

## **Summary Annual Accounts 2013/14**

The full subject to audit statement of accounts, as required under government guidance, runs to more than 180 pages of detailed and often highly technical information. However, the summary below presents the key elements of the accounts for 2013/14. These are divided into the income received and expenditure incurred by the Council in delivering services (from the income and expenditure statement) and the position of the Council in terms of our assets and liabilities at the end of the year (the Balance Sheet). \*

The full Statement of Accounts is available on the Council's website, at:

<http://www.tameside.gov.uk/statementofaccounts/1314>

### **Performance against budget**

The final revenue monitoring report for the year showed that the Council had spent £198.9m of the available budget for the year of £199.3m, leaving a surplus at the end of the year of £0.4m. This is in line with our wider financial strategy: Since our available resources from government will continue to decrease significantly over the coming years, we are working hard to refocus the work of the Council – reducing costs where possible and services where necessary.

The table below shows how the reported budget position relates to the position set out above for the accounts. The Council is required to report the cost of services in a different format in the accounts to that included in our budget reports, which reflect our local priorities and management structure.

Some items are included in our budget reports but are required to be excluded when reporting the Council's service income and expenditure in the accounts and other items are not included in the budget reports but we are required to include them in the accounts, to ensure that proper accounting policies are adhered to. The total of these items are shown in the bottom section of the table below and include interest payments, investment income, gains or losses on the disposal of surplus property and payments to levying bodies, as well as movements to/from reserves and non-cash items such as depreciation and revaluation of land and buildings.

<b>Service</b>	<b>Gross Expenditure £000</b>	<b>Gross Income £000</b>	<b>Net Expenditure £000</b>
Community Services	23,951	(2,291)	21,660
Childrens	56,498	(24,977)	31,521
Adult and Health Services	78,539	(24,718)	53,821
Public Health	13,747	(2,293)	11,454
Asset Management	36,053	(34,966)	1,087
Environmental Services	61,066	(23,807)	37,259
Sustainable Growth and Partnerships	3,219	(1,581)	1,638
Governance	10,513	(2,110)	8,403
Financial Services	105,066	(101,046)	4,020
Corporate Costs	11,373	(4,004)	7,369
Capital Financing	22,331	(1,634)	20,697
<b>Total net expenditure reported for budget monitoring</b>	<b>422,356</b>	<b>(223,427)</b>	<b>198,929</b>
Technical adjustments between internal and statutory formats	168,081	(144,647)	23,364
Costs shown as service costs for budget purposes but as non-service costs in the accounts	(86,211)	43,930	(42,281)
<b>Total net expenditure for the accounts</b>	<b>504,226</b>	<b>(324,144)</b>	<b>180,012</b>

## Income and Expenditure

The table below sets out the Council's day to day income and expenditure for the year. The deficit on the provision of services arises as it includes a number of non-cash accounting adjustments (e.g. revaluations of land and buildings) in order to ensure that proper accounting policies are adhered to as required by government.

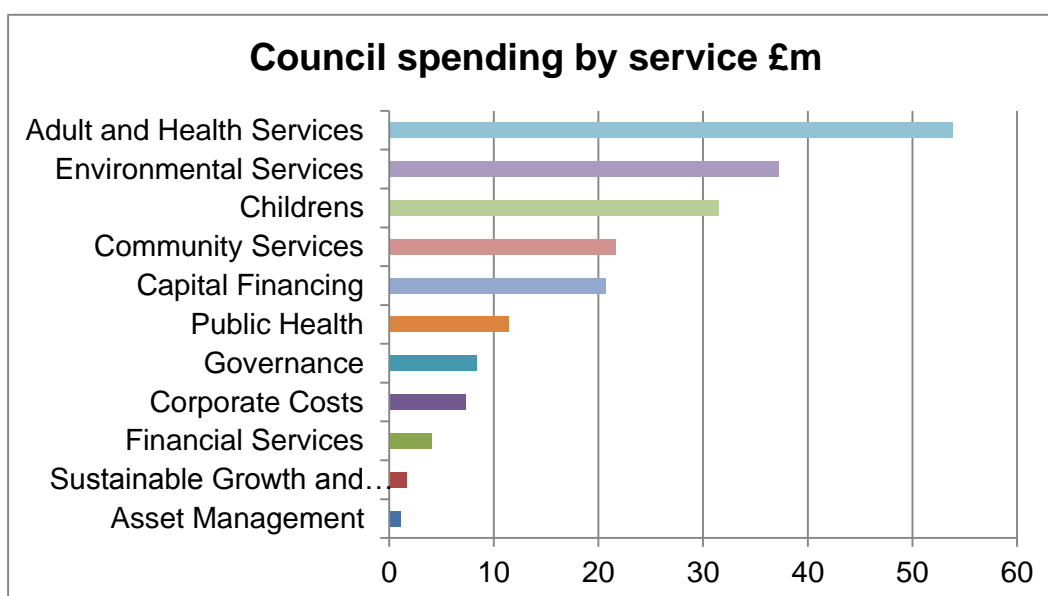
The top section of the table below shows that the gross expenditure of the Council on the services we provide was £504.2m. After taking into account income from specific government grants and other sources, the net cost of providing Council services was £180.0m.

Further non-service costs are also reported in the accounts, including payments to levying bodies for waste disposal and transport investments (both managed on a Greater Manchester basis), interest payments on our borrowings (used to fund long term investments in buildings and parks, for example), investment income from the cash balances held during the year and any gains or losses on the disposal of surplus property.

The bottom section of the table below shows how this net cost has been financed from government funding and local taxation (Council Tax and Business Rates). It shows that £95.4m (or about 42%) of the Council's funding is provided by local taxpayers (Council Tax provides 31%). This means that Tameside is more dependent on the level of funding we receive from government, so we will be affected more severely by the reductions in government funding currently being experienced by all councils.

<b>General Fund Services</b>	<b>Gross Expenditure £000</b>	<b>Gross Income £000</b>	<b>Net Expenditure £000</b>
Central Services to the Public	10,257	(3,770)	6,487
Cultural and Related Services	47,619	(1,978)	45,641
Environmental and Regulatory Services	12,206	(1,026)	11,180
Planning Services	4,990	(2,390)	2,600
Children's and Education Services - Education Services	178,594	(170,620)	7,974
Children's and Education Services - Children's Social Care	35,115	(2,691)	32,424
Highways and Transport Services	13,068	(4,490)	8,578
Housing Services	104,116	(96,864)	7,252
Adult Social Care	82,325	(26,418)	55,907
Public Health Services	11,897	(13,826)	(1,929)
Corporate and Democratic Core	3,459	(71)	3,388
Non Distributed Costs	510	0	510
<b>Cost Of Services</b>	<b>504,156</b>	<b>(324,144)</b>	<b>180,012</b>
Other Operating Income and Expenditure (including Levies)	44,919	(3,711)	41,208
Financing and Investment Income and Expenditure	42,045	(14,206)	27,839
<u>Financed by Government Grants and Local Taxation:</u>			
Council Tax	0	(69,615)	(69,615)
Retained Business Rates	0	(25,781)	(25,781)
Revenue Support Grant	0	(74,368)	(74,368)
General Government Grants and Other Income	0	(53,768)	(53,768)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>591,120</b>	<b>(565,593)</b>	<b>25,527</b>

The chart below shows the proportion of net expenditure for different services. This chart shows that most of the Council's spending relates to social care – protecting vulnerable children and adults, and ensuring that our residents both get a good start in life and are able to enjoy their old age. It also shows significant investment in other core services such as waste collection and disposal, transportation, highways and other environmental services; community services such as parks, leisure, and libraries; the management of the Council's buildings and related assets; and capital investment and financing.



### Financial Position at 31 March 2014

The summarised Balance Sheet set out below shows the Council's overall financial position at 31 March 2014, the last day of the financial year. It is split between what the Council owns or is due (its assets) and what it owes or must pay (its liabilities) as well as the net worth of the Council (assets less liabilities). It shows that at 31 March 2014 the Council held assets with a total value of £788.5m but after deducting the value of liabilities, the net worth of the Council was £212.9m (£229.2m in 2012/13).

<b>Assets</b>	<b>£000</b>	<b>Liabilities</b>	<b>£000</b>
Property, Plant and Equipment	523,287	Borrowing	(134,254)
Heritage Assets	12,471	Provisions for Future Liabilities	(12,441)
Investment Properties	31,663	Liability for the Pension Scheme	(256,066)
Other Assets	69,276	Grants Received in Advance	(596)
Investments	97,772	Value of Donated Assets	(10,658)
Money Owed to the Council	53,950	Money Owed by the Council	(161,532)
<b>Total</b>	<b>788,419</b>	<b>Total</b>	<b>(575,547)</b>
<b>Net worth of the Council</b>			<b>212,872</b>

The value of the Council's Property, Plant and Equipment has seen a significant reduction in 2013/14. This is due to the Council's strategy of reducing its property holdings to improve overall efficiency. This has led to a large number of revaluations in year. The Council's liabilities, which include borrowing, provisions and PFI lease liabilities has reduced by £41.187m in 2013/14, which is mainly due to the repayment of borrowing and a reduction in the liability for the pension scheme. The value of the Council's investments has increased by £31.1m in 2013/14, partly as a result of an increase in the value of the Council's shareholding in Manchester Airport.

The Council's main General Reserve reduced by £8.8m in 2013/14 as a result of monies being utilised to support revenue spending, where the achievement of 2013/14 savings was below target.

The calculated net worth of the Council is expected to change a little each year as property assets are acquired or sold, and as assumptions are changed about long term assets and liabilities where the current value must be estimated.

## Capital Expenditure

Capital expenditure is related to the purchase or enhancement of assets that have a long term value to the Council, such as land and buildings. This is different to revenue expenditure in that the Council and its residents receive the benefit from capital expenditure over a longer period (more than one year).

<b>Capital Expenditure</b>	<b>£000</b>
Property, Plant & Equipment	18,092
Investment Properties	52
Intangible Assets	5
Capital Expenditure not relating to Council Assets	3,749
<b>Total</b>	<b>21,898</b>

This has been spent within the following service areas:

<b>Service</b>	<b>£000</b>
Children Services	10,017
Neighbourhood & Community Services	1,523
Economic Growth, Investment & Sustainability	9,406
Director of Governance	952
<b>Total</b>	<b>21,898</b>

\* the figures included are correct at the time of preparing this report, but may be changed as a result of the independent external audit of the accounts which takes place between July and September.