



Summary Statement of Accounts

2006/2007





Summary Financial Statements for the Year Ended 31 March 2007

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 2006/07

61% of the Councils Best Value Performance Indicators improved in their performance in 2006/07.

We won a national Beacon Council award for our work with young people.

Our interactive website, where you can request, report, pay or apply for our services on line, is now in the top 20 local government websites in the UK.

Residents' satisfaction with the cleanliness of South Norfolk is second highest in the country at 82%

Residents increased the amount of household waste recycled from 30.38% to 34.07%

Our garden-waste collection service collected 1,789 tonnes of garden waste from over 5,000 residents in its first year.

The Council received Chartermarks for its Environmental and Revenue Services

With the money we saved from sending council tax bills electronically, we were able to plant trees at Bawburgh School.

A second Revenues helpdesk in the Council speeds up claims and waiting times.

We issued 15,000 passes in the new concessionary travel scheme.

We were awarded £83,000 from Leader+, a European fund for rural areas, to help with the Rural Enterprise Network Support Programme.

The Government awarded us a grant of £100,000 to investigate drainage problems in the Poringland area.

With our partners, we delivered 108 affordable homes, 50% more than the previous year.

We helped 110 vulnerable households to bring their homes up to the Decent Homes standard

We opened a new car park in Cemetery Lane, Wymondham.

Our ordering and payments system is now fully electronic.

South Norfolk remains a very safe place to live with just over 4 domestic burglaries, and fewer than 5 vehicle crimes, per 1,000 population recorded in 2006-07.

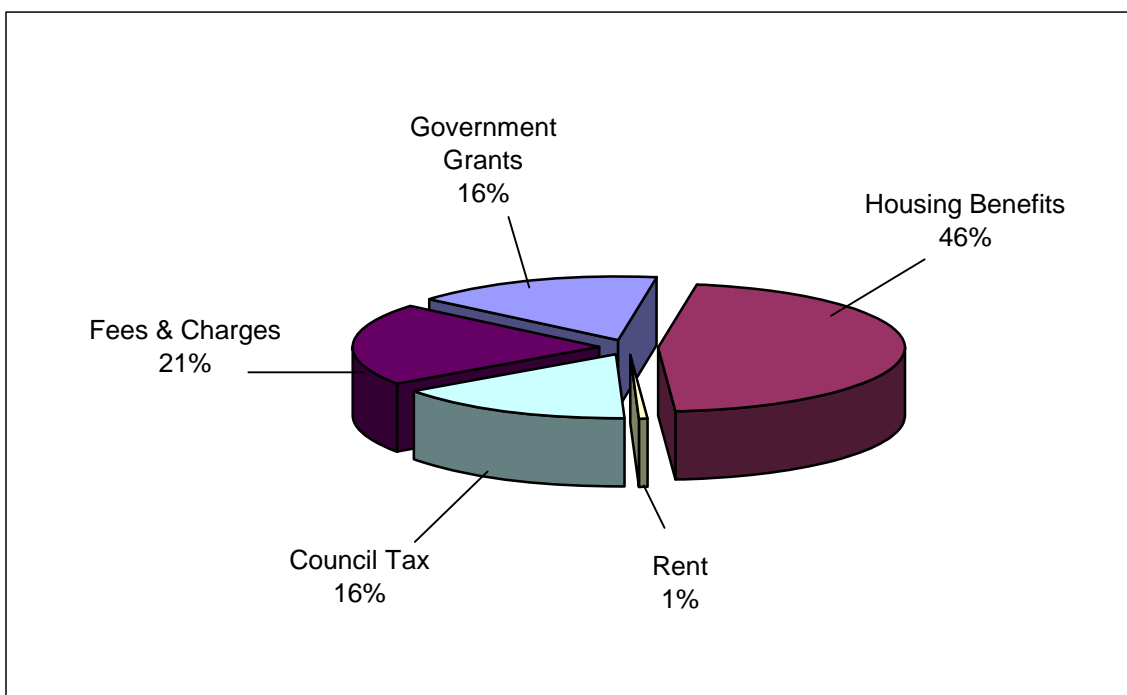
What We Plan To Do In 2007/08

The Council's Corporate Priorities for 2007/08 are:

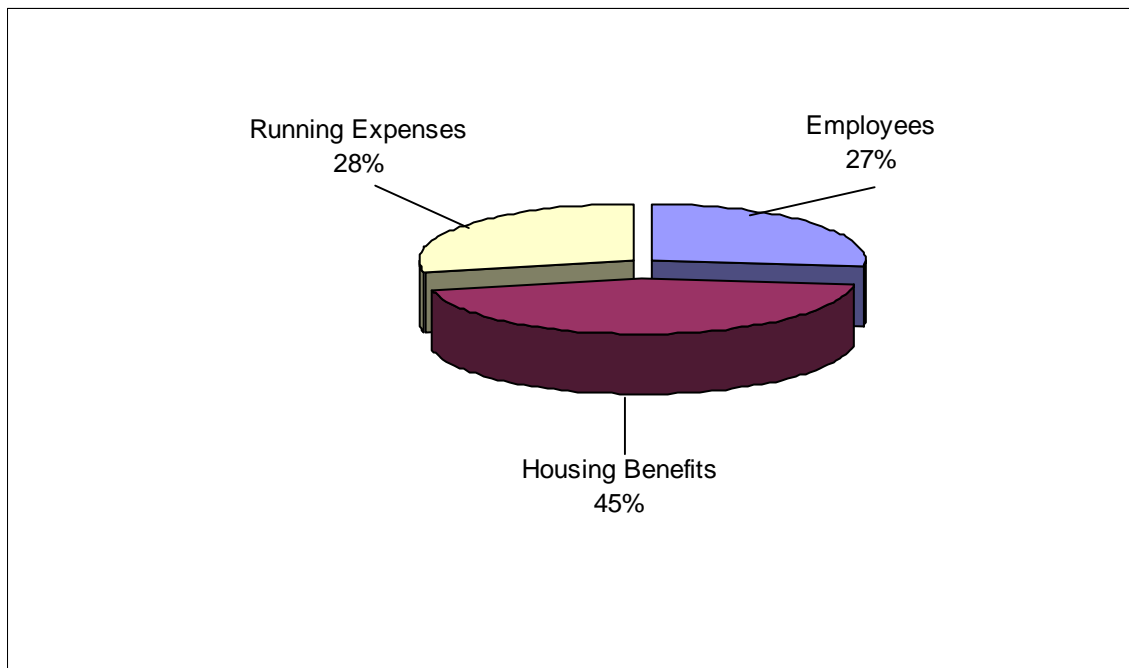
- Be business like and efficient providing the services people value the most
- Become among the best in the country for recycling
- Get to grips with anti-social behaviour and environmental crime
- Preserve the special character of our market towns and villages
- Make South Norfolk a culturally and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

Key Issues Reflected in the Accounts:

The Council received its income from a number of sources.



The largest single item is government grants, which together with housing benefit subsidy, provide 62% of the total. The Council's income from the services it provides through rents, fees and charges and from interest on balances amounts to 22% while rents, mainly derived from industrial units, account for 1%. This leaves only 16% of the total income to be found by Council Tax payers. Business rates are collected by the Council but paid over to the government, so these are not shown in these graphs.



Running expenses such as maintaining buildings, operating vehicles and purchase of supplies and services take up 28% of total expenditure. Staff costs account for 27% of the total.

Budget Variations

The Council approves a budget at the start of the year, which sets out the resources available to managers to deliver services in South Norfolk. During the year we monitor how well we are doing against this budget, and make adjustments as necessary. At the end of the year, we account for all expenditure and income during the year, and explain why some variations occurred.

The Council faced a number of cost pressures during 2006/07 from the transfer to the revenue budget of some expenditure which had been charged to the capital programme during the year (£0.493 million) and the increase in the provision for the Sewage Treatment Plants (£0.967 million). The latter have been funded from the additional interest earned, the closure of two reserves and general service underspends.

Following the transfer of the Council's housing stock on 17th May 2004, arrears of rent and other debts amounting to £307,000 remain as at 31st March 2007 in respect of former tenants. Officers are still pursuing this debt but it is felt prudent that a provision remains to allow for possible non-recovery of some balances.

A review of other debt indicates that it would be prudent to increase the level of the bad debt provision by £30,000 slightly more than had been allowed for in the original budget.

Together with Broadland District Council and Norwich City Council the authority has formed a partnership to deliver the building control function. The Partnership had a turnover of £1.7 million in 2006/07.

The Council earned interest on its investments of £1.6 million in 2006/07. This contributes to funding part of the Council's services.

The Council's reserves have reduced from £2.9 million at 31st March 2006 to £2.4 million as at 31st March 2007. In addition to these reserves, the Council has increased its General Fund Balance to £1.2 million and the HRA Balance to £1.0 million.

Capital Programme

The Council invests in its assets (new and existing) through the Capital Programme. The budget for 2006/07 was £6.7 million. This figure was revised during the year to take account of schemes which were moving between financial years. The net result was a revised capital programme of £5.9million. Expenditure for the year was £3.9 million.

The main capital expenditure surrounded a project to provide grants to Housing Associations to provide additional affordable housing for rent. There were also other projects where we gave grants and loans for adapting and improving people's homes.

The costs are financed by:

Capital Receipts (eg from Right to Buy sales)	£3.1 million
Revenue Budgets	£0.1 million
Government Grants	£0.7 million

Assets and Liabilities

The Council's principal assets are cash investments (£30.0 million) and fixed assets (£27.7 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. Although our collection of this is very effective, we did not collect as much council tax as we had planned due in the main to an increasing number of people claiming discounts and exemptions. This means that the Collection Fund (shown later) is in deficit.

Governance Arrangements

Internal control and risk management are increasingly recognised as important elements of good corporate governance. The statement of internal control 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 2006/07

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	14.5	(4.3)	10.2
Street Lighting, Car Parks, Concessionary Travel	1.2	(0.2)	1.0
Homelessness, Renovation Grants. Housing Advice, Maintenance of Waiting List, Housing Benefit Administration, Rent Allowances	5.3	(1.9)	3.4
Council Tax Benefits, Council Tax Cost of Collection, Elections, Land Charges	22.6	(21.4)	1.2
Corporate Management, Democratic Representation, Provision for Bad Debts	2.3	0.0	2.3
Total Cost of Services	45.9	(27.8)	18.1
Interest on Balances etc			(1.6)
Use of Reserves			(0.5)
Transfer of Capital Charges			(1.1)
Deferred Charges			(2.0)
			12.9
Financed by			
Council Tax			(5.4)
Revenue Support Grant			(1.3)
Contribution from Non Domestic Rate Pool			(6.2)
			(12.9)

SUMMARY BALANCE SHEET AS AT 31 MARCH 2007

	£million		£million
Capital Assets (shown below)	27.7	Capital Receipts	20.2
Cash Invested (shown below)	30.0	Reserves	4.6
Bank Overdraft	(1.0)	Reserves (not supported by cash)	15.9
Money Owed by SNC	(6.7)		
Money Owed to SNC	4.4		
Pensions and other liabilities	(13.7)		
Total Assets less			
Total Liabilities	40.7	Total	40.7

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

Summary of Capital Assets	31 March 2007 £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	3.5
Industrial Estates and other Investment Properties	2.4
Land Awaiting Development	7.8
Capital Assets	27.7

Name and Purpose of Reserves	31 March 2007 £million
Unearmarked Reserves	0.7
Evens out Council expenditure from year to year.	
Earmarked Reserves	1.7
Earmarked for potential liabilities	
General Fund Balance	1.2
Held for Contingency (eg a major incident)	
Housing Revenue Account Balance	1.0
To be transferred to Unearmarked Reserves when Account closed	
Total Revenue Reserves and Balances	4.6
Capital Receipts Held	20.2
Mainly resulting from sale of housing stock	
Other Adjustments	12.1
Net Cash SNC Owe to suppliers (Debtors less Creditors)	(2.3)
Cash Invested	30.0

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 2007 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.

	2006/07
	£million
Income	
Business Ratepayers	19.0
Council Tax Payers	51.6
Council Tax Benefits	5.5
	76.1
Expenditure	
Payments to Norfolk County Council and Norfolk Police Authority	57.3
Payment of Business Rates Collected to Government	18.9
Other	(0.5)
	75.7
Surplus for Year	0.4
Collection Fund Balance	
Balance at beginning of the Year	(0.6)
Surplus/Deficit (+/-) for Year	0.4
Balance at End of the Year	(0.2)

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 20th September 2007.

AUDITORS' REPORT TO SOUTH NORFOLK COUNCIL

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