



Summary Annual Report and Financial Statements for the Year Ended 31 March 2011

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 533919, or e-mail finance@s-norfolk.gov.uk.

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Key Issues Reflected in the Accounts:

General Fund

The 2010/11 budget of £13.640 million was set by the Council in February 2010 and included the use of £97,000 to fund the transitional costs of moving to a lower base budget following the re-organisation in October 2009. At the start of the financial year £392,000 slippage requests were transferred from the General Revenue Reserve. These related to areas of expenditure which had not taken place in the previous financial year.

The net outturn shows a net under spend of £2.085 million which will be moved to the General Revenue Reserve and is made up as follows:

	Variance £000	Variance £000
One off items:		
Additional investment income received	(131)	
VAT reclaimed	(128)	
Increase in provision for bad debts	113	
Additional one-off grants received	(351)	
Collection of Council Tax higher than anticipated	(150)	
Additional funding for District Elections not required	(26)	
Neighbourhood Grants & Donations	(105)	
Concessionary fares expenditure under spent	(42)	
First time adoption of sewerage schemes 09/10 accrual not required	(71)	
Sub Total		(891)
Pay expenditure:		
Pay under spend	(197)	
Staff recruitment & development under spend	(88)	
Sub Total		(285)
Income:		
Additional income received	(509)	
Reductions in income	474	
Sub Total		(35)
Non-pay expenditure:		
Under spends – already adjusted in 2011/12 budget	(708)	
Other under spends	(669)	
Budgeted reserve transfers	560	
Sub Total		(817)
Other:		
Slippage requests		(57)
Net variance (under spend)		(2,085)

Due to the level of under spend, the planned reserve movements as detailed in the budget have not been actioned. However, contributions were made to the renewals reserve totalling £585,000 as budgeted. The effect of these on general reserves in 2010/11 is an increase from £4.903 million at the beginning of the year to a closing balance of £7.573 million.

Capital Programme

The approved Capital Programme for 2010/11 was £6,025,199 of this £3,316,285 has been spent against a projected year end figure of £3,062,689. This amounts to 55% of the total Capital Budget, leaving an under spend of £2,708,914 (45%) at the end of the year. The expected under spend is predominantly on Low Cost Housing and the Invest to Save project.

The main areas of capital expenditure were:

- A range of grants and loans to support people remaining in their homes
- Replacement of waste collection vehicles
- Replacement of various waste bins
- Corporate capital grants
- Grant given to the Hethel Engineering Centre and the Genome Analysis Centre

Resources used to finance capital expenditure is given in note 26 on page 49 of the Statement of Accounts. Further information regarding the use of capital receipts is shown on the Movement in Reserves Statement on page 25 of the Statement of Accounts.

The Council holds receipts of £14.342 million, which along with reserves and balances of £9.060 million are invested to earn interest, which is credited to the General Fund. 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. The Council has investments in a number of banks and building societies.

Pension Fund

The pension scheme liability has decreased by £19.253 million due to a decrease in the estimated funded liabilities of the Norfolk Pension Fund.

Assets and Liabilities

The Council's principal assets are cash investments (£28.8 million) and fixed assets (£27.1 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, which will be shared between authorities.

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 2010/11

THE COMPREHENSIVE 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.

	Expenditure	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	15.3	(5.9)	9.4
Street Lighting, Car Parks, Concessionary Travel	1.3	(0.7)	0.6
Homelessness, Renovation Grants. Housing Advice, Maintenance of Waiting List, Housing Benefit Administration, Rent Allowances	27.4	(25.2)	2.2
Council Tax Benefits, Council Tax Cost of Collection, Elections, Land Charges	9.8	(8.5)	1.3
Corporate Management, Democratic Representation, Provision for Bad Debts	1.1	(0.4)	0.7
Non Distributed Costs	(7.5)	0	(7.5)
Net Cost of Services	47.4	(40.7)	6.7
Interest on Balances etc			(0.7)
Transfer to Reserves			2.6
Transfer of Capital Charges & Impairments			0.3
Transfer to Pension Reserves			6.5
Revenue Expenditure funded from Capital			1.5
			16.9
Financed by			
Council Tax			(8.5)
Revenue Support Grant			(1.1)
Contribution from Non Domestic Rate Pool			(7.3)
			(16.9)
Surplus to General Fund Balance			0

SUMMARY BALANCE SHEET AS AT 31 MARCH 2011

	£million		£million
Capital Assets (shown below)	27.1	Capital Receipts	14.3
Cash Invested (shown below)	28.8	Reserves	9.0
Money Owed by SNC	(7.3)	Reserves (not supported by cash)	9.1
Money Owed to SNC	3.6		
Pensions and other	(19.8)		
Total Assets less			
Total Liabilities	32.4	Total	32.4

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

Summary of Capital Assets	31 March 2011 £million
Land and Buildings eg hostels, car parks, swimming pool, Council Offices and public conveniences	16.4
Refuse Vehicles, Wheeled Bins, Other Plant and Equipment	2.3
Industrial Estates and other Investment Properties	3.6
Land Awaiting Development	4.8
Capital Assets	27.1

Name and Purpose of Reserves	31 March 2011 £million
Unearmarked Reserves	5.6
Evens out Council expenditure from year to year.	
Earmarked Reserves	2.0
Earmarked for potential liabilities	
General Fund Balance	1.4
Held for Contingency (eg a major incident)	
Total Revenue Reserves and Balances	9.0
Capital Receipts Held	14.3
(Mainly resulting from sale of housing stock)	
Other Adjustments	1.8
Net Cash Owed by SNC	3.7
Cash Invested	28.8

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 2011 are 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.

	2010/11
	£million
Income	
Business Ratepayers	23.0
Council Tax Payers	62.3
Council Tax Benefits	7.7
	93.0
Expenditure	
Payments to Norfolk County Council and Norfolk Police Authority	68.9
Payment of Business Rates Collected to Government	22.8
Other	0.5
	92.2
Surplus for Year	0.8
Collection Fund Balance	
Balance at beginning of the Year	0.7
Surplus/Deficit (+/-) for Year	0.8
Balance at End of the Year	1.5

APPROVAL OF STATEMENT OF ACCOUNTS

The statement of accounts was approved by the Financial Services Manager as per the Accounts and Audit Regulations 2011 on 30 June 2011.