

Statement of Accounts

FOR THE YEAR ENDING

31st March 2006

STATEMENT OF ACCOUNTS 2005/2006

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- ◆ make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance;
- ◆ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- ◆ approve the Statement of Accounts.

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice).

In preparing the Statement of Accounts, the Director of Finance has:

- ◆ selected suitable accounting policies and then applied them consistently;
- ◆ made judgements and estimates that were reasonable and prudent; and
- ◆ complied with the Code of Practice.

The Director of Finance has also:

- ◆ kept proper accounting records which were up to date; and
- ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance Statement

Cambridge City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end, the Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework *Corporate Governance in Local Government: A Keystone for Community Governance*. A copy of the Code is on our website at www.cambridge.gov.uk or can be obtained from the Director of Central Services, The Guildhall, Cambridge.

The Code was reviewed by Civic Affairs Committee (29 March 2006) and Council (20 April 2006) as part of the arrangements to satisfy itself that its approach to corporate governance is both adequate and effective in practice.

The Director of Central Services has been given responsibility for:

- ◆ overseeing the implementation and monitoring the operation of the Code; and
- ◆ continuing review of the operation of the Code in practice.

Since last year's Corporate Governance Statement was published, the Council has:

- ◆ launched a new approach to project management;
- ◆ continued to strengthen the Council's procurement capacity and arrangements, for instance, by rationalising the number of suppliers we purchase from and by piloting the on-line ordering of supplies;
- ◆ started a programme of Equalities Impact Assessments;

- ◆ reviewed our arrangements for member development and training and introduced a Leadership Development Programme for executive councillors;
- ◆ reviewed the Corporate Risk Profile and Risk Register;
- ◆ put in place arrangements to meet the requirements of the new Civil Contingencies Act.

These were all matters remarked upon in last year's Statement as being outstanding elements of full implementation of the actions contained in the Code.

On the basis of the reports of the Director of Central Services arising from her review of the Council's corporate governance arrangements, we are satisfied that, except for the matters listed below, they are adequate and are operating effectively.

We report that there is one new action which has been added in to the Code of Corporate Governance and which is due for completion by December 2006. This is:

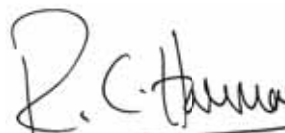
- ◆ a review of ethics and governance arrangements against best practice

We will review the implementation and outcome of this as part of our next annual review.



Councillor Ian Nimmo-Smith
Leader of the Council

Date: 26 June 2006



Rob Hammond
Chief Executive

Date: 28 June 2006

Statement on Internal Control

Scope of responsibility

Cambridge City Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

Purpose of the system of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Council for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts.

The Internal Control Environment

The key elements of the internal control environment include:

- ◆ The Council's Medium Term Objectives which establish the Council's objectives over a three to five year timescale.
- ◆ The Council's Medium Term Strategy which details financial planning and associated risk assessments over a five year timescale.
- ◆ The annual service planning process which translates the Council's Medium Term Objectives into service actions.
- ◆ The Council's Constitution which sets out the rules governing the new decision making process.
- ◆ The Council's Scheme of Delegations which is in place, formally approved and available to all staff.
- ◆ The Council's Code of Corporate Governance which sets out the ways in which the Council directs and controls its functions and relates to its community.
- ◆ The performance management process which reviews and reports on performance against Council objectives at service and individual level and acts to ensure continuous improvement.
- ◆ Written financial regulations which are in place, formally approved and available to all staff.
- ◆ The annual budget process including the Medium Term Forecast which ensures the economical, effective and efficient use of resources as required by the Best Value duty and which has been further enhanced by the new government requirement to produce Annual Efficiency Statements.

- ◆ The arrangements for regular budget monitoring and reporting of budget variances to senior management.
- ◆ The CIPFA code on Treasury Management which is complied with.
- ◆ Compliance with the Prudential Code governing borrowing.
- ◆ Contract standing orders which are in place, formally approved, subject to periodic review and available to all staff.
- ◆ The Council's procurement policy which is in place, formally approved and available to all relevant staff.
- ◆ A Confidential Reporting Policy which is in place, formally approved, regularly reviewed and available to all staff.
- ◆ A Prevention of Fraud and Corruption Policy which is in place formally approved, regularly reviewed and available to all staff.
- ◆ Codes of Conduct for members and officers which are in place, are formally approved, regularly reviewed and available to all members and staff.
- ◆ A Register of Interest which is maintained, regularly updated and reviewed.
- ◆ Business and service continuity plans at corporate and service level.
- ◆ A corporate risk management framework which includes comprehensive risk registers and key controls to manage the principal risks to the achievement of the Council's policies, aims and objectives.
- ◆ An Internal Audit Plan based on the Council's Risk Register and a Risk-Based approach to Internal Auditing.
- ◆ The regular independent assessment of the internal control framework which is carried out by Internal Audit.
- ◆ A process for following up agreed actions to control the risks contained in the Council's Risk Register.
- ◆ Targets in Directors' personal objectives to ensure the implementation of agreed actions.
- ◆ A corporate Health and Safety policy which is in place, has been formally approved, is subject to regular review and is available to all staff, and supported by supplementary departmental policies.
- ◆ A corporate complaints procedure which is in place, formally approved, is subject to regular review and is available to all staff.
- ◆ The management information, administrative procedures and management supervision arrangements which exist within the Council.
- ◆ The exercising of appropriate standards of governance when working in partnership with other bodies.
- ◆ The existence of an IT security policy which is supported by Acceptable Usage guidelines for employees and members.
- ◆ The arrangements in place to optimise the benefits from and usefulness of corporate assets.
- ◆ The prioritised programme of Equalities Impact Assessments which is underway.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The Council's review of the effectiveness of the system of internal control has been informed by the work of internal auditors and Chief Officers within the Council who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates in the annual audit letter and other reports.

The Council's Constitution details Chief Officer responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of the service is targeted using assessments of potential risk, with the allocation of audit resources controlled through a three year risk based work programme and annual operational plans. Both these elements are agreed, annually, by the Council's Civic Affairs Committee. Members of this committee are regularly updated on the work of Internal Audit; as are all Executive Councillors, Committee Chairs and Spokespersons.

Individual audit reports are issued directly to the relevant Chief Officer, the Director of Finance and the Leader of the Council and since 2005 Executive Summaries of Internal Audit reports are routinely sent to the Council's Monitoring Officer to ensure that action is taken in areas of non-compliance with legislation. Each audit report contains an independent assurance opinion on the adequacy and effectiveness of the controls in place to mitigate risks. Actions agreed in Internal Audit reports are followed up subsequently to ensure implementation, thus ensuring that the Council's risks are properly managed.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms and these have been collated centrally and reviewed.

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control by Civic Affairs

Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Internal Control Issues

Actions to be taken to deal with significant internal control issues:

1 Issue

There is a need for an induction framework which ensures all key officers are made aware of their statutory obligations and their responsibilities in respect of Corporate Governance and Risk Management.

Action

(Officer Responsible & Target date)

- ◆ The induction framework for Managers to include Risk Management training.
Head of Human Resources / Risk Management Officer
30/09/2006

2 Issue

Members' role in the Risk Management process needs to be enhanced in order to improve Corporate Governance arrangements.

Actions

(Officer Responsible & Target date)

- ◆ Training to be provided to members on their role and responsibilities within the Risk and Assurance Framework. This is included as a key action in the Internal Audit 2006/07 Service Plan.
Head of Internal Audit / Chief Executive
30/09/2006
- ◆ Production of a Members' Guide to Risk Management.
Risk Management Officer
30/06/2006

3 Issue

The embedding of the Risk Management process across the organisation needs to be completed.

Actions

(Officer Responsible & Target date)

- ◆ Ongoing training and support to be provided to managers, with particular reference to the most recent enhancements made to the Risk Management database and the new Risk Management reporting procedure (outlined below).

Head of Internal Audit / Risk Management Officer
31/03/2007

- ◆ A new management reporting procedure to be introduced whereby managers are required to report an up to date position on the risk and actions contained in their risk registers at four key points during the Corporate Planning and Decision Making Cycle: the Annual Statement; Preparation of the SIC and Head of Internal Audit Opinion; the Service Planning process and the Budget and Performance Review process.

Head of Internal Audit / Chief Executive
31/03/2007 (for completion of the first year's cycle)

- ◆ A Corporate Risk Register has been developed and agreed with Corporate Management Team (CMT). This risk register is divided into 10 risk categories and each risk category is championed by a CMT member. This will mean that CMT members will be actively managing the Council's risks. This process has been agreed and now needs implementing.

Head of Internal Audit / Chief Executive
31/03/2007 (for completion of the first year's cycle)

- ◆ Achievement of the Council's Medium Term Objectives (MTOs) will be driven by CMT, who will monitor and drive the management of risks related to the MTOs. This process has been agreed and now needs implementing. MTOs are being reviewed in 2006/07 and PIs and risks will need to be aligned to these once they have been agreed.

Head of Internal Audit / Chief Executive
31/03/2007 (for completion of the first year's cycle)

4 Issue

Responsibilities for risk management need to be incorporated as standard into job descriptions and personal objectives.

Action

(Officer Responsible & Target date)

- ◆ Standard wording for job descriptions to be devised and managers to be reminded to include objectives related to the Council's risk management process at performance reviews. This process has already started for some managers in City Services but needs to be rolled out across the organisation.

Risk Management Officer / Head of Human Resources
31/12/2006

5 Issue

Contract Procedure Rules need to cover partnering arrangements and on-line tendering in detail.

Action

(Officer Responsible & Target date)

- ◆ Contract Procedure Rules to be expanded to give greater detail in respect of partnering arrangements and on-line tendering.

Procurement Manager
30/11/2006

6 Issue

The procedure for obtaining and evaluating assurances needs to be documented and approved.

Action

(Officer Responsible & Target date)

- ◆ The process and responsibilities for obtaining and evaluating assurances to be documented.

Introduction of the new Risk Management reporting process (outlined in action 3 above), which will include the obtaining of external assurances at key points.

Head of Internal Audit
31/03/2007 (for completion of the first year's cycle)

7 Issue

All projects embarked on by the Council need to be properly assessed for risk before the commencement of the project. These risks need to be entered into the Risk Management database and should be regularly reviewed at key points during the project.

Actions

(Officer Responsible & Target date)

- ◆ Enhancements have been made to the Council's Risk Management database that allow the risks associated with individual projects to be recorded.
Risk Workshops have been carried out for the Customer Access Strategy and the risks identified have been entered into the Risk Management database. These risks, and their associated controls, need to be reviewed at key points during the project by Internal Audit.
Head of Internal Audit / Project Lead
31/12/2006
- ◆ Similar risk workshops need to be undertaken for all major projects. ('Major' - as defined by Project Management Guidelines). Following approval by CMT, details of major projects should be notified to the Head of Internal Audit and the Project Lead should liaise with the HIA to capture the project risks onto the Risk Management database.
Head of Internal Audit / Project Lead
31/12/2006
- ◆ A process for ensuring that risks are recorded in the Risk Management database for all new projects needs to be developed and documented. This process should incorporate a procedure for Internal Audit to carry out a review of the project and its associated risks at key points during the project
Head of Internal Audit / Project Lead
30/09/2006

8 Issue

The arrangements for the effective management and supervision of contractors working for the Council need to be strengthened.

Action

(Officer Responsible & Target date)

- ◆ The Action Plan for Improvement of Corporate Management of Contractors to be implemented for Property Services
Head of Environmental Services
30/09/2006

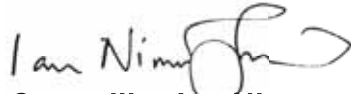
9 Issue


Ensuring that corrective action is taken on the area of Council activity where Internal Audit identified significant weaknesses.

Action

(Officer Responsible & Target date)

- ◆ Internal Audit to monitor implementation of agreed actions via the risk management database.
Head of Internal Audit (reporting to Director of Finance)
31/03/2007


Councillor Ian Nimmo-Smith
Leader of the Council
Date: 10 July 2006


Rob Hammond
Chief Executive
Date: 6 July 2006

Independent Auditor's Report to Cambridge City Council

Opinion on the Financial Statements

I have audited the financial statements of Cambridge City Council for the year ended 31 March 2006 under the Audit Commission Act 1998, which comprise the Consolidated Revenue Account, the Housing Revenue Account, the Collection Fund, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Cambridge City Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective Responsibilities of the Chief Financial Officer and Auditors

The Chief Financial Officer's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005 are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements present fairly the financial position of the Authority in accordance with applicable

laws and regulations and the Statement and Recommended Practice on Local Authority Accounting in the United Kingdom 2005.

I review whether the Statement of Internal Control reflects compliance with CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. I report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Statement covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Introduction to the Statement of Accounts. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005, the financial position of the Authority as at 31 March 2006 and its income and expenditure for the year then ended.



Andy Perrin
District Auditor

Date: 27 SEPTEMBER 2006

Audit Commission
1st and 2nd Floors
Sheffield House
Lytton Way, off Gates Way
Stevenage
Herts
SG1 3HB

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the Authority is required to prepare and publish a best value performance plan summarising the Authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

I am required by section 7 of the Local Government Act 1999 to carry out an audit of the Authority's best value performance plan and issue a report: certifying that I have done so; stating whether I believe that the

plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and I am satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in July/August 2005, in all significant respects, Cambridge City Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2006.

Best Value Performance Plan

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2005/06 in December 2005. I did not identify any matters to be reported to the Authority and did not make any recommendations on procedures in relation to the plan.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.



Andy Perrin
District Auditor

Date: 27 SEPTEMBER 2006

Audit Commission
1st and 2nd Floors
Sheffield House
Lytton Way, off Gates Way
Stevenage
Herts
SG1 3HB

Introduction to the Statement of Accounts

The accounts for 2005/06, set out on pages 7 to 45 have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom' (more commonly referred to as the Statement of Recommended Practice (SORP)).

The purpose of the published statement of accounts is to give electors, local taxpayers, members of the Council and other interested parties clear information about the Council's finances. The statements should inform readers of:

- ◆ the cost of services provided by the Council in the year 2005/06;
- ◆ how services were paid for; and
- ◆ the Council's assets and liabilities at the year end.

If, having studied the accounts, you require any further information please contact the Council's Head of Accounting Services (Cambridge 458134) who will be pleased to help.

The following statements are included: -

- ◆ Consolidated Revenue Account
- ◆ Consolidated Balance Sheet
- ◆ Statement of Total Movement in Reserves
- ◆ Cash Flow Statement
- ◆ Housing Revenue Account
- ◆ Collection Fund

These accounts are supported by appropriate notes, a statement of the accounting policies of the Council and a glossary of terms.

Council Spending

Cambridge City Council is a large organisation employing the equivalent of over 1,100 full time staff. The Council's services and activities vary widely, covering the provision and upkeep of council housing, the collection of refuse, leisure and recreation, car parking, cemeteries and crematoria, environmental health and many other services. More details of these services, some of the main achievements of the Council and its performance, can be found in the Council's annual Best Value Performance Plan and on its web site.

General Fund

For the 2005/06 financial year, the Council agreed its budget for revenue spending on General Fund services at £16.0 million. This amount would be financed in part by Government Grant and the Council's share of National Non-Domestic rates (NNDR) with the remainder being raised through Council Tax. The Council Tax for City Council services was set at £136.92 for band D properties. The table below compares the final outturn figures with those originally budgeted.

(£000s)	Original Budget	Actual	Difference
Net General Fund spending	14,985	14,498	(487)
Contribution to reserves	1,037	2,004	967
Total	16,022	16,502	480
Financed by:			
Government Grant	7,711	8,191	480
Share of NNDR	3,316	3,316	0
Council Tax	4,995	4,995	0
Total	16,022	16,502	480

The Council's actual net spending was £487,000 below the original budget. This, together with the receipt of a new £480,000 grant from central government, recognising business growth in the City, led to an increased contribution to reserves from revenue of £967,000.

When the Council first approved its capital spending plans for 2005/06, it was agreed that £2.3 million would be funded by the use of General Fund Reserves. In the event, re-phasing of capital expenditure from 2004/05 into 2005/06, combined with some delays in spending originally planned for 2005/06, resulted in the use of £3.2 million of reserves to finance capital.

The resulting net use of the General Fund Reserve for the year was £1,150,837. At the end of the year, the Council's General Fund Reserve stood at £10.9 million. This reserve provides some financial flexibility to the Council, for meeting the costs of exceptional and unanticipated items and is also used to support the Council's capital investment programme.

Housing Revenue Account

When the Housing Revenue Account budget for 2005/06 was approved prior to the start of the financial year, it was set to deliver a balanced account without the need to use reserves. The budget set included the funding from revenue of £2.4 million of capital expenditure.

Some minor budget revisions were agreed during the year, principally to fund expenditure that had originally been planned for 2004/05 but which had been delayed. These changes resulted in a planned use of reserves of £106,000.

At outturn, a favourable final settlement for Housing Subsidy for 2004/05, combined with reductions in the amount of rent rebate subsidy limitation payable to the General Fund and under-spending in supervision and management costs meant that an additional contribution of £41,000 was available from revenue to meet capital expenditure. The remaining revenue account surplus, together with the planned use of

reserves, will be carried forward to 2006/07 to fund £111,000 of expenditure that has slipped between financial years.

The Housing Revenue Account reserve stood at £7.3 million at the year-end.

The Council's housing stock is valued each year on the basis of Existing Use Value for Social Housing (EUVS-SH). This value is derived by adjusting the vacant possession value of properties with a factor to reflect the continuing occupancy of properties by tenants on secure tenancies at less than an open market rent. There have been significant changes in the housing market in the last five years and the adjustment factor which valuers are required to apply was revised downwards from 57% to 46% from 2005/06. The revision of the indexation factor has reduced the estimated value of the housing stock by £141 million.

Capital Spending and Receipts

The Council's capital spending during the year amounted to £21.8 million. The largest share of expenditure was on major repairs and improvements to Council Housing stock. Other major expenditure included the award of repairs assistance and disabled facilities grants to individuals, community facilities at East Chesterton, changing facilities at Abbey Pool, land purchase at Arbury Camp, Kings Hedges and environmental improvements.

Capital receipts continue to be generated through the sale of council houses and shared ownership dwellings. After Housing Receipts Capital 'Pooling', these accounted for £5.7 million of the total receipts of £9.5 million in 2005/06.

External Borrowing

The Council remained debt-free at 31 March 2006.

Pension Costs

Information relating to the assets, liabilities, income and expenditure of the Council's pension scheme is included on pages 42 to 45. The Council's share of the assets and liabilities of the pension fund show an estimated liability of £44.0 million at 31 March 2006. This liability has no impact on the level of the Council's available reserves.

Change in Accounting Policy

In line with the latest guidance, the Council has changed its Accounting Policy in respect of unspent developers' contributions as outlined in Note 41 to the Consolidated Balance Sheet.

Further Information

Further information concerning the accounts is available from the Council's Head of Accounting Services, Finance Department at Lion House. In addition, interested members of the public have a right to inspect the Council's accounts each year before the audit is completed. The availability of the accounts for public inspection is advertised in the local press.

Opinion

In my opinion the Statement of Accounts presents fairly the financial position of Cambridge City Council at 31 March 2006 and its income and expenditure for the year then ended.



David Horspool
Director of Finance

Date: 23 June 2006

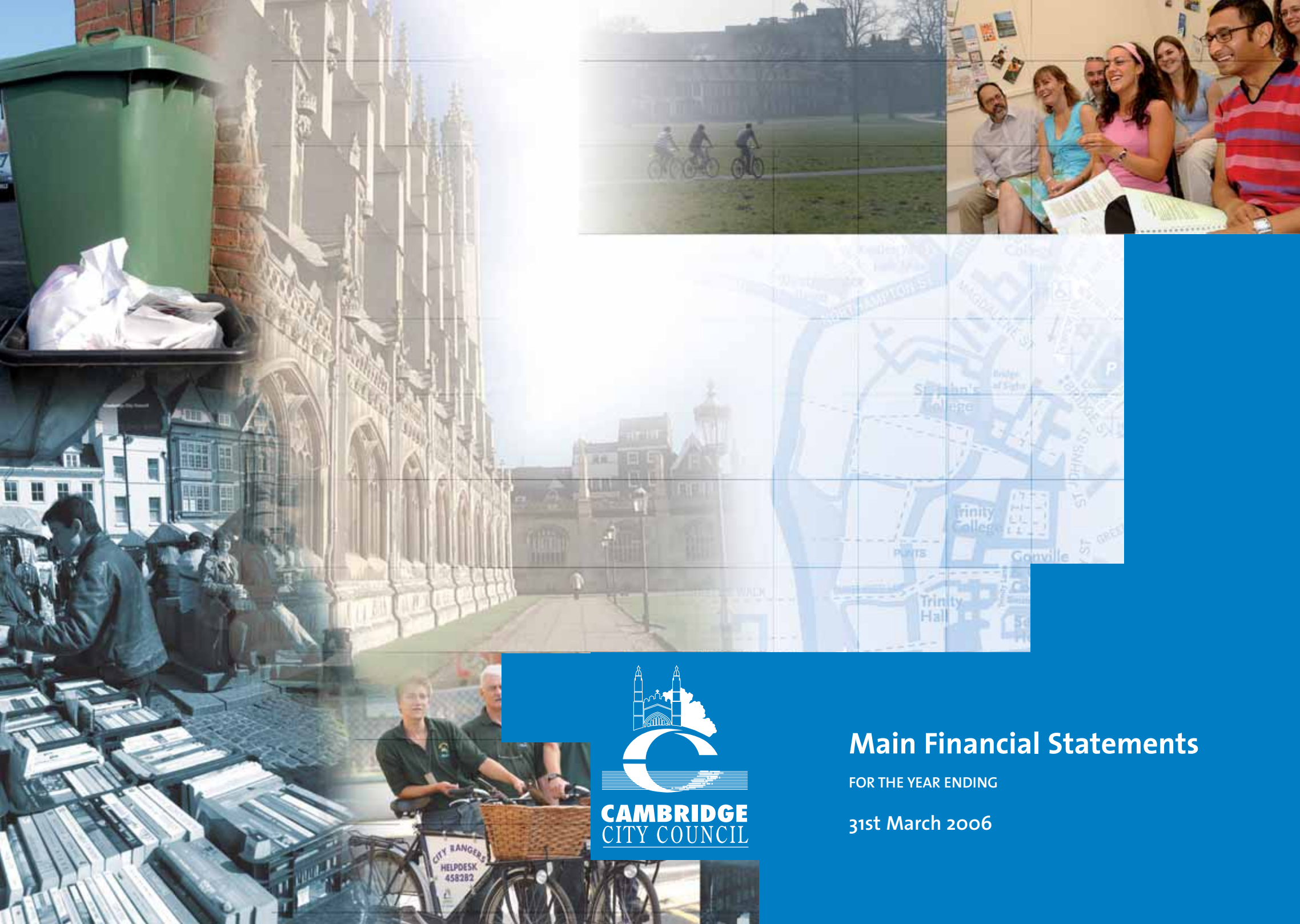
Signed on behalf of Cambridge City Council:

I confirm that these accounts were approved by the Civic Affairs Committee held on the 28 June 2006.



Councillor R A Boyce
Chair of Civic Affairs

Date: 28th June 2006



**CAMBRIDGE
CITY COUNCIL**

Main Financial Statements

FOR THE YEAR ENDING

31st March 2006

Consolidated Revenue Account

This sets out the expenditure, income and net cost for the year of all the Council's revenue services and functions. The account shows how the net cost has been financed from general government grants and income from local taxpayers. The consolidated revenue account brings together in one statement, the Council's General Fund, Housing Revenue Account and trading activities.

(£000s)				2005/06	2004/05
	Notes	Gross Expenditure	Gross Income	Net Expenditure	Net Expenditure
Service Expenditure & Income	1				
Central Services to the Public		7,369	(5,756)	1,613	1,422
Cultural, Environmental and Planning Services		37,901	(19,307)	18,594	17,179
Highways, Roads and Transport Services		7,461	(8,593)	(1,132)	948
Housing Services		81,410	(53,777)	27,633	27,258
Corporate and Democratic Core		2,190	(12)	2,178	2,331
Non Distributed Cost		55	-	55	288
Net Cost of Services		136,386	(87,445)	48,941	49,426
Asset management revenue account	3			(28,782)	(28,135)
Surplus on trading activities	2			(33)	(33)
Contribution to Housing Pooled Capital Receipts				2,764	1,809
Capital Charge - Loan Interest				40	35
Early Redemption Premium - Loan Interest				545	540
Pensions Interest Cost & Expected Return on Assets				758	(429)
Interest and investment income				(3,017)	(2,525)
Net Operating Expenditure				21,216	20,688
Appropriations					
Contributions to HRA Balances				5	1,052
Adjustment for Depreciation	4			(2,147)	(4,924)
Contributions to Earmarked Reserves				1,407	1,500
Movement in Pensions Reserve				(2,250)	(1,353)
Revenue Funding of Capital Expenditure				12,006	8,836
Transfer from Capital Financing Account	5			(9,820)	(9,365)
Transfer from Usable Capital Receipts				(2,764)	(1,809)
Amount to be met from Government Grant & Local Taxation				17,653	14,625
Sources of Finance					
Demand on Collection Fund				(5,010)	(4,778)
Contribution from Non-Domestic Rates				(3,316)	(3,014)
Government General Grant				(8,191)	(7,711)
Collection Fund Deficit/(Surplus)				15	(31)
Net Deficit/(Surplus) for Year				1,151	(909)
General Fund Reserves Brought Forward				(12,009)	(11,100)
General Fund Reserves Carried Forward				(10,858)	(12,009)

Consolidated Balance Sheet

This summarises the overall financial position of the Council at the 31 March 2006 showing its assets, liabilities and reserves.



David Horspool
Director of Finance

Date: 23 June 2006

(£000s)	Note	31 March 2006	31 March 2005
Council Dwellings		530,931	671,911
Other Land & Buildings		84,512	72,008
Vehicles Plant & Equipment		4,862	4,520
Infrastructure Assets		360	511
Community Assets		759	784
Operational Assets		621,424	749,734
Investment properties		75,422	65,293
Assets under construction		621	599
Surplus Assets Held for Disposal		167	-
Non-Operational Assets		76,210	65,892
Total Tangible Fixed Assets	17-24	697,634	815,626
Long Term Debtors	25	3,652	4,250
Total Long Term Assets		701,286	819,876
Current Assets			
Stocks and Work in Progress	26	373	477
Debtors	27	12,510	12,194
Investments	28	71,710	60,390
Cash in Hand and Bank		190	13
Total Current Assets		84,783	73,074
Current Liabilities			
Cash at Bank Overdrawn		-	(742)
Temporary Loans		(1,431)	(1,433)
Short Term Borrowing	29	(15)	(19)
Creditors	30	(14,397)	(6,427)
Receipts in Advance	31	(5,389)	(4,027)
Total Current Liabilities		(21,232)	(12,648)
Current Assets Less Current Liabilities		63,551	60,426
Total Assets Less Current Liabilities		764,837	880,302
Long Term Borrowing	29	-	(2)
Creditors due after more than one year	32	(3,399)	(6,291)
Capital Contributions Unapplied	33	(4,989)	(3,188)
Capital Contributions/Grants Deferred	34	(8,279)	(7,962)
Capital Receipts Deferred	35	(278)	(331)
Provisions	36	(176)	(193)
Pension Liability		(44,048)	(39,529)
Total Assets Less Liabilities		703,668	822,806
Financed By:			
Collection Fund (Surplus)/Deficit		(684)	(14)
Fixed Asset Restatement Account		(586,658)	(711,833)
Capital Financing Account		(103,976)	(97,111)
Usable Capital Receipts Reserve		(21,878)	(19,118)
Pensions Reserve		44,048	39,529
Earmarked Reserves		(16,332)	(14,925)
General Fund		(10,858)	(12,009)
Housing Revenue Account		(7,330)	(7,325)
Total Equity	37	(703,668)	(822,806)

See Page 9

Statement of Total Movement in Reserves

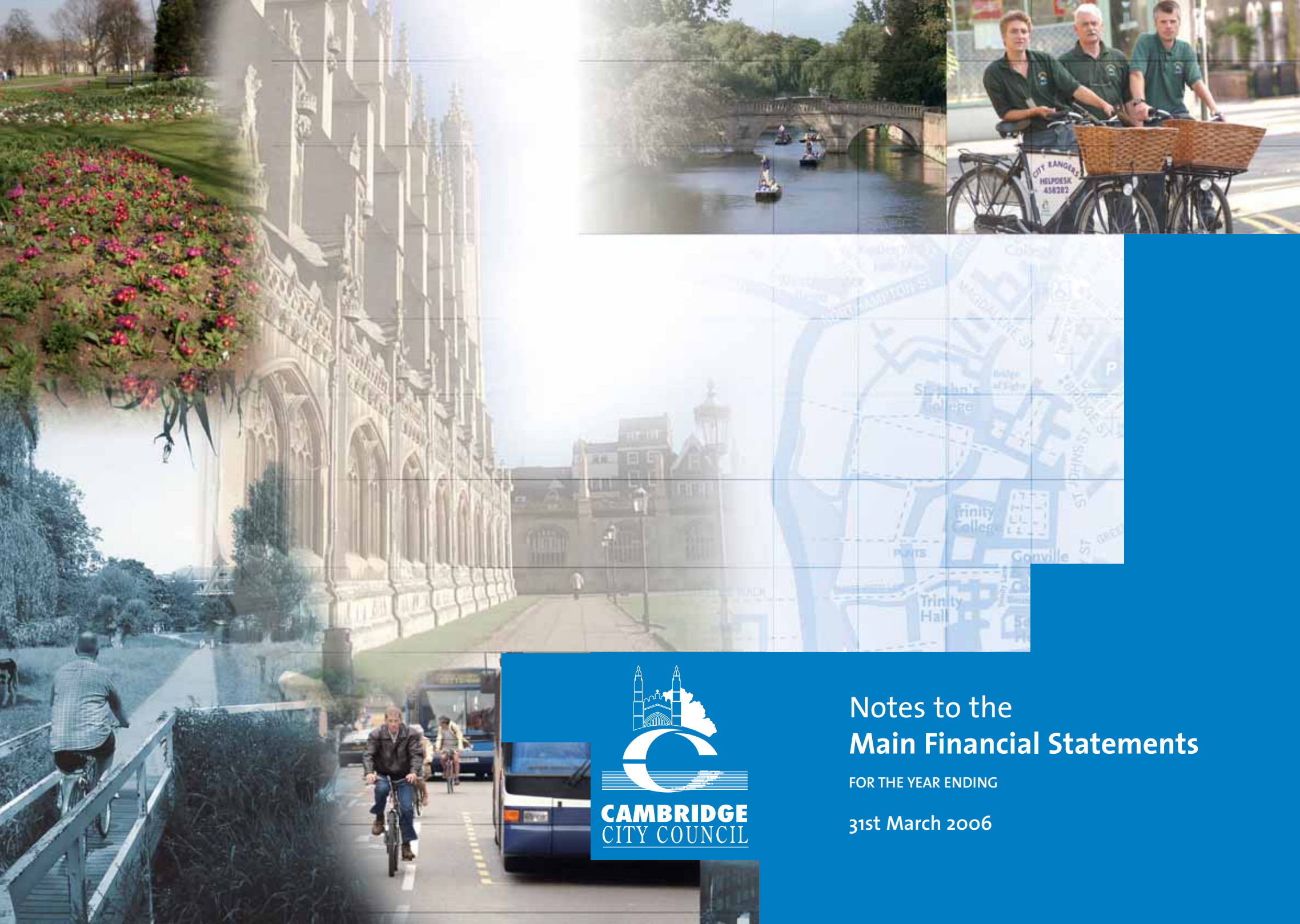
This statement details the changes in the Council's reserves in the year including those arising on the disposal of fixed assets.

(£000s)	CAPITAL RESERVES			REVENUE RESERVES				Total
	Fixed asset restatement account	Capital financing account	Usable capital receipts	Pensions reserve	General fund	Specific reserves	HRA	
Balance at 1 April 2005	(711,833)	(97,111)	(19,118)	39,529	(12,009)	(14,925)	(7,325)	(822,792)
Net (surplus)/deficit for the year	-	(91)	-	4,519	1,151	(1,407)	(5)	4,167
Unrealised losses on revaluation of fixed assets	115,001	-	-	-	-	-	-	115,001
Effects of disposals of fixed assets:								
Net book value of assets disposed of	10,174	-	-	-	-	-	-	10,174
Proceeds of disposals	-	-	(12,298)	-	-	-	-	(12,298)
Net (surplus)/deficit	10,174	-	(12,298)	-	-	-	-	(2,124)
Financing of fixed assets	-	(6,774)	6,774	-	-	-	-	-
Set aside of Capital receipts	-	-	-	-	-	-	-	-
Housing Pooled Capital Receipts	-	-	2,764	-	-	-	-	2,764
Balance at 31 March 2006	(586,658)	(103,976)	(21,878)	44,048	(10,858)	(16,332)	(7,330)	(702,984)
See Note	42 & 43	44	45	46	47	48	49	

The Cash Flow Statement

This statement summarises the movements of cash into and out of the Council arising from transactions with third parties.

(£000s)	Note	2005/06	2004/05
Revenue Activities			
Cash Outflows			
Employment Costs		34,066	33,092
Other Operating costs		38,897	43,396
Housing Benefit Paid		11,188	9,706
Cambridgeshire County Council and Police and Fire Authority Precept		37,409	35,879
Payment to NNDR Pool		63,190	56,075
Payments to the Capital Receipts Pool		2,566	1,336
Sub Total		187,316	179,484
Cash Inflows			
Rents (net of rebates)		(13,681)	(13,291)
Council Tax		(39,577)	(36,018)
Community Charge		(4)	(18)
Non-Domestic Rate Income		(63,466)	(56,952)
Non-Domestic Rate Income from National Pool		(3,316)	(3,014)
Revenue Support Grant	50	(7,711)	(7,711)
Housing & Council Tax Benefit Grant	50	(29,315)	(27,999)
Other Government Grants	50	(2,886)	(2,739)
Cash for Goods & Services		(39,652)	(42,410)
Other Revenue Cash Income		(55)	(328)
Sub Total		(199,663)	(190,480)
Net Cash Flow from Revenue Activities	51	(12,347)	(10,996)
Returns on Investments and Servicing of Finance			
Cash Outflows			
Interest Paid		67	64
Interest on Finance Lease Payments		2	3
Cash Inflows			
Interest Received		(3,258)	(2,831)
Returns on Investment & Servicing of Finance Net		(3,189)	(2,764)
Capital Activities			
Cash Outflows			
Capital Expenditure		19,981	19,707
Cash Inflows			
Capital Receipts		(12,298)	(14,443)
Capital Grants		(1,008)	(750)
Other Capital Contributions		(3,386)	(3,456)
Capital Activities Net Cash Outflow		3,289	1,058
Net cash (inflow) outflow before Financing		(12,247)	(12,702)
Management of Liquid Resources			
Short term Investments	52 & 53	11,320	14,200
Financing			
Repayment of Borrowing	52	6	8
Net Repayment Temporary Loans		2	6
(Increase)/decrease in Cash	54	(919)	1,512



CAMBRIDGE
CITY COUNCIL

Notes to the Main Financial Statements

FOR THE YEAR ENDING

31st March 2006

Notes to the Consolidated Revenue Account

1 Expenditure & Income on Services

The breakdown of services shown follows the groupings required by the Best Value Accounting Code of Practice and is intended to assist in making comparisons between different local authorities.

2 Trading Operations

The financial results of the Council's significant trading activities for the year are set out below.

General Market – The Council operates the general daily market in the City Centre together with a number of other smaller specialist markets.

(£000s)	2005/06	2004/05
Income	(591)	(550)
Expenditure	374	291
(Surplus)	(217)	(259)

Commercial and Industrial Property – The Council owns a number of commercial and industrial properties which it rents to local businesses.

(£000s)	2005/06	2004/05
Income from Tenants etc.	(5,915)	(5,196)
Expenditure	3,184	6,299
(Surplus)	(2,731)	1,103

The significantly greater expenditure in 2004/05 reflects the temporary write down in the value of certain properties (£3,340,000) whilst the Grand Arcade Scheme is in progress.

Building Control – The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. The Council sets charges for work carried out in relation to building regulations with the aim of covering all costs incurred. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The statement below shows the total cost of operating the building control unit divided between the chargeable and non-chargeable activities.

Building Regulations

Charging Account

2005/2006	2005/06	2005/06	2005/06	2004/05
	Chargeable	Non Chargeable	Total Building Control	Total Building Control
(£000s)				

Expenditure

Employee Expenses	348	164	512	416
Transport	4	1	5	4
Supplies and Services	67	20	87	129
Central and Support				
Service Charges	123	91	214	171
Total Expenditure	542	276	818	720

Income

Building Regulation				
Charges	(513)	-	(513)	(589)
Miscellaneous Income	-	(5)	(5)	(7)
Total Income	(513)	(5)	(518)	(596)
(Surplus)/Deficit	29	271	300	124

Other Trading Activities – The Council's City Services Department carries out a number of trading activities. These include building maintenance, printing, grounds maintenance, refuse collection, building and other cleaning and the operation of a PVC-u factory, manufacturing plastic windows for use in Council Dwellings and for sale to other local authorities.

(£000s)	2005/06	2004/05
Income	(20,020)	(19,798)
Expenditure	19,987	18,954
Less reimbursement back to clients	-	811
(Surplus)	(33)	(33)

3 Asset Management Revenue Account

The nature of the Asset Management Revenue Account is disclosed in note 5 on page 50.

(£000s)	2005/06		2004/05	
Income				
Capital Charges				
General Fund	(5,111)		(8,091)	
Housing Revenue Account	(32,178)		(31,507)	
Support Services	(714)		(368)	
DSO Accounts	(1,103)		(1,044)	
Government Grants Deferred	(253)	(39,359)	(203)	(41,213)
Expenditure				
Depreciation/Impairment	10,508		13,011	
External Interest Charges	69	10,577	67	13,078
Balance transferred to Consolidated Revenue Account		(28,782)		(28,135)

4 Adjustment for Depreciation

Each year, a local authority must calculate an amount, to be set-aside from the revenue account, to be used for the future repayment of external borrowing. This amount is known as the minimum revenue provision (MRP) and can be a zero figure. Depreciation costs charged to service accounts may be treated as an equivalent for MRP. The difference between the calculated MRP and depreciation charged to revenue has been credited back to the Consolidated Revenue Account.

(£000s)	2005/06	2004/05
Statutory MRP	0	0
Amount charged as depreciation/impairment	2,147	4,924
Credit to Consolidated Revenue Account	(2,147)	(4,924)
Net MRP	0	0

5 Transfer from the Capital Financing Account

The transfer from the Capital Financing Account to this account consists of the following items:

(£000s)	2005/06	2004/05
Financing of HRA Depreciation	(8,362)	(8,086)
Write down of capital grants	253	203
Write down of deferred charges	(3,367)	(5,305)
Financing of de-minimis capital expenditure	(525)	(453)
Contributions for deferred charges	2,181	4,276
Total	(9,820)	(9,365)

Further detail to this account can be found in Note 44 to the Statement of Total Movement in Reserves.

6 Section 137 Expenditure

The Local Government Act 2000 granted new powers to authorities in England and Wales to promote well-being in their area. As a consequence, the majority of the provisions of section 137 were repealed with effect from October 2000. No expenditure was incurred under the remaining provisions during the financial year.

7 Publicity Expenditure

Section 5 of the Local Government Act, 1986, requires local authorities to disclose expenditure on publicity in the financial year. In 2005/06 the City Council spent £681,759 (£675,118 in 2004/05). The expenditure is incurred by advertising for staff, discretionary and mandatory advertising and publicity in connection with various Council activities.

8 Agency Services

The Council operates Local Authority Parking Enforcement (LAPE) on behalf of Cambridgeshire County Council. The total cost in 2005/06 was £1,140,235 (£379,980 in 2004/05) of which the County reimbursed £397,902 (£161,050 in 2004/05). The net surplus, after external parking charges income, was £471,753 (£58,916 in 2004/05). Of this surplus, £135,876 was returned to the County and the remaining £335,877 is earmarked for future transport-related spending.

The Council also managed, on behalf of the County, the operation of on-street parking services and, for the period to 30 June 2005, the operation of park and ride sites. Net surplus income for 2005/06 of £1,190,676 from parking charges was reimbursable to the County.

Following the transfer of the City Council Engineering function to Cambridgeshire County Council, an Agency agreement has been in operation for the delivery of highway functions and services from 1 April 2005. Total reimbursable expenditure due to the County Council for City Council functions performed by it in 2005/06 was £214,227. Total reimbursable expenditure due to the City Council for County Council functions performed by it in 2005/06 was £158,412.

9 Local Authority (Goods and Services) Act 1970

This act empowers the Council to provide goods and services to other local authorities and to certain other public bodies. In 2005/06 the City Council received income of £2,555,006 (£2,951,990 in 2004/05) for services provided to Housing Associations, Trusts and other local authorities. The expenditure incurred was £2,484,971 (£2,915,275 in 2004/05).

10 Pensions Costs

Details of pension costs are included in the statement of Pensions Costs, Assets & Liabilities starting on page 42.

11 Members Allowances

The total allowances paid to members during the Municipal year 2005/06 were £229,437 (£177,987 in 2004/05). Details of individual Members' payments are published annually in the local newspaper, copies of which are distributed throughout the city.

12 Operating Leases

The Council made the following payments under operating leases in 2005/06:

(£000s)	2005/06	2004/05
Buildings	172	98
Equipment	44	46
Total	216	144

The Council is lessor of a number of commercial properties. These are accounted for as operating leases. Total rentals receivable for these properties amounted to £5.7 million in 2005/06, (£5.0 million in 2004/05).

13 Finance Leases

The Council also holds assets under finance leases. Payments in 2005/06 amounted to £2,247 (£2,891 in 2004/05) and all relate to buildings.

14 Related Party Transactions

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many transactions that the Council has with other parties (for example, Housing Benefits). Details of transactions with government departments are set out in a note to the Cash Flow Statement.

Members of the Council have direct control over the Council's financial and operating policies. During 2005/06, the Community Services Scrutiny Committee paid grants totalling £453,184 to voluntary organisations in which 6 members had an interest. The relevant members did not take part in any discussion or decision relating to the grants.

No other material transactions have been identified for disclosure which are not already included elsewhere in this Statement of Accounts.

15 Employee Remuneration

Details of the numbers of City Council staff whose remuneration was £50,000 or more are set out below. These are shown in bands of £10,000.

	2005/06	2004/05
£50,000 - £59,999	8	8
£60,000 - £69,999	2	4
£70,000 - £79,999	3	-
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1

There are no staff who receive payments above £99,999. Remuneration excludes employer's and employees' pension contributions, but includes any other employee benefits, calculated on the basis of the taxable benefits to which they give rise.

16 Audit Costs

In 2005/06 Cambridge City Council incurred the following fees relating to external audit and Inspection.

(£000s)	2005/06	2004/05
Fees Payable to the Audit Commission in respect of:		
External audit services carried out by the appointed auditor	100	98
Fees payables in respect of statutory inspection	2	2
Certification of grant claims and returns	15	22
Fees payable in respect of other services	3	
Total	120	122

Notes to the Consolidated Balance Sheet

17 Tangible Fixed Assets and Capital Expenditure

The table below explains the movement in the value of tangible fixed assets in the balance sheet for 2005/06.

(£000s)	Operational Assets					Non-Operational Assets			Total
	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equipment	Infra-structure Assets	Community Assets	Investment Properties	Assets under construction	Surplus Assets for Disposal	
Opening Gross Book value as at 1 April 2005	671,911	73,442	6,837	604	806	68,681	599	-	822,880
Adjustment to B/fwd balance (Note 1)	-	-	6	-	-	-	-	-	6
Additions	10,840	2,528	1,440	69	-	2,228	621	167	17,893
Completion of Work In Progress	-	550	49	-	-	-	(599)	-	0
Disposals	(7,688)	-	(761)	(210)	-	(2,410)	-	-	(11,069)
Revaluations	(144,132)	9,253	-	-	-	10,311	-	-	(124,568)
Gross book value as at 31 March 2006	530,931	85,773	7,571	463	806	78,810	621	167	705,142
Opening Depreciation & Impairment 1 April 2005 (Note 2)	-	(1,434)	(2,317)	(93)	(22)	(3,388)	-	-	(7,254)
Depreciation	(8,317)	(1,073)	(1,078)	(15)	(25)	-	-	-	(10,508)
Depreciation adjustment on revaluations	8,317	1,246	-	-	-	-	-	-	9,563
Depreciation eliminated on disposed assets	-	-	686	5	-	-	-	-	691
Accumulated depreciation/impairment as at 31 March 2006	-	(1,261)	(2,709)	(103)	(47)	(3,388)	-	-	(7,508)
Net Book value as at 31 March 2006	530,931	84,512	4,862	360	759	75,422	621	167	697,634
Net Book value as at 31 March 2005	671,911	72,008	4,520	511	784	65,293	599	-	815,626

Note 1 The Council has undertaken a review of the fixed asset register. Opening balances have been adjusted to reflect the result of this exercise.

Note 2 £3,340k of the brought forward impairment relates to properties which have been demolished as part of a significant city centre redevelopment. On completion of the head lease these properties will be replaced by an interest in the new Grand Arcade shopping centre.

18 Rolling Programme of fixed assets revaluation

The following statement shows the progress of the Council's rolling programme for the revaluation of assets. Current year valuations were carried out by:

- ◆ Ms N Coulson Msc MRICS (District Valuer);
- ◆ Mr J Sommerville BSc (Hons) MRICS (Bidwells);

The basis for valuation is set out in the statement of accounting policies on page 49.

The following statement should be noted with regards to the valuations carried out by Bidwells Property Consultants: -

In reaching the final valuation figure, Bidwells has departed from the Appraisal and Valuation Standards prepared by the Royal Institution of Chartered Surveyors. This is because the valuation of the portfolio is such that Bidwells have only been instructed to inspect operational properties not previously inspected by them at the date of valuation (31 March 2006). They have therefore relied on information either obtained by them in 1994, 1999, 2001 or first and subsequently provided by Cambridge City Council in order to reach their conclusions.

The gross book value of assets valued by Bidwells Property Consultants during the 2005-06 valuation process totalled £66.4 million, this equates to 11.1% of the total gross valuations carried out during the year.

(£000s)	Council Dwellings	Other land & buildings	Vehicles Plant & Equipment	Infra-structure assets	Community Assets	Non-Operational Assets	Total
Valued at Historic Cost							
	-	-	7,571	463	806	788	9,628
Valued at current value as at :							
31 March 2006	530,931	51,933	-	-	-	28,192	611,056
31 March 2005		11,429	-	-	-	11,306	22,735
31 March 2004	-	9,285	-	-	-	14,971	24,256
31 March 2003	-	5,933	-	-	-	7,207	13,140
31 March 2002	-	7,193	-	-	-	17,134	24,327
Total	530,931	85,773	7,571	463	806	79,598	705,142

The last **full** valuation was carried out during 1998/99, using a valuation date of 31 March 1999.

19 Depreciation – Useful Lives

The majority of the Council's operational assets are council dwellings. The District Valuer last carried out a full valuation of council dwellings during 2005/06. Council dwellings are placed into three useful life bandings. Assets built before 1945 were assessed as having a remaining useful life of 36 years, those built between 1945 and 1974 having a remaining useful life of 46 years and those built from 1974 onwards having a remaining useful life of 56 years. These assets are being depreciated in accordance with the HRA Resource Accounting regulations, which came into effect from 1 April 2001.

The remaining operational assets that have useful lives are being depreciated in accordance with the statement of accounting policies outlined on page 49. At the end of the financial year impairment reviews were carried out by the Asset Registrar Mr D Hirsch MSc FRICS (internal), on those operational assets not depreciated, no additional impairments were identified.

The useful lives of assets are estimated as:

Class of Asset	Council Dwellings	Other Buildings	Plant & Equipment	Vehicles	Infra-structure Assets	Community Assets
Useful life by years	38 - 60	60	3 - 20	3 - 10	40	10 - 60

20 Physical Assets Held

Major assets held at 31 March 2006 were: -

	31 March 2006 No.	31 March 2005 No.
Dwellings		
Housing Stock	7,600	7,687
Shared Ownership	99	100
Operational Assets		
Operational Offices	12	12
Sports/Swimming	6	7
Depots	2	2
Car Parks	9	9
Community Centres	8	7
Concert Hall	1	1
Public WCs	13	11
Cemetaries	1	1
Crematorium	1	1
Weekly Let Garages	1,901	1,901
Surgery	1	1
Non-Operational Assets		
Development Sites	2	2

	31 March 2006 No.	31 March 2005 No.
Infrastrutture Assets		
Private Roads/Paths	3	4
Community Assets		
Skateboard Ramps/Play Areas	11	5
Pavillions	3	4
Allotment Site & Buildings	3	3
Nature Reserve	1	1
All Weather Pitch	1	-
Concert Hall	1	1
	Area in Hectares	
Commons	109	109
Allotments	34	34
Public Open Space	83	83

21 Capital expenditure and financing

(£000s)	2005/06	2004/05
Opening Capital Financing Requirement	(1,281)	(2,987)
Capital Expenditure		
Council Housing	11,017	7,692
Renovation & Disabled Facilities Grants	1,062	1,025
Assistance to Housing Associations	91	210
Leisure and Community Facilities	3,036	1,090
Environmental Improvements	2,322	4,150
Car Parks & Parking Enforcement	207	2,230
Waste Collection	838	993
Commercial Properties	2,240	312
Other (Administrative Properties & Equipment)	971	1,475
Financed by		
Capital Receipts	(6,774)	(3,799)
Direct Revenue Financing	(12,006)	(8,822)
Grants and Contributions	(3,004)	(4,850)
Closing Capital Financing Requirement	(1,281)	(1,281)

22 Capital Commitments

At the 31 March 2006, the Council was contractually committed to capital works valued at approximately £8.1 million. The majority of capital expenditure under these contracts will be incurred in 2006/07 except for £1.0 million of General Fund works due in 2007/08.

(£000s)

31 March 2006 31 March 2005

General Fund

Queen Anne Terrace Car Park Improvements	-	235
Compulsory Purchase Orders	-	100
Chesterton Community College Sports Hall	-	231
Public Conveniences	216	27
Mobile CCTV Cameras	-	68
East Chesterton Community Centre	-	842
Replacement and upgrade of PS 2000	-	3
Cycleways	-	120
Arbury Park	2,758	-
Refuse Collection Vehicles	226	-
Capital works at the Crematorium	74	-
Buchan Street Neighbourhood Centre	79	-
Controlled Drinkers Project	500	-
Housing Association Scheme at Cambourne	105	-
St Andrews Hall	246	-
Other Works - Less than £50,000	182	121
HRA		
Decent Homes Capital Programme	3,675	-
Other Works	-	153
Total	8,061	1,900

23 Operating leases

At 31 March 2006 the future liability under existing operating leases was as follows:

(£000s)	Buildings	Other	Total
Future Rental Liabilities			
Leases expiring in 2006/07	-	-	-
Leases expiring between 2007/08 and 2010/11	-	-	-
Leases expiring after 2010/11	2,054	34	2,088
Total	2,054	34	2,088

With regard to the Authority's activity as a lessor, the gross value of assets held for use in operating leases granted on commercial property was £78.8 million (£68.7 million in 2004/05). These assets are held as investment properties in accordance with the SORP and accordingly no depreciation is charged upon them.

24 Finance leases

The following assets are held under finance leases by the Council, accounted for as part of Tangible Fixed Assets:

(£000s)	Valuation at 31 March 2006	Valuation at 31 March 2005
Property Leases	1,439	3,344

As these assets are held as investment properties no depreciation was charged on them during the period.

Lease payments in 2005/06 were £2,247. These payments were accounted for as finance costs.

25 Long Term Debtors

These are debtors which fall due after a period of at least one year.

(£000s)	Balance at 31 March 2005	Additions in the Year	Written Down in the Year	Balance at 31 March 2006
Debt Redemption Premium	3,918	-	(545)	3,373
Mortgages	206	-	(41)	165
Other	126	-	(12)	114
Total	4,250	-	(598)	3,652

26 Stocks and Work in Progress

(£000s)	31 March 2006	31 March 2005
Stocks		
City Services Department	302	329
Other	44	43
Total Stocks	346	372
Work-in-progress		
City Services Department	27	105
Total Work-in-progress	27	105
Total	373	477

27 Debtors

(£000s)	31 March 2006	31 March 2005
Amounts falling due within one year		
Government departments	1,400	476
Housing tenants	1,189	1,132
Community charge payers	4	8
Council tax payers	8,838	8,461
Sundry debtors	5,848	6,440
Total	17,279	16,517
Less provision for bad debts	(4,769)	(4,323)
Total	12,510	12,194

28 Investments

(£000s)	Value at 31 March 2006	Cost at 31 March 2006	Value at 31 March 2005
Money market investments	71,710	71,710	60,390

29 Borrowing

(£000s)	Range of Interest rates payable (%)	31 March 2006	31 March 2005
Source of Loan			
Individuals	3.5 to 4.25	15	21
Total		15	21

An analysis of loans by maturity is set out below:

Maturing within one year	Short Term	15	19
Long term liabilities			
Maturing in 1-2 years		-	2
Maturing in 2-5 years		-	-
Maturing after one year	Long Term	-	2
Total		15	21

30 Creditors

(£000s)	31 March 2006	31 March 2005 (Restated)
Government Departments	1,668	617
Capital Creditors	2,368	563
Developers' Contributions	4,639	629
Sundry Creditors	5,722	4,618
Total	14,397	6,427

31 Receipts in Advance

(£000s)	31 March 2006	31 March 2005 (Restated)
Council Tax	2,429	2,157
National Non Domestic Rate	1,708	689
Section 106 Maintenance	309	311
Other	943	870
Total	5,389	4,027

32 Creditors due in more than one year

(£000s)	31 March 2006	31 March 2005 (Restated)
Developers' Contributions	3,399	6,291
Total	3,399	6,291

33 Capital Contributions Unapplied

This account includes unspent capital contributions from developers where the Council has no obligation to repay if projects are not completed within a specified timescale.

34 Government Grants – Deferred Account

This account reflects the deferred credit method of accounting for capital grants, required under SSAP4. Grants or contributions received to meet capital expenditure are credited to this account and a proportion of the sum is released to the asset management revenue account over a number of years in line with the depreciation of those assets.

35 Capital Receipts Deferred

Deferred Capital Receipts are amounts due from the sale of assets and from loans given to meet capital expenditure, which will be received in instalments over agreed periods of time. They arise principally from mortgages on sales of council houses.

36 Insurance Provision

This provision has been set aside to meet the estimated cost to the Council of outstanding insurance claims. However, the actual cost (if any) of individual claims and the timing of payments are uncertain and may be dependent on the results of negotiation and/or legal action.

Under current insurance arrangements, the Council takes responsibility for meeting the first £10,000 of any liability or motor claim up to a total combined loss in any insurance year of £275,000. For property losses the Council is responsible for meeting up to £150,000 of claims in respect of General Fund property from the provision and up to £250,000 for HRA property from the HRA. Claims or losses in excess of these amounts are met by the Council's external insurers.

(£000s)

	2005/06	2004/05
Balance as at 1 April 2005	193	265
Movement in the year	(17)	(72)
Balance as at 31 March 2006	176	193

37 Analysis of Net Funds Employed

(£000s)	31 March 2006	31 March 2005 (Restated)
General Fund	133,179	114,889
Housing Revenue Account	570,489	707,917
Total	703,668	822,806

38 Contingent Liabilities and Assets

At the end of the 2003/04 financial year the Council compulsory purchased a property. The obligation to compensate the previous owner arises when the claimant actually claims compensation and such amount is agreed or awarded by the Lands Tribunal.

The claimant has 12 years from the date of purchase to make a claim for compensation and is entitled to the value of land and property, plus interest accrued in accordance with the interest rate set in the Land Compensation Act 1961. The value plus accumulated interest at 31 March 2006 is £320,962.

The claimant has been notified of their rights but no indication has yet been received on when the amount may become payable.

The Council, on 28 July 2003, made a Compulsory Purchase Order (CPO) to facilitate a new shopping centre in Cambridge. The CPO was confirmed in September 2004 and the land vested in the Council on 5 January 2005. A total of five claims have now been received, with one claim outstanding. One claim has been settled and two claimants have received 90% advance payments of compensation. Payments totalling £2,639,000 have been made. It is anticipated that the claims where advance payments have been made will be settled in 2006/07, however the rest of the claimants have so far provided insufficient detail in support of their claim to enable advance payments to be determined.

An indemnity agreement was completed on 17 July 2003 with the Grand Arcade Partnership (GAP), a special purpose vehicle comprising Grosvenor Developments and the Universities Superannuation Scheme, which ensures that monies are transferred to the Council from GAP at least three days before the Council has to make any payments.

During 2005/06 the Council settled a mesothelioma claim brought by the widow of a former employee. The Council's insurers are currently refusing to cover the claim, as they believe that the wording of the employer's liability insurance cover is such that the circumstances are not covered.

Solicitors who are dealing with the claim on behalf of the Council are hopeful that the claim will be settled by the insurers and the costs incurred to date of £116,000 (including legal costs) will be recoverable.

The Council is currently awaiting the reports of expert witnesses, regarding possible construction defects at Parkside Pool. The outcome of these reports will determine whether it will be in the Council's best financial interest to pursue a legal case against the contractors.

39 Deferred Charges

(£000s)	2005/06	2004/05
Balance as at 1 April 2005	0	0
Improvement grants	1,062	935
Grant to support building of Junction CDC	-	325
Grant to support Chesterton Community College Sports Hall	231	-
Other grants	1,488	3,056
Other expenditure	586	989
Written off to Consolidated Revenue Account	(3,367)	(5,305)
Balance as at 31 March 2006	0	0

40 Introduction of the Euro

The Council has considered the impact of the introduction of the Euro. The future costs of dealing with the Euro are not expected to be significant and will be accounted for as incurred.

41 Effect of Change in Accounting Policy for Developers' Contributions

In previous years unspent developers' contributions were held as earmarked reserves. The total balance held at 31 March 2005 was £10,419,590. In line with the new guidance in the Statement of Recommended Practice Practitioners' Guidance Notes, which interpret Application Note G of FRS 5 (Reporting the Substance of Transactions), it is now felt more appropriate to deal with the unspent balances as follows:

Contributions in respect of commuted sum maintenance agreements are now held as receipts in advance.

Where an agreement with a developer (Section 106) provides for the return of contributions made if capital projects are not carried out within a specified period, any advances are now held as creditors until the Council is able to satisfy the conditions for retaining the money. This will usually be commencement of a project or payment of the monies to another body.

All other unspent contributions are held as capital contributions unapplied.

The comparative balance sheet figures as at 31 March 2005 have been adjusted to reflect the movement of balances from earmarked reserves as follows:

(£000s)	Receipts in Advance	Creditors due in more than one year	Creditors due in more than one year	Capital Contributions Unapplied	Earmarked Reserves
Original Balance	(3,716)	(5,798)	-	-	(25,344)
Commuted Maintenance Sums	(311)	-	-	-	311
Unspent Capital Contributions	-	(629)	(6,291)	(3,188)	10,108
Restated Balance	(4,027)	(6,427)	(6,291)	(3,188)	(14,925)

The change in policy has no impact on the results for 2004/05. However the appropriation to the Consolidated Revenue Account to reflect the grant funding of deferred charges is now shown separately as part of the transfer from the Capital Financing Account, rather than as part of capital expenditure financed from revenue and reserves.

The effect of the change in Accounting Policy on the Balance Sheet at 31 March 2006 is to disclose unspent developers' contributions of £13.3 million, which would previously have been included as earmarked reserves, as Receipts in Advance (£0.3 million), Creditors due in less than one year (£4.6 million), Creditors due in more than one year (£3.4 million) and Capital Contributions Unapplied (£5.0 million).

Notes to the Statement of Total Movement in Reserves

Capital Reserves

42 Fixed Asset Restatement Account

This account is debited or credited with the deficits or surpluses arising on the revaluation of assets and is written down by the net book value of assets as they are disposed of.

(£000s)	2005/06			2004/05
	General Fund	HRA	Total	Total
Balance as at 1 April	(104,217)	(607,616)	(711,833)	(695,217)
(Surplus)/Deficit on revaluation of fixed assets	(19,981)	134,982	115,001	(29,027)
Disposal of fixed assets	2,486	7,688	10,174	12,411
Balance as at 31 March	(121,712)	(464,946)	(586,658)	(711,833)

43 Disposal of Fixed Assets

(£000s)	2005/06			2004/05
	General Fund	HRA	Total	Total
Book amount of assets disposed of during the year	3,380	7,688	11,068	12,849
Accumulated depreciation on disposed assets	(691)	-	(691)	(438)
Deferred Grant written out	(203)	-	(203)	-
Net book value of disposed assets	2,486	7,688	10,174	12,411

44 Capital Financing Account

The Capital Financing Account contains the amounts, which are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

(£000s)	2005/06	2004/05
Balance as at 1 April 2005	97,111	98,767
Capital receipts set aside	-	(2,255)
Capital financing		
- Capital receipts	6,774	6,053
- Revenue and reserves	12,006	8,822
- Grants	52	14
MRP (less depreciation provision)	(2,147)	(4,924)
Write down of deferred capital contributions	253	203
Capital contributions for deferred charges	2,181	4,276
Write down of deferred charges	(3,367)	(5,305)
Write down of de-minimis capital expenditure	(525)	(453)
Transfer to Major Repairs Reserve	(8,362)	(8,087)
Balance as at 31 March 2006	103,976	97,111

45 Usable Capital Receipts

This is the balance of capital receipts which remain available to meet capital expenditure after a proportion (in accordance with Government regulations) has been reserved to meet future debt repayments.

(£000s)	2005/06	2004/05
Balance as at 1 April 2005	19,118	9,809
2005/06 Capital Receipts	12,298	14,916
Housing Pooled Capital Receipts	(2,764)	(1,809)
Transfer from Provision for Credit Liabilities	-	2,255
Applied to finance new expenditure	(6,774)	(6,053)
Balance as at 31 March 2006	21,878	19,118

Revenue Reserves

46 Pension Assets and Liabilities

Details of pension assets and liabilities are included in the statement of Pensions Costs, Assets & Liabilities starting on page 42.

47 General Fund Reserves

General Fund Reserves provide a working balance needed to finance expenditure in advance of income received from services, Council Tax and grant and to meet unexpected costs. Any excess may be used, at the discretion of the Council, to support the revenue budget and/or finance capital projects.

48 Specific Reserves

These are reserves set aside or earmarked for specific purposes. The total at 31 March 2006 was made up as follows: -

(£000s)	Balance at 1 April 2005 (Restated)	Movement	Balance at 31 March 2006
Asset Repair and Renewal Reserves	(9,928)	(917)	(10,845)
Major Repairs Reserve	(719)	0	(719)
Insurance Fund	(570)	20	(550)
Efficiency Fund	(172)	0	(172)
Technology Investment Fund	(1,136)	15	(1,121)
Shared Ownership Reserve	(300)	0	(300)
Commutation Adjustment	(887)	0	(887)
Local Plan Review Reserve	(217)	(188)	(405)
Compulsory Purchase Order Compensation Reserve	(308)	(13)	(321)
Other Reserves	(688)	(324)	(1,012)
Total	(14,925)	(1,407)	(16,332)

Asset Repair & Renewal Reserves are maintained to fund the periodic replacement of assets such as vehicles, plant and equipment and for major repairs to Council owned premises. Annual contributions are based on estimated replacement and repair costs, spread over the anticipated life of assets.

The **Major Repairs Reserve** is maintained to contribute towards the funding for major repairs to Council houses.

The **Insurance Fund** is maintained to provide cover for potential damage to Council assets and other losses, where it is deemed more

cost effective for the Council to self-insure rather than take out external insurance with a third party.

The **Efficiency Fund** was set up to meet the initial costs of efficiency measures that will, in the longer term, save the Council costs and/or improve the efficiency of services.

The **Technology Investment Fund** was set up to contribute towards the costs of investment in Information Technology systems and infrastructure.

The **Shared Ownership Reserve** provides funding for the purchase back by the Council of equity in shared ownership houses.

The **Commutation Adjustment Reserve** is available to assist the financing of any amount required to be set aside from revenue for debt repayment.

The **Local Plan Review Reserve** was established to provide for the potential costs of public enquiries into the Local Plan.

A **Compulsory Purchase Order Compensation Reserve** is held to meet claims for compensation following the compulsory purchase by the Council of domestic properties in order to bring them back into use.

Other Reserves includes:

- Accumulated surpluses from Building Control activities held for future investment in this service.
- Sums set aside for the award of Historic Buildings Act grants.
- Sums set aside to meet the costs of community development projects
- Sums set aside for improvements to the Council's property holding to assist lettings

49 HRA Reserves

Housing Revenue Account reserves provide a working balance and in addition may be used to support the revenue or capital spending of the HRA.

Notes to the Cash Flow Statement

50 Analysis of Government Grants

(£000s)	2005/06	2004/05
Housing & Council Tax Benefit Grants	(29,315)	(27,999)
Revenue Support Grant	(7,711)	(7,711)
Housing Revenue Account Subsidy	-	(107)
Supporting People	(1,026)	(1,041)
Implementing Electronic Government	(150)	(350)
Community Safety	(219)	(199)
Homeless and Rough Sleepers	(362)	(498)
Waste Collection	(18)	(74)
Planning Delivery	(350)	(236)
Local Authority Business Growth Incentive	(481)	-
Choice Based Lettings	(181)	-
Other Government Grants	(99)	(234)
Total	(39,912)	(38,449)

51 Reconciliation of Net Surplus on the Consolidated Revenue Account to the Movement in Cash

(£000s)	2005/06	2004/05
Deficit/(Surplus) for the year		
General Fund	1,151	(909)
Adjustment for Non-Cash Transactions		
Reduction in Provisions	17	75
Contributions (to)/from Reserves		
- Collection Fund	(670)	(284)
- HRA Reserves	(5)	(1,052)
- Other	(1,407)	(1,500)
Revenue financing of capital	(12,006)	(12,592)
Other Non-Cash Transactions	1,738	5,485
Other Adjustments		
Investment Income	3,258	2,831
Finance Lease Interest Charges	(2)	(3)
Interest Paid	(67)	(64)
Cash Movements		
(Decrease)/Increase in Stocks & Work in Progress	(104)	(30)
Increase/(Decrease) in Debtors	(732)	(2,637)
Decrease/(Increase) in Creditors & Receipts in Advance	(3,518)	(316)
Net Cash flow from Revenue Activities	(12,347)	(10,996)

52 Analysis of Changes in Management of Liquid Resources & Financing

(£000s)	Balance 31 March 2006	Balance 31 March 2005	Movement In Year
Management of Liquid Resources			
Short Term Investments	71,710	60,390	11,320
Financing			
Repayment of Borrowing			
Local Bonds	(15)	(21)	6
Net Repayment of Temporary Loans	(1,431)	(1,433)	2
Increase in Liquid Resources	70,264	58,936	11,328

53 Liquid Resources

These comprise of funds invested either overnight or on a short term basis of up to 1 year. The value of surplus funds invested during 2005/06 was £664,120,000 (£464,240,000 in 2004/05) and the value of investments that were repaid was £652,800,000 (£450,040,000 in 2004/05), giving a net increase in the year of £11,320,000 (£14,200,000 in 2004/05). During the year the Council updated its approved lending list.

54 Movement in Cash

Cash is defined as cash in hand and deposits repayable on demand, less overdrafts.

(£000s)	Balance 31 March 2006	Balance 31 March 2005	Movement In Year
Cash in Hand/at Bank	190	13	177
Bank Overdraft	-	(742)	742
Increase/(Decrease) in Cash	190	(729)	919

55 Reconciliation of net cash flow to movement in net Funds

(£000s)	Balance 31 March 2006	Balance 31 March 2005	Movement In Year
Increase / (Decrease) in Cash	190	(729)	919
Repayments of Borrowing	(1,446)	(1,454)	8
Cash outflow from increase in liquid resources	71,710	60,390	11,320
Movement in Net Funds in year			12,247
Net Funds as at 1 April 2005			58,207
Net Funds as at 31 March 2006			70,454



**CAMBRIDGE
CITY COUNCIL**

Additional Financial Statements and Information

FOR THE YEAR ENDING

31st March 2006

Housing Revenue Account

This statement sets out details of the income and expenditure in relation to the provision of Council houses.

(£000s)	Note	2005/06	2004/05
Income and Expenditure Account	1		
INCOME			
Gross Rent - Dwellings	2	(23,804)	(22,783)
Gross Rent - Garages / Land		(1,054)	(1,024)
Charges for services and facilities		(1,379)	(1,327)
Contributions towards expenditure		(389)	(452)
Total		(26,626)	(25,586)
EXPENDITURE			
Repairs & Maintenance		5,695	5,245
Supervision and Management		5,052	5,028
Rents, rates taxes and other charges		137	129
Negative Subsidy	3	7,852	8,905
Provision for Bad Debts		205	172
Sums directed by the Secretary of State	4	319	167
Capital Charges	5	23,776	23,385
Depreciation	6	8,362	8,086
Corporate Overheads		226	226
Total		51,624	51,343
Net Cost of Services		24,998	25,757
Loan Interest Early Redemption Premium		545	540
Capital Charges - Loan Interest	7	40	35
HRA - Asset management revenue account		(23,776)	(23,385)
Investment Income - Mortgage interest		(13)	(15)
- Interest on balances		(452)	(368)
Net Operating Expenditure		1,342	2,564
Contribution (from) Reserves		93	(119)
Movement (from) Pension Reserve		(428)	(384)
Transfer (from) Major Repairs Reserve		(3,446)	(3,370)
Revenue funding of Capital Expenditure		2,434	257
Deficit / (Surplus) for the year		(5)	(1,052)
HRA Reserves Brought Forward		(7,325)	(6,273)
HRA Reserves Carried Forward		(7,330)	(7,325)

Notes to the Housing Revenue Account

1 Introduction

The Local Government and Housing Act 1989 set the framework within which the Housing Revenue Account (HRA) operates. The account is 'ringfenced', meaning that authorities do not have the discretion to fund any deficits from the General Fund. Transfers from the General Fund can only be made at the direction of the Secretary of State.

2 Gross Rent

This represents income receivable in respect of all dwellings within the HRA, gross of rent rebates and net of rents not payable when properties are empty. As at 31 March 2006, 1.65% of properties were vacant (1.30% at 31 March 2005).

The average rent payable in 2005/06 was £65.54 per week based on 48 rent weeks in 2005/06 (£60.50 per week on a 52 week basis). The average rent payable in 2004/05 was £62.29 per week based on 48 rent weeks (£57.50 per week on a 52 week basis).

3 Housing Revenue Account Subsidy Payable

Following removal of rent rebates from the Housing Revenue Account to the General Fund with effect from 1st April 2004 the Council is now required to pay Housing Revenue Account Subsidy to Central Government to match the surplus on the notional HRA.

The Authority's HRA subsidy payable for 2005/06 was calculated as follows:

(£000s)	2005/06	2004/05
Management and Maintenance	10,057	8,750
Capital Charges	1,059	941
Admissable Allowance	79	119
Anti-Social Behaviour Allowance	-	1
	11,195	9,811
Notional Rent	(24,021)	(23,394)
Interest on receipts	(12)	(14)
	(12,838)	(13,597)
Major Repairs Allowance	4,916	4,716
Defects Reinstatement Loan	43	43
Defects Repurchases Loan	6	6
Subsidy Receivable	(7,873)	(8,832)
Adjustment to subsidy required in future years	(21)	-
Estimated adjustment to subsidy for prior year	-	102
Actual adjustment to subsidy for prior year	42	(175)
Subsidy included in HRA Summary	(7,852)	(8,905)

4 Sums Directed by the Secretary of State

This sum is payable to the General Fund in respect of Rent Rebate subsidy limitation transitional arrangements.

5 Capital Charges

In line with the Resource Accounting arrangements for the HRA, in addition to asset depreciation, the HRA bears a notional interest charge designed to reflect the cost of capital tied up in Council Housing and other assets. This is calculated at 3.5% of the value of its operational assets (2004/05 3.5%). This notional interest charge is reversed in the accounts, below the net cost of services, so that it does not impact on housing rents.

As in previous years, the actual charge to the HRA is its' share of the external interest costs of the Council (see Note 7).

6 Asset Values within the HRA and Depreciation

(£000s)	Asset Values		Depreciation	
	1 April 2005	31 March 2006	2005/06	2004/05
Operational Assets				
Dwellings	671,912	530,931	8,317	8,042
Other Land & Buildings	4,402	4,629	45	44
	676,314	535,560	8,362	8,086
Non Operational Assets	3,005	3,569		
Total Fixed Assets	679,319	539,129	8,362	8,086

The value of council dwellings at 1 April 2005, based on vacant possession, was £1,179 million. (2004/05: £1,160 million). The Vacant Possession value is the estimate of the total sum that would be received if all the dwellings were sold on the open market. The balance sheet value is calculated on the basis of rents receivable on existing tenancies. These are less than the rent that would be obtainable on the open market, and the balance sheet value is therefore lower than the Vacant Possession Valuation. The difference between the two values

therefore shows the economic cost of providing housing at less than market value.

7 Loan Interest Charges

Authorities manage their debt as a whole and no separate record is kept of loans taken out for HRA purposes. However notional HRA debt is estimated by reference to a calculation called the HRA credit ceiling. The credit ceiling is a measure of net HRA indebtedness which takes account of new borrowing taken out each year, assumed to be for HRA purposes, and the assumed repayment of existing HRA debt. The loan interest charges met by the HRA are calculated by multiplying the mid-year credit ceiling by the Council's average rate of interest for long-term borrowing.

8 Housing Stock

The Council was responsible for an average stock of 7,689 dwellings during the year. The stock as at 31 March 2006 was as follows:-

	31 March 2006	31 March 2005
Houses & Bungalows	3,806	3,844
Flats	3,124	3,173
Sheltered Housing Units	670	670
Shared Ownership Properties	45	46
Total	7,645	7,733

The change in stock during the year can be summarised as follows:

	7,733	7,880
Stock as at 1 April 2005		
Less Sales	(83)	(109)
Sales of Whitlocks/Wulfstan Way	-	(33)
Reduced units at Rawlyn court	-	(7)
Other changes	(5)	2
Stock as at 31 March 2006	7,645	7,733

9 Rent Arrears

Rent arrears for the year ended 31 March 2006 were £1,185,519 (£1,083,957 in 2004/05) and as a proportion of gross rent income have increased from 4.27% in 2004/05 to 4.49% in 2005/06.

At 31 March 2006 a provision for bad debts of £819,285 was held in the balance sheet (£709,567 at 31 March 2005).

10 Financing of Capital Expenditure within the HRA

(£000s)	2005/06	2004/05
Housing		
Usable Capital Receipts	3,448	2,970
Major Repairs Reserve	4,916	4,716
Revenue Financing of Capital	2,434	-
Capital Grants	-	14
Repairs & Renewals Fund	-	241
Use of Earmarked Reserves	52	3
Total	10,850	7,944

11 Capital Income within the HRA (Net of Capital Receipts Pooling)

(£000s)	2005/06	2004/05
Dwellings	5,701	10,604
Land	411	358
Total	6,112	10,962

12 Major Repairs Reserve

(£000s)	2005/06	2004/05
Balance as at 1 April 2005	719	719
Transfer to MRR during the year	8,362	8,086
Amount transferred from MRR to HRA	(3,446)	(3,370)
HRA Capital Expenditure on housing charged to MRR	(4,916)	(4,716)
Balance as at 31 March 2006	719	719

13 Contributions from the Pensions Reserve

The Housing Revenue Account is charged with an attributable share of current service costs in line with FRS17. The difference between this cost and employers' contributions payable is then appropriated from the pensions reserve so that the overall amount to be met from rent and Government subsidy reflects employers' contributions payable by the Council.

Collection Fund

This shows the transactions in relation to the collection of Council Tax and National Non-domestic Rates (NNDR). The account shows how the amounts collected have been distributed to Cambridgeshire County Council, Police and Fire Authorities and to the City Council's General Fund as well as to the NNDR Pool.

(£000s)	Note	2005/06	2004/05
Income and Expenditure Account			
Income			
Council Tax	2	(43,476)	(41,209)
National Non-Domestic Rates	3	(63,176)	(56,371)
Reduction in Community Charge Bad Debt Provision		(4)	(13)
Total Income		(106,656)	(97,593)
Expenditure			
Precepts and Demands	4	42,384	40,657
Allowable Costs of NNDR Collection		236	233
Payment to NNDR Pool	3	62,940	56,138
Provision for non-payment of Council Tax	5	406	250
Community Charge Surplus Transfer to General Fund	6	20	31
Total Expenditure		105,986	97,309
(Surplus) for the Year	6	(670)	(284)
(Surplus)/Deficit as at 1 April		(14)	270
(Surplus) as at 31 March	6	(684)	(14)

Notes to the Collection Fund

1 General

This statement shows the transactions of the Collection Fund, a statutory fund separate from the General Fund of the Council. The Collection Fund accounts for income relating to Council Tax and National Non-Domestic Rates (NNDR) on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised. The costs of collection are accounted for in the General Fund.

2 Council Tax

Under the arrangements for Council Tax, each domestic property within the Council's area is assigned to one of eight 'valuation bands' (A to H) based on the estimated price it would have achieved if it had been sold at 1 April 1991. The Council Tax is set for band D properties and the tax for other bands is calculated as a proportion of the band D tax. The band D Council Tax for the year ended 31 March 2006 was set at £1,166.52 made up as follows:

(£s)	2005/06	2004/05
Cambridge City Council	136.92	131.65
Cambridgeshire County Council	845.82	813.24
Cambridgeshire Police Authority	135.54	129.33
Cambridgeshire Fire Authority	48.24	45.99
Total	1,166.52	1,120.21

The following table shows the calculation of the Council Tax Base for 2005/06 (used to determine the tax needed at band D to finance spending).

Council Tax Base 2005/06

Valuation Band	Total no. Dwellings on Valuation List	Total Equivalent Dwellings (after discounts, exemptions etc.)	Ratio to Band D	Band D Equivalents
A	2,603	1,953	6/9	1,302
B	8,366	6,718	7/9	5,225
C	16,552	14,042	8/9	12,482
D	7,726	6,499	9/9	6,499
E	4,300	3,651	11/9	4,462
F	2,823	2,419	13/9	3,493
G	2,609	2,071	15/9	3,453
H	402	210	18/9	420
Total	45,381	37,563		37,336

The income of £43.5 million in 2005/06 was receivable from the following sources:

(£000s)	2005/06	2004/05
Billed to Council Tax payers	38,635	36,536
Transfer from General Fund		
- Council Tax benefits	4,841	4,673
Total	43,476	41,209

3 Non-Domestic Rates Income

Under the arrangements for business rates, the Council collects non-domestic rates for its area, based on local rateable values multiplied by a nationally set business rate. This amount, less certain allowances and other deductions, is paid into the central National Non-Domestic Rate (NNDR) Pool, which pays back to authorities a share of the pool based on a standard amount per head of population.

The local rateable value as at 31 March 2006 was £210,022,485 (£169,990,642 at 31 March 2005) and the Uniform Business Rate in 2005/06 was set by the Government at 42.2p (2004/05, 45.6p).

4 Precepts and Demands

(£000s)	2005/06	2004/05
Cambridge City Council	4,975	4,778
Cambridgeshire County Council	30,731	29,516
Cambridgeshire Police Authority	4,925	4,694
Cambridgeshire Fire Authority	1,753	1,669
Total	42,384	40,657

5 Provision for Non-Payment of Council Tax

A contribution of £406,778 was made to a provision for bad debts. During 2005/06, £111,629 of irrecoverable debts were written off (2004/05 £72,447).

6 Collection Fund Surpluses and Deficits

When Council Tax was introduced on 1 April 1993, it was a requirement that the deficit on the Collection Fund of £2,665,751 in respect of the old Community Charges, be received in subsequent years through debt collection and if necessary, by contributions from the Council's General Fund. In the case of a surplus, this is transferred to the Council's General Fund.

In 2005/06 the Community Charge element of the Collection Fund was in surplus at the start of the year and a transfer of £20,100 was made to the Council's General Fund. The Collection Fund deficit at 31 March 2006 relating to Community Charges was £4,685 (£10,954 surplus at 31 March 2005).

The surplus of £688,549 at 31 March 2006 (£3,174 surplus at 31 March 2005), which related to Council Tax, will be distributed in subsequent financial years to Cambridgeshire County Council, Cambridgeshire Police and Fire Authorities and the Council in proportion to their shares of the total Council Tax raised.

Pension Costs, Assets & Liabilities

This section provides information about the Council's assets, liabilities, income and expenditure related to pension schemes for its employees.

1 Introduction

This statement is in accordance with Financial Reporting Standard No 17, Retirement Benefits (FRS17), which requires the Council to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

2 The Pension Scheme

Employees of Cambridge City Council may participate in the Cambridgeshire County Council Pension Fund, part of the Local Government Pension Scheme (LGPS). The Fund is administered as a defined benefit scheme by Cambridgeshire County Council in accordance with LGPS Regulations 1997, as amended.

3 Revenue Cost to Cambridge City Council in 2005/06

The cost of retirement benefits is recognised in the Consolidated revenue Account as follows:

(£000s)	2005/06	2004/05
Net Cost of services:		
Current Service Cost	3,975	3,566
Non Distributed Cost	55	288
Net Operating Expenditure		
Interest Cost	6,865	5,191
Expected Return on Assets	(6,107)	(5,620)
Amounts to be met from Government Grants and Local Taxation:		
Movement on Pensions Reserve	(2,250)	(1,353)
Actual amounts charged against Council Tax for pensions in the Year:		
Employers Contributions Payable	2,538	2,072

In 2005/06 the Council paid an employer's contribution of £2,537,696 representing 10.9% of employees' pensionable pay into Cambridgeshire County Council's Pension Fund (£2,072,538 and 9.4% in 2004/05), which provides members with defined benefits related to pay and service.

4 Discretionary Payments

In addition, Cambridge City Council has liabilities for discretionary pension payments outside the main scheme.

Pension payments relating to added years benefits, together with the related increases in 2005/06 amounted to £276,616 representing 1.2% of pensionable pay (£276,109 and 1.3% in 2004/05).

The capital costs of discretionary increases in pension payments agreed by the authority are as follows:

- (i) Agreed during 2005/06, £nil
- (ii) Agreed in earlier years for which payments are still being made, £4,979,088.

5 Valuation of the Pension Fund

The contribution rate is determined by the Fund actuary based on triennial valuations. Costs in 2005/06 were determined on the basis of contribution rates set in the latest formal valuation of the Pension Fund as at 31 March 2004 and rolled forward by Hymans Robertson, the independent actuaries to the County Council Fund. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels. This valuation concluded that, to meet future funding requirements, an increase in the

contribution rate for Cambridge City was required to 10.9%, effective from 1 April 2005.

Due to reduced returns and taking account of estimated liabilities, this new contribution rate is no longer considered adequate to cover 100% of the liabilities and contribution rates over the next three years will be as follows:

1 April 2006	12.8%
1 April 2007	14.6%
1 April 2008	16.5%

The next formal valuation is due as at 31 March 2007 when contribution rates will again be reviewed.

It should be noted that if the age profile of the active membership is rising significantly then, under the projected unit method, the current service costs will increase as the members of the scheme approach retirement

6 Assumptions Used for Valuation of the Fund

The main assumptions used in the Pension Fund calculations are as shown below.

County Fund - Main Assumptions

	Valuations as at:		
	31 March 2006	31 March 2005	31 March 2004
- rate of inflation	3.1%	2.9%	2.9%
- rate of increase in salaries	4.6%	4.4%	4.4%
- rate of increase in pensions	3.1%	2.9%	2.9%
- rate of discounting scheme liabilities	4.9%	5.4%	6.5%

In accordance with CIPFA guidance the rate of discounting scheme liabilities for the 2005/06 financial year is the yield available on long-dated, high quality corporate bonds at the FRS17 valuation date, which was 4.9%. For accounting periods prior to 2004/05, employers following CIPFA's guidance adopted a real discount rate of 3.5%.

Changes to the Local Government Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have taken the view that there is insufficiently reliable evidence to assume a level of take-up of the change in the pension scheme. Consequently the valuation of the Council's retirement benefit liabilities as at 31 March 2006 does not include any allowance for this change to the pension scheme.

7 Cambridge City Council's Assets and Liabilities in the Fund

The position is outlined below and takes into account the commitments from discretionary payments outside the main scheme.

(£000s)	2005/06	2004/05
Share of assets in County Council Fund	108,661	86,949
Estimated liabilities in County Council Fund	(148,192)	(121,412)
Net liabilities in County Fund	(39,531)	(34,463)
Estimated liabilities for discretionary pensions	(4,517)	(5,066)
Net pension liability	(44,048)	(39,529)

The impact on the Council's assets and liabilities, stated above, has been incorporated in the Council's Financial Accounts.

The net pension liability shows the underlying commitment that the authority has in the long-term to pay retirement benefits. Statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy.

The deficit on the Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

8 Total County Pension Fund Assets

Assets are valued at fair value, principally market value for investments, and consist of:

	Proportion of Total Assets held by the Fund		Expected Rate of Return per annum	
	31 March 2006	31 March 2005	31 March 2006	31 March 2005
(£000s)				
Equity Investments	75.3%	73.5%	7.4%	7.7%
Bonds	12.7%	13.3%	4.6%	4.8%
Property	9.3%	9.7%	5.5%	5.7%
Cash	2.7%	3.5%	4.6%	4.8%
Total Fund Assets	100%	100%	6.8%	7.1%

9 Movement in Net Pension Liabilities

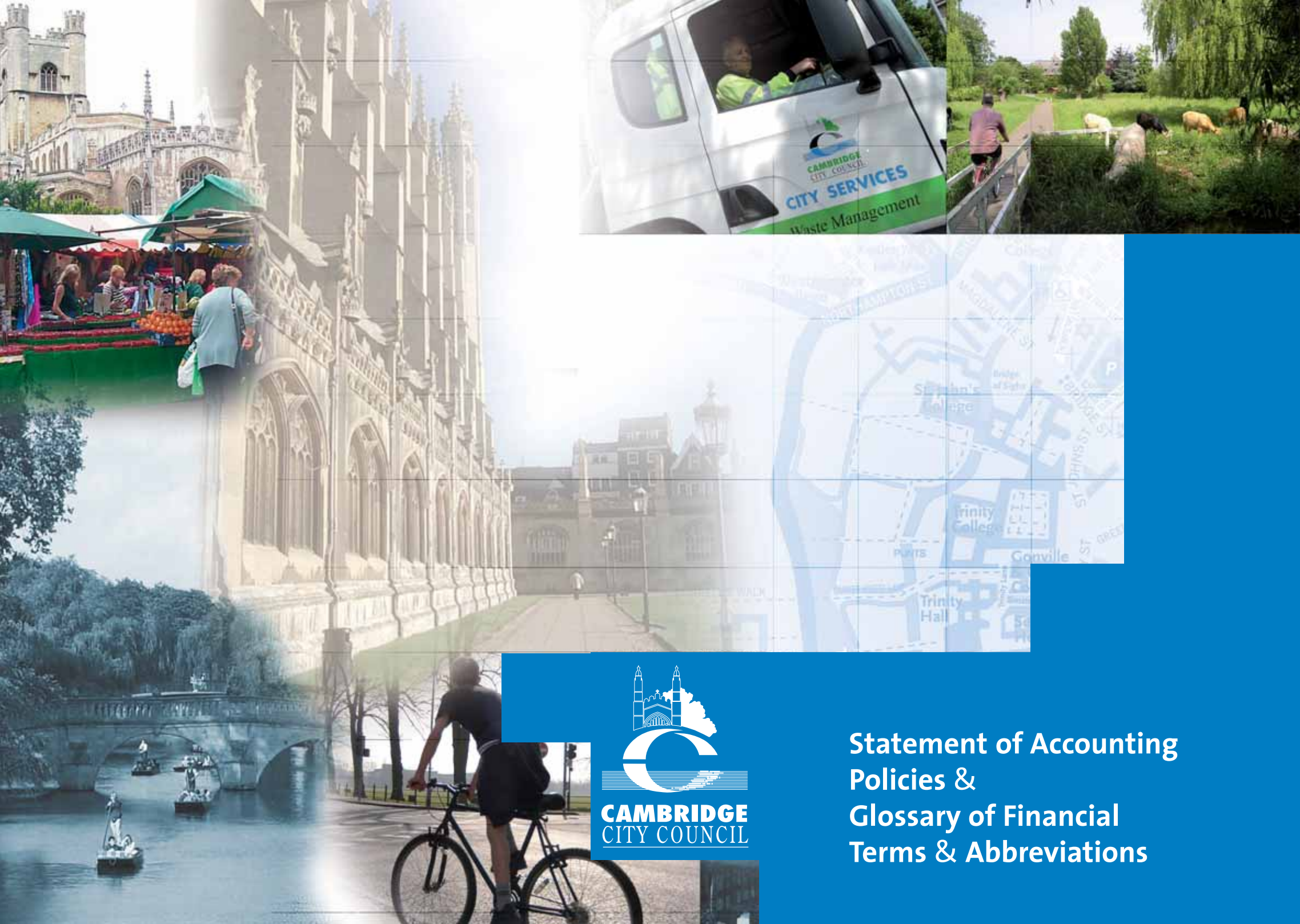
The movement in the net pension liabilities for Cambridge City Council is analysed below.

(£000s)	2005/06	2004/05
(Deficit) as at 1 April 2005	(39,529)	(19,672)
Current service cost	(3,975)	(3,566)
Employer contributions	2,538	2,073
Contributions in respect of unfunded benefits	278	278
Past service costs	-	(120)
Impact of settlements and curtailments	(55)	(168)
Net return on assets	(758)	429
Actuarial gains / (losses)	(2,547)	(18,783)
(Deficit) as at 31 March 2006	(44,048)	(39,529)

The actuarial gains / losses identified as movements on the Pensions Reserve in 2005/06 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2006:

(£000s)	2005/06		2004/05		2003/04		2002/03	
	£000s	%	£000s	%	£000s	%	£000s	%
Differences between the expected and actual return on assets	15,484	35.2	4,194	10.6	11,100	56.4	(22,890)	80.3
Differences between actuarial assumptions about liabilities and actual experience	(18,031)	40.9	(22,977)	58.1	(163)	0.8	20	0.1
Actuarial gain / (loss) in pension plan	(2,547)		(18,783)		10,937		(22,870)	

Further information about the Pension Fund can be found in Cambridgeshire County Council's Pension Fund Annual Report, which is available on request from the Director of Resources, Cambridgeshire County Council, Shire Hall, Castle Hill, Cambridge, CB3 0AP.



**Statement of Accounting
Policies &
Glossary of Financial
Terms & Abbreviations**

Statement of Accounting Policies

1 General

The general principles adopted in compiling the accounts and the presentation of the accounts, are those recommended in the Chartered Institute of Public Finance and Accountancy (CIPFA), Code of Practice on Local Authority Accounting. The accounts also reflect guidance issued by CIPFA on the application of statements of standard accounting practice (SSAPs) and financial reporting standards (FRSs). Any variations from these guidelines are detailed in notes to the accounts.

2 Fixed Assets

Expenditure on fixed assets is capitalised, provided that the asset yields benefits to the Council for a period of more than one year. All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis.

Fixed assets are valued on the basis recommended by CIPFA and in accordance with guidance issued by the Royal Institution of Chartered Surveyors. Fixed assets are classified and are valued on the following basis:

- ◆ Land and non – specialised operational properties are included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use and for specialist operational properties, depreciated replacement cost;
- ◆ Short life operational assets, such as vehicles, plant and equipment, are included at historical cost less depreciation as a proxy for the lower of net current replacement cost and net realisable value in existing use. The absence of significant surpluses or deficits on disposal of these assets indicates that the policy has no material impact on the accounts.

- ◆ Council dwellings are included in the balance sheet at existing use value for social housing arrived at by means of a beacon approach;
- ◆ Investment properties and assets that are surplus to requirements, are included in the balance sheet at estimated open market value;
- ◆ Assets under construction are held at historical cost until they are brought into commission; and
- ◆ Infrastructure assets and community assets are included in the balance sheet at historical cost, net of depreciation where appropriate.

Revaluations of operational and non-operational fixed assets are planned on the basis of a 5-year rolling programme, although material changes to asset valuations will be reflected as they occur. Any surpluses arising on initial and subsequent valuation of assets are credited to the fixed asset restatement reserve.

Assets acquired under finance leases are also capitalised in the Council's accounts, together with the liability to pay future rentals. Other assets previously acquired under advance and deferred purchase schemes are also recognised and included in the balance sheet at their fair value.

Income from the disposal of fixed assets is accounted for on an accruals basis. Such income that is not reserved for the repayment of external loans, forms part of the capital financing reserve and has not yet been used, is included in the balance sheet as usable capital receipts. Receipts less than £6,000 are treated as revenue.

A de-minimis level of £2,000 has been adopted for vehicles and £15,000 for all other fixed assets. Assets which cost less than these limits are classified as revenue rather than capital expenditure.

3 Impairment

Impairment is a change in events and circumstances that indicate a reduction in asset value and include:

- ◆ a significant decline in a fixed asset's market value during the year;
- ◆ evidence of obsolescence or physical damage to the fixed asset;
- ◆ a significant adverse change in the statutory or regulatory environment in which the council operates; and
- ◆ a commitment by the Council to undertake a significant reorganisation.

4 Depreciation

Assets are depreciated over their useful economic life. Depreciation is provided on all fixed assets other than freehold land and non-operational investment properties and is calculated on the balance sheet value as at 1 April. Depreciation is not provided for in the year of purchase, however, a full years depreciation is accounted for in the year of disposal. Where we provide for depreciation, it is calculated using the straight-line method.

For assets where the useful life is assessed as being more than 50 years, an impairment review is carried out at the end of each financial year and the value of any impairment is charged in place of depreciation.

5 Basis of Charges for Capital

All service revenue accounts, including support services and trading accounts, incur a charge for the fixed assets that they use. The charges cover any provision for depreciation plus a capital financing charge. The financing charge is calculated by applying a specified notional rate of interest, 3.5% for Operational and Non-Operational assets and 4.95%

for Infrastructure and Community Assets (2004/05 : 3.5% and 4.8% respectively) to net opening asset values.

The total charge to an individual service is determined on the basis of the capital assets used in providing that service. The charge made to the Housing Revenue Account is an amount determined by statutory provision.

External interest charges and the provision for depreciation are charged to the Asset Management Revenue Account (AMRA), which is credited with the capital charges paid by services. Capital charges therefore have a neutral impact on the amounts required to be raised from local taxation.

6 Deferred Charges

Deferred charges represent expenditure which is capital in nature but where no tangible fixed asset is created, for example capital grants made to other bodies or individuals. Deferred charges are written off over the period of benefit to the Council.

7 Government Grants and Contributions

Government grants are accounted for on an accruals basis and income is credited, in the case of revenue grants, to the appropriate revenue account.

Where developers' contributions remain unspent at the year end they are held in the balance sheet.

Contributions in respect of commuted sum maintenance agreements are held as Receipts in Advance. They are credited to the Consolidated Revenue Account to match expenditure incurred.

Where a developers agreement (Section 106) provides for the return of contributions made if capital projects are not carried out within a specified period, any advances are held as creditors until the Council is able to satisfy the conditions for keeping the money, usually on commencement of a project or payment of the sum to another body, for example the County Council.

All other unspent contributions are held in the balance sheet as Capital Contributions Unapplied.

Where grants and contributions are spent which are identifiable to fixed assets with a finite useful life, the amounts are credited to the Government Grants Deferred Account. The balance is then written down to revenue to offset depreciation charges made for the relevant assets in the Asset Management Revenue Account, in line with the depreciation policy applied to them.

8 Leases

Rental payments under finance leases are apportioned between the finance charge (interest) and the principal element. The finance element of rentals is charged to the asset management revenue account over the term of the lease and the principal element is treated as capital expenditure.

Rentals payable or receivable under operating leases are charged to revenue on an accruals basis.

Rentals receivable from operating leases are credited to revenue on a straight line basis over the term of the lease.

9 Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice and FRS 18. That is, sums due to or from the Council during the year are included

whether or not the cash has actually been received or paid in the year. No significant estimates have been included in debtors and creditors.

Provision is made to cover potential losses in collection of income due to the Council. The level of provisions made for bad debts take into account the nature, value and age of debts. Debtors amounts presented in the Consolidated Balance Sheet are shown net of provision for bad debts.

10 Stocks and Work in Progress

Stocks and Work in Progress held at the year-end are included in the accounts at the lower of cost or net realisable value.

11 Provisions and Contingent Liabilities

The Council sets aside provisions for specific future expenses, which are likely or certain to be incurred and which can be reliably estimated, for example to meet the Council's share of the cost of insurance claims.

If a liability arises from an event which is too uncertain or the amount of the obligation cannot be reliably estimated, the liability is disclosed as a contingent liability.

12 Cost of Support Services

Most of the costs of management and administration have been allocated to services. The basis of allocation used for the main management and administration costs is outlined below:

Basis of Allocation

Support Services

Finance	}	Charges are negotiated in advance with
Reception & Office Services	}	client departments. They are based on a
Legal	}	combination of estimated or actual staff
Human Resources	}	time, directly attributable costs and
Property	}	volumes of work.

Administrative Buildings

Area Occupied.

Computing

Fixed cost element based on predicted consumption of resources plus actual cost of additional work undertaken.

Council has for meeting the future cost of retirement benefits (arising from years of service earned by employees up to the balance sheet date) net of the contributions paid into the Fund and the investment income they have generated.

Charges to service revenue accounts are based on an appropriate share of current service cost (the increase in future benefits arising from service earned in the current year). Discretionary benefits awarded on early retirement are recognised as they become payable.

Interest cost and expected return on assets are included within the Consolidated Revenue Account, increasing Net Operating Expenditure. However, an appropriation to the pensions reserve replaces these entries with the actual employer's contributions paid in the year, meaning that there is no net effect on the General Fund result for the year.

13 Reserves

In addition to General Fund and HRA balances, which are held for cash flow purposes and to support future revenue and capital spending, the Council maintains a number of 'earmarked' reserves to meet specific future expenditure. Details of the Council's reserves can be found in the Statement of Total Movement in Reserves on page 9 and the accompanying notes 42 to 48.

14 Investments

Investments are shown in the Consolidated Balance Sheet at cost. Further detail can be found in note 28 to the Balance Sheet.

15 Pension Costs, Assets & Liabilities

Cambridgeshire County Council administers the Local Government Pension Scheme in which Cambridge City Council employees may participate. The accounting policy is to recognise the full liability that the

Glossary of Financial Terms and Abbreviations

Accounting Period

The period of time covered by the accounts, normally 12 months commencing on 1 April for local authorities.

Accruals

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the balance sheet date.

Capital Charges

Charges made to service revenue accounts based on the value of the assets they use and comprising interest and any depreciation.

Capital Expenditure

Expenditure on new assets such as land and buildings, or on enhancements to existing assets which significantly prolong their useful life or increase their value.

Capital Receipt

Income from the sale of capital assets such as council houses, land or other buildings.

Contingent Liabilities

Potential liabilities which are either dependent on a future event or cannot be reliably estimated.

Creditors

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.

Current Assets

Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities

Amounts which will become due or could be called upon during the next accounting period.

Debtors

Amounts owed to the Council which are collectable or outstanding at 31 March.

Deferred Charges

Expenditure of a capital nature but for which there is no tangible asset, for example renovation grants.

Depreciation

The estimated losses in value of an asset, owing to age, wear and tear, deterioration, or obsolescence.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Fixed Asset

Assets which can be expected to be of use or benefit the Council in providing its service for more than one accounting period.

Government Grants

Payments by central government towards local authority expenditure. They may be specific, for example Housing Benefit subsidy, or general such as Revenue Support Grant.

Operating Lease

A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

Precepts

The amount which a local authority which cannot levy a council tax directly on the public (for example a County Council) requires to be collected on its behalf.

Provisions

Monies set aside for liabilities which are likely to be incurred but where exact amounts or dates are uncertain.

Reserves

Amounts set aside in the accounts for the purpose of meeting particular future expenditure. A distinction is drawn between reserves and provisions which are set up to meet known liabilities.

Revenue Expenditure

Spending on day to day items including employees' pay, premises costs and supplies and services.

Revenue Support Grant

The main grant paid by central government to a local authority towards the costs of its services.

Abbreviations used in the accounts

AMRA	Asset Management Revenue Account
CIPFA	Chartered Institute of Public Finance and Accountancy
CRA	Consolidated Revenue Account
DSO	Direct Services Organisation
FRS	Financial Reporting Standard
HRA	Housing Revenue Account
LGPS	Local Government Pension Scheme
MRA	Major Repairs Allowance
MRP	Minimum Revenue Provision
NNDR	National Non-domestic Rates
SOLACE	Society of Local Authority Chief Executives
SORP	Statement of Recommended Practice
SSAP	Statement of Standard Accounting Practice



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