

## GOSPORT BOROUGH COUNCIL

### SUMMARY STATEMENT OF ACCOUNTS 2006/07

This summary statement is based on the full published and audited Statement of Accounts and is intended to provide an accessible and transparent overview of the years activities.

#### General Fund

The General Fund included a budgeted contribution to the General Fund working balance of £19,000 and a net contribution from the Revenue Financing Reserve of £419,100. After making these budgeted contributions there was an underspending of £101,820 which was allocated to the Revenue Financing Reserve in line with Council policy. The table below summarises the General Fund actual position for the year by Council Board.

<b>GENERAL FUND 2006/2007</b>	<b>REVISED 2006/2007 £'000</b>	<b>ACTUAL 2006/2007 £'000</b>	<b>VARIANCE £'000</b>
Community & Environment Board	6,764	6,744	(20)
Housing Board	561	621	60
Policy & Organisation Board	4,819	4,681	(138)
<b>Total Net Expenditure</b>	<b>12,144</b>	<b>12,046</b>	<b>(98)</b>
Transfer to GF Working Balance	19	19	0
Transfer from Building Control Reserve	(5)	(8)	(3)
Transfer from Revenue Financing Reserve	(419)	(419)	0
Transfer to Revenue Financing Reserve - GF Surplus	0	101	101
<b>Budget Total</b>	<b>11,739</b>	<b>11,739</b>	<b>0</b>

<b><u>FINANCED BY</u></b>	<b>2006/2007</b>	
	<b>£'000</b>	<b>%</b>
Gosport Council Tax	4,853	41.3%
Revenue Support Grant	1,111	9.5%
Non Domestic Rates Distribution	5,755	49.0%
Collection Fund Surplus	20	0.2%
	<b>11,739</b>	<b>100.0%</b>

#### General Fund Reserves

At 31st March 2007, the General Fund working balance was £840,000 as budgeted and the Revenue Financing Reserve was £391,470 exceeding the forecast by £101,820 due to the underspending for the year.

## Income and Expenditure Account

The Income and Expenditure Account is the statutory account that must be produced to account for all the Council's main transactions

<b>INCOME AND EXPENDITURE ACCOUNT 2006/07</b>	<b>2005/06 £'000</b>	<b>2006/07 £'000</b>
<b>Net Expenditure</b>		
Central Services to the Public	784	1,149
Cultural, Environmental and Planning Services	6,568	7,254
Highways, Roads and Transport Services	628	1,169
Housing Services	1,271	1,670
Corporate and Democratic Core	2,285	2,428
Non Distributed Costs	262	200
<b>Net Cost of Services</b>	<b>11,798</b>	<b>13,870</b>
Net Interest and Investment income	(182)	(352)
Pensions Interest Cost and Return on Pensions Assets	850	640
<b>Net Operating Expenditure</b>	<b>12,466</b>	<b>14,158</b>
<b>Financed By</b>		
Gosport Borough Council Tax	(4,667)	(4,853)
Revenue Support Grant	(4,012)	(1,111)
Non-Domestic Rates distribution	(2,235)	(5,755)
Transfer from the Collection Fund	(20)	(20)
<b>Deficit for the year</b>	<b>1,532</b>	<b>2,419</b>

<b>MOVEMENT ON THE GENERAL FUND BALANCE</b>	<b>2005/06 £'000</b>	<b>2006/07 £'000</b>
<b>Deficit on the Income and Expenditure Account</b>	<b>1,532</b>	<b>2,419</b>
Financing items to be excluded from Council Tax	(1,142)	(850)
Contribution to Capital Expenditure	51	400
Transfer to / (from) Reserves		
HRA	94	(823)
Other Earmarked Reserves	469	(325)
Pensions Reserve	(1,060)	(840)
<b>(Increase) /Reduction in General Fund balance</b>	<b>(56)</b>	<b>(19)</b>
Balance at 1st April	(765)	(821)
<b>Balance at 31st March</b>	<b>(821)</b>	<b>(840)</b>

## Housing Revenue Account

The Housing Revenue Account was overspent by £733,010, with a resulting account balance of £167,740 at 31<sup>st</sup> March 2007. The main variations included repairs and maintenance expenditure of £123,000 particularly for increased repairs on void properties and additional payments of £320,490 to the Council's repairs and maintenance partnership contractor.

A strategy to restore the working balance has been developed and this will be incorporated into the Revised 2007/2008 and 2008/2009 budgets.

<b>INCOME AND EXPENDITURE ACCOUNT 2006/07</b>	<b>2005/06 £'000</b>	<b>2006/07 £'000</b>
<b>Income</b>		
Dwelling Rents	(8,792)	(9,198)
Non Dwelling Rents - Shops & Garages	(211)	(214)
Service Charges	(511)	(378)
<b>Total Income</b>	<b>(9,514)</b>	<b>(9,790)</b>
<b>Expenditure</b>		
Repairs & Maintenance	2,735	3,057
Supervision & Management	2,309	2,801
Rents, Rates, Taxes & Other Charges	78	81
Negative HRA Subsidy Payable	2,018	2,231
Transitional Contribution for Rent Rebates	157	0
Depreciation of Fixed Assets	2,181	2,154
<b>Total Expenditure</b>	<b>9,478</b>	<b>10,324</b>
<b>Net Cost of HRA Services</b>	<b>(36)</b>	<b>534</b>
Amortisation of Premiums & Discounts	35	0
Interest and Investment income	(127)	(94)
Pensions Interest Cost and Expected Return on Pensions Assets	31	56
<b>(Surplus) or Deficit for the year on HRA Services</b>	<b>(97)</b>	<b>496</b>

<b>MOVEMENT ON THE HRA BALANCE</b>	<b>2005/06 £'000</b>	<b>2006/07 £'000</b>
<b>(Surplus) or Deficit on the Income and Expenditure Account</b>	<b>(97)</b>	<b>496</b>
Financing items to be excluded from Council Tax	(9)	
Contribution to Capital Expenditure	51	400
Transfer from Pensions Reserve	(39)	(73)
<b>(Increase) or decrease in the HRA Balance</b>	<b>(94)</b>	<b>823</b>
Balance at 1st April	<b>(897)</b>	<b>(991)</b>
<b>Balance at 31st March</b>	<b>(991)</b>	<b>(168)</b>

## Capital Programme

The Capital Programme for 2006/07 was budgeted at £7.704 million with actual expenditure of £6.707 million. The Council invested in the following projects with scheme slippage accounting for the majority of the variations.

### CAPITAL PROGRAMME 2006/2007

	REVISED 2006/2007 £'000	ACTUAL 2006/2007 £'000	SLIPPAGE £'000
<b><u>BY BOARD</u></b>			
Housing Board (HRA)	4,250	4,554	0
Housing Board (GF)	1,180	931	140
Community & Environment Board	1,582	679	873
Policy & Organisation Board	692	543	174
	<b>7,704</b>	<b>6,707</b>	<b>1,187</b>
<b><u>BY MAJOR SCHEME</u></b>			
Council Dwellings	4,250	4,554	0
Social Housing	666	556	110
Housing Grants	514	374	30
Alver Valley Habitat Creation	342	1	341
Information Technology	323	228	95
High Street Refurbishment	213	128	85
Privett Park Pavilion	169	41	128
Town Hall Major Repairs	118	120	0
Replacement Landing Stage	110	16	94
Falkland Gardens - New Public Convenience	100	78	8
Westfield Road Depot	86	82	4
Aid to Voluntary Organisations	63	27	35
CCTV schemes	56	54	0
Allotments - Provision of Security	55	48	7
Priddys Hard Heritage Area	47	23	45
Bus Station	22	0	22
Mobile Home Park	10	1	9
All other schemes	560	376	174
	<b>7,704</b>	<b>6,707</b>	<b>1,187</b>

<b><u>PROGRAMME FINANCING</u></b>	REVISED 2006/2007 £'000	ACTUAL 2006/2007 £'000
REVENUE (HRA)	400	400
MAJOR REPAIRS ALLOWANCE	2,166	2,154
CAPITAL RECEIPTS	1,399	1,413
COMMUTED SUMS	204	64
GRANTS & CONTRIBUTIONS	1,394	775
CAPITAL GRANTS	244	244
BORROWING	1,897	1,657
	<b>7,704</b>	<b>6,707</b>

## Financial position at 31<sup>st</sup> March 2007

The **Balance Sheet** below is a statement of the Council's financial position at the beginning and end of the financial year. It is a summary of the financial value of the Council's assets (land and buildings) and cash and investments along with how much is owed both by and to the Council.

<b>BALANCE SHEET as at 31st March 2007</b>	<b>31st Mar 2006 £'000</b>	<b>31st Mar 2007 £'000</b>
Fixed Assets	191,901	198,186
Other Long Term Assets	514	454
Current Assets (Money owed to the Council)	6,817	6,669
Current Liabilities (Money owed by the Council)	(4,572)	(7,329)
Cash and Investments	570	3,316
Pension Fund liability	(26,000)	(26,860)
<b>Net Assets</b>	<b>169,230</b>	<b>174,436</b>
<b>Financed by</b>		
Capital Accounting reserves	(186,616)	(194,908)
General and Earmarked reserves and contributions	(8,614)	(6,388)
Pension Fund reserve	26,000	26,860
<b>Net Worth</b>	<b>(169,230)</b>	<b>(174,436)</b>

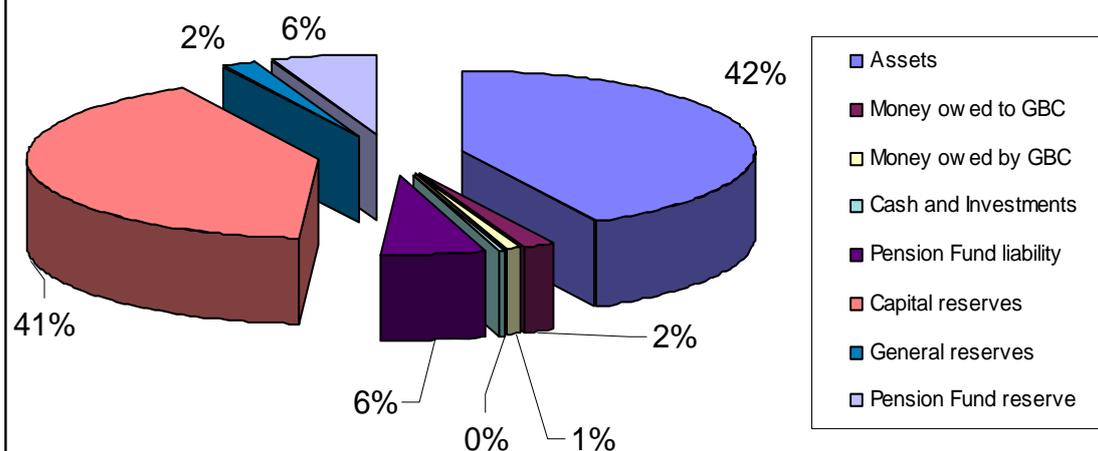
Cash and investments represents the value of cash balances and sums invested at year end less outstanding borrowing.

Usable Capital Receipts of £3.7 million were set aside at the year end to reduce the Council's underlying capital debt and in so doing achieved revenue savings of £148,000 in 2007/08.

Capital accounting reserves are not cash available for future capital investment but represent how assets to date have been financed.

The Pension fund liability is the value of the long term commitment to provide pension benefits to employees and is matched by the pension reserve.

## Financial position at 31st March 2007



## FEEDBACK

Please let us know if you think this is a useful document together with any suggestions for improvements or questions that you may have. If you think that the Council should produce a separate annual report as well as the statutory Statement of Accounts then please do let us know that as well

Gosport Borough Council is committed to equal opportunities for all

**If you need this document in large print, on tape, in Braille or in other languages, please ask.**

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