



Summary of Accounts

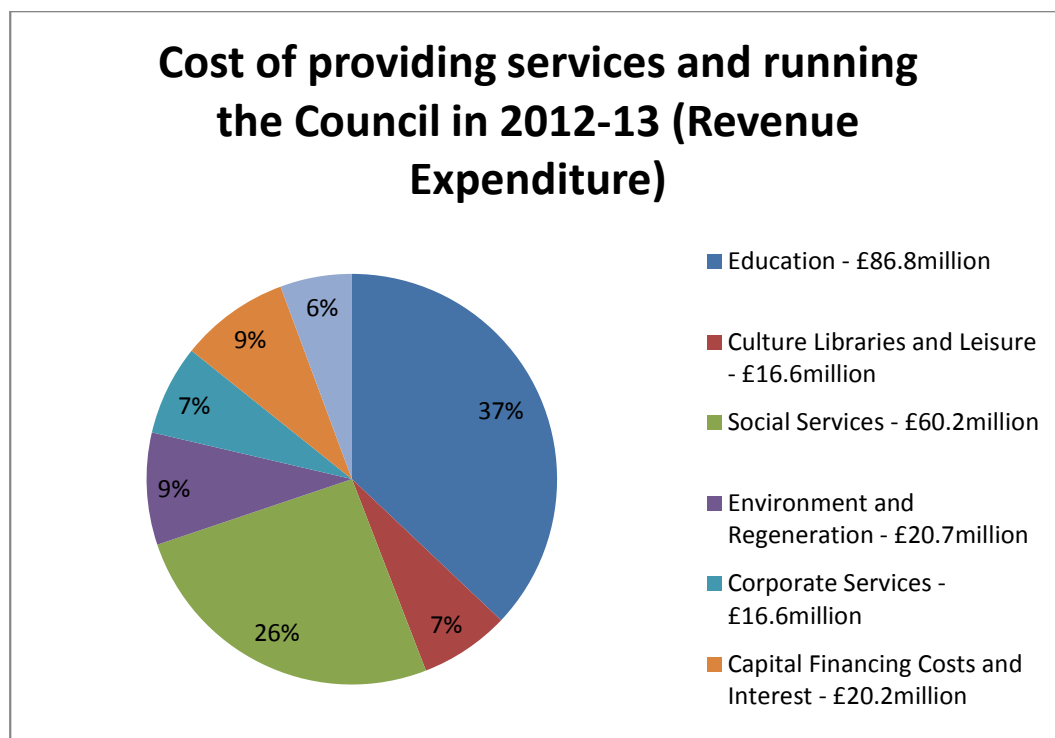
2012/13

Introduction

This document provides an overview of the Council's income and expenditure for financial year 2012-13 and its financial position as at 31 March 2013. The full audited statement of accounts can be viewed on line via the attached Council's website (newport.gov.uk)

Cost of Running Services

In 2012-13 the Council spent £234million (£234million in 2011-12) providing services for Newport residents. The chart below gives a breakdown of service costs:



Education – funds the 59 schools and nurseries across the city.

Social Services – supports those who have care needs and their families, provides respite care, residential homes and day centres.

Environment and Regeneration – includes Highways and Transport costs such as transport planning, traffic and highways management, parking, road safety and support to public transport. As well as refuse collection, disposals and recycling, and economic development.

Cultural, Libraries and Leisure – includes recreation and tourism, parks, libraries and the City's museum.

Central, Corporate and Democratic – includes electoral services, council tax running costs, housing benefits, and corporate and democratic core costs.

Capital Financing Costs and Interest – This is the annual cost to the Council of financing capital expenditure such as the building of new schools, and improvements to roads.

Where the Money Comes from

This spending has been funded by:

- Council Tax £44.76million
- Welsh Assembly Funding £192.929million

Council's Balance Sheet

The Balance Sheet shows the financial year end position for the County Council as a whole. It includes the financial value of the land, buildings and other assets owned by the Council, as well as the value of borrowings and other debts owed by the Council.

There is a difference of £54 million between the Council's assets (things we own e.g. property, investments, stocks and debtors) and its liabilities (what we owe to others). This difference represents a surplus of assets over liabilities and is a measure of Total Worth.

	Restated 31 March 2012 £'000	31 March 2013 £'000
Property, Plant and Equipment	620,160	483,256
Heritage Assets	12,522	17,002
Investment Property	6,833	7,349
Investments (Newport Transport Shares)	251	251
Money owed to the Council (Debtors)	51,438	52,701
Cash and Cash Equivalents	193	113
Inventories and other assets	236	7,262
What we own/are owed (Assets)	691,633	567,934
Short Term Borrowing	(27,741)	(19,290)
Long Term Borrowing	(144,165)	(147,993)
Goods and Services received but not paid for (Creditors)	(32,053)	(33,077)
Liability for future pension costs	(195,048)	(232,552)
Other Liabilities	(80,942)	(81,354)
What we owe (Liabilities)	(479,949)	(514,266)
Total Worth as at 31 March 2013	211,684	53,668

Property, Plant and Equipment - this includes land, buildings, infrastructure and vehicles. These assets have decreased this year mainly due to a revaluation of some of the Council's assets

Heritage Assets – These are assets that the Council holds for their heritage or cultural value. They include Tredegar House (valued at approx. £3.1million), the Museum's collection of over 120 paintings, and various statues across the city.

Investment Properties – These are buildings that the Council holds for their commercial value, for example the Kingsway Shopping Centre, and the Chartist Tower.

Short Term Borrowings – reflects debt that the Council has taken on to manage its cash-flow over the short term. These borrowings are all generally repaid within a month of the year end.

Long Term Borrowing - is the debt outstanding on external loans taken out by the Council to finance capital expenditure, (e.g. schools, roads). The principal value of the outstanding debt relates to the stock issue £40million (due to be repaid in 2019), market loans £35million (due to be repaid between 2042 and 2078) and HM Treasury's Public Works Loan Board £72.732million.

Liability for Future Pension Costs – this is the Council's net financial commitment to existing and future pensioners.

The long-term under-funding of the Local Government Scheme is currently being addressed over a number of years by increased employer and employee contributions. Consequently, the liability would not arise in total in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by actuaries on behalf of the administering authority (Torfaen CBC).

This note sets out the amounts set aside from the General Fund as balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund expenditure in 2012/13.

Key Reserves to note are:

- **Invest to save reserve** - established to enable funding of specific projects which demonstrate savings to the revenue budget within a 5 year timetable;
- **Capital expenditure reserve** - established to fund specific capital schemes included in the Capital Programme;
- **Insurance Reserve** – to assist in the management of the Council's insurance risks. To meet excesses and costs on claims against the Council and to provide cover on self-insured risks;
- **MMI Insurance reserve** – established to assist with potential future funding requirements of MMI in line with the agreed 'Scheme of Arrangement';
- **Pay reserve** - established to fund potential pay liabilities in future years;
- **Usable capital receipts reserve** - hold proceeds from sale of property, plant and equipment, used to finance new capital expenditure;
- **Southern Distributor Road PFI reserve** - smooths out funding differences that arise between the grant received from the Welsh Government and the capital payments made to the contractor. The reserve will balance over the life of the project;

	Movements between Reserves		Via Comprehensive I&E Account		Balance at 31-Mar-13	
	Balance at 31-Mar-12	Transfers Out	Transfers In	Transfers Out		Transfers In
	£'000	£'000	£'000	£'000	£'000	
Council Fund:	(5,000)	-	-	-	-	(5,000)
Balances held by schools for future use	(3,560)	-	-	-	(832)	(4,392)
Earmarked Reserves:						
Works of art	(21)	-	-	-	-	(21)
Music Service	(56)	-	-	-	(31)	(87)
School Works	(175)	-	-	145	(30)	(60)
STEP School Computers	(120)	-	-	-	(153)	(273)
Theatre & Arts Centre	(250)	-	-	-	-	(250)
Neighbourhood Allowances	(15)	15	-	-	-	-
Residual Housing Functions	(138)	41	-	57	-	(40)
Customer Access Transformation	(619)	609	-	10	-	-
Invest to Save	(6,912)	1,092	-	1,943	(3,088)	(6,965)
Capital Expenditure	(149)	21	(1,116)	955	(547)	(836)
Usk Riverfront Reserve	(50)	50	-	-	-	-
Insurance Reserve	-	-	(995)	-	-	(995)
MMI Insurance Reserve	(1,914)	995	-	504	-	(415)
GCC Insurance Fund	(540)	-	-	540	-	-
Cymorth Income	(188)	150	-	-	-	(38)
Legal Claims	(100)	-	-	-	(300)	(400)
City Centre Initiatives	(152)	152	-	-	-	-
Super Connected Cities	-	-	(90)	-	-	(90)
Snooker	-	-	(15)	-	-	(15)
Newport Unlimited	(77)	-	-	77	-	-
Pay Reserve	(6,463)	-	(949)	525	(2,712)	(9,599)
Municipal Elections	(87)	-	-	75	-	(12)
Local Development Plan	(382)	-	-	-	(134)	(516)
Pupil Referral Unit	(30)	-	-	-	(30)	(60)
Health & Safety	(16)	-	-	-	-	(16)
NISV Barriers	(40)	40	-	-	-	-
Council Tax Reduction	-	-	-	-	(1,000)	(1,000)
Landfill	-	-	-	-	(320)	(320)
Usable Capital Receipts	(1,680)	-	-	500	(2,371)	(3,551)
Glan Usk PFI	(101)	-	-	-	(39)	(140)
Southern Distributor Road PFI	(37,079)	-	-	-	(1,675)	(38,754)
Total	(65,914)	3,165	(3,165)	5,331	(13,262)	(73,845)