

## **Details of all the changes made to the Statement of Accounts**

### **Foreword**

Page (vii) (Consolidated Revenue Account cont'd)

Second paragraph - gross expenditure on services revised to £355.5m (from £358.9m) to reflect the reduced charge to the revenue accounts for depreciation and notional interest following the downwards revaluation for social housing as shown in the Consolidated Revenue Account.

Both pie charts amended in line with reduced gross service expenditure.

Page (viii) (Consolidated Revenue Account cont'd)

Pie chart amended in line with funding changes and in the paragraph under the pie chart the general fund income is revised to £354.4m (from £357.8m) to reflect the fact that the depreciation and notional interest charges are funded via the AMRA and the CFA and are not a charge against council tax or housing rents.

Page (xii) (Changes in Accounting Policies)

A new paragraph has been included to explain the change in valuation for social housing purposes.

Page (xii) (Significant Points to Note in Respect of the Balance Sheet (Page 48))

The first paragraph has been rewritten to reflect the new position subsequent to incorporating the social housing changes, and to explain the movement on the Fixed Asset Restatement Account.

The fourth paragraph has been deleted, as the transfer between provisions and reserves has not now been made.

### **Statement of Responsibilities (page 5)**

The 'Approval of the Accounts' section at the bottom has been amended to show the date of this Urgency Committee and the name of the chair of the meeting.

### **Statement of Accounting Policies (page 17)**

Page 17 Note 7 (Tangible Fixed Assets)

The penultimate paragraph has been amended to include the information that depreciation charges commence in the first full year that assets are used, and not in the year of acquisition:

**Consolidated Revenue Account (page 24)**

The changes are shown in the following table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>General Fund Services</b>			
<u>Exceptional Items</u> - amended for rounding purposes to balance gross expenditure and income			
Gross expenditure	598	+1	599
Income	(1,720)	(1)	(1,721)
Net expenditure	(1,122)	-	(1,122)
<b>Net Cost of General Fund Services</b> - amended for rounding purposes to balance gross expenditure and income			
Gross expenditure	310,695	+1	310,696
Income	(136,300)	(1)	(136,301)
Net expenditure	174,395	-	174,395
<u>Housing Revenue Account</u>			
Gross expenditure	48,184		
' - to reflect the reduced depreciation charge subsequent to the downward value of council dwellings		(1,247)	
' - to reflect the reduced notional interest charge subsequent to the downward value of council dwellings		(2,182)	44,755
Income - amended for rounding	(29,037)	1	(29,036)
Net expenditure	19,147	(3,428)	15,719
<b>Net Cost of Services</b>			
Gross expenditure	358,879	(3,428)	355,451
Income - amended for rounding	(165,337)	-	(165,323)
Net expenditure	193,542	(3,428)	<b>190,114</b>
<u>Asset Management Revenue Account</u>	(23,292)		
- to reflect the reduced notional interest charge to the HRA as a result of the reduced value of the assets that the interest is calculated on		2,182	(21,110)
<b>Net Operating Expenditure</b>	174,180	(1,246)	<b>172,934</b>
<b>Appropriations</b>			
<u>Contribution to/(from) Provisions</u>	(1,225)		
- reflecting the change needed to leave the sums set-aside for potential employee claims as a provision and not a reserve		1,500	275
<u>Contribution to/(from) Reserves</u>	206		
- reflecting the change needed to leave the sums set-aside for potential employee claims as a provision and not a reserve		(1,500)	(1,294)

## Annex 1

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>Contribution to/(from) CFA</b>	(5,487)		
- reflecting the change needed to fund the reduced depreciation charge and a small rounding amendment to ensure that this figure matches the one in note 18 to the Consolidated Balance Sheet on page 61		1,246	(4,241)
<b>Amount to be met from Government Grant and Local Taxpayers</b> - no net effect after all changes	167,936	-	<b>167,936</b>

### Notes to the Consolidated Revenue Account

#### Page 28 Note 8 (Asset Management Revenue Account)

The figures in the 2005/06 column in the table have been amended to show the revised position, i.e. the depreciation charge against the Housing Revenue Account is reduced to £7,979k (from £9,226k), with a consequential change in the total expenditure to £17,684k (from £18,931k). The income from capital charges made to the Housing Revenue Account is also reduced to £(21,938)k (from £(25,367)k), to reflect the reduced charge for both depreciation and notional interest.

#### Page 29 Note 9 (Pensions and Net Pensions Liability Movement in Year - Other Employees section)

A typographical error has been corrected in the table (teke-up has been corrected to take-up).

#### Page 29 Note 10 (Provisions)

This note has been amended to remove the information about transferring the provision to a reserve as that has now not happened.

#### Page 30 Note 11 (Reserves)

The figures in the net movement and 2005/06 columns for the 'Miscellaneous' row in the table have been amended to reflect the fact that the transfer from the provision has now not happened. The movement has been amended to £(904)k (from £(2,404)k) and the 2005/06 figure has been amended to £(5,854)k (from £(7,354)k), with consequential alterations to the total figures.

## Page 30 Note 13 (Capital Financing Account)

The depreciation/impairment total for 2005/06 has been amended to £(9,163)k (from £(10,409)k), with changes to the totals, to reflect the reduced depreciation charges made to the HRA.

**Housing Revenue Account (page 37)**

The changes on this account are shown in the following table. The changes are all required to reflect the impact on the account of the lower value of property used for social housing purposes.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>Expenditure</b>			
<u>Capital Charges - cost of capital charge</u> - amended to reflect the reduced notional interest charge	16,427	(2,182)	14,245
<u>Capital Charges - depreciation</u> - amended to reflect the reduced depreciation in line with reduced capital value for social housing purposes	9,226	(1,247)	7,979
<b>Total Expenditure</b>	42,784	(3,429)	<b>39,355</b>
<b>Net Cost of Services</b>	18,456	(3,429)	<b>15,027</b>
<u>Other Operating Costs</u> - net HRA expenditure/(income) on Asset Management Revenue Account	(15,464)	2,182	(13,282)
<b>Net Operating Expenditure</b>	3,176	(1,247)	<b>1,929</b>
<b>Appropriations</b>			
<u>Contribution to/(from) MRR</u> - reflecting the change needed for the changed depreciation charge	(4,804)	1,247	(3,557)
<b>(Surplus)/Deficit for the year</b>	(284)	-	<b>(284)</b>

**Notes to the Housing Revenue Account**

## Page 39 Note 6 (Cost of Capital Charge)

The cost of the capital charge in the year is changed to £13.959m (from £16.141m) to reflect the reduced fixed asset value on which the notional interest is calculated.

## Page 39 Note 7 (Depreciation)

The figures in the table have been amended to show the revised position, i.e. the depreciation charge against dwelling is reduced to £7,851k (from £9,098k), with a consequential change in the total.

### Page 41 Note 10 (HRA Expenditure on AMRA)

The figures in the table have been amended to show the revised position, i.e. the capital asset charges accounting adjustment is reduced to £(13,959)k (from £(16,141)k), with a consequential change in the total.

### Page 41 Note 11 (FRS17 Transactions for the HRA)

This table has been amended to show the equivalent information to that shown on the CRA following the late receipt of disclosure requirements from CIPFA. A new row has been introduced to split the past service cost into past service cost and past service adjustment for assumed take-up level of new commutation option.

### Page 41 Note 12 (Contribution to/(from) Major Repairs Reserve (MRR))

The figures in the table have been amended to show the revised position, i.e. the effect on the MRR of the changed depreciation charge in the year. The cost of depreciation charged that is higher than MRA is reduced to £(3,429)k (from £(4,676)k), with a consequential change in the total.

### Page 42 Note 12 (Contribution to/(from) Major Repairs Reserve (MRR) cont'd)

The figures in the table have been amended to show the revised position, i.e. the effect on the MRR of the changed depreciation charge in the year. The cost of depreciation on HRA dwellings is changed to £(7,851)k (from £(9,098)k) and the transfer to the HRA during the financial year is reduced to £3,557k (from £4,804k). The net effect of these changes is nil.

### Page 42 Note 13 (Movement of Fixed Assets)

The figures in the table have been amended to show the revised position for the value of the council housing dwellings as social housing, i.e. the effect of the change in the discount to be applied amends the revaluation figure to £(34,859)k (from £27,477k), and the depreciation charge is amended to £(7,851)k (from £(9,098)k), with consequential changes in the total columns and the value at 31.03.06 analysis.

The note under the table has been moved from being under the table on page 43.

### Page 43 Note 13 (Movement of Fixed Assets cont'd)

The Total All Assets figures have been amended in line with the amendments in the table on page 43.

## Page 43 Note 14 (Vacant Possession Value of Council Dwellings)

The figure for the value of council dwellings as social housing is amended to £381.990m (from £443.079m) and the economic cost to the government of providing council housing at less than open market is changed to £425.838m (from £364.749m) as a consequence of the change in discount rate. The paragraph has also been expanded to explain the change in the discount rate.

**Notes to the Collection Fund**

## Page 47 Note 2 (Council Tax cont'd)

A new paragraph had been introduced to give details of the movement on provisions in the year. It shows the level of write-offs made during the year and the increase in the level of the provision for bad and doubtful debts.

**Consolidated Balance Sheet (page 48)**

The changes are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>LONG-TERM ASSETS</b>			
Tangible Fixed Assets	836,694		
- to reflect the reduced value of social housing for council dwellings		(62,336)	
- and the consequential change in in-year depreciation on these assets		1,247	775,605
<b>TOTAL LONG-TERM ASSETS</b>	871,265	(61,089)	<b>810,176</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	887,306	(61,089)	<b>826,217</b>
<b>LONG TERM LIABILITIES</b>			
Provisions	1,458		
- to reflect that the provision is not being transferred to reserves		1,500	2,958
Sub-total	228,180	1,500	229,680
<b>TOTAL ASSETS LESS LIABILITIES</b>	659,126	(62,589)	<b>596,537</b>

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>CAPITAL RESERVES</b>			
Fixed Asset Restatement Account	570,181		
- to reflect the transfer of the reduced valuation for social housing		(62,336)	507,845

## Annex 1

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Capital Financing Account - to reflect the reduced requirement to fund depreciation charged to the HRA	149,139	1,247	150,386
Earmarked Reserves - to reflect the transfer from provisions not now being made	18,637	(1,500)	17,137
<b>TOTAL EQUITY</b>	<b>659,126</b>	<b>(62,589)</b>	<b>596,537</b>

### Notes to the Consolidated Balance Sheet

#### Page 50 Note 3 (Tangible Fixed Assets cont'd)

The figures in the table have been amended to show the revised position, i.e. the revaluation of council dwellings is reduced to £(34,859)k (from £27,477k) and the depreciation charged for council dwellings is reduced to £(7,851)k (from £(9,098)k), with consequential changes in the totals, both down and across the table, the value at 31.03.06 and into the bottom table 'total all assets' column. At the same time a correctional change has been made to the revaluations figures given under investment properties and assets under construction, where the adjustment to reflect the assets that had become usable had been made against the wrong category.

#### Page 52 Note 3 (Tangible Fixed Assets cont'd)

The first paragraph has been amended to reflect both the fact that the social housing discount has been amended and also the fact that an outside body is now doing the full HRA revaluations.

The tables showing the rolling programme for revaluations have also been amended to reflect the downward valuation that has occurred on council dwellings during the current year and the change in revaluation classification.

#### Page 54 Note 5 (Sources of Finance)

This note has been amended to include the prepayment element of the PFI transactions as capital expenditure and to show the expenditure as being supported by an increase in the underlying need to borrow (unsupported by Government financial assistance). This amendment reflects the recent agreement with the District Auditor on how best to reflect the PFI transactions in the Council's Accounts. At the same time the expenditure on intangible assets is now being shown separately from expenditure on deferred charges.

### Page 59 Note 13 (Provisions)

This table has been amended to reflect the fact that the transfer from the provision has now not happened. The columns for expenditure during year and balance at 31.3.06 are amended for the 'Miscellaneous' line and the total line.

The wording in the paragraph has also been amended to reflect this position.

### Page 60 Note 16 (Fixed Asset Restatement Account)

The figures in the Housing Revenue Account column for 2005/06 have been amended to reflect the changed revaluation figure for council dwellings. Due to the necessity to get the totals right a rounding adjustment has been made to the general fund column.

### Page 61 Note 18 (Capital Financing Account)

The transfer to the CRA under the expenditure heading has been amended to reflect the reduced need for this reserve to be used to finance depreciation charges made for council house dwellings.

### Page 63 Note 24 (Earmarked Reserves)

This table has been amended to reflect the fact that the transfer from the provision has now not happened. The columns for expenditure during year and balance at 31.3.06 are amended for the 'Miscellaneous' line, the sub-total line and the total line.

The wording in the paragraph has also been amended to reflect the revised position.

### Page 63 Note 26 (Analysis of Net Assets Employed)

The figures in this table have been amended following the changes in the balance sheet position as set out above.

### Page 66 Note 31 (Yorwaste)

An additional sentence has been added to the first paragraph identifying that in the event of the demise of this company the Council would either be responsible for its share of the losses, or receive its share of any profits.

### Page 67 Note 33 (Post Balance Sheet Events)

The existing paragraph has been updated to reflect the latest position regarding the capping threat, and a new paragraph has been added to include information on the forward deal on investment.



## Notes to the Cash flow Statement

Page 70 Note 1 (Revenue Activities)

The non-cash transactions have been amended to reflect the different figures for provision and reserve movements as the transfer has not been made - other provisions movement from £1,433k to £(67)k and other earmarked reserves contributions from £(206k) to £1,294k. The total non-cash transactions remains unaltered at £1,600k.

### Statement of Total Movements in Reserves (page 73)

The changes are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>Movement in Revenue Resources</b>			
Movement on earmarked revenue reserves	(206)	1,500	1,294
<b>Total (increase)/decrease in revenue resources</b>	5,861	1,500	7,361
<b>Movement in Realised Capital Resources</b>			
(Gains)/losses on revaluation of fixed assets - to reflect the change in valuation for social housing purposes	(79,658)	62,336	(17,322)
<b>Total (increase)/decrease in unrealised value of fixed assets</b>	(79,658)	62,336	(17,322)
<b>Movement in Amounts to be used to Finance Capital Investment</b>			
Revenue resources set aside - to reflect the reduced need to set money aside for depreciation	21,134	(1,247)	19,887
<b>Total (increase)/decrease in amounts set aside to finance capital investment</b>	(14,761)	(1,247)	(16,008)
<b>Total recognised (gains) and losses</b>	(82,782)	62,589	(20,193)

And in the equity statement at the bottom of the page:

<b>Total Equity at 1 April</b>	(576,344)	-	(576,344)
In year activity - to reflect the changes for the revaluation for social housing purposes and leaving the provision as a provision	(82,782)	62,589	(20,193)
<b>Total Equity at 31 March</b>	(659,126)	62,589	(596,537)

## Notes to the Statement of Total Movements in Reserves

Page 75 Note 3 (Realised Capital Resources)

The figures in the unapplied capital receipts column on the table have been amended to show the gross position on capital receipts received in the year, and separately identify how much has been transferred to the ODPM under the rules surrounding the housing capital receipts pool.

Page 75 Note 4 (Assets Sold, Decommissioned or Realised)

The figures in the table have been amended to show the revised position, i.e. the transfer from fixed assets to reflect the revaluations that took place during the year have been amended to £(17,322)k (from £(79,658)k) for the change in valuation of social housing.

Page 76 Note 5 (Amounts To Be Used To Finance Capital Investment)

The following amendments have been made in the table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<b>Capital Financing Account column</b>			
Revenue resources set aside			
-reconciling amount for provisions for loan repayment	24,993		
- adjusted for depreciation charge for council housing dwellings		(1,247)	23,746
<b>Total revenue resources set aside</b>	21,134	(1,247)	19,887
<b>Total movement on reserve</b>	<b>(7,858)</b>	<b>(1,247)</b>	<b>(9,105)</b>
Closing balance at 31 March	(149,139)	(1,247)	(150,386)

There are consequential changes to the TOTAL column.

## Glossary

Page 82

A new item has been introduced to explain what a 'forward deal' is. This has become necessary following the introduction of this into the post balance sheet events note. There are consequential shifts to the rest of the glossary.