

Report to: Audit, Governance and Improvement Review Committee

Date: 28th June 2007

Subject: Statement of Accounts for 2006/07

Report of: Director of Finance and IT

Contact officer: Steve Clegg X2260

Purpose/summary: To present the Statement of Accounts for 2006/07.

Alternative options considered and reason for selecting the one recommended: Not Applicable.

Recommendation/decision: To approve the Statement of Accounts for 2006/07.

Key Decision: This report does not involve a key decision.

Implications:

Summary of reasons for report being closed in the public interest:

Financial:	The Statement includes gross revenue expenditure of £699m, revenue income of £507m and capital expenditure of £98m.
Staffing:	None.
Policy:	Policy and Budget Framework. There is a statutory duty to approve the Accounts before 30 th June 2007.
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Not applicable.
Wards affected:	Not applicable.
Special Interest Members – Which have been consulted	Not applicable.

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the **Yes**

Council's Constitution?

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

No

For Cabinet reports only :

Categorisation of the report:	X		X
Discussion leading to a decision	X	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
		28 th June 2007	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer D J Smith

Date 20th June 2007

1. Background:

The Accounts and Audit Regulations require the Council as a whole, or a Committee of the Council, to approve and formally sign off the annual Statement of Accounts (SOA) prior to publication. The signatory has to be the Chair of the meeting and a certificate for completion is attached at Appendix 1.

The Audit Commission continues to raise standards as part of the Comprehensive Performance Assessment and the Use of Resources process. To meet best practice the SOA being submitted for approval requires an explanation of the figures and key issues in the accounts and the intention of this report is to provide Members with an appreciation of the complexity of these accounts.

2. Statutory Accounting Framework:

All Councils have to produce accounts that comply with 'proper accounting practice' based on either statutory requirement or various Statements of Recommended Practice (SORP) published by the Chartered Institute of Public Finance & Accountancy (CIPFA). These specify the principles and practices of accounting required to prepare a SOA that 'presents fairly' the financial position and transactions of the Council. The SORP are supported by a number of detailed accounting recommendations which have evolved as best accounting practice over many years.

If statutory provisions require departures from the SORP then the statutory provisions must be followed. The statutory provisions and CIPFA SORP determine how the accounts are put together. The documents are prescriptive to achieve consistency of presentation and inclusion of various items.

The 2006 SORP introduced substantive changes and these have been demanding to implement in terms of time and technical difficulty. The changes are driven by a government agenda for public bodies to move towards Generally Accepted Accounting Practice (UK GAAP) which is the standard adopted in industry as prescribed by the Accounting Standards Board. The changes have a significant impact upon the presentation of the SOA for 2006/07.

This is also the third year of the Whole of Government Accounts (WGA) process and from 2006/07 these additional statements will be subject to Audit scrutiny as part of the audit of the main accounts of the Council. This scrutiny is intended to provide accountability to Parliament and better quality financial information to underpin funding and investment decisions at local and national level. The information required is additional to that already published and extra work is needed for the completion of the WGA returns to the necessary standards and deadlines.

The main aim of the continuing SORP changes and the WGA process is to reflect a common pattern of presentation and narrow the areas of difference and variety in accounting treatment. It is also important that local Councils define the costs of individual services in accordance with the CIPFA Best Value Accounting Code of Practice to ensure consistency of treatment when items such as unit costs are compared between Councils.

3. Significant Accounting Issues in the SOA

The SORP 2006 introduced a number of changes to the SOA. Whilst the changes are mainly technical and presentational adjustments which do not impact upon the level of balances reported they do contribute to a significant change in the way that the figures are reported.

The main changes are as follows:

- ◆ The removal of the need to make a charge for the cost of capital. Notional Interest will no longer be charged to services.
- ◆ A requirement to allocate previously centrally held deferred government grants direct to services
- ◆ A new Income and Expenditure Statement which replaces the Consolidated Revenue Account
- ◆ A supporting Statement of Movements on General Fund Balance
- ◆ The introduction of a Statement of Total Recognised Gains & Losses which replaces the Statement of Total Movements on Reserves

The scope of these changes has resulted in a requirement to restate the 2005/06 accounts into the new structure, in effect repackaging what are now being described as the single entity statements. One significant impact of the changes is to produce a deficit of £4.6m on the newly created Income & Expenditure Account. The actual position for the Council is a small surplus of £0.161m which is reconciled in the supporting Movement on General Fund Balance Statement.

4. Improvement Agenda

Although the Council has recently achieved the top score of 4 under the Use of Resources process the standards are becoming more challenging each year. In an attempt to meet these we have introduced a number of significant improvements to this year's closure of accounts process. We are striving for exemplary status for the working papers produced in support of the closure of accounts. The notable practices adopted include the use of standard format control documents which contain a full review header sheet which meets and exceeds current best practice.

We have also developed a fully documented trail to the Audit Commission working paper requirements list and an electronic web based site using SharePoint where all the standard working papers will be held fully referenced to the above requirements. The site is accessible to staff at both Wigan and our External Audit Team from any location.

It is hoped that these items of notable practice will attain the exemplary status but this is fully dependent upon the outcome of the audit of the accounts.

5. Comparison of Provisional Spending to Final Outturn

A report on the provisional spending position for 2006/07 was submitted to Cabinet on 31st May 2007. The report showed a provisional deficit of £0.366m. This equated to an improvement on balances of £0.834m as the original estimate was based upon a deficit budget. Details of the variations between the Original Estimate and Actual were fully reported to the Cabinet on 31st May 2007.

The actual position being reported in the SOA on operational expenditure and income is now a small surplus of £0.161m. The net improvement in the position is mainly due to two significant accounting adjustments.

The first is a reduction of £1m in the provision for tax and national insurance liability on the Equal Pay payments. Further work has been undertaken within the Council to try and identify the likely tax position and the experiences of other Councils has resulted in settlements lower than the amounts initially requested by H M Revenue and Customs. However Wigan has yet to submit the necessary information to H M Revenue and Customs for them to scrutinise and therefore the provision remains a best estimate only and the actual liability once it is agreed may be higher or lower.

The second is the creation of a general provision for bad debts on sundry debt of £0.359m in addition to the small central provision already held. Whilst the Council policy is to write off aged debt as it becomes irrecoverable it seemed prudent following a review of best practice at other Councils to recognise this potential loss on the debt outstanding held by the Council at 31st March 2007. The practical reality is that debt will only actually be written off when all possible recovery processes have been concluded.

The remaining £0.114m is the result of several changes as validation work identified further and necessary adjustments that had to be made to the accounts.

6. Financial Reporting Standard FRS17 – Current Cost of Pensions

One key issue under Financial Reporting Standard (FRS) 17 is the disclosure of what the cost of pensions liabilities are as they are being earned by employees, irrespective of the fact that they may not be due and payable for many years. The Balance Sheet contains £150m (previously £191m) which reflects the aggregate of all pensions payable to existing and future pensioners. This pension liability is not “due and payable” and will be discharged over many years into the future.

Last year the Council provided to Wigan and Leigh Housing (WALH) a letter of support for the FRS 17 liability of £9.4m. Without such a letter WALH would not effectively be seen as a going concern. A note to acknowledge this potential liability has been included in the SOA. Using the same approval a similar letter will be provided for the 2006/07 pension liability of £7.8m.

It should be noted that FRS17 does not impact upon the general fund balances held by the Council.

7. Council Balances, Reserves and Provisions

As a result of the surplus now reported the overall amount of balances held by the Council at 31st March 2007 is £21.489m and a proportion of this is required for revenue and capital investment support in future years and to fund approved carry forwards. The final outturn position based on the SOA will be submitted to Cabinet on 28th June 2007.

The Council maintains a number of provisions. The changes during the year and explanations of the provisions maintained are detailed in Note 22 to the Core Financial Statements.

The Council holds a number of reserves. The changes during the year and explanations of the reserves held are detailed in Note 27 to the Core Financial Statements.

Members are asked to note that the position on provisions and reserves are of necessity in some instances based on best estimates at the time the SOA has been prepared. However the experiences of previous years suggests that events may unfold and information may emerge between now and the end of September when the audit is concluded that requires some of these estimates to be adjusted before the SOA is published.

8. Accountable Bodies

The Council also acts on behalf of all the councils in the North West as the accountable body for the North West Improvement Network (NWIN), a separate organisation with its own constitution. NWIN is seeking to develop capacity to support the long term sustainable improvement for local authorities using funding provided by the Government. To date funds of £5.4m (out of an available £7.9m) have been released to the Council and this is being used to fund a variety of spending programmes across the region. Further details can be found under Note 42 to the Core Financial Statements.

In addition the Council also acts as accountable body for other organisations such as Wigan Way to Work a European Regional Development Funded Programme.

9. The Structure and Content of the Statement of Accounts

As explained this is determined by the SORP and the remainder of the report follows the order in the SOA and provides as simply as possible a brief overview and commentary on each section and an interpretation of any significant changes. There are of course more detailed notes and explanations within the SOA itself.

The scale and the scope and content of the SOA is such that Members will appreciate that the document can always be improved presentationally prior to publication in consultation with External Audit. This will therefore be part of an ongoing process but will not involve any changes of substance.

10. Foreword by the Cabinet Member

This is set out on page 1 to 2 and does not form part of the Audit Opinion. However such a document is in wide use elsewhere and its inclusion is seen as best practice.

11. Foreword by the Treasurer

This is set out on pages 3 to 10. The inclusion of such a Foreword is recommended as it provides an opportunity for me to highlight significant issues and an interpretation and explanation of the accounts. It contains a summary of the revenue and capital expenditure incurred in 2006/07, tables showing where the money comes from and what it is spent on, a commentary on significant features in the accounts and a financial outlook for the future.

12. Statement of Accounting Policies

These are set out on pages 11 to 17 and are seen as critical to an understanding of the accounts and these policies form part of the Audit Opinion. Accounting policies are the principles, bases, conventions, rules and practices applied by the Council.

The use of such policies effectively secures consistency in the financial figures being reported year on year. Effectively they specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses and changes in reserves. A number of changes to policies have been made as follows:

- ◆ The need to make a charge for the cost of capital (notional interest) has been removed.
- ◆ The requirement to credit services with government grants deferred, which were previously held centrally has been introduced. In previous years there was no requirement for the Council to record capital grants against specific assets. However the 2006 SORP introduced this matching concept. A substantial piece of work has been undertaken to obtain a more appropriate allocation back to services. In essence each category of asset was revisited and its useful life assessed. The value of grant to be trickled back to services was then profiled to match this useful life. The advantage of this is to trickle back the grant along the same lines as the asset is depreciated. As assets are disposed of, revalued and their lives reassessed then the grant will in future be applied accordingly.

The impact of this exercise has resulted in a reduction of the amount trickled back to services from £9.4m in 2005/06 to £2.1m in 2006/07. This change is subject to agreement with the our External Auditors. Whilst this is a significant figure it should be noted that there is no impact upon balances as these are presentational changes.

- ◆ The requirement to recognise any gains or losses on the disposal of assets in the Income and Expenditure Account. Previously any such gains and losses would form part of the capital accounts and be included in changes to the net worth on the balance sheet.

All the above policy changes are required by the 2006 SORP.

13. Income and Expenditure Account (I&E)

This is a new statement and is set out on page 18 and is fundamental to the understanding of the Council's activities in that it reports the net cost for the year of the functions for which the Council is responsible. It also demonstrates how that cost has been financed from general government grants. It brings together expenditure and income relating to all of the Council's functions in three distinct sections each divided by a sub total. The Income & Expenditure Account requires my signature and this will be added and dated at the end of the meeting today.

There are detailed notes on a number of items as required by the SORP to help explain the changes and provide an explanation of significant items within the I&E Account. The main variations year on year have been listed in Appendix 2 for the benefit of Members. This Appendix will be submitted as part of the Council's analytical review requirements to the External Auditor.

The I&E account shows a deficit for the Authority of £4.6m for the 2006/07 financial year because of the inclusion of only one side of the notional pensions costs as the other side is included in the Statement of Movement on General Fund Balance. This is a presentational change and has no impact on the overall surplus of £0.161m reported.

The I&E accounts also contain £8.5m for Equal Pay and this has been classified in accordance with accounting requirements as an exceptional item on the face of the Income and Expenditure Account. This is in line with our understanding of the practice that has been adopted at other authorities.

14. Statement of Movement on General Fund Balance

This is a totally new statement on page 19 which provides the necessary reconciliation to the general fund balance. Detailed notes are provided in the SOA in support of the figures contained within the statement. This statement shows the overall position for the Authority and contains a surplus of £4.8m which is the net additional amount required by statute and non-statutory proper practices to be debited or credited to the balances for the year.

15. Statement of Total Recognised Gains and Losses (STRGL)

This statement as set out on page 19 brings together all the gains and losses of the Authority for the year and shows the aggregate increase or decrease in its net worth. In addition to the position generated on the Income and Expenditure account it also includes any gains or losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

Any other gains and losses not directly attributable to any of the above categories are shown under other gains & losses. An example of this is the capital stream of the performance reward grant which is not been used to directly fund capital expenditure but has been utilised to finance debt.

16. Balance Sheet (BS)

This is set out on page 20 and is fundamental to the understanding of the Council's financial position at the year-end. It shows the balances and reserves at the Council's disposal and its long-term indebtedness and the fixed and current assets employed in its operations together with summarised information on the fixed assets held. The BS requires my signature and this will be added and dated at the conclusion of the meeting today.

There are detailed notes on various items as required by the SORP to help explain the changes and provide an explanation of significant items within the BS . The main variations year on year are shown in Appendix 3 for the benefit of Members. This Appendix will be submitted as part of the Council's analytical review requirements to the External Auditor.

17. Cash Flow Statement

This is set out on page 21 and summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. Cash is defined for the purpose of this statement as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

There are detailed notes to help explain the changes and provide an explanation of significant items within the Cash Flow.

18. Notes to the Core Financial Statements

These are set out on pages 22 to 53 and are intended to help to give clarity to the figures contained within the statements and are there to assist stakeholders in understanding the accounts of the authority. The notes provided are as per the SORP requirements and so there is little opportunity to summarise and shorten them.

19. Housing Revenue Account (HRA)

This is set out on pages 54 to 59 and reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure – maintenance, administration, rent rebates – and capital financing costs and how these are met by rents, subsidy and other income.

There are detailed notes to help explain the changes and significant items within the HRA. The HRA will be the subject of a separate report to Cabinet on 28th June 2007.

It should be noted that the HRA has been subjected to similar changes arising from the SORP 2006 requirements.

20. Collection Fund

This is set out on pages 60 to 61 and reflects the statutory requirement for billing authorities to maintain a separate Collection Fund which shows the transactions for non-domestic rates and the council tax. It also illustrates the way in which these have been distributed to preceptors and the General Fund.

There are detailed notes to help explain the changes and provide an explanation of significant items within the Collection Fund. The Collection Fund will be the subject of a separate report to Cabinet on 28th June 2007.

21. Group Financial Statements

These are set out on pages 62 to 70 and are additional to the single entity statements discussed earlier in the report. The Statements have been repackaged in line with the new format adopted. These statements are required to reflect the full picture of the Council's economic activities and financial position.

The process of determining the scope and inclusion of other organisations is a complex one and extensive discussions have taken place with legal colleagues to understand and define the nature of the Council's interest in various organisations.

There are detailed notes to help explain the figures and the accounting treatment as the results of different organisations are consolidated into one entity.

22. Statement of Responsibilities

This is set out on page 71 and contains the respective responsibilities of the Council under local government legislation and other requirements and my own legal and professional responsibility for the accounts. The attention of Members is specifically drawn to the responsibilities of the Council as listed in the statement.

23. Statement on Internal Control

This is set out on pages 72 to 97. This statement has been expanded over previous years to reflect any new requirements in the 2006 SORP and has already been considered and approved by the Audit, Governance, and Improvement Review Committee that met on 7th June 2007 and by Cabinet on 14th June 2007. The statement sets out the framework within which financial control is managed and reviewed and the main components of the system, including the arrangements for internal audit. The statement reports on significant identified weaknesses and the actions undertaken to rectify these.

24. Glossary

This is detailed on pages 98 to 100 and does not form part of the Audit Opinion. A Statement of Accounts inevitably contains technical language and a brief glossary has been provided to help explain some of the terms used.

25. Terms Of Reference

The terms of reference are set out on pages 101 to 105 and explain the regularity framework within which the accounts are prepared and have been included in the SOA for the first time. This additional information is seen as best practice elsewhere and it is hoped that it will provide a valuable point of reference for stakeholders.

26. Feedback Questionnaire

This can be found on pages 106 to 107 and is included to encourage views and comments to be returned by stakeholders.

27. Audit Opinion

The accounts do not currently include an Audit Opinion as this will only be available in September. The audit is expected to commence next month and if the Auditors discover any material discrepancies in the Accounts they will require the Committee to re-approve a revised Statement of Accounts.

The External Auditors have 3 months to complete the audit and issue a certificate to the Council. Accordingly a meeting will be arranged for the last week in September to consider this and any other matters under the International Accounting Standards (IAS 260) requirements. I am also required to complete and submit a Letter of Representation which sets out my personal responsibilities to the same meeting.

28. Public Deposit of Accounts

Subject to the approval of the accounts by this Committee it is anticipated that the SOA will go on public deposit some time in July. An advertisement has to be placed as required by the Notice of Public Rights which gives 14 calendar days notice of the deposit period and provides 20 working days as an opportunity for any elector to inspect any supporting documents, receipts, invoices etc.

The appointed day and time for any elector to put questions to the External Auditor has been agreed and is set for 20th August 2007.

29. Conclusions

The improvement in the financial position during the year has helped to provide the funding towards the cost of Equal Pay. The savings on operational services are evidence of the commitment to the efficiency agenda, continuous improvement and value for money. In the meantime, as already explained, the Statement of Accounts summarises the Council's accountability for the very significant sums of taxpayers money that it receives to discharge it's services and I would draw Members attention particularly to the Statement of Responsibilities which makes clear the duties of the Council and myself in the financial management framework.

To discharge these duties the Council's accounts have been prepared in accordance with statutory requirements, statutory and regulatory timetables, relevant accounting and reporting standards and the Council's agreed accounting policies.

As Members know the Comprehensive Performance Assessment places a large degree of emphasis on the financial management framework and processes for budget setting, monitoring and reporting and timely closure of the accounts within statutory deadlines. The attainment of a top score 4 under Use of Resources is a notable achievement and accordingly I would like to record my thanks to all the staff involved for all the hard work done over the last few months to meet the challenging deadline of the end of June for the submission of the Statement of Accounts.

Finally the Statement of Accounts is intended to give electors, those subject to locally levied taxes and charges, Members of the Council, employees and other interested parties clear information about the Council's finances. To this end a Summary of the Accounts will be published incorporating a questionnaire which will be circulated to Members for comment and a wider stakeholder audience of employees and the general public and partnership organisations.

30. Recommendation

Members are requested to approve the Statement of Accounts for 2006/07.

Certification of Approval by Wigan Council

I confirm that these accounts were approved by the Audit, Governance, and Improvement Review Committee at the meeting held on 28th June 2007.

Signed and dated on behalf of the Wigan Council by Councillor _____ the Chair of the Committee meeting approving the accounts.

Signed

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Date

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INCOME AND EXPENDITURE ACCOUNT YEAR ON YEAR COMPARISON

Significant year on year variations.

	Income and Expenditure Account Item	2005/06 £m	2006/07 £m	Year on Year Change
1	Central Services	2.163	3.362	+1.199
2	Childrens Services	174.189	26.456	-147.733
3	Highways, Roads & Transport	24.319	32.237	+7.918
4	Adult Services	81.071	88.795	+7.724
5	Non Distributed Costs	1.854	0.625	-1.229
6	Exceptional Item	0	8.500	+8.500
7	Gain/Loss on disposal of fixed assets	3.960	-6.057	-10.017
8	Surplus/Deficit on Trading	-1.543	-0.576	+0.967
9	Interest & Investment Income	-3.684	-5.360	-1.676
10	Contribution of Housing Capital Receipts	11.229	9.428	-1.801

1. A number of changes are included in this figure the most significant being £0.450m Increase in Local Tax Collection, Registrars and Elections.
2. The Council's expenditure on schools is funded by grant monies provided by the Department for Education and Skills, the dedicated Schools Grant (DSG). In 2005/06 the grant was part of the revenue support grant settlement, it is now included under Education Services income.
3. A number of items have contributed to this change the significant ones are: Passenger Transport Levy increase of £3.2m. Government Grants Deferred written back to revenue was £2.3m less than in 2005/06. The balance being inflation and an increase in FRS17 costs.
4. FRS17 increased costs to Adult Services account for £1m extra in 2006/07. Fall out of grants in 2006/07 accounts for a further £2m combined with a £1.4m overspend reported in the provisional outturn report.
5. Non-Distributed Costs includes past service costs. Past service costs can arise from the Employer awarding discretionary benefits e.g. added years augmentation or allowing employees to retire on unreduced benefits before attaining their "rule of 85" age on grounds of efficiency. These costs were £0.7m lower in 2006/07.
6. The exceptional item relates to the potential costs of equal pay as reported in the provisional outturn report submitted to Cabinet 31st May 2007. This has since been reduced by £1m to £8.5m due to a lower anticipated tax liability.

7. During the year a number of assets were disposed of. The general policy relating to the disposal of an asset is to revalue the asset to market value prior to disposal. However in certain instances assets are disposed of where there is no cash consideration or capital receipts are received which do not relate to the disposal of a specific asset. During 2006/07 the gain on the disposal of fixed assets amounted to £6m. This is in the main a timing difference relating to the disposal of Trencherfield Mill where the asset was disposed of during 2005/06 and it was prudent at the time not to accrue for the potential capital receipt.
8. The FRS17 allocation has increased across services. This has increased the charge from £0.7m in 2005/06 to £1.3m in 2006/07 for DSO's and Trading Accounts.
9. This account includes a Performance Reward Grant of £2.5m.
10. This is the amount the Council is required to contribute towards the centralised Government Pool.

BALANCE SHEET YEAR ON YEAR COMPARISON

Significant year on year variations.

	Balance Sheet Item	2005/06 £m	2006/07 £m	Year on Year Change £m
1	Council Dwellings	722.396	801.723	+79.327
2	Land & Buildings	283.163	336.610	+53.447
3	Infrastructure	87.527	95.131	+7.604
4	Non-Operational Assets	46.131	74.699	+28.568
5	Intangible Current Asset	-	2.493	+2.493
6	Stocks & WIP	4.077	1.067	-3.010
7	Investments	32.303	26.320	-5.983
8	Cash	9.932	5.239	-4.693
9	Government Grants Deferred	72.517	97.125	+24.608
10	Pension Liability & Reserve	190.934	150.497	-40.437
11	Provisions	15.026	18.159	+3.133
12	Housing Revenue Account	10.766	4.337	-6.429

1. There has been an increase of £79.3m in the net book value of council dwellings. This is due primarily to the annual revaluation of property, which resulted in an increase in value of £61m. Expenditure through the year was £31m and disposals of £13m also took place.
2. There has been an overall increase in the net book value of operational land and buildings of £53m. This increase can be mainly attributed to the revaluation of and expenditure on school buildings in the sum of £32m. The revaluation of property used in the delivery of other services has accounted for an increase of £20m.
3. Expenditure of £11.9m on roads and bridges was capitalised during 2006/07, and depreciation of £4.3m was written off during the year, accounting for a net increase in value of infrastructure assets of £7.6m.
4. There was expenditure capitalised during the year of £15.1m on assets under construction (Leigh Sports Village £14.1m). These assets will become operational assets on completion. There were revaluation gains of £6m on CYPs schools sites earmarked for disposal, plus an additional £7m on surplus planning assets.
5. Intangible Current Asset – This relates to the Landfill Allowance Trading Scheme which has been reclassified from stock to an intangible current asset in 2006/07 as per the Accounting Code of Practice
6. See 5
7. The short term investments figure changes on a daily basis depending upon the funds available to the Council.

8. This figure changes significantly on a daily basis and depends on the timing of expenditure and income transactions.
9. The Authority has received £13.3m more grant than in 2005/06. In previous years between £8-9m was credited to the relevant service. This was reviewed this year and now only £2m is written back to revenue due to an increase in the number of years grants are written back over.
10. The reduction in the pension liability is due to higher expected returns on the pension fund assets of the local government pension scheme and changes to the financial assumptions made by our actuary Hymans Robertson in respect of the Local Government Pension Scheme as a result of the commutation of lump sum pension payments.
11. The increase in provisions relates to the potential costs of Equal Pay still outstanding as at 31st March 2007. A provision of £3.8m has been made in respect of these costs.
12. The HRA commenced the 2006/07 financial year with a surplus of £10.8 million. An increased revenue contribution to the Decent Homes programme and a reduction in the receipt of subsidy contributed to the accumulated surplus at the end of the financial year reducing to £4.3 million.