

Notice of meeting of

Urgency Committee

To: Councillors Steve Galloway (Chair), Gillies, Jamieson-Ball, Potter and Scott

Date: Friday, 28 September 2007

Time: 12.00 pm

Venue: The Guildhall

AGENDA

1. **Declarations of Interest**

At this point, members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. **Minutes** (Pages 3 - 10)

To approve and sign the minutes of the meeting of the Urgency Committee held on 3 August 2007.

3. **Public Participation**

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is Thursday 27 September 2007, at 5.00 pm.

4. **Statement of Accounts 2006/07** (Pages 11 - 26)

This report sets out the changes that have been made to the Statement of Accounts since their approval at Council on 28 June 2007, explains the reasons they have occurred and seeks approval for the revised Accounts.

5. Any Other Matters which the Chair decides are urgent under the Local Government Act 1972.

Democracy Officer:

Name: Simon Copley

Contact details:

- Telephone – (01904) 551078
- E-mail – simon.copley@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

About City of York Council Meetings

Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোঅবী সারবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550

Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Minutes

MEETING	URGENCY COMMITTEE
DATE	3 AUGUST 2007
PRESENT	COUNCILLORS STEVE GALLOWAY (CHAIR), GILLIES, HORTON (AS SUBSTITUTE FOR SCOTT), POTTER (EXCEPT FOR AGENDA ITEM 6) AND WALLER (AS SUBSTITUTE FOR JAMIESON- BALL)
APOLOGIES	COUNCILLORS JAMIESON-BALL AND SCOTT

9. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Councillor Potter declared a personal non-prejudicial interest in agenda item 5 (Children's Centres Capital Programme) as Chair of the Governors at Tang Hall Primary School.

Councillor Waller declared a personal non-prejudicial interest in agenda item 5 (Children's Centres Capital Programme) as a governor at Westfield Primary School.

10. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annex 1 to the second report (Ratification of Appointment of Chief Executive) under Agenda Item 9 (minute 19 refers) on the grounds that it contained information relating to any individual. This information was classed as exempt under paragraph 1 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

11. MINUTES

RESOLVED: That the minutes of the meetings of the Urgency Committee held on 26 June 2007 and 29 June 2007 be approved and signed by the Chair as a correct record.

12. PUBLIC PARTICIPATION AND OTHER COMMENTS

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

However representations were received, with the Chair's agreement, from Liz Young, on behalf of Unison. She spoke regarding agenda item 4 ([easy@york](#) Progress Report and Options for Phase 2) (minute 13 refers), to comment on the implications of the proposals for staff.

13. **EASY@YORK PROGRESS REPORT AND OPTIONS FOR PHASE 2**

Members received a report which set out the early outcomes of the first phase of [easy@york](#), provided an analysis of the early benefits that had been achieved by the programme and gave an indication of some of the lessons already learnt. It also made the case for a second phase of the programme and presented options to extend the reach of the current York Customer Centre and to establish a single, one-stop shop for face-to-face contact in the Hungate Building by 2010. The report presented high level costs for a future phase and options on how this could be funded.

The matter was being dealt with by the Urgency Committee as a decision could not wait until after the summer recess, as this delay would lead to a significant hiatus in the programme which would both delay work on phase 2 and potentially threaten the move into Hungate in 2010. Also the Programme Team were largely employed on short term contracts which were approaching their end date and they may leave if there was no commitment to a second phase and this in turn would lead to a delay in commencing phase 2 and a loss of vital skills and experience.

The report presented the following options for consideration:

- Option 1 – to end [easy@york](#) after phase 1;
- Option 2 – to continue the programme to deliver the minimum possible change to move into Hungate;
- Option 3 – to deploy the full [easy@york](#) approach on major customer facing services;
- Option 4 – to develop corporate customer contact arrangements for all of the Council's customer services, irrespective of size, and share these with partners such as Health, Police and the Department of Work and Pensions (DWP).

The report was accompanied by a presentation from the [easy@york](#) Programme Director, the Assistant Director (Public Services) and external consultants. A copy of an article on the project from The Press was also circulated.

Members discussed the service areas listed in Annex 4 of the report, sought reassurance that the £2-2.5m investment that would be necessary to include them in the scheme would produce tangible cash savings and requested that further details on this be included in the next report. It was also clarified that the projected savings for [easy@york](#) phase 2 were different to those projected for the Administrative Accommodation Project.

Advice of the Urgency Committee

That the Executive Leader be advised:

- (i) That the review of the benefits brought about by phase 1 of [easy@york](#) be noted;
- (ii) That the options for a future phase set out in paragraphs 41-53 of the report be noted, Option 3 be recommended and a further report be brought to Members in the autumn containing robust figures for possible capital costs and revenue savings and targets;
- (iii) That it be agreed that additional funding for [easy@york](#) phase 2 be made available from Prudential Borrowing to a maximum of £2.5m where it can be supported by identified efficiencies and savings options that would repay the level of additional investment required, and that Local Public Service Agreement 2 (LPSA2) funds be allocated in line with the new bidding process, in support of the Local Area Agreement (LAA), with any [easy@york](#) related bid needing to demonstrate its contribution to the LAA and compete for funds accordingly;
- (iv) That the introduction of telephone menus in August 2007, as set out in paragraph 27 of the report be noted;
- (v) That additional savings be sought from each [easy@york](#) phase 2 service in order to fund the repayment of the Prudential Borrowing.

Decision of the Executive Leader

RESOLVED: That the advice of the Urgency Committee be accepted and endorsed.

REASON: As Option 3 will enable the move into Hungate and will lead to improvements in Customer Services and deliver savings, all of which are part of the Council's Corporate Strategy.

14. CHILDREN'S CENTRES CAPITAL PROGRAMME

Members received a report which informed them of progress to date on the development of the eight Children's Centres in York under phase 2 of the national programme, detailed the results of tenders received for capital works and set out options for closing a funding gap in order to allow construction contracts to be let.

The matter was being dealt with by the Urgency Committee owing to the need for contracts to be awarded to allow works to proceed during the school holiday period and to meet opening dates for the centres.

The report presented the following options for closing the funding gap:

- Option 1 – Remove a centre from the programme;
- Option 2 – Scheme reductions;
- Option 3 – Allocate additional corporate funding.

Advice of the Urgency Committee

That the Executive Leader be advised:

- (i) That the contents of the report be noted, in particular the increased costs of delivering an acceptable Children's Centres programme following the recent tendering exercise;
- (ii) That it be agreed that the estimated receipt of £275k from the sale of Heworth Family Centre be included as a contribution to the Children's Centre programme to enable reprovision of the family centre to be delivered within the Tang Hall Children's Centre;
- (iii) That it be agreed that the transfer of £400k from the New Deal for Schools (NDS) Modernisation Programme to the Children's Centres programme reflecting the reimbursement in to the NDS Modernisation budget of a £400k Section 106 receipt from the propose housing development at Germany Beck, Fulford;
- (iv) That it be agreed to investigate further, as a high priority, the scheme reduction set out at Option 2 to construct the extensions in steel rather than aluminium at Haxby Road, subject to English Heritage and planning approval, and to allocate additional corporate capital resources to fund the planned programme.

Decision of the Executive Leader

RESOLVED: That the advice of the Urgency Committee be accepted and endorsed.

REASON: In order to allow construction contracts to be let.

15. SCIENCE CITY YORK LIMITED: INTERIM GOVERNANCE OF COMPANY LIMITED BY GUARANTEE

Members received a report which explained that the Council's representative and director of the newly formed Science City York Company Limited by Guarantee (CLG) was the Chief Executive, who was shortly to retire from the Council, and therefore recommended that an interim replacement be made. It also made a recommendation on the role of Chair of the new CLG Board and proposed that this be taken by a private sector representative, Richard Gregory, who had been chairing the "Stakeholder Group" during the transitional period from an informal partnership to a CLG.

The matter was being dealt with by the Urgency Committee as an interim replacement was required to enable the company to make the short term decisions necessary in formulating proposals on longer term governance.

It was queried whether there could be Member involvement with the CLG at some stage and the Director of City Strategy confirmed that the whole membership of the CLG would be reviewed when proposals for longer term governance arrangements were brought forward.

RESOLVED: (i) That the appointment of the Director of City Strategy as representative of the City of York Council and Director on the Science City York Company Limited by Guarantee be approved;

(ii) That the appointment of Richard Gregory as the Chair of the Board of the new Company Limited by Guarantee at an annual remuneration of £10,000, plus reasonable expenses incurred in the carrying out of that role, be approved.

REASON: (i) To enable the company to make the short term decisions necessary in formulating proposals on longer term governance;

(ii) To recognise the importance of Science City York to developing the local, regional and national economy.

16. TEMPORARY MANAGEMENT ARRANGEMENTS IN RESOURCES DIRECTORATE

Members received a report which set out, for their approval, temporary management arrangements in Resources to cover the period of time the Director of Resources was Acting Chief Executive and Head of Paid Service.

The matter was being dealt with by the Urgency Committee as temporary management arrangements needed to be put in place as soon as possible following the retirement of the Chief Executive and there were no other scheduled meetings at which approval for these arrangements could be obtained during the summer recess.

Paragraph 5 of the report explained that an appointment panel had been set up to appoint one of the five Assistant Directors from Resources as a temporary Director to cover a number of functions, including those relating to Member level meetings and Corporate and Directorate Management Teams. Other responsibilities would be allocated between the Assistant Directors on a temporary basis.

Paragraph 6 of the report recommended that Peter Steed, Assistant Director (Strategic Finance), and Liz Ackroyd, Assistant Director (Audit & Risk Management), be appointed as Section 151 Officer (ie: Chief Finance Officer) and Deputy Section 151 Officer respectively until mid-October. Paragraph 7 of the report recommended that James Drury, Assistant Director (Public Services), be appointed as the Council's Proper Officer for all Register Office purposes on a permanent basis.

RESOLVED: (i) That the appointment of Peter Steed as Section 151 Officer from the return of his August leave until 14 October 2007 be endorsed;

- (ii) That the appointment of Liz Ackroyd as Deputy Section 151 Officer from the return of her August leave until 14 October 2007 be endorsed;
- (iii) That the appointment of James Drury as the Council's Proper Officer for all Register Office purposes, on a permanent basis, be endorsed.

REASON: In order to reduce the workload on the Acting Chief Executive and delegate appropriate responsibilities.

17. APPOINTMENTS AND CHANGES TO MEMBERSHIP

Members received a report which sought approval for changes to the Conservative Group's membership of committees, working groups and outside bodies following the death of Councillor Bennett, and to appoint a vice chair of the Yor OK Board and an additional representative on the York Central Steering Board. It also sought approval to appoint an Interim Electoral Registration Officer and Returning Officer.

The matter was being dealt with by the Urgency Committee to ensure that the Conservative Group could fill its seats on committees, working groups and outside bodies as soon as possible, and as a Returning Officer needed to be appointed, following the retirement of the Chief Executive, prior to a by election being held in Heworth Without Ward.

- RESOLVED: (i) That the changes to the membership of committees, working groups and outside bodies set out in Annex 1 of the report be approved;
- (ii) That Simon Wiles be appointed as Interim Electoral Registration Officer and Returning Officer for the City of York until the appointment of the new Chief Executive takes effect.

- REASON: (i) To fill vacant positions on committees, working groups and outside bodies;
- (ii) In accordance with Sections 8 & 35 of the Representation of the People Act 1983.

18. URGENT BUSINESS: APPOINTMENTS COMMITTEE FOR MONITORING OFFICER

Members received a report which sought formal approval to appoint a Chief Officer Appointments Committee to proceed with the appointment of the Head of Legal Services/Monitoring Officer within the Chief Executive's Directorate.

The matter was being considered under Urgent Business because of the need to cover the vacancy which would be left with the departure of the existing Monitoring Officer in September 2007, to minimise the use of interim arrangements and to avoid any further delays.

RESOLVED: That a Chief Officer Appointments Committee be appointed for the post of Head of Legal Services/Monitoring Officer.

REASON: To minimise the use of interim arrangements, to enable the Council to operate effectively and to avoid any further delay.

19. URGENT BUSINESS: RATIFICATION OF APPOINTMENT OF CHIEF EXECUTIVE

Members received a report which sought formal approval of the recommendation of the Chief Officer Appointments Committee relating to the appointment of the Chief Executive.

The matter was being dealt with under Urgent Business to avoid any delay with the successful candidate taking up the post.

RESOLVED: That the recommendations of the Chief Officer Appointments Committee be approved and Bill McCarthy be appointed as Chief Executive, on the terms and conditions set out in Annex 1 of the report.

REASON: To enable the Council to operate effectively and to avoid any further delay.

COUNCILLOR S F GALLOWAY

Chair

The meeting started at 11.00 am and finished at 1.05 pm.

This page is intentionally left blank



Urgency Committee**28 September 2007**

Report of the Head of Finance

Statement of Accounts 2006/07**Summary**

- 1 This report sets out the changes that have been made to the Statement of Accounts approved at Council on 28 June 2007, the reasons they have occurred and seeks approval for the revised Accounts.
- 2 The report, and the Accounts, are being brought to Urgency Committee because there is a statutory requirement that the representative of the Audit Commission, the District Auditor, gives his opinion on the latest set of Accounts that have been approved by Members, and the District Auditor has to give his opinion before 30 September 2007. While normally the Accounts would be approved at full Council there is no meeting available that would meet these requirements and in such circumstances the Council's constitution allows for Urgency to take the decision on Council's behalf.

Background

- 3 Members will recall that it is now a statutory requirement that the formal Statement of Accounts are approved by 30 June each year, and the audit completed by 30 September. They will recollect that for 2006/07 there were major changes in the way the Accounts had to be prepared and presented. Members will also recollect that they were advised that due to the magnitude of the changes involved it was possible that a revised Statement of Accounts may need to be presented for approval if major amendments were needed.

Reasons for Changes

- 4 One of the requirements of the changed presentation was that the Accounts for 2005/06 had to be re-cast into the new format. When the accounts were re-cast, an error was made on the transactions that were to be used as comparators for the Statement of Total Recognised Gains and Losses, i.e. an incorrect figure was used as the revaluation of fixed assets. This led to other transactions being placed in the wrong area of the accounts. Through correcting this there are consequent small changes made in the presentation of the 2006/07 figures too, mainly where the transactions for mortgage principal repayments and the movement on the major repairs reserve sit in the Accounts.
- 5 Since the Accounts were approved discussions have been held with the District Auditor about the value that some of the sheltered housing properties are held in

the accounts. These properties can either be held at a value determined by Existing Use Value (EUV) or Existing Use Value - Social Housing (EUV-SH). The latter means that the value should be discounted by a factor of 53%. Upon further consideration it has been agreed that two of the sites originally held at EUV should be changed to EUV-SH. The implications of changing this is to reduce the value of the assets in the balance sheet by £1.937m after changing the depreciation charged in the year. This is the equivalent of 0.5% of the total value of council dwellings.

- 6 A second amendment to the value of fixed assets relates to the treatment of the site used for the Hob Moor Private Finance Initiatives scheme (PFI). The transactions for these types of financing schemes are technically 'off-balance sheet' and the value of the building being used should be excluded from the Council's fixed assets. However, when the process of removing the former assets held and replacing them with the land value of the site of the new complex was undertaken, the depreciated replacement cost of the buildings was included. This means that the value of the other land and buildings in the Accounts was overstated by £4.116m. This is the equivalent of 1.4% of the total value of other land and buildings.
- 7 Both of the above amendments have been made to the Fixed Assets value in the Balance Sheet (and mean a movement of £6.063m or 0.76% of the total value of fixed assets), with consequential amendments to the Fixed Asset Restatement Account and the Capital Financing Account in the Total Equity on the Balance Sheet as well as alterations to the Income and Expenditure Account, the Statement of Movement on General Fund Balance, the Statement of Total Recognised Gains and Losses, the Housing Revenue Account Income and Expenditure and the Statement of Movement on the Housing Revenue Account Balance and their respective notes.
- 8 A review of the analysis of revenue activity in the Cash Flow Statement identified that two adjustments were made against the wrong entries in the statement. The net effect of these adjustments is to increase the value of cash outflow by £1,412k and the value of cash inflow by £1,411k. The remaining £1k is a rounding adjustment needed to the value of capital activities cash outflow. The net cash (inflow)/outflow before financing remains unaltered.
- 9 A further adjustment on the Statement of Movement on the General Fund Balance that has been made at the request of the District Auditor. The original Accounts had an entry under the heading 'Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund balance for the year' relating to pensions costs in the value of £(5,061)k. This entry is fully compliant with the Code of Practice. However, the Practitioners Guide provides an alternative presentation and the District Auditor has requested that we adopt this approach. There is no change in the total value of the transactions on the statement from this amendment.
- 10 A further change was discussed with the District Auditor. This was in relation to the location in the analysis of fixed assets (note 19 on page 48) of the remaining element of the Barbican, the auditorium. The District Auditor suggested that this should be presented as a non-operational asset as it has been earmarked for

sale. However, the auditorium is currently subject to a lease with a two-year tenancy in place, and will continue to be used as an auditorium, with a third party operating the site. The long-term provision of an auditorium on this site is still the subject of negotiations. As such the Head of Finance, as responsible financial officer, has determined that the current treatment will be retained and will be reviewed once the negotiations have been concluded.

- 11 Finally, it is a requirement of the Code of Practice that the Post Balance Sheet Event section on page 71 (note number 69) should be continually updated up to, and including, the time that the Accounts are formerly 'signed-off' by the District Auditor. They should also include a statement on the date that the Accounts were approved by the Council and the date that they are published. The opportunity has also been taken to correct some presentation and typographic issues.

Effect of the Changes

- 12 When changes are made to the Statement of Accounts consideration must be given to the materiality of their impact, whether individually or collectively. The Audit Commission would consider that where the cumulative effect of amendments is substantial then the changes are material, and at this level Member approval should be sought. However, if amendments are needed that change the financial position of the Council the Head of Finance would bring a revised statement to Members.
- 13 Full details of all the changes made are shown in Annex 1 and a revised Statement of Accounts is attached as a separate document.

Consultation

- 14 The revised Statement of Accounts was presented to the Audit and Governance Committee for scrutiny to enable Members to request further information on any of the amendments included within the revised Accounts, or to request further information to be presented to them at a later date.

Options

- 15 There are no alternative options applicable to this paper.

Analysis

- 16 The analysis of the changes needed to the Statement of Accounts is included in Annex 1.

Corporate Priorities

- 17 When determining the CPA score for the Council consideration is given to whether or not the Statement of Accounts has both been approved by the Council and received its audit certificate within the statutory time-frames.

Implications

18 The implications are

- Financial - the changes as detailed in Annex 1 result in changes to the Balance Sheet (the revaluation of sheltered housing and the Hob Moor site 0.76% of the total value of fixed assets), with presentational changes for the cash flow. The implications from these changes are reflected in other statements in the Accounts and in the notes to the Statements. There are also minor amendments to the notes to some of the statements, including correction of typographic errors. Although there are some large numbers involved in these amendments they do not affect the financial standing or viability of the Council as the changes are all about accounting entries in the Accounts - there are no changes that affect the financial surpluses of the Accounts, the value of the General Fund Balance or the value of the HRA Balance.
- Human Resources - there are no human resource implications to this report
- Equalities - there are no equality implications to this report
- Legal - there are no legal implications to this report
- Crime and Disorder - there are no crime and disorder implications to this report
- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

Risk Management

19 Failure to approve and sign off the revised Statement of Accounts will result in the Council receiving a 'qualification', that the accounts presented do not present fairly the financial position of the Council, from the District Auditor when he issues his statement to be incorporated in the published Accounts.

Recommendations

20 Members are asked to agree the amendments set out in Annex 1 and approve the revised Statement of Accounts for the financial year 2006/07

Reason: The revised Accounts have to be formally approved by Members before the District Auditor can give his opinion on them

21 Members are requested to authorise the Chair of this Committee to sign and date page 18 of the Accounts as the formal record that Members have approved them

Reason: The Accounts must be signed and dated at their formal approval by the Chair of the meeting.

Contact Details

Author:

Janet Lornie
Principal Accountant (Corporate Services)
01904 551170

Chief Officer responsible for the report:

Peter Steed
Head of Finance

Report approved Date 21 September 2007

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the author of this report

Background Working Papers

Statement of Accounts 2006/07
Closure of Accounts files held in the City Finance Centre

Annexes

Annex 1 - Details of all the changes made to the Statement of Accounts

This page is intentionally left blank

Details of all the changes made to the Statement of Accounts

Foreword

Page (viii) (Income and Expenditure Account and Statement of Movement on the General Fund Balance cont'd)

Two figures on the top pie chart (gross expenditure on services 2006/07) have been amended: Central Services from £18.6m to £18.0m; and Other Services from £5.5m to £6.0m, and one figure on the bottom pie chart (how the money was spent 2006/07) has been altered: Transfer Payments from £35.4m to £35.3m. The correct figures were used in the preparation of the chart but the narrative on the chart had not been updated.

Page (ix) (Income and Expenditure Account and statement of Movement on the General Fund Balance cont'd)

The total value of Other income in the pie chart has been amended from £44.1m to £50.3m. Again the correct figures were used in the preparation of the chart but the narrative on the chart had not been updated.

Statement of Accounting Policies (page 7)

Page 7 Note 1 (General)

The penultimate sentence of the first paragraph had an incorrect cross reference. This has now been corrected to refer to policy number 10 (not 7 as in the original version).

Page 8 Note 3 (Provisions and Contingencies cont'd)

The penultimate sentence of the penultimate paragraph had an incorrect cross reference. This has now been corrected to refer to note 64 (not 67 as in the original version).

Page 14 Note 13 (Leases)

The final first word of the final paragraph under the sub-heading 'Finance Leases' was mistyped. This has been corrected to read 'Fixed assets', rather than the original 'Finance assets'.

Page 16 Note 20 (Related Companies)

The final sentence of the Yorwaste Limited section had an incorrect cross reference. This has now been corrected to refer to note 66 (not 69 as in the original version).

Income and Expenditure Account (page 29)

The changes are shown in the following table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
General Fund Services			
<u>Local Authority Housing (HRA)</u> gross expenditure and net expenditure amended to reflect the lower depreciation charge for sheltered housing - the net expenditure changes are	429	(40)	389
Net Cost of Services	93,176	(40)	93,136
<u>Net (gain)/loss on disposal of fixed assets</u> amended to include the gain from repaid right-to-buy discounts and the principal element of mortgage repayments	100	(48) (56)	(4)
Net Operating Expenditure	101,467	(144)	101,323
(Surplus)/Deficit for the Year transferred to the General Fund	3,158	(144)	3,014

Statement of Movement on the General Fund Balance (page 30)

The changes are shown in the following table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year			
<u>Excess of depreciation on HRA fixed assets over the Major Repairs Allowance element of Housing Subsidy income</u> amended to reflect the revised depreciation charge for sheltered housing	(3,653)	40	(3,613)
<u>Net gain/(loss) on disposal of fixed assets</u> amended to include the gain from repaid right-to-buy discounts and the principal element of mortgage repayments	(100)	48 56	4
<u>Amount by which pension costs are different from the contributions due under the pension scheme regulations</u> removed and replaced with the following two transactions to comply with the District Auditor's request	(5,061)	5,061	-

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<u>Net charges made for retirement benefits in accordance with FRS17</u>	-		
replacement of the original entry with two to comply with the District Auditor's request		(17,799)	(17,799)
Total	(15,582)	(12,594)	(28,176)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year			
<u>Employer's contributions payable to the North Yorkshire Pension Fund and retirement benefits payable direct to pensioners</u>	-		
replacement of the original entry with two to comply with the District Auditor's request		12,738	12,738
Total	5,182	12,738	17,920
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(6,227)		
		144	(6,083)

General Fund Balance (page 30)

The changes on this account are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
(Surplus)/Deficit for the year on the Income and Expenditure Account	3,158	(144)	3,014
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	(6,227)	144	(6,083)
(increase)/Reduction in Balance in Year	(3,069)	-	(3,069)

Statement of Total Recognised Gains and Losses (page 31)

The changes are shown in the following table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Movement in Recognised Gains and Losses			

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
<u>(Surplus)/deficit on the Income and Expenditure Account for the year</u> amended to reflect changes	3,158	(144)	3,014
<u>Gain/loss arising on the revaluation of fixed assets</u> amended to reflect changes	(25,953)	6,388	(19,565)
<u>Other gains and losses</u> new line introduced to reflect movement in major repairs reserve	-	(191)	(191)
Total recognised (gains)/losses for the year	(42,077)	6,053	(36,024)

Balance Sheet (page 32)

The changes are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
LONG-TERM ASSETS			
Tangible Fixed Assets amended to reflect the reduced value of social housing for sheltered accommodation and the consequential change in in-year depreciation on these assets and to reflect the reduced value of other land and buildings	800,128	(1,977) 40 (4,116)	794,075
TOTAL LONG-TERM ASSETS	835,446	(6,053)	829,393
TOTAL ASSETS LESS CURRENT LIABILITIES	869,203	(6,053)	863,150
TOTAL ASSETS LESS LIABILITIES	620,158	(6,053)	614,105
CAPITAL RESERVES			
Fixed Asset Restatement Account Amended to reflect the transfer of the reduced valuation for sheltered housing and the reduced value of other land and buildings	502,101	(1,977) (4,116)	496,008
Capital Financing Account amended to reflect the reduced requirement to fund depreciation charged to the HRA	175,292	40	175,332
TOTAL EQUITY	620,158	(6,053)	614,105

Cash Flow Statement (page 33)

The changes are shown in the following table:

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Revenue Activities			
<u>Cash Outflow</u> amended to correct activity in the year for other operating cash payments and NNDR payment to the pool	416,794	1,412	418,206
<u>Cash Inflow</u> amended to correct activity in the year for other operating cash income	(426,622)	(1,411)	(428,033)
Revenue Activities Net Cash Flow	(9,828)	1	(9,827)
Capital Activities			
<u>Cash Outflow</u> amended for rounding purposes	46,406	(1)	46,405
Capital Activities Net Cash Flow	(1,889)	(1)	(1,890)
Net Cash (Inflow)/Outflow before Financing	(9,731)	-	(9,731)

Notes to the Core Statements

Pages 35 and 36 Note 1 (Restated Comparative Figures for 2005/06)

There has been a necessity to change some of the figures in these tables to ensure true comparability to the figures used in 2006/07.

Page 37 Note 4 (Exceptional Items)

Delete the last sentence, see note 1 above.

Page 46 Note 17 (Movement on Reserves)

The figures on this table have been amended in line with the other alterations to the Accounts.

Page 48 Note 19 (Tangible Fixed Assets)

The figures in the table have been amended to show the revised position, i.e. for council dwellings both the disposals and the revaluations figures have been reduced by £247k reflecting the change in treatment of movement on the MRR and mortgage principal repayments identified as part of re-analysing the restatement of the 2005/06 Accounts,, leaving the net value of the dwellings unaltered. In addition the revaluations figure has been reduced by £1.977m relating to the downward valuation of two of the sheltered accommodation complexes, with an amendment of £40k on the depreciation for these properties. These reduce the net book value of the assets at 31 March 2007 from £387,373k to £385,436k. For other land and buildings both the disposals and the revaluations figures have been reduced by £48k relating to a small error identified as part of recasting the restated 2005/06 Accounts. In addition the revaluations figure has been further reduced by £4,116k relating to the overstatement of the value for Hob Moor. This latter adjustment affects the net book value of assets at 31.3.07 reducing

the total from £286,279k to £282,163k. There are consequential changes in the totals, both down and across the table, the value at 31.03.07 and into the bottom table 'total all assets' column

Page 49 Note 3 (Tangible Fixed Assets cont'd)

The values in the disposals table have been amended to reflect the changes identified above.

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

The tables showing the rolling programme for revaluations have also been amended to reflect the downward valuation that has occurred on sheltered housing accommodation and the Hob Moor complex.

Page 55 Note 28 (Deferred Liabilities)

A cross reference has been introduced to the end of the penultimate sentence "see also note 59". In addition the words 'ABRO Contract' have been indented to show that this item also comes under the definition of Finance Leases.

Page 56 Note 29 (Government Grants deferred and Developers' Contributions Deferred)

The heading of the middle column on the right hand side has been changed to reflect the proper destination, i.e. to the SMGFB.

Page 56 Note 32 (Fixed Asset Restatement Account)

The figures in this statement have been amended to reflect the changes outlined in the section on Fixed Assets, i.e. the minor changes identified and the amended valuations for sheltered accommodation and the Hob Moor complex.

Page 57 Note 33 (Capital Financing Account)

The depreciation total for 2006/07 has been amended to 9,743k (from £9,773k), with changes to the totals, to reflect the reduced depreciation charges made to the HRA for sheltered accommodation. The revised value of the account at 31 March 2007 is £(175,332)k.

Page 57 Note 34 (Usable Capital Receipts)

The receipts in year from sale of assets has been separated into two lines: receipts in year from sale of assets and mortgage principal repayments.

Page 59 Note 37 (Cash-Flow Revenue Activities)

The figures on this table have been restated to both take account of the change in the balance on the Income and Expenditure Account and also the fact that items shown as included within capital activities are actually non-cash transactions shown on the Statement of Movement on the General Fund Balance. Several of the smaller items have been merged.

Page 71 Note 69 (Post Balance Sheet Events)

The wording has been amended to include a statement about the approval of the accounts and the authorisation for publication.

Housing Revenue Account Income and Expenditure (page 72)

The changes on this account are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Expenditure			
<u>Depreciation and Impairment</u> amended for the reduced depreciation on the revalued sheltered housing	8,235	(40)	8,195
Total Expenditure	25,703	(40)	25,663
Net Cost of HRA Services	821	(40)	781
Other Operating Costs			
<u>Gain or loss on sale of HRA Fixed Assets</u> amended to include the gain from repaid right-to-buy discounts and the principal element of mortgage repayments	104	(48) (56)	-
(Surplus)/Deficit for the year transferred to the Statutory HRA	1,016	(144)	872

Statement of Movement on the Housing Revenue Account Balance (page 73)

The changes on this account are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
Amounts included in the HRA Income and Expenditure Account but required by statute to be excluded when determining the Statutory HRA (surplus)/deficit for the year			
<u>Gain or loss on sale of HRA Fixed Assets -</u> amended to include the gain from repaid right-to-buy discounts and the principal element of mortgage repayments	(104)	48 56	-
Total	(445)	104	(341)
Amounts not included in the HRA Income and Expenditure Account but required by statute to be included when determining the Statutory HRA (surplus)/deficit for the year			
<u>Contribution to/(from) MRR</u> amended to reflect reduced depreciation charge for sheltered accommodation	(3,653)	40	(3,653)
Total	(1,422)	40	(1,382)
(Surplus)/Deficit for the year	(1,867)	144	(1,723)

Statutory Housing Revenue Account (page 73)

The changes on this account are shown in the following table.

	Original	Variation	Revised
	St. of Accts		St. of Accts
	£(000)	£(000)	£(000)
(Surplus)/Deficit for the year on the Income and Expenditure Account	1,016	(144)	872
Net additional amount required by statute and non-statutory practices to be debited or credited to the Statutory Housing Revenue Account for the year	(1,867)	144	(1,723)
Balance at end of year	(5,990)	-	(5,990)

Notes to the Housing Revenue Account

Page 78 Note 9 (Depreciation)

The figure for dwelling depreciation has been amended by £40k (from £7,975k to £7,935k) to reflect the changed depreciation on sheltered accommodation.

Page 78 Note 12 (Contribution to/(from) Major Repairs Reserve)

The figures in both tables in this note have been amended to reflect the changed depreciation on sheltered accommodation. In the first table the cost of depreciation on dwellings higher than MRA has been adjusted from £(3,393)k to £(3,353)k, with a subsequent change in the total transfer. In the second table the depreciation on HRA dwellings has been amended from £(7,975)k to £(7,935)k and the transfer to HRA during the financial year has been amended from £3,653k to £3,613k. There is no change to the balance at 31 March.

Page 79 Note 13 (Movement of Fixed Assets)

The figures in the table have been amended to show small differences in the presentation of the disposals figure for HRA dwellings, matched by an equal change in the value of revaluations. The disposals figure now excludes the value of mortgage principal repayments and corrects a small error in the original analysis. There is no change to the overall value of the fixed assets for these changes. Also included is the effect of the revised value of the sheltered accommodation, which amends the value of the council dwellings revaluations by £(1,977)k and the value of depreciation charged by £40k. The net effect of these changes is to change the following figures in the council dwellings column: the value of disposals from £(3,382)k to £(3,135)k, the value of revaluations from £849k to £(1,375)k and the value of depreciation from £(7,974)k to £(7,934)k, with consequential changes in the total columns and the value at 31.03.07 analyses.

Page 80 Note 14 (Vacant Possession of Council Dwellings)

The figure for the value of council dwellings as social housing is amended to £385.436m (from £387.373m) and the economic cost to the government of providing council housing at less than open market is changed to £432.113m (from £430.176m) as a consequence of the change in discount rate.

Restated Accounts for 2005/06

The restated figures for 2005/06 have been changed to ensure that the figures are directly comparable with the 2006/07 data. In particular the gain/loss on revaluation of fixed assets was calculated on a different base in the Statement of Movement on the General Fund Balance. The corrected entries are now shown in the Accounts, and the heading on the main statements has been amended to include the word 'restated'.

This page is intentionally left blank