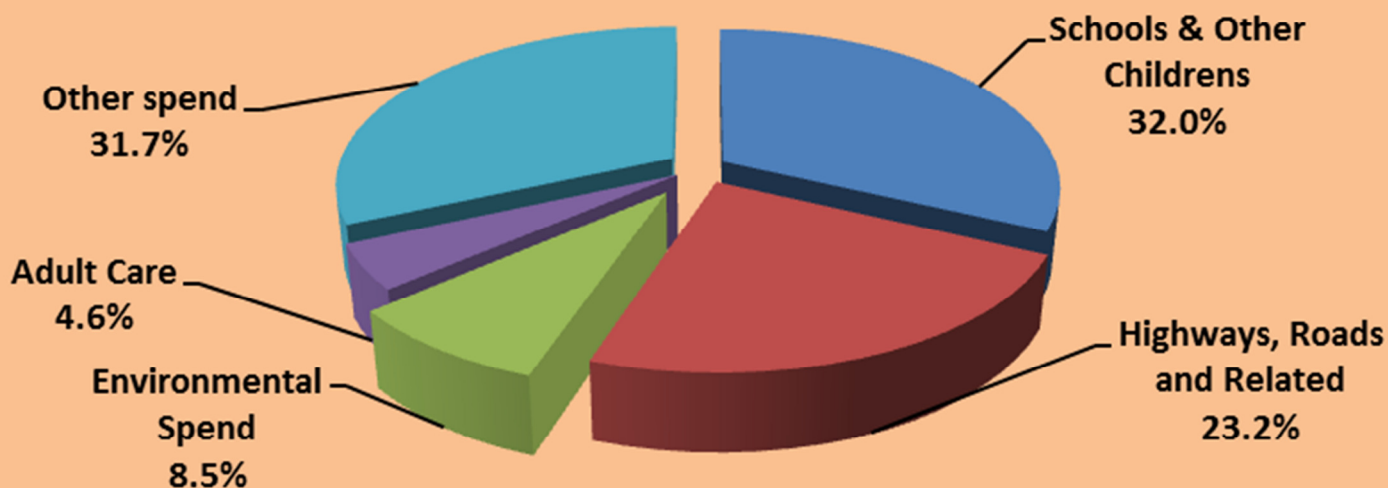
Capital Expenditure and Financing

Expenditure on:

	£m
Schools	31,313
Children's Centres and other Children's Spend	2,160
Total Schools and Other Children's spending	33,473
Highways, Roads and Related	24,305
Refuse Disposal	1,488
Countryside Cultural & Community	3,598
Other Environmental Spend	3,813
Total Environmental Spend	8,899
Adult Care	4,778
Software	916
Other Corporate Spend	102
Total Capital Expenditure	72,473
Expenditure on assets we do not own	32,173
Total Capital Investment	104,646

Financed By:

	£m
Loans	10,113
Council funds	10,579
Sale of assets	1,720
Grants and Contributions	82,234
Total Capital Financing	104,646



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The Balance Sheet

The balance sheet is a statement of our financial position at the end of the financial year; it summarises the financial value of what we own, what we owe to others, and what we have available to meet future costs.

Balance Sheet as at 31st March 2012

	£m	£m
Buildings, vehicles & similar	1,632,614	
Investments	193,628	
Cash and bank deposits	106,147	
Money owed to us	74,933	
Stock and work in progress	2,469	
Total Assets		2,009,791
Pensions other liabilities	(646,875)	
Borrowing	(405,645)	
Money owed by us	(88,207)	
Provisions	(15,845)	
Total Liabilities		(1,156,572)
Assets less Liabilities		853,219
Usable Reserves	269,336	
Unusable Reserves	583,883	
Total Equity		853,219

Contact Us

A summary of this document can be made available in Braille, on audio tape or in large print on request from the Call Derbyshire contact centre:

Phone ☎:-
08456 058 058

Email ✉:-
contact.centre@derbyshire.gov.uk

“Usable reserves” – real cash held to meet future spending needs.

“Unusable reserves” – balances as a result of complex accounting adjustments

Looking Ahead

The Government has consulted on proposals to allow councils to retain their locally-raised business rates. Further consultation is expected in Summer 2012, when councils will be provided with the final design of the scheme. The scheme will commence on 1st April 2013.

From April 2013, there will be a change to the way in which council tax benefits are administered. There will also be a reduction of 10% in the amount of central government support. Local authorities are required to design their own local schemes.

The Government is keen to encourage working age citizens to make provision for their retirement. From January 2013, legislation will be introduced which requires any new employees appointed to the Council on or after 1 February 2013 to be automatically enrolled into the Local Government Pension Scheme.

From April 2013, the Council will assume responsibility for local Public Health expenditure. The expenditure will be funded from a specific grant from the Department of Health.

The Government is currently consulting on some important changes to school funding. These changes are due to be implemented from April 2013.

The Government's most recent spending announcement indicated further grant reductions for local government on top of those announced already.

The Council will update its financial planning to assess the impact of the above developments on the Council's finances.