REPORT TO THE AUDIT AND RISK COMMITTEE ON 21 JULY 2014

DRAFT STATEMENT OF ACCOUNTS 2013/14.

Submitted by: Head of Finance

Portfolio: Finance and Resources

Ward(s) affected: All

Purpose of the Report

To submit the draft Statement of Accounts 2013/14 for consideration by the Audit and Risk Committee and to gain approval for the financing of capital expenditure. The report highlights the key issues which are contained in these accounts including a commentary on the General Fund outturn, the Collection Fund and the Balance Sheet and to note the position regarding the Council's reserves.

At this stage the Statement of Accounts is in a draft stage and is subject to external audit. Once that audit is completed then the Statement will be submitted to this committee for formal scrutiny and approval.

A copy of the draft Statement of Accounts has already been provided to members of the Committee as part of the recent accounts scrutiny training session papers and they are requested to bring this with them to this meeting. For the benefit of other members a link to the draft Statement of Accounts is provided at the end of this report (paragraph 11.1).

Recommendations

(a) That the contents of the draft Statement of Accounts for 2013/14 be noted.

b) That the financing of capital expenditure incurred during 2013/14, as set out in Appendix 2 be approved.

Reasons

It is a statutory requirement, contained in the Accounts and Audit Regulations 2011 that the Council produces a Statement of Accounts detailing its financial transactions for the year and its position at the year end. It is also a requirement that the financing of capital expenditure incurred in 2013/14 is approved.

1. Background

1.1 The Accounts and Audit Regulations 2011 govern the way in which a local authority should present its financial affairs. These require that a local authority must produce a Statement of Accounts for each financial year detailing its financial transactions for the year and its position at the year end and that this Statement be scrutinised and approved by an appropriate committee, in this case the Audit and Risk Committee, by 30 September. The Statement is produced in a standardised form in line with CIPFA (the Chartered Institute of Public Finance and Accountancy) guidelines.

1.2 The Regulations require the draft Statement of Accounts to be certified by the responsible financial officer, who is the Executive Director (Resources and Support Services), as presenting a true and fair view of the Council's financial position by 30 June and this has been done. On presentation to the committee for approval the final audited version of the Statement will be recertified by him.

1.3 The annual statutory audit commenced on 30 June 2014 during which the external auditor is required to ascertain that the accounts present a true and fair view of the financial position of the Borough Council and to ensure that they have been produced in accordance with all relevant codes of practice. This should allow time for the audit to be concluded and any amendments required to be made and a final version of the Statement of Accounts produced for submission to the committee for scrutiny and approval at the meeting scheduled for 29 September 2014.

1.4 Whilst 30 September is the date by which formal approval must be given, it is felt that members will want to receive a report on the outturn position for 2013/14 before then. Accordingly, the draft Statement is being reported to you now, for information, together with a commentary on the main points of interest in the accounts. It should be noted that it is not intended that this meeting should be the forum for the formal scrutiny of the accounts, although if members wish to raise any queries these will, of course, be responded to. The intention is rather to report on the 2013/14 outturn and year end financial position and any ongoing financial implications arising therefrom.

1.5 Elsewhere on your agenda the Annual Governance Statement is being submitted for approval. Whilst the Accounts and Audit Regulations 2011 do not require this to be included in the Statement of Accounts, they require it to be published, so it is intended to include it in the published Statement of Accounts, as in previous years.

1.6 It is also required that the financing of capital expenditure incurred in the year be approved. Accordingly, Appendix 1 sets out the expenditure for 2013/14 and the ways in which it has been financed.

2. <u>The General Fund Budget</u>

2.1 The General Fund is the main account of the Council and relates to all of those services which are funded by the Council Tax, Retained Business Rates and Revenue Support Grant from the Government.

2.2 The budget for the General Fund for 2013/14 was originally set in February 2013 and amounted to a net total of £15,193,730. The eventual outturn for the year was a positive variance against this figure, of £6,554.

3. <u>The General Fund Outturn</u>

3.1 As mentioned above, the out-turn in respect of the General Fund Revenue Account was £6,554 better than the original estimate. Whilst there were adverse variances against some budget heads, these have been offset by positive variances against others.

A number of areas of income, the majority being ones that are sensitive to the state of the local and national economy, were particularly adversely affected as shown in the following table:

Type of Income	Budget	Outturn	Variance
	£000s	£000s	£000s
Local Land Charges	240	206	34
Commercial Properties Rents	1,129	983	146
Bereavement Services Income	1,381	1,328	53
Car Parking Income	1,323	1,204	119
Markets Stalls Income	200	155	45
Green Waste Recycling Credits	556	475	81
Investment Interest	100	73	27
Total	4,929	4,424	505

With reference to the Commercial Properties rents shortfall, this is particularly depressed by continuing vacancies in Lancaster Buildings where units remain unlet. However, this is largely offset by increased rental income of £0.117m in respect of The Square, shown under Additional Income in the third table below.

There was also additional expenditure on a number of headings, which is outlined in the following table:

Item	additional expenditure
	£000s
Golf Course Holding Costs	108
Kidsgrove Sports Centre Net Expenditure	135
Terms and Conditions Review - full amount of savings not realised until 2014/15	50
Waste Transfer Station - Recycling Contractor	100
Total	393

These adverse variances, shown in the two tables above, have however, been met by favourable variances on other budget heads, the more significant of which are highlighted in the table below.

Item	Saving or additional income
	£000s
Additional Income:	
Planning Fees	44
Hackney Carriage/Private Hire licences	67
Litter Enforcement Fines	17
Additional Rent in respect of The Square (Vue Cinema Car Park)	117
Litter Fines	24

Housing Benefits - Recovery of Overpayments	123
Streetscene - Additional Income	30
Procurement Savings:	
Computer Software, Licenses and other costs	77
Business Rates Reductions (Crematorium, Public Toilets, Commercial Properties)	81
Good Housekeeping Efficiencies:	
Multi-Functional Devices - Lease Payments	26
Homelessness - Other Fees for Services	42
Staffing Efficiencies:	
Assets and Property Management	39
Revenues Enquiries and Billing	37
Development Control	24
Corporate:	
Heritable Bank Impairment Written Back. Total £152k but £76k transferred to contingency reserve to meet Local Plan costs.	76
Additional Non-Specific Government Grants	53
Business Rates Discretionary Relief	30
Other Variances	(2)
Total	905

The outturn reflects the monitoring statements provided to members throughout the year.

3.2 An amount of £6,554 has been transferred into the Budget Support Fund in respect of the positive variance.

3.3 As can be seen in Note 22 to the Accounts, the balance on the Budget Support Fund now stands at £0.333m, a reduction of £0.093m from the 1 April 2013 balance. This movement comprises:

- £0.007m transferred into the Fund in respect of the positive variance;
- £0.025m transferred out to finance brought forward expenditure;
- £0.051m returned to the General Fund revenue account in respect of amounts paid into the Budget Support Fund in previous years to meet carried forward commitments but which are now no longer required for this purpose;
- £0.009m transferred out in respect of invest to save expenditure financed from Fund (to be repaid when savings materialise);
- £0.015m transferred out to finance expenditure per revenue budget.

3.4 Income levels continue to be depressed in the current 2014/15 financial year but there are signs of some recovery, for example in relation to land charges fee income. The ongoing situation will continue to be closely monitored and the budget monitoring reports provided by the Cabinet Portfolio Holder for Finance and Resources will keep members updated as the year proceeds together with the quarterly monitoring reports to Cabinet. The likely levels of income will also be considered during the compilation of the Medium Term Financial Strategy which is part of the budget setting process for 2015/16.

3.5 As referred to at paragraph j) of the Foreword to the Statement of Accounts, the balance in relation to impairment relating to the frozen Heritable Bank investment has been written off, now that over 94% of the frozen amount has been repaid, resulting in a credit to the General Fund of £0.152m. £0.076m of this was subsequently transferred from the General Fund to the Contingency Reserve to be held there to meet the costs of preparation of the local plan. This was in accordance with the decision of Full council in February 2014 when setting the 2014/15 budget.

3.6 Business Rates Retention

There was a positive benefit to the General Fund arising from the commencement of the Business Rates Retention Scheme in 2013/14. This replaced the previous arrangement whereby the Borough Council collected business rates within the Borough and paid over what had been collected to the government, which then returned a part in the form of National Non-Domestic Rates Grant. Under the new arrangements the Council continues to collect business rates but is able to retain in the General Fund a share of the income after paying part to the government, Staffordshire County Council and the Staffordshire Fire and Rescue Authority. The amount retained by the Borough Council exceeded the amount budgeted for by £1.435m. £1.353m of this was set aside via a transfer to a new Business Rates Reserve (shown at Note 22 to the Statement of Accounts) after using £0.082m to meet the cost of setting up a Provision to meet the repayment of personal search fee income in 2014/15, following a change in the law (see Provisions bullet point under paragraph 6.1).

In the current year it is not expected that there will be as significant a variance compared to the budgeted amount for retained business rates income, although at present the indications are that any variance will be positive, based on the initial NNDR1 return to the government, compiled in January 2014, which was the basis for the budget calculation. It should be noted, however, that business rates income is subject to considerable volatility, particularly owing to successful appeals in relation to rateable values which may occur and businesses closing down etc leading to rates no longer being payable.

The Reserve will be available to meet any such shortfalls in business rates income and to meet the Council's share of business rates Collection Fund deficits, of which the Council's share in relation to 2013/14 was £0.832m. The regulations concerning the Collection Fund require this deficit share to be made good by a transfer from the General Fund into the Collection Fund in subsequent years, which will be the first call upon the Reserve. Because of the previously mentioned volatility in income and the time required to assess the longer term workings of the new rates retention system, it is considered prudent that the remaining balance on the Reserve should remain unused for the time being.

It is worth noting that by participating in the Stoke on Trent and Staffordshire Business Rates Pool, along with Staffordshire County Council, Stoke on Trent City Council, Stafford Borough Council, Staffs Moorlands DC, South Staffs DC and the Fire and Rescue Authority, and thereby avoiding the payment of a levy to the government, the Borough Council has achieved a worthwhile increase in the amount of rates retained. The amount of levy that would otherwise have been paid was £0.457m. Of this

£0.183m (40%) has been retained by the Borough Council, forming part of the £1.435m amount referred to above, with the balance of £0.274m being paid over to the Pool, £0.091m (20%) to be held as a reserve to meet any future business rates income shortfalls experienced by Pool members, and £0.183m (40%) in a reserve to fund economic development projects in Staffordshire. Overall, based on provisional figures from participating authorities the amount of the economic development reserve held by the Pool will total £0.531m as at 31 March 2014, which will be available to fund projects throughout the areas of the participating authorities.

3.7 The Statement of Accounts includes (at Note 42) the accounts of the North Staffordshire Building Control Partnership, the vehicle through which this Council delivers the Building Control service. Overall the Partnership made a £0.030m surplus in respect of fee earning activities, which is in line with the requirement contained in the Building Control Regulations that a break-even position should be achieved over a number of years.

4. The General Fund as shown in the Statement of Accounts

4.1 The transactions of the General Fund are shown in the Statement of Accounts in the Comprehensive Income and Expenditure Statement (CI&ES) and the Movement in Reserves Statement. Further detail of the reserves movements is given in notes 6, 7 and 22. In effect, the CI&ES contains all of the expenditure and income of the General Fund whilst the Movement in Reserves Statement shows the transfers from reserves which have taken place to arrive at the final balance for the year. The Movement in Reserves Statement also shows, at its foot, the final year-end balances on the different classes of reserve.

4.2 The CI&ES shows a deficit of £6.743m for the year. At first sight this may seem alarming but it should be remembered that this is the balance before transfers to and from reserves are taken into account, via the Movement in Reserves Statement. All of this balance has been reversed out by net transfers from reserves as shown in the Movement in Reserves Statement. These transfers are either to meet the cost of expenditure contained in the Cost of Services or to reverse out various charges representing proper accounting practice which have been made, as required by the CIPFA Accounting Code of Practice, but which are to be removed from the final total as such charges are, by law, not to be met by Council Tax Payers. Examples of these are various capital charges (such as in relation to depreciation of assets or where an asset has been revalued downwards) and pensions fund transactions. There are a number of notes set out beneath the CI&ES, which explain, in relation to some items contained in the account, why their amounts differ significantly from 2012/13 to 2013/14.

4.3 In addition the CI&ES includes the surplus or deficit on revaluation of fixed assets and actuarial gains or losses on pensions assets and liabilities. Both of these items can be subject to significant volatility, as can be seen from the revaluation amount increasing from £0.882m in 2012/13 to £1.177m in 2013/14. This occurs because each year different groups of assets, mostly land and property, are considered in detail and different market conditions, which affect the valuations, exist from one year to the next. All of the balance of £6.743m has been reversed out by net transfers from reserves as shown in the Movement in Reserves Statement.

4.4 Notes 8, 9 and 10 provide a breakdown of the Other Operating Expenditure, Financing and Investment Income and Expenditure and Taxation and Non-specific Grant Income, respectively, which appear in the bottom half of the CI&ES. The component of Financing and Investment Income and Expenditure shown at Note 9 relating to

Investment Properties shows a significant change from net income of £0.002m in 2013/14 to net income of £1.152m in 2014/15 owing largely to movements in investment asset valuations which have to be debited or credited to the General Fund, and which were overall downwards in 2012/13 and upwards in 2013/14. These debits and credits are reversed out of the General Fund via transfers from the Capital Adjustment Account included in the Movement in Reserves Statement and so do not impact on the final General Fund outturn. The narrative below Note 10 relating to Taxation and Non Specific Grant Income explains the differences from one year to the other in respect of rates income and government grant income which result from the changes with regard to business rates retention.

5. The Collection Fund

5.1 The Collection Fund is a separate account which contains the financial details which refer to the collection of Council Tax and Business Rates and a small balance brought forward in respect of residual Community Charge. The purpose of the account is to illustrate how much of the above income has been collected and to see how this compares to the amounts of the levies and other pre-determined payments that have been made for the Borough Council, the County Council, the Police Authority and the Fire Authority and to central government.

5.2 In previous years the business rates element of the Fund did not give rise to a surplus or deficit because all of the income collected was paid over to the government leaving a nil balance. However, with the introduction of the business rates retention scheme, there will be a balance at the year-end in respect of business rates. It is now necessary, therefore, to consider the two different elements of the Collection Fund, in relation to council tax and business rates separately.

5.3 Overall the Fund experienced a deficit of £0.918m for the year, leaving a balance of an accumulated deficit of £1.036m at the year-end. Separating this out into its individual components, the respective positions were as follows:

	Council Tax	Business Rates	Community Charge	Total
	£m	£m	£m	£m
Balance Brought Forward - Surplus/(Deficit)	(0.118)	0.000	(0.038)	(0.156)
Transfer of Community Charge balance to General Fund			0.038	0.038
Surplus/(Deficit) for Year	1.163	(2.081)		(0.918)
Balance Carried Forward	1.045	(2.081)	0.000	(1.036)

5.4 As can be seen the Council Tax element of the Fund achieved a surplus of £1.163m for the year, which compares to a surplus of £0.103m in 2012/13. This was mainly due to the implementation of council tax technical reforms which enable greater amounts of tax to be collected, for example with regard to empty properties. This will be shared with the precepting authorities (Newcastle Borough Council, Staffordshire County Council, Office of the Police and Crime Commissioner, Fire and Rescue Authority) and will be used in calculating how much Council Tax will be levied in 2014/15.

5.5 The Business Rates element of the Fund experienced a deficit of £2.081m for the first year of operation of the new arrangements. The deficit must be made good in subsequent years by the four participants in the business rates retention scheme, the Borough Council (40%), Staffordshire County Council (18%), the Fire and Rescue Authority (2%) and central government (50%). The amounts each body must contribute are shown in brackets and are prescribed by regulations. The Borough Council's 40% share of the deficit amounts to £0.832m and will be met from the new Business Rates Reserve referred to in paragraph 3.6. The deficit arose because the Fund is required to pay a sum to each of the four bodies equating to their share of the estimated business rates which will be collected in the year. The estimate is made before the start of the year and if the actual rates collected are less than the estimated amount, there will be a deficit, which is what occurred in 2013/14. The reduced collectable amount occurred because of various factors, chiefly changes in reliefs, exemptions and appeals.

5.6 A provision has been created in relation to business rates property value appeals to the Valuation Agency which it is considered likely to represent the amount which may have to be refunded in respect of payments already made by ratepayers. This is intended to provide for appeals already lodged and appeals which may arise in the future relating to bills which have been paid. An amount of £0.520m has been paid into the provision out of the Collection Fund as the initial contribution to set it up. This amount was calculated on the basis of historical experience of appeals lodged and the success rate in terms of changes ultimately made by the Valuation Agency. The arrangements for business rates retention mean that only 40% of the cost of setting up the provision is borne by the Borough Council (because it affects the amount of rates retained), the rest falling to the other participants in the arrangements.

5.7 The small balance relating to Community Charge was eliminated by transferring it to the General Fund and then making a further transfer from the General Fund to the Community Charge Collection Fund Adjustment Account to eliminate the corresponding balance on that account, in other words a tidying up exercise to eliminate obsolete balances.

6. The Balance Sheet

6.1 The main features of the Balance Sheet are as follows

- There are Net Tangible Fixed Assets of £59.191m which consist of Plant, Property and Equipment, Investment Properties and Heritage Assets. Notes 11, 12 and 13 to the Statement of Accounts show an analysis of these assets, together with a summary of movements during 2013/14. The main reason for the decrease in the fixed assets balance compared to the 31 March 2013 value is the revaluation of assets, largely within the land and buildings category, whereby some of these assets have been revalued downwards, in particular the Guildhall and the Keele Cemetery car park, and the disposal of items in the vehicles, plant and equipment category.

- Investments (all short term at 31 March 2014 - i.e. with less than 1 year to run from that date) amounted to £3.558m and have reduced by £1.637m compared to 31 March 2013. In particular, this reflects the use of capital receipts and reserves balances in hand at the start of the year to finance projects in the capital programme (£0.974m) and the particular cash flow situation as at the balance sheet date. Owing to the current situation in the financial markets, the emphasis is now on short term investments as a means of reducing the risk of exposure to default by organisations with whom money has been placed.

- The balance shown as a Long Term Debtor of £1.923m relates to the balance owing to the Council in respect of properties let on finance lease terms (£1.438m), the outstanding loan to Kidsgrove Town Council in respect of works to the Victoria Hall Kidsgrove (£0.087m) and outstanding mortgages (£0.398m). The balance in relation to property leases arises because some of the council's leases are classified as finance leases rather than operating leases. This requires the amount remaining to be paid over the lease term to be shown in this way. The finance lease element has reduced by £0.72m reflecting payments made in 2013/14, whilst the mortgages balance has decreased by £0.022m, as a result of repayments made by mortgagors in 2013/14.

- The amount owed to the Council by its short term debtors (after a deduction for the estimated amount which might be at risk of non-payment) is £13.544m. Short Term Debtors have increased by £4.068m compared with 31 March 2013. This arises chiefly from the following changes. The Department for Work and Pensions (DWP) owes the Council £3.045m in respect of housing benefits reimbursement for 2013/14 (the comparable figure as at 31 March 2013 is £0.506m) and the Department of Communities and Local Government (DCLG) owes £1.040m in respect of its share (50%) of the business rates collection fund deficit for 2013/14 of £2.081m. Other changes to the amounts owed by DCLG in respect of business rates comparing the position under the new arrangements with the old ones involving the national rates pool, amount to changes in their debtor balance of £0.360m and the Department owe £0.248m in respect of transitional relief and small business rates reduction grants for 2013/14.

- The amount the Council owes to its creditors is £7.288m. Creditors have increased by £1.658m compared to 31 March 2013. This is mainly attributable to a new creditor amounting to £1.032m for the DCLG in relation to amounts owing to them in respect of the new business rates retention scheme and a new accrual, also in relation to the business rates retention scheme, in respect of the amount owing to the business rates pool for the notional levy amount of £0.457m.

- Inventories (stock) have increased from £0.036m as at 31 March 2013 to £0.088m as at 31 March 2014 owing to the creation of an inventory account in respect of waste containers held pending issue.

- Provisions show little movement in the balance sheet (£0.461m compared with £0.428m). However, as shown in Note 21 there have been some changes in relation to individual provisions included in the total. Firstly a new Land Charges Provision has been established, in the amount of £0.082m, to provide for the repayment of personal search fee income in 2014/15, following a change in the interpretation of the law governing what can be charged for by local authorities in relation to these searches. The amount of the provision is the estimated amount of fee income that has been received from customers which the Council will probably have to refund. Secondly, the Municipal Mutual Insurance (MMI) Provision has been called upon to meet a levy payment of £0.101m to the administrator of MMI in 2013/14, leaving a balance of £0.079m in the provision at 31 March 2014. Originally the provision was established at a level of 25% of the maximum outstanding liability to the administrator in respect of claims settled by him since the firm entered administration, i.e. 25 per cent of £0.721m, being £0.180m. It remains the view of the Council's insurance advisors and generally amongst councils affected that 25% is a prudent level of provision to make, sufficient to cover likely levy payments demanded by the administrator, including the first paid in 2013/14.

- The Net Liability relating to Defined Benefit Pension Schemes (i.e. the difference between liabilities and assets of the pension scheme) increased from £63.523m to £70.171m. This increase is mirrored by an increase in the Pensions Reserve balance. The change mainly arises from the impact of the use of a reduced discount rate to be applied to the value of the Fund's liabilities, taking account of future financial assumptions made by the Fund actuary, which saw liabilities increase by £8.175m. This was offset to some extent by an increase in asset values of £1.627m. These amounts are required to be included in the Council's accounts as a result of the application of International Accounting Standard 19 (IAS19) and the CIPFA Code of Accounting Practice. Neither directly relate to Borough Council transactions - they relate to those of the Staffordshire County Council Pension Fund of which the Council is a member and represent the Council's share of net scheme liabilities (after deduction of the value of scheme assets). Whilst the net liability indicates the Council's long term commitment to pay retirement benefits, statutory arrangements for funding the deficit mean that its financial position remains healthy. Further details relating to the Pension Fund are contained in Note 38 to the Accounts.

7. Reserves

7.1 The Council has usable reserves totalling £9.113m. Note 22 to the Accounts shows a full analysis of all these reserves. The main items, with their balances at 31 March 2014, are:

- General Fund Balance (£1.200m)
- Capital Receipts Reserve (£3.395m)
- Capital Grants Unapplied (£1.153m)
- Budget Support Fund (£0.333m)
- Contingency Reserve Fund (£0.291m)
- Insurance Fund (£0.215m)
- New Initiatives Fund (£0.075m)
- ICT Development Fund (£0.321m)
- Renewal and Repairs Fund (£0.055m)
- Equipment Replacement Fund (£0.349m)
- New Homes Bonus Reserve (£0.018m)
- Revenue Investment Fund (£0.089m)
- Business Rates Reserve (£1.353m)

7.2 Generally the level of reserves has reduced compared with their opening balances at the beginning of 2013/14.

7.3 The Capital Receipts Reserve is predominantly committed to financing the current capital programme, whilst the majority of the balance on the Capital Grants Unapplied Reserve is either already committed to finance current schemes or is earmarked for future schemes. The ICT Development Fund is also committed to finance new or replacement ICT software and hardware.

7.4 The balance of the Contingency Reserve remains above its agreed minimum level of £0.100m. £0.076m is committed to meet costs of local plan preparation.

7.5 The Budget Support Fund and Business Rates Reserve are discussed at paragraphs 3.2 to 3.3 above and 3.6, respectively.

7.6 The Insurance Fund is fully committed to funding insurance costs included in the 2014/15 revenue budget. Once the balance of £0.215m has been exhausted the Fund will be extinguished and all insurance costs will henceforth be met from the revenue budget, with any variances in those costs being included in the Medium Term Financial Strategy.

7.7 The Revenue Investment Fund balance is fully committed to funding approved investment projects, including £0.075m of costs relating to the Ryecroft development.

7.8 The levels of reserves will be considered as part of the budget preparation process for 2015/16. Some may require “topping up”, either from the revenue budget or a transfer from another reserve. In particular, the Renewals and Repairs Fund needs to be reviewed to ensure that it is adequate.

7.9 Unusable Reserves total (£9,068m). The Unusable Reserves were established as a result of the need to enable various accounting transactions and are not available for use to meet expenditure, either revenue or capital. The main reason for the change from the (£0.905m) balance at 31 March 2013 is the movement in the Pensions Reserve, which mirrors the Net Pensions Liability, discussed earlier in the final bullet point of paragraph 6.1.

8. Accounting Policies

8.1 New Policies xxiii and xxiv have been added in respect of Council Tax and Business Rates (National Non Domestic Rates) to reflect current arrangements.

9. Restated Amounts for the Previous Year (2012/13)

9.1 Note 44 to the Statement of Accounts sets out changes which have been made to the 2013/14 figures which were contained in the Statement of Accounts approved by the Audit and Risk committee in September 2013. These changes were necessary because of content and presentational changes required by the CIPFA Code of Accounting Practice to be implemented in 2013/14 affecting some of the information shown within Note 38 relating to Defined Benefit Pension Schemes. In order to enable comparability between years the relevant amounts for 2013/14 have been restated where necessary. There is no effect on the Council’s balance sheet arising from these changes.

10. List of Appendices

Appendix 1: Financing of Capital Expenditure

11. Link to Draft Statement of Accounts

11.1 An electronic version of the Draft Statement of Accounts can be found on the Council’s website at and is attached to the electronic version of this agenda.

http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=122&MId=2233

APPENDIX 1

Capital Expenditure Financing 2013/14

	Capital Expenditure	"Ex Deferred Charges"	Total
	£	£	£
Capital Expenditure			
Expenditure during 2013/14	2,342,701	940,410	3,283,111
Total to be Financed	2,342,701	940,410	3,283,111
Financing of Expenditure			
Capital Receipts	782,260	-	782,260
Government Grant -			
Housing Subsidies	-	518,717	518,717
Regional Housing Board Grant	-	-	-
Fuel Poverty Fund Grant Fund	-	48,238	48,238
Contributions from Other Bodies	904,484	31,170	935,654
Council's Reserves -			
ICT Development Fund	191,928	-	191,928
New Homes Bonus Reserve	464,029	342,285	806,314
Total Financing	2,342,701	940,410	3,283,111

Notes:

- Expenditure in respect of projects which would formerly have been classified as deferred charges is included in the above table, although it is no longer capital expenditure according to the current CIPFA Accounting Code of Practice, which now classifies such items as “revenue expenditure funded from capital under statute”. This is mostly housing renewal type expenditure, for example on renovation grants, disabled facilities grants, etc., where there is no creation of an asset, and is currently included in the Council’s capital programme.