

SUMMARY OF ACCOUNTS 2007/08



This document provides a summarised user friendly version of the Council's full Statement of Accounts

This is part of our commitment to keeping citizens informed about the Council's financial activities.



**Wigan is a Four Star Council
Improving Well**

Wigan is the largest of ten boroughs in Greater Manchester and is one of the four oldest boroughs in Lancashire, receiving a charter from Henry III in 1246.

Wigan Borough is the 9th largest metropolitan district in the country covering 77 square miles and lies mid-way between Liverpool and Manchester.

301,000 people live in Wigan with over 137,000 residential properties. Over three quarters of the Borough is open country. The borough has three country parks, more sites of Special Scientific Interest than anywhere else in the region and a wealth of wildlife and rare plants.



The Council's Vision

Building the future together. A place where people matter and you can afford to live the life you want.

Wigan Council has five corporate objectives these are:

- Helping people reach their full potential
- Stronger community leadership
- Places where people want to live
- High standards of accountability
- Effective support for services



What did we spend?



The cost of running our services between 1st April 2007 and 31st March 2008 is shown in our Income and Expenditure Account.

The account also shows where the money came from to finance those costs, along with any surplus at the year end.

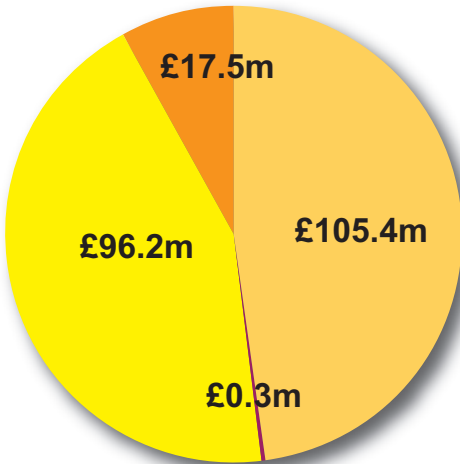
The major items included within Effective Governance are those associated with all aspects of Councillors activities relating to the representation of local interests. This includes policy and service committees, and member working groups, together with the activities that provide the infrastructure that allow services to be provided.

The cost of Council Services



Council Service	Spend £m	Income £m	Balance £m
Adult Services	147.6	57.9	89.7
Children & Young People's Services	263.7	237.2	26.5
Cultural, Environmental & Planning Services	80.1	27.2	52.9
Effective Governance & Central Services	43.1	28.3	14.8
Highways, Roads & Transport Services	44.1	11.2	32.9
Housing Services	153.2	152.5	0.7
Net Cost of Service	731.8	514.3	217.5
Other Operating Income & Expenditure			-2.5
Total amount to be raised from Government Grants and Local Taxation			215.0

Where did the money come from



- Council Tax Income
- Collection Fund Surplus
- Non-Domestic Rate Income
- Revenue Support Grant

The money comes from different sources:

Council Tax - money paid by residents as a local taxation.

National Non-Domestic Rates - business rates set by and paid to the government & redistributed based on population.

Revenue Support Grant - a government grant paid to councils from national taxation to provide funding to operate local services.

Wigan Council received funding of £219.4m. The largest share of this was made up of council tax.



	£'m
Cost of Services	215.0
Total Income	219.4
Surplus for the year	4.4

Income exceeded expenditure in the year by around £4.4 million.

This surplus will be transferred into balances. A portion of these balances is earmarked to fund schemes and initiatives in future years. The remaining balances are retained for future use in support of Council budget strategy.

As at 31st March 2008	£'m
Land, Buildings, Equipment and other Assets owned by the Council	1,471.6
Stock	1.4
Money owed to the Council	90.8
Cash at Bank	9.2
Money owed by the Council within the next year	-92.9
Money owed by the Council after one year	-627.6
Total	852.5
Funded by:	
Capital Reserve not available for distribution	901.1
Reserves	58.6
Pension Fund Deficit	-107.2
Total Net Worth	852.5

The Balance Sheet

This shows what the Council owns, is owed, what it owes and the Capital funding as at 31st March 2008.

Money owed by the Council after 1 year includes the estimated value of future pension payments to staff, which is matched elsewhere in the balance sheet and does not impact upon the level of Council Tax.

The net worth of the Council as at 31st March 2008 was around £852 million.

Reserves are amounts set aside for a specific purpose in one year and carried forward to meet expenditure in future years.

The Council maintains a prudent level of reserves to meet its future obligations.



The Housing Revenue Account

It is a legal requirement that all income & expenditure on Council houses is kept separate from the general fund revenue account. This information is contained in the Housing Revenue Account (HRA).

The council owns 22,888 Council properties. 17,458 of these are houses, with the remaining 5,430 being flats. The total value of Housing assets is £878m.

The number of properties owned has been reduced over the last year by 205, mainly through sales to tenants.

In 2007/08 the percentage of rent lost from unlet houses was 1.18% compared to 1.45% in 2006/07.



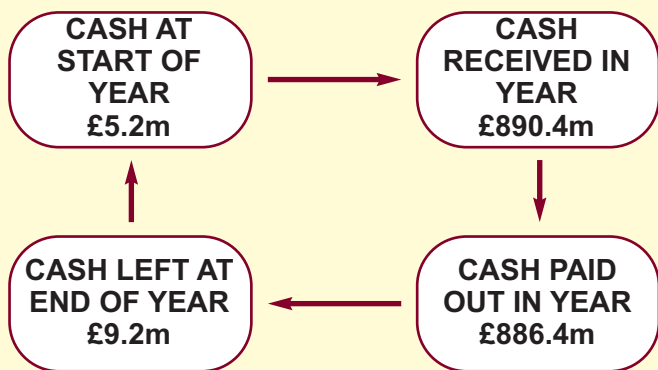


Income	£'m
Rents	64.2
Service & Facility Charges	3.7
HRA Subsidy Receivable	4.8
Total Income	72.7
Expenditure	
Repair & Maintenance	16.6
Supervision & Management	15.8
Fixed Asset Depreciation	13.9
Interest Payments	15.5
Capital Expenditure funded by HRA	7.5
Other Costs	3.4
Total Expenditure	72.7

Cash Flow 1st April 2007 to 31st March 2008



This statement summarises the amount of cash held by the Council at the start and end of the year, together with the movements in cash during the year.



Comprehensive Performance Assessment (CPA) 2007

Every year Councils across the country are assessed on how well they perform by the Audit Commission.

Each Council is given a star rating from 0 stars to 4 stars. Our latest assessment is for 2007 and we achieved the highest overall rating of 4 stars.

The Audit Commission states “This is a Council that is **improving well** and demonstrating a **4 star** overall performance”.



How did the Finance Function perform?



Performance Indicators in 2007/08

Financial Management	2005/06	2006/07	2007/08
Annual accounts submitted on time	Yes	Yes	Yes
Number of audit qualifications (*)	0	0	0

(*) The Council's external auditors give an opinion on the accounts, which should ideally be unqualified

Key Performance Indicator	2006/07 Actual	2007/08 Actual
Payroll processed on time	100%	100%
Paying suppliers within agreed payment	87%	93%
Level of Debt Outstanding over 3 months old	Less than 5%	Less than 5%

Note: further information on key performance indicators can be found on:

www.wigangov.uk/services/councildemocracy/performanceinformation



What is Capital Spending?

Capital spending represents money spent by the Council to purchase, upgrade or improve assets such as buildings and roads. The distinction from revenue expenditure is that the Council and its residents receive the benefit from capital expenditure over a longer period of time.

How much did we spend?

The Council spent over £95 million on its capital programme in 2007/08.

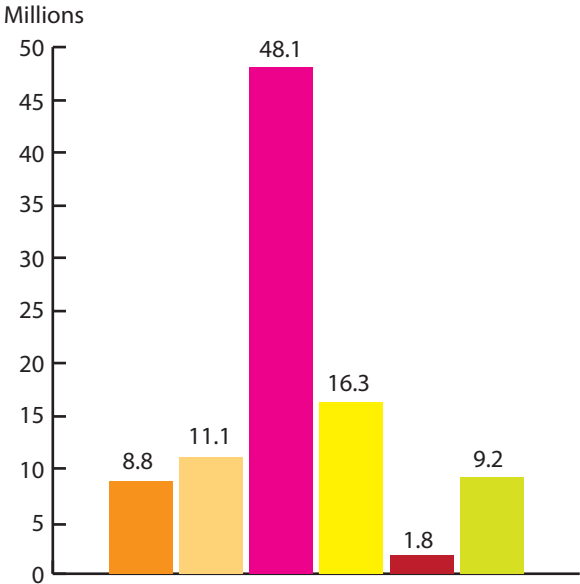
The programme underpins the Council's overall vision and objectives, providing for investment in long term assets which are used to deliver the Council's services.

Housing Renovations	£25.6m
Leigh Sports Village Project	£17.6m
Investment in Schools	£17.5m
Highways	£7.7m
Aids & adaptations for disabled people	£2.2m
Repairs & Maintenance to Council Buildings	£2.3m
Other including regeneration	£22.4m
Total Spend in 2007/08	£95.3m

Where did the money come from?

The majority of the £95.3m spent on capital came from Government grants and contributions of £48.1m. Other sources of funding include HRA reserves £16.3m, capital receipts £11.1m, revenue funding £9.2m, borrowing £8.8m and operating leases £1.8m.

Capital Income



-  Borrowing
-  Capital Receipts
-  Gov't Grants and Contributions
-  HRA Reserves
-  Operating Leases
-  Revenue Funding

The following statement by the Executive Director of Business Support Services describes some of the key points from the Council's stewardship of public funds.

Revenue Expenditure

In 2007/08 the Council estimated that £0.267m of balances would be required to balance the budget. However a saving (surplus) of £4.409m was achieved. This was mainly a result of the benefit from external interest charges of £2.2m due to the fluctuating market rates that were difficult to predict at the outset of the year. Other benefits have come from various income sources such as the airport dividend of £1.250m and government grants such as the Performance Reward grant of £0.800m and the receipt of £0.527m from the Local Authority Business Growth Incentive Initiative.





Capital Expenditure

The Council spent over £95m on capital projects, in persuance of the Council's objectives and demonstrating commitment to its residents by continually investing in its long term assets. These are used to deliver the Council's services.

The largest spending areas were:

- Wigan & Leigh Housing Programme of £25.6m to renovate the housing stock to the Governments decency standard
- Children and Young Persons Programme of £17.5m expenditure on school buildings including pre school Surestart projects
- Leigh Sports Village project £17.6m
- Highways improvements and maintenance £7.7m
- A number of projects spent less than originally planned in 2007/08 and spending on these projects has been re-phased into 2008/09 and future years.



The Council continues to achieve an 'excellent' rating under the Comprehensive Performance Assessment (CPA). Under the Use of Resources element, the Council has successfully once again achieved the top score of 4 overall, meeting

even harder criteria than in previous years and has managed to improve on the excellent individual scores achieved in 2006/07.

The Council remains committed to sound financial management. This has been demonstrated by the operational efficiencies and effective budget management by departments during the year.

The national and international climate is currently undergoing significant change and this will need to be factored into any forward planning to ensure financial stability is in place to safeguard the continuing delivery of service priorities.

The full statement of Accounts is prepared in accordance with the requirements of the Accounting Codes of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and are subject to inspection by the Audit Commission.



For the purpose of this document, some modifications have been made in an attempt to provide more meaningful and useful information to non-technical users.

At Wigan Council, we value the input and views of our stakeholders and would welcome any comments you make regarding this summary. Was the information contained useful? Was there anything you did not understand? Was there anything else that should have been included?

Please do not hesitate to get in touch with me or my team at the contact point below regarding your views or any other information you require. A full version of the Statement of Accounts is available on the internet at www.wigan.gov.uk/Services/Council/Democracy/PerformanceInformation

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Paper copies are also available upon request.
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We can make this information available in other formats and languages on request. Contact us at Wigan Council, Civic Centre, Millgate, Wigan WN1 1DD Phone: 01942 827272

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Website: www.wigan.gov.uk