

# NORTHUMBERLAND

Northumberland County Council

## Summary of Accounts 2012-2013

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### **Financial Summary**

2012-2013 continued to present significant financial challenges to the Council with the impact of central government funding reductions, exacerbated by increased demands for Council services arising from the economic downturn and demographic pressures.

The County Council approved a net revenue budget of £282.26 million for 2012-2013. Efficiencies and other savings totalling £16.63 million were needed in order to arrive at a balanced position after assessing what was required in terms of spending capacity to maintain service provision and respond to essential growth pressures, and the consequent impact upon the increase in council tax levels.

Outturn net expenditure against budgets allocated to Groups totalled £152.40 million against total budgeted resources of £155.60 million giving a net Group underspend of £3.20 million.

The original capital plan for 2012-2013 approved in February 2012 showed total planned gross expenditure of the order of £92.57 million, financed from a combination of Borrowing, Schools Capital Grants, Academies Programme, other Grants, use of Reserves, Revenue Contributions and Capital Receipts.

During the year formal monthly budget monitoring reports have been produced in order to maintain strong financial management within the Council.

### **Statement of the Director of Finance**

The accounts have been prepared following proper practice outlined in the codes of practice for local authorities' accounts and the financial reports of pension schemes and present fairly their financial position as at 31 March 2013 and their income and expenditure for the year ended 31 March 2013.

### **Audit Status**

The figures in this summary are taken from the Draft Statement of Accounts published on 28 June 2013. The full Statement of Accounts will be audited by the Audit Commission's independently appointed external auditor Deloitte LLP, and the final version will be published on the Council's website by 30 September 2013.

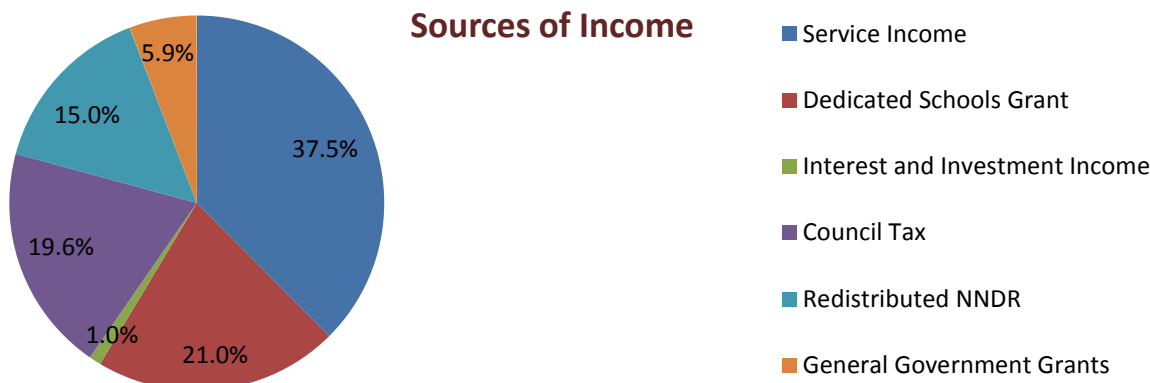
### **Annual Governance Statement**

The Annual Governance Statement provides evidence that:

- The Council conducts its business in accordance with the law and proper standards;
- That public money is properly accounted for, is safeguarded and used economically, efficiently and effectively;
- Continuous improvement is achieved in the services provided; and
- Arrangements are in place for the management of risk

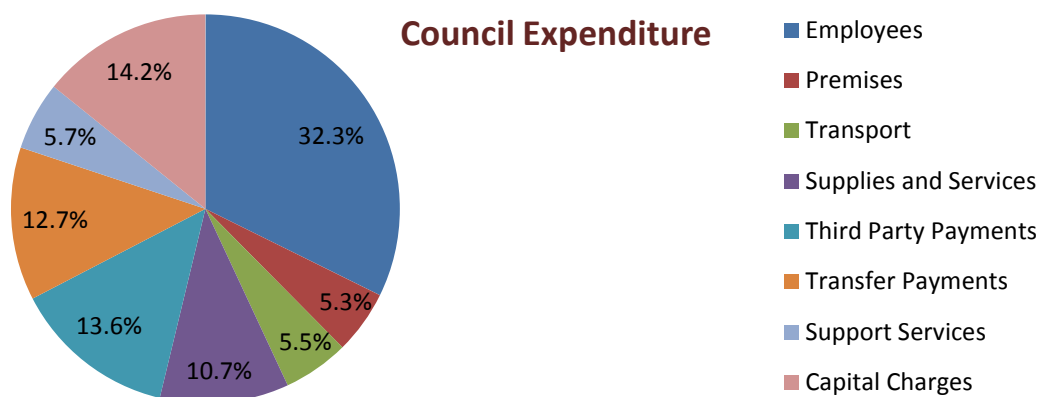
### Where the money comes from

The Council relies in the main on service income, Dedicated Schools Grant, local taxation and redistributed non domestic rates to fund service provision. These sources of funding accounted for 93.1% of all income during the year with the remaining income being derived from other government grants and interest earned.



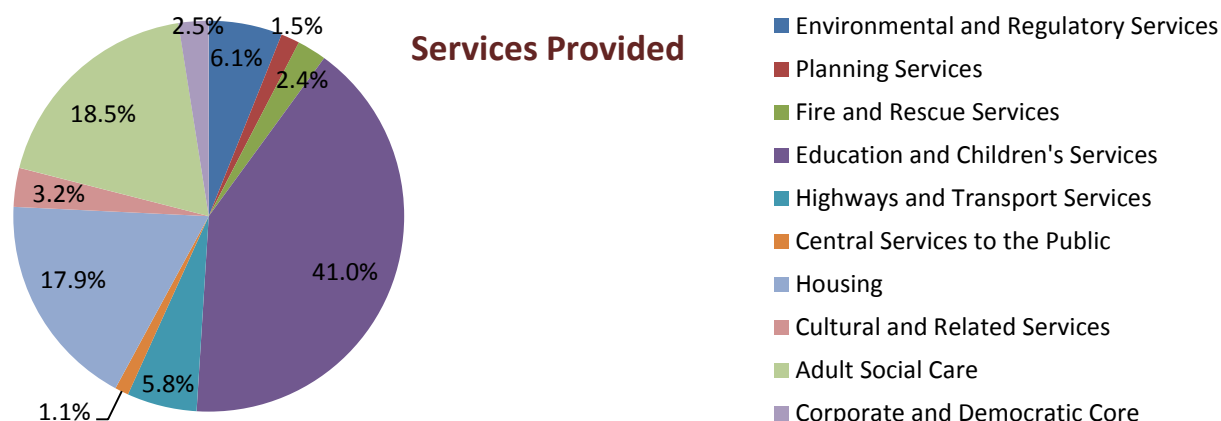
### What the money was spent on

A large proportion of the Council's expenditure (32.3%) is staff-related, 10.7% relates to the purchase of supplies and services, with transfer payments and third party payments accounting for a further 26.3%. The balance is mainly related to central costs and capital charges for the use of assets (depreciation and minimum revenue provision).



### What services were provided?

Gross expenditure on the services provided by the Council is shown below. The majority of gross expenditure is spent on Education and Children's Services most of which is financed by the Dedicated Schools Grant. Adult Social Care has the second highest gross expenditure and the highest net expenditure. Housing Services has the third highest gross expenditure.



## What the Council is worth

The balance sheet shows the end of the year financial position for the County Council. It presents the financial value of the land, buildings and other assets owned by the Council and the value of the borrowings and debts owed by the Council.

Usable reserves represent reserves available to the Council to fund the provision of services, subject to the need to maintain a prudent level of reserves. Unusable reserves are not available to the Council to provide services and include accounting adjustments in relation to the valuation of assets and liabilities.

Balance Sheet		£'000
<i>Assets and liabilities:</i>		
Land, buildings, equipment and stock		1,188,424
Investments and cash at bank		331,259
Money owed to Council		101,262
Money owed by Council		(137,931)
Bank overdraft and borrowing		(582,716)
Pension and other liabilities		(731,411)
<b>Net assets</b>		<b>168,887</b>
<i>Financed by:</i>		
Usable reserves		143,593
Unusable reserves		25,294
<b>Total reserves</b>		<b>168,887</b>

## Members Allowances

The Council paid a total of £1.46 million to members of the Council during the year comprising salaries of £0.17 million, allowances of £1.22 million and expenses of £0.07 million.

## Officers' Remuneration

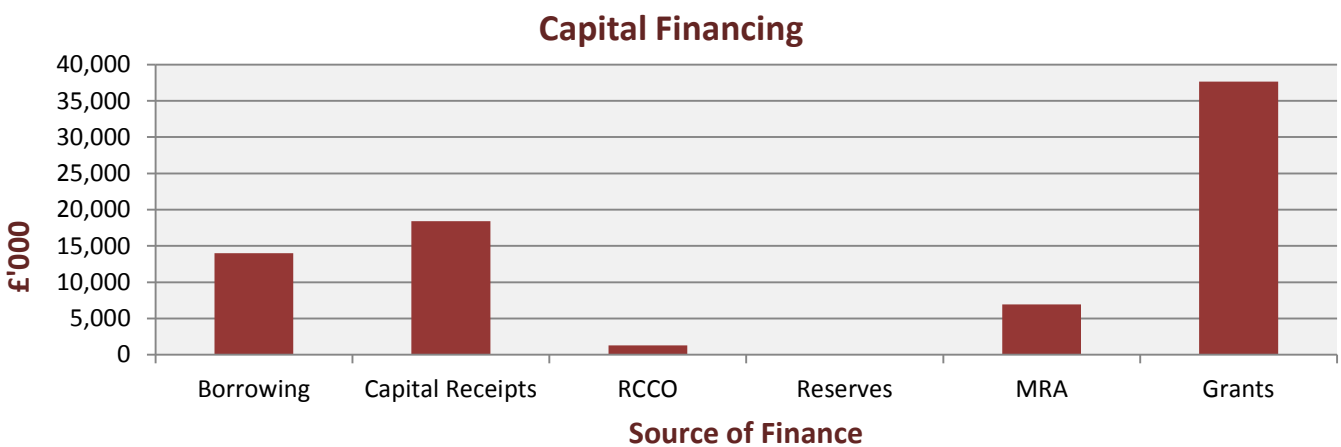
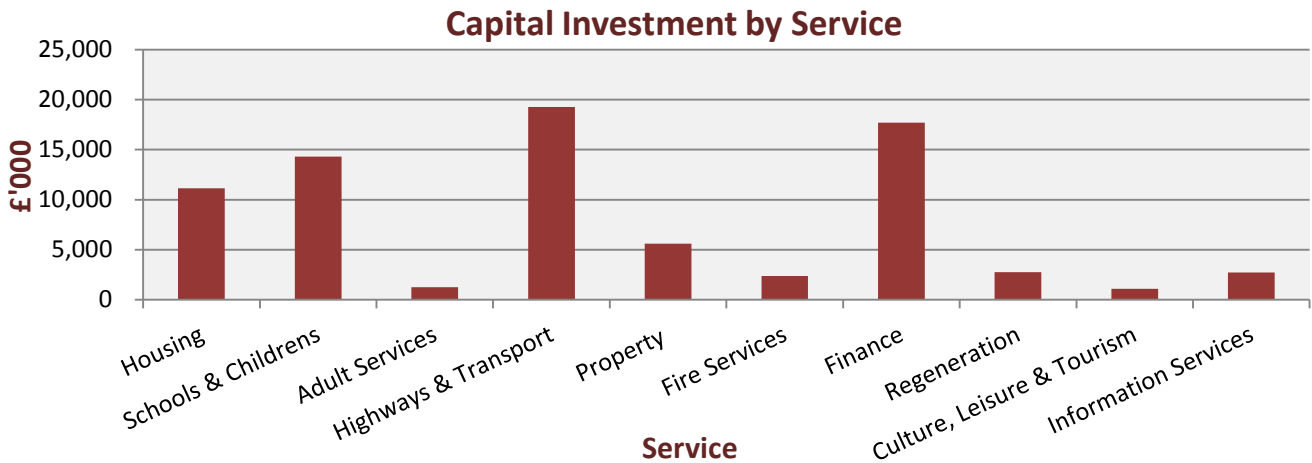
The number of officers whose remuneration, excluding pension contributions, was £50,000 or more is shown below, in bands of £5,000. Remuneration is defined as all amounts paid to or receivable by an employee, expense allowances chargeable to tax and the money value of benefits.

Band	Number	Band	Number
£50,000 - £54,999	108	£115,000 - £119,999	1
£55,000 - £59,999	77	£120,000 - £124,999	1
£60,000 - £64,999	24	£125,000 - £129,999	1
£65,000 - £69,999	29	£130,000 - £134,999	2
£70,000 - £74,999	8	£135,000 - £139,999	0
£75,000 - £79,999	8	£140,000 - £144,999	1
£80,000 - £84,999	8	£145,000 - £149,999	0
£85,000 - £89,999	10	£150,000 - £154,999	0
£90,000 - £94,999	4	£155,000 - £159,999	0
£95,000 - £99,999	0	£160,000 - £164,999	0
£100,000 - £104,999	1	£165,000 - £169,999	0
£105,000 - £109,999	0	£170,000 - £174,999	1
£110,000 - £114,999	0	<b>Total</b>	<b>284</b>

## Capital Expenditure

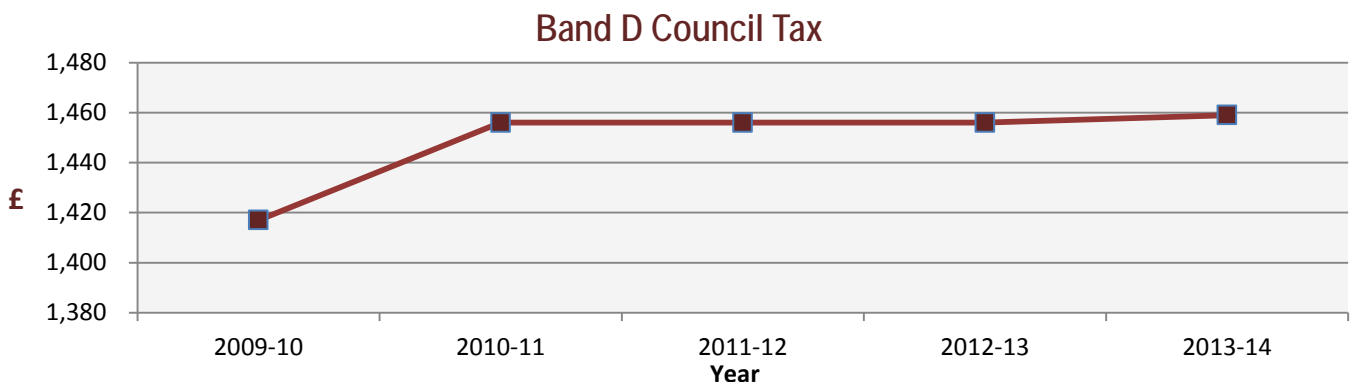
Capital expenditure represents money invested by the Council on buying and upgrading assets such as roads, buildings and equipment which are used to deliver services over the long term. During the year the Council incurred £78.24 million of capital expenditure comprising £75.49 million of asset additions and £2.75 million revenue expenditure to be financed from capital under statute. Most notable amongst the projects were Putting the Learner First (Ashington), Schools Capital Investment Programme, the Local Transport Plan, South East Northumberland Strategic Link Road, Morpeth Flood Alleviation Scheme, Ashington Town Centre, Ashington Community and Leisure Facility, various Fire and Rescue Schemes and various Housing Improvement Schemes

Capital expenditure within service areas and sources of capital financing are shown below.



## Council Tax

The graph below shows how much Council Tax for County Council services was charged to band D properties from 2009-2010 to 2013-2014.



## Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to show that expenditure on managing tenancies and maintaining dwellings is met by rents charged to tenants. The HRA is a statutory account, ring fenced from the rest of the General Fund, so that rents cannot be subsidised from council tax (or vice versa).

Housing Revenue Account (HRA)	£'000
Expenditure:	
Repairs and maintenance	4,721
Supervision and management	7,795
Other costs	(2,242)
<b>Total Expenditure</b>	<b>10,274</b>
Income:	
Rental income	(26,790)
Charges for services and facilities	(1,290)
HRA Subsidy	(38)
<b>Total Income</b>	<b>(28,118)</b>
Net cost of HRA share of operating expenditure	3,881
<b>Surplus for the year on HRA services</b>	<b>(13,963)</b>

## Carbon Footprint

The County Council is committed to working with partners and local communities to progressively address the causes and impacts of climate change according to local priorities. The Carbon Reduction Commitment figures for 2012-2013 will be available at the end of July and these will be presented in the final Summary of Accounts published at the end of September.

## What do you think?

The summary accounts are intended to be intelligible and accessible to you. We want to know what you think about them and how you feel they could be improved. Please email your comments to [alison.elsdon@northumberland.gov.uk](mailto:alison.elsdon@northumberland.gov.uk). A full copy of the accounts, which includes a comprehensive glossary to help explain some of the terms in this summary, can be accessed at <http://www.northumberland.gov.uk/default.aspx?page=4820>.

## Accessibility

If English is not your first language and you would like more information about this document, or if you require information in large print or Braille or tape, please contact 0845 600 6400.