

# Summary of Accounts

## 2017-18



## Statement of the Service Director - 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 2018 and their income and expenditure for the year ended 31 March 2018.

## 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

## Financial Summary

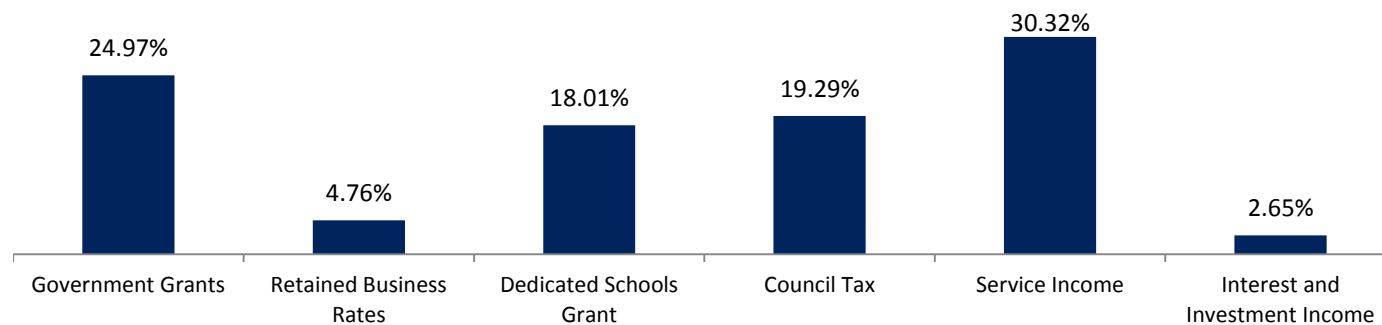
In common with the rest of Local Government, the Council has faced significant cuts in funding in recent years, resulting in revenue budget reductions of £208.42 million between 2009-10 and 2017-18. A further £8.18 million reduction has been approved for 2018-19 with an additional £56.94 million reduction required to balance the budget up to 2021-22.

The Council approved a net revenue budget of £280.82 million for 2017-18. Budget reduction measures and other savings totalling £6.01 million were needed in order to arrive at a balanced position. Revenue budget monitoring is reported to the Corporate Services and Economic Growth Overview and Scrutiny Committee and is regularly reviewed by the Corporate Leadership Team. The final outturn is a net contribution to general reserves of £2.40 million as shown in the table:

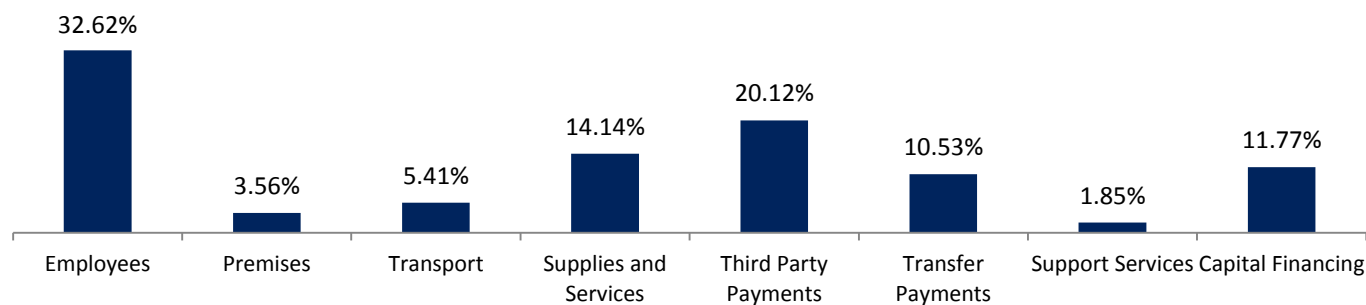
Service	Original Budget £000	Final Budget £000	Outturn £000	Variance £000
Adult Services	81,047	87,397	80,493	(6,904)
Children's Social Care	34,875	34,575	38,159	3,584
Corporate Resources	38,304	39,030	37,827	(1,203)
Education and Skills	17,651	18,556	21,474	2,918
Fire and Rescue	19,569	17,249	16,752	(497)
Human Resources	2,253	2,449	2,652	203
Leisure Services	1,954	4,283	4,283	-
Local Services and Housing	82,690	79,418	80,008	590
Planning and Economy	3,195	3,910	4,197	287
Public Health	91	91	(179)	(270)
<b>Total Services</b>	<b>281,629</b>	<b>286,958</b>	<b>285,666</b>	<b>(1,292)</b>
Corporate Items	(814)	280	(88)	(368)
<b>Total Net Expenditure</b>	<b>280,815</b>	<b>287,238</b>	<b>285,578</b>	<b>(1,660)</b>
<b>Total Funding</b>	<b>(280,815)</b>	<b>(287,238)</b>	<b>(287,976)</b>	<b>(738)</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>(2,398)</b>	<b>(2,398)</b>

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

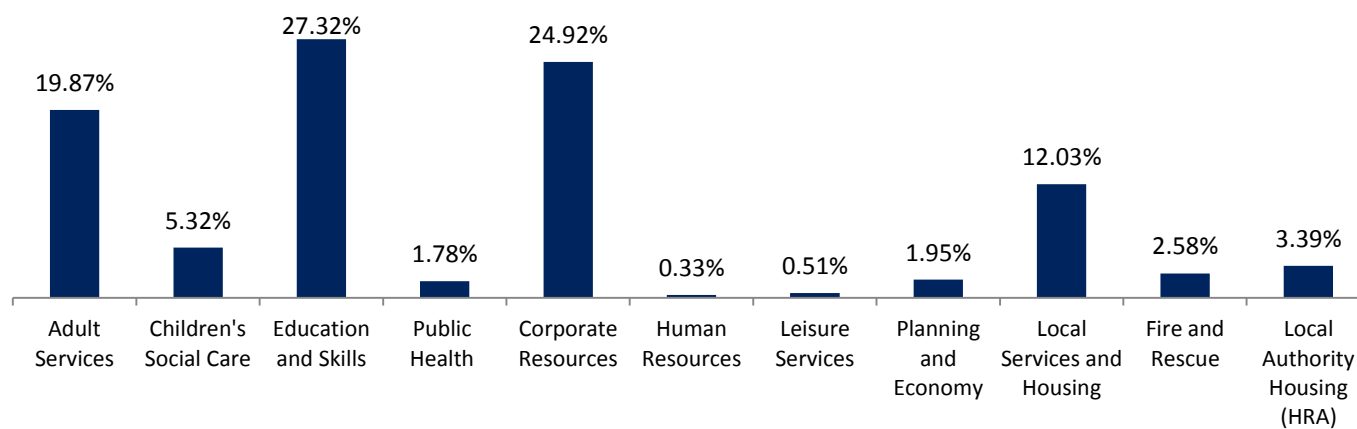
## Where the money comes from



## What the money was spent on



## What services were provided?



### What the Council is worth

The overall net worth of the Council has increased by £12.06 million in the year. 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
Assets and liabilities:	
Land, buildings, equipment and stock	1,353,270
Investments and cash at bank	169,705
Money owed to Council	492,032
Money owed by Council	(146,405)
Bank overdraft and borrowing	(787,188)
Pension and other liabilities	(729,929)
<b>Net assets</b>	<b>351,485</b>
Financed by:	
Usable reserves	220,405
Unusable reserves	131,080
<b>Total reserves</b>	<b>351,485</b>

### Members' Allowances

The Council paid a total of £1.47 million to members of the Council during the year comprising salaries of £0.11 million, allowances of £1.31 million and expenses of £0.04 million.

### Officers' Remuneration

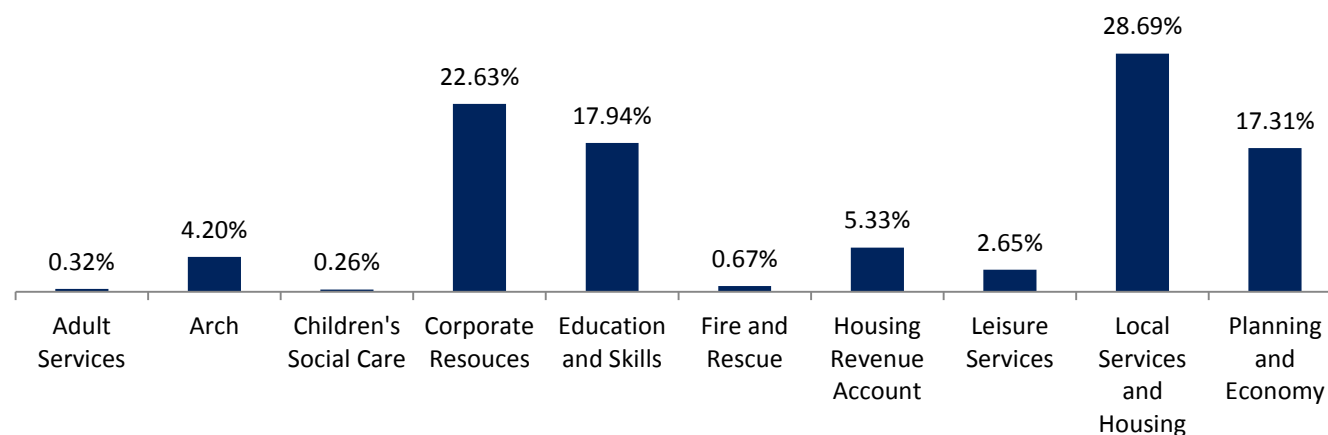
The number of officers whose remuneration, excluding pension contributions, was £50,000 or more is shown to the right, in bands of £5,000. Remuneration is defined as all amounts paid to or receivable by an employee, expense allowances chargeable to tax and the money value of benefits.

2016-17 All Employees	Remuneration Band	2017-18 All Employees
94	£50,000 to £54,999	102
69	£55,000 to £59,999	52
38	£60,000 to £64,999	54
18	£65,000 to £69,999	13
11	£70,000 to £74,999	7
4	£75,000 to £79,999	7
9	£80,000 to £84,999	4
5	£85,000 to £89,999	5
2	£90,000 to £94,999	3
2	£95,000 to £99,999	3
1	£100,000 to £104,999	1
1	£105,000 to £109,999	1
<b>254</b>	<b>Total</b>	<b>252</b>

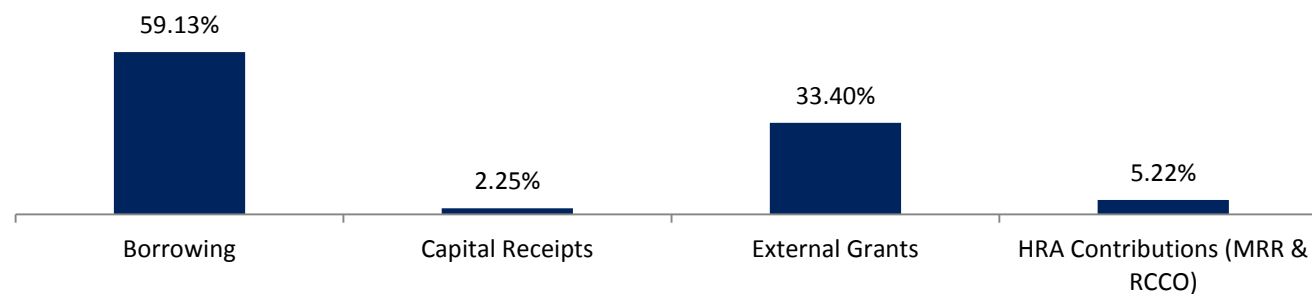
## Capital Expenditure

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 £127.03 million of capital expenditure.

### Capital expenditure within service areas;



### Sources of capital financing;



### National Non-Domestic Rates (NNDR)

In 2017-18 the Council collected £80.09 million (£79.08 million in 2016-17) from business rate payers. Of the rates collected the Council retains 50% with the remainder distributed to preceptors, and in the case of Northumberland, the preceptor is Central Government (50%).

### Council Tax

The net Council Tax liability in 2017-18 was £179.70 million (£169.05 million in 2016-17).

The table below shows the number of Band D properties and the Band D Council Tax Charge for Northumberland:

	2016-17	2017-18
No. Band D Equivalent Properties	99,058	101,148
Band D Council Tax Charge	£1,577.89	£1,656.40

### 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	7,433
Supervision and management	6,990
Other costs	10,234
<b>Total Expenditure</b>	<b>24,657</b>
Income:	
Rental income	(30,154)
Contributions towards expenditure	(439)
Revaluation Gains	(13,085)
Charges for services and facilities	(1,683)
<b>Total Income</b>	<b>(45,361)</b>
Net cost of HRA share of operating expenditure	4,858
<b>Surplus for the year on HRA services before any adjustments</b>	<b>(15,846)</b>

After taking into account adjustments between accounting basis and funding basis under statute there has been an increase of £3.83 million to the HRA.

**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/NorthumberlandCountyCouncil/media/About-the-Council/Finance/SoA-Final-draft-24-11-17.pdf>