



Statement of accounts

2006/2007



WOKINGHAM BOROUGH COUNCIL

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2007

CONTENTS	
Explanatory Foreword	1 – 8
Statement of Responsibilities	9 – 10
Statement of Accounting Policies	11 – 25
Statement of Internal Control	27 – 34
Income and Expenditure Account	35 – 36
Statement of Total Movement on the General Fund Balance	38
Statement of Total Recognised Gains and Losses	39
Balance Sheet	40 – 41
Cash Flow Statement	42 – 43
Notes to the Core Financial Statements	45 – 75
Housing Revenue Account	77 – 83
Collection Fund	85 – 89
Subjective Income and Expenditure Account	91 – 94
Audit Opinion	95 – 98
Glossary of Terms	99 - 101





EXPLANATORY FOREWORD

This forward provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position.

The Council's accounts for the year 2006/2007 are set out on pages 9 to 78 and each statement is followed by explanatory notes.

1. Statement of Accounts

The Code of Practice on Local Authority Accounting in Great Britain requires publication of the following statements:

- (i) The **Statement of Internal Control** sets out the framework within which the control environment is managed and reports on areas of strengths and weaknesses.
- (ii) The **Income and Expenditure Account** reports expenditure and income for each of the services provided by the Council and the surplus or deficit incurred. This statement also includes the Housing Revenue Account income and expenditure.
- (iii) The **Statement of Movement on the General Fund Balance** shows how the surplus or deficit on the income and expenditure account for the year relates to the movement in the general fund balance.
- (iv) The **Consolidated Balance Sheet** shows the assets, liabilities, balances and reserves held by the Council at the financial year end (31st March). This statement includes the Collection Fund Balance Sheet.
- (v) The **Cash Flow Statement** summarises the inflows and outflows of cash arising from revenue and capital transactions with third parties.
- (vi) The **Housing Revenue Account** summarises the income and expenditure relating to the local authority provision of social housing within the district where the Council is the landlord.
- (vii) The **Collection Fund** Revenue Account records the Council tax and business rate transactions in the financial year. The statement also shows the distribution of the Council tax income to Thames Valley Police Authority, Royal Berkshire Fire Authority and to the Parish and Town Councils of the Borough.

These accounts have been compiled in accordance with the Code of Practice. The Code was developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Joint Committee.

2. The Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice 2006 (SORP)

These accounts have been compiled in accordance with the 2006 SORP, which defines proper accounting practices for local authorities. The 2006 SORP changed the format of the main financial statements and a number of accounting policies, particularly relating to capital accounting, from the previous year. Further details regarding these changes have been provided in the accounting policies and the core financial statements.

3. Financial Performance

The Council's increase in Revenue Support Grant has varied considerably over the past few years although from 2000/01 to 2005/06 there was a general upwards trend peaking in 2005/06. However, changes to the formula grant calculation in 2006/07 coupled with a low national grant settlement left Wokingham with a grant entitlement £5m below the "floor" and an increase of only 2.2% in 2006/07. Wokingham suffered badly under the new methodology to calculate its relative grant entitlement for two reasons; more weighting was given to authorities with higher levels of deprivation and more resources were diverted to authorities with a relatively low tax base. In addition, in 2006/07 the Government created the Dedicated Schools Grant (DSG), which is a specific grant to the Council that must be passed on in full to the schools. Prior to 2006/07 the Council was only required to pass on the annual increase in the schools block of the Formula Spending Share (FSS) within the Formula Grant.

The minimum grant increase and the creation of the DSG left the Council facing significant cost pressures at the start of the year, particularly in social care as a result of an ageing population, new legislation and new government targets. The 2006/07 budget contained over £1.5m cost containment measures and over £1m of staffing and procurement efficiencies. Despite this, the Council finances have remained in a healthy state as at 31 March 2007 with general fund balances of £8.6m.

Revenue expenditure was contained within budget (£1.5m underspend), as was the housing revenue account (£182k underspend). The balances on both funds are healthy and in excess of the recommended levels.

Capital balances are under pressure due to the high level of capital investment required to improve services. The current 3 year capital programme is based on the estimated capital resources available and take account of anticipated capital receipts through a disposals programme.

The Council is working towards a '10 year Capital Vision' to ensure that the corporate vision and strategy of the organisation is agreed and realised in terms of capital and assets. A key feature of this is to make the most effective use of our resources, including maximising external resources and ensuring that we achieve value for money in the use of these resources.

The 2007/08 Medium Term Financial Plan produced a three year revenue and capital indicative budget. The budget addressed all major potential financial risks, known growth pressures and identified a number of efficiency savings. The 2008/09 budget setting process aims to build on these achievements by further improving service and financial planning and further improving the links between the capital and revenue financial strategies.

The Statement of Accounts has been prepared in accordance with FRS 17 – Retirement Benefits. Although FRS 17 has not directly affected the net outturn position in 2006/07, the accounts show a net pension liability of £36.4m, this has reduced from the 2005/06 liability of £46.4m mainly due to better market returns on the investment of pension fund assets. The deficit is being addressed through increased employer contributions which will be reviewed at the next triennial actuarial valuation to ensure the pension scheme returns to a 100% funding level over an appropriate period of time.

4. General Fund

The General Fund is the main revenue account and includes all the Council's services with the exception of Council housing. The Council has a policy of maintaining a prudent General Fund balance to provide for unforeseen requirements and to aid longer term planning. In setting the 2006/07 budget the Council reviewed the level of balances that should be maintained, the recommended level was agreed at £8.5m based on a risk assessment. The fund balance as at 31 March 2007 is shown below:-

	Revised Estimate	Actual	Variance
	£'000	£'000	£'000
Balance Brought Forward	10,188	10,188	0
Surplus / (Deficit) in year	(210)	(1,599)	1,389
Total	9,978	8,589	1,389

The following table shows the actual and budgeted net expenditure by Service.

Service	End of Year Position		
	Approved Budget	Outturn Actual	Net over/(under) spend
	£'000	£'000	£'000
Community Care	26,921	27,050	128
Strategy & Partnerships inc. Housing	2,198	1,894	(303)
Children Services - DSG	(647)	(647)	(0)
Children Services – Non DSG	15,550	15,856	306
Cultural Services & Development	2,073	2,100	27
Environment	15,815	15,472	(343)
Planning, Regulation & Enforcement	1,782	1,571	(211)
Procurement	1,826	2,142	316
Communications	508	477	(31)
Property	1,820	1,797	(23)
Finance	8,139	7,276	(863)
IT	4,030	4,029	(1)
Human Resources	1,141	937	(204)
Legal & Democratic	1,507	1,493	(14)
Chief Executive	1,711	1,538	(173)
Net Expenditure before Carry Forwards	84,374	82,986	(1,389)
Carry Forwards	0	184	184
Total Net Expenditure	84,374	83,170	(1,205)

The above figures are before the allocation of internal recharges and do not include capital and deferred charges as these are internal accounting charges and their removal allows for a clearer appraisal of the variances. The table also excludes any adjustments in relation to FRS 17. The approved budget includes supplementary estimates approved during the year.

The major variations in respect of the underspend of £1,389,000 on the revised estimate are shown below:

	(Under) / Over Spend
Service Unit	£'000
Older People – reduced client income and increased reactive maintenance	809
Physical Disabilities – additional domiciliary care costs	476
Learning Disabilities – reduction in agency costs	(925)
Mental Health – additional health and client income	(131)
Community Care Support Services – increased grant income	(101)
Housing Benefits – increased grant income	(164)
Centrally Held Other – writeback of nursery grant provision	(445)
Children Services Management – supplementary income	(388)
Children's Residential – additional placements	859
Social Work Teams – additional agency costs	137
Development Control – planning delivery grant	(129)
Concessionary Travel – increased travel tokens	124
Procurement Management – reduced savings	148
Debt charges following restructures	(250)
Interest on Balances – higher reserves and balances	(553)
Deputy Chief Exec Management	(194)
Human Resources - central expenses and training	(238)
Sub-Total	(965)
Miscellaneous variances	(424)
Total Over / (Under) Spend	(1,389)

5. Housing Revenue Account

The Housing Revenue Account shows the income and expenditure on Council housing. The Council budgeted to use £497,000 of reserves in year to finance the revenue account and capital programme. At the end of 2006/07 the HRA incurred an underspend of £143,000, however the housing capital programme overspent resulting in an unbudgeted £39,000 contribution to the major repairs reserve (see below). Therefore, the combined underspend was £104,000. A comparison of actual income and expenditure (excluding capital charges) against the revised budget is detailed below:-

	Revised Estimate	Actual	Net (under) / over-spend
	£'000	£'000	£'000
Gross Expenditure on Housing	7,661	7,882	221
Income			
Gross Rents	(10,231)	(10,276)	(45)
Fees, Charges and contributions	(720)	(764)	(44)
Housing Subsidy Repayment	3,790	3,554	(237)
Housing Repurchase grant	(3)	(3)	0
Net (Surplus) / deficit for the Year	497	393	(104)
Balance Brought Forward	(1,240)	(1,240)	0
Balance Carried Forward	(743)	(847)	(104)

The underspend mainly relates to a better than expected subsidy settlement arising from changes in the rental constraint allowance. However, this is offset by an overspend of £175,000 on reactive repairs and maintenance.

Major Repairs Reserve

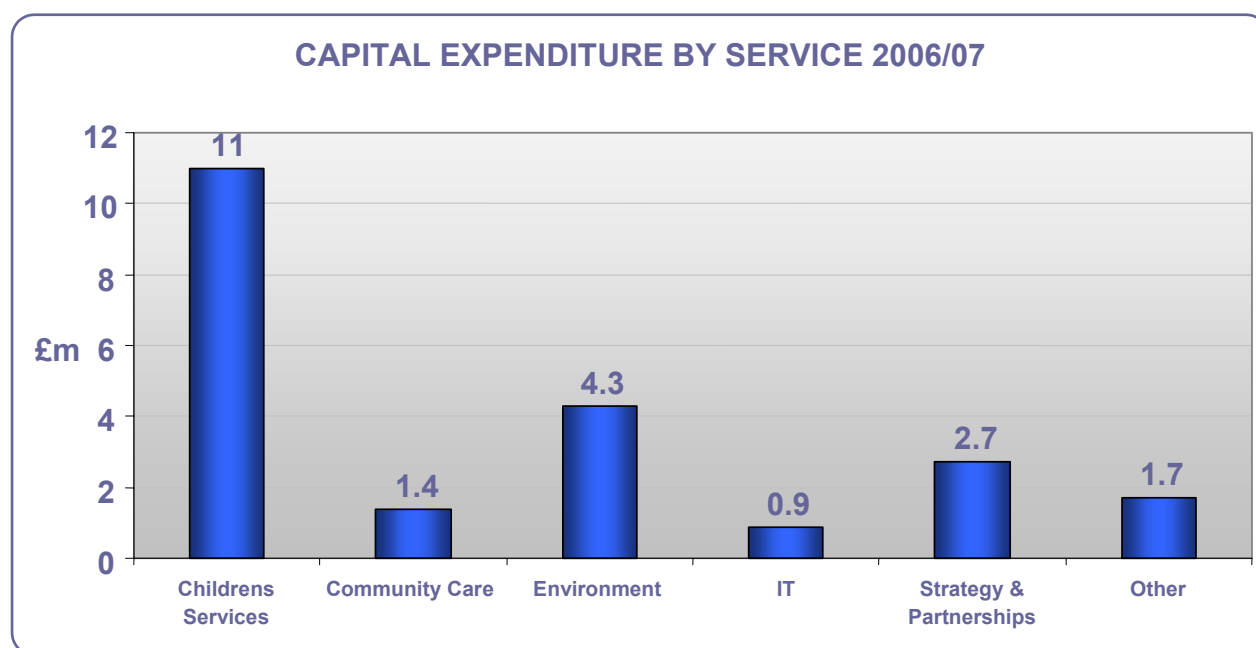
On 1st April 2001 the Government introduced the Major Repairs Allowance (MRA) as part of the housing subsidy grant payment which is for investment in the housing stock. Any surplus/deficit is ring-fenced and carried forward.

	Revised Estimate	Actual	Net (under) / over-spend
	£'000	£'000	£'000
Gross Capital Expenditure	2,135	2,391	256
Allocation	(1,835)	(1,849)	(14)
Transfer from HRA	(300)	(339)	(39)
Other income	(155)	(155)	0
Net (Surplus) / Deficit for the Year	(155)	48	203
MRA Balance Brought Forward	(48)	(48)	0
MRA Balance Carried Forward	(203)	0	203
HRA Balance Carried Forward	(743)	(847)	(104)
Overall Balance Carried Forward (HRA / MRA)	(946)	(847)	99

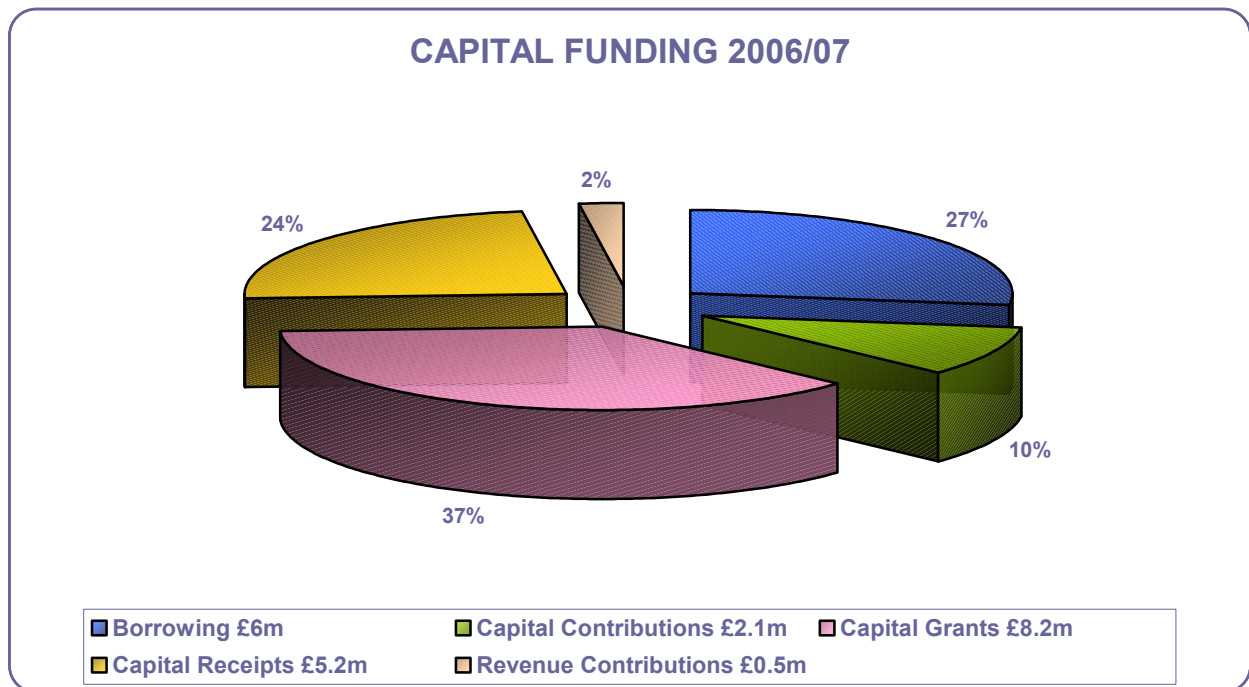
The housing capital programme overspent due to increased costs of refurbishment of Council dwellings under the decent homes project and additional capitalised staff costs.

6. Capital Expenditure

The Council spent £22 million in 2006/2007 on capital schemes analysed below:



This was funded from the following sources:



7. Collection Fund

The Council is required to maintain a Collection Fund for the collection and disbursement of local taxes. This fund has its own separate income and expenditure account but the Collection Fund balances are consolidated in the Council's balance sheet.

The collection fund deficit as at 31st March was £202,000, this represents a significant improvement from 2005/06 when the deficit was £671,000. The deficit has been reduced due to high performance in Council tax collection.

8. Introduction of the Euro

The Council is monitoring the position concerning the introduction of the Euro and any future government decisions on the United Kingdom's entry into the European Monetary Union. The implications will be assessed when the situation becomes clearer. The Council has procured a new financial information system, which is fully Euro compliant.

9. Corporate Plan

The Council is currently in the process of updating its Corporate Plan covering the financial years 2008/09 – 2010/11. The Corporate Plan is a high level document covering the headings within the Community Strategy, it takes a medium to long term view and will culminate in the setting of the Council Tax and Capital Programme for 2008/09 in February 2008. Each service unit produces a Service Plan that links in with the Corporate Plan by setting out in detail how the high level objectives will be translated into actions.

10. Internal Control

The Accounts and Audit Regulations 2003, require English authorities to “conduct a review at least once a year of the effectiveness of its system of internal control”. The statement sets out the framework within which the control environment is managed and reports on areas of strengths and weaknesses

11. Further Information

Additional information about the accounts is available from the Corporate Head of Finance, Finance Section, Shute End Offices, Wokingham.

A handwritten signature in black ink that reads "Graham Ebers".

G.M.Ebers,
Corporate Head of Finance

A handwritten signature in black ink that reads "M. Deegan".

M. Deegan,
Chairman of the Audit Committee

STATEMENT OF RESPONSIBILITIES

This Statement sets out the respective responsibilities of the authority and the Corporate Head of Finance for the accounts.

The Authority's Responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Corporate Head of Finance.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts by 30th June 2007

The Responsibilities of the Corporate Head of Finance

The Corporate Head of Finance, in his capacity as the S151 Officer, is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in United Kingdom, is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31st March, 2007.

In preparing this statement of accounts, the Corporate Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Corporate Head of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF ACCOUNTING POLICIES

This statement details the accounting policies that have been observed in compiling the Statement of Accounts.

The Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2005: A Statement of Recommended Practice (SORP), unless where stated. The statements comply with the Best Value Accounting Code of Practice.

The Statements reflect the requirements of Financial Reporting Standard (FRS) 18 by adopting the core accounting principals and concepts of:

- **Relevance** - the financial statements provide information about the Council's performance and position that is useful to the users of the accounts to assess the stewardship of public funds and for making economic decisions
- **Reliability** – the financial information faithfully represents the substance of the transactions, the activities underlying them and other events that have taken place, are free from deliberate or systematic bias and material error, and have been prudently prepared
- **Comparability** – the information has been prepared consistently and with adequate disclosures so that it can be compared with prior years and other local authorities
- **Understandability** – the statements have been prepared to ensure they are as easy to understand as possible
- **Materiality** – the statements disclose items of a certain size and nature such that they provide a fair presentation of the financial position and transactions of the Council
- **Accruals** – other than the cashflow statement, the financial statements report transactions that have been recorded in the accounting period for which the goods and services were received or supplied rather than in which the cash was received or paid
- **Going Concern** - the financial statements have been prepared on the assumption that the Council will continue in operational existence for the foreseeable future
- **Legality** – where the accounting principles and specific legislation requirements are in conflict, the financial statements have been prepared to reflect legislative requirements

1. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place and when a right to consideration exists, not simply when cash payments are made or received. In particular:

- Fees, charges and rents due from customers are accounted for as income at the date the council provides the relevant goods or services
- Employee costs are charged to the accounts of the period within which the employees worked.
- Supplies and services are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet
- Works are charged as expenditure when they are completed, before which they are carried as works in progress on the balance sheet
- Interest payable and receivable on borrowings is accounted for in the year to which it relates, on a basis that reflects the overall effect of the loan or investment

- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- Where payments are made or received in advance of a service being provided or received a payment or receipt in advance is recognised as a debtor or creditor in the balance sheet
- Income and expenditure are credited and debited to the relevant revenue account, unless they properly represent capital receipts or capital expenditure

Interest

The CIPFA SoRP states that interest payable on external borrowings and interest income should be accrued and accounted for in the year to which they relate on a basis that reflects the overall economic effect of the borrowings. Current Council policy is to account for interest based on actual interest payments due in the year, rather than taking into account the interest payable over the full life of the loan. The divergence from the SORP has no material effect on the Statement of Accounts.

Interest is credited to the Housing Revenue Account (HRA) and other reserves based on the level of their fund balances using the average quarterly 7-day money market rates. The annual averaged quarterly 7-day rate was 4.84% in 2006/2007 (2005/2006 – 4.61%).

The interest credited to Net Operating Expenditure in the Income and Expenditure Account relates to external interest received.

2. Acquired Operations

The council doesn't have any acquired operations.

3. Business Improvement District (BID) Schemes

BID projects are projects for the benefit of a particular area that are financed (in whole or in part) by a BID levy paid by the non-domestic ratepayers, or a class of such ratepayers, in the BID area. The Council is not involved in a BID scheme.

4. Contingent Assets

Contingent assets are not recognised in the accounting statements; they are disclosed by way of notes if the inflow of a receipt or economic benefit is probable. The disclosures indicate the nature of the contingent asset and an estimate of its financial effect.

5. Contingent Liabilities

Contingent liabilities are not recognised in the accounting statements; they are disclosed by way of notes if there is a possible obligation that may require a payment or a transfer of economic benefits. For each class of contingent liability, the nature of the contingency, a brief description, an estimate of its financial effect, an indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement will be disclosed.

6. Deferred Charges

Deferred charges represent expenditure that may be capitalised but does not result in the creation of tangible fixed assets. Deferred charges are amortised to revenue over an

appropriate period consistent with the consumption of the economic benefits controlled by the council. Because of the types of expenditure to which deferred charges usually apply, e.g. improvement grants, the Council seldom controls the economic benefits arising from the expenditure and therefore amortises 100 per cent of the deferred charge to revenue in the year the deferred charge is recognised.

7. Discontinued Operations

The council doesn't have any discontinued operations.

8. Events After the Balance Sheet Date

Where an event after the balance sheet date, favourable or unfavourable, which provides evidence of conditions that existed at the balance sheet date has occurred (adjusting event), the amounts recognised in the Statement of Accounts are adjusted. Any disclosures affected by the new information about the adjusting event will be updated in the light of the new information.

Where an event that occurs after the balance sheet date is indicative of conditions that arose after the balance sheet date (non-adjusting event) the amounts recognised in the Statement of Accounts are not adjusted.

The following will be disclosed for each material category of non-adjusting event after the balance sheet date:

- the nature of the event, and
- an estimate of the financial effect, or a statement that such an estimate cannot be made reliably.

Events after the balance sheet date are reflected up to the date when the Statement of Accounts is authorised for issue. The date when the statement of accounts was authorised for issue and who gave the authorisation is disclosed in the notes to the accounts.

9. Exceptional Items, Extraordinary Items and Prior Period Adjustments

Exceptional items are included in the cost of the service to which they relate or on the face of the income and expenditure account if that degree of prominence is necessary in order to give a fair presentation of the accounts. A description of each exceptional item is given within the notes to the accounts.

Extraordinary items will be disclosed and described on the face of the income and expenditure account after dealing with all items within the ordinary activities of the authority and will be explained fully in a note to the accounting statements.

The majority of prior period items arise from corrections and adjustments that are the natural result of estimates inherent in the accounting process. Such adjustments constitute normal transactions for the year in which they are identified, and are accounted for accordingly.

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors are accounted for by restating the comparative figures for the preceding period in the Statement of Account and notes and adjusting the opening balance of reserves for the cumulative effect. The cumulative effect of the adjustments are noted at the foot of the Statement of Total Recognised Gains and Losses of the current period. The effect of prior period adjustments on the outturn for the preceding period will be disclosed where practicable.

10. Foreign Currency Translation

Income and expenditure arising from a transaction denominated in a foreign currency is translated into £ sterling at the exchange rate in operation on the date on which the transaction occurred; if the rates do not fluctuate significantly, an average rate for a period is used as an approximation. Where the transaction is to be settled at a contracted rate, that rate is used.

At each balance sheet date, monetary assets and liabilities denominated in a foreign currency is translated by using the closing rate or, where appropriate, the rates of exchange fixed under the terms of the relevant transactions.

11. Government Grants

Whatever their basis of payment, revenue grants are matched with the expenditure to which they relate. Grants made to finance the general activities of the Council or to compensate for a loss of income are credited to the income and expenditure account of the period in respect of which they are payable.

Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, the amount of the grant or contribution is credited to the government grants-deferred account and written off to the service revenue account over the useful life of the asset to match the depreciation of the asset to which it relates.

Government grants or other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

12. Intangible Assets (Excluding Goodwill and Development Expenditure)

An intangible item may meet the definition of an asset when access to the future economic benefits that it represents is controlled by the Council, through either custody or legal protection. The Council does not carry out research and development of the type envisaged by SSAP 13 (Accounting for Research and Development) and does not acquire or hold goodwill.

Recognition

Purchased intangible assets (e.g. software licences) are capitalised as assets. Internally developed intangible assets are only capitalised where there is a readily ascertainable market value (which is unlikely to be the case).

Measurement

A purchased intangible asset is capitalised at its cost. FRS 10 (Goodwill and Intangible Assets) permits but does not require revaluation. An intangible asset may only be revalued where it has a readily ascertainable market value. The types of intangible assets held by the Council are very unlikely to have readily ascertainable market values therefore the Council does not revalue intangible fixed assets.

Amortisation

Intangible assets are amortised on a straight-line basis over their economic lives. Where access to the economic benefits associated with an intangible asset is achieved through legal rights that have been granted for a finite period the economic life is not extended beyond that period unless the legal rights are renewable and renewal is assured. The useful economic lives of intangible assets disclosed in the balance sheet have been determined individually and range between 2 and 20 years. Useful lives are reviewed at the end of each reporting period and revised if necessary.

Disposals

The proceeds of disposals of intangible fixed assets are debited to cash / debtors and credited to the income and expenditure account. The carrying value of the asset is then debited to the income and expenditure account and credited to the intangible fixed asset account. Therefore, any gain or loss arising from the disposal is recognised in the income and expenditure account for the period.

In order to comply with statute and restrictions on the use of capital receipts in local government; the gain or loss on disposal of an intangible asset charged to the Income and Expenditure account is reversed out of the General Fund balance as a reconciling entry in the Statement of Movement on the General Fund Balance. A credit to the Usable Capital Receipts Reserve is made for an amount equal to the disposal proceeds and a debit to the Fixed Asset Restatement Account is made for an amount equal to the carrying value of the intangible asset.

Impairment

Intangible assets that are amortised over a finite period not exceeding 20 years from the date of acquisition are reviewed for impairment:

- at the end of the first full financial year following the acquisition, and
- in other periods if events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets that are not amortised over a period are reviewed for impairment at the end of each reporting period.

Charges to Revenue

Service revenue accounts, as defined in CIPFA's Best Value Accounting Code of Practice, central support services and trading accounts are charged with a provision for amortisation and where required, any related impairment loss (due to a clear consumption of economic benefits), for all intangible assets used in the provision of the service. The HRA Income and Expenditure account is charged with amortisation and any related impairment loss (due to clear consumption of economic benefits). The reversal of an impairment loss is only recognised in the income and expenditure account if the value is directly attributable to the reversal of the event which caused the original impairment loss.

13. Investments

Long-term investments are identified separately on the face of the balance sheet. The majority of the Council's funds are invested by external fund managers with the remaining cash balance being managed in house on a daily basis. Investments managed by the fund managers are carried at cost less provision, where appropriate, for loss in value.

14. Leases

Finance Leases

The rental payments under finance leases is apportioned between the finance charge and the reduction of the outstanding obligation, with the finance charge being allocated and charged to revenue over the term of the lease. Any hire purchase contracts that have similar characteristics to a finance lease and are of a financing nature are accounted for as a finance lease and appropriate balance sheet notes are disclosed.

Operating Leases

Where assets are acquired under operating leases the leasing rentals payable are charged to the revenue accounts of those services that use the assets as they are made.

Any hire purchase contracts that have similar characteristics to an operating lease are accounted for as an operating lease and disclosed in a note to the balance sheet.

An asset held for use in operating leases by the authority is recorded as a fixed asset and depreciated over its useful life. Rental income from operating leases, excluding charges, are recognised as income is received.

This policy is a departure from the SoRP which states that rentals receivable, net of benefits received or receivable under operating leases should be charged to revenue on a straight-line basis over the term of the lease, even if the payments are not made on such a basis, unless another systematic and rational basis is more appropriate. The Council believes that this departure from the SoRP is not material.

15. Overheads

Charges or apportionments covering all support service costs (e.g., legal, human resources and finance) are made to all “front line” services (i.e., services to the public). The cost of service management is also apportioned to the accounts representing the activities managed. The bases of apportionment adopted are used consistently for all the heads to which apportionments are made.

The costs of the corporate and democratic core and of non-distributed costs are allocated to a separate objective expenditure head and are not apportioned to other services.

16. Pension Costs

Employees of the council are members of two separate pension schemes:

- The Teacher's Pension Scheme, administered by the Department for Education and Science (DfES)
- The Local Government Pension Scheme, administered by the Royal Borough of Windsor and Maidenhead Council

Both schemes provide defined benefits to members (i.e., retirement lump sums and pensions), earned as employees worked for the council.

The arrangements for the teacher's scheme mean that liabilities for these benefits cannot be identified to the council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the balance sheet and revenue accounts are charged with the employer's contributions payable to the DfES in the year.

Local Government Pension Scheme

The Local Government Pension Scheme provides members of the pension scheme with defined benefits related to pay and service. The level of the employer's contribution is determined by triennial actuarial valuation. The latest review was undertaken as at 31st March 2004. Under Superannuation Regulations, the contribution rates are set to meet all the liabilities of the fund.

The superannuation costs charged to the Net Cost of Services in the Income and Expenditure account of both the General Fund and the HRA have been made in accordance with accounting standard FRS17 Retirement Benefits. The charge is based on when the retirement benefits that the Council has committed to pay are earned, even though the actual payments may be many years into the future. The difference between the amounts charged under FRS17 and the actual payments made to the pension scheme during the year are adjusted for as a reconciling item in the Statement of Movement in the General Fund (or HRA) Balance.

The Balance Sheet includes a Pension Reserve which includes the attributable share of the funds assets and liabilities that relate to the Council. Employer contributions will be adjusted in future years to account for any projected deficit.

The attributable assets to the scheme are measured at their fair value at the balance sheet date. Scheme assets include current assets as well as investments. Liabilities such as accrued expenses are deducted. The attributable scheme liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities comprise:

- (i) any benefits promised under the formal terms of the scheme, and
- (ii) any constructive obligations for further benefits where a public statement or past practice by the Council has created a valid expectation in the employees that such benefits will be granted.

Details of the methods adopted in the valuation of scheme assets and liabilities are set out in the notes to the balance sheet.

The surplus/deficit in the scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The Councils recognises the liability that reflects its legal or constructive obligation. Details of the methods adopted in calculating the asset or liability recognised are set out in the notes to the balance sheet. Any unpaid contributions to the scheme are presented in the balance sheet as a creditor due within one year.

The change in the defined benefit asset or liability (other than that arising from contributions to the scheme) is analysed into the following components:

- Periodic costs:
 - current service cost
 - interest cost
 - expected return on assets, and
 - actuarial gains and losses, and
- Non-periodic costs:
 - past service costs, and
 - gains and losses on settlements and curtailments.

The current service cost is included within Net Cost of Services. The net of the interest cost and the expected return on assets is included within Net Operating Expenditure. Actuarial gains and losses arising from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses for the period.

Past service costs are recognised in Net Cost of Services on a straight-line basis over the period in which the increases in benefit vest. To the extent that the benefits vest immediately, the past service cost is recognised immediately.

Losses arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the authority becomes demonstrably committed to the transaction and is recognised in Net Cost of Services at that date. Gains arising on a settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction and recognised in Net Cost of Services at that date.

17. Provisions

Provisions are made for any liabilities of uncertain timing or amount that have been incurred. Provisions are recognised when:

- the Council has a present obligation (legal or constructive) as a result of a past event
- it is probable that a transfer of economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. Provisions are charged to the appropriate revenue account; when payments for expenditure are incurred to which the provision relates they are charged direct to the provision. The amount recognised as a provision is the best estimate taking into account the risks and uncertainties surrounding the events. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when it is virtually certain that reimbursement will be received if the obligation is settled. The reimbursement is treated as a separate asset. The appropriate revenue account the expense relating to a provision is presented net of the amount recognised for a reimbursement.

18. Provisions for Bad and Doubtful Debts

The carrying amount of debtors is adjusted for doubtful debts, which are provided for, and known uncollectable debts are written off.

19. Repurchase of Borrowing

Gains or losses arising on the repurchase or early settlement of borrowing are recognised in the Income and Expenditure account in the periods during which the repurchase or early settlement is made. Where the repurchase of borrowing was coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains or losses are recognised over the life of the replacement borrowing.

The Council has incurred early redemption charges, from debt restructuring exercises that were done to take advantage of lower interest rates. The balances are reclassified as long-term debtors on the balance sheet.

20. Research and Development

Expenditure on research and development is regarded as part of the continuing operations of the authority and is written off as it is incurred.

21. Reserves

Transfers to and from reserves are distinguished from service expenditure. The movements in reserves available to this Council are detailed in a note to the financial statements. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management. Capital reserves are not available for revenue purposes and some of them can only be used for specific statutory purposes. The fixed asset restatement account and capital financing account

are non-distributable reserves. The usable capital receipts reserve is a reserve established for specific statutory purposes.

The Major Repairs Reserve is required by statutory provision to be established in relation to the HRA in England.

22. Stocks and Long-Term Contracts

Stocks

Stocks are included in the balance sheet at the total of the lower of cost and net realisable value of the separate items of stock or of groups of similar items.

Long-term Contracts

A long-term contract is 'A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or of a combination of assets or services which together constitute a single project) where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods'. Revenue contracts are charged to revenue as payments are made and capital contracts are charged on the basis of the valuation certificate.

23. Tangible Fixed Assets

Recognition

All expenditure on the acquisition, creation or enhancement of tangible fixed assets is capitalised on an accruals basis. Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains, the value of an existing asset, is capitalised and classified as a tangible fixed asset, provided that it yields benefits to the Council and the services it provides are for a period of more than one year.

Expenditure that is capitalised will include expenditure on the:

- acquisition, reclamation, enhancement or laying out of land
- acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels.

Enhancement means the carrying out of works that are intended to:

- lengthen substantially the useful life of the asset, or
- increase substantially the market value of the asset, or
- increase substantially the extent to which the asset can or will be used for the purposes of or in conjunction with the functions of the Council.

Improvement works and structural repairs are capitalised, whereas expenditure to ensure that the fixed asset maintains its previously assessed standard of performance is recognised in the revenue account as it is incurred. Expenditure on existing fixed assets is capitalised in three circumstances:

- enhancement
- where a component of the fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful life, is replaced or restored
- where the subsequent expenditure relates to a major inspection or overhaul of a fixed asset that restores the benefits of the asset that have been consumed by the Council and have already been reflected in depreciation.

Assets acquired on terms meeting the definition of a finance lease are capitalised and included together with a liability to pay future rentals.

Where a fixed asset is acquired for other than a cash consideration or where payment is deferred, the asset should be recognised and included in the balance sheet at fair value.

Measurement

A fixed asset is initially measured at its cost. Costs, but only those costs, that are directly attributable to bringing the asset into working condition for its intended use are included in its measurement.

When substantially all the activities that are necessary to get the fixed asset ready for use are complete, the asset is categorised and included in the balance sheet. Assets are classified as either operational or non-operational as follows:

- (a) Operational assets are assets held or occupied, used or consumed by the Council in the direct delivery of those services for which it has either statutory or discretionary responsibility, or for the service or strategic objectives of the authority.
- (b) Non-operational assets are assets held by the Council but not directly occupied, used or consumed in the delivery of services, or for the service or strategic objectives of the authority. They may comprise:
 - Assets held for the primary purpose of investment from which a commercial rental income is obtained
 - Vacant property or property temporarily occupied for another purpose but awaiting redevelopment or disposal
 - Land and buildings currently in the course of development but not yet completed and occupied for the proposed service

Fixed assets are valued on a five-year rolling programme. This is the basis recommended by the Chartered Institute of Public Finance and Accountability (CIPFA) and is in accordance with the Statements of Asset Valuation Principles. Fixed assets are valued on the following bases: -

Asset Category	Valuation Method
Operational Assets	
Non Specialised Properties	Existing Use Value (Current Cost)
Specialised Properties	Depreciated Replacement Cost (Current Cost)
Council Dwellings	Existing Use Value for Social Housing
Community Assets	Not valued – stated at Historic Cost net of depreciation, where appropriate
Infrastructure Assets	Not valued – stated at Historic Cost net of depreciation, where appropriate
Non Operational Assets	
Investment	Open Market Value (Current Cost)
Surplus	Open Market Value (Current Cost)
In Construction	Value of Work Done (Historical Cost)

A full valuation of a property is conducted by the Council's internal valuer, Mr. A. Spicer, a Professional Member of the Royal Institution of Chartered Surveyors and the Authority's Estates Unit Manager. The valuations have been prepared in accordance with the Practice Statements and UK Practice Statements contained in the RICS Appraisal and Valuation Standards.

The Council's housing stock has been valued as an operational asset.

The asset valuations have been prepared using the following assumptions: -

- (a) the Council has good title free from encumbrances;
- (b) there are no hazardous substances or latent defects in the properties and there is no contamination present;
- (c) the properties have permanent planning permission and any other necessary statutory consent for their current use;
- (d) plant and machinery is included in the valuation of the property, where applicable;
- (e) no special circumstances beyond those likely to be considered by a prospective purchaser in the open market have been taken into account;
- (f) no allowance has been made for any liability to taxation, which may arise on disposal, nor for costs of acquisition or realisation.
- (g) the Council operates a de-minimis level of £10,000 below which items will not be charged to capital on the grounds of materiality, with the exception of capital works for schools where the de-minimis level is £1,000.

Not all properties were specifically inspected for the purposes of asset valuations. This was neither practicable, nor considered by the valuer to be necessary, for the purpose of the valuation. However, regular inspections are made by members of the Property Section of all the Council's property assets. The inspections and report do not purport to be a building survey.

Where a fixed asset is included in the balance sheet at current value, the increase over the previous carrying amount at which that asset was included in the balance sheet immediately prior to the latest (re-)valuation is credited to a fixed asset restatement account, except to the extent that it reverses a revaluation loss on the same asset previously recognised in the Income and Expenditure account, when the revaluation gain is recognised in the Income and Expenditure account also.

Where a fixed asset is acquired under a finance lease, at the inception of the lease the amount to be recorded both as an asset and as a liability would be the present value of the minimum lease payments derived by discounting them at the interest rate implicit in the lease.

Impairment

The value at which each category of assets is included in the balance sheet is reviewed at the end of each reporting period and where there is reason to believe that its value has changed materially in the period, the valuation is adjusted accordingly. Events and changes in circumstances that indicate a reduction in value may have incurred include:

- a significant decline in a fixed asset's market value during the period
- evidence of obsolescence or physical damage to the fixed asset
- a significant adverse change in the statutory or other regulatory environment in which the Council operates
- a commitment by the Council to undertake a significant reorganisation.

Fixed assets, other than non-depreciable land, are reviewed for impairment, at the end of each reporting period when either:

- no depreciation charge is made on the grounds that it would be immaterial (either because of the length of the estimated remaining useful life or because the estimated residual value of the fixed asset is not materially different from the carrying amount of the asset), or
- the estimated remaining useful life of the fixed asset exceeds 50 years.

Where an impairment loss on a fixed asset occurs, the loss is recognised, if it is caused by a clear consumption of economic benefits (e.g. physical damage or a deterioration in the quality of the service provided by the asset, i.e. if it is similar in nature to depreciation), in the Income and Expenditure account and the carrying value of the fixed asset is reduced on the balance sheet.

Other impairments (reflecting a general fall in prices) are recognised in the fixed asset restatement account.

Disposals

The gain or loss on the disposal of a tangible fixed asset is the amount by which the disposal proceeds are more or less than the carrying value of the fixed asset. The gain or loss on disposal is recognised in the Income and Expenditure account by debiting cash or debtors with the disposal proceeds and crediting the Income and Expenditure account. The carrying value of the asset is then debited to the Income and Expenditure account and credited to the Fixed Asset Account on the balance sheet.

In order to comply with statute and restrictions on the use of capital receipts; the gain or loss on disposal is reversed out of the General Fund balance as a reconciling entry in the Statement of Movement on the General Fund Balance. An amount equal to the proceeds of disposal is credited to the Useable Capital Receipts Reserve and the carrying value of the asset is debited to the Fixed Asset Restatement Account.

The proportion that is required to be paid over to Central Government as a 'housing pooled capital receipt' is charged in the Net Operating Expenditure section of the Income and Expenditure account and the same amount appropriated from Usable Capital Receipts Reserve and credited to the General Fund balance in the Statement of Movement on the General Fund Balance.

Where a fixed asset is disposed of for other than a cash consideration, or payment is deferred, an equivalent asset is recognised and included in the balance sheet at its fair value.

Depreciation

Depreciation is provided for on all fixed assets with a finite useful life, which can be determined at the time of acquisition or revaluation. For fixed assets other than non-depreciable land and non-operational investment properties, depreciation is only not charged if the depreciation charge is immaterial. Provision for depreciation is made by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use.

A change from one method of providing depreciation to another is permissible only on the grounds that the new method will give a fairer presentation of the results and of the financial position. Such a change does not, however, constitute a change of accounting policy; the carrying amount of the fixed asset is depreciated using the revised method over the remaining useful life, beginning in the period in which the change is made.

The useful lives of assets are estimated on a realistic basis and are reviewed regularly and, where necessary, revised. Where the useful life of a fixed asset is revised, the carrying amount of the fixed asset is depreciated over the revised remaining useful life.

Where the fixed asset comprises two or more major components with substantially different useful economic lives, each component is accounted for separately for depreciation purposes and depreciated over its individual useful life.

Depreciation is based on the amount at which the asset is included in the balance sheet, whether current cost or historical cost. Depreciation has been calculated as follows:

Asset Category	Depreciation Method
Council Dwellings	Charged at the rate equivalent to the major repairs allowance for the year
Other Land & Buildings	Charged on the net value of buildings only, after deducting residual values on a straight line basis over the useful life of the buildings which varies between 2 and 50 years
Plant & Equipment	Straight line basis over periods between 5 and 10 years
Community Assets	No requirement to depreciate these assets
Infrastructure Assets	The level of annual expenditure required to maintain the operating capacity of the infrastructure (renewals accounting)
Non Operational Assets	No requirement to depreciate these assets

Depreciation is not provided for freehold land (whether operational or non-operational). However, freehold land would be depreciated where it is subject to depletion by, for example, the extraction of minerals.

Charges to Revenue

General Fund service revenue accounts, as defined in CIPFA's Best Value Accounting Code of Practice, central support services and trading accounts are charged with depreciation and where required, any related impairment loss (due to a clear consumption of economic benefits), for all fixed assets used in the provision of the service.

All expenditure on repairs and maintenance relating to fixed assets are charged to the appropriate service revenue account.

Finance costs (including interest payable and interest payable under finance leases) are charged to the net operating costs section of the Income and Expenditure account.

Gains resulting from revaluations which reverse a previous revaluation loss on the same asset that was charged to the income and expenditure account are credited to the Income and Expenditure account.

The amounts set aside from revenue for the repayment of external loans and to finance capital expenditure are disclosed separately on the face of the Income and Expenditure account, below net operating expenditure.

24. Value Added Tax

VAT is included in income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

25. Group Accounts

The SORP requires an authority to consider all their interests and to prepare a full set of group accounting statements where they have material interests in subsidiaries, associates and joint ventures. The Council has investigated all potential interests that could qualify for group accounts and has not identified any relationship that require their preparation.

26. Landfill Allowances

Under the Waste and Emissions Trading Act 2003, the Council as a waste disposal authority is issued with landfill allowance permits on an annual basis for the amount of biodegradable waste that it is allowed to landfill. If the amount of biodegradable waste sent to landfill exceeds the allowance in any one year then additional permits are required to be purchased from other authorities or a cash penalty is paid to the government for the shortfall. The scheme is known as a 'cap and trade scheme'.

The fair value of allowances held by the Council (whether issued by the government or purchased from another authority) is recognised as a current asset within the balance sheet. The fair value of allowances issued by the government is recognised as a government grant and accounted for in accordance with paragraph 11; (i.e., it is initially recognised as deferred income on the balance sheet and subsequently recognised as income on a systematic basis over the compliance year for which the allowances were allocated). The fair value of allowances is taken as the present market value at the balance sheet date.

An estimate of expenditure required to settle the obligation to deliver allowances equal to the biodegradable and municipal waste landfill usage to the government is recognised as a liability (provision) on the balance sheet. The value of the provision is measured as the present market value at the balance sheet date of the number of allowances required to be delivered to the government and/or the cash penalty required for any shortfall in allowances.

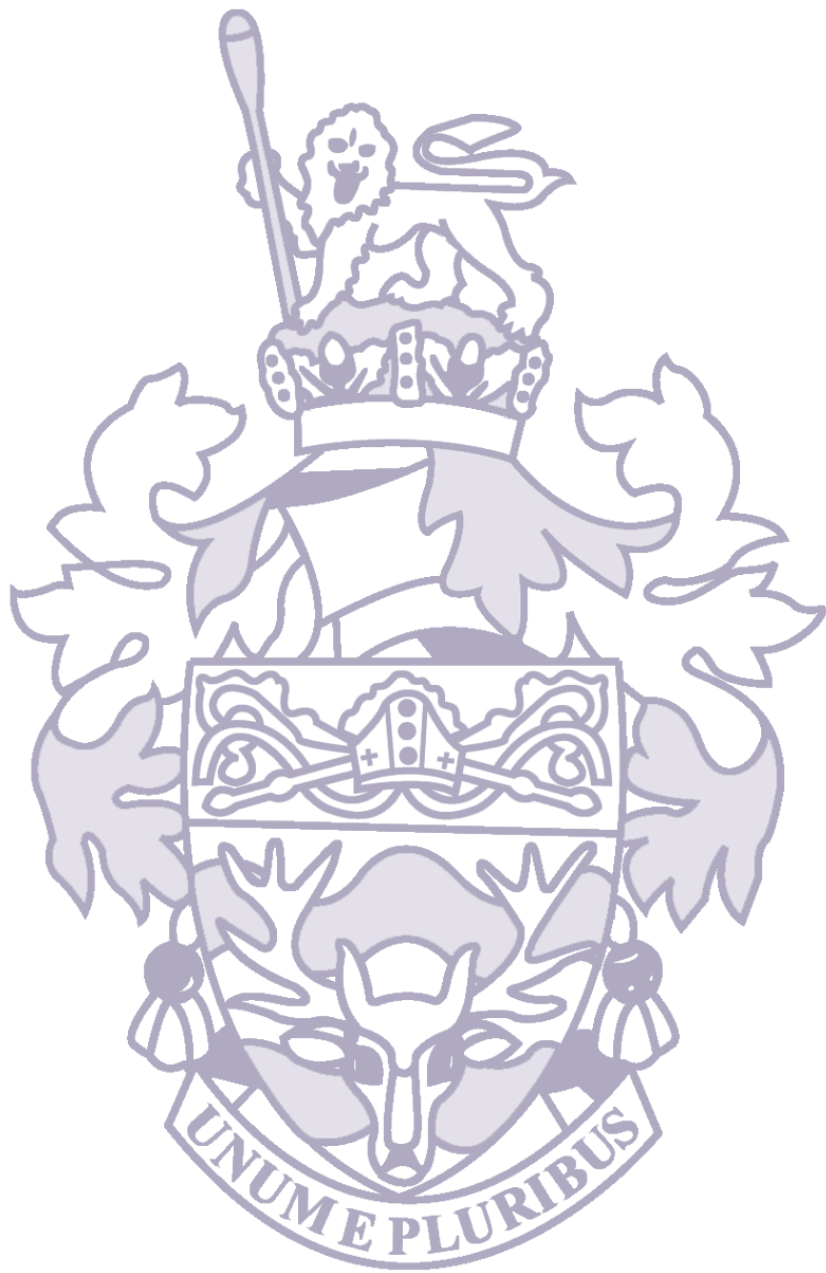
The value of allowances after the initial recognition is measured at the lower of cost and net realisable value.

27. Pooled Budgets

The Council is involved in two joint arrangements with public sector partners to engage in joint activities where the arrangements themselves do not deliver services of its own. Such arrangements are known as pooled budgets and are not classed as separate entities. The council accounts directly for its share of the assets, liabilities, income, expenditure and cashflows held within the pooled budget arrangements within its financial statements.

28. Local Area Agreement

The Council is the accountable body for the Wokingham Local Strategic Partnership (LSP) which is the governing body for the Local Area Agreement (LAA). The allocation of the grant to priorities and public bodies is controlled by the LSP therefore, Wokingham Borough Council only accounts directly for its share of the assets, liabilities, income, expenditure and cashflows that go through the LAA within its financial statements.



STATEMENT OF INTERNAL CONTROL

1. Scope of Responsibility

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

3. The Internal Control Environment in Place at Wokingham Borough Council

Establishing and monitoring the achievement of the Authority's objectives

- The vision of the Community and the Council's role in it is laid out in the Community Strategy. The Council produce a 3-year Corporate Plan in the context of the Community Strategy and is updated to reflect changes in priorities.
- Detailed plans and targets to achieve the Corporate Plan are included in the annual service plans produced by Corporate Heads of Service. These are produced in accordance with the Service and Financial Planning Framework and are considered by service Lead Members.
- An appraisal process requires staff appraisals and target setting in the context of service plans.
- A Performance Management Framework details the Council's performance management process. This covers the ongoing target setting and performance monitoring at staff supervision meetings through to reporting to Members.

The Facilitation of Policy and Decision Making

- The Council has a written Constitution, as required by the Local Government Act 2000. For the financial year 2006/7 it was based on the Executive – Leader/Cabinet model and the executive body acted collectively with limited individual delegated powers (since May 2006). The Constitution is divided into articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols at the end of the Constitution. These include; Cabinet Procedures Rules, Overview and Scrutiny Procedures Rules, Members Code of Conduct, Protocol on Member/Officer Relations and Access to Information Procedure Rules. Meetings are open to the public except where personal or confidential matters are



- being disclosed. In addition, senior officers of the Council can make decisions under delegated authority. The Council publishes a Forward Plan and schedule of meetings that provides a programme for Executive decisions. A major review of the constitution was completed and implemented in May 2006. Reviews and updates to the constitution will be taken on an annual basis thereafter.
- Policy is considered and formulated by Member policy teams of the Administration, which are advised by senior officers and a Policy Section. Supported policies are presented to Executive/Council for formal approval.

Ensuring Compliance with Established Policies, Procedures, Laws and Regulations – including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties

- The Council has designated the Corporate Head of Legal & Democratic Services as Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service (Chief Executive) and Chief Finance Officer (Corporate Head of Finance), the Monitoring Officer will report to the full Council if it is considered that any proposal, decision or omission would give rise to unlawfulness, or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- The Chief Executive, Deputy Chief Executive, Corporate Head of Legal & Democratic Services and Corporate Head of Finance are represented at Corporate Management Team and have access to all decision making meetings. All Executive reports are cleared by the Chief Executive, Deputy Chief Executive, Corporate Head of Legal & Democratic Services and Corporate Head of Finance to ensure the legal, financial and policy framework is adhered to.
- Services are delivered by trained and experienced staff. All posts have a detailed job description and person specification.
- The Council has adopted a “Local Code of Corporate Governance” in accordance with the CIPFA/SOLACE Framework for Corporate Governance. The local code contains appropriate monitoring and reporting procedures, and can be found on the Council’s website.

Ensuring the Economical, Effective and Efficient Use of Resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty

- Through reviews by external auditors, external agencies, Internal Audit and various working groups, the Council constantly seeks ways of ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. An extensive business process review was completed in 2006/7 that covered all Council Services (excluding schools) generating efficiencies of almost £2m p.a.

- The Council has a value for money (VFM) framework that lays out where it pursues VFM and records key achievements. This is maintained by Corporate Management Team and cascaded to staff to encourage best practice. An efficiencies return is made to the Government twice a year detailing the efficiencies the Council has secured and is measured against their efficiency target for the Council. The Council was well in excess of this efficiency target.
- The Service and Finance Planning framework provides a context of the level of savings/efficiencies required to achieve a politically acceptable level of Council Tax increase. Considerable focus is given to reducing costs through effective Procurement, reducing staffing through process re-engineering & new technology and alternative cost effective methods of service delivery. Investment to save or contain escalating expenditure is strongly encouraged.
- The submission and evaluation of bids for additional resources (capital & revenue) is laid out in the Service & Financial Planning Framework. Bids are scrutinised by senior officers and evaluated against corporate priorities (contained in the Corporate Plan). This evaluation is used to inform Member decisions.
- The Medium Term Financial Plan (MTFP) provides a summary of the budget setting process and identifies bids over a 3-year period to provide a longer-term view of the financial position. It includes the Council's resources requirements and performance targets (outputs) over the medium term. The MTFP also includes the financial plans with our key partners over a 3-year period.
- Under the Audit Commissions Value for Money (VFM) Assessment (referred to later) that includes an in depth analysis of the Council's arrangements for and achievements in securing Value the Council scored a 3 out of 4. This reflects well on the Council's ability to deliver VFM.

The Financial Management of the Authority and the Reporting of Financial Management

- The Financial Management arrangements of the organisation are brought together in the finance section of the Risk Management Strategy (see Appendix A). It identifies roles, responsibilities, policies, procedures and processes.
- The officer Corporate Management Team consider Revenue and Capital budget monitoring reports on a monthly basis as do Member Policy teams. This is supplemented by a Member/Senior Officer working group (known as the Special Finance Group) that takes an overview of the Council's finances and directs action as appropriate. Executive formally consider the Revenue and Capital budget monitoring reports quarterly. The Statement of Accounts produced at financial year-end is approved by Council following consideration and endorsement at Audit Committee.
- The financial management of the authority is conducted in accordance with the financial rules set out in Part 4 of the Constitution, the Financial Regulations and a Budget Management Protocol agreed by Council. The Council has designated the Corporate Head of Finance as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. The Council has in place a 3-year Financial Strategy, updated annually to ensure resources are allocated effectively to best enable the delivery of the Corporate Plan.

- The Council maintains an Internal Audit Section which operates to the standards set out in the 'Code of Practice for Internal Audit in Local Government in the UK'. The section reports regularly to the Audit Committee. An audit of Budget Management and Service & Financial Planning is included in each annual audit plan.

The Performance Management of the Authority and the Reporting of Performance Management

- Performance Management is laid out in the Performance Management Framework. This identifies what management information is reported to who and when. It covers performance indicators, financial reporting and statutory reports. The process is driven by the Corporate Plan, which focuses attention on corporate priorities. This is cascaded through service plans, individual employee appraisals and action plans. It is an integral part of the Service and Financial Planning Framework. Corporate Management Team, Executive, Scrutiny Committee and Member Policy Teams monitor and review progress against targets and performance and ensure corrective action is undertaken where appropriate.

The Risk Management of the Authority and the Reporting of Risk Management

- A robust system is in place for the management of service and financial risks. The process, roles and responsibilities are laid out in the Council's Risk Management Strategy (RMS). It includes a Lead Member and Lead Officer for Risk Management. The strategy is reviewed and updated annually for Council approval.
- Corporate Heads of Service are responsible for monitoring and co-ordinating risks in their service area and produce a service risk register that is formally updated on an annual basis with service plans. Corporate Management Team have responsibility for the Corporate Risk Register (the most significant residual risks) and review/update this quarterly.
- Progress against the Corporate Risk Register is monitored formally at each Audit Committee and informally by Executive. Member Policy Teams review service risk through the Service Risk Registers and Management Assurance Statements.
- The Service & Financial planning guidance ensures that risks are a key consideration in this process. Significant financial and service risks, within each annual budget presented to Council for approval, are highlighted in the Chief Finance Officers statutory report.
- Internal Audit review the Council's Risk Management procedures annually.

4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within the Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The Statement of Internal Control is drafted by the Corporate Head of Finance (S151 Officer) in the context of the Assurance Framework. It is considered and endorsed by the Corporate Management Team and the Audit Committee prior to presentation at Council.

The Audit assurance levels on key areas of the internal control environment are shown in the table below. It shows that in the majority of cases a good level of assurance has been maintained, indicating a robust control framework.

Audit Area	Control Assurance levels
Risk Management	Good
Corporate Governance	Good
Performance Management	Satisfactory
Service & Financial Planning	Good
Anti-Fraud and Corruption	Good
Budget Management	Good
Partnerships	Satisfactory

An extensive assessment of the Council's Use of Resources was undertaken in 2006/7 (to 31 December 2006). It assessed the Council's arrangements for Use of Resources in five areas: Financial Reporting, Financial Management, Financial Standing, Internal Control and Value for Money. In Financial Standing and Financial Management the Council were considered to be performing very well and scored top marks (4 out of 4). In all other areas the council were considered to be performing well and consistently above minimum requirements (performing well - 3 out of 4). An overall score of 4 (out of 4) was a significant improvement on the previous year, placing the Council in the top three Unitary Authorities in the country. It is considered to reflect very well on the Council's arrangements to secure efficiency, economy and effectiveness in the use of its resources.

No significant gaps in assurance were identified during the year.

The Process that has been applied in Maintaining and Reviewing the Effectiveness of the System of Internal Control

- Internal Audit produces an annual review, which is submitted to the Audit Committee and includes an opinion on the overall control and risk environment. In addition, it regularly reports to the Audit Committee on significant issues arising during the year.
- The Internal Audit section is subject to regular inspection by the Council's external auditors who place reliance on the work carried out by the section.
- The Council has developed an Assurance Framework (see Appendix B) to maintain and review the System of Internal Control. Assurances are provided by; Internal Audit, Management Assurance, Performance Management, Risk Management, External Audit and other External Inspections (e.g. OFSTED, Benefit Fraud Inspectorate). Management Assurance Statements are presented to service Lead Members on a 6 monthly basis.
- The Statement of Internal Control is considered by the officer Corporate Management Team and the Audit Committee prior to presentation to Council each year.

5. Review of the Effectiveness of the System of Internal Audit

The Accounts & Audit (Amendment) Regulations 2006 requires bodies to review the effectiveness of their system of internal audit once a year and to report this to their Audit Committee.

The review of the effectiveness of Internal Audit for the year ended 31 March 2007 has been carried out by the Council's S151 Officer (Corporate Head of Finance). No significant weaknesses were identified during the review and the internal audit system is considered to be effective. Areas for development have been identified in an action plan that will be reported to the Audit Committee.

In undertaking this review of effectiveness, consideration is given to the Audit Commissions view of Internal Audit under their Use of Resources assessment. Their opinion is that Internal Audit properly operate in accordance with the CIPFA code of practice for Internal Audit in Local Government.

6. Significant Internal Control Issues

An Outline of the Actions Taken, or Proposed, to Deal with Significant Internal Control Issues

In general the internal control environment is well progressed and robust. Significant improvements were made in 2005/6 that were in place for 2006/7. This included further developments to the Assurance Framework and enhancements to the majority of the key areas of internal control. Considerable progress has been made to improve the Governance arrangements in respect of Partnerships (with the evaluation and reporting of significant partnerships) and Business Continuity (through service continuity plans, strategic plans and test exercises). Notable improvements have also been achieved in respect of governance/accountability arrangements, including setting up an Audit Committee (that reports directly to Council) and revised working arrangements for Scrutiny Committee.

Although progress has been made in respect of Information Management there is still much to be done, particularly around knowledge management. The picture is similar in respect of agreeing a 10-year capital vision. Considerable work has been undertaken to identify schemes over a 10- year horizon but more work is required on prioritisation in the context of limited resources and the key Council objectives.

Throughout 2006/7 a number of Internal Audit investigations revealed in some cases, significant breaches (by officers) to agreed policies and procedures. This has been and is being addressed through strong communication, strengthening policies & procedures (where appropriate) and in disciplinary action (where appropriate).

7. Internal Control Environment Action Plan

Although the system of Internal Control is considered to be generally sound the following areas have been identified for improvement;

- (i) Achievable and realistic long term capital investment strategy

Action: Produce a 10-year capital vision with prioritisation, funding gap analysis and action plan to address

By: Deputy Chief Executive/Lead Member for Capital & Assets (September 2007)

(ii) Information Management (including knowledge management)

Action: Strategy to Executive

By: Corporate Head of Knowledge Development (September 2007)

(iii) Breaches (by officers) to policies and procedures

Action: Internal Control Issues established as a standing item on CMT agenda. Profile of Internal Control Environment to be enhanced. Internal Audit Recommendations arising from the investigations to be implemented. Enhancement to Policies & Procedures (e.g. declaration of interests & stronger monitoring arrangements)

By: Corporate Management Team lead by Corporate Head of Finance (April 2007 & ongoing)

(iv) Extremely weak control environment in areas of the Housing Service, in particular Tenant Services.

Action: Major revision to Processes & Practices.

By: Chief Executive (supported by Internal Audit) – work is already underway in drawing up the areas to address and implementing initial process amendments.

I have been advised on the implications of the result of the review of the effectiveness of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.



P.Turrell
Interim Chief Executive
28th June 2007



M. Deegan,
Chairman of the Audit Committee
28th June 2007

CORE FINANCIAL STATEMENTS

The **Income and Expenditure Account** brings together the income and expenditure of all the authority's functions into one statement. The statement shows the expenditure incurred during the year classified according to the Best Value Accounting Code of Practice and the income generated to fund the services provided by the Council.

The statement measures the financial performance of the authority, in terms of the resources consumed and generated over the last twelve months. However, the authority is required to raise council tax on a different accounting basis, the main differences being:

- Capital investment is accounted for in the income and expenditure account when the assets are consumed rather than as they are financed as required by council tax legislation
- Retirement benefits are charged to the income and expenditure account as future benefits are earned rather than when amounts become payable to pension funds and pensioners as required by council tax legislation

As such the Income and Expenditure Account shows a deficit of £18.647m however, this does not mean that the authority needs to cut expenditure or raise council tax to balance the books. The differences outlined above are adjusted for in the Statement of Movement on the General Fund Balance.

Statement of Movement on the General Fund Balance - The General Fund balance shows whether the Council has over or under-spent against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure. This reconciliation statement summarises the differences between the outturn on the Income and Expenditure account and the General Fund balance. The total movement on the general fund for 2006/07 was £1.599m and at 31/3/07 the authority has £8.589m in its General Fund reserves.

The **Statement of Total Recognised Gains and Losses (STRGL)** shows the gains and losses experienced by the authority that are not reflected in the Income and Expenditure Account.

The **Balance Sheet** includes all the assets and liabilities of all the activities of the authority as at 31st March 2007.

The **Cashflow Statement** summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.



INCOME AND EXPENDITURE ACCOUNT

Service Area	2006/07			Notes	2005/06
	Gross Expenditure	(Gross Income)	Net Expenditure		Net Expenditure
	£'000	£'000	£'000		£'000
Continuing Operations					
Central Services to the Public	4,526	(2,559)	1,967	1	1,356
Cultural, Environmental and Planning Services	30,754	(14,816)	15,938	1	15,900
Education Services	126,568	(105,399)	21,169	1	87,576
Highways, Roads and Transport Services	12,690	(1,927)	10,763		10,174
Housing Services	31,213	(28,861)	2,352	2	849
Social Services	63,304	(22,284)	41,020		35,932
Corporate and Democratic Core	9,687	(3,743)	5,944		4,985
Non-Distributed Costs	676	0	676		490
Net Cost of Services	279,418	(179,589)	99,829		157,262
Exceptional Items	0	0	0		0
Net Cost of Continuing Operations					157,262
Gain or loss on disposal of fixed assets			0		59
Parish council precepts			2,973	15	2,835
Surplus / deficit on trading undertakings			0		
Contribution of Housing capital receipts to the Government Pool			617	13	512
Interest payable and similar charges			3,135		3,138
Interest and investment income			(2,722)		(2,558)
Pensions interest cost and return on assets			(562)	46	(82)
Net Operating Expenditure			103,270		161,166
General Government grants			(2,903)	16	(36,088)
Non-domestic rates redistribution			(13,690)		(50,388)
Income from the Collection Fund			(68,030)	15	(65,002)
Net (Surplus) / Deficit for the Year			18,647		9,688



STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year:	2006/07	Notes	2005/06
	Net Expenditure		Net Expenditure
	£'000		£'000
Depreciation of Fixed Assets	(10,515)		(9,398)
Impairment of Fixed Assets	(5,379)		0
Amortisation on Intangible Fixed Assets	(106)		(61)
Government Grants Deferred Amortisation	1,526		1,393
Deferred Charges and other amounts classified as capital expenditure by statute	(2,566)		(2,855)
Net gain or loss on sale of Fixed Assets	0		(59)
Net charges made for retirement benefits in accordance with FRS 17	(3,000)	46	(2,172)
Sub-Total	(20,040)		(13,152)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year:			
Minimum Revenue Provision for capital financing	2,665	12	2,750
Revenue contribution to capital expenditure	248		1,352
Transfer from Usable Capital receipts equal to the amount payable into the Housing Capital Receipts Pool	(617)		(512)
Sub-Total	2,296		3,590
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year:			
Transfer of the surplus or (deficit) on the Housing Revenue Account to reserves	(393)	14	285
Voluntary provision for the repayment of debt	0		0
Transfer to or (from) the Dedicated Schools Grant Reserve	(81)		0
Net transfer to or (from) earmarked reserves	364		(1,196)
Net transfer to or (from) school reserves	806		106
Sub-Total	696		(805)
Increase or Decrease in the General Fund Balance:	(17,048)		(10,367)
Surplus or deficit for the year on the Income and Expenditure Account	18,647		9,688
Net additional amount required by statute and non-statutory proper practices to be charged to the General Fund Balance for the year	(17,048)		(10,367)
Total (Increase) or Decrease in the General Fund Balance	1,599		(679)
General Fund Balance brought forward	(10,188)		(9,509)
General Fund Balance carried forward	(8,589)		(10,188)



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2006/07		2005/06
		£'000	£'000	£'000
Surplus / (Deficit) on the Income and Expenditure Account		(18,647)		(9,688)
Surplus or deficit on the revaluation of fixed assets	23	27,208		(26,944)
Actuarial gains and losses on pension fund assets and liabilities	46	12,851		(4,855)
Increase in unapplied grants and contributions		5,024		6,191
Other gains and losses		2,245		1,689
Total recognised gains and losses for the year			28,681	(33,607)
Prior period adjustments			0	(13,530)
Total gains and losses			28,681	(47,137)
Net Worth on Balance Sheet Brought Forward			632,964	680,101
Net Worth on Balance Sheet Carried Forward			661,645	632,964



BALANCE SHEET

	Notes	2006/07		2005/06
		£'000	£'000	£'000
Fixed Assets				
Intangible Assets	27	1,346		1,753
Operational Assets:				
Council dwellings	23	199,732		192,232
Other land and buildings	23	442,926		441,860
Vehicles, plant and equipment	23	2,784		661
Community assets	23	3,113		2,991
Infrastructure assets	23	72,357		71,101
Non Operational Assets:				
Investment properties	23	8,954		7,851
Assets under construction	23	6,547		0
Surplus assets held for disposal	23	9,817		3,198
Total Fixed Assets			747,576	721,647
Long-term investments		0		0
Long-term debtors	29	29		14
Deferred premiums	29	4,131	4,160	4,644
Total Long-Term Assets			751,736	726,305
Current Assets				
Landfill allowances		850		805
Stocks and work in progress		0		0
Debtors	31	24,911		16,818
Short-term investments	30	47,277		52,901
Cash and bank	32	2,034	75,072	2,621
Total Assets			826,808	799,450
Current Liabilities				
Cash overdrawn	32	(3,117)		(5,562)
Short-term borrowing		0		0
Creditors	33	(31,928)	(35,045)	(29,284)
Total Assets less Current Liabilities			791,762	764,604
Long-Term Liabilities				
Grants and contributions deferred	42	(20,152)		(13,465)
Deferred discounts	29	(485)		(215)
Long-term borrowing	35	(72,390)		(70,390)
Provisions	36	(682)		(1,174)
Pensions liability	46	(36,409)	(130,118)	(46,397)
Total Assets less Liabilities			661,645	632,964



BALANCE SHEET

	Notes	2006/07		2005/06
		£'000	£'000	£'000
Represented by:				
Fixed Asset Restatement Account	41	(624,807)		(599,918)
Capital Financing Account	41	(31,780)		(40,206)
Usable Capital Receipts Reserve	41	(3,574)		(5,066)
Government Grants Unapplied		(10,804)		(7,039)
Pensions Reserve	46	36,409		46,397
Major Repairs Reserve	41	0		(48)
Earmarked Reserves	41	(14,814)		(13,992)
General Fund Balance	41	(8,589)		(10,188)
School Revenue Balances	43	(3,122)		(2,335)
Dedicated Schools Grant Reserve	45	81		0
Collection Fund		202		671
Housing Revenue Account Balance		(847)		(1,240)
Total Reserves and Balances			(661,645)	(632,964)



CASHFLOW STATEMENT

Revenue Activities	Note	2006/07		2005/06
		£'000	£'000	£'000
Cash Outflows				
Cash paid to and on behalf of employees		103,811		103,211
Other operating cash payments		121,243		115,649
Housing Benefit paid out		13,423		8,002
National non-domestic rate payments to national pool		52,594		37,612
Precepts Paid		14,311		13,491
Payments to the Capital Receipts Pool		617		512
			305,999	278,477
Cash Inflows				
Rents (after rebates)		(6,369)		(6,326)
Council Tax Receipts		(76,197)		(73,435)
Non-domestic Rates Receipts		(43,470)		(46,297)
National non-domestic rate receipts from the national pool		(13,690)		(50,388)
Revenue Support Grant		(2,903)		(36,088)
DWP Grants for Benefits		(8,551)		(7,824)
Housing Benefit Administration Grants		(469)		(471)
Other Government Grants	52	(135,791)		(56,706)
Receipts for goods and services		(7,828)		(8,622)
Other operating cash receipts		(8,903)		(9,536)
			(304,171)	(295,693)
Net Cash from Revenue Activities	48		1,828	(17,216)
Returns on Investments and Servicing of Finance				
Cash Outflows:				
Interest paid		2,798		3,179
			2,798	3,179
Cash Inflows:				
Interest received		(2,855)		(2,357)
			(2,855)	(2,357)
Capital Activities				
Cash Outflows:				
Purchase of Fixed Assets		17,014		13,745
Purchase of long-term investments		0		0
Other capital cash payments		2,566		2,544
			19,580	16,289
Cash Inflows:				
Sale of Fixed Assets		(2,119)		(8,044)
Capital grants received		(9,764)		(8,543)
Other capital cash receipts		(3,702)		(3,244)
			(15,585)	(19,831)
Net Cash Inflow before Financing cfwd			5,766	(19,937)



CASHFLOW STATEMENT

	Note	2006/07		2005/06
		£'000	£'000	£'000
Net Cash Inflow before Financing bfw			5,766	(19,937)
Management of Liquid Resources				
Net increase / (decrease) in short-term deposits	50	(5,624)		20,460
Net increase / (decrease) in other liquid resources		0		0
			(5,624)	20,460
Financing				
Cash Outflows				
Repayments of amounts borrowed	50	43,990		21,000
Capital element of finance lease rental payments		0		0
			43,990	21,000
Cash Inflows				
New loans raised	50	(45,990)		(23,000)
New short-term loans		0		0
			(45,990)	(23,000)
Net (Increase) / Decrease in Cash			(1,858)	(1,476)



NOTES TO THE CORE FINANCIAL STATEMENTS

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Net Cost of Services

The following expenditure levied on the Council has been included in the Net Cost Of Services:

Levy	Expenditure Block on I & EA	2006/07	2005/06
		£'000	£'000
Land Drainage Precept	Cultural, Environment and Planning	73	115
Magistrates Court	Central Services to the Public	0	0
Coroners Court	Central Services to the Public	114	108
Net Expenditure		187	223

In 2006/07 all functions in relation to magistrates court were transferred to the courts authority.

In 2006/07 there was a significant decrease in the net cost of education services compared with 2005/06. This decrease is due to the creation of the Dedicated Schools Grant by the Government. The DSG is a specific grant (£76m in 2006/07) and therefore included within the net cost of services; in 2005/06 the Schools Grant was an element of the revenue support grant.

2. Housing Benefits

The Housing Benefits scheme provides assistance with private sector rent and council tax payments for those with low incomes. The scheme is largely funded by government grant but is administered by the Council.

Rebates Granted	2006/07	2005/06
	£'000	£'000
Housing Benefit	13,423	12,490
Council Tax Benefit	3,686	3,574
Audit Fees	35	12
Total Rebates Granted	17,142	16,076
Government Reimbursement	(17,250)	(16,161)
HRA Contribution	0	0
Rebates Cost to the Council	(106)	(85)
Administration Costs	958	1,046
Government Reimbursement	(469)	(453)
Total Cost to Council	383	508

3. Exceptional and Extraordinary Items

There have been no exceptional or extraordinary items in 2006/07.

NOTES TO THE CORE FINANCIAL STATEMENTS

4. Prior Period Adjustments

In 2006/07 CIPFA changed the accounting policies for local authorities to remove the practice of charging notional interest to services and to bring the accounting policies of local authorities in line with UK Generally Accepted Accounting Practice. The changes resulted in the new format of the financial statements and a restatement of the 2005/06 comparative figures. The changes made are summarised in the table below:

Service Area	2005/06				
	Net Expenditure	Removal of Notional Interest / AMRA	External Interest	Grants and Contributions	Revised Net Expenditure
	£'000				£'000
Continuing Operations					
Central Services to the Public	2,137	(735)		(46)	1,356
Cultural, Environmental and Planning Services	16,684	(528)		(256)	15,900
Education Services	102,539	(14,312)		(651)	87,576
Highways, Roads and Transport Services	14,003	(3,552)		(277)	10,174
Housing Services	8,706	(7,802)	(54)	(1)	849
Social Services	36,370	(283)		(155)	35,932
Corporate and Democratic Core	5,071	(80)		(6)	4,985
Non-Distributed Costs	490				490
Net Cost of Services	186,000	(27,292)	(54)	(1,392)	157,262
Asset Management Revenue Account	(25,600)	25,600			0
Interest Payable	0		3,138		3,138

5. Finance Leases

The authority does not have any assets held under finance leases.

NOTES TO THE CORE FINANCIAL STATEMENTS

6. Amounts of Outstanding Undischarged Obligations arising from Long-Term Contracts and PFI Transactions

As at 31st March 2007 the authority is committed to making payments under the following contracts:

- Payments estimated at £1.5m per annum under a contract with Mouchel Parkman for the provision of highways and transportation consultancy. The contract will expire in March 2008.
- Payments estimated at £4m per annum under a contract with Balfour Beatty for highways reactive and planned maintenance. The contract will expire in March 2008.
- Payments estimated at £2m per annum under a contract with SITA for the collection of waste. The contract will expire in September 2009.
- Payments estimated at £4.5m per annum under a PFI contract with the Waste Recycling Group (WRG) for the provision of waste disposal services. The contract will expire in March 2032.
- Payments estimated at £2.5m per annum under a contract with Digica for IT services. The contract will expire in December 2010.
- Payments estimated at £1m per annum under a contract with Contract Trading Services (CTS) for internal refurbishments of council dwellings. The contract will expire in 2008.
- Other contracts between £0.1m and £1m total £18.30m.

In 2006/7 the Council, together with Reading and Bracknell Forest Borough Councils, entered into a PFI contract with WRG (RE3 Ltd) for the disposal of waste. The total value of the contract was modelled at £611m at financial close, to be shared between the Councils based on relative throughput. Actual payments will depend upon the contractor's performance as well as that of the individual Councils in waste collection. As part of the contract, the contractor will build a transfer station, materials recycling facility, civic amenity site & offices on land owned by Reading and Bracknell Councils. It is the Wokingham Council's judgement that the balance of risk exposure indicates in favour of an off-balance sheet accounting treatment for the assets that will be created under the contract. Reversionary interests in any residual value of the assets have not been accounted for at this stage as the asset values in 2032 cannot easily be valued and are considered immaterial at this point.

7. Section 137 Expenditure

The Local Government Act 2000, granted new powers for authorities to promote well-being in their area, as a result, Section 137 of the Local Government Act 1972 was repealed except for Section 137(3), this requires the disclosure of donations made to charities. In 2006/07 donations of £317,157 (£270,940 in 2005/06) were made. The donations were made as part of the Voluntary Sector Grants process; all payments were based on assessment criterion, which focuses on the nature and level of tangible benefit to the Borough, evidence of financial need, and the organisation's existing relationship with the Council.

NOTES TO THE CORE FINANCIAL STATEMENTS

8. Publicity

Under section 5(1) of the Local Government Act 1986, expenditure on publicity was as follows:

Area	2006/07	2005/06
	£'000	£'000
Public Relations	76	80
Employee Advertising	261	388
Other Advertising	67	58
Other Publicity	103	148
Total	507	674

9. Building Control Trading Account

The Building (Local Authority Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function. Wokingham Borough Council sets charges for work carried out in relation to building regulations with the aim of covering all costs incurred. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The statement below shows the total cost of operating the building control unit divided between the chargeable and non-chargeable activities.

Building Regulations Charging Account	Chargeable	Non-Chargeable	Total
	2006/07	2006/07	2006/07
	£'000	£'000	£'000
Expenditure			
Employee Expenses	430	37	467
Premises	0	0	0
Transport	17	2	19
Supplies and Services	34	3	37
Central Support Service Charges	151	11	162
Total Expenditure	632	53	685
Income			
Building Regulation Charges	(649)	0	(649)
Miscellaneous Income	(12)	(6)	(18)
Total Income	(661)	(6)	(667)
(Surplus) / Deficit for the Year	(29)	47	18

The Chargeable Account, in its eighth year of operation, made a surplus of £28,910. The Account has a three year rolling accounting period. At the end of each cycle its income received must not be less than expenditure incurred. The account, at the end of its current three year period, has generated a surplus of £21,069.

NOTES TO THE CORE FINANCIAL STATEMENTS

10. Agency Arrangements

The Council performs a few activities on behalf of the other unitary authorities in Berkshire. The other authorities reimburse the Council for this work, including a contribution towards administrative costs. A summary of expenditure incurred in respect of the activities, which is not included within the Income & Expenditure Account is as follows:

Area	2006/07	2005/06
	£'000	£'000
Sensory Needs	624	689
Travellers	360	499
Total	984	1,188

11. Pooled Budgets

Section 31 of the Health Act 1999 and the NHS Bodies and Local Authorities Partnership Regulations 2000 enable the establishment of joint working arrangements between NHS bodies and local authorities to enable them to work collaboratively to provide services to address local health issues. Wokingham has three pooled budget arrangements.

Children and Adolescent Mental Health Services (CAMHS) S31 Agreement

The arrangement is for the provision of integrated services for children and young people with emotional, behavioural and mental health needs in the West of Berkshire. The arrangement started on 1 March 2004 and there are five members: Wokingham, Reading and West Berkshire councils, the West Berkshire Primary Care Trust and Berkshire Health Care Trust. Wokingham Borough Council is the lead partner ("host") for the pooled fund. The memorandum account for the fund is as follows:

CAMHS Memorandum Account	2006/07	2005/06
	£'000	£'000
Income		
Primary Care Trusts	(1,661)	(1,421)
Local Authority CAMHS Grant	(533)	(414)
Other Local Authority Contributions	(249)	(243)
NSF Grant	(174)	(105)
Other Grant	(33)	
Previous Year Carry Forward	(271)	(394)
Total Income	(2,921)	(2,577)
Expenditure		
Berkshire Health Care Trust	2,045	1,438
Local Authorities	787	520
Total Expenditure	2,833	1,958
(Surplus) / Deficit	(89)	(619)

NOTES TO THE CORE FINANCIAL STATEMENTS

Wokingham Borough Council's share of the assets and liabilities of the pooled fund is as follows:

WDC Share of Assets	£'000
Cash	106
Debtors	1
Creditors	(107)
Net Assets	0

Joint Equipment Stores Agreement

The agreement is for the provision of joint store and equipment services using the Royal Berkshire Ambulance NHS Trust (RBAT) as an agent to provide the services. The six Berkshire Unitary Authorities and the Berkshire Primary Care Trust are members with Slough Borough Council as lead partner. The memorandum account for the fund is as follows:

Joint Equipment Stores Memorandum Account	2006/07 £'000	2005/06 £'000
Income		
Slough Borough Council	(186)	(195)
The Royal Borough of Windsor and Maidenhead	(211)	(167)
Bracknell Forest Borough Council	(186)	(136)
Reading Borough Council	(252)	(220)
West Berkshire District Council	(218)	(175)
Wokingham Borough Council	(224)	(182)
Slough Primary Care Trust	(1,189)	(989)
Total Income	(2,466)	(2,064)
Expenditure		
Royal Berkshire Ambulance Trust	2,466	1,614
Original allocation - Pool	0	36
Additional expenditure - Pool	0	414
Total Expenditure	2,466	2,064
Surplus / (Deficit)	0	0

NOTES TO THE CORE FINANCIAL STATEMENTS

Local Strategic Partnership (Local Area Agreement Grant)

Since 1st April 2006, the Council has been the body accountable for the Wokingham Local Strategic Partnership (LSP), which is the governing body for the Local Area Agreement (LAA). The LSP received the grant for the first time in 2006/07. The allocation of the grant to priorities and public bodies is controlled by the LSP, therefore Wokingham Borough Council only accounts directly for its share of the assets, liabilities, income, expenditure and cashflows that go through the LAA within its financial statements. The income and expenditure account for the LSP and WBC's share of the assets and liabilities are as follows:

Local Area Agreement Memorandum Account	2006/07 £'000
Income	
Local Area Agreement Grant	(902)
Total Income	(902)
Expenditure	
Wokingham BC	99
Wokingham PCT	12
Thames Valley Police	82
Berkshire Fire Authority	40
CVA	25
Volunteer Centre	20
Total Expenditure	278
(Surplus) / Deficit	(624)

WDC Share of Assets	£'000
Cash	196
Creditors	(196)
Net Assets	0

12. Minimum Revenue Provision

	2006/07 £'000	2005/06 £'000
Non-Housing amount - 4% of capital financing requirement	2,665	2,750
Minimum Revenue Provision	2,665	2,750

13. Contribution of Housing Receipts to Government Pool

Local Authorities have to pay a proportion (75%) of specified housing capital receipts into a Government pool for redistribution. The payment in 2006/07 is £616,951 (£511,595 in 2005/06) and has been reversed in the Statement of Movement on General Fund Balance by an appropriation from Usable Capital Receipts.

14. HRA Surplus / Deficit

Details on the HRA Deficit can be found in the Housing Revenue Account.

NOTES TO THE CORE FINANCIAL STATEMENTS

15. Precept

This represents the demand of the Borough Council and its Parishes upon the Collection Fund.

	2006/07	2005/06
	£'000	£'000
Wokingham Borough Council	65,057	62,167
Parishes	2,973	2,835
Total	68,030	65,002

16. Revenue Support Grant

This is the Government grant received to support the Council's activities as a whole and is not linked to any one service.

17. Transfer from BCC

Reading Borough Council has been managing former Berkshire County Council balances since the abolition of the County Council. Balances have been held back to ensure all outstanding liabilities are covered (insurance and general liabilities provision). Each year the remaining balances and all possible liabilities are reviewed (e.g. property risks etc) and balances distributed on a prudent basis.

18. Members Allowances

The total amount of Members' allowances paid during 2006/2007 was £496,831(2005/2006, £470,729).

19. Officer's Emoluments

The number of employees paid remuneration of £50,000 or more, including all taxable benefits, were as follows: -

Remuneration Range	2006/07 Number of Staff	2005/06 Number of Staff
£50,000 - £59,999	49	40
£60,000 - £69,999	12	11
£70,000 - £79,999	9	9
£80,000 - £89,999	10	5
£90,000 - £99,999	3	1
£100,000 - £109,999	0	1
£110,000 - £119,999	1	2
£120,000 - £129,999	1	0
£130,000 - £139,999	0	1
£140,000 - £149,999	1	0
Total	86	70

NOTES TO THE CORE FINANCIAL STATEMENTS

20. Renewals Fund Expenditure

The net cost of each service includes any expenditure from repairs and renewals funds related to that service. The financing of this expenditure from the fund is reflected in the contributions from Reserves shown on the Income and Expenditure Account.

21. Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Transactions with precepting authorities and levies to other bodies are shown in the Collection Fund and the Income and Expenditure Account respectively.

Central Government - has a direct influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides a large amount of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties. Details of transactions with government departments are set out in a Note 52.

All Councillors, officers on the Corporate Management Team, members of the standards committee and managing budgets were asked to complete a disclosure statement in respect of themselves and their family members/close relatives, detailing any material transactions with related parties.

Members of the Council have direct control over the council's financial and operating policies. *Officers of the Council* have an ability to influence the council's financial and operating policies. During the year 2006/07 the following amounts were transacted with related parties:

- Grants totalling £328,116 were paid to voluntary organisations in which eight members and one officer declared an interest
- Payments of £402,139 were paid to companies in which five members declared an interest, and £305,067 to companies in which five officers had an interest
- Payments of £5,940,188 were paid to a social care provider in which one officer declared holding a small number of shares
- Grants of £29,299 were made to charities in which two members and one member of the standards committee declared an interest and £10,228 to charities where three officers had declared an interest
- Payments of £281,941 were made to education establishments in which three members declared an interest
- Payments of £70,387 were paid to a non-Wokingham LEA school where one member is a school governor
- Payments of £22,703 were made to the Royal Berkshire Hospital in which one
- member declared an interest
- Payments of £42,674 were made to Berkshire Connexions in which one member declared an interest
- Payments of £8,455,156 were made to Thames Valley Police Authority (including their precept) in which one member declared an interest

NOTES TO THE CORE FINANCIAL STATEMENTS

The payments were made with proper consideration of declarations of interest. The relevant members and officers did not take part in any discussion or decision relating to the payments.

22. Audit Fees

In 2006/07 the following fees relating to external audit and inspection were payable to the Audit Commission:

Area	2006/2007	2005/2006
	£'000	£'000
External Audit Services	179	178
Statutory Inspection	50	15
Certification of Grant Claims and Returns	41	50
Total	270	243

The increase in audit fees was due to the council receiving a community safety inspection during 2006/07.

23. Fixed Assets

The changes in fixed assets during the year are shown below:

Operational Assets	Council Dwellings	Other Land and Buildings	Vehicles, Plant etc	Community Assets	Infrastructure	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Gross Valuation at 31/3/06	192,232	457,545	944	2,991	84,015	737,727
Accumulated depreciation and impairment	(0)	(15,685)	(283)	(0)	(12,914)	(28,882)
Net book value at 31/3/06	192,232	441,860	661	2,991	71,101	708,845
Movement in 2006/07						
Assets Reclassified	0	(8,319)	460	0	0	(7,859)
Additions	2,392	4,524	1,720	122	3,984	12,742
Disposals	(855)	(641)	0	0	0	(1,496)
Revaluations	7,812	13,565	225	0	0	21,602
Depreciation	(1,849)	(7,504)	(283)	0	(2,728)	(12,364)
Impairments	0	(559)	0	0	0	(559)
Net book value at 31/3/07	199,732	442,926	2,783	3,113	72,357	720,911



NOTES TO THE CORE FINANCIAL STATEMENTS

Non- Operational Assets	Surplus Properties	Assets Under Construction	Investment Properties	Total
	£'000	£'000	£'000	£'000
Valuation at 31/3/06	3,201	0	7,862	11,063
Accumulated depreciation and impairment	(3)	0	(11)	(14)
Net book value at 31/3/06	3,198	0	7,851	11,049
Movement in 2006/07				
Assets Reclassified	7,707	112	40	7,859
Additions	2	6,435	10	6,447
Disposals	0	0	(823)	(823)
Revaluations	3,729	0	1,877	5,606
Depreciation	0	0	0	0
Impairments	(4,819)	0	0	(4,819)
Net book value at 31/3/07	9,817	6,547	8,955	25,319

The main movements during the year relate to the council's on-going five year revaluation and capital programme. However, in addition to these programmes, Addington School and Wokingham Day Centre were re-classified from operational assets to non-operational assets as they have been earmarked for disposal and replacement through the capital programme, as a result, Addington School was impaired by £4.4 million. For the first time in 2006/07 we have identified major capital programme works in progress and capitalised them as assets under construction; the amount represents the council's major works at Keephatch, Maiden Erleigh, Waingels and the new Addington schools as well as the Wokingham Resource Centre.

The Resource Accounting legislation in respect of the HRA was introduced on 1st April 2000. Under this legislation the Council housing stock must be valued at net realisable value (ignoring tenancy). This has had the effect of significantly increasing the value of the Housing Stock.

The authority's property portfolio has been valued as at 31st March 2007 by the Council's Valuer. Details of the valuation methodologies are outlined in Accounting Policies.

Depreciation has been charged on the net value of assets as at 1st April 2006 (see Accounting Policies for further information).



NOTES TO THE CORE FINANCIAL STATEMENTS

The authority's asset portfolio is analysed as follows:

	Number		Number
Council Dwellings	2838	Residential Homes/Day Centres	10
Administrative Offices	9	Other Residential Properties	2
Nursery and Primary Schools	54	Caravan Sites	1
Secondary Schools	9	Traveller Sites	2
Special Schools and Units	3	Cemeteries	2
Education Houses	42	Public Conveniences	5
Detached Playing Fields	12	Public Car Parks	18
Public Libraries	8	Mobile Home Site (Leased Out)	1
Container Library Sites	1	Commercial Properties (Leased Out)	119
Youth & Community Centres	6	Properties Leased to Community /	
Swimming Pools	1	Voluntary Bodies	64
Leisure Centres with Pools	2	Ground Leased Sites	55
Other Leisure Centres	2	Smallholdings and Related Land (Acres)	536
Pavilions	7	Land Awaiting Development (Acres)	19
Other Leisure Properties	3	Parks, Recreation Grounds and Open	
Golf Courses	1	Spaces (Acres)	1347

Valuation Information

The following statement shows the progress of the Council's rolling programme for the revaluation of fixed assets. The basis of valuations and the details of the valuer are set out in the accounting policies.

Operational Assets	Council Dwellings	Other Land and Buildings	Vehicles, Plant etc	Infrastructure	Community Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At historical cost			2,784	72,357	3,113	78,254
At current value in:						
2002/03		519				519
2003/04		3,887				3,887
2004/05		391,889				391,889
2005/06		7,259				7,259
2006/07	199,732	39,371				239,103
Total	199,732	442,925	2,784	72,357	3,113	720,911

24. Movement on Deferred Charges

Capital expenditure was incurred on providing grants and other contributions where no asset was created. This expenditure has been written off in the year in which the expenditure was incurred and is included in the net cost of the relevant services and subsequently reversed in the Statement of Movement on the General Fund Balance.



NOTES TO THE CORE FINANCIAL STATEMENTS

	2006/07	2005/06
	£'000	£'000
Disabled Facilities Grants	777	459
Other (Capital Expenditure)	1,789	2,396
Total	2,566	2,855

25. Capital Expenditure and Financing

	2006/07	2005/06
	£'000	£'000
Opening Capital Financing Requirement	71,466	71,480
Adjustment made - Regulation changes		
Capital Investment	(2,616)	
Operational Assets	13,005	15,672
Non-Operational Assets	6,448	7
Deferred Charges	2,566	2,855
Sources of Finance		
Capital Receipts	(5,254)	(6,694)
Government Grants and other Contributions	(10,334)	(9,104)
Sums set aside from revenue (NB includes direct revenue financing, MRP and voluntary set aside)	(3,131)	(2,750)
Closing Capital Financing Requirement	72,150	71,466
Explanation of Movements in Year		
Increase in underlying need to borrow - Supported Borrowing	684	(14)
Increase in underlying need to borrow - Unsupported Borrowing	0	0
Increase / (decrease) in capital Financing Requirement	684	(14)

Breakdown of Capital Receipts received during the year.

	2006/07
	£'000
Old Magistrates Court Disposal	(421)
65/67 Peach Street, Wokingham	(545)
36/38 Finchampstead Road	(192)
Sale of land adjoining Grove Cottages, Nine Mile Ride	(140)
Disposal of 22 Cottesmore Road, Woodley	(220)
Other Receipts individually under £0.1m	(420)
Total	(1,938)



NOTES TO THE CORE FINANCIAL STATEMENTS

26. Capital Commitments

The estimated commitments for capital expenditure for schemes that had started, or legal contracts entered into, by 31st March 2007 are listed below:

	2006/07 £'000
Maiden Erlegh School Extension	726
Wellington House	490
Winnersh Primary Extension	479
Gypsy Site Refurbishments	420
Addington Special School of the Future	251
Acorn Centre	241
Disabled Facilities Grant	152
A327/B3270 Black Boy Junction	170
Keephatch Primary School Modernisation	113
Key Worker Housing Development	101
Other Commitments Individually Under £0.1m	3,062
Total	6,205

27. Intangible Fixed Assets

Transition costs arising from the Local Government Review in 1998 are being written off over a period of 11 years. Software licenses are held for the Council's General Ledger, I-Procurement and human resources management information systems, Email and Schools E-Learning. The cost is written off over 5 years

	Local Government Review £'000	IT Software Licences £'000	Total £'000
Original Cost	3,672	307	3,979
Amortisations to 01/04/06	(2,104)	(122)	(2,226)
Balance at 1/4/06	1,568	185	1,753
Movement in 2006/07			
Expenditure	0	223	223
Written off to revenue	(524)	(106)	(630)
Balance at 31/3/07	1,044	302	1,346

28. Analysis of Net Assets

	2006/07 £'000	2005/06 £'000
General Fund	8,589	10,188
Housing Revenue Account	847	1,288
Trading Operations	0	0
Total	9,436	11,476

NOTES TO THE CORE FINANCIAL STATEMENTS

29. Long Term Debtors, Deferred Premiums and Discounts

The long-term debtors represent amounts due to be paid to the Council after more than one year. Deferred Premiums are premiums paid on debt restructures being written off to revenue over a period of time. The Balance Sheet figure consists of the following:

	Balance as at 31/3/07	Balance as at 31/3/06
	£'000	£'000
Loan Premia	4,131	4,644
Housing Association Mortgages	0	10
Officer Car Loans	29	4
Total	4,161	4,658
Loan Discounts	(485)	(215)

30. Investments

The Council employs two fund managers to manage its investments. A maximum of 50% is invested in Gilts. Other surplus cash is managed in house and is temporarily invested with public sector authorities, major clearing banks and building societies.

	Balance as at 31/3/07	Balance as at 31/3/06
	£'000	£'000
Investec Investment Management LTD	17,764	17,057
Invesco Asset Management LTD	15,663	15,044
Other	13,850	20,800
Total	47,277	52,901

31. Debtors and Payments in Advance

Debtors are amounts that were due to the Council in full at the end of the accounting year and are net of bad debt provisions. They can be analysed as follows:

	Balance as at 31/3/06	Debtors	Bad Debt Provision	Balance as at 31/3/07
	£'000	£'000	£'000	£'000
Local Tax Payers	2,336	4,351	(2,051)	2,301
Central Government	1,718	10,391	0	10,391
Rents	217	540	(342)	198
Other	10,289	9,570	(275)	9,294
Payments in Advance	2,258	2,727	0	2,727
Total	16,818	27,579	(2,668)	24,911

Central government debtors includes a £9million debtor for the Department of Communities and Local Government arising as a result of the end of year National Non-Domestic Rates (NNDR) grant claim.

Following an assessment of debtors outstanding at the year end, a £141,966 increase in the bad and doubtful debt provision was effected in 2006/2007 through the General Fund. This follows a decrease in the level of provision of £101,437 in 2005/06. Provisions for council tax, community charge and business rates bad debts are charged to the Collection Fund and those in respect of council house rents are charged to the Housing Revenue Account. The provisions are set on the



NOTES TO THE CORE FINANCIAL STATEMENTS

basis of outstanding debt and are required to safeguard against future under or non-recoveries. The movement in the bad debt provision has been charged to the net cost of the individual service areas within the Income & Expenditure Account.

32. Cash in Hand / Overdrawn

The Council's cash overdrawn figure has decreased during the year. An analysis of the cash movements and the movement in net debt is provided in the Cashflow Statement and its notes 48 to 52.

33. Creditors and Receipts in Advance

Creditors are amounts due to be paid by the Council at the end of the accounting year and include:

	Balance as at 31/3/07	Balance as at 31/3/06
	£'000	£'000
Interest Due	0	0
Central Government	(651)	(632)
Rents	(168)	(124)
Other	(25,049)	(22,989)
Receipts in Advance	(6,060)	(5,539)
Total	(31,928)	(29,284)

34. Operating Leases

Authority as the lessee

The council has a number of operating leases relating to buildings and vehicles. Payments for these leases have been included the net cost of services as follows:

Type of Asset	2006/07		2005/06	
	Rental Payable in Year	Amount Charged to Revenue	Rental Payable in Year	Amount Charged to Revenue
	£'000	£'000	£'000	£'000
Land and Buildings	750	740	749	739
Vehicles, Plant and Equipment	112	112	101	101
Computer Equipment	578	578	0	0
Total	1,440	1,430	850	840

The outstanding commitments as at 31st March 2007 for operating leases is £1,227,000 as follows:

Type of Asset	Leases expiring in less than 1 year	Leases expiring between 2 and 5 years	Leases expiring after 5 years
	£'000	£'000	£'000
Land and Buildings	224	113	405
Vehicles, Plant and Equipment	51	53	0
Computer Equipment	225	155	1
Total	500	321	406



NOTES TO THE CORE FINANCIAL STATEMENTS

Authority as the lessor

The Council as lessor has a number of premises, which it makes available on an operating lease basis. Rent income receivable during the year has been included within the net cost of services as follows:

Type of Asset	2006/07		2005/06	
	Rental Receivable in Year	Amount Recognised to Revenue	Rental Receivable in Year	Amount Recognised to Revenue
	£'000	£'000	£'000	£'000
Shops	185	178	201	201
Industrial Premises	872	863	881	889
Offices	81	81	100	100
Other	469	446	430	416
Total	1,607	1,568	1,612	1,606

With regard to the authority's activity as a lessor, the gross value of assets held for use in operating leases was as follows:

Type of Asset	Gross Value	Accumulated Depreciation	Net Book Value
	£'000	£'000	£'000
Shops	1,737	12	1,725
Industrial Premises	6,487	358	6,129
Offices	850	0	850
Other	7,174	264	6,910
Total	16,248	634	15,614



NOTES TO THE CORE FINANCIAL STATEMENTS

35. Long-Term Borrowing

Loans outstanding, and not due to mature for more than 1 year, are the amounts borrowed from external lenders at the balance sheet date. They may be analysed as follows:

	31/03/2007	31/03/2006
	£'000	£'000
Analysis of loans by type:		
Public Works Loans Board	48,390	53,390
Commercial Loans	24,000	17,000
Total	72,390	70,390
Analysis of loans by maturity:		
Between 1 and 2 years	0	0
Between 2 and 5 years	0	0
Between 5 and 10 years	0	7,723
More than 10 years	72,390	62,667
Total Outstanding	72,390	70,390

36. Provisions

The Landfill Allowance Trading Scheme (LATS) is a scheme whereby Waste Disposal Authorities (WDAs) are allocated allowances for how much biodegradable waste can be landfilled within a 12 month period. WDAs are required to repay allowances to the value of actual biodegradable landfill usage to the government once the actual usage is determined at the end of September following the year end. A provision has been made in the accounts for the repayment of allowances based on estimated landfill usage for 2006/07.

The Nursery Grant Provision was held in 2005/06 to cover the possible repayment of prior year Nursery Education Grant. This amount was written back to the Income and Expenditure account during 2006/07.

Provision	Balance as at 1/4/06	(Receipts)	Expenditure	Balance as at 31/3/07
	£'000	£'000	£'000	£'000
Nursery Grant	(406)	0	406	0
LATS	(768)	(682)	768	(682)
Other	0	0	0	0
Total	(1,174)	(682)	1,174	(682)

37. Contingent Assets and Liabilities

There were no contingent assets or liabilities in 2006/07.

38. Authorisation of the Accounts for Issue

Under FRS 21 Events after the balance sheet date, the Authority is required to disclose the date that the accounts are authorised for issue.

The Financial Statements were authorised for issue by the Corporate Head of Finance, Mr G Ebers, on Monday 11th June, the date that the statements were formally tabled to the Audit Committee for approval and from which the accounts were publicly available. Events after this date will not be recognised in the statement of accounts.

NOTES TO THE CORE FINANCIAL STATEMENTS

39. Post Balance Sheet Events

Events may occur between the balance sheet date and the date the accounts are authorised for issue, which might have a bearing upon the financial statements.

There have been no events since the date the balance sheet was produced that would require adjustment of the financial statements or disclosure in the notes to the accounts.

40. Trust Funds

The Council acts as sole trustee for two trust funds. The total value of the funds at 31st March 2007 was £16,717 (31st March 2006 - £13,548).

Fund	Opening Balance	Receipts	Expenditure	Closing Balance
	£'000	£'000	£'000	£'000
Sports Sponsorship	3	2	0	5
Chairman's Appeal	11	1	0	12
Total	14	3	0	17



NOTES TO THE CORE FINANCIAL STATEMENTS

41. Reserves

The Council keeps a number of reserves in the balance sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans. The statutory reserves are shown below:

Reserve	Purpose of the reserve	Balance at 1/4/06 £'000	Net Movement in Year £'000	Balance at 31/3/07 £'000
Fixed Asset Restatement Reserve	Store of gains on revaluation of fixed assets	(599,918)	(24,889)	(624,807)
Capital Financing Account	Store of capital resources set aside to meet past expenditure	(40,206)	8,426	(31,780)
Usable Capital Receipts	Proceeds of fixed asset sales available to meet future capital investment	(5,066)	1,492	(3,574)
Unapplied Capital Grant	Records capital grants received available to finance capital investment	(7,039)	(3,765)	(10,804)
Pensions Reserve	Balancing account to allow inclusion of pensions liability in the balance sheet	46,397	(9,988)	36,409
Housing Revenue Account	Resources available to meet future running costs for council houses	(1,240)	393	(847)
Major Repairs Reserve	Resources available to meet capital investment in council housing	(48)	48	0
General Fund	Resources available to meet future running costs for non-housing services	(10,188)	1,599	(8,589)



NOTES TO THE CORE FINANCIAL STATEMENTS

The Council's earmarked reserves and their movement in the year are detailed below:

	Balance at 1/4/06	(Contrib to Reserve)	Contrib from Reserve	Balance at 31/3/07
	£'000	£'000	£'000	£'000
Renewals Funds	(926)	(604)	171	(1,359)
Commuted Sums	(575)	(8)	0	(583)
Section 38/18 Fund	(156)	(10)	65	(101)
Insurance Fund	(1,019)	(50)	89	(980)
Housing Association Reserve	(119)	(6)	0	(125)
Other Funds	(243)	(241)	110	(374)
Reserve for Future Capital Expenditure	(1,153)	0	1,153	0
Earmarked Capital Contributions Reserve	(8,900)	(3,771)	2,381	(10,290)
Interest Equalisation Fund	(900)	(100)	0	(1,000)
Total	(13,991)	(4,790)	3,969	(14,814)

(i) Renewals Funds

These are reserves held in order to finance the renewal or maintenance of specific items of equipment or furnishings. Contributions are made on the basis of the anticipated replacement cost of the items over their expected useful life.

(ii) Commuted Sums

This represents amounts received from developers for the maintenance of open spaces.

(iii) Section 38/18 Equalisation Fund

This is used to match the cost of supervising development, covered by the Highways Act 1980, with the contributions received from developers.

(iv) Insurance Fund

This is used to fund part of each insurance claim, up to losses of £325,000 in a year. Contributions are received through internal premiums. The Authority's external insurers are Zurich Municipal.

(v) Housing Association Reserve

This is money earmarked to fund a project with James Butcher Housing Association.

(vi) Other Funds

This includes the balances of the Building Control Equalisation fund, the energy contract reserve, library stock reserve and the sold Council Houses Repairs Fund.

(vii) Reserve for Future Capital Expenditure

This was established to finance future capital schemes.

(viii) Earmarked Capital Contributions Reserve

NOTES TO THE CORE FINANCIAL STATEMENTS

This reserve is used to separately identify capital contributions where there are restrictions on their application.

(ix) Interest Equalisation Fund

This reserve was established to reflect that the investments are held at the lower of market value and purchase price.

42. Government Grants Deferred

Deferred capital receipts represent income of a capital nature due to be amortised to the Income and Expenditure Account over a number of years.

	Balance as at 31/3/07	Balance as at 31/3/06
	£'000	£'000
Capital Contributions	13,664	4,781
Capital Grants	6,488	8,683
Total Deferred Contributions / Grants	20,152	13,465
Council Houses Sold by Deferred Payment	0	2
Housing Association Mortgages	0	3
Private Mortgages	0	0
Total Deferred Capital Receipts	0	5

The amounts for 2005/06 have been changed to reflect the balances on the accounts rather than the in-year movement.

43. School Revenue Balances

The Schools hold balances of £3,122,202 under delegated schemes (£2,334,952 in 2005/06). These sums are currently earmarked for educational purposes. The movements on the School Revenue Balances can be seen in note 45.

44. Foundation Schools

The School Standards and Framework Act 1998 changed the status of Grant-maintained schools to Foundation schools maintained by the local education authority. The change for funding purposes took effect from 1st April 1999. This change has resulted in the inclusion of closing balances for current assets and liabilities controlled by Foundation schools in the balance sheet. Fixed assets and long term liabilities remain vested in the Governing Bodies of individual Foundation schools and, therefore, values and amounts have not been consolidated in the balance sheet. In this authority area there is only one Foundation school.



NOTES TO THE CORE FINANCIAL STATEMENTS

45. Dedicated Schools Grant (DSG)

Grant monies provided by the Department for Education and Science, the Dedicated Schools Grant (DSG), fund the Council's expenditure on schools. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. The Schools Budget includes elements for central administration and a restricted range of services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each school. Over and underspends on the two elements are required to be accounted for separately.

Details of the deployment of DSG receivable for 2006/07 are as follows:

	Central Expenditure	Individual Schools Budget	Total
	£'000	£'000	£'000
Grant allocated to Schools Budget for the current year	8,174	77,326	85,500
Actual expenditure for the year	(8,255)	(76,539)	(84,794)
(Over) / underspend for the year	(81)	787	706
Use of schools balances brought forward	0	2,335	2,335
(Over)/ underspend	(81)	787	706
(Over) / underspend carried forward to 2007/08	(81)	3,122	3,041

46. Pensions

As part of the terms and conditions of employment, the authority offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments. This commitment needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two schemes:

- The Local Government Pension Scheme, administered by the Royal Borough of Windsor & Maidenhead – this is a funded scheme, which means that the Council and employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- The teachers' scheme of the Department for Education and Skills, which is a defined contribution scheme as it does not allow for the identification of liabilities consistently and reliability between participating authorities.

The different accounting treatments of the schemes will be described below:

Local Government Scheme (LGPS)

The cost of retirement benefits in the Net Cost of Services are recognised when employees earn them, rather than when the benefits are actually paid as pensions. However, the charge made against the Council Tax is based on the cash payable in the year, with the remainder (making up the full cost of retirement benefits) being reversed out through the Statement of Movement on the General Fund Balance. The following transactions have been made in the Income and Expenditure Account during the year:



NOTES TO THE CORE FINANCIAL STATEMENTS

	2006/07	% of Payroll	2005/06	% of Payroll
	£'000		£'000	
Net Cost of Service				
Current Service Cost	7,780	20.9%	5,685	16.5%
Past Service Costs	65	0.2%	56	0.2%
Settlements & Curtailments	163	0.4%	3	0.0%
Net Operating Expenditure	8,008	21.5%	5,744	16.7%
Expected Return on Employer Assets	(8,501)	(22.8%)	(6,838)	(19.9%)
Interest on Pension Scheme Liabilities	7,841	21.1%	6,756	19.7%
Expected return on BCC Assets	98			
Net Return	(562)		(82)	
Amounts to be met from Government Grants and Local Taxation	7,446	19.7%	5,662	16.5%
Movement on Pension Reserve	(3,000)		(2,172)	
Actual amount charged against Council Tax for LGPS Contributions in the Year	4,446		3,490	

An amount of £97,948 was charged to the Income and Expenditure Account as WBC's share of the interest charge on the liabilities of the Berkshire County Council Local Government Pension Scheme which has since closed, the notes below provide more details in relation to this scheme.

The level of employer's contribution is determined by actuarial valuation and was increased in 2004/05. The contribution level is set to ensure 100% of the overall liabilities of the scheme are fully funded. The last review was undertaken as at 31st March 2004. The fund is valued triennially and will be next valued as at 31st March 2007. Whilst the FRS 17 statements are a guide to the expectations of an actuarial valuation, the basis of calculation is not the same. The actuarial valuation takes a longer term view of the relationship between assets and liabilities and the expected future returns on asset and liability changes, rather than being based on a snapshot position at a given date. It is a statutory requirement for the Fund to set down the longer term policy for returning the fund to a 100% funding level.

A copy of the Royal County of Berkshire Pension Fund's Annual Report is available on request from the Head of Finance, Royal Borough of Windsor & Maidenhead, Town Hall, St Ives Road, Maidenhead, SL6 1RF.

The underlying assets and liabilities for retirement benefits attributable to the authority as at 31 March are as follows:



NOTES TO THE CORE FINANCIAL STATEMENTS

Net Pension Asset as at	31/3/07	31/3/06
	£'000	£'000
Estimated Employer Assets (A)	136,742	123,943
Present Value of Scheme Liabilities	(158,808)	(153,858)
Present Value of Unfunded Liabilities	(2,148)	(2,480)
Total Value of Liabilities (B)	(160,956)	(156,338)
Net Pension Asset/ (Liability) (A)-(B)	(24,214)	(32,395)
WDC Share of Berkshire County Council Liability	(12,070)	(14,041)
Net Pension Asset / (Liability)	(36,284)	(46,436)
Adjustment for actual rather than estimated contributions	(125)	39
Net Pension Asset / (Liability)	(36,409)	(46,397)

The liabilities show the underlying commitments that the authority has in the long term to pay retirement benefits. The net liability has an impact on the net worth of the authority as shown on the balance sheet. However, the liability on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

Although the value of assets has risen in line with investment returns the value of liabilities has also risen due to both the increase in current pensions in line with the RPI and the additional year of service that has been accrued by the active members in the scheme.

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Hymans Robertson, an independent firm of actuaries, has assessed the liabilities. The main assumptions in their calculations are:

Assumptions as at	31/3/07	31/3/06
	% per annum	% per annum
Price Increases	3.2%	3.1%
Salary Increases	4.7%	4.6%
Pension Increases	3.2%	3.1%
Discount Rate	5.4%	4.9%

In assessing liabilities for retirement benefits at 31st March 2007 for the 2006/07 Statement of Accounts, the actuary was required by the SORP to use a discount rate based on the yield available on long-dated, high quality corporate bonds at the FRS 17 valuation date 2.1% real (5.4% actual).

The expected return on assets is based on the long-term future expected investment return for each asset class:



NOTES TO THE CORE FINANCIAL STATEMENTS

Assets (Whole Fund)	Long term Return 31/3/07 %pa	Assets at 31/3/07 £'000	Long term Return 31/3/06 %pa	Assets at 31/3/06 £'000
Equities	7.8%	98,674	7.4%	91,383
Bonds	4.9%	17,822	4.6%	16,488
Property	5.8%	13,013	5.5%	11,296
Cash	4.9%	7,233	4.6%	4,776
Total	7.1%	136,742	6.7%	123,943

The movement in the net pension liability for the year to 31st March 2007 is as follows:

	Year to 31/3/07 £'000	Year to 31/3/06 £'000
Surplus / (deficit) at beginning of the year	(46,397)	(26,000)
Current Service Cost	(7,780)	(5,685)
Employer Contributions	4,446	3,490
Contributions in respect of Unfunded Benefits	137	160
Other Income	0	0
Other Outgoings (e.g. Expenses, etc)	0	0
Past Service Costs	(65)	(56)
Impact of Settlements and Curtailments	(163)	(3)
Net Return on Assets	660	82
Actuarial Gains/(Losses)	10,782	(4,344)
Surplus / (Deficit) at end of Year	(38,380)	(32,356)
WBC Share of Berkshire County Council (BCC) Liability		(14,041)
Movement in WBC share of BCC Liability	1,971	
Combined Surplus / (Deficit) at end of Year	(36,409)	(46,397)

History of Experience Gains and Losses

	Year to 31/3/07 £'000	Year to 31/3/06 £'000
Difference Between the Expected and Actual Return on Assets	114	17,193
Value of Assets	136,742	123,943
Percentage of Assets	0.1%	13.9%
Experience Gains / (Losses) on Liabilities	277	(2,114)
Present Value of Liabilities	160,956	156,338
Percentage of the Present Value of Liabilities	0.2%	(1.4%)
Actuarial Gains / (Losses) Recognised in STRGL	10,782	(4,344)
Present Value of Liabilities	160,956	156,338
Percentage of the Present Value of Liabilities	6.7%	(2.8%)



NOTES TO THE CORE FINANCIAL STATEMENTS

Wokingham Borough Council is also responsible for a share of the former Berkshire County Council LGPS. The scheme is administered by the Royal Borough of Windsor and Maidenhead Council. Although it is now closed, a liability remains for the pensioners that were in the scheme when BCC ceased to exist. A valuation of the scheme has been undertaken by the Actuary, Hymans Robertson, who assessed the Net Pension Asset as at 31st March 2007. The liability has been shared between the Berkshire Councils on the basis of population as follows:

	% Share	2006/07 £'000	2005/06 £'000	2004/05 £'000
Bracknell	13.7320	(8,698)	(10,118)	(9,750)
West Berkshire	18.2907	(11,586)	(13,477)	(12,986)
Reading	16.6933	(10,574)	(12,300)	(11,852)
Slough	13.0339	(8,256)	(9,604)	(9,254)
Windsor	19.1940	(12,158)	(14,143)	(13,628)
Wokingham	19.0561	(12,070)	(14,041)	(13,530)
Net Pension Asset / (Liability)	100.0000	(63,342)	(73,683)	(71,000)

The movement in the net pension liability for the year to 31st March 2007 for the former Berkshire County Council Pension Scheme is as follows:

	Year to 31/3/07 £'000	Year to 31/3/06 £'000
Surplus / (deficit) at beginning of the year	(73,683)	(71,000)
Current Service Cost	0	0
Employer Contributions	0	0
Contributions in respect of Unfunded Benefits	0	0
Other Income	0	0
Other Outgoings (e.g. Expenses, etc)	0	0
Past Service Costs	0	0
Impact of Settlements and Curtailments	0	0
Net Return on Assets	(514)	(1,554)
Actuarial Gains/(Losses)	10,855	(1,129)
Surplus / (Deficit) at end of Year	(63,342)	(73,683)



NOTES TO THE CORE FINANCIAL STATEMENTS

Actuarial Gains and Losses relating to Pensions

The actuarial gains identified as movements on the pension reserve in 2006/07 can be analysed into the following categories, measured as absolute amounts at 31st March 2007.

	2006/07	2005/06	2004/05	2003/04
	£'000	£'000	£'000	£'000
Actual Return less Expected Return on Pension Scheme Assets	114	17,193	3,130	9,532
Experience Gains and Losses arising on the Scheme Liabilities	277	(2,114)	4,570	(2,799)
Changes in Financial Assumptions Underlying the Present Value of Scheme Liabilities	10,391	(19,423)	(18,520)	0
Actuarial Gain/ (Loss) in Pension Plan	10,782	(4,344)	(10,820)	6,733
Actuarial Gain/ (Loss) in BCC Pension Plan	2,069	(511)		
Total Actuarial Gain/ (Loss) in Pension Plan	12,851	(4,855)		

Teachers Scheme

Teachers employed by the authority are members of the Teachers' Pension Scheme, administered by the Teachers' Pensions Agency. It provides teachers with defined benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In 2006/07 the Council paid £5,929,181 to the Pensions Agency in respect of teachers' retirement benefits, representing 14.1% of pensionable pay. The figures for 2005/06 were £5,699,222 and 13.5%.

In addition, an amount of £74,271 has been paid in respect of added years pension payments to retired teachers (2005/06 - £77,554).

With regards to the Teachers' Pension Scheme, the scheme is a defined benefit scheme, administered by the Teachers Pension Agency. Although the scheme is unfunded, the TPA uses a notional fund as the basis for calculating the employers' contribution rate by local education authorities. However, it is not possible for the authority to identify a share of the underlying liabilities in the scheme attributable to its own employees. For the purposes of this statement of accounts it is therefore accounted for on the same basis as a defined contribution scheme.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside the terms of the Teachers' scheme. These benefits are fully accrued in the pensions liability described above.



NOTES TO THE CORE FINANCIAL STATEMENTS

47. Euro Costs

The Council has not incurred any costs in relation to adapting its operations and information systems to accommodate the single currency.

48. Reconciliation of Net Surplus / Deficit on the Income and Expenditure Account to the Cashflow from Revenue Activities

	2006/07		2005/06
	£'000	£'000	£'000
General fund surplus	1,599		(679)
Collection fund cash contribution	(469)		(632)
Cash settlement with Berkshire County Council	0		0
		1,130	(1,311)
Non-Cash Transactions:			
Capital Financing Costs	(6,277)		(7,708)
Increase / (Decrease) in Provision for Bad Debts	(170)		(366)
Increase / Decrease in Provision	(492)		0
Contribution to / from Reserves	(346)		(547)
		(7,285)	(8,621)
Increase / (Decrease) in Stock	0		(104)
Increase / (Decrease) in Debtors	8,138		(5,254)
(Increase) / Decrease in Creditors	(2,645)		(3,983)
Investment Income not classified as revenue	2,489		2,057
		7,982	(7,284)
Net cashflow from revenue activities		1,828	(17,216)

49. Reconciliation of the Movement in Net Debt

Analysis of Movement in Liquid Resources	2006/07	2005/06
	£'000	£'000
Net Debt at 1st April	20,430	40,366
Movement in Net Debt:		
(Increase) / Decrease in Cash in the period	(1,858)	(1,476)
(Inflow)/ Outflow from (Increase) / Decrease in Debt Financing	2,000	2,000
(Inflow) /Outflow from movement in liquid resources	5,624	(20,460)
Net Debt as at 31st March	26,196	20,430



NOTES TO THE CORE FINANCIAL STATEMENTS

50. Reconciliation of Financing and Management of Liquid Resources

Analysis of Movement in Liquid Resources	Balance at 1/4/06 £'000	Cash Movement £'000	Balance at 31/3/07 £'000
Cash in Hand	(2,621)	587	(2,034)
Cash in Overdrawn	5,562	(2,445)	3,117
Net Debt:			
Due within 1 year	0	0	0
Due After 1 year	70,390	2,000	72,390
Short Term Investments	(52,901)	5,624	(47,277)
Total Net Debt	20,430	5,766	26,196

51. Explanation of the Authority's Liquid Resources

Liquid resources have been defined as short-term deposits and other current asset investments that can be readily converted into cash at or close to the carrying amount.

52. Analysis of Government Grants

	2006/07 £'000	2005/06 £'000
Dedicated Schools Grant	75,960	0
Standards Fund Grant	17,752	18,737
Housing Benefit Grants	17,179	15,552
Health Authority Income	10,675	8,814
Learning and Skills Council	9,875	9,138
Other Specific Government Grants	4,350	4,465
Total	135,791	56,706



SUPPLEMENTARY FINANCIAL STATEMENTS

HOUSING REVENUE ACCOUNT

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure and how these are met by rents and other income.

During 2006/07 the Housing Revenue Account budgeted to use £497,000 of reserves however it underspent by £104,000 generating a final HRA balance of £846,709. The Major Repairs Reserve, which is the capital element of the HRA, overspent by £203,000 and now has a nil balance. The HRA reserve is ring-fenced and will therefore be carried forward for future projects.



HOUSING REVENUE ACCOUNT

	Notes	2006/07		2005/06
		£'000	£'000	£'000
Income				
Rent (gross):				
Dwelling	1	(10,061)		(9,668)
Non-Dwelling	2	(215)		(256)
Charges for facilities and services		(764)		(731)
Contributions towards expenditure		(3)		(3)
Sums directed by the Secretary of State		0		0
Total Income			(11,043)	(10,658)
Expenditure (including FRS 17 Pensions Costs)				
Repairs and maintenance		2,629		2,023
Supervision and management	7	2,494		2,502
Rents, rates, taxes and other charges		0		0
Negative HRA subsidy payable	3	3,554		3,267
Depreciation and impairments of fixed assets	5	1,849		1,838
Debt management costs		1		1
Sums directed by the Secretary of State		0		0
Total Expenditure			10,527	9,631
Net Cost of services in the Income and Expenditure account			(516)	(1,027)
HRA services share of Corporate and Democratic Core costs			0	0
HRA share of non-distributed costs			0	0
Net Cost of HRA Services			(516)	(1,027)
Gain or loss on sale of fixed assets			0	262
Interest payable and similar charges			110	54
Amortisation of premiums and discounts			547	688
Interest and investment income			(64)	1
Pensions interest cost and expected return on assets			0	0
Total: Surplus / Deficit for the year on HRA Services			77	(22)



STATEMENT OF THE MOVEMENT ON THE HRA BALANCE

Statement of Movement on the Housing Revenue Account Balance	2006/07	2005/06
	£'000	£'000
Surplus / Deficit on the HRA Income and Expenditure Account	77	(22)
Additional items required by statute and non-statutory proper practice to be taken into account in the HRA Balance:		
Difference between interest payable and similar charges and those determined by statute and the SoRP	51	70
Difference between other income and expenditure and those determined by statute and the SoRP	0	0
Gain or loss on sale of HRA fixed assets	0	(262)
HRA share of contributions to or from the pensions reserve	(74)	(71)
Capital expenditure funded by the HRA	339	0
HRA share of the Minimum Revenue Provision	0	0
Transfer to / from other reserves	(155)	0
Transfer to/from Major Repairs Reserve	203	236
Transfer to/from Housing Repairs Account	0	0
Sums directed by the Secretary of State to be debited / credited to the HRA	0	0
Sub-Total	441	(49)
HRA Balance Brought Forward	(1,288)	(1,239)
HRA Balance Carried Forward	(847)	(1,288)

Statement of Movement on the Housing Revenue Account Balance (Excluding Major Repairs Reserve)	2006/07	2005/06
	£'000	£'000
Balance at the beginning of the year	(1,240)	(955)
(Surplus) / Deficit	393	(285)
Balance at the end of the year	(847)	(1,240)



NOTES TO THE HOUSING REVENUE ACCOUNT

1. Dwelling Rents

This is the total rent income due for the year after allowance for void properties. In 2006/07 rents increased by an average of 4.67%, except for certain rents which were capped as follows:-

£97.82	1 Bedroom and Bedsitter
£103.57	2 Bedroom
£109.33	3 Bedroom
£115.08	4 Bedroom
£120.83	5 Bedroom

2. Housing Stock

The Council was responsible for the following dwellings, made up as follows:

HRA Dwellings	2006/07 Number of Properties	2005/06 Number of Properties
Low & Medium Rise Flats	938	941
Traditional Houses and Bungalows	1,574	1575
Non-Traditional Houses and Bungalows	326	329
Total	2,838	2,845

Changes in the housing stock are detailed below:

	2006/07 Number of Properties	2005/06 Number of Properties
Stock at 1st April (Opening Stock)	2,845	2,852
Less: Sales	(7)	(7)
Less: Movement in Mobile Homes/Hostels to General Fund	0	0
Stock at 31st March (Closing Stock)	2,838	2,845



NOTES TO THE HOUSING REVENUE ACCOUNT

A summary of valuation movements on dwelling stock is shown below:

HRA Operational Assets	Council Dwellings	Other Land and Buildings	Total
	£'000	£'000	£'000
Gross Valuation at 31/3/06	192,232	0	192,232
Accumulated depreciation and impairment	0	0	0
Net book value at 31/3/06	192,232	0	192,232
Movement in 2006/07			
Additions	2,392	0	2,392
Disposals	(855)	0	(855)
Revaluations	7,812	0	7,812
Depreciation	(1,849)	0	(1,849)
Impairments	0	0	0
Net book value at 31/3/07	199,732	0	199,732

The balance sheet value of dwellings within the HRA shown above demonstrates the economic cost to the Government of providing council housing at less than open market rents. The dwellings are valued at Existing Use Value for Social Housing – this is effectively open market less a reduction factor that recognises the fact that they are tenanted properties and not available with vacant possession. The reduction factor is set by the government and is currently 45% of open market value. The vacant possession value of the dwellings as at 31st March 2007 was £436,877,025.

Non-Dwelling Rents

This includes rent of garages, land and wayleaves. The increase for 2006/07 was 5% (2005/06 – 5%). Rent to non-tenants increased by 25%.

3. Housing Subsidy

The Housing Subsidy is calculated using a model (Housing Revenue Account), which is based on pre-set figures determined by the government and the number of dwellings owned by an authority. This resulted in a payment to the government from the HRA as follows:

	2006/07	2005/06
	£'000	£'000
Allowance for Management	1,228	1,139
Allowance for Maintenance	2,651	2,465
Allowance for Major Repairs	1,835	1,838
Charges for Capital	886	1,025
Interest on Receipts	0	(54)
Admissible Allowance	4	9
Rental Constraint Allowance	208	0
Guideline Rent Income	(10,401)	(9,752)
Adjustment for final audited claim	35	63
Housing Subsidy (Repayable) / Payable	(3,554)	(3,267)

NOTES TO THE HOUSING REVENUE ACCOUNT

4. Major Repairs Reserve

The total capital expenditure on housing and other property within the HRA was £2,391,688 and was financed through the Major Repairs Allowance with £340K being transferred from HRA reserves.

Movement on Major Repairs Reserve Balances:

	2006/07	2005/06
	£'000	£'000
Income		
Major Repairs Allowance	(1,849)	(1,838)
Transfer from HRA	(340)	0
Transfer from other reserves	(155)	0
Total Income	(2,344)	(1,838)
Capital Expenditure	2,392	2,074
(Surplus) / Deficit	48	236
Balance at 1st April	(48)	(284)
Balance at 31st March	0	(48)

5. Depreciation

The Government's Major Repair Allowance (£1,849,238) has been accepted as a reasonable estimate of the measure of depreciation on operational assets comprising HRA dwellings.

6. Impairments and Deferred Charges

There were no impairment or deferred charges charged to the HRA in 2006/07.

7. Contributions to the Pensions Reserve

The Housing Revenue Account has been charged pension costs in accordance with FRS 17. These costs are included in the Supervision & Management heading. To ensure that the closing balance on the account only reflects the actual pension payments made in the year, the effect of the FRS 17 adjustment is reversed out by a contra entry.

8. Rent Arrears

Cumulative rent arrears were £447,000 at 31st March 2007, representing a decrease of £29,000 on the position at 31st March 2006. The arrears were made up as follows:

	2006/07	2005/06
	£'000	£'000
Current Tenants	288	294
Former Tenants	159	182
Total	447	476

NOTES TO THE HOUSING REVENUE ACCOUNT

9. Bad Debts Provision

The dwelling rents are shown before deduction of the bad debts provision for the year. The provision for bad debts did not change in 2006/07, as detailed below:

	2006/07	2005/06
	£'000	£'000
Balance at 1st April	342	342
(Surplus) / Deficit for the Year	0	0
Balance at 31st March	342	342

10. Exceptional or Prior Year Items

There were no exceptional or prior year adjustments to the HRA in 2006/07.



THE COLLECTION FUND

The account reflects the statutory requirement for billing authorities to maintain a separate fund for the collection and distribution of amounts in respect of Council Tax and National Non-Domestic Rates.



COLLECTION FUND

	Notes	2006/07		2005/06
		£'000	£'000	£'000
Income from Council Tax Payers	2	(75,915)		(73,028)
Transfers from General Fund				
Council Tax Benefits		(3,686)		(3,574)
Transitional Relief		1,879		(336)
Income collectable from Business Ratepayers		(45,835)		(45,207)
Contributions towards previous years' Collection Fund Deficit	4	(472)		(580)
Total Income			(124,029)	(122,725)
Precepts and Demands:				
Wokingham Borough Council		65,463		62,666
Parish Councils		2,973		2,835
Police Authority		8,376		7,862
Fire Authority		3,029		2,874
Business Rates:				
Payment to National Pool	3	43,501		45,429
Costs of Collection		190		185
Bad / Doubtful debts – increase in provisions		28		245
Total Expenditure			123,560	122,094
Movement in Collection Fund in Year			(469)	(632)
Balance at 1st April			671	1,303
Balance at 31st March	5		202	671

COLLECTION FUND

1. General

This account is required to be maintained separately from the General Fund by Section 89 of the Local Government Finance Act 1988. This Fund is included in the Consolidated Balance Sheet.

2. Council Tax

The Council is required to set the Council Tax for Wokingham Borough. The level of Council Tax is calculated by dividing the net revenue requirement less the Revenue Support Grant, the contribution from the NNDR pool and income from the residual community charge, by the tax base.

The Council's tax base is made up of the number of chargeable dwellings in each valuation band (after adjustment for discounts where applicable). These are converted to an equivalent number of band D dwellings.

Band	Estimated Number of Taxable Properties after discounts		Band D Equivalent	
		Ratio	Dwellings 2006/07	Dwellings 2005/06
A	1,276	6 / 9	850	857
B	2,571	7 / 9	2,000	1,944
C	7,287	8 / 9	6,477	6,326
D	15,396	1	15,396	15,207
E	13,041	11 / 9	15,939	15,861
F	8,725	13 / 9	12,603	12,473
G	5,196	15 / 9	8,659	8,582
H	348	18 / 9	697	684
Total			62,622	61,934
Add:	Adjustment for collection rates and for anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties.		552	321
Council Tax Base			63,174	62,255

The average Council Tax for a Band D property in Wokingham Borough in 2006/2007 was £1,263.81. This average B and D Council Tax is distributed as follows:

	2006/07 £	2005/06 £
Wokingham Borough Council	1,036.23	1,006.62
Thames Valley Police Authority	132.58	126.28
Parish Councils (Average)	47.06	45.54
Fire Authority	47.94	46.16
Average Band D Council Tax	1,263.81	1,224.60



COLLECTION FUND

Income from Council Tax can be analysed as follows:

	2006/07	2005/06
	£'000	£'000
Council Tax Base	63,174	62,255
Average Band D	1,263.81	1,224.60
Notional Yield	79,840	76,237
Income from Council Tax Payers	75,915	73,028
Council Tax Benefits	3,686	3,574
Changes in Yield	239	(365)
Notional Yield	79,840	76,237

3. Income from Business Rates

The Council collects business rates for its area based on local rateable values multiplied by a uniform rate. The total amount less allowable deductions is paid to a pool managed by Central Government. The Government pays back to authorities their share of the pool based on a standard amount per head of resident population.

The total business rateable value at 31st March 2007 was £131,231,915 (£136,386,165 at 31st March 2006). The business rate multiplier set by Central Government for the year was 43.3p (2005/06 – 42.2p).

	2006/07	2005/06
	£'000	£'000
Total Rateable Value as at 31st March	131,232	136,386
NNDR Multiplier	43.3p	42.2p
Notional Yield	56,823	57,555
Allowances / Rateable Value Changes / Occupation Changes	(15,287)	(11,674)
Notional Income from Business Rates	41,536	45,881
Transitional Relief	1,879	(336)
Cost of Collection Allowance	(190)	(185)
Bad and Doubtful Debt Provision	270	65
Discretionary Relief Adjustment	6	4
Payment to National Pool	43,501	45,429

4. Contributions from Collection Fund Surplus / Deficit

Any surplus or deficit made by the Collection Fund is required to be distributed to the Authorities which precept or demand on the fund.

Surpluses made by Community Charge items accrue in total to Wokingham Borough, whilst Council Tax Surpluses/Deficits are distributed between Wokingham Borough, Royal Berkshire Fire Authority and Thames Valley Police Authority in the same ratio as the respective precepts and demands made by the Councils on the Collection Fund.



COLLECTION FUND

5. Collection Fund Closing Balance

On the 15th January each year a calculation is made to determine the likely closing balance on the Collection Fund as at 31st March. Any expected surplus/deficit is then distributed between Wokingham Borough Council, Royal Berkshire Fire Authority and Thames Valley Police in proportion to their precepts. This should ensure that the balance on the fund is kept to a minimum. The actual deficit of £201,992 will be accounted for in the distribution calculation on 15th January 2008.





SUBJECTIVE INCOME AND EXPENDITURE ACCOUNT

The Council is required to produce a subjective income and expenditure account for the Government as part of the Whole of Government Accounts Return. This statement is not part of the CIPFA SoRP's requirements for the statement of accounts but is shown here for information.



SUBJECTIVE INCOME AND EXPENDITURE ACCOUNT

The following income and expenditure account shows a subjective analysis as reported to the Government and included in the Whole of Government Accounts (WGA) return. It is included here for information only the amounts it covers are already covered by the core and supplementary statements and notes.

		2006/07 £'000	2005/06 £'000
Employees	Direct employee expenses		
	Salaries and wages	87,228	90,651
	Employer's NICs	6,475	6,705
	FRS17 Defined benefit costs	8,008	5,744
	Contributions to centrally administered unfunded pension schemes	5,066	5,591
	Agency staff	2,354	1,486
	Employee expenses	1,978	1,978
	Indirect employee expenses	4,315	6,377
	Contributions to employee related provisions	0	0
Premises	Total premises costs	44,857	104,104
Transport	Total Transport costs	3,102	2,927
Supplies and services	Total purchase of supplies and services	29,491	30,699
Third party payments	Independent units within the council	0	0
	Joint Authorities	0	0
	Other local Authorities	4,905	5,141
	Health authorities	7,881	7,253
	Government departments	882	109
	All other bodies	14,853	13,403
Transfer payments	Total transfer payments	41,510	38,842
Support services	Total recharges from support services	27,028	25,921
Capital charges	Depreciation on assets	18,659	11,322
Total Expenditure		308,592	358,253



SUBJECTIVE INCOME AND EXPENDITURE ACCOUNT

		2006/07 £'000	2005/06 £'000
Income	Specific Government Grants	(124,451)	(119,474)
	Other grants, reimbursements and contributions	(27,675)	(25,311)
	Customer and client receipts	0	0
	Recharge receipts	(28,240)	(25,904)
	External Receipts	(27,662)	(28,150)
	Other operating income	(1,221)	(2,797)
Net Cost of Services		99,343	156,617
Levies		0	0
Local precepts		2,973	2,835
Trading operations Results – Income		0	0
Trading operations Results – Expenses		0	0
Dividends Receivable – Associates & Joint Ventures		0	0
Dividends Receivable – Subsidiaries		0	0
Dividends Receivable – Other		0	0
Other interest receivable and similar income		(2,722)	(2,557)
Pensions Interest Costs		7,939	6,756
Expected Return on Pension Assets		(8,501)	(6,838)
Premiums & Discounts Written-off		637	644
Amortisation of deferred premiums and discounts		0	0
Gains/Losses on Disposal of Fixed Assets		0	59
Interest Payable		2,984	3,139
Amounts Payable to Housing Capital Receipts Pool		0	0
Other Corporate Income		0	0
Other Corporate Expenses		0	0
Transfer to schools reserves		617	512
Net Operating Expenditure		103,270	161,167



SUBJECTIVE INCOME AND EXPENDITURE ACCOUNT

	2006/07 £'000	2005/06 £'000
Distributed Surplus / Deficit on the collection fund	406	500
Council Tax Precepts/Demands on Collection Fund	(68,436)	(65,502)
LA Levy Income	0	0
Redistributed Non-Domestic Rates	(13,690)	(50,388)
Revenue Support Grant	(2,903)	(36,088)
Police Grant	0	0
General GLA Grant	0	0
Other General Grant	0	0
Surplus / Deficit	18,647	9,689

AUDITORS REPORT

Auditor's report to the Members of Wokingham Borough Council

Opinion on the financial statements

I have audited the financial statements of Wokingham Borough Council for the year ended 31st March 2007 under the Audit Commission Act 1998, which comprise the Explanatory Foreword, Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Wokingham Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and Auditor

The Chief Finance Officer's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements presents fairly the financial position of the Authority in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006.

I review whether the statement on internal control reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the requirements of the Accounts and Audit Regulations 2003' issued in April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of Wokingham Borough Council as at 31st March 2007 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that I have done so;
- stating whether I believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.



Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Wokingham Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

Best Value Performance Plan

I issued my statutory report on the audit of the authority's best value performance plan for the financial year 2006/07 in December 2006. I did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Signature:  Date: 28 September 2007

Mick West
Audit Commission
Unit 5, ISIS Business Centre
Horspath Road
Cowley
Oxford
OX4 2RD



Glossary of Terms

Accounting Code of Practice

The CIPFA Code of Practice on Local Authority Accounting: A Statement of Recommended Practice (SORP) aims to achieve consistent financial reporting between all English local authorities. It is based on generally accepted accounting standards and practices, known as UK GAAP but applies UK GAAP specifically to local authorities.

The CIPFA Best Value Accounting Code of Practice (BVACOP) aims to achieve consistency and comparability in the presentation of local authority service expenditure.

Accruals

This is an accounting concept that recognises income and expenditure when goods or services are provided, and not when cash is transferred. The inclusion of debtors, creditors and depreciation are examples of accruals.

Asset

An asset is a item of economic value that can be converted to cash or is a possession of the authority eg, cash, stock, buildings etc.

Assets Awaiting Disposal

Properties or equipment that have been taken out of use for service delivery and are awaiting sale.

Assets Under Construction

Assets not yet ready for use. This could be new building work in schools or road construction.

Audit Commission

The Audit Commission is an independent watchdog responsible for ensuring that public money is used economically, efficiently and effectively. The Commission's auditors are the Council's current external auditors.

Balances and Reserves

Balances and reserves are maintained for future years' budgets and to provide a cushion against expenditure being higher or

income lower than expected. Contributions to balances and reserves can be either a planned contribution from the revenue budget to set aside monies for a specific purpose or a transfer of any revenue surplus at the year-end. The maintenance of an appropriate level of general balances is a fundamental part of prudent financial management.

Capital Expenditure

Expenditure used for the purchase or enhancement of a fixed asset. The cost of repairs and maintenance of a fixed asset is revenue expenditure.

Capital Financing Account

A balance sheet reserve that is unique to the local authority accounting capital accounting regime. The balance on the account cannot be used, but reflects how the Council's assets have been financed. It contains the balance of depreciation against the Minimum Revenue Provision (MRP), additional debt repayments over the MRP, reserved capital receipts and usable capital receipts/ grants/ planning gains applied to meet capital expenditure.

Capital Financing Requirement

This represents the Council's underlying need to borrow for capital purposes. The year on year change will be influenced by capital expenditure in each year.

Capital Receipts

Proceeds from the sale of fixed assets. The Council earmarks capital receipts to finance future capital expenditure.

Chartered Institute Of Public Finance And Accountancy (CIPFA)

CIPFA is the professional accountancy institute that sets the standards for the public sector. CIPFA publishes the Accounting Codes of Practice for local government.

Community Assets

Assets that the local authority intends to hold in perpetuity, which have no determinable useful life and which may have restrictions on their disposal. Examples include the Countryside estate and historic assets that are not used in service delivery



Contingent Liabilities

A contingent liability is a possible loss or charge, which may arise in the future if certain events take place. These events may not be wholly within the control of the authority.

Corporate and Democratic Core

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multipurpose authorities. It has two elements; corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those, which would be incurred by a series of independent, single purpose bodies managing the same services. There is, therefore, no logical basis for apportioning these costs to services.

Creditors

Money owed by the Council that is due immediately or in the short term. Creditors are an example of the concept of accruals.

Current Service Cost (Pensions)

The increase in the present value of Local Government pension scheme liabilities expected to arise from employee service in the current period.

Curtailement Costs (Pensions)

For a defined benefit scheme (such as LGPS) an event that reduces the expected years of future service of present employees or reduces for a number of employees, the accrual of defined benefits for some or all of their future service.

Debtors

Money that is due to the Council but which has not yet been received. Debtors are an example of the concept of accruals.

Deferred Charges

Capital expenditure, which does not give rise to an asset owned by the Council. Examples include expenditure incurred on disabled facility grants; where capital grant expenditure is incurred on the renovation of individuals' properties to make them fit for disability purposes.

Defined Benefit Scheme (Pensions)

A pension or other retirement benefit scheme that defines the employees benefits and is independent of contributions and investment performance.

Depreciation

A charge to the revenue account to reflect the consumption or use of a fixed asset in service delivery. There is a corresponding reduction in the value of the fixed asset.

Financial Year

The year of account, which runs from the 1st April to the following 31st March.

Fixed Assets

An asset that yields benefits to the local authority and the services it provides for a period of more than one year. Tangible fixed assets have a physical form eg, buildings or land. Intangible fixed assets do not have a physical form eg, software licences.

Fixed Asset Restatement Account

This account contains the balance on the revaluation of fixed assets previously shown in the accounts arising from revaluations or disposals of those assets. The balance on the account cannot be used.

Government Grants

Financial assistance from Central Government, or its agents, in the form of cash transfers in return for compliance with certain conditions. These grants may be capital or revenue in nature.

Historic Cost

The estimated value of an asset on the balance sheet based upon its original purchase cost, less depreciation to date.

Infrastructure Assets

Fixed assets, such as highways and footpaths, that are inalienable and have no resale value.

Investment Properties

An interest in land and/or buildings, which are held solely for their investment potential/rental income and do not support



the strategy or service obligations of the Local Authority.

Leasing

This facility is a means to obtain the use of buildings, vehicles, plant and computer equipment without physically owning these items.

Liability

An obligation that binds the authority to settle a debt as a result of a past event or transaction such as the purchase of goods or services.

Net Current Replacement Cost

A method of valuation that estimates the cost of replacing or recreating an asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

A method of valuation that estimates the open market value of an asset, less the expenses required to sell it.

Non-Distributable Costs

Non Distributed Costs are costs relating to retirement and unused and unusable shares of assets. These cannot be charged to services.

Non-Domestic Rate (NDR) Income

A levy on businesses based on national 'rateable value' of the premises occupied. NDR is collected by the district councils in line with national criteria, paid into a national pool and then redistributed to all local and police authorities on the basis of population.

Non-Operational Assets

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of these assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has

either a statutory or discretionary responsibility.

Past Service Cost (Pensions)

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Precepts

An amount levied on another public body in respect of the Council Tax. Parish Council's and the Police Authority levy precepts on Wokingham Borough Council to collect council tax on their behalf.

Provisions

Amounts set aside for any liabilities or losses that are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

Revenue Expenditure

Expenditure incurred on day to day running costs and confined to accounts within one financial year.

Revenue Support Grant

The principal way that Central Government funds local government revenue expenditure. This grant is non-specific and is based upon the Government's assessment of how much a local authority should spend to provide a common level of service.



This document is about Wokingham Borough Council's financial accounts. If you would like some help in understanding it then please telephone (01753) 701157 - 59

Niniejsza broszura zawiera informacje o kontach finansowych Rady Miejskiej w Wokingham. Jeśli potrzebujesz wsparcia w zrozumieniu ulotki, zadzwoń na numer (01753) 701157 – 59.

這份文件是有關獲敬市區政府的財政帳目。如果你想獲得協助以了解其內容，請致電(01753) 701157 - 59。

یہ دستاویز دو کنگہم باروکاؤنسل کے مالی حساب کتاب کے بارے میں ہے۔ اگر آپ کو اسے سمجھنے میں مدد درکار ہو تو برائے مہربانی ان نمبروں پر ہم سے رابطہ کریں۔ (01753) 701157-59

ਇਸ ਦਸਤਾਵੇਜ਼ ਵਿਚ ਵੌਕਿੰਗਹਮ ਬੋਰੋ ਕਾਊਂਸਲ ਦੇ ਵਿੱਤ ਸਬੰਧੀ ਹਿਸਾਬ ਕਿਤਾਬ ਦਾ ਬਿਓਰਾ ਅਤੇ ਜਾਣਕਾਰੀ ਹੈ। ਜੇਕਰ ਇਸਨੂੰ ਸਮਝਣ ਵਾਸਤੇ ਮਦਦ ਚਾਹੀਦੀ ਹੋਵੇ ਤਾਂ (01753) 701157 - 59 ਤੇ ਫ਼ੋਨ ਕਰੋ।



WOKINGHAM
BOROUGH COUNCIL

For more information please
feel free to contact:

Wokingham Borough Council
Civic Offices, Shute End
Wokingham, Berkshire
Tel: (0118) 974 6000
www.wokingham.gov.uk

