

Highland Council

Summary of Accounts

2005/06

Foreword by the Director of Finance

The Council prepares a "Statement of Accounts" in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The figures in this summary have been extracted from that "Statement of Accounts" but have been modified in an attempt to provide a more concise and useable document.

During financial year 2005/06 the intention on the General Fund was to utilise reserves of £2.6m to balance the budget. In the year revenue reserves have actually decreased by £3.4 mainly due to provision being made for staff entitled to an equal pay compensation package. However, the full impact of the provision has been alleviated by an increase in Council Tax collection rates, low interest rates and an underspend on the capital programme.

On the Housing Revenue Account (Council Houses) it was anticipated that balances of £1.4m would be required to support expenditure in 2005/06 but in actual fact only £0.9m was required. This decrease is largely due to a reduction in the need for capital expenditure to be funded from current revenue as additional capital receipts were used instead. A provision has also been made to cover Housing staff entitled to equal pay awards.

The reserves position at March 2006 is shown at the foot of the Income and Expenditure Account. Of the £21m available for the General Fund the Council has earmarked £7.1m for specific purposes leaving £13.9m to deal with unexpected events. In addition Capital and Renewal & Repair Funds stand at £18.6m.

Capital expenditure, as stated above, did not reach targeted levels. However these unspent resources have been retained and are still available to be used in future years to deliver the projects seen as priorities by the Council.

The Council's 2005/06 Accounts were audited by an auditor appointed by Audit Scotland.

A copy of the Council's 2005/06 Audited Accounts is available on the council's website (www.highland.gov.uk) or on request to the Director of Finance, Highland Council Glenurquhart Road, Inverness IV3 5NX. (TEL: 01463 702302).

Income and Expenditure Account

for the year ended 31st March 2006

	2005/06	2004/05
	£m	£m
Expenditure on Council Services		
Council Houses	42.5	41.5
Other Housing Services	2.1	2.2
Education, Culture and Sport	189.6	179.7
Planning, Development and Tourism	5.6	6.0
Transport, Environment and Community	53.4	50.6
Social Work	75.0	70.6
Chief Executive	16.4	14.3
Corporate Services	5.4	5.6
Finance Services	5.9	5.4
Property and Architectural Services	5.6	5.1
Police	20.7	20.3
Fire	17.8	13.6
Valuation Services	1.9	2.1
Equal Pay Claim Provision	8.1	0.0
Miscellaneous	(0.7)	0.0
Financing costs	37.2	36.6
Net Cost of Services	486.5	453.6
Income:		
Government Grants	266.8	254.4
Business Rates	78.4	78.1
Council Tax	95.4	85.4
House Rents	41.6	41.2
Total Income	482.2	459.1
Net Surplus/(Deficit) for the Year	(4.3)	5.5
Revenue reserves at April 2005	34.7	29.2
Revenue reserves at March 2006	30.4	34.7
General Fund	21.0	24.4
Housing Revenue Account	9.4	10.3
Total Revenue Reserves	30.4	34.7

Capital Expenditure in 2005/06

	2005/06	2004/05
	£m	£m
Council Houses	14.1	13.5
Other Housing Services	5.2	5.3
Education, Culture and Sport	12.9	10.6
Planning, Development and Tourism	0.5	1.4
Transport, Environment and Community	22.1	30.9
Social Work	1.9	0.6
Strategic Property Management	3.8	2.8
Corporate Projects	0.6	0.8
Total Gross Expenditure	61.1	65.9

Note:

For Council Houses Usable capital receipts generated exceeded expenditure by £5.3m so will be carried forward to 2006/07.

Balance Sheet as at 31st March 2006

	2005/06	2004/05
	£m	£m
Fixed and Long Term Assets	1,405.5	1,080.2
Stock	3.3	3.1
Cash at the Bank	(14.2)	(18.9)
Money owed to the Council	57.6	52.0
Money owed by the Council	(206.1)	(252.5)
NET ASSETS	1,246.1	863.9
Financed by:		
Long Term Borrowing	557.7	550.9
Operational reserves	49.1	41.8
Non operational reserves	639.3	271.2
TOTAL FUNDING	1,246.1	863.9

Cash Flow for the Year Ended 31st March 2006

	2005/06	2004/05
	£m	£m
Cash in the bank at 1 st April 2005	(18.9)	(13.9)
Cash in during the year	1,022.2	1,127.5
Cash out during the year	(1,017.5)	(1,132.5)
Cash in the bank at 31 st March 2006	(14.2)	(18.9)

Statistics

	2005/06	2004/05
Population	213,590	208,140
Council Employees (FTE)	9,532	9,613
Council Tax level at Band D	£1,086	£1,039
Council Tax Band D equivalents	81,903	79,961
Council Tax collection rate (in year)	95.1%	94.1%
Business Properties	15,098	16,029
Business Rate collection rate (in year)	97.4%	96.0%
Council Houses	14,442	15,045
Average Council House Weekly Rent	£49.64	£47.43