

## 7. NOTES AND STATEMENTS TO THE WOKINGHAM GROUP ACCOUNTS

The notes to the Financial Statements that have been disclosed for WBC apply to the Group Financial statements. Specific notes relating to the Group have only been disclosed as part of the Group financial statements where they are materially different to those amounts disclosed in the previous notes.

### NOTE 53 GROUP ACCOUNTING POLICIES

The accounting policies applied to Wokingham Group Accounts are the same as those stated in Note 1 to the financial statements.

### NOTE 54 ADJUSTMENTS BETWEEN GROUP ACCOUNTS AND AUTHORITY ACCOUNTS

	Woking- ham Authority	Optalis Ltd	Woking- ham Enter- prise Ltd	Woking- ham Group
	£,000	£,000	£,000	£,000
Adjustment for Intra-group transactions on Adult Social Care in Net Cost of Services	(4,296)	4,296		0
Adjustment for Intra-group transactions on Financing and Investment income within the CI&ES	503	0	(476)	26
<b>Total Adjustment between Group and Authority accounts</b>	<b>(3,793)</b>	<b>4,296</b>	<b>(476)</b>	<b>26</b>

### NOTE 55 INVESTMENT PROPERTY

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	Wokingham Authority £,000	Wokingham Enterprise Ltd £,000	Wokingham Group £,000
Rental	925	(653)	272
Direct Operating Expenses	(378)	171	(207)
<b>Net (Gain) / Loss</b>	<b>547</b>	<b>(483)</b>	<b>64</b>

**Financing and Investment Income and Expenditure**

	Wokingham Authority £,000	Wokingham Subsidiaries £,000	Wokingham Group £,000
Interest Payable and Similar Charges on External Borrowing	2,106	0	2,106
Interest Payable and Similar Charges on PFI and Finance Lease Liabilities	692	0	692
Impairment of Financial Instruments	(2,088)	0	(2,088)
Pensions Interest Cost and Expected Return on Pensions assets	3,896	45	3,941
Interest Receivable and Investment Income	(698)	0	(698)
Income and expenditure and Changes in Fair Value in Relation to Investment Properties	(855)	(647)	(1,501)
<b>Financing and Investment Income and Expenditure</b>	<b>3,054</b>	<b>(602)</b>	<b>2,452</b>

There are no restrictions on the Group's ability to realise the value inherent in its investment property or on the Group's right to the remittance of income and the proceeds of disposal. The Group has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

	Wokingham Authority £,000	Wokingham Enterprise Ltd £,000	Wokingham Group £,000
Balance as at 31 <sup>st</sup> March, 2011	27,460	8,719	36,179
Additions	437	137	574
Disposals	(295)	0	(295)
Gain / (Loss) on from Fair Value Adjustments	396	164	560
Transfers to/from Plant, Property and Equipment	274	0	274
Other Changes	0	0	0
<b>Balance as at 31<sup>st</sup> March, 2012</b>	<b>28,272</b>	<b>9,020</b>	<b>37,292</b>

## NOTE 56 FINANCIAL INSTRUMENTS (incl DEBTORS AND CREDITORS)

Notes 48, 18, 21 and 50 to the Financial Statements apply to the Group Financial statements. The following categories of financial instrument carried in the Group Balance Sheet are different to those amounts disclosed in the previous notes:

Financial Assets (Investments)	Wokingham Group	Wokingham Group
	2010/11	2011/12
	£,000	£,000
WBC Long Term Loans and Receivables	12,479	13,590
Removal of Intra Group Balances – Investment in WEL	(9,400)	(9,351)
Short Term Loans and Receivables	5,106	4,991
Financial assets at Fair Value through Profit and Loss	0	14,300
<b>Total Investments</b>	<b>8,185</b>	<b>23,530</b>

Interest income disclosed in note 48 to the single entity financial statements has reduced by £414,000 to £698,000 in the Group Accounts as a result of removing the interest income received on the loan by Wokingham BC from Wokingham Enterprise Ltd on consolidation.

Debtors	Wokingham Group	Wokingham Group
	2010/11	2011/12
	£,000	£,000
Other Entities and Individuals	6,167	6,850
Other Debtors Disclosed in Note 18	6,361	11,382
<b>Total Debtors in Group Balance Sheet</b>	<b>12,528</b>	<b>18,232</b>

Creditors	Wokingham Group	Wokingham Group
	2010/11	2011/12
	£,000	£,000
Other Entities and Individuals	(25,610)	(23,677)
Other Creditors disclosed in Note 21	(4,013)	(3,996)
<b>Total Creditors in Group Balance Sheet</b>	<b>(29,623)</b>	<b>(27,673)</b>

## NOTE 57 Cash and Cash Equivalents

	Wokingham Group 2010/11 £,000	Wokingham Group 2011/12 £,000
Cash held by the Council	9,682	3,432
Bank Current Assets	457	226
Money Market Instruments	12,653	17,920
Cash Held by Fund Managers	14,872	47
Short-term Deposits with Building Societies	0	0
<b>Cash and Cash Equivalents</b>	<b>37,664</b>	<b>21,625</b>
Bank Current Liabilities	(2,508)	(4,915)
<b>Total Cash and Cash Equivalents</b>	<b>35,156</b>	<b>16,710</b>

## NOTE 58 Pensions

Note 46 to the Financial Statements apply to the Group Financial statements, particularly in relation to the assumptions and asset returns applied by the actuary in valuing the schemes. Optalis Ltd is an admitted member of the Local Government Pensions Scheme (LGPS). The following tables show where amounts at Group level are different to those amounts disclosed in the previous notes for WBC only:

	Wokingham Authority LGPS 2011/12 £,000	Optalis Ltd LGPS 2011/12 £,000	Wokingham Group LGPS 2011/12 £,000
<b>Comprehensive Income and Expenditure Statement</b>			
Cost of Services:			
• Current Service Cost	7,476	584	8,060
• Past Service Gain	0	0	0
• Settlements and Curtailments	(1,317)	0	(1,317)
Financing and Investment Income and Expenditure:			
• Interest Cost	11,019	441	11,460
• Expected Return on WBC Scheme Assets	(8,245)	(396)	(8,641)
• Expected Return on BCC Scheme Assets	1,092	0	1,092
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	10,025	629	<b>10,654</b>
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:			
• Actuarial Gains and Losses	49,590	1,756	51,346
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>59,615</b>	<b>2,385</b>	<b>62,000</b>

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	<b>Wokingham Authority</b>	<b>Optalis Ltd</b>	<b>Wokingham Group</b>
	<b>2011/12</b>	<b>2011/12</b>	<b>2011/12</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
<b>Opening Balance at 1st April</b>	<b>208,686</b>	<b>9,860</b>	<b>218,546</b>
Current Service Cost	7,476	584	8,060
Interest Cost	11,019	441	11,460
Contribution by Scheme Participants	2,601	207	2,808
Actuarial Gains and Losses	33,804	1,341	35,145
Benefits Paid	(5,474)	(103)	(5,577)
Past Service Costs	0	0	0
Entity Combinations	0	0	0
Curtailments	208	0	208
Settlements	(12,996)	0	(12,996)
Unfunded Pension Payments	(176)	0	(176)
<b>Total Liabilities at 31st March</b>	<b>245,148</b>	<b>12,330</b>	<b>257,478</b>
WBC share of BCC Liabilities at 19.0561%	52,211	0	52,211
<b>Closing Balance at 31st March</b>	<b>297,359</b>	<b>12,330</b>	<b>309,689</b>

Reconciliation of fair value of the scheme assets:

	<b>Wokingham Authority</b>	<b>Optalis Ltd</b>	<b>Wokingham Group</b>
	<b>2011/12</b>	<b>2011/12</b>	<b>2011/12</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
<b>Opening Balance at 1st April</b>	<b>144,283</b>	<b>7,986</b>	<b>152,269</b>
Expected Rate of Return	8,245	396	8,641
Actuarial Gains and Losses	(8,603)	(415)	(9,018)
Employer Contributions	6,158	546	6,704
Contributions by Scheme Participants	2,601	207	2,808
Benefits Paid	(5,650)	(103)	(5,753)
Entity Combinations	0	0	0
Settlements	(9,597)	0	(9,597)
Total Fair Value of Scheme Assets at 31st March	137,437	8,617	146,054
WBC share of BCC Liabilities at 19.0561%	14,222	0	14,222
<b>Closing Balance at 31st March</b>	<b>151,659</b>	<b>3,713</b>	<b>160,276</b>
<b>Net Liability Closing Balance</b>	<b>145,700</b>	<b>3,713</b>	<b>149,413</b>

## NOTE 59 RESERVES

Movements in the Wokingham Borough Council's Group usable reserves are detailed in the Group Movement in Reserves Statement.

## NOTE 60 WOKINGHAM GROUP FINANCIAL STATEMENTS

### WOKINGHAM GROUP MOVEMENT IN RESERVES STATEMENT

	Group Total 2010/11			Group Total 2011/12		
	Total Usable Reserves £,000	Unusable Reserves £,000	Total Reserves £,000	Total Usable Reserves £,000	Unusable Reserves £,000	Total GROUP Reserves £,000
<b>Balance at 31st March 2011</b>	(26,112)	(591,756)	(617,868)	(38,074)	(578,843)	(616,917)
Surplus or (Deficit) on the Provision of Services	32,141	0	32,141	139,838	0	139,838
Other Comprehensive Income and Expenditure	0	(30,919)	(30,919)	0	32,861	32,861
<b>Total Comprehensive Income and Expenditure</b>	32,141	(30,919)	(1,222)	139,838	32,861	172,699
Adjustments between Group Accounts and Authority Accounts (Note 54)	18	0	18	26	0	26
Adjustments between Accounting Basis & Funding Basis under Regulations	(44,122)	43,832	(289)	(159,053)	159,053	0
<b>Net Increase / Decrease before Transfers to Earmarked Reserves</b>	(11,962)	12,913	(951)	(19,189)	191,915	172,726
Transfers to/from Earmarked Reserves	0	0	0	0	0	0
<b>Increase / Decrease in 2011/12</b>	(11,962)	12,913	(951)	(19,189)	191,915	172,726
<b>Balance at 31st March 2011/2 carried forward</b>	(38,074)	(578,843)	(616,917)	(57,263)	(386,928)	(444,192)

# WOKINGHAM GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	Group Total 2010/11			Group Total 2011/12		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£,000	£,000	£,000	£,000	£,000	£,000
Central Service to the Public	3,353	(3,327)	26	3,039	(2,468)	571
Cultural and Regulated Services	6,999	(1,455)	5,544	6,742	(1,600)	5,142
Environmental and Regulatory Services	14,440	(473)	13,968	15,545	(1,835)	13,710
Planning Services	5,734	(2,811)	2,923	5,300	(2,219)	3,081
Education and Children's Services	192,153	(146,801)	45,352	167,214	(130,714)	27,500
Highways and Transport Services	15,210	(2,546)	12,664	15,717	(3,347)	12,371
Local Authority Housing (HRA)	13,809	(14,697)	(888)	13,149	(13,746)	(597)
Other Housing Services	29,304	(27,404)	1,900	29,801	(29,109)	692
Adult Social Care	56,229	(16,405)	39,824	54,172	(17,313)	36,859
Exceptional Costs	26,743	(1,474)	25,269	95,486	(91)	95,395
Corporate and Democratic Core	7,582	(3,792)	3,790	5,925	0	5,953
Non-distributed Costs	1,641	2,545	4,186	(2,440)	1,874	(566)
<b>Cost of Services</b>	<b>373,197</b>	<b>(218,639)</b>	<b>154,558</b>	<b>409,677</b>	<b>(209,566)</b>	<b>200,111</b>
Corporate Income and Expenditure			0			1
Other Operating Expenditure			2,761			68,734
Financing and Investment Income and Expenditure			10,104			2,454
Surplus or Deficit of Discontinued Operations			0			0
Taxation and Non-specific Grant Income			(135,281)			(129,562)
<b>(Surplus) or Deficit on Provision of Services</b>			<b>32,141</b>			<b>141,738</b>
Surplus or Deficit on Revaluation of Property, Plant and Equipment Assets Charged to revaluation reserve			7,885			(20,359)
Actuarial Gains / Losses on Pension Assets / Liabilities			(38,804)			51,347
<b>Other Comprehensive Income and Expenditure</b>			<b>(30,919)</b>			<b>30,988</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>1,223</b>			<b>172,726</b>

# WOKINGHAM GROUP BALANCE SHEET

	Notes	Group Total 31st March 2011 £,000	Group Total 31st March 2012 £,000
Property, Plant & Equipment		737,273	690,440
Investment Property	55	36,179	37,292
Intangible Assets		690	1,476
Assets Held for Sale		0	0
Long Term Investments	56	3,079	4,241
Long Term Debtors		4	2
<b>Long Term Assets</b>		<b>777,226</b>	<b>733,451</b>
Short Term Investments	56	5,106	19,291
Assets Held for Sale		0	149
Inventories		0	0
Intangible Current Assets		0	0
Short Term Debtors	56	12,528	18,232
Cash and Cash Equivalents		37,664	21,570
<b>Current Assets</b>		<b>55,298</b>	<b>59,212</b>
Cash and Cash Equivalents		(2,508)	(4,831)
Short Term Borrowing		0	0
Corporation Tax Liability		0	(5)
Short Term Creditors	56	(29,623)	(27,637)
Provisions		(5,493)	(3,509)
Current Tax Liability		0	(30)
Liabilities in Disposal Groups		0	0
<b>Current Liabilities</b>		<b>(37,628)</b>	<b>(36,011)</b>
Long Term Creditors		0	0
Provisions		0	0
Long Term Borrowing		(48,084)	(134,752)
PFI and Finance Lease Liabilities		(10,003)	(9,669)
Pensions Liability		(93,941)	(149,413)
Other Long Term Liabilities		0	0
Donated Assets Account		0	0
Capital Grants Receipts in Advance		(25,955)	(18,626)
<b>Long Term Liabilities</b>		<b>(177,983)</b>	<b>(312,460)</b>
<b>Net Assets</b>		<b>616,917</b>	<b>444,192</b>
Usable Reserves	59	(38,074)	(57,430)
Unusable Reserves	59	(578,843)	(386,762)
<b>Total Reserves</b>		<b>(616,917)</b>	<b>(444,192)</b>





# WOKINGHAM STATEMENT

# GROUP

# CASHFLOW

Net Surplus or (deficit) on the Provision of Services  
 Adjustments to Net Surplus or Deficit on the Provision of  
 Services for Non-Cash movements  
 Adjustments for Items included in the Net Surplus or Deficit  
 on the Provision of Services that are Investing or Financing  
 Activities  
**Net Cash Flow from Operating Activities**

Investing Activities  
 Financing Activities  
**Net Increase or (Decrease) in Cash and Cash  
 Equivalents**

Cash and Cash Equivalents at the beginning of the  
 reporting period

**Cash and Cash Equivalents at the End of the Reporting  
 Period**

<b>Group Total 31st March 2011 £,000</b>	<b>Group Total 31st March 2012 £,000</b>
32,141	(141,738)
(72,965)	75,153
37,612	(9,965)
<b>(3,212)</b>	<b>(76,549)</b>
(2,509)	(30,237)
(873)	88,341
<b>(6,594)</b>	<b>(18,445)</b>
28,562	35,155
<b>(35,156)</b>	<b>16,710</b>

## **8. HOUSING REVENUE ACCOUNT**

### **Introduction**

The Housing Revenue Account (HRA) reflects a statutory obligation to maintain a revenue account for the Council's housing provision, in accordance with Schedule 4 of the Local Government and Housing Act 1989 (England and Wales). Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ring-fenced from the rest of the General Fund so that rents cannot be subsidised from council tax and vice versa.

Transactions relating to the HRA have been separated into three statements:

- HRA Income and Expenditure Statement
- Movement on the HRA Statement
- Major repairs reserve

### **HRA Income and Expenditure Statement**

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

### **Movement on the HRA Statement**

The overall objectives for the Movement on the HRA Statement, and the general principles for its construction, are the same as those generally for the Movement in Reserves Statement into which it is consolidated. The statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

### **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

# Housing Revenue Account Income and Expenditure Statement

2010/11 £,000		Notes	2011/12 £,000
	<b>Income</b>		
(12,099)	Dwelling Rents (gross)		(12,785)
(204)	Non-dwelling Rents (gross)		(198)
(822)	Charges for Services and Facilities		(763)
0	HRA Subsidy Receivable (including MRA)		0
(87)	Contributions Towards Expenditure		0
0	Reduced Provision for Bad or Doubtful Debts		0
0	Sums Directed by the Secretary of State that are Income in Accordance with IFRS		0
<b>(13,212)</b>			<b>(13,746)</b>
	<b>Expenditure</b>		
2,833	Repairs and Maintenance		2,940
2,326	Supervision and Management		2,280
110	Rents, Rates, Taxes and Other Charges		(9)
5,063	Negative Subsidy Payable to the Secretary of State	10	5,734
0	Negative Subsidy Transferable to the General Fund under the Transitional Arrangements		0
0	Exceptional Item – Self Finance Settlement	15	95,468
37	Increased Provision for Bad or Doubtful Debts	13	116
1,996	Depreciation	7	2,055
50,227	Impairment of Fixed Assets	8	0
2	Debt Management Costs		32
0	Sums Directed by the Secretary of State that are Expenditure in Accordance with IFRS		0
<b>62,594</b>			<b>108,617</b>
<b>49,382</b>	<b>Net Cost of Services included in the Whole Authority Comprehensive Income and Expenditure Statement</b>		<b>94,871</b>
0	HRA Services Share of Corporate and Democratic Core		0
0	HRA Share of other Amounts Included in the Whole Authority		0
	Net Cost of Services but not Allocated to Specific Services		
<b>49,382</b>	<b>Net Cost of HRA Services</b>		<b>94,871</b>
74	(Gain) or Loss on Sale of HRA Non-current Assets		11
42	Interest Payable and Similar Charges		72
(14)	HRA Interest and Investment Income		(10)
29	Accumulated Leave		(7)
117	Pension Interest Cost and Expected Return on Pension Assets		29
0	Other Grants and Receivables		(10)
0	Capital Grants and Contributions Receivable		0
<b>49,630</b>	<b>(Surplus) or Deficit for the Year on HRA Services</b>		<b>94,956</b>

## Movement on the HRA Statement

2010/11 £,000		Notes	2011/12 £,000
(1,305)	<b>Balance on the HRA at the End of the Previous Year</b>		(1,315)
49,630	(Surplus) or Deficit for the Year on the HRA Income and Expenditure Statement		94,956
	Adjustments between Accounting Basis and Funding Basis under Statute		
(1,996)	Depreciation	7	(1,999)
(50,227)	Impairment / Revaluation Loss	8	0
(74)	Gain / Loss on Disposal		(11)
(29)	Reversal of Accumulating Absences		7
0	Self financing settlement transfer to capital adjustment account	15	(95,468)
46	MRP		0
(53)	Depreciation of HRA Leases	7	(56)
(117)	HRA Share of Contributions to or (from) the Pensions Reserve	11	(29)
414	Reversal of Financial Instrument Amortisation		163
<b>(2,406)</b>	<b>Net (Increase) or Decrease in the HRA Balance before Transfers to or from Reserves</b>		<b>(2,437)</b>
1,996	Reversal of MRA Credited to HRA		1,999
400	Transfers (to or from) the Major Repairs Reserves	5	480
<b>(10)</b>	<b>(Increase) or Decrease in Year on the HRA</b>		<b>42</b>
<b>(1,315)</b>	<b>Housing Revenue Account Balance Carried Forward</b>		<b>(1,273)</b>

## 9. NOTES TO THE HOUSING REVENUE ACCOUNT

### NOTE 1 HOUSING STOCK

The number and types of dwellings in the Council's housing stock are as follows:

	2010/11 Number of Properties	2011/12 Number of Properties
<b>Dwellings:</b>		
Low and Medium Rise Flats	672	672
Traditional Houses and Bungalows	1,396	1,396
Non-traditional Houses and Bungalows	356	355
<b>Sheltered Units:</b>		
Low and Medium Rise Flats	198	198
Traditional Houses and Bungalows	98	98
Non-traditional Houses and Bungalows	0	0
<b>Shared Equity Properties:</b>		
Low and Medium Rise Flats	8	8
Traditional Houses and Bungalows	39	39
Non-traditional Houses and Bungalows	0	0
<b>Total HRA Housing Stock</b>	<b>2,767</b>	<b>2,766</b>

### NOTE 2 HRA ASSET VALUATION

The value of land, houses and other property held within the HRA is as follows:

	Dwellings £,000	Operational Assets Other Land and Buildings £,000	Plant and Equipment £,000	Total £,000	Non-Operational Assets £,000
Gross Valuation at 31st March, 2011	211,751	543	637	212,931	2,000
Accumulated Depreciation and Impairment	(65,115)	(30)	(448)	(65,593)	(2,000)
<b>Net Book Value at 31st March, 2011</b>	<b>146,636</b>	<b>513</b>	<b>189</b>	<b>147,338</b>	<b>0</b>
Additions	2,786	0	2	2,788	0
Disposals	(37)	0	0	(37)	0
Revaluations	555	102	0	657	0
Depreciation	(1,947)	(13)	(95)	(2,055)	0
Impairments	0	0	0	0	0
<b>Net Book Value at 31st March, 2012</b>	<b>147,993</b>	<b>602</b>	<b>96</b>	<b>148,691</b>	<b>0</b>

### NOTE 3 VACANT POSSESSION

The vacant possession value of dwellings within the Council's HRA at 1st April, 2012 was £456,511,473

The vacant possession value and the Balance Sheet value of dwellings within the HRA show the economic cost to the Government of providing council housing at less than open market rents. The dwellings in the Balance Sheet are valued using the Existing Use Value for Social Housing rate. This is an open market rate less a reduction factor that recognises the fact that the dwellings are tenanted properties let at affordable rents without vacant possession. The reduction factor is set by the Government and is currently 32% of open market value.

### NOTE 4 MAJOR REPAIRS RESERVE

Movement on the Major Repairs Reserve (MRR) was as follows:

	2010/11 £,000	2011/12 £,000
<b>Balance at 1st April</b>	<b>(1,182)</b>	<b>(338)</b>
Transferred to the MRR of Major Repairs Allowance	(1,996)	(1,999)
Charges for depreciation	53	0
Revenue Contribution	(400)	(480)
Capital Expenditure on Land, Houses and Other Property within the HRA	3,187	2,786
<b>(Surplus) / Deficit</b>	<b>844</b>	<b>307</b>
<b>Balance at 31st March</b>	<b>(338)</b>	<b>(31)</b>

### NOTE 5 CAPITAL EXPENDITURE AND FUNDING

	2011/12 £,000
<b>Capital Expenditure within the Year:</b>	
Capital Expenditure on Land, Houses and Other Property within the HRA	2,786
<b>Funded by:</b>	
Major Repairs Reserve	(1,999)
Use of Reserve	(338)
Revenue Contribution to Capital Expenditure	(480)
<b>(Surplus) / Deficit</b>	<b>(31)</b>

### NOTE 6 CAPITAL RECEIPTS

	2011/12 £,000
Disposal of 1 Dwelling	77

## NOTE 7 DEPRECIATION

Operational Assets (Property, Plant and Equipment)  
Council Dwellings

	2011/12 £,000
	56
	1,999
	<b>2,055</b>

## NOTE 8 IMPAIRMENT CHARGES

There have been no impairments on council dwelling houses during 2011/12.

## NOTE 9 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

There was no revenue expenditure funded from capital under statute within the HRA for 2011/12.

## NOTE 10 HOUSING SUBSIDY

The Housing Subsidy is calculated using a model HRA, which is based on pre-set figures determined by the Government and the number of dwellings owned by the Council. Wokingham Borough Council makes a payment from the HRA to the Government as follows:

	2010/11 £,000	2011/12 £,000
Allowance for Management	1,416	1,476
Allowance for Maintenance	2,880	2,941
Allowance for Major Repairs	1,942	1,996
Charges for Capital	653	395
Guideline Rent Income	(11,874)	(12,484)
Adjustment for Final Audited Claim	0	0
<b>Housing Subsidy Payable to the Government</b>	<b>(4,983)</b>	<b>(5,676)</b>

The actual payment to government in 2011/12 was £5,765k however income of £34k was received in relation to debt management expenses on self financing, a payment of £3k was incurred due to a 10/11 adjustment. An adjustment of £89k is expected to be made in the 11/12 final claim due to an increase in the CRI (Consolidated Rate of Interest).

## NOTE 11 CONTRIBUTIONS TO THE PENSION RESERVE

Pension costs of £28,690 are included in the Repairs and Maintenance and the Supervision and Management lines of the Income and Expenditure Statement.

## NOTE 12 RENT ARREARS

	2010/11 £,000	2011/12 £,000
Current Tenants	353	448
Former Tenants	146	171
	<b>499</b>	<b>618</b>

## NOTE 13 BAD DEBTS PROVISION

	2010/11 £,000	2011/12 £,000
Balance at 1st April	441	499
(Decrease) / Increase in Provision for the Year	58	116
	<b>499</b>	<b>615</b>

## NOTE 14 SUMS DIRECTED BY THE SECRETARY OF STATE

No items have been directed to be debited or credited to the HRA.

## NOTE 15 EXCEPTIONAL OR PRIOR YEAR ITEMS

In 2011/12 the government amended the system of council housing finance as part of the localism act 2011. The changes abolished the housing subsidy system and replaced it with a system of self financing. As part of the changes each council was required to make a payment to government as a final settlement in lieu of the amount they would have paid under the subsidy system over the next thirty years. Therefore, the council made a payment of £95,468,000 to central government for the self financing settlement.



# 10. COLLECTION FUND

## Introduction

The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

## Collection Fund Statement

	2010/11 £,000	2011/12 £,000
<b>Amounts Required by Statute to be Credited to the Collection Fund:</b>		
Income from Council Tax Payers	(90,942)	(91,427)
Transfers from the General Fund:		
• Council Tax Benefits	(5,083)	(5,051)
• Transitional Relief	2,739	1,318
Income Collectable from Business Rate Payers	(53,071)	(53,302)
<b>Total Income</b>	<b>(146,357)</b>	<b>148,462</b>
<b>Amounts Required by Statute to be Debited to the Collection Fund:</b>		
Precepts and Demands:		
• Wokingham Borough Council	77,946	78,496
• Parish Councils	3,400	3,427
• Police Authority	10,029	10,100
• Fire Authority	3,618	3,643
Business Rates:		
• Payment to the National Pool	50,151	51,821
• Costs of Collection	184	179
Impairment of Debts / Appeals:		
• Write-off of Uncollectable Amounts	144	89
• Allowance for Impairment	520	(1)
Contribution Towards Previous Year's Estimated Collection Fund Surplus	500	0
<b>Total Expenditure</b>	<b>146,492</b>	<b>147,754</b>
<b>Movement on Fund Balance</b>	<b>135</b>	<b>(708)</b>
<b>Balance at 1st April</b>	<b>(545)</b>	<b>(410)</b>
<b>Balance at 31st March</b>	<b>(410)</b>	<b>(1,119)</b>

## 11. NOTES TO THE COLLECTION FUND

### NOTE 1 INCOME COLLECTABLE FROM BUSINESS RATE PAYERS

The total non-domestic rateable value at 31st March, 2012 was £136,021,466.

The national non-domestic rate multiplier for the year was 43.3p.

### NOTE 2 CALCULATION OF THE COUNCIL TAX BASE

Band	Chargeable Dwellings	Ratio	Band D Equivalent Dwellings	
			2010/11	2011/12
A	1321	6/9	881	908
B	2700	7/9	2,100	2,130
C	7935	8/9	7,053	7,144
D	15944	1	15,944	16,026
E	13361	11/9	16,330	16,400
F	8851	13/9	12,785	12,785
G	5491	15/9	9,152	9,234
H	385	18/9	770	789
<b>Total</b>			<b>65,015</b>	<b>65,416</b>
Add:	Adjustment for collection rates and other anticipated changes during the year		(18)	39
<b>Council Tax Base</b>			<b>64,997</b>	<b>65,455</b>

### NOTE 3 PRECEPTS AND DEMANDS ON THE COLLECTION FUND

	2010/11 Total £,000	Precept / Demand £,000	Share of Surplus £,000	2011/12 Total £,000
Wokingham Borough Council	78,371	78,496	0	78,496
Thames Valley Police Authority	10,084	10,100	0	10,100
Royal Berkshire Fire Authority	3,637	3,643	0	3,643
<b>Total</b>	<b>92,092</b>	<b>92,239</b>	<b>0</b>	<b>92,239</b>