

Summary Statement of Accounts 2011/12

This set of summary accounts has been designed to give an introduction into how the council presents its accounts – where the money comes from, what the money is spent on, what we own and what we owe.

The full statement was approved by the Audit Committee on 27th September 2012 and received our auditors' unqualified opinion on 30th September 2012. For the purposes of this document, some modifications have been made in an attempt to provide more meaningful and useful information to non-technical users.

Clicking on the tabs above will take you to the different pages. Click the question marks (?) for a brief explanation of the relevant information.

Introduction	Director's Statement	Income & Expenditure	Services	Balance Sheet	Housing	Capital
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Director's Statement and Financial Review 2011/12

The current economic climate has had, and will continue to have, an impact upon the Council and its financial position. It has been indicated by the Government that public finances in the future will be tighter and the period of financial constraint will be with us for some time.

The scale of the financial challenges the Council faces over the coming years are unprecedented and this has required the Authority to radically rethink about the way in which its services will be delivered in the future.

In 2011/12, the budget included a savings target of £21m as a result of the reduction in Government Funding announced in the Coalition Government's comprehensive spending review. The improved financial position on normal activities means that the £21m target savings have in overall terms been marginally over-achieved, and this will provide a strong platform for the Council moving forwards.

It is my duty to ensure adequate levels of balances are maintained and it is essential that the Authority maintains a prudent level of balances as they provide a hedge against unforeseen events. It is more important than ever that balances are sufficient to meet the challenging future facing the Council.

At Wigan Council we value the input and views of our stakeholders and would welcome any comments regarding this summary. Is the information contained useful? Is there anything you did not understand? Is there anything else that you would wish to see? Contact us at Corporate.Accountancy@wigan.gov.uk or 01942 827272.

Paul McKevitt, BA (Hons), ACMA & CGMA
Director of Corporate Services

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Income & Expenditure

Where the money comes from	£'000	%
Grants and Contributions	541,508	51.6
Council Tax	112,925	10.7
National Non Domestic Rates	103,134	9.8
Rents, Fees and Charges	292,793	27.9
Total	1,050,360	100.0

What the money is spent on	£'000	%
Employees	299,486	28.5
Capital Financing	86,199	8.2
Other Operating Costs	637,669	60.7
Interest Payable	27,006	2.6
Total	1,050,360	100.0

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Services

All in all, the council delivers over 700 services for less than £3 a day per Council Tax payer. Of course, not all residents will access every council service every day.

Council spend is used to pay for essential services like education, refuse collection and child protection, as well as a number of services our residents may not be aware of.

	£'000	%
People	486,153	46.3
Places	336,356	32.0
Resources	196,176	18.7
Corporate	31,675	3.0
Total	1,050,360	100.0

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Balance Sheet

The Balance Sheet is a statement which shows how much is owned and owed by the Council.

	At 31 March 2012 £'000
Property, Plant and Equipment	1,174,302
Stock	866
Money Owed to the Council	47,480
Cash at Bank	47,169
Money Owed by the Council within the next year	-112,433
Money Owed by the Council after one year	-484,181
Defined Benefit Pension Scheme	-292,134
Net Assets	381,069
Unusable Reserves	559,678
Usable Reserves	113,525
Pension Fund Reserve	-292,134
Total Net Worth	381,069

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Housing Services – the Housing Revenue Account (HRA)

The Council is required to maintain a separate account for items relating to council dwellings which shows income to the Council and expenditure spent managing and maintaining properties.

The day to day operation of the Council's housing stock is undertaken by Wigan and Leigh Housing Company Ltd, which is an Arms Length Management Organisation (ALMO).

Income	£'000	%
Rents	74,112	96.1
Service & Facility Charges	3,001	3.9
Total Income	77,113	100.0

Expenditure	£'000	%
Repair & Maintenance	22,722	29.5
Supervision & Management	16,873	21.9
Fixed Asset Depreciation	14,367	18.6
Interest Payments	12,511	16.2
Capital Expenditure funded by HRA	8,049	10.4
Other Costs	2,591	3.4
Total Expenditure	77,113	100.0

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Capital

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 essentially receive the benefit from capital expenditure over a longer period of time.

The Council spent over £56m on its capital programme in 2011/12. The programme underpins the Council's objectives and provides for investment in long term assets which are used to deliver the Council's services. The largest spending areas were :-

	£'000	%
Housing Services	26,748	47.3
Children and Young People	11,203	19.8
Environment	12,336	21.8
Corporate	3,074	5.4
Regeneration and Cultural Services	1,984	3.5
Adult Services	1,210	2.2
Total	56,555	100.0

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