

**REPORT TO:** Business Efficiency Board  
**DATE:** 30<sup>th</sup> June 2010  
**REPORTING OFFICER:** Operational Director, Finance  
**SUBJECT:** 2009/10 Draft Abstract of Accounts  
**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to seek approval for the Council's 2009/10 Draft Abstract of Accounts, a copy of which is enclosed with the Agenda.

## **2.0 RECOMMENDED that;**

- (i) the 2009/10 Draft Abstract of Accounts be approved for submission to the Audit Commission; and**
- (ii) the Operational Director, Finance be authorised, in consultation with the Chairman of the Business Efficiency Board, to make any necessary minor amendments prior to the Abstract of Accounts being finalised.**

## **3.0 SUPPORTING INFORMATION**

3.1 The Abstract of Accounts (The Abstract) sets out the Council's financial performance for the year in terms of revenue and capital spending and presents the year-end financial position as reflected in the balance sheet.

3.2 The format of the Abstract is heavily prescribed by the Accounts and Audit Regulations and the Statement of Recommended Practice (SORP), which makes it a very technical document and not particularly easy to understand. Therefore the key elements are outlined below.

3.3 The Regulations have required further changes to the content and layout of the Abstract this year. These bring Local Authority accounts more into line with International Financial Reporting Standards (IFRS), for which full compliance is required from 2010/11. The changes are outlined on page 6 within the section titled 'Changes in Accounting Policies'.

3.4 In the Foreword on pages 1 to 7, the Chief Financial Officer (Operational Director, Finance) summarises the Council's financial

performance for 2009/10, including revenue and capital spending.

- 3.5 In overall terms the Council has underspent its 2009/10 revenue budget by £489,000. The overall outturn report will be presented to Executive Board Sub-Committee on 8<sup>th</sup> July 2010 and departmental outturn reports will be available on the Council's Intranet from 30<sup>th</sup> June 2010. In addition, the Council approved the use of £350,000 from General Fund Balances when setting the 2009-10 revenue budget. Along with an additional £115,000 received in Government Grant, the net result is that General Fund Balances will be increased by £254,000 to £7,175,000.
- 3.6 Capital expenditure was £33.2m compared with the revised programme of £41.7m. This represents 80% delivery of the revised programme for which 20% slippage was anticipated throughout the year, with the only significant slippage being on Mersey Gateway advanced land acquisitions, Widnes Waterfront and Bridge Maintenance.
- 3.7 School balances have reduced by £0.7m to £7.6m, of which £4.2m relates to various unspent Standards Fund grants which must be spent by 31<sup>st</sup> August 2010.
- 3.8 The Income and Expenditure Account on page 8 presents gross expenditure, gross income and net expenditure for 2009/10 along with a comparison to 2008/09, for each of the service groupings prescribed in the Statement of Recommended Practice. These groupings do not necessarily relate directly to the Council's organisational structure, but are intended to provide consistency across all local authorities.
- 3.9 The total net cost of services is adjusted by a number of appropriations, to give total net operating expenditure of £146.6m, which is funded from Government Grant and Local Taxpayers. Detailed notes relating to items within the Income and Expenditure Account are shown on pages 12 to 23.
- 3.10 The net balance is then taken into the Statement of Movement on the General Fund on page 9, where after adjustment for a number of items in accordance with the Regulations the resulting General Fund Balances carried forward of £7,175m is presented. Detailed notes relating to the adjusted items are shown on page 24.
- 3.11 The Council's Balance Sheet on page 10 sets out the Council's financial position as at 31st March 2010, along with the previous year's comparison. Detailed notes relating to items within the Balance Sheet are shown on pages 25 to 51. These include the movement in fixed assets, capital financing, contingent liabilities, leases, assets and asset valuation, investments, stocks, debtors, creditors, provisions, reserves, borrowing, trust funds, pensions and financial instruments.

- 3.12 The Cashflow Statement on page 11 provides an overall analysis of the movements in cash and cash equivalents during the year. Detailed notes relating to items within the Cashflow Statement are shown on pages 52 and 53.
- 3.13 The Collection Fund and associated notes on pages 56 to 60, summarise the transactions in respect of the collection of Non-Domestic Rates and Council Tax, along with the distribution to General Fund and the precepting authorities. Changes have been made this year to the accounting requirements for the Collection Fund, as outlined in the Foreword on Page 6.
- 3.14 The Group Accounts and associated notes on pages 61 to 66 present the consolidation of the Council's accounts with those of Halton Transport Limited.
- 3.15 A Statement of Responsibilities appears on page 67 outlining the basis upon which the Abstract has been prepared. This is followed by the Annual Governance Statement on pages 68 to 75 (also reported elsewhere on the Agenda) and Accounting Policies on pages 76 to 88.
- 3.16 The Audit Commission uses the draft Abstract as the basis for undertaking the annual audit of accounts, for which their draft Audit Report and Certificate is shown on pages 89 to 92. This will be completed once the audit has been finalised.
- 3.17 A Glossary of Terms is presented on pages 93 to 105.
- 3.18 The draft Abstract is still subject to external audit, but requires the Council's approval under the Accounts and Audit Regulations by 30<sup>th</sup> June 2010. Once the audit is completed the Audit Commission will report their findings to the Board on 29<sup>th</sup> September 2010 and the Abstract will then be published.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 None.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 None.

#### **6.0 RISK ANALYSIS**

- 6.1 The Accounts and Audit Regulations require that the draft Abstract is approved for submission to the Audit Commission by 30<sup>th</sup> June 2010.

#### **7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

**Document**

Accounts and Audit  
Regulations

**Place of Inspection**

Financial  
Management Division,  
Kingsway House

**Contact Officer**

Ed Dawson,  
DM Financial  
Management