

Redcar and Cleveland Borough Council

Summary of Accounts 2012/13

Assistant Director - Financial Services Statement

The Council's Statement of Accounts has been prepared in accordance with the Accounting Code of Practice (The Rules). The figures supporting this financial summary were compiled having regard to proper accounting practice but to provide simplified and more meaningful information. As a result some figures have been combined and modified. A full copy of the 2012/13 audited accounts will be available on the Council's website www.redcar-cleveland.gov.uk with effect from Monday 30 September 2013.

Financial Review

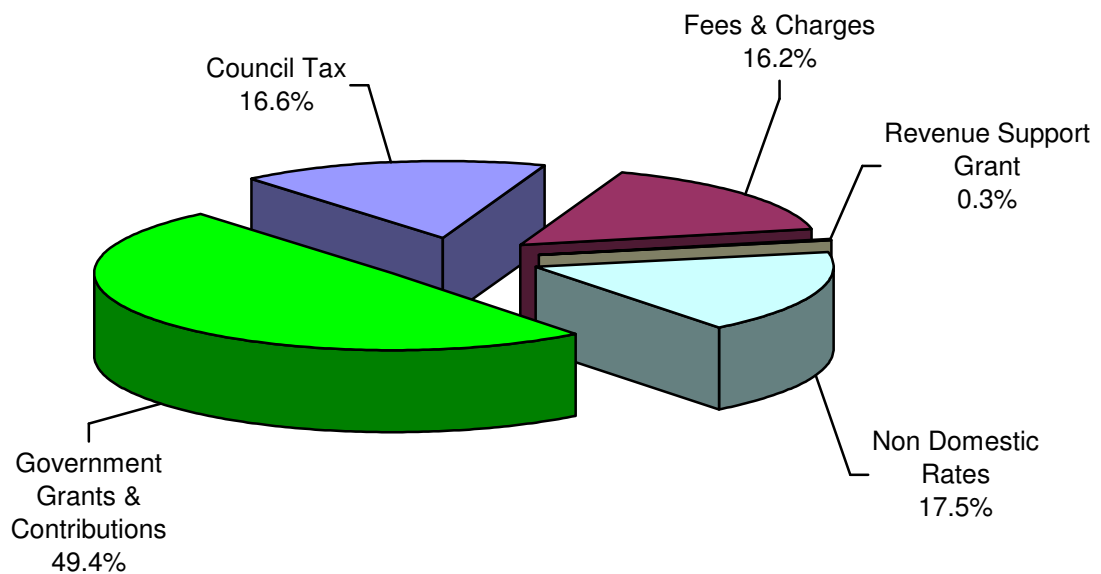
Revenue expenditure is generally spent on items consumed within the year and is financed from Council Tax, Government Grants and other income. The revenue budget for 2012/13 was based on delivering £7.828m worth of service and business savings to address a combination of reduced income from government funded grants and to fund key service pressures to support the requirements of the Borough. A two per cent council tax increase was set with a net budget requirement of £122.414m being agreed by the Council.

A rigorous approach to financial control of the revenue budget, supported by monthly monitoring to Cabinet, has played a major part in the Council delivering a balanced outturn position for 2012/13 across the whole of the financial year. A minor underspend of £0.114m has been achieved following the closure of accounts. All Council Directorates have managed within their budget allocations through a combination of strict gate keeping arrangements and additional income generation or cost reduction solutions. Some minor underspends in year have been transferred to the Council's budget strategy reserve.

The position on corporate budgets, which are those budgets outside of directorate management, is a combination of underspends on capital financing budgets and other miscellaneous credits totalling around £3.3m. This position has been used to increase the insurance provision in respect of prior years' claims under the mutual municipal insurance scheme for industrial related injuries to £2.069m and to increase a number of earmarked reserves given the financial savings needed to be made by the Council in the period to 2020.

The revised revenue budget incorporated a contribution to revenue balances of £0.973m. The total net spending on the General Fund was £122.300m. This represents a contribution from balances of £0.859m; an under spend of £0.114m when compared to the revised budget for the year.

	Gross Spend £'000	Income £'000	Net Spend £'000
Central Services to the Public	2,194	(1,225)	969
Court Services	266	-	266
Cultural and Related Services	10,661	(936)	9,725
Environmental and Regulatory Services	15,305	(2,997)	12,308
Planning Services	11,390	(2,510)	8,880
Education and Children's Services	157,340	(128,349)	28,991
Highways and Transport Services	18,196	(2,655)	15,541
Housing Services	61,974	(60,286)	1,688
Adult Social Care	58,162	(14,330)	43,832
Corporate and Democratic Core	4,781	(217)	4,564
Non-Distributed Costs	<u>1,843</u>	<u>(183)</u>	<u>1,660</u>
Net Cost of Services	342,112	(213,688)	128,424
Other Operating Expenditure			16,631
Financing and Investment Income and Expenditure			19,371
Regulatory Accounting Adjustments			(25,200)
Net Contributions to Reserves/Provisions			<u>6,629</u>
Amount to be met from Government Grants and Council Tax			145,855
Financed by: -			
Council Tax			(59,397)
Business Rates			(62,674)
General Government Grants			<u>(22,925)</u>
Sub Total			(144,996)
Net General Fund Contribution for 2012/13			<u>859</u>



The Council's Balance Sheet at 31st March 2013

The Balance Sheet presents the financial position of the Council at the end of March 2013. It shows what assets and balances the Council holds, what it is owed and what it owes.

	£'000
Assets	
Buildings, Land and Equipment	279,718
Other Long-term Assets	3,241
Money owed to the Council	28,772
Cash, Investments and Stocks	<u>17,367</u>
Total Assets	329,098
Liabilities	
Borrowing	(242,055)
Pension Scheme	(157,197)
Amounts owed by the Council	(31,106)
Capital and Government Grants not yet applied	<u>(2,339)</u>
Assets less Liabilities	<u>(103,599)</u>
Financed By: -	
Unusable Reserves	(137,362)
Usable reserves	33,763
Total Net Worth	<u>(103,599)</u>

Capital Expenditure

Capital expenditure represents money spent by the Council on purchasing, upgrading and improving assets such as land, buildings, equipment and infrastructure. The Council receives the benefit from capital expenditure over a long period of time. In 2012/13, Redcar and Cleveland Borough Council spent £39.145m on capital items, financed by capital grants (£15.8m), borrowing (£20.7m) and income from the sale of assets (£2.2m).

The main areas of capital investment in 2012/13 were: -

Scheme	2012/13 £000	Scheme	2012/13 £000
<u>Attract new businesses into the Borough and support existing businesses to grow</u>		<u>Business Improvements</u>	
Waste Infrastructure	566	Enterprise Resource Planning	737
Improving Visitor Facilities	327	Carbon Management Programme	128
The Hub	4,425	Demolish Eston Town Hall	646
Redcar Beacon	1,319	Redcar Civic and Community Heart	9,569
Seafront Public Realm	3,949	ICT Projects	992
Bus Network Review	1,139	Energy Management	277
Safer Roads	535	Asset Management – Capitalised Repairs	542
South Bank Housing Renewal	372	Other	220
Housing Assistance	245	Total	13,111
Structural Highways Spend	1,541	<u>Safeguard Vulnerable Adults</u>	
Highways Improvements	1,180	Disabled Facilities Grant	1,050
Drainage Asset Capture and Flood Prevention	218	Community Capacity Grant	150
Other	670	National Service Framework	
Total	16,486	Mental Health Reconfig – Social Inclusion	80
<u>Raise aspirations and achievement and narrow the achievement gap across all age groups</u>		Homecall Alarms	135
Kirkleatham Boiler Replacement	405	Total	1,415
Devolved Capital in Schools	411	<u>Help unemployed residents, particularly those from disadvantaged areas, into sustainable employment</u>	
MyPlace	2,415	RDPE Guisborough Market Town Programme	8
Nunthorpe Primary	365	Eco Park – A66	451
Teesville/Ravensworth	367	Total	459
Nunthorpe Secondary	227	<u>Develop our approach, through neighbourhood working, to address the causes of anti-social behaviour and criminal damage</u>	
Redcar Community College	1,235	Golden Boy Green	565
Kitchen Improvements	175	Total	565
Disabled Access	296		
Other	1,213		
Total	7,109		
TOTAL CAPITAL SPEND 2012/13			39,145

Collection Fund

The Collection Fund shows the income received from Council Tax and Non-Domestic Rates. Council Tax is charged on a series of property valuation bands.

Council Tax was collected then distributed to the Council (£58.9m), Cleveland Police Authority (£8.5m), Cleveland Fire Authority (£2.8m) and local parishes (£0.5m) in accordance with their budget precept demands.

Business Rates are organised on a national basis. The amounts that local businesses pay are calculated by applying the multiplier set by the Government to their rateable value. Redcar and Cleveland Borough Council collects these rates on behalf of the Government, which then redistributes the amounts back to the Council in the form of a grant based on the population of the borough.

	2010/2011	2011/2012	2012/2013
Band A Council Tax Charge – Redcar & Cleveland	£861.12	£861.12	£891.12
Band D Council Tax Charge – Redcar and Cleveland	£1,291.68	£1,291.68	£1,336.68
Band D Council Tax Charge – Including major precepts	£1,543.49	£1,543.49	£1,597.55
Percentage of Council Tax Collected – Redcar and Cleveland	96.5%	96.9%	96.7%
Percentage of Business Rates Collected	99.1%	99.1%	98.9%

Further Information

If you have any comments or queries regarding this summary, please contact us on 01642 444306 or by e-mail to justin.weston@redcar-cleveland.gov.uk.

Glossary of Terms

Accounting Code of Practice – The framework used by local authorities to account on a consistent and fair basis for all financial transactions and for preparing their accounts;

Regulatory Accounting Adjustments

This adjustment reconciles proper accounting practice to the resources that are available to the council to meet future capital and revenue expenditure.

Capitalisation – The ability to treat costs and income as assets or liabilities and thereby defer the financial impact of these transactions against council tax resources;

Central Services to the Public – Specific services provided to the public, which do not fall under any of the main recognisable services provided by the local authority. These include local tax collection, registration of birth, deaths & marriages, elections, emergency planning and land charges.

Corporate & Democratic Core – comprises all the activities that local authorities engage in specifically because they are elected, multi purpose bodies such as Councillor's expenses, cost of the Chief Executive's time, Committee Services and specific governance issues;

Non-Distributed Costs – these are costs that cannot be attributable to any specific services but are nevertheless incurred by the Council. Examples are past service retirement benefits, the cost of surplus or unutilised assets and costs incurred from previous reorganised authorities;

Band D Council Tax – Dwellings are included in eight bands (A-H) for Council tax purposes. All can be converted into Band D equivalent numbers for Council Tax calculations via a government formula. The total number of properties in a local authority area is therefore expressed as the number of band D equivalent properties for government returns and comparative purposes.