

**MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable' reserves i.e. those that can be applied to fund expenditure or reduce local taxation, and other 'unusable' reserves. The Surplus / Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes.

The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund £'000	General Fund Earmarked £'000	HRA £'000	HRA Earmarked £'000	HRA Major Repairs £'000	Capital Receipts £'000	Capital Grants Unapplied £'000	Schools £'000	Usable Reserve Total £'000
<b>Usable Reserves 2013/14</b>									
Balance at 31 March 2013	(14,199)	(21,434)	(2,000)	(9,937)	(3,437)	(657)	(1,480)	(13,042)	(66,186)
<b>Movement in Reserves during 2013/14:</b>									
(Surplus)/deficit on provision of services	(13,295)	0	(22,682)	0	0	0	0	0	(35,977)
Total Comprehensive I&E	(13,295)	0	(22,682)	0	0	0	0	0	(35,977)
Adjustments between accounting basis and funding basis under regulations (note 7)	7,282	0	14,108	0	3,237	(1,689)	(23,864)	0	(926)
<b>Net (Increase)/decrease before transfers to Earmarked Reserves</b>	(6,013)	0	(8,574)	0	3,237	(1,689)	(23,864)	0	(36,903)
Transfers (to)/from Earmarked Reserves (note 8)	5,111	(6,330)	8,574	(8,574)	0	0	0	1,216	0
(Increase)/Decrease in year	(902)	(6,330)	0	(8,574)	3,237	(1,689)	(23,864)	1,216	(36,903)
<b>Balance at 31st March 2014</b>	(15,101)	(27,764)	(2,000)	(18,511)	(200)	(2,346)	(25,344)	(11,826)	(103,089)
<b>Unusable Reserves 2013/14</b>									
Revaluation Reserve	£'000	Available For Sale	Pensions	Capital Adjustment Account	Deferred Capital Receipts	Financial Instrument	Collection Fund Adjustment Account	Short term Accumulated Absence	Unusable Reserve Total
(46,494)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(13,605)	276	303,829	0	(483,292)	0	1,833	3,435	(219,308)	(285,494)
799	(128)	(7,510)	0	(8,342)	0	0	0	(21,244)	(57,221)
(12,806)	0	10,822	0	(9,743)	0	(116)	(493)	926	0
(59,300)	(128)	3,312	0	(493,035)	0	(116)	(493)	(20,317)	(57,220)
	148	307,141	0	762	0	1,717	2,942	(239,626)	(342,715)
<b>Balance at 31 March 2013</b>									
Other Comprehensive I&E									
Adjustments between accounting basis and funding basis under regulations (note 7)									
(Increase)/Decrease in year									
<b>Balance at 31st March 2014</b>									

<u>Usable Reserves 2012/13</u>									
	General Fund £'000	General Fund Earmarked £'000	HRA £'000	HRA Earmarked £'000	HRA Major Repairs £'000	Capital Receipts £'000	Capital Grants Unapplied £'000	Schools £'000	Usable Reserve Total £'000
<b>Balance at 31 March 2012</b>	(10,919)	(18,526)	(3,905)	0	(200)	0	(1,480)	(10,240)	(45,270)
<b>Movement in Reserves during 2012/13:</b>									
(Surplus)/deficit on provision of services	69,309	0	(2,170)	0	0	0	0	0	67,139
<b>Total Comprehensive I&amp;E</b>	69,309	0	(2,170)	0	0	0	0	0	67,139
Adjustments between accounting basis and funding basis under regulations (note 7)	(78,299)	0	(5,862)	0	(3,237)	(657)	0	0	(88,055)
<b>Net (increase)/decrease before transfers to Earmarked Reserves</b>	(8,990)	0	(8,032)	0	(3,237)	(657)	0	0	(20,916)
Transfers (to)/from Earmarked Reserves (note 8)	5,710	(2,908)	9,937	(9,937)	0	0	0	(2,802)	0
<b>(Increase)/Decrease in year</b>	(3,280)	(2,908)	1,905	(9,937)	(3,237)	(657)	0	(2,802)	(20,916)
<b>Balance at 31st March 2013</b>	(14,199)	(21,434)	(2,000)	(9,937)	(3,437)	(657)	(1,480)	(13,042)	(66,186)

<u>Unusable Reserves 2012/13</u>										
	Revaluation Reserve £'000	Available For Sale £'000	Pensions £'000	Capital Adjustment Account £'000	Deferred Capital Receipts £'000	Financial Instrument £'000	Collection Fund Adjustment Account £'000	Short term Accumulated Absence £'000	Unusable Reserve Total £'000	Total Reserves £'000
<b>Balance at 31 March 2012</b>	(44,952)	312	249,620	(561,001)	(72)	1,949	1,581	8,309	(344,254)	(389,524)
Other Comprehensive I&E	(11,508)	(36)	48,436	0	0	0	0	0	36,892	104,031
Adjustments between accounting basis and funding basis under regulations (note 7)	9,966	0	5,773	77,709	72	(116)	(476)	(4,874)	88,055	0
<b>(Increase)/Decrease in year</b>	(1,542)	(36)	54,209	77,709	72	(116)	(476)	(4,874)	124,947	104,031
<b>Balance at 31st March 2013</b>	(46,494)	276	303,829	(483,292)	0	1,833	1,105	3,435	(219,308)	(285,494)

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations: this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

<u>2012/13</u>			<u>2013/14</u>		
<u>Gross Expenditure</u> £'000	<u>Gross Income</u> £'000	<u>Net Expenditure</u> £'000	<u>Gross Expenditure</u> £'000	<u>Gross Income</u> £'000	<u>Net Expenditure</u> £'000
<b>Service Analysis</b>					
7,400	(4,100)	3,300	8,596	(4,294)	4,302
0	0	0	13,426	(13,649)	(222)
9,316	(586)	8,730	8,848	(579)	8,269
26,108	(2,149)	23,959	24,875	(2,382)	22,492
18,249	(4,212)	14,037	17,655	(3,676)	13,979
205,131	(151,742)	53,389	199,627	(140,311)	59,316
24,939	(1,826)	23,113	26,074	(3,291)	22,783
17,010	(26,575)	(9,564)	1,738	(31,686)	(29,948)
85,017	(80,435)	4,582	69,006	(65,146)	3,861
92,718	(32,141)	60,577	97,402	(23,689)	73,713
2,975	(4,215)	(1,241)	4,000	(5,201)	(1,200)
1,183	(47)	1,136	1,784	(22)	1,762
<b>490,046</b>	<b>(308,028)</b>	<b>182,018</b>	<b>473,033</b>	<b>(293,926)</b>	<b>179,107</b>
<b>Cost of Services</b>					
<b>Other Operating Expenditure<sup>2</sup></b>					
		91,538		<b>Note</b>	9
		21,097 <sup>3</sup>			33,719
		(227,181)			10
		67,472			20,242
		(12,209)			11
		701			(269,046)
		(36)			(35,978)
		48,103 <sup>3</sup>			12
		36,559			(14,038)
		104,031			12
					433
					15
					(128)
					42
					(7,510)
					(21,243)
					(57,221)
					(21,243)
					(57,221)
					(57,221)

1 Public Health responsibilities were transferred to the Council on 1 April 2013.

2 Other Operating Expenditure includes academy type conversions of £27,883k (£49,739k in 2012/13).

3 Pensions figures for 2012/13 have been restated to reflect changes to International Accounting Standard 19 (IAS 19).

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is unusable reserves, i.e. those reserves that the Council may not use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold: and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

<u>31</u> <u>March</u> <u>2013</u> <u>£'000</u>		<u>Note</u>	<u>31</u> <u>March</u> <u>2014</u> <u>£'000</u>	<u>31</u> <u>March</u> <u>2014</u> <u>£'000</u>
	<b>Long Term Assets</b>			
835,634	Property, Plant & Equipment	12	876,480	
78,809	Investment Properties	13	81,675	
7,078	Intangible Assets	14	6,758	
4,724	Long Term Investments	15	4,852	
1,117	Long Term Debtors	15	574	
<b>927,362</b>				<b>970,340</b>
	<b>Current Assets</b>			
20,118	Short Term Investments- principal	15	14,124	
2,700	Assets Held for Sale	19	606	
48,093	Short Term Debtors	17	46,944	
23,307	Cash and Cash Equivalents	18	19,083	
<b>94,218</b>				<b>80,757</b>
	<b>Current Liabilities</b>			
(8,792)	Short Term Borrowing	15	(17,552)	
(37,183)	Short Term Creditors	20	(44,709)	
(4,180)	Provisions	21	(4,456)	
(3,435)	Provisions - accumulated absences	23	(2,942)	
<b>(53,590)</b>				<b>(69,658)</b>
	<b>Long Term Liabilities</b>			
(132)	Long Term Creditors	15	0	
(17,409)	Private Finance Initiative (PFI)	38	(16,820)	
(306,225)	Long Term Borrowing	15	(289,961)	
(303,829)	Liability to Defined Benefit Pension Scheme	42	(307,141)	
(54,901)	Capital Grants (receipts in advance) <sup>1</sup>	34	(24,801)	
<b>(682,496)</b>				<b>(638,722)</b>
<b>285,494</b>	<b>Net Assets</b>			<b>342,715</b>
	<b>Total Reserves</b>			
(66,186)	Usable Reserves	22	(103,089)	
(219,308)	Unusable Reserves	23	(239,626)	
<b>(285,494)</b>				<b>(342,715)</b>

<sup>1</sup> Schools Places funding of £27,930k in 2013/14 is categorised within capital grants unapplied within usable reserves. The 2012/13 allocation was treated as a capital grant receipt in advance.

## CASH FLOW STATEMENT

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

<u>2012/13</u> <u>£'000</u>		<u>Note</u>	<u>2013/14</u> <u>£'000</u>
(67,139)	Net surplus/(deficit) on the provision of services	24	32,978
133,498	Adjustment net surplus/(deficit) on the provision of services for non-cash movements	24	43,415
(33,819)	Adjustment for items included in the net surplus/(deficit) on the provision of services that are investing and financing activities	24	(64,899)
<b>32,540</b>	<b>Net cash flows from operating activities- inflow/(outflow)</b>	24	<b>14,494</b>
(49,874)	Investing activities	25	(11,162)
(5,038)	Financing activities	26	(7,558)
<b>(22,372)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(4,224)</b>
45,679	Cash and cash equivalents at 1st April		23,307
<b>23,307</b>	<b>Cash and cash equivalents at 31st March</b>	18	<b>19,083</b>

community equipment services to meet the needs of people living in the geographical area. During 2013/14 the Council continued responsibility for hosting the pooled budget.

The partners contributed funds to the agreed budget equal to 21% (CBC), 13% (BBC) and 66% (NHSB) of the budget respectively. The same proportions were used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year.

The pooled budget is hosted by the Council on behalf of the two partners to the agreement outlined below:

Bedfordshire Community Equipment Service:	2012/13		2013/14	
	£'000	£'000	£'000	£'000
Funding provided to the pooled budget:				
Central Bedfordshire Council	(448)		(469)	
Bedford Borough Council	(291)		(305)	
Bedfordshire CCG			(1,503)	
CBC - Paediatrics			(24)	
NHS Bedfordshire	(1,435)			
<b>Total Funding</b>		<b>(2,174)</b>		<b>(2,301)</b>
Expenditure met from the pooled budget:				
Luton Borough Council	0		0	
Central Bedfordshire Council	2,174		2,301	
Bedford Borough Council	0		0	
NHS Bedfordshire				
<b>Total Expenditure</b>		<b>2,174</b>		<b>2,301</b>

### 30. Members' Allowances

The Council paid, during the year, the following amounts:

	2012/13	2013/14
	£'000	£'000
Salaries	942	941
Allowances	3	3
Employers National Insurance	72	69
Pension Contributions	77	88
Expenses	130	123
<b>Total</b>	<b>1,224</b>	<b>1,224</b>

### 31. Officers' Remuneration

Senior Officers are defined by the Authority as any officer at Director level or above, plus the Chief Finance Officer (Section 151) and Monitoring Officer. During 2013/14, this classification included the:

- Chief Executive
- Six Directors
- The Chief Finance Officer (Section 151)
- Monitoring Officer
- Chief Legal & Democratic Services Officer

The remuneration paid to the Authority's permanent senior employees is as follows:

	Salary, Fees & Allowances	Expenses & Other Payments	Total Remuneration Excluding Pension contributions	Pension Contributions	Total
Richard Carr – Chief Executive 2013/14 2012/13	181,300 181,331	1,300 1,062	182,600 182,393	43,331 39,705	225,931 222,098
Gary Alderson – Director of Sustainable Communities 2013/14 2012/13	0 130,340	0 440	0 130,780	0 28,544	0 159,324
Edwina Grant – Deputy Chief Executive & Director of Childrens Services 2013/14 2012/13	153,988 153,904	1,241 598	155,229 154,502	36,713 33,641	191,942 188,143
Julie Ogley – Director social Care, Health & Housing 2013/14 2012/13	140,562 140,561	827 613	141,389 141,174	33,594 30,783	174,983 171,957
Charles Warboys – Chief Finance Officer (S151) 2013/14 2012/13	89,973 89,082	833 1,170	90,806 90,252	21,503 19,509	112,309 109,761
John Atkinson – Monitoring Officer 2013/14 2012/13	83,952 70,903	544 572	84,496 71,475	10,596 15,528	95,092 87,003
Alan Fleming – BEAR & Programme Director 2013/14 2012/13	130,744 101,457	1,450 1,814	132,194 103,271	18,279 22,788	150,473 126,059
Marcel Coiffait – Director of Community Services 2013/14	96,833	394	97,227	23,143	120,370
Deb Clarke – Director of Improvement & Corporate Services 2013/14	101,250	299	101,549	0	101,549
Melanie Clay – Chief Legal & Democratic Services Officer 2013/14	39,058	0	39,058	9,335	48,393
Jason Longhurst – Director of Regeneration & Business Support 2013/14	9,821	0	9,821	2,348	12,169
<b>Total</b> 2013/14 2012/13	<b>1,027,481</b> <b>867,578</b>	<b>6,888</b> <b>6,269</b>	<b>1,034,369</b> <b>873,848</b>	<b>198,842</b> <b>190,498</b>	<b>1,233,211</b> <b>1,064,345</b>



Alan Fleming –Business Services Director left the Council in January 2014 and the above includes a redundancy payment made in year.

Marcel Coiffait –Director of Community Services commenced April 2013

Deb Clarke - Director of Improvement & Corporate Services commenced in a permanent role in July 2013, prior to which she was the Interim Assistant Chief Executive. She was paid £50k from April to July 2013 (£170k in 2012/13) which included fees for Deb Clarke and a margin for the interim management company.

Melanie Clay - Chief Legal & Democratic Services Officer commenced October 2013.

Jason Longhurst - Director of Regeneration & Business Support commenced February 2014.

There were no other payments in either year to Senior Officers in relation to bonuses.

The Council's other employees (excluding those individuals listed above within senior employees) receiving more than £50k remuneration for the year (excluding employer's pension contributions) were paid in the following bands:

	<u>2012/13</u>	<u>2013/14</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>Number of permanent employees</u>	<u>Number of permanent employees</u>	<u>Number of temporary employees and interim managers</u>	<u>Number of temporary employees and interim managers</u>
£50,000-£54,999	51	41	9	15
£55,000-£59,999	31	24	17	13
£60,000-£64,999	40	33	18	17
£65,000-£69,999	8	6	5	5
£70,000-£74,999	6	8	5	6
£75,000-£79,999	4	8	3	6
£80,000-£84,999	4	4	3	3
£85,000-£89,999	5	4	3	0
£90,000-£94,999	2	0	0	4
£95,000-£99,999	0	1	0	5
£100,000-£104,999	1	0	5	1
£105,000-£109,999	0	1	0	1
£110,000-£114,999	2	0	1	0
£115,000-£119,999	0	0	1	0
£120,000-£124,999	0	0	0	0
£125,000-£129,999	0	0	0	0
£130,000-£134,999	0	0	0	0
£135,000-£139,999	0	0	1	0
£140,000-£144,999	0	0	1	0
£145,000-£149,999	0	0	1	1
£150,000-£154,999	0	1	0	0
<b>Total</b>	<b>154</b>	<b>131</b>	<b>73</b>	<b>77</b>

This table above includes redundancy costs for employees who have now left the Council's employment.

#### Exit Packages:

The total cost of £816k in the table below includes all exit packages that have been agreed, accrued for and charged to the Authority's Comprehensive Income & Expenditure Statement for the current year. The Authority's Comprehensive Income & Expenditure Statement does not include any provision for exit packages, however there is an earmarked reserve established for this purpose.



The table below includes all benefits on termination, i.e. redundancy, pay in lieu of notice, severance and actuarial strain, etc.

Exit package cost band (inc. special payments)	Total number of compulsory redundancies by cost band		Total cost of exit packages in each band (£'000)	
	2012/13	2013/14	2012/13	2013/14
£0 - £20K	54	50	416	294
£20 - £40K	13	6	342	177
£40 - £60K	2	4	94	189
£60 - £80K	2	0	139	0
£80 - £100K	3	0	266	0
£100 - £150K	0	0	0	0
£150 - £200k	0	1	0	156
<b>Total</b>	<b>74</b>	<b>61</b>	<b>1,257</b>	<b>816</b>

### 32. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims:

	2012/13 £'000	2013/14 £'000
Fees payable to Audit Commission with regard to external audit services carried out by appointed auditor for the year	185	185
Fees payable to Audit Commission for certification of grant claims and returns for the year	55	52
Less: Rebates received from the Audit Commission	(20)	(25)
<b>Total</b>	<b>220</b>	<b>212</b>

### 33. Dedicated Schools Grant

The accumulated reserves of schools operating under local management arrangements were £11,826k at 31 March 2014 (£13,042k in 2012/13), which is carried forward into 2014/15

The Council's expenditure on schools is funded by the Dedicated Schools Grant (DSG), provided by the Department of Education. DSG is ring-fenced and can only be applied to meet expenditure properly included within the schools budget. The schools budget includes elements for a restricted range of services provided on a Council-wide basis and for the individual schools budget, which provides a budget share for each school. Over and under spends on the two elements have to be accounted for separately.

Details of how DSG received in 2013/14 was used are as follows:

<u>Schools budgets funded from DSG:</u>	<u>Central Expenditure</u>	<u>Individual Schools Budgets</u>	<u>2013/14</u>