

North Norfolk District Council
SUMMARY OF ANNUAL ACCOUNTS 2006/07



Summary Operating Financial Review

The following statement covers some of the key points in relation to the Council's management of public funds

Financial Performance

The Council operates two accounts, one for the council tax payers (General Fund Revenue Account) and one for Housing (Housing Revenue Account). The General Fund is financed by a combination of government grants and council tax. The Housing Revenue Account is used for the management of the Council's own housing stock, and is financed by government grants and rents from housing tenants.

During the year the council repaid its borrowing and became debt free. This was possible following the transfer of the council's housing stock in 2005/06. The repayment of the debt has maximised resources available to the council whilst reducing financial risk.

This year has seen a number of changes to the format of the financial statements which has resulted in the requirement to restate a number of the prior year figures. The impact of these adjustments are discussed in more detail within the full draft Statement of Accounts (see below for link).

Revenue Account (GF)

The final outturn position for the 2006/07 revenue account was a surplus of £88,714 (£41,000 05/06) against the budgeted position. The council was therefore able to make a contribution to its general reserves in excess of the level budgeted, leaving a balance as at 31st March 2007 of £1.4m (£1.0m 05/06) to be carried forward to 2007/08.

Cultural, Environmental and Planning Services form the largest area of Council spend, accounting for approximately 67% (72% 05/06) of net cost of services in the year. A combined surplus of £18,000 (£20,000 05/06) was reported for the Council's trading operations.

Council Housing (HRA)

Following the transfer of the council's housing stock under Large Scale Voluntary Transfer (LSVT) to the North Norfolk Housing Trust (NNHT) on 13th February 2006, there have only been fairly small movements during 2006/07 within the HRA. The council has now been given permission to close its HRA with effect from the end of March 2007.

The Housing Revenue Account generated a deficit of £299,000 (£425,000 05/06) which reduced the working balances to £1,000 at the year end (£300,000 05/06).

Capital Expenditure

The capital expenditure incurred by the Council for the 2005/06 financial year was £2,984,000 (£7,838,000 05/06). The summary of accounts identifies the projects which the Council invested in over the year.

Statement by the Strategic Director (Resources)

The Council's Financial Statements have been prepared in accordance with the Accounting Code of Practice. The figures contained within the summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications were made to provide more meaningful information. The Councils draft 2006/07 accounts are in the process of being audited by the Audit Commission. A full copy of the draft Statement of Accounts can be found on the Council's website at:

www.northnorfolk.org/corporatefinance/default_5919.asp

Alternatively you can call 01263 516243 to request a copy.

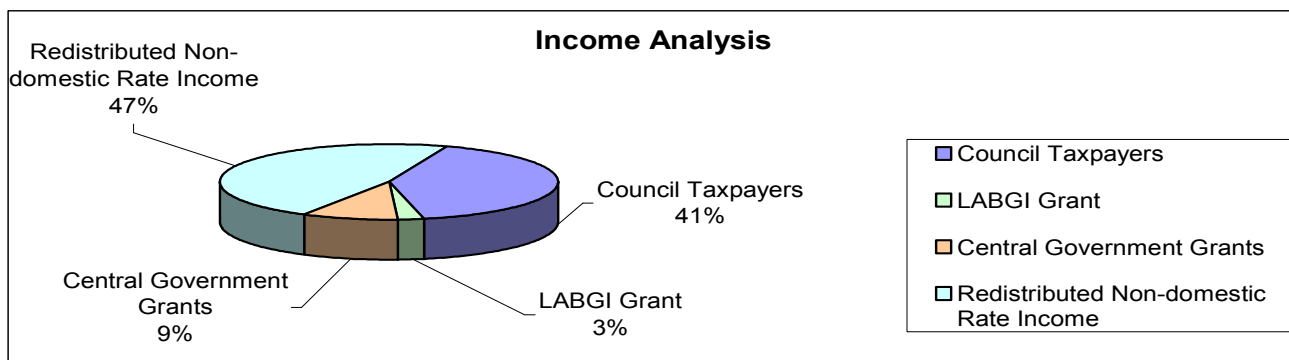
SHEILA OXTOBY, BSc, CPFA

The Cost of Council Services

Income and Expenditure Account for the year ended 31st March 2007

The income and expenditure account presents the cost of running the Council services between 1st April 2006 and 31st March 2007. It shows where the money came from to finance those costs and also the surplus or deficit at the year end.

	Gross Expenditure (£000)	Gross Expenditure (£000)	2006/07 Net Expenditure (£000)	(Restated) 2005/06 Net Expenditure (£000)
Central Services to the Public Cultural, Environmental & Planning Services	9,040	(7,679)	1,361	927
Highways, Roads & Transport Services	15,888	(5,425)	10,463	9,434
Local Authority Housing	1,327	(1,740)	(413)	(800)
Other Housing Services	44	(33)	11	(1,458)
Corporate & Democratic Core	19,922	(17,995)	1,927	1,764
Non Distributed Costs	2,286	(94)	2,192	2,037
	490	(418)	72	271
Net Cost of Services	<u>48,997</u>	<u>(33,384)</u>	<u>15,613</u>	<u>12,175</u>
Parish Council Precepts			1,049	974
Less: Internal charges for use of Council assets and other internal accounting			(2,911)	(1,096)
Appropriations to and from earmarked reserves			429	896
Amount to be met from Government Grants and local taxation			<u>14,180</u>	<u>12,949</u>
Financed by				
Council Taxpayers			(5,997)	(5,729)
LABGI Grant			(365)	(153)
Central Government Grants			(1,336)	(4,228)
Redistributed Non-domestic Rate Income			(6,885)	(2,874)
Total Income			<u>(14,583)</u>	<u>(12,984)</u>
Net General Fund (Surplus)/Deficit for the year			(403)	(35)
General Fund balance brought forward			1,000	965
General Fund balance carried forward			1,403	1,000

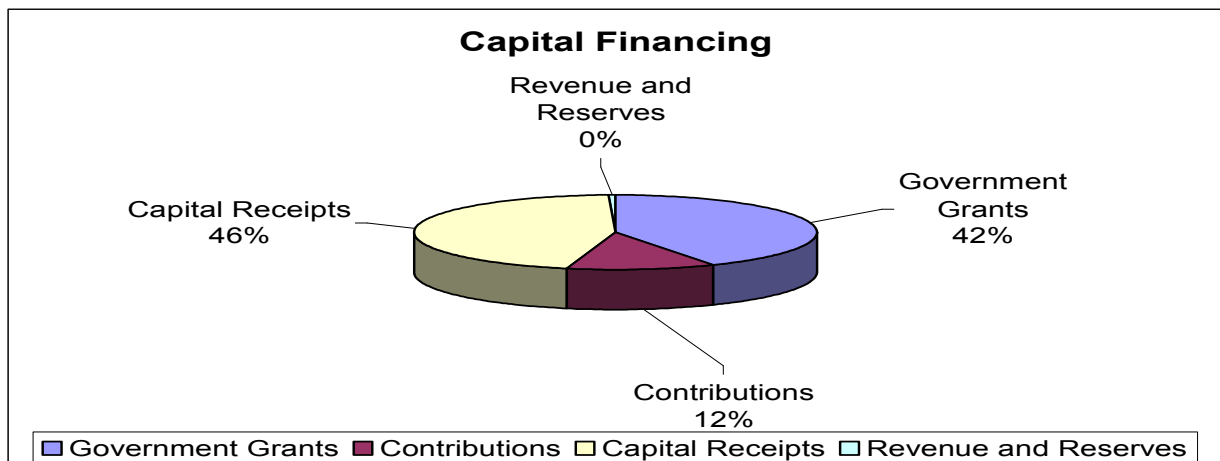


The Council had a total income of £14.583m in 2006/07 (£12.984m 05/06), 41% of which (44% 04/05) was funded by the council tax payers.

Capital Expenditure

Capital expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets such as buildings and coast protection. The Council receives the benefit from capital expenditure over a longer period of time than revenue (normally more than 1 year).

	2006/07 (£000)	2005/06 (£000)
Renovation Grants	1,403	927
Housing Association Grant	429	430
Waste Management & Environmental Health System	83	0
Car Parks	34	5
Land Drainage Scheme Sutton	20	0
Cromer Seafront Enhancement	143	1,350
Industrial Sites/Regeneration projects	129	389
Coast Protection	126	49
Fakenham Community Leisure Centre	70	65
Stalham Sports Hall	5	0
Fakenham Community Centre	55	0
North Lodge Park	4	0
Mundesley Toilets & Environmental Works	9	0
North Norfolk Information Centre	48	0
Sea Palling Toilets	23	0
Planning schemes		71
Admin Buildings (Disability Discrimination Act)	10	21
Cromer Council Office Lighting	62	53
Leisure Vehicle	0	64
Benefits System Replacement	86	102
IEG - Implementing Electronic Government	177	300
BPR EDM Project	40	0
Air quality monitoring system	0	21
Other work under £15,000 per project	2	9
Council Housing:		
Re Wiring	0	244
Parklands Caravan Site Improvements	26	189
Re Roofing	0	60
Structural Repairs	0	116
Window Replacements	0	842
Improvements	0	1,107
Adaptations for the disabled	0	322
Energy Conservation and central heating	0	957
Estate Roads	0	23
Other Works	0	122
TOTAL	2,984	7,838



Balance Sheet

The Balance Sheet sets out the assets and liabilities of the Authority as at the 31st March.

	2007	(Restated)
	£000	2006
		£000
What the Council owns and is owed at 31st March 2007		
Buildings, Land & Investments owned by the Council	44,209	45,814
Stock	176	207
Cash in Hand & at Bank	(1,201)	(1,312)
Money Owed to the Council	17,847	55,978
Money Owed by the Council	(34,463)	(69,584)
	<u>26,568</u>	<u>31,103</u>
Financed by		
*Distributable reserves	16,503	34,514
Non-Distributable reserves	10,065	(3,411)
	<u>26,568</u>	<u>31,103</u>

* Distributable reserves are as follows:

General fund balance:		
Opening Balance as at 1st April	1,000	965
Surplus/(Deficit) for the year	403	35
Closing Balance as at 31st March	<u>1,403</u>	<u>1,000</u>
Housing Revenue Account Balance	0	300
Earmarked Reserves	2,266	1,825
Usable Capital Receipts Reserve	<u>12,834</u>	<u>31,389</u>
	<u>16,503</u>	<u>34,514</u>

The Balance Sheet sets out the assets and liabilities of the Authority as at 31st March 2007.

The Council has a duty under legislation to maintain a prudent level of reserves and balances and this is reviewed on an annual basis.

Housing Revenue Account (HRA)

	2007	(Restated)
	£000	2006
		£000
Income		
Council House Rents (Gross)	0	(10,369)
Other Income	(33)	(1,335)
	<u>(33)</u>	<u>(11,704)</u>
Expenditure		
Repairs and Maintenance	16	2,512
Supervision and Management	0	2,739
Capital Financing Costs	11	2,076
Other Costs	16	3,153
	<u>43</u>	<u>10,480</u>
(Surplus)/Deficit for Year	299	425
Balance Brought Forward	<u>(300)</u>	<u>(725)</u>
Balance Carried Forward	<u><u>(1)</u></u>	<u><u>(300)</u></u>

