

CHANGES TO THE CASH FLOW STATEMENT

This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2006-07 £'000		Notes	2007-08 £'000
Revenue Activities			
<i>Cash outflows</i>			
116,018	Cash paid to and on behalf of employees		121,936
102,359	Other operating cash payments	Was 130,799	130,829
30,555	Housing Benefit paid out		28,806
8,389	Precept paid to Police Authority		8,896
3,033	Precept paid to Fire Authority		3,201
74	Environment Agency levy		117
918	Precepts paid to parishes		986
57,594	Non-domestic rates paid to National Pool		61,752
318,940	Total Payments		356,523
<i>Cash inflows</i>			
-70,200	Council Tax receipts		-73,736
-13,113	Non-domestic rates distribution from national pool		-13,589
-68,236	Non-domestic rates receipts		-65,813
-2,528	Revenue Support Grant		-2,281
-30,298	DWP grants for rebates		-32,825
-93,103	Other government grants	Note 58	-103,700
-42,695	Cash received for goods and services		-67,091
-7,060	Other operating cash receipts		-6,878
-327,233	Total Receipts		-365,913
-8,293	Net Cash (Inflow) from Revenue Activities	Note 59	-9,390
Returns on Investments and Servicing of Finance			
<i>Cash outflows</i>			
3,395	Interest Paid		784
<i>Cash inflows</i>			
-1,882	Interest Received		-2,356
1,513	Net Cash Outflow from Servicing of Finance		-1,572
Capital Activities			
<i>Cash outflows</i>			
15,370	Purchase of Fixed Assets		16,083
15,370	Total Payments		16,083
<i>Cash inflows</i>			
-313	Sale of Fixed Assets		4,291
-9,412	Other Capital Cash Receipts		-9,412
-9,725	Total Receipts		-5,121
5,645	Net Cash Outflow from Capital Activities		10,962
-1,135	Net Cash (Inflow)/Outflow Before Financing		0
Management of Liquid Resources			
10,210	Net Increase/(Decrease) in Deposits On Call	Note 60	-6,310
Financing			
<i>Cash outflows</i>			
625	Repayments of amounts borrowed		125
<i>Cash inflows</i>			
-10,000	New loans raised		8,000
-1,369	New loans raised-Short Term	Was 1,987	-2,017
-10,744	Net Cash (Inflow) from Financing		-9,892
-1,669	Net (Decrease) in Cash	Note 61	-16,202

CHANGES TO THE NOTES TO THE BALANCE SHEET**36 Debtors**

The following analysis of debtors is net of provisions for bad and doubtful debts.

		2006-07 £'000	2007-08 £'000
Government Departments		9,299	13,551
Housing Benefit Overpayment		0	230
Other Local and Public Authorities	Was 1,428	2,617	1,948
Non Domestic Ratepayers		3,597	3,114
Council Tax		3,867	4,469
Housing Associations		951	287
Payments in Advance	Was 2,957	2,382	2,437
Sundry Debtors		2,041	5,661
Total		24,754	31,697

Presentational changes – Budget variations

The statement shows that an underspend occurred on the General Fund, causing the use of general reserves to be £155,000 less than the latest approved budget. The most significant budget variations were:

Learning and Care

Adult Social Care

- Reduction in spot purchase of Older Person - Residential & Nursing Care (-)£145k.
- Increase in External Home care provision; reduced by derived income (+)£337k.
- Lower than expected increase in Learning Disability care; various reasons (-)£458k.
- Reduction in residential Mental Health care facilities users (-)£154k.

Dedicated Schools Grant

In the ring fenced Dedicated Schools Grant there was a saving in the central expenditure areas of £163k and this is carried forward towards the Schools Budget for future years. The bulk of the saving followed vacancies in the Behaviour support.

Grant Income

Underspendings on Learning and Care services supported by grant led to the carry forward of grant to 2008/09; £238k. Grants particularly affected are: Preventative Technology Grant, Contact Point and Emergency Respite Care.

Community Services

Asset Management

Successful legal challenge led to back rent recovery; plus other commercial rents (-)£339k.

Parking Services

- Lower than expected parking income in the Maidenhead areas, partly offset by decriminalisation enforcement income (+)£232k.

Corporate Resources

Corporate Performance and Development

- A number of staff vacancies reduced costs below those expected. This saving was enhanced by a resultant reduction in consultations during the year. (-)£35k.

Legal Services

- The slow down in housing market reduced Land Charge income during the year (+)£100k.
- This was partly offset by a number of staff vacancies especially in the Legal team (-)£40k.

Finance

- Under spend arising from a change in the method of calculating the provision for bad debts, in respect of Housing and Council Tax benefits (-)£569k. Partly offset by changes in legislation affecting collections from landlords and increases in audit fees on subsidy claim (+)£232k.
- Software and staff sickness issues in the Council Tax and Business Rates section were covered with some additional Agency Staff to maintain 2007/08 collection rates (+)£22k.
- Pensions costs were lower than expected following in year vacancies (-)£26k.

Non-Service related budgets

- Capital Financing was reduced following higher than expected interest on balances arising from improved cash flow following receipt of Local Authority Business Growth Initiative (LABGI) grant and capital programme slippage (-)£680k.
- A number of movements in Earmarked Reserves: To offset reduced income from car parks (-)£263k, provide for potential Ex Berkshire CC claims (+)£460k and provide for future developments within the Royal Borough area (+)£1,580k.
- In setting the 2007/08 budget the Council considered a number of Corporate Initiatives which could not, at that stage, be allocated to individual services. The initiatives totalled £681k and included Corporate and CSC Restructures and procurement reviews. As initiatives were finalised the resulting savings were transferred to service budgets. The initiatives were ambitious and, whilst full year savings have proved greater than expected, implementation delays led to a shortfall in the 2007/08 budget of some £129k.

Rounding adjustments and presentation improvements

INCOME AND EXPENDITURE ACCOUNT

2006-07		2007-08		
Net £'000		Expenditure	Income	Net £'000
SERVICE EXPENDITURE				
47,951	Learning and Care	170,031	118,582	51,449
10,203	Corporate Services	43,185	33,078	10,107
32,362	Community Services	52,754	22,110	30,644
90,516	Net Cost Of Services	265,970	173,770	92,200
	Sub-totalling			
OTHER OPERATING EXPENDITURE				
74	Environment Agency levy	Note 1		117
918	Parish precepts	Note 2		986
2,611	Interest payable and similar charges	Note 3		2,788
	Non service impairments	Note 4		2,419
(1,098)	Interest and investment income			(1,619)
(754)	Pensions interest cost and expected pension asset returns.	Note 5		(1,441)
(162)	Exceptional items	Note 6		0
0	Other income: Unattached capital receipts	Was 5,121		(5,122)
92,105	Net Operating Expenditure			90,328
(62,553)	Income from the Collection fund	Note 7		(65,761)
(2,527)	Government grants (not attributable to specific services)	Note 8		(2,281)
(421)	Income from Business Growth Initiatives	Was 1,434	Note 9	(1,433)
(13,113)	Distribution from non-domestic rate pool	Note 10		(13,589)
13,491	Deficit for the year on Income and Expenditure Account			7,264

Additional Notes

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

4 Non Service Impairments

Non Service Impairments are charges to the Income and Expenditure account following the revaluation of fixed assets below their current value in the Balance Sheet. This ensures the value of fixed assets is not overstated.

NOTES TO THE BALANCE SHEET

47a. Analysis of Other Reserves

The Corporate Development Fund is a reserve consisting of LABGI (Local Authority Business Growth Initiative) grant and a revenue contribution. The fund will be utilised to pump prime savings generating initiatives and general infrastructure support around the Borough. Each scheme is subject to Members approval.