



Summary Annual Report and Financial Statements for the Year Ended 31 March 2008

This is a short summary of the key issues in our statutory financial statements. The full statements provide a comprehensive picture of the Council's financial circumstances. There is a great deal of technical detail contained in the statutory reporting format.

We hope this summary highlights the most important figures for you, making how we manage the money entrusted to us more open and accessible, and making us more accountable.

Further Information

You can find the full set of financial accounts, alongside other Council documents, at our website www.south-norfolk.gov.uk.

Further information is available from Financial Services at South Norfolk House or our web site www.south-norfolk.gov.uk.

Have Your Say.....

We want to know what you think of this leaflet. Call us on 01508 533857, or e-mail finance@s-norfolk.gov.uk.

Achievements

What we did in 2007/08

The Council has continued to build on its performance during 2007/08. This was evidenced by the Council being awarded “Excellent” status by the Audit Commission.

The Council reviewed its corporate priorities in May 2007, and we have made good progress on each of these priorities.

Priority: Be businesslike and efficient providing services people value the most

- The amount of business rates collected in the financial year exceeded the target and the council tax collection rate was within a fraction of target.
- The number of working days lost due to short-term sickness absence exceeded the target and fell by 0.5 days per Full Time Equivalent to 3.64 days. However, a higher than usual number of long-term sicknesses (more than 4 weeks) prevented us from reaching the target of 7.5 Full Time Equivalent days lost.
- In each successive quarter, the average time for processing new claims for benefit improved to record levels. The improvement from 11.8 days in Quarter 1 to 6.6 days in Quarter 4 set a new record and contributed to the best performance for the year of an average 9.94 days.

Priority: Become among the best in the country for recycling

- We are recycling nearly 30% more but the amount of household waste we are collecting from residents, (that is not for recycling or composting) is also going up.
- The percentage of household waste sent for composting was 6.4%. The first nine months ranged between 7.6% and 8% but the amount of material sent for composting in the winter months meant that we did not achieve the overall target set of 7%.

Priority: Get to grips with anti-social behaviour and environmental crime

- The Environmental Crimes Team is driving improvement. We are now regarded by Defra as “very effective” in dealing with fly tipping.
- In February, we changed contractors for the removal of abandoned vehicles. This improved the final quarter’s performance to 88% but was too late to reach the target for the year of 91%.
- Criminal damage is now showing a downward trend.

Priority: Preserve the special character of our market towns and villages

- 82.5% of major planning applications were determined within 13 weeks, comfortably exceeding the target of 75%.
- Similarly, 84% of minor applications and 93% of other applications were determined in 8 weeks and exceeded the targets set. These results would place us in the top performing councils for 2006-07, the latest audited data available.
- 28% of planning appeals have been allowed during the year against the authority’s decision to refuse planning applications. The majority of cases

involved subjective matters that led to decisions, which could be justified in planning terms, and no criticism for any decisions were made by the Inspector.

- We made 547 homes more energy efficient in 2007-08, more than double the figure we targeted of 250.

Priority: Make South Norfolk a culturally and economically richer place to live

- We were successful in our application for Big Lottery Funding of £200,000 that will be used to deliver the Play Strategy over the next 3 years.
- Customer attendance at Diss, Long Stratton and Wymondham Leisure Centres was nearly 471,000, exceeding the target by 21,000.
- The total number of “Passport to Leisure” cardholders is increasing at an average of 50 new passport cards per week.
- The Leisure, Culture & Countryside service estimates that student placements, volunteer rangers, conservation and festival volunteers gave the equivalent of 10,809 hours of their time (equivalent to nearly £ 58k in value) over the year.

Priority: Innovate and deliver low cost housing for local people

- The number of affordable dwellings completed exceeded the target by 32%. Due to the number of completions, 245 homes were delivered.
- The 25% affordable housing allocation was achieved on all sites over the financial year.

Priority: Improve the general health and well-being of everyone who lives or works in South Norfolk

- We helped to bring 142 households, regarded as vulnerable, up to the decent homes standard by increasing energy efficiency and improving their state of repair.
- Doubled the disabled facilities grant to £ 750k for aids and adaptations
- Launched the “get back into an active lifestyle” scheme to encourage physical activity
- Identified what the community needs to establish the Community Sport Network year one action plan
- Supported launch of health walks in our rural towns
- Invested in local sports clubs and coaches to deliver high quality physical activity

What We Plan To Do In 2008/09

The Council's Corporate Priorities for 2008/09 are:

- Be business like and efficient providing the services people value the most
- Become among the best in the country for recycling
- Get to grips with anti-social behaviour and environmental crime
- Preserve the special character of our market towns and villages
- Make South Norfolk a culturally and economically richer place to live and work
- Innovate and deliver low cost housing particularly for our young families and the elderly
- Improve the general health and well-being of everyone who lives or works in South Norfolk

Key Issues Reflected in the Accounts:

The original budget approved for FY 2007/08 was £13.667 million.

The Council once again delivered its services within budget. The Net Operating Expenditure is £15.268 million, excluding Parish Precepts (£2.005 million). The outturn net expenditure for services is £13.813 million, an overspend of £0.146 million.

The Council set aside a provision to finance the Council's retained liabilities in respect of Sewage Treatment Works. This provision was originally set at £3.92 million, and was increased to £4.887 million in 2006/07. As the project progressed costs became clearer, and the Council agreed to increase the provision by a further £1.544 million.

This additional cost was funded from two main sources. The original budget included a prudent estimate of interest which would be earned on cash investments. Due to higher levels of interest rates, the actual interest earned exceeded the original budget by £0.730 million. Other items contributed £0.436 million as shown below:

	£'000s
Additional Investment Interest	(730)
Housing Grant	(178)
Miscellaneous Income	(301)
Property Maintenance	280
Land Charges Deficit	206
Concessionary Fares	142
Environmental Services Staff	(103)
Garden Refuse Additional Income	(161)
Care and Repair Income	(107)
Reduced Income- Leisure Centres	211
Planning Delivery Grant	(97)
Benefits Subsidy and Grants	(335)
Other	7
Net Underspend on Services	(1166)
Increased Sewage Treatment Plants Provision	1544
Net Overspend for the Year	378
Local Authority Business Growth Incentive	(132)
Transfer from Reserves	(446)
General Fund balance	(200)

The overall impact of all variations on the General Fund revenue budget requires a net £0.446 to be drawn from reserves. The Council's unearmarked reserve - the General Revenue Reserve - is £0.911 million as at 31 March 2008. This is sufficient to meet commitments contained in the Council's Medium Term Plan.

The Council's reserves have reduced from £2.4 million at 31st March 2007 to £1.9 million as at 31st March 2008. In addition to these reserves, the Council has increased its General Fund Balance to £1.4 million and the HRA Balance to £1.1 million.

The Housing Revenue Account will be kept open to enable the writing down of premia incurred in the early redemption of debt and to receive housing subsidy on this charge.

The original capital programme for FY 2007/08 was £7.067 million. The revised capital programme was adjusted to £3.759 million.

Capital expenditure for the financial year totalled £2.750 million, an underspend of some £1.009 million. The main capital expenditure surrounded the purchase of street cleaning vehicles, a housing scheme in Wymondham and a range of grants and loans to support people remaining in their homes.

The Council holds capital receipts of £20 million, which along with reserves and balances of £4.4 million, are invested to earn interest which is credited to the General Fund and Housing Revenue Account. The Council does not have any borrowings and remains debt-free. The Council managed its investments and borrowings in accordance with the limits approved by the Council.

Assets and Liabilities

The Council's principal assets are cash investments (£28.9 million) and fixed assets (£26.8 million). The Council is debt-free and therefore avoids the costs of repaying debt plus interest.

Council Tax Collection

We collect the council tax on behalf of Norfolk County Council, Norfolk Police Authority, Parish/Town Councils and South Norfolk Council. We collected more council tax than we had planned in order to alleviate the deficits in past years. This means that the Collection Fund (shown later) is in surplus.

Governance Arrangements

Internal control and risk management are increasingly recognised as important elements of good corporate governance. The annual governance statement communicates governance issues to stakeholders with the aim of enhancing public confidence in the Council.

The summary accounts which follow are based on the full set of financial statements which have been prepared following proper practice outlined in the codes of practice for local authorities accounts.

SUMMARY ACCOUNTS 2007/08

THE INCOME AND EXPENDITURE ACCOUNT

This statement shows the net cost for the year of the functions for which the Council is responsible and how this cost was met.

	Costs	Income	Net Expenditure
	£ Million	£ Million	£ Million
Leisure Centres, Swimming Pool, Amenity Areas, Refuse Collection, Street Cleaning, Environmental Protection, Sewerage and Sewage Disposal, Food Control, Development Control, Building Control, Economic Development, Environmental Improvement, Community Safety	16.3	(4.9)	11.4
Street Lighting, Car Parks, Concessionary Travel	1.5	(0.4)	1.1
Homelessness, Renovation Grants, Housing Advice, Maintenance of Waiting List, Housing Benefit Administration, Rent Allowances	20.6	(18.0)	2.6
Council Tax Benefits, Council Tax Cost of Collection, Elections, Land Charges	8.5	(6.8)	1.7
Corporate Management, Democratic Representation, Provision for Bad Debts	2.4	(0.1)	2.3
Exceptional item		(0.3)	(0.3)
Total Cost of Services	49.3	(30.5)	18.8
Interest on Balances etc			(2.0)
Use of Reserves			(0.4)
Transfer of Capital Charges			(1.9)
Deferred Charges			(1.2)
			13.3
Financed by			
Council Tax			(5.6)
Revenue Support Grant			(1.1)
Contribution from Non Domestic Rate Pool			(6.8)
			(13.5)
Surplus to General Fund Balance			(0.2)

SUMMARY BALANCE SHEET AS AT 31 MARCH 2008

	£million		£million
Capital Assets (shown below)	26.8	Capital Receipts	19.9
Cash Invested (shown below)	28.9	Reserves	4.4
Money Owed by SNC	(6.4)	Reserves (not supported by cash)	18.6
Money Owed to SNC	4.5		
Pensions and other	(10.9)		
Total Assets less			
Total Liabilities	42.9	Total	42.9

Explanations of the Capital Assets and the Cash Invested are shown below:

Summary of Capital Assets	31 March 2008 £million
Land and Buildings eg hostels, car parks, swimming pool, Council Offices and public conveniences	14.0
Refuse Vehicles, Wheeled Bins, Other Plant and Equipment	3.0
Industrial Estates and other Investment Properties	2.4
Land Awaiting Development	7.4
Capital Assets	26.8

Name and Purpose of Reserves	31 March 2008 £million
Unearmarked Reserves	0.9
Evens out Council expenditure from year to year.	
Earmarked Reserves	1.0
Earmarked for potential liabilities	
General Fund Balance	1.4
Held for Contingency (eg a major incident)	
Housing Revenue Account Balance	1.1
To be transferred to Unearmarked Reserves when Account closed	
Total Revenue Reserves and Balances	4.4
Capital Receipts Held	19.9
Mainly resulting from sale of housing stock	
Other Adjustments	10.9
Net Cash SNC Owe to suppliers (Debtors less Creditors)	(1.9)
Cash Invested	28.9

The Council formally reviews the adequacy of reserves annually. It also reviews the purpose for holding each reserve. The table above shows how the reserves and capital receipts the Council held as at 31 March 2008 is invested to earn interest.

COLLECTION FUND

The Collection Fund is a separate statutory fund established to record transactions relating to business rates, council tax and residual community charge. It shows how much money is collected and then redistributed to Norfolk County Council, Norfolk Police Authority and South Norfolk Council.

	2007/08
	£million
Income	
Business Ratepayers	20.5
Council Tax Payers	54.8
Council Tax Benefits	5.9
	81.2
Expenditure	
Payments to Norfolk County Council and Norfolk Police Authority	60.2
Payment of Business Rates Collected to Government	20.3
Other	(0.1)
	80.4
Surplus for Year	0.8
Collection Fund Balance	
Balance at beginning of the Year	(0.3)
Surplus/Deficit (+/-) for Year	0.8
Balance at End of the Year	0.5

APPROVAL OF STATEMENT OF ACCOUNTS

The statement of accounts was approved by the Audit and Accounts Committee (delegated by full Council to approve the accounts) at a meeting held on 26 September 2008.

AUDITORS' REPORT TO SOUTH NORFOLK COUNCIL

The Audit has been completed and the auditors report is included in the final set of accounts.