



06-07

Positive Achievement

The Council's Annual Report and
Statement of Accounts 2006 - 2007

Councillor D Ruddick
Council Leader



Councillor J Pawson
Mayor of Rossendale



Carolyn Wilkins
Chief Executive



Philip Seddon, A.C.A.
Head of finance



As presented to the
Accounts Committee
27th September 2007

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AREA OF BOROUGH:- 13,811 hectares
RESIDENT POPULATION:- 66,000
POPULATION DENSITY:- 4.7 persons per hectare
TOTAL DOMESTIC PROPERTIES:- 29,088

Analysis of rateable property

| | NUMBER OF PROPERTIES | RATEABLE VALUE £ |
|--|----------------------|---------------------|
| Commercial | 1,713 | 17,400,835 |
| Educational | 73 | 1,762,125 |
| Industrial | 536 | 9,914,164 |
| Leisure | 83 | 633,340 |
| Non Formula-assessed Public & Other Utilities | 3 | 335,250 |
| Miscellaneous | 75 | 1,031,630 |
| Total | 2,483 | 31,077,344 |

Section 1

Annual Report

“Much has been achieved, and many milestones reached for those longer-term projects we are working on.”



Achievements 06-07

Our Ambition - What Matters To Local People

April 06

The Council reintroduced manual street cleansing as part of its efforts to improve cleanliness.



May 06

Community Clean ups in Haslingden and Bacup organised by our NEAT team.



June 06

Launch of our first tourism website to provide more up-to-date visitor information



July 06

The Council selects Capita to administer its revenues, benefits and customer services



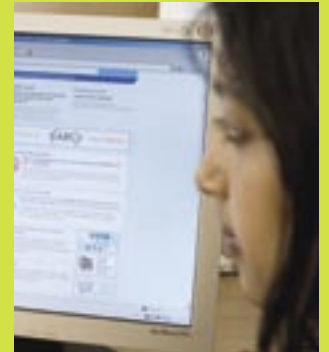
August 06

The first of our new refuse collection vehicles is delivered



September 06

Best council website in East Lancashire according to ICT consultancy, Sitemorse



October 06

New £1.4m Whitworth Civic Hall opens



November 06

Decision made to introduce an outdoor alcohol ban in Bacup Town Centre



December 06

Rossendale's first Mini Mayor, Katie Smith is appointed



January 07

Report shows that more than 94% of customers are satisfied with our One Stop Shop



February 07

Tourism information pod launched at East Lancashire Railway



March 07

Photographic competition launched to find inspiring images of Rossendale



Looking back 2006/07 has been a significant year for the Council in terms of delivering against our priorities. Some of the highlights are:-

1. Delivering Quality Services to Our Customers

We are committed to improving services to customers across the Council and have put in place a number of major improvements during the past year. Crucially, almost 80% of our staff now feel that we emphasise the importance of the customer (58.5% in 2005).

As a result, customer satisfaction with Rossendale Council continues to improve from our levels of performance in 2003/04. For example, 68% of people are satisfied with recycling services (an increase of 5%) and overall satisfaction with the Council since 2003/04 is up 8% (the biggest rise in the country).



Many of these improvements will take place through the partnership we entered into with Capita during 2006. This ten year, £13m contract for Revenues, Benefits and Customer Services is already delivering improved customer services, faster processing of benefits claims and longer opening hours for telephone enquiries. The new contract is saving us £190,000 per year and demonstrates our increased focus on delivering value-for-money.

Already, the majority of performance indicators have improved and further improvements are expected throughout the contract. This partnership has also delivered new investment to enhance the services provided, including the new contact centre which opened in September 2006 for revenue and benefits. In December 2006, 2,986 calls were received, 92% of which were answered within 20 seconds.

Our One Stop Shop in Rawtenstall also continues to deliver excellent customer service with more than 45,000 customers using it since it opened at

the end of 2005. Of these, 96.3% are satisfied with their experience.

"I have nothing but praise for the Council's new One Stop Shop. The staff are really friendly, you are treated with respect and don't have to wait too long to see someone. It's much cleaner and well laid out than the old town hall. The staff know about lots of different council service and go out of their way to help you."

One Stop Shop Customer

During 2006/07 our website at www.rossendale.gov.uk has continued to improve and is now ranked in the top 30 of all Local Government websites, by Site Morse. An increasing range of on-line services are now available and the web was visited on 3,312,444 occasions during 2006.

Other improvements for customers during 2006/07:

- Major improvement to our planning service which is now processing planning applications more quickly.
- Successful completion of the £1.4m rebuild of Whitworth Civic Hall resulting in a new state-of-the art community centre for the people of Rossendale.
- Improvements in disabled access to council buildings - up from 76% of buildings accessible in March 2006 to 92% in March 2007.

- Listening to local people's views - over the last 2 years more than 1000 people have taken part in consultation activity through Rossendale's Council's "Feedb@ck panel" which is delivered in partnership with the East Lancashire e Consultation Partnership.
- Developing our approach to consultation feedback - "You Said: We Did" shows people what we have done as a result of what they have told us in surveys.
- Appointment of the borough's first Mini-Mayor as a way to reach out to young people and engage them in our work. A question time event was also held at Haslingden High School during Local Democracy Week in 2006.



2. Regenerating Rossendale

Many people (64%) in the borough are satisfied with Rossendale as a place to live and 59.3% say that the Council is making the local area a better place to live, but we want to deliver a better quality of life for every resident. That is why regeneration is so important to us and why we have made it a priority for the last three years running.

There are three main elements to our regeneration strategy:

- Championing projects to deliver physical regeneration in the borough
- provide advice to more than 500 businesses
- improving more than 10 hectares of open space

Housing

Following the transfer of more than 3,800 homes to Greenvale Homes during 2006, we are no longer a direct provider of housing. However we do still have responsibility for providing a strategic housing service which is capable of delivering positive outcomes for the people of Rossendale. These include the delivery of various improvement programmes such as the Elevate funded Housing Market Renewal programme and ensuring that arrangements are in place to provide a homelessness service. We also retain control of the borough's housing policy

framework and are responsible for providing an adequate planning system that can meet the borough's current and future housing needs.

The Housing Market Renewal Programme in Bacup, Stacksteads and Britannia continues to be a major success and is delivering housing and other improvements for local people, including:

- face lifting to 114 stone built terraced houses
- refurbishment of 128 properties
- a Group Repair scheme covering 14 properties
- a shop front improvement programme covering 12 commercial properties
- neighbourhood management
- investment in bin stores and other environmental improvements
- new community facilities such as parks and play areas
- disabled facilities grants for 57 households arranged by the Housing Renewal Team.



Our strategic housing service has also made great progress during the past year developing a 'fit for purpose' Housing Strategy, incorporating a completed Housing Needs Assessment. The service has also:

- Put an affordable Housing Strategy in place and secured £670,000 of Housing Corporation funding for 20 new build flats in Rossendale.
- Approved an Empty Homes Policy designed to return at least 84 empty homes into use.
- Established an Accredited Landlord Scheme to improve conditions in the private rented sector.

During an inspection of our Strategic Housing Service the Audit Commission found the service to be 'fair' with promising prospects for improvement.

Business development

We support PEER (People Encouraging Enterprise in Rossendale) which operates through a fifty-strong community board of local people. It was the UK's first Enterprise Facilitation project based on the Sirolli approach to local regeneration. This 'good practice' approach to enterprise support is now being rolled out across East Lancashire.

Between April 2006 and January 2007 PEER helped in the formation of 16 new businesses.

Spatial development

Our regeneration plans require a comprehensive spatial policy and good planning team. During the past year progress on the main building blocks of the Local Development Framework has been good and the Core Strategy and Rawtenstall Area Action Plan will be submitted later this year.

We have also worked hard to improve the quality and performance of our planning team through an improvement plan and a partnership with Urban Vision. As a result, performance is now improving with 58.77% of 'major applications' being heard within 13 weeks, up from 34.78% in 2005/06. Our performance with 'minor applications' is even better with 77.7% being determined within the Government's target of 8 weeks.

As a result the planning service no longer requires additional government supervision.

Tackling financial exclusion

We have continued to provide funding for the three local credit unions in the borough and have worked with partners to launch RELi (Rossendale Enterprise Loan Initiative) in October 2006. Since then RELi has provided over £40,000 of loans to 13 local businesses who would not otherwise have been able to secure venture finance.

3. Keeping Our Borough Clean and Green.

Our Streetscene service is one of our highest profile services and has benefited from a significant investment during the past year.

Refuse collection and street cleaning

A new fleet of refuse collection vehicles are now in place following the negotiation of a new lease. This is delivering the equivalent of £100,000 of savings each year compared with the previous lease and has allowed us to acquire two additional road sweepers. We have also sold our older vehicles for £80,000 and been able to redeploy three staff. As a result of this investment we have achieved cost savings and an increase in vehicle reliability leading to an improved level of customer service - the number of bins that we fail to collect is now down from 193 missed bins per 100,000 in 2004/05 to 54 per 100,000 in 2006/07.

Recycling

Recycling in Rossendale continues to be a success with our recycling rate reaching 28.91% - up from 15% in 2003/04. We now have same day collection for seven separate recycled materials – glass, cans, plastics, textiles, paper, cardboard and garden waste



and have issued 10,500 composting bins – a significant number given only around 15,000 of our properties have gardens.

In October 2006 we ran a pilot scheme using grey wheeled bins for the collection of paper and card. The trial targeted 1500 properties (approx 5% households) with almost 70% of those targeted joining the scheme. The amount of paper and cardboard recycled through this scheme has increased by about 20% going from an average of 455.46 tonnes per quarter to 521.12 tonnes. We are currently distributing another 1,000 bins to other parts of the borough.

Neighbourhood Environmental Action Teams (NEAT)

Our Neighbourhood Environmental Action Teams (NEAT) have been a huge success. Since they were set up in April 2005 they have responded to 2,761 requests for service. They have organised a series of community clean-ups and visited schools to promote environmental education and recycling.

The NEAT teams have also taken responsibility for the fast track removal of abandoned vehicles which means that 100% of problem vehicles are now removed within 24 hour. This has reduced the number of reports of abandoned cars by approximately two-thirds.



The NEAT teams are also taking a lead on behalf of the Council in using our influence and our statutory powers to take action against those who have a negative impact on, or are actually damaging our environment. For example, we have used our Section 215 powers to target the owners of 101 properties/pieces of land, requesting that they make improvements or face the prospect of prosecution. As a result about £120,000 of improvements have been made to date. We have also issued 64 fixed penalty notices for dog fouling and served 84 notices under the Environmental Protection Act.

Environmental improvements

Local people are proud of their environment and as a Council we

are working hard to protect and enhance the borough's natural assets. Our newly adopted Environmental Strategy sets out a roadmap to a more sustainable future for the Council and for the borough as a whole. We take our environmental responsibilities seriously and through our work with the Local Strategic Partnership's Environment Theme Group are providing community leadership on this issue. For example we have demonstrated our commitment to reduce carbon emissions by signing up to the Nottingham Climate Change Charter.

We have also worked with a wide range of partners such as Groundwork and community organisations such as Civic Pride to involve the wider community in making environmental improvements. This has included the provision of a network of Multi-user games areas (MUGAs) in our parks and organising community clean-ups so that local people can contribute to improvement in their own neighbourhoods.



4. Promoting Rossendale

This is an exciting time for Rossendale and for the wider 'Pennine Lancashire' area. Work on our iconic Halo 'Panopticon' will soon be completed and this landmark public sculpture will become a major visitor destination in its own right, putting Rossendale well and truly on the map.



As well as being important to the borough, the Halo has been chosen as one of six major landmark projects for the 'Marketing the North to the World' programme being developed by the Northern Way. This will result in a major national and international media campaign to support the Halo. In addition to the Halo structure, £540,000 of regeneration funding has been secured for landscaping, access improvements and environmental improvements to make this former landfill site into a pleasant green space within the borough.

The Halo project complements the work we are doing to promote tourism

in the borough and the development of an outdoors brand – the 'Adrenaline Gateway' to promote the fantastic leisure pursuits that the borough has to offer and to raise our profile as a major centre for Adrenalin sports activity.

Partnership funding has been secured to develop the brand and projects within the brand which will build on the existing facilities that Rossendale can offer including: the Mary Townley Loop, Valley of Stone, Irwell Valley Sculpture Trail, Water-Skiing at Whitworth Reservoir, Mountain Biking and, of course, Ski Rossendale.

We have also commissioned Brighter Business Solutions to implement the first phase of our Tourism Action Plan including the Visit Rossendale website, tourism guide and a dedicated Rossendale tourism telephone line.

These initiatives all support the work being done across East Lancashire as part of 'Transforming Pennine Lancashire' programme which is focused on re-branding East Lancashire and promoting it as an area to live and invest.

Within Rossendale, we recognise the importance of promoting the borough to local people and providing a platform to promote the successes and achievements of local residents, businesses and organisations. High profile events such as the 'K for Kids

Festival and the Rossendale Alive Weekend help to bring the community together to celebrate our success and project a positive image of Rossendale. This encourages a culture where local people actively talk-up the borough, which has a positive impact on visitors and potential investors.



In addition to community events, the Council is also working hard to raise its own profile and improve its reputation. Our Rossendale Alive Newsletter, produced three times per year, provides an opportunity to inform residents about our services, explain our policies and decisions and promote the success of our partners and ourselves.

As part of a comprehensive series of documents this newsletter was used to publish a summary of the Council's financial performance The



Council's communication efforts won national recognition as runners-up in the PriceWaterhouse Coopers Public Reporting and Accountability Awards.

We have also signed up to the Local Government Association's Reputation Campaign which aims to improve the reputation of local authorities across the country. As part of the reputation project we have adopted the Rossendale Alive brand and we are applying it to new vehicles, new uniforms, leaflets, other Council literature and signage on a phased basis (linked to renewal and replacement).

"We are so lucky to have such a wonderful landscape right on our doorsteps. I am delighted that the Council is making a real effort to encourage people to come to the borough and find out more about what we have to offer. The new Halo sculpture will certainly catch people's attention."

Guest House owner

5. Health and Well Being

During the past 12 months Health and Wellbeing has emerged as an important priority for us and more importantly for the local community.

Proposals to reorganise NHS services in the region will have a potentially adverse impact on local people which has prompted us to exercise our community leadership role and challenge the proposals. We have also been a key partner in the development of proposals for improved community health facilities in the borough, promoting the concept of a health campus for Rossendale and encouraging the NHS to invest in improving local health services.

In addition to championing the needs of local people we contribute directly and indirectly to organisations, projects and services that have a positive impact on people's health and wellbeing.

Environmental Health

In April 2006, our Environmental Health Service was restructured to reflect the new public health agenda and the need to prioritise services to improve health and reduce health inequalities. As a result of this, the service has led a number of important health campaigns including back safety, stress at work, occupational dermatitis and smoking cessation.



Rossendale Leisure Trust

Leisure has a significant role to play in improving health and wellbeing, providing opportunities to improve physical fitness and mental wellbeing. There is a clear link between improved fitness and reductions in a wide range of illness including heart disease and cancer.

Since establishing the Rossendale Leisure Trust in 2004, we have remained its primary funding agency, committing about £500,000 per year to the Trust to manage and develop sports, leisure and cultural activities in the borough. This decision has led to an extra 54,000 visits to Leisure Trust facilities, including out-of-school activities and holiday clubs. Customer satisfaction has also increased from 50% in 2003/04 to 55% in 2006/07 and the number of visits increased by 10.93% between 2005 and 2006.

Housing improvement

There is a clear link between poor quality housing and poor health. Our decision to transfer the Council's 3,800 houses to Green Vale Homes has

resulted in £40m of new investment to improve housing standards in the borough. In addition, our Housing Market Renewal Programme in Bacup, Stacksteads and Britannia, is aiming to bring private sector housing up to a better standard.

As part of our overall housing strategy we are encouraging private landlords to sign up to higher standards and we are encouraging tenants to contact us if they are concerned about the quality of the housing they are renting.

Parks, play areas and open spaces

During the past year we have completed a comprehensive Open Space Audit which led to the development of a coherent Open Spaces Strategy. The strategy, developed through multiagency working, will enable a joined-up approach to investment and provision by us, together with our partners, over the next 12 years.

Open spaces play a key part in providing opportunities for local people to become more active. Well maintained parks encourage people to exercise and good quality sports facilities encourage physical activity.

We have also developed a Play Strategy which has influenced development of children's play areas at Festival Park in Whitworth and Gordon Street in Bacup, ensuring that better

and more diverse facilities are provided to cater for a range of different age groups.

Community Safety Partnership

Our Community Safety Partnership is the best in Lancashire at reducing crime according to the Audit Commission. In the year to December 2006, the partnership helped to achieve a 17% reduction in crime on top of an 11% reduction during 2005.

As a result of this reduction 50.4% of residents in the borough agreed that we are working to make the area safer. One of the biggest reductions was in criminal damage which is down by 24.3% and burglary - down by 11.8% following efforts to target persistent offenders and crime reduction initiatives.

Some of the key crime reduction projects that we have helped to deliver during 2006/07 include:

- The Staghills Youth Shelter which opened in August 2006 following complaints about youth related anti-social behaviour.
- Operation Streetwise 2006 – attended by almost 900 Year 6 pupils.
- Implementation of a third Outdoor Alcohol Control Zone in Bacup in direct response to complaints from residents and businesses.

6. Well-Managed Council

As a Council it is vital for us to have the relevant systems, processes and capacity in place in order to deliver our 5 outward facing priorities – Quality Customer Services, Regeneration, Clean and Green, Promoting Rossendale and Health and Wellbeing. Our priority of 'A well managed Council' focuses on three main areas - Member Development, Human Resources and Financial Management. In addition to these we are embedding effective performance management systems into our day-to-day operations and ensuring that we have a fit-for-purpose ICT strategy and new technology.

Member Development

We have an excellent member development programme in Rossendale which has been recognised nationally as runners-up in the Member Development category of the Municipal Journal Awards 2007.



Councillors in Rossendale are committed to becoming some of the best councillors in the country and have committed themselves to an ambitious Member Development Strategy. As a result of the strategy and the Member Development programme our 36 councillors took part in a total of 865 hours of development activity during the past year.

During 2006 the quality our member development was formally recognised when we were awarded the North West Charter for Elected Member Development.

Human Resources

Council staff are one of our biggest resources and we work hard to support and motivate staff within the context of our Human Resources Strategy and Organisational Development Plan.

A relatively high level of sickness absence has been a problem in the past, but a new sickness monitoring regime has been put in place with regular reports to councillors. As a result of the changes made during 2006/07, the level of absence has fallen from an average of 13.53 days per employee per year in 2005/06 to 6.9 days per employee in 2006/07.

Our biggest achievement this year has been achieving the Investors in People standard for the whole Council.

The award recognises the importance that we place on training and development within a learning culture. We have made significant investment in training over the last three years with all staff undertaking compulsory training in customer care and equalities. In addition some managerial staff have undertaken a range of external management development certificates and diplomas including the East Lancashire Leadership Programme.

Our focus on training and motivating staff is paying dividends with 72% of staff now feeling valued at least some of the time, compared to just 7% in 2004/05.

Financial Management

We are determined to deliver good value-for-money services, minimise the impact of Council Tax rises, ensure that our resources are focused on our priorities and maximise the use of all our assets.

Through the effective financial management strategies and policies that we have put in place we have been able to achieve significant efficiency savings worth £500,000 (70% above the Government's target).

Many of these savings have been achieved through our Procurement Strategy which has helped to drive down the cost of purchasing goods and services. For example, by working

with an East Lancashire purchasing consortium (the East Lancashire Partnership) we have saved approximately £80,000 on things like ICT equipment, recruitment advertising and janitorial supplies. Modernised contract procedure rules have also been introduced to ensure that value-for-money is being achieved.

As a result of the savings achieved we have been able to minimise the impact of Council Tax increases to below the rate of inflation as measured by the Retail Price Index for 2006/07 and 2007/08. This amounts to a real terms reduction in Council Tax of 1.5%. This has required us to achieve £660,000 of cashable savings in 2006/07 which will rise to £967,000 in the next year (as counted in our Annual Efficiency Statement). This is significantly in excess of the Government's 'Gershon' efficiency targets and indicates our focus on delivering value-for-money services.

We are also making the best use of our assets. Our recently approved Capital Strategy and Asset Management Plan, both rated as 'good' by the Government, allocate capital resources in line with corporate priorities.

This approach to maximising our resources and reducing costs has allowed us to redirect around £1.6m over the last three years into our priority areas.

Performance Management

Our approach to performance management is strong and paying dividends, with 87% of performance measures either being maintained or improving and 68% of targets met.

As a result of our decision to apply the Council's performance management system to the work of the Local Strategic Partnership, the partnership was able to clearly evidence that it was achieving a high level of success in implementing the Community Strategy Delivery Plan. This means that during the past year the Partnership has successfully achieved 'Green light' status for its work (the best possible), and the first of its type in the country to get the top grade.

Information and Communication Technologies (ICT)

Information and Communication Technologies are a vital part of any modern organisation. During 2006 we adopted a new ICT Strategy which set out our future requirements. As a result of the strategy we have been able to develop a new web site, intranet and extranet with integrated content management systems and achieve a top 30 ranking amongst all Local Government websites as ranked by Site Morse.

We have also been able to make other improvements which we have a

more stable and secure IT environment, including the introduction of new technology which has led to revenue savings of more than £100,000 per year.

External Review and inspection

Each year the Council undergoes a number of external reviews and inspections, largely carried out by the Audit Commission. The main reviews published during the year and their results are shown opposite.

In April 2007 the council underwent its most important inspection since the Corporate Governance Inspection in 2002. The Comprehensive Performance Assessment (CPA) looked at the progress made by the Council since the previous CPA "Poor". While the result was announced in July 2007 the assessment reflects the work done up to the end of 2006/07, so we are reporting on it here. The Council was assessed as "Good" with particular strengths being highlighted in the way we work with others to articulate a clear ambition for the borough.

This result makes Rossendale one of only two councils to have jumped three categories in the CPA process and while this means that in future the Council will have fewer inspections and less intervention from the Government, it is only another stage in the journey. Having set the ambition

Inspections during 2006/2007

| | |
|-----------------------------------|--|
| Environment Inspection | fair service- promising prospects for improvement. |
| Strategic Housing | fair service with promising prospects for improvement. |
| Use of Resources | adequate performance |
| Investors in People | achieved the standard |
| NW Charter for Member Development | achieved the standard |

for the borough we must now carry on and deliver it, building on the solid progress we have already made.



Councillor Duncan Ruddick



Carolyn Wilkins

"The Council recognises that it has rich environmental assets, and rightly makes managing the environment a high priority. Some imaginative and exciting ideas are emerging, aided by an unusually self-reliant and entrepreneurial community voice. There is also an improvement in the quality of the natural environment, open spaces and the built environment."

Audit Commission, February 2006



| | |
|--------------------------|------------|
| MAYOR | P. Steen |
| DEPUTY MAYOR | J. Pawson |
| LEADER OF COUNCIL | D. Ruddick |
| LEADER OF THE OPPOSITION | D. Hancock |

POLITICAL COMPOSITION OF THE COUNCIL

| | | | |
|------------------|----|--------------|-----------|
| Labour Party | 9 | Independent | 1 |
| Conservatives | 23 | Vacant | 3 |
| Liberal Democrat | 0 | Total | 36 |

The Council consists of 36 Members, each elected for a period of 4 years. For the purpose of the elections the Borough is divided into 14 wards. A list of Wards and Members follows.

Rossendale currently has 5 elected representatives on the Lancashire County Council.

| | | | |
|------------------------------|--|-------------------------------|---|
| CRIBDEN | Janet Graham (Con) Christine Gill (Lab) | HEALEY & WHITWORTH | Ronald Alan Neal (Independent) David William Barnes (Con) |
| EDEN | Darryl Smith (Con) 1 Vacant | HELMSHORE | Joyce Pawson (Con) Brian Walter Essex (Con) Barry Stuart Pawson (Con) |
| FACIT & SHAWFORTH | Linda Iris Barnes (Con) Hazel May Steen (Con) | IRWELL | Janet Kathleen Farquharson (Con) Graham Haworth (Lab) Peter Stuart Steen (Con) |
| GOODSHAW | Michael Edward Ormerod (Con) Alyson Barnes (Lab) | LONGHOLME | Anthony Swain (Con) June Forshaw (Lab) 1 Vacant |
| GREENFIELD | Gladys Sandiford (Con) Granville Richard Morris (Con) Peter Charles Starkey (Con) | STACKSTEADS | Fred Lynskey (Con) Christine Lamb (Lab) |
| GREENSCLOUGH | Judith Mary Driver (Con) James Eaton (Con) <i>(also County Cllr)</i> William Challinor (Con) | WHITEWELL | Theresa Marlene Crosta (Con) David James Hancock (Lab) Amanda Robertson (Lab) |
| HAREHOLME | Peter Joseph Gill (Lab) Trevor Unsworth (Lab) 1 Vacant | WORSLEY | Duncan Ruddick (Con) <i>(also County Cllr)</i> Hilary Pat A. Dickinson (Con) Joyce Thorne (Con) |

Key: (Lab) = Labour : (Lib Dem) = Liberal Democrat : (Con) = Conservative : ___ = Indicates known name

The Cabinet

This Committee carries out all the Local Authority's functions which are not matters reserved for Full Council or the responsibility of another Committee. In particular the Cabinet guides the Council in formulating its policy objectives with a general aim to enhance the quality of life for the citizens of Rossendale. It determines the priorities by which those policy objectives should be achieved, allocates resources to achieve them and then reviews progress made towards achieving those objectives, including making recommendations on the level of local taxes and exercising financial management over the affairs of the Council.

The Accounts Committee

The Accounts Committee is responsible for the approval of the annual Statement of Accounts under the Accounts and Audit Regulations 2003, including the approval of the Statement on Internal Control recommended by the Audit Scrutiny Committee.

The Development Control Committee

This committee considers development control policies and matters regulated by the Building Act 1984 and Town and Country Planning legislation.

The Policy Development Overview and Scrutiny Committee

This committee assists the Council and the Cabinet in the development of its budget and policy framework. The Committee also deals with other matters of legal concern, community participations and liaises with external organisations to champion the interests of local people.

The Licensing Committee

The Licensing Committee handles all licenses including those for Alcohol, Public Entertainment, Hackney Carriage/Private Hire licenses, Lotteries, Amusements Act and Gaming Licences, tattooing & ear piercing establishments, take-away food shops and pet shops.

The Standards Committee

This Committee promotes and monitors high standards of conduct by Councillors and co-opted Members, as set out in the Members' Code of Conduct. It also monitors and reviews the Council's Constitution.

Overview & Scrutiny Management Committee

This committee is charged with overseeing and reviewing the work of the Scrutiny Committees and Task and Finish Groups, reviewing such policy matters as the Committee itself feels are appropriate, in accordance with a Schedule of Work which it sets at the beginning of each financial year.

Performance Scrutiny Committee

This Committee monitors and scrutinises Best Value Performance Indicators and other performance targets, Service Improvement Plans and policy objectives. It also scrutinises decisions made by the Cabinet and other Council Committees and Officers.

Policy Scrutiny Committee

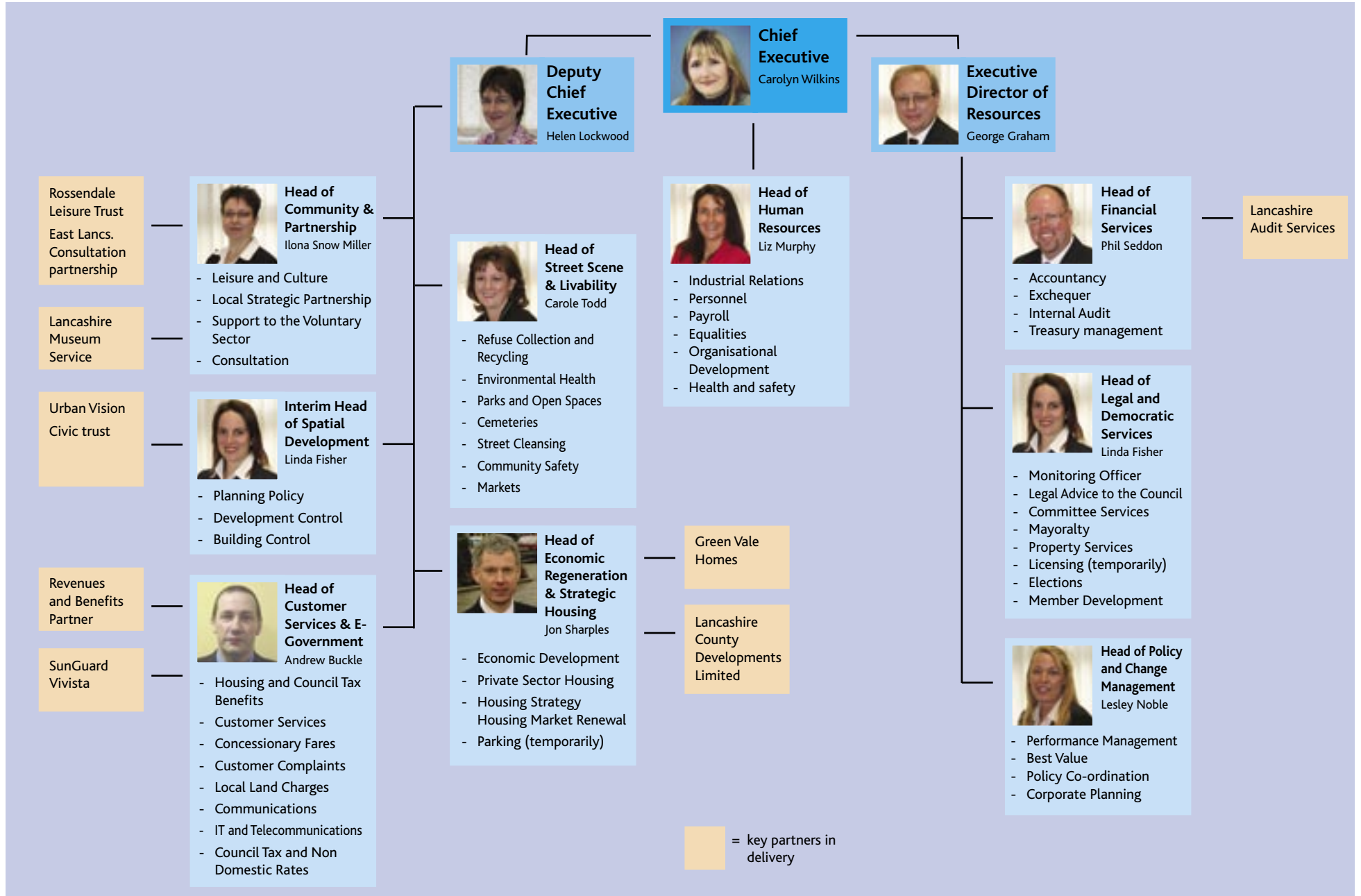
The Policy Scrutiny Committee is charged with developing and reviewing policy matters referred to it by the Cabinet or Committees. In doing so it conducts research and consultation exercises to analyse the policy issues and possible options, working closely with the community and partners.

Audit Scrutiny Committee

This Committee considers reports dealing with the management and performance of the providers of internal audit services, including specific internal audit reports. It oversees the production of the authority's Statement of Internal Control and recommends its adoption by the Accounts Committee. It also considers the external auditors annual letter and the report of those charged with governance.

The Appointment & Appeals Committee

The Appointment & Appeals Committee deals with a number of staffing issues including recruitment, grievances, disciplinary and redundancy cases and any other appeal or tribunal which needs to be considered by Members of the Council.



Section 2

Statement of Accounts

“This booklet presents the Council’s accounts for the year ended 31st March 2007.”



Opinion on the financial statements

I have audited the financial statements of Rossendale Borough Council and its Group for the year ended 31 March 2007 under the Audit Commission Act 1998, which comprise the Income and Expenditure Account, Statement of the Movement on the General Fund Balance, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund, the Group Accounts and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to Rossendale Borough 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 Finance Officer and auditors

The Chief Finance 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 2006 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 of Recommended Practice on Local Authority Accounting in the United Kingdom 2006.

I review whether the statement on 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' issued in 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 on internal control 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 content of the Explanatory Foreword and the Annual Report. 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, 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 judgments 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 2006, the financial position of the Authority and its Group as at 31 March 2007 and its income and expenditure for the year then ended.

Signed:

Mike Thomas

Audit Commission, Aspinall House,
Aspinall Close, Middlebrook, Bolton,
BL6 6QQ

September 2007

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 having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Rossendale Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

Best Value Performance Plan

I issued my statutory report on the audit of the Authority's best value performance plan for the financial year 2006/07 on 18 December 2006. 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 Audit Practice issued by the Audit Commission.

Signed:

Mike Thomas

Audit Commission, Aspinall House,
Aspinall Close, Middlebrook, Bolton,
BL6 6QQ

September 2007

1. Introduction

This booklet presents the Council's accounts for the year ended 31st March 2007. In doing so it now conforms to the Statement of Recommended Practice 2006/2007 which represent a substantial change from the statements that authorities produced in 2005/2006 and earlier years and has brought about several changes in the accounting policies.

The main changes are as follows:-

- *The core financial statements are now shown collectively*
- *The notes to these statements have been grouped together*
- *The Consolidated Revenue Account has been disaggregated to produce a set of three statements each with a single clear objective*
 - *Income and Expenditure Account*
 - *Statement of the Movement on the General Fund Balance*
 - *Statement of Total Recognised Gains and Losses*
- *Supplementary statements are then gathered together after the notes to the core financial statements*
- *Other statements, financial summaries and a glossary can now be found at the back of this document*

The new layout and purpose of each statement is as follows:-

Explanatory Statements

- **Statement of Accounting Policies**
This explains the policies used in the preparation of the figures in these accounts.
- **Statement of Responsibilities** -
Explaining the responsibilities in relation to the Council's Financial affairs.



Core Statements

- **Income and Expenditure Account** -
A summary of the resources generated and consumed by the authority in the year.
- **Statement of the Movement on the General Fund Balance** -
A reconciliation showing how the balance of resources generated/ consumed in the year links in with statutory requirements for raising council tax.
- **Statement of Total Recognised Gains and Losses** -
Demonstration of how the movement in net worth in the Balance Sheet is identified to the Income & Expenditure Account surplus/deficit and to other unrealised gains and losses.
- **Balance Sheet** -
This shows the balances and reserves at the Council's disposal and its long term indebtedness, the net current assets employed in its operations, and summarised information on the fixed assets held.
- **Cash Flow Statement** -
This summarises the income and expenditure of the Council for capital and revenue purposes in cash terms.

Notes to the core financial statements

All the notes to the statement (left) are now collected in one place

Supplementary Statements

- **The Housing Revenue Account** -
This reflects a statutory obligation to account separately for Local Authority Housing provision. It shows the major elements of Housing Revenue expenditure and income associated with the Council's functions as landlord of the housing stock.
- **The Collection Fund** -
This shows the precepts levied by the Borough Council and the County Council and others and how they were funded.
- **The Group Accounts** -
The Group Accounts show the consolidated financial position of the Council, its interest in Rossendale Transport Limited and Trust Funds.

Other Statements

- **Statement on Internal Control** -
Explaining the way the Council ensures responsible stewardship of its assets.
- **Capital Expenditure Report** -
A detailed analysis of the capital projects and funding during 2006/07

Glossary



2. General Fund

The General Fund accounts for income and expenditure associated with the day to day running of all the services that the Council provides, with the exception of local authority housing which is accounted for separately with the Housing Revenue Account.

Full Council on the 23rd February 2006 approved a total General Fund Services Budget for 2006/2007 of £10.806m and a precept for Whitworth Town Council of £46,854. This was to be funded by a Collection Fund Precept of £4,940,286 and a central government Formula Grant of £5,912,446 which replaced the previous Rate Support Grant and Re-distributed National Non-Domestic Rates funding streams.

As a result of business property developments in the borough in recent years, the NNDR Pool also made a grant to the Council of £661k under the Local Authority Business Growth Incentive Scheme (LABGIS). This was then used to create a Reserve for Future Economic Regeneration activity.

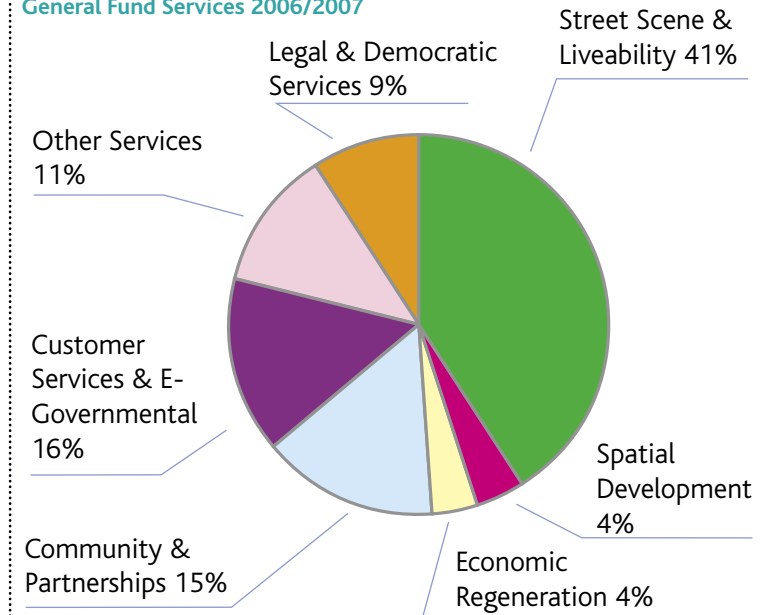
The Council also made a revenue contribution of £34k towards capital expenditure on software to improve our Planning and Building Control Services. This was funded from the Building Control earmarked provision - see Note 7 to the Core Statements.

As a result of a Local Public Service Agreement (LPSA) between Lancashire County Council and the Government, the General Fund received a performance reward grant of £56k revenue and £56k capital in 2006/2007.

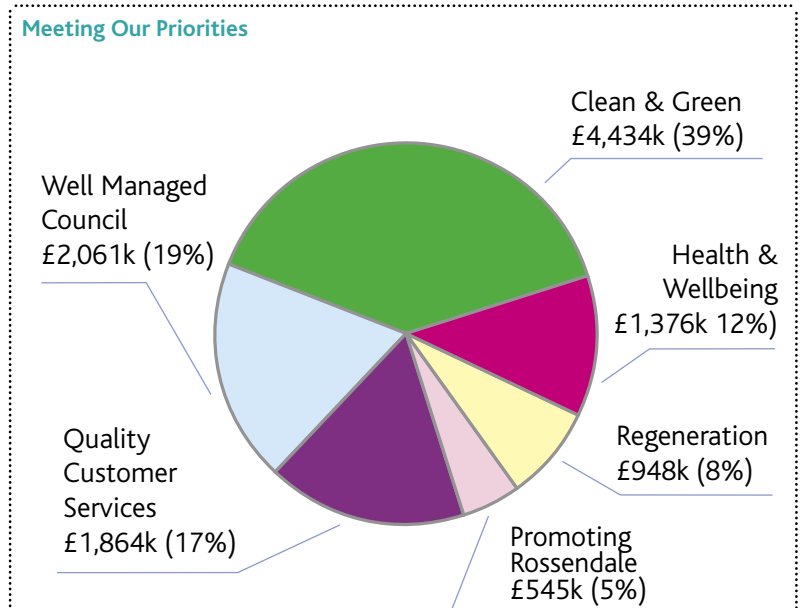
A monthly budget monitoring regime ensured that the medium term financial strategy was adhered to and consequently the outturn for 2006/2007 resulted in £40k contribution to General Fund Reserves, leaving the closing balance on the Reserve at 31st of March 2007 of £686k. During 2006/2007 the General Fund has utilised £584k from the Change Management Reserve, contributed £100k into a new Budget Volatility Reserve and created a new Economic Regeneration Reserve of £661k, giving a net transfer to Earmarked Reserves of £161k.

| | 2005/2006 | | 2006/2007 | |
|---|---------------|-----------------|------------------|---------------|
| | Actual | Original Budget | Revised Forecast | Actual |
| | £000s | £000s | £000s | £000s |
| Street Scene & Liveability | 4,083 | 4,189 | 4,879 | 4,633 |
| Spatial Development | 448 | 602 | 546 | 470 |
| Economic Regeneration & Strategic Housing | 549 | 631 | 551 | 462 |
| Community & Partnerships | 1,557 | 1,194 | 1,693 | 1,702 |
| Customer Services & E-Government | 1,399 | 1,915 | 1,837 | 1,818 |
| Financial Services | 240 | 454 | 355 | 364 |
| Policy & Change Management | 122 | 132 | 167 | 148 |
| Corporate Management | 517 | 557 | 507 | 617 |
| Legal & Democratic Services | 929 | 1,677 | 839 | 963 |
| Human Resources | 227 | 221 | 143 | 151 |
| Non-distributed Costs | 1,564 | (459) | 10 | (44) |
| Total cost of General Fund Services | 11,635 | 11,113 | 11,527 | 11,284 |
| Financed by | | | | |
| Whitworth Town Council Precept | 44 | 47 | 47 | 47 |
| Revenue Contribution to Capital | - | - | - | 34 |
| Contribution to/(from) General Reserves | 259 | - | - | 40 |
| Transfers to/(from) Capital Financing Account | (1,853) | - | - | - |
| Contributions to/(from) Earmarked Reserves | (232) | (307) | (721) | 161 |
| Amount to be met from govt grants and local tax payers | 9,853 | 10,853 | 10,853 | 11,566 |
| Precept on the Collection Fund | 4,803 | 4,940 | 4,940 | 4,940 |
| General Govt Grants: Revenue Support Grant | 3,146 | 957 | 957 | 957 |
| LABGIS | - | - | - | 661 |
| LPSA | - | - | - | 56 |
| Distribution from NNDR Pool | 1,904 | 4,956 | 4,956 | 4,952 |
| Amounts from govt grants and local tax payers | 9,853 | 10,853 | 10,853 | 11,566 |

General Fund Services 2006/2007



Meeting Our Priorities



3. Housing Revenue Account

The Local Government and Housing Act 1989 requires Councils to maintain a separate ring-fenced account for the provision of local authority housing, which cannot be subsidised by the General Fund. This account, known as the Housing Revenue Account, deals with all the transactions involving the management of the Council's housing stock. Full details of this can be found on page 58.

In November 2005 the results of the Housing tenants vote were announced, showing a significant majority in

favour of Housing Stock Transfer from the Council to a new Registered Social Landlord (RSL). Green Vale Homes was therefore formed to be the new RSL. With financial support from the then Office of the Deputy Prime Minister (ODPM), the Council's housing stock and other assets and liabilities were transferred to Green Vale Homes on 27th March 2006. As at the 31st March 2006 the working balance on the Housing Revenue Account was £1,099k.

In accordance with government legislation this housing Revenue

Account must be kept separate until the 1st April 2007. On that date the current balance of £1,150k will transfer to the General Fund See note 34 to the Core Statements.

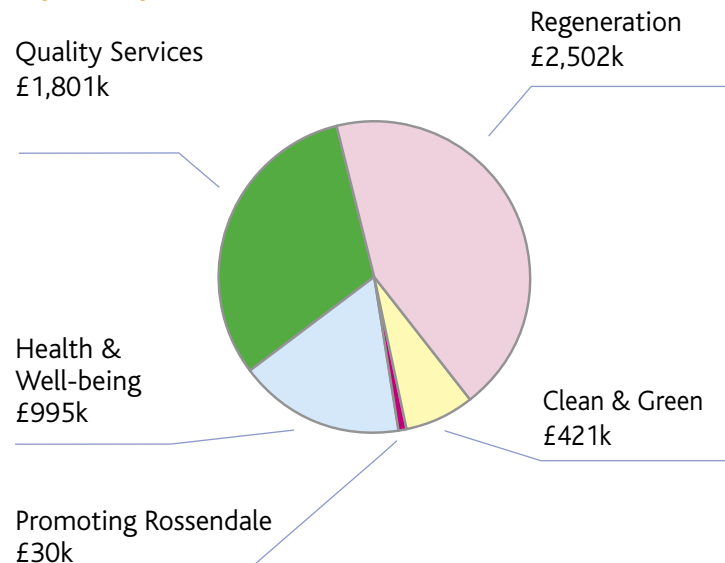
4. Capital Expenditure

The capital works undertaken by the Council in 2006/2007 amounting to £5.7 million of which £2.295M relates to work on the Council's own fixed assets which are summarised in Note 15 to the Core Statements. More details can be found in the Capital Expenditure Report at the back of this book.

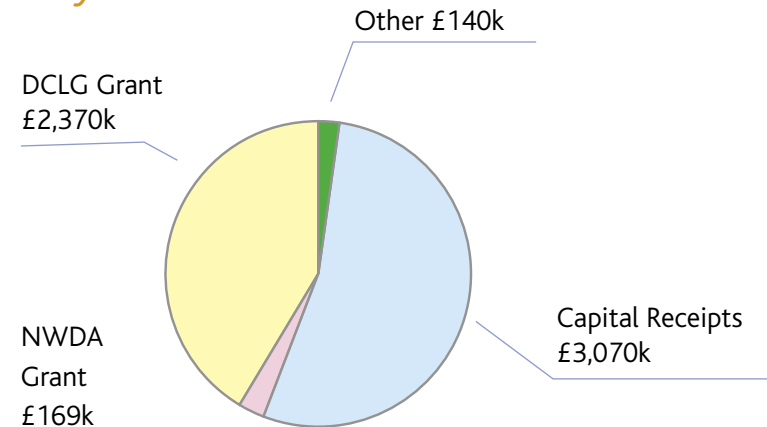
5. The Euro

On the 1st January 1999 eleven European Union members adopted a single currency – the Euro. The UK, Denmark, Sweden and Greece did not join the eurozone in the first wave of countries. The adaptation of operational and information systems to accommodate the Euro will become a necessity for local authorities should Britain decide to join. The Council has recognised this and the need to plan accordingly. The need to ensure that new systems can be adapted if necessary has also been recognised.

Capital Expenditure



Financed by



6. Single Regeneration budget (SRB)

The Council acts as Accountable Body for the Bacup & Stacksteads Community Partnership Single Regeneration Budget Scheme. The £5m scheme began in September 2000 and will run until June 2007. The operation of the scheme and support of the Partnership Board are provided by Rossendale Borough Council staff. The revenue and capital accounts in this statement record expenditure and grant income on any SRB projects within this scheme which are being run by the Council. The total grant claimed on behalf of projects in 2006/2007 was £918k. Included in this was an administration grant of £44k.

7. Treasury Management

Treasury management during the year was conducted within the borrowing limits and investment criteria approved by the Council.

8. Pensions and FRS17

Note 36 explains how the Council have accounted for the under-lying long-term commitments in relation to the retirement benefits for employees. The Local Government Pension Scheme administered by Lancashire County Council underwent a full valuation in March 2004 which was published in March 2005. This valuation saw an increase in the Net Liability in the Balance Sheet from £8.4m at 31st March 2004 to over £19.5m at 31st March 2005. Performance in subsequent years has reduced this liability to £13.3m

In order to meet these long-term commitments over the next 25 years the Council has increased its contribution rate to the fund in increments over three years. On the 1st April 2005 the employer's contribution rate rose from 12.7% to 14.5%. On 1st April 2006 it rose to 16.3% and on 1st April 2007 it will rise again to 18.1%.

9. Further Information

Further information about the accounts is available from the Head of Finance, Kingfisher Centre, Futures Park, Bacup. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.



1. Introduction

In accordance with the CIPFA Statement of Recommended Practice 2006 (SORP), the authority has adopted the following accounting concepts to be followed in the preparation of the Statement of Accounts and the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

- The qualitative characteristics of financial information
 - *relevance*
 - *reliability*
 - *comparability*
 - *understandability*
- Materiality
- Pervasive accounting concepts
 - *accruals*
 - *going concern*
 - *primacy of legislative requirements*

Policies are reviewed regularly to ensure they remain appropriate to the Authority's circumstances with a full disclosure of any changes to accounting policies where necessary.

2. Tangible and Intangible Assets

The 1989 Local Government and Housing Act provides that all expenditure incurred by the Council must be charged to a revenue account of the Council unless it falls within certain specified exceptions which may be capitalised. Capital expenditure is defined as:-

- the acquisition, reclamation, enhancement or laying out of land;
- the acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures, including insulation works and disabled adaptations;
- the acquisition, installation or replacement of movable or immovable plant, machinery, vehicles, apparatus or vessels;
- advances, grants or financial assistance to another person towards expenses incurred or to be incurred by him in respect of items mentioned above;
- the acquisition of investments or share or loan capital in a corporate body;
- the acquisition or preparation of computer programs to be used for at least one year, referred to as intangible asset.

All expenditure on the acquisition, creation or enhancement of assets is capitalised on an accruals basis in the accounts. Expenditure on assets is capitalised, provided that the asset yields benefits to the authority and the services it provides for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets, which is charged direct to service revenue accounts.

Assets are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). Assets are classified into the groupings required by the 1993 Code of Practice on Local Authority Accounting. They are included in the Balance Sheet, on the following basis:-

- intangible assets are non-financial assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights, such as software. Intangible assets are capitalised at cost and depreciated to the revenue account over their useful economic life.

- land, operational properties and other operational assets are included at the lower of net current replacement cost and net realisable value.
- non-operational assets, including investment properties and assets that are surplus to requirements, are included at the lower of net current replacement cost and net realisable value. In the case of investment properties, this is normally open market value.
- infrastructure assets and community assets are included in the Balance Sheet at historical cost.

The surpluses arising on the initial valuation of fixed assets at 1st April 1994 were credited to the Fixed Asset Restatement Account. Subsequent revaluations of fixed assets are planned on a five yearly rolling basis, although an impairment review is undertaken at the end of each accounting period and material changes to asset valuations are adjusted in the interim period, as they occur.

Depreciation is provided for on all operational assets with a finite useful life (which can be determined at the time of acquisition or revaluation over the useful life of the asset) using the straight-line method.

3. Basis of Charges for Capital

Capital charges are made to service revenue accounts to reflect the use of assets in delivering services. In the past these amounts covered depreciation and notional interest charges. The 2006-2007 Code of Practice has removed the notional interest charges. To ensure consistency for comparison purposes the notional interest previously reported in the 2005-2006 figures have been reversed.

Charges for Depreciation cover buildings, plant, furniture and equipment as well as intangible assets. Community and non-operational assets are not depreciated each year. Charges for depreciation amount to £526k (£2,836k in 2005-2006). Depreciation does not impact on the council tax, hence an adjusting transaction can be found in the Statement of Movement on the General Fund Balance. Details of the depreciation charged can be found in Note 14.

4. Leases

Where assets are acquired under operating leases the leasing rentals payable are charged to the revenue account on a straight line basis over the term of the lease. The costs of the assets subject to leasing agreements are not shown in the Balance Sheet, but are disclosed in Note 19. No new assets have been acquired under finance leases and there are no residual obligations under old finance leases.

5. Deferred Charges

Deferred charges should be written off to revenue over an appropriate period consistent with the consumption of the economic benefits controlled by the local authority.

Because of the types of expenditure to which deferred charges usually apply, eg improvement grants, a local authority will seldom control the economic benefits arising from the expenditure and in such cases 100% of the deferred charge should be written off to revenue in the year the deferred charge is recognised. Where the Council meets this charge from existing capital resources a reversing entry in the Statement of Movement on the General Fund Balance ensures there is no impact on the council tax.

6. Capital Receipts

Capital receipts come from the sale of assets of which 50% and 75% must be set aside for repayment of debt in respect of Housing Revenue Account. The balance of usable capital receipts may be used to finance capital expenditure or to repay more debts. (Note 30)

7. Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice. 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. An exception to this principle relates to electricity and similar quarterly payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts. An analysis can be found in Notes 23 and 24.

8. Stocks and Work in Progress

Stocks are included in the balance sheet at the lower of cost and net realisable value. Work in progress is subject to an interim valuation at the year-end and recorded in the balance sheet at cost plus any overheads reasonably attributable to the works. Full details can be found in Note 22.





9. Cost of Support Services

Charges or apportionments covering all support service costs are made to all their users, including services to the public, divisions of services, trading undertakings, capital accounts and other support services. The cost of service management (except corporate management) is included in the apportioned charges.

These recharges are generally made at a rate to recover staff costs and typical overheads incurred, although in cases where overheads for IT services are particularly high the services are recharged on the basis of a full allocation of the costs incurred. The basis of apportionment is calculated either as time spent by support staff, usage of technology or space occupied in buildings.

With the exception of a small balance indicated as "Support Services", all used portions of these overheads have been allocated on the above basis. In accordance with the Best Value Accounting Code of Practice, unused but unrealisable elements of central support services are charged to Non-Distributed Costs. The cost of service strategy and regulation of any service to the public is allocated to a separate objective expenditure head in the accounts of that service.

10. Pensions

The requirements of FRS17 have been fully incorporated into the Income and Expenditure Account, Housing Revenue Account Income and Expenditure Account and the Statement of Total Recognised Gains and Losses, as Note 37 explains.

11. Interest

Interest paid on external borrowings is accrued and charged in the accounts of the period to which it relates and interest earned on the external investment of surplus funds is credited to the General Fund. Internal interest payments flow between the General Fund and Housing Revenue Account (HRA), based on the net cash balance on the HRA. The calculation is based on relevant short-term interest rates and is governed by regulations.

12. Investments

Investments are shown in the Balance Sheet at cost. The largest investment consists of share capital in Rossendale Transport Ltd., a company set up under the Transport Act 1985. Further details are in Note 20. Dividend income from investments is recognised when the authority has a right to receive the dividend.

13. Provisions

Proper provisions are required for any liabilities or losses which are likely to be incurred, or certain to be incurred, but uncertain as to the amounts or the dates on which they will arise. Provisions are charged to the appropriate revenue account and related expenditure is charged direct to the provision. Provisions are utilised only for the purpose for which they were established, except where a regular review to determine the appropriateness of the level of the charge and the balance of the provision properly requires a change. The provisions and any change in their use are disclosed in Note 25.

Provision has also been made for doubtful debts and known uncollectable debts have been written off during the year. The balance of the Provision for Bad and Doubtful Debts, used to reduce the overall level of debtors outstanding, is disclosed in Note 23.

14. Value Added Tax

VAT is fully recoverable from Customs & Excise except in certain exceptional cases. Consequently all expenditure, whether revenue or capital, is shown in the accounts as net of VAT.

15. Reserves

The Council maintains certain reserves for the purpose of meeting liabilities other than those covered by provisions.

Earmarked capital and revenue reserves are set aside for specific purposes, whilst revenue balances are not earmarked at the end of accounting periods. For further details of the Council's earmarked and revenue balances see Notes 31 and 32 .

Two further reserve accounts have been established in the Balance Sheet:-

- Fixed Asset Restatement Account - provides the matching entry when fixed assets are restated, upon either revaluation or disposal (see Note 28).
- Capital Financing Account - provides a balancing mechanism between the different rates at which assets are depreciated under the SORP and are financed through the capital controls system (see Note 29).

Neither the Fixed Asset Restatement nor the Capital Financing Accounts can be called upon to support spending. The accounting procedures for transactions affecting provisions and reserves are applied to each as recommended by the Accounting Code of Practice.

16. Grants

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

17. Repurchase of Borrowing

The Accounting Code requires gains or losses on the repurchase of borrowing to be recognised in the Income and Expenditure Account in the year in which they are realised. Where, however, the repurchase is coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect, gains or losses are to be recognised over the life of the replacement borrowing.

18. Minimum Revenue Provision

In accordance with the requirements of the Local Government and Housing Act 1989, the authority is required to set aside a minimum revenue provision for repayment of debt. Details of this can be found in Note 16.

19. Group Accounts

The Group Accounts have been prepared on the basis of a full consolidation of the financial transactions and balances of the Council, the Trust Funds' it manages and Rossendale Transport Ltd.

20. Changes in Accounting Policies

In the 2006/2007 Statement of Accounts, the Council has adopted three significant new accounting policies that impact on the comparative figures for 2005/2006 in the Income and Expenditure Account

- notional interest charges for the use of fixed assets have been removed
- credits for government grants deferred are now posted to service revenue accounts
- gains and losses on the disposal of fixed assets are recognised in the Income and Expenditure Account

For a complete explanation of the effects of these changes on the 2005/2006 figures please refer to Note 1.

21. Contingent Liabilities and Contingent Assets

A contingent liability is either:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control, or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that a transfer of economic benefits will be required to settle the obligation, or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A material contingent liability is not recognised within the accounts as an item of expenditure. It is, however, disclosed in a note unless the possibility of a transfer of economic benefits in settlement is remote.

A contingent asset is a possible asset that may arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. Contingent assets are not recognised in the revenue account or the balance sheet because prudence cautions that the gain might never be realised,

instead they would be disclosed in the Notes to the Core Statements. When realisation of the gain is virtually certain, then the item ceases to be a contingent asset and can be accounted for as revenue or capital income as appropriate. Please refer to Note 33.

22. Prior Period Adjustments

Prior period adjustments are material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

The SORP requires that the financial statements should disclose, where practicable the effect of a prior period adjustment on the results of the preceding period. Where this is not practicable, the fact this is so and the reasons for it should be disclosed. In addition, the cumulative effect on reserves of any prior period adjustments should be disclosed at the foot of the Statement of Total Recognised Gains and Losses.

This year the Council's Statement of Accounts includes at Note 1 to the Core Financial Statements a reconciliation of the prior period adjustments made to the Income & Expenditure Account as a result of incorporating the changes in the SORP 2006. Similarly, where adjustments have been made to the prior period comparative figures in any other

Statements, these have been identified as "Restated".

23. Post Balance Sheet Events

Adjusting Events - where events arising after the balance sheet date provide additional evidence of conditions that existed at the balance sheet date and are of a material nature the amounts should be reflected in the Core Statements.

Non-adjusting Events – events which arise after the balance sheet date and concern conditions which did not exist at that time should be detailed in Notes to the Core Statements if they are of such materiality that their disclosure is required for the fair presentation of the financial statements, rather than reflected in the Core Statements. Please refer to Note 34.



The following responsibilities are placed upon the authority and the Head of Finance in relation to the Council's financial affairs.

The Authority's Responsibilities

The Authority 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 authority, that officer is the Head of Finance.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the statement of accounts.

The Head of Finance's Responsibilities

As Head of Finance, I am responsible for the preparation of the authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (referred to as "the code"), is required to present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31st March, 2007.

In preparing this Statement of Accounts, I have:-

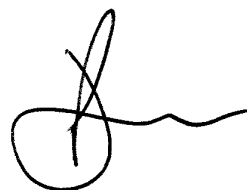
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;

I have also:-

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

Certificate of Head of Finance

I certify that this Statement of Account, as set out on pages 31 to 70, presents fairly the financial position of Rossendale Borough Council at 31st March 2007, and its income and expenditure for the year ended 31st March 2007.



Phil Seddon
Head of Finance
19th June 2007



Section 3

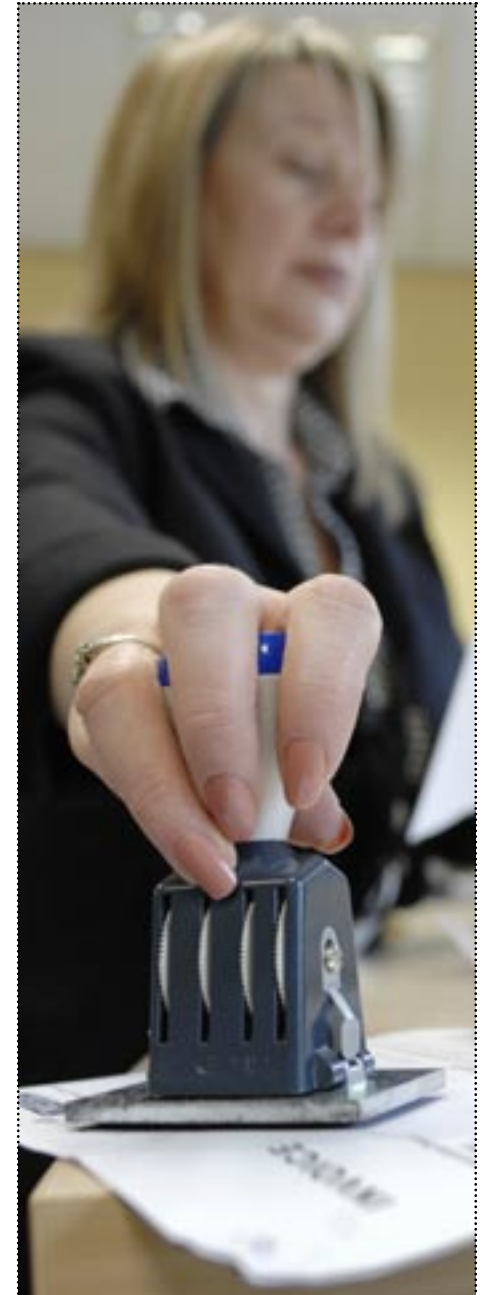
Core Financial Statements and Notes

“Monitoring our performance demonstrates that we have made considerable improvement over the last three years.”



| *Restated INCOME & EXPENDITURE ACCOUNT 2006-2007 | | | | | |
|---|----------------------------------|--|------------------------------------|------------------------------|----------------------------------|
| 2005/2006 Net Expend £000s | | | 2006/2007 Gross Expend £000s | 2006/2007 Income £000s | 2006/2007 Net Expend £000s |
| 669 | Continuing Operations | Central Services to the Public | 1,186 | (463) | 723 |
| 5,411 | | Cultural, Environmental & Planning | 9,599 | (2,575) | 7,024 |
| 589 | | Highways, Roads & Transport Services | 1,134 | (165) | 969 |
| 1,121 | | Housing General Fund | 20,532 | (19,896) | 636 |
| 3,259 | | Corporate & Democratic Core | 2,267 | (211) | 2,056 |
| 767 | | Other Central Services | 754 | (359) | 395 |
| (594) | | Non-Distributed Costs | 808 | (2,447) | (1,639) |
| 11,222 | | | 36,280 | (26,116) | 10,164 |
| 40,004 | | Housing Revenue Account services transferred to Green Vale Homes | 130 | (181) | (51) |
| 51,226 | Net cost of services | | 36,410 | (26,297) | 10,113 |
| (573) | | (Gain)/Loss on disposal of fixed assets | | | (4,422) |
| 44 | | Whitworth Town Council Precept | | | 47 |
| (16) | | (Surplus)/Deficit on Trading Undertakings | 399 | (435) | (36) |
| 3,264 | | Contribution of housing capital receipts to Government Pool | | | - |
| 6,022 | | Amortised Premiums and Discounts | | | - |
| 1,336 | | Interest Payable | | | 6 |
| (287) | | Interest and investment income | | | (204) |
| 530 | | Pensions interest cost and expected return on pension assets | | | 241 |
| 61,546 | Net operating expenditure | | | | 5,745 |
| (4,803) | | Precept on Collection Fund | | | (4,940) |
| (3,146) | | Government Grants - General | | | (1,730) |
| (1,904) | | Government Grants - NNDR redistribution from pool | | | (4,952) |
| 51,693 | Net (Surplus)/Deficit | | | | (5,877) |

*Restated to comply with the SORP 2006



| STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE | | |
|---|---|--------------------|
| 2005/2006 £000s | | 2006/2007 £000s |
| 51,693 | (Surplus)/deficit for the year on the Income and Expenditure Account | (5,877) |
| (51,953) | Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year | 5,837 |
| (260) | (Increase)/decrease in General Fund Balance at the beginning of the year | (40) |
| 386 | General Fund Balance brought forward | 646 |
| 646 | General Fund Balance carried forward | 686 |

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority is required to raise council tax on a different accounting basis, the main differences being:

- *Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.*
- *Whilst the Council owned its housing stock the payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than council tax.*
- *Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.*

The Statement of Movement on the General Fund Balance compares the Council's spending against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

This statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

The SORP requires a note to the accounts explaining the significance of this Statement for local taxation and the resources available to fund the authority's activity – this can be found at Note 12 to the Core Financial Statements.

Note 13 also provides a breakdown of the amount above as the net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year.

| STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES | | |
|--|--|--------------------|
| 2005/2006 £000s | | 2006/2007 £000s |
| (51,693) | Surplus/(deficit) for the year on the Income and Expenditure Account | 5,877 |
| (33,237) | Surplus/(deficit) arising on revaluation of fixed assets | 717 |
| 750 | Actuarial gains/(losses) on pension fund assets and liabilities | 3,015 |
| 37 | Surplus/(deficit) for the year on the Collection Fund | (1) |
| (84,143) | Total recognised gains & (losses) for the year | 9,608 |

This Statement of Total Recognised Gains and Losses brings together all the gains and losses of the council for the year and shows the aggregate increase/(decrease) in its net worth. In addition to the surplus/(deficit) generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

| *Restated | | BALANCE SHEET | | | | |
|-----------|--------------------|---|--|--------------|----------|--------------------|
| £000s | 2005/2006 £000s | | | | £000s | 2006/2007 £000s |
| 262 | | Intangible Assets | | Note 14 | 506 | |
| | | Tangible Assets | | | | |
| 12,943 | | Operational Assets | - Other Land & Buildings | Note 14 | 14,707 | |
| 762 | | | - Vehicles, Plant, Furniture & Equipment | Note 14 | 1,036 | |
| 13 | | | - Community Assets | Note 14 | 33 | |
| 598 | | Non Operational Assets | - Investment Assets | Note 14 | 598 | |
| 434 | | | - Assets under construction | Note 14 | - | |
| 1,248 | | | - Surplus assets held for disposal | Note 14 | 1,064 | |
| | 16,260 | | | | | 17,944 |
| 647 | | Long-term Investments | | Note 20 | 647 | |
| 99 | | Long-term Debtors | | | 67 | |
| | 746 | | | | | 714 |
| | 17,006 | Total long-term Assets | | | | 18,658 |
| 64 | | Current Assets | Stocks & work in progress | Note 22 | 50 | |
| 6,715 | | | Debtors | Note 23 | 9,125 | |
| (2,007) | | | Bad Debts Provision | Note 23 | (1,996) | |
| 100 | | | Investments | | - | |
| 2,747 | | | Cash at Bank | Note 39 | 2,014 | |
| | 7,619 | | | | | 9,193 |
| | 24,625 | | | | | 27,851 |
| (6,168) | | Current Liabilities | Creditors | Note 24 | (5,811) | |
| | (6,168) | | | | | (5,811) |
| | 18,457 | Total Assets less Current Liabilities | | | | 22,040 |
| (4,769) | | Government Grants Deferred | | Note 26 | (4,333) | |
| (295) | | Grants Unapplied | | Note 27 | (201) | |
| (985) | | Provisions | | Note 25 | (533) | |
| (18,328) | | Liability related to defined benefit Pension Scheme | | Note 37 | (13,285) | |
| | (24,377) | | | | | (18,352) |
| | (5,920) | Total assets less liabilities | | | | 3,688 |
| 1,225 | | Fixed Asset Restatement Account | | Note 28 | 1,138 | |
| 7,401 | | Capital Financing Account | | Note 29 | 11,932 | |
| 115 | | Usable Capital Receipts Reserve | | Note 30 | - | |
| 64 | | Deferred Capital Receipts | | | 49 | |
| (18,328) | | Pension Reserve | | Note 37 | (13,285) | |
| 1,487 | | Earmarked Reserves | | Note 31 & 35 | 1,647 | |
| 2,116 | | Fund Balances and Reserves | | Note 32 & 35 | 2,207 | |
| | (5,920) | Net equity | | | | 3,688 |

*Restated to comply with the SORP 2006

| CASH FLOW STATEMENT | | | | | |
|---------------------|----------------|--|--|----------------|--------------|
| 2005/2006 | | | | 2006/2007 | |
| £000 | £000 | | | £000 | £000 |
| | | Revenue activities | | | |
| 11,047 | | Cash Outflows | Employees | 7,547 | |
| 11,961 | | | Other operating cash payments | 10,261 | |
| 23,259 | | | Precepts paid | 24,551 | |
| 8,714 | | | National non-domestic rate payments to national pool | 10,927 | |
| 5,710 | | | Housing Benefits paid out | 11,585 | |
| 3,361 | | | Payments to the Capital Receipts Pool | - | |
| | 64,052 | | | | 64,871 |
| (4,462) | | Cash Inflows | Net Rents | (406) | |
| (23,939) | | | Council Tax receipts (net of benefits) | (25,080) | |
| (1,904) | | | National non-domestic rate receipts from national pool | (4,952) | Note 40 |
| (9,572) | | | Non-domestic rate receipts | (10,136) | |
| (3,146) | | | Revenue Support Grant | (1,674) | Note 40 |
| (15,523) | | | DWP grants for benefits | (16,451) | Note 40 |
| (2,042) | | | Other government grants | (1,857) | Note 40 |
| (2,359) | | | Cash received for goods and services | (2,873) | |
| | (62,947) | | | | (63,429) |
| | 1,105 | Net cash (inflow)/outflow from Revenue activities | | Note 38 | 1,442 |
| | | Returns on Investments and Servicing of Finance | | | |
| 7,571 | | Cash Outflows | Interest paid | 6 | |
| (403) | | Cash Inflows | Interest Received | (372) | |
| | 7,168 | | | | (366) |
| | | Capital activities | | | |
| 8,515 | | Cash Outflows | Purchase of fixed assets and other capital expenditure | 5,750 | |
| (6,414) | | Cash Inflows | Sale of fixed assets | (1,217) | |
| (4,737) | | | Capital grants received | (3,007) | Note 40 |
| (81) | | | Other capital cash receipts | (1,969) | |
| | (2,717) | | | | (443) |
| | 5,556 | Net cash (inflow)/outflow before financing | | | 633 |
| | (2,636) | Management of liquid resources | Net (increase)/ decrease in short-term deposits | | 100 |
| | | Financing | | | |
| 11,363 | | Cash Outflows | Repayments of amounts borrowed | 1,628 | |
| (11,363) | | Cash Inflows | New loans raised | - | |
| (5,976) | | | New short term loans | (1,628) | |
| | (5,976) | | | | - |
| | (3,056) | Net (increase)/decrease in cash | | Note 39 | 733 |

Note 1 – Reconciliation of re-statement adjustments made to 2005/06 Income and Expenditure Account figures.

In the 2006/2007 Statement of Accounts, the Council has adopted three significant new accounting policies that impact on the

comparative figures for 2005/2006 in the Income and Expenditure Account:

- *capital financing charges for the use of fixed assets (notional interest) are no longer made to service revenue accounts, support services and trading accounts*
- *credits for government grants deferred are now posted to service*

revenue accounts, support services and trading accounts rather than credited as a corporate income item

- *gains and losses on the disposal of fixed assets are recognised in the I+E Account.*

These changes have had the following impact on the comparative figures for 2005/2006 compared with those

published in the 2005/2006 Statement of Accounts (only figures that have changed are included in the table below).

Corresponding changes to the Balance Sheet and other Notes are identified by the Note '*restated' in the column headings.

| | Consolidated Revenue Account per 2005/2006 £000s | Removal of capital financing charges £000s | Removal of Interest costs Payable from AMRA £000s | Reallocation of govt grants income deferred to services £000s | Recognition of gains and losses on disposal of fixed assets £000s | Amendments to treatment of LSVT transactions £000s | Income and Expenditure Account 2005/2006 £000s |
|--|---|---|--|--|--|---|---|
| Central services to the public | 677 | - | - | (8) | - | - | 669 |
| Cultural, environmental and planning services | 5,823 | (212) | - | (200) | - | - | 5,411 |
| Highways, roads and transport services | 617 | (28) | - | - | - | - | 589 |
| Housing General Fund services | 1,123 | (2) | - | - | - | - | 1,121 |
| Corporate and Democratic Core | 3,352 | (93) | - | - | - | - | 3,259 |
| Other Central services | 793 | (26) | - | - | - | - | 767 |
| Non-Distributed Costs | (594) | - | - | - | - | - | (594) |
| Continuing Services | 11,791 | (361) | - | (208) | - | - | 11,222 |
| Local authority housing (HRA) | 2,300 | (3,648) | - | - | - | 41,352 | 40,004 |
| Impact on Net Cost of Services | 14,091 | (4,009) | - | (208) | - | 41,352 | 51,226 |
| Whitworth Town Council Precept | 44 | - | - | - | - | - | 44 |
| (Surplus)/Deficits on Trading Undertakings | 179 | (195) | - | - | - | - | (16) |
| (Gain)/Loss on the disposal of fixed assets | - | - | - | - | (573) | - | (573) |
| Asset Management Revenue Account | (3,076) | 4,204 | (1,336) | 208 | - | - | - |
| Contribution of housing capital receipts to Government Pool | 3,264 | - | - | - | - | - | 3,264 |
| Amortised Premiums and Discounts | 6,022 | - | - | - | - | - | 6,022 |
| Interest payable and similar charges | - | - | 1,336 | - | - | - | 1,336 |
| Interest and investment income | (287) | - | - | - | - | - | (287) |
| Pensions interest cost and expected return on pension assets | 530 | - | - | - | - | - | 530 |
| Impact on Net Operating Expenditure | 20,767 | - | - | - | (573) | 41,352 | 61,546 |

Note 2 Discontinued Operations

Following a ballot of housing tenants and with financial support from the then Office of the Deputy Prime Minister (ODPM), the Council's housing stock and other assets and liabilities were transferred to Green Vale Homes on the 27th March 2006. In line with the regulations relating to such stock transfers the Council's Housing Revenue Account has to remain open until the 1st April 2007, although there are substantially no operations in the 2006/2007 financial year.

Note 3 Long Term Contracts

In April 2001 the Council commenced a 10-year contract with Securicor Information Systems (now Sungard Vivista Ltd) for the provision of IT support and hardware maintenance. In 2006/2007 the value of this contract was £748,589 (£682,990 in 2005/2006). The estimated value remaining on this contract is £2.8m, although this will depend upon the future IT requirements of the Council and will be subject to an element of inflation each April. The contract expires on the 31st March 2011.

In October 2006 the Council entered into a 10-year contract with Capita Business Services Ltd for the provision of Revenues, Benefits and General Customer Contact Services. In 2006/2007 the part-year contract

value was £625,998. In 2007/2008 the anticipated full-year contract value, subject to an element of inflation in October, is £1,251,996. Over the remaining life of the contract the value is expected to be £11.9m.

Note 4 – Trading Operations

The Council undertakes two trading operations, Markets and Industrial Units, whose financial results are shown below.

The Industrial Units include the managed unit at Futures Park which opened in May 2004. This is a brown-field site upon which the Council is developing a modern, high-tech business park with the assistance of North West Development Agency, European Regional Development Fund and Single Regeneration Budget funding.

Note 4. Trading Operations

| Net Expenditure 2005/2006 £000s | | Gross Expenditure 2006/2007 £000s | Income 2006/2007 £000s | Net Expenditure 2006/2007 £000s |
|------------------------------------|------------------|--------------------------------------|---------------------------|------------------------------------|
| 24 | Markets | 237 | (139) | 98 |
| 155 | Industrial Units | 162 | (296) | (134) |
| 179 | | 399 | (435) | (36) |



Note 5 – Discretionary Expenditure under Local Government Act 1972, Section 137

Section 137 of the Local Government Act 1972, as updated by the Local Authorities (Discretionary Expenditure Limits) Order 1993, enables a Local Authority to spend up to £3.50 per head of relevant population for the benefit of people in its area on activities or projects not specifically authorised by other powers. In 2006/2007 the relevant population, as calculated for the Rate Support Grant, was 66,000 and the allowed expenditure was £231,000.

(In 2005/2006 the relevant population was 65,912 giving a limit of £230,692).

Note 6 – Publicity Expenditure

Section 5 of the Local Government Act 1986 requires a Local Authority to keep a separate account of its expenditure on publicity.

Note 5. Section 137 Expenditure

| | 2005/2006 | 2006/2007 |
|---------------------------------------|-----------|------------|
| | £000s | £000s |
| SRB Interest Free Loans | 1 | - |
| Grants to Local Charities | 40 | 100 |
| Grant to Rossendale Groundwork | 17 | 17 |
| Community Cohesion Pathfinder Project | 12 | 12 |
| Administration Costs | 2 | 6 |
| | 72 | 135 |

Note 6. Publicity

| | 2005/2006 | 2006/2007 |
|--|------------|------------|
| | £000s | £000s |
| Employee related advertising | 109 | 85 |
| Other publicity and promotions including the Communications Team | 229 | 228 |
| | 338 | 313 |



Note 7 - Building Regulation Charging Account

The Building (Local Authority Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function. The function is required to break even over a rolling 3 year period.

The operating deficit of £53k in 2006/2007 was partially funded by a transfer from the earmarked provision built up over previous years. This provision also funded £34k in 2006/2007 towards the capital purchase of new planning and development software which is included in the "Capital Expenditure charged to the General Fund Balance" at Note 13. The remaining balance of this provision at 31st March 2007 is £55k and is included within the General Fund Provisions in Note 25.

The surplus of £6k in 2006-07 was made up of increases to the published budget for central establishment charges £28k offset by the release of £34k from the earmarked provision for capital investment (see Note 13).

| Total Building Control 2005/2006 £000 | | Chargeable 2006/2007 £000 | Non- Chargeable 2006/2007 £000 | Total Building Control 2006/2007 £000 |
|---|--|---------------------------------|---|---|
| | Expenditure | | | |
| 181 | Employee expenses | 137 | 59 | 196 |
| 9 | Transport | 6 | 3 | 9 |
| 19 | Supplies and Services | 28 | 1 | 29 |
| 47 | Central and support service charges | 56 | 20 | 76 |
| 256 | | 227 | 83 | 310 |
| | Income | | | |
| (200) | Building Regulation Charges | (166) | 0 | (166) |
| (4) | Miscellaneous Income | (8) | (1) | (9) |
| (204) | | (174) | (1) | (175) |
| 52 | (Surplus)/Deficit for the year | 53 | 82 | 135 |
| 25 | Transferred to/from Earmarked Provision re: in-year deficit | (25) | | (25) |
| - | Transferred to/from Earmarked Provision re: capital investment | (34) | | (34) |
| 77 | Net included in I & E Services Account | (6) | 82 | 76 |



Note 8. Members Allowances

On the 26th November 2003 an Independent Remuneration Panel, set up to review Member's Allowances, proposed a revised scheme to operate from the 1st January 2004. The revised scheme increased the Basic and Special Responsibility Allowances in recognition of the effort, time and responsibility of elected Members. The scheme allows Members to forgo their entitlement should they wish and is reviewed annually each October to reflect current minimum wage rates.

The allowances paid to members during 2006/2007 are as follows:-

Note 9. Officers Emoluments

The number of employees whose remuneration, excluding pension contributions, was £50,000 or more in bands of £10,000 is listed in the table:-

Remuneration includes all amounts paid to or receivable by an employee and includes sums due by way of expenses and the estimated monetary value of all other benefits received by an employee otherwise than in cash.

Variations between years are due to changes in the Senior Management Team during 2005/2006 and 2006/2007.

Note 8. Members Allowances

| | 2005/2006 £000s | 2006/2007 £000s |
|---------------------------------------|--------------------|--------------------|
| Basic Allowance | 68 | 70 |
| Special Responsibility Allowance | 49 | 60 |
| Employers National Insurance incurred | 2 | 3 |
| Mileage Allowance | 6 | 5 |
| Subsistence/others reimbursements | 2 | - |
| | 127 | 138 |

| Schedule of Allowances in the 2006/07 Municipal Year | £ |
|--|--------|
| Basic allowance per Councillor | 2,054 |
| Leader of the majority or largest Group | 10,173 |
| Deputy Leader of the majority or largest Group | 8,138 |
| Leader of the minority or second-largest Group | 6,104 |
| Executive Members | 7,455 |
| Chair of Overview & Scrutiny Committee | 5,793 |
| Other Committee Chairs | 11,389 |
| Vice Chair of Overview & Scrutiny | - |
| Other Committee Vice Chairs | 9,906 |

Note 9. Officers Emoluments

| | *Restated 2005/2006 No of Employees | 2006/2007 No of Employees |
|-------------------|--|---------------------------------|
| £50,000 - £59,999 | 2 | 2 |
| £60,000 - £69,999 | 1 | 2 |
| £70,000 - £79,999 | - | - |
| £80,000 - £89,999 | 1 | - |
| £90,000 - £99,999 | - | 1 |
| | 4 | 5 |



Note 10. Related Party Transactions

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made.

Most transactions involving related parties to the council are disclosed elsewhere within the Financial Statement as follows:

o Central government

- receipts from Central Government – see Note 40.

o Other local authorities and precepting bodies

- payments to the Lancashire County Council Superannuation Fund – see Note 37.
- precepts in relation to the Lancashire Police Authority, Lancashire Fire Authority and Lancashire County Council – see the Collection Fund.
- precept payable to Whitworth Town Council – see Income & Expenditure Account.

o Subsidiary and associated companies

- the dividend paid by Rossendale Transport Ltd in the past has now been replaced by contributions towards specific services provided, such as the bus station

superintendent and managerial support provided by the Members. Rossendale Transport in turn have a subsidiary company, Coachways Ltd – see Note 20 - Investment and the Group Accounts.

o Joint venture and joint venture partners

- Rossendale is included in the East Lancashire Housing Market Restructuring Pathfinder (Elevate) partnership programme between Rossendale and the neighbouring boroughs of Blackburn with Darwen, Burnley, Hyndburn and Pendle. The grants received by Rossendale in 2006/2007 can be seen in Note 40.
- Bacup & Stacksteads Community Partnership have approved projects (e.g. Housing Improvement Schemes) for which the Council has received Single Regeneration Budget grant. See Note 40 for details of Capital and Revenue grants received
- In June 2004 the bulk of Rossendale's Leisure Facilities transferred to the management of the newly-formed independent Rossendale Leisure Trust. The total grant to the Trust for the operation of leisure services in 2006/2007 was £714k.
- Community Leisure Association of Whitworth (CLAW) is a separate charitable organisation operating Whitworth Swimming Pool and the new Civic Hall, for which they received £82k towards running costs in 2006/2007.

o Members and Chief Officers

The Council's Standing Orders make provision for a register of Members and Officers interests and also require members who believe they have a prejudicial interest in a matter to be discussed at a Council or Committee meeting to declare that interest at the meeting and, in general, to withdraw from the meeting while that particular matter is being discussed.

It is considered that any other transactions involving Members and Chief Officers with related parties are not material.



Note 11. Audit Costs

| | 2005/2005 £000s | 2006/2007 £000s |
|--|--------------------|--------------------|
| Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor | 104 | 108 |
| Fees payable to the Audit Commission in respect of statutory inspection | 10 | 13 |
| Fees payable to the Audit Commission for the certification of grant claims and returns | 40 | 32 |
| | 154 | 153 |

Note 12 – Explanation of the Significance of the Statement of Movement on the General Fund Balance

The Income and Expenditure Account discloses the income receivable and expenditure incurred in operating the Council for the year, applying essentially the same accounting conventions as a large company would use. However, when calculating the Council's revenue budgets and Council Tax requirements are determined by statute and non-statutory proper practices rather being in accordance with UK GAAP. There are a number of differences. For example,

- *in some circumstances capital expenditure can be charged to the General Fund but all capital expenditure is excluded from the Income and Expenditure Account; and*
- *depreciation of fixed assets is charged to the Income and Expenditure Account but cannot be charged to the General Fund.*

The Statement of Movement on the General Fund Balance provides the necessary reconciliation between the Income and Expenditure Account and the General Fund charges to Council Tax payers.

Note 13 – Breakdown of the amounts used to reconcile the Income and Expenditure Account to the General Fund activity

| 2005/2006 | | 2006/2007 | |
|-----------------|---|-----------|--------------|
| £000s | | £000s | |
| (11) | Amortisation of intangible fixed assets | (59) | |
| (73,009) | Depreciation and impairment of fixed assets | (467) | |
| (161) | Excess of depreciation charged to HRA Services over the M.R.A element of Housing Subsidy | - | |
| (5,262) | Write downs of deferred charges to be financed from capital resources | (758) | |
| 208 | Government Grants Deferred Amortisation | 331 | |
| 28,832 | Transfer from Capital Financing Account | - | |
| 573 | Net gain/(loss) on sale of fixed assets | 4,422 | |
| (1,008) | Net charges made for retirement benefits in accordance with FRS 17 | 897 | |
| (49,838) | Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year | | 4,366 |
| 214 | Minimum revenue provision for capital financing | 54 | |
| 529 | Capital expenditure charged in-year to the General Fund Balance | 90 | |
| (3,264) | Transfer from Usable Capital Receipts to meet payments to the Housing Capital Receipts Pool | - | |
| 1,481 | Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 1,115 | |
| (1,040) | Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year | | 1,259 |
| (73) | Housing Revenue Account balance | 51 | |
| (1,002) | Net transfer to/(from) earmarked reserves | 161 | |
| (1,075) | Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year | | 212 |
| (51,953) | Net additional amount required to be debited/(credited) to the General Fund balance for the year | | 5,837 |

Note 14. Tangible and Intangible Assets

Movement of Assets in 2005/2006 were as follows:-

| *Restated | | Intangible Assets £000 | OPERATIONAL ASSETS | | | NON-OPERATIONAL ASSETS | | | Total Tangible Assets £000 | Total Assets £000 |
|-----------------------------------|--|---------------------------|---|--------------------------|---------------------------|-----------------------------------|-------------------------------------|--------------|-------------------------------|----------------------|
| Total Assets 2005/2006 £000 | Operational Land & Buildings £000 | | Vehicles/ Plant & Equipment £000 | Community Assets £000 | Investment Assets £000 | Assets under Construction £000 | Surplus Assets for Disposal £000 | | | |
| 131,202 | Gross Book Value at 1 st April | 284 | 13,864 | 1,327 | 13 | 598 | 434 | 1,248 | 17,484 | 17,768 |
| (7,474) | Less Accumulated Depreciation | (22) | (921) | (565) | - | - | - | - | (1,486) | (1,508) |
| 123,728 | Net book value at 1st April | 262 | 12,943 | 762 | 13 | 598 | 434 | 1,248 | 15,998 | 16,260 |
| (29,899) | Revaluation & Restatement of Fixed Assets | - | 490 | (59) | - | - | (38) | 463 | 856 | 856 |
| | Reclassification of Assets | - | 1,425 | - | - | - | (1,425) | - | - | - |
| 4,394 | Additions | 303 | 364 | 563 | 20 | 18 | 1,029 | - | 1,994 | 2,297 |
| | Less:- | | | | | | | | | |
| (70,184) | Impairments | - | - | - | - | - | - | - | - | - |
| (5,605) | Disposals | - | (85) | (72) | - | - | - | (647) | (804) | (804) |
| (3,338) | Expenditure transferred to Fixed Asset Restatement Account | - | (121) | - | - | (18) | - | - | (139) | (139) |
| (2,836) | Depreciation | (59) | (309) | (158) | - | - | - | - | (467) | (526) |
| 16,260 | Net Book Value at 31st March | 506 | 14,707 | 1,036 | 33 | 598 | - | 1,064 | 17,438 | 17,944 |

*Restated to comply with the SORP 2006



Depreciation, using the straight line method, has been charged according to the estimated life of the asset involved.

- Operational buildings generally have a useful life of 40 years, except where expert opinion has reduced this estimate.
- Vehicles are depreciated over a useful life of 3-6 years depending upon their technical/mechanical nature.
- Equipment such as refuse bins, are depreciated over a useful life of 12 years.
- Intangible assets, which relate to purchased software licences, are depreciated using the straight line method over a useful life of 5 years.
- All other assets under land, assets under construction, community assets, investment and surplus assets are not depreciated.

Note 14a A breakdown of buildings owned

An analysis of Fixed Assets at 31st March 2007

| | 31 st March 2006 | 31 st March 2007 |
|--------------------------|-----------------------------|-----------------------------|
| Buildings | | |
| Administrative Buildings | 9 | 7 |
| Leisure Centres | 2 | 2 |
| Public Halls | 1 | 2 |
| Swimming Pools | 3 | 3 |
| Museums | 1 | 1 |
| Cemeteries | 4 | 4 |
| Industrial Units | 37 | 37 |
| Markets | 3 | 3 |
| Ski Slope | 1 | 1 |
| | 61 | 60 |

Note 14c - Revaluation Programme

The authority operates a five-year rolling programme of revaluation on its General Fund properties. The valuations are carried out by Athertons, 53 King Street, Whalley, Lancashire, BB7 9SP. For details of basis of valuation please refer to the Accounting Policies.

| | Operational Land and Buildings £000 | Vehicles, Plant and Equipment £000 | Community Assets £000 | Investment Properties £000 | Assets under construction £000 | Surplus Assets for disposal £000 | Total Tangible Assets £000 |
|-----------------------------|---|--|-----------------------------|----------------------------------|--------------------------------------|--|-------------------------------|
| Valued at historical cost | 5 | 1,036 | 1 | 35 | - | - | 1,077 |
| Valued at current value in: | | | | | | | |
| 2002/03 | 536 | - | - | - | - | 540 | 1,076 |
| 2003/04 | 4,565 | - | - | - | - | 500 | 5,065 |
| 2004/05 | 1,087 | - | - | 401 | - | - | 1,488 |
| 2005/06 | 596 | - | - | - | - | - | 596 |
| 2006/07 | 3,389 | - | 508 | 253 | - | - | 4,150 |
| Total | 10,178 | 1,036 | 509 | 689 | - | 1,040 | 13,452 |

Note 14b – Value of Assets Sold, Disposed or Decommissioned

| | Fixed Asset Restatement Account 2005/2006 £000 | Fixed Asset Restatement Account 2006/2007 £000 |
|---|--|--|
| Total increase/(decrease) in unrealised capital resources in the year | (6,823) | 716 |
| Amounts written off fixed asset balances for disposals in the year | (102,203) | (804) |
| Adjustment following disposal of Council Stock | 44,852 | - |
| Total movement on reserve in the year | (64,174) | (88) |
| Balance brought forward at 1st April | 65,399 | 1225 |
| Balance carried forward at 31st March | 1,225 | 1,137 |

The details below show the history of this revaluation programme. Assets valued in previous years have not undergone any material changes which would alter their valuations.

Note 15 – Capital Expenditure

The main items of capital expenditure on assets during the year were:-

| | 2005/2006 £000 | 2006/2007 £000 |
|--------------------------------|-------------------|-------------------|
| IT Strategy | - | 303 |
| Waste Collection and Recycling | 217 | 385 |
| Futures Park, Bacup | 192 | 50 |
| Disabled Access Improvements | - | 201 |
| Civic Hall, Whitworth | 304 | 1,118 |
| New Finance System | 190 | - |
| Others | 174 | 238 |
| Council Dwelling | 3,317 | - |
| | 4,394 | 2,295 |

The Council's outstanding capital commitments at the end of the year were as follows:-

| | *Restated 31 st March 2006 £000 | 31 st March 2007 £000 |
|-----------------------|--|-------------------------------------|
| Building Maintenance | - | 182 |
| Civic Hall, Whitworth | 979 | 36 |
| Planning System | - | 85 |
| | 979 | 303 |



*Restated to comply with the SORP 2006

Note 16 – Capital Financing Requirement

| | 2005/2006 £000 | 2006/2007 £000 |
|---|-------------------|-------------------|
| Opening Capital Financing Requirement | 27,508 | 2,867 |
| Capital investment | | |
| Operational assets | 4,069 | 1,248 |
| Non operational assets | 325 | 1,047 |
| Deferred Charges | 3,075 | 3,451 |
| | 34,977 | 8,613 |
| Sources of Finance | | |
| LSVT Receipt | (24,256) | - |
| Capital Receipts | (1,947) | (5,341) |
| Government Grants and other contributions | (4,394) | (2,587) |
| Sums set aside from Revenue :- | | |
| Use of Revenue Resources | (529) | (90) |
| Minimum Revenue Provision | (339) | (54) |
| Commutation Adjustment | 125 | - |
| Write off Commutation Reserve | (770) | - |
| Closing Capital Financing Requirement | 2,867 | 541 |
| Explanation of movements in year | | |
| Increase/(Decrease) in underlying need to borrow (supported by Government financial assistance) | (24,641) | (2,326) |
| Increase/(Decrease) in Capital Financing Requirement | (24,641) | (2,326) |

Note 17 Analysis of Net Assets Employed

| | 31 st March 2006 £000 | 31 st March 2007 £000 |
|-------------------------|-------------------------------------|-------------------------------------|
| General Fund | (10,103) | (1,230) |
| Housing Revenue Account | 1,099 | 1,150 |
| Trading Operations | 2,712 | 3,137 |
| Collection Fund | 372 | 371 |
| Total | (5,920) | 3,428 |

Note 18. Deferred Charges

| | 2005/2006 £000 | 2006/2007 £000 |
|---|-------------------|-------------------|
| Balance at 1st April | - | - |
| Expenditure in year | | |
| - Capital Expenditure – Housing, Improvement Grants and Elevate | 1,361 | 2,658 |
| - Other Capital Expenditure | 1,714 | 371 |
| Amounts written off to Income and Expenditure Account | (3,075) | (3,029) |
| Balance at 31st March | - | - |

Note 19. Operating Leases

| | 2005/2006 £000s | 2006/2007 £000s |
|---|--------------------|--------------------|
| Amounts paid in year | 320 | 386 |
| Amounts falling due within 1- 2 years | 330 | 710 |
| Amounts falling due within 2 - 5 years | 26 | 46 |
| Amounts falling due within 5 - 10 years | 133 | 82 |
| Undischarged obligations | 489 | 838 |

Note 20. Long Term Investments

The long term investments consist of:-

| | 31st March 2006 £000s | 31st March 2007 £000s |
|--------------------------|-----------------------------|-----------------------------|
| Rossendale Transport Ltd | 645 | 645 |
| Marketable Securities | 2 | 2 |
| | 647 | 647 |

The investment in the Rossendale Transport Ltd consists of £645,000 share capital. The company was established during 1986/87 in accordance with the provisions of the Transport Act 1985 to operate the municipal bus services previously operated by Rossendale Borough Council. The company commenced operations in October 1986 and is wholly owned by the Council. Rossendale Borough Council does not underwrite accumulated deficits or losses of Rossendale Transport Ltd.

The dividend paid by Rossendale Transport Ltd in the past has now been replaced by contributions towards specific services provided, such as the bus station superintendent and managerial support provided by Councillors as Members of the Board. Rossendale Transport in turn have a subsidiary company, Coachways Ltd. There are no loans outstanding. Further information about the accounts is available from The Company Secretary, Rossendale Transport Ltd., 35 Bacup Road, Rawtenstall.

| | 31st March 2006 £000s | 31st March 2007 £000s |
|---|-----------------------------|-----------------------------|
| Profit on ordinary activities before Taxation | 41 | 292 |
| Tax on profit on ordinary activities | (42) | (98) |
| Retained (loss)/profit for the financial year | (1) | 193 |
| Net Assets of Company | 984 | 2,125 |

Note 21 – Loans outstanding

The transfer of the Council housing stock on 27th March 2006 resulted in the repayment of all the Council's long term borrowing.

Note 22. Stocks

| | 31st March 2006 £000s | 31st March 2007 £000s |
|---------------------|-----------------------------|-----------------------------|
| Street Scene Stocks | 56 | 43 |
| Printing | 7 | 7 |
| | 63 | 50 |

Note 23. Debtors

| | 31st March 2006 £000s | 31st March 2007 £000s |
|--|-----------------------------|-----------------------------|
| Government Departments | 1,208 | 2,752 |
| Other Public Bodies | 96 | 222 |
| Business Rates | 249 | 246 |
| Council Tax | 2,636 | 2,609 |
| Advance Payments | 140 | 100 |
| Sundry Debtors | 2,386 | 3,196 |
| | 6,715 | 9,125 |
| Less: Provision for Bad and Doubtful Debts | (2,007) | (1,996) |
| | 4,708 | 7,129 |

Note 24. Creditors

| | 31st March 2006 £ | 31st March 2007 £ |
|------------------------|-------------------------|-------------------------|
| Government Departments | 2,368 | 826 |
| Other Public Bodies | 345 | 167 |
| Advance Receipts | 965 | 961 |
| Sundry Creditors | 2,490 | 3,857 |
| | 6,168 | 5,811 |



Note 25. Provisions

| | Balance at 1st April 2006 £000s | Advanced £000s | Utilised £000s | Balance at 31st March 2007 £000s |
|-----------------------------------|---------------------------------------|-------------------|-------------------|--|
| Cemetery Perpetual Maintenance | 25 | - | (25) | - |
| Cycleways & Environmental Schemes | 4 | - | (4) | - |
| District Plan | 105 | - | - | 105 |
| Building Control | 114 | - | (59) | 55 |
| Other Provisions - General Fund | 687 | 154 | (468) | 373 |
| - Housing Revenue | 50 | - | (50) | - |
| | 985 | 154 | (606) | 533 |

Provisions relate to service areas where there are known liabilities but uncertainty about the exact amount or the dates on which they will arise.

Note 26. Government Grants Deferred

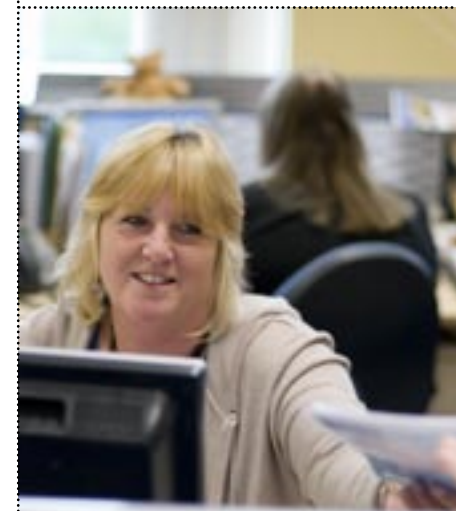
| | *restated 2005/2006 £000s | 2006/2007 £000s |
|----------------------------------|---------------------------------|--------------------|
| Balance at 1st April | 4,699 | 4,769 |
| Capital grants received | 30,763 | 2,643 |
| | 35,462 | 7,412 |
| Less:- Grants written off | (30,693) | (3,079) |
| Balance at 31st March | 4,769 | 4,333 |

Note 27. Government Grants Unapplied

| | 2005/2006 £000s | 2006/2007 £000s |
|--|--------------------|--------------------|
| Balance at 1st April | 292 | 295 |
| Grants received in the year | 552 | 324 |
| Grants applied To finance Revenue Spending | (509) | (384) |
| To finance Capital Spending | (40) | (34) |
| Balance at 31st March | 295 | 201 |



*Restated to comply with the SORP 2006



Note 28. Fixed Asset Restatement Account

| | *Restated 2005/2006 £000s | 2006/2007 £000s |
|--|---------------------------------|--------------------|
| Balance at 1st April | 65,399 | 1,225 |
| Surplus/(Deficit) on revaluation of assets in the year | (29,899) | 856 |
| Less:- Value of fixed assets disposed in year | (5,605) | (804) |
| Expenditure written off | (3,338) | (139) |
| | 26,557 | 1,138 |
| Adjustment following disposal of Council Housing stock | (25,332) | - |
| Balance at 31st March | 1,225 | 1,138 |

The Fixed Asset Restatement Account is written down by the net book value of assets as they are disposed of. In addition, any increase or decrease in the valuation of an asset which is currently held is also charged to this account.

Note 29. Capital Financing Account

| | *Restated 2005/2006 £000s | 2006/2007 £000s |
|--|---------------------------------|--------------------|
| Balance at 1st April | 26,122 | 7,401 |
| Impairment of Assets | (70,184) | - |
| Capital Receipts set aside | - | 2,270 |
| Repayment of Debt | 24,256 | - |
| Capital Financing | 7,331 | 5,924 |
| Writing Back of Commutation Adjustment Reserve | 770 | - |
| Minimum Revenue Provision (less depreciation and impairment provision) | (2,413) | (473) |
| | (14,118) | 15,122 |
| Less Deferred charges written down | (3,813) | (3,190) |
| Adjustment following disposal of housing | 25,332 | - |
| Balance at 31st March | 7,401 | 11,932 |

This account contains the amounts which are required by statute to be set aside from capital receipts for the repayment of external loans and for capital expenditure that is to be financed from capital receipts and revenue. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue as the minimum revenue provision.

Note 30. Usable Capital Receipts Reserve

| | *Restated 2005/2006 £000s | 2006/2007 £000s |
|--|---------------------------------|--------------------|
| Balance at 1st April | 1,504 | 115 |
| Capital Receipts in year from sale of assets etc. | 6,213 | 5,226 |
| | 7,717 | 5,341 |
| Less: Capital Receipts set aside | - | (2,270) |
| Capital Receipts used to finance Capital Expenditure | (1,947) | (3,071) |
| Capital Receipts used to finance Revenue Expenditure | (2,391) | - |
| Payments to the Capital Receipts Pool | (3,264) | - |
| Balance at 31st March | 115 | - |

These are capital receipts which have not yet been used to finance capital expenditure or repay debt.

*Restated to comply with the SORP 2006

Note 31. Earmarked Reserves

| | Balance 1 April 2006 £000s | Income £000s | Expenditure £000s | Balance 31 March 2007 £000s |
|-------------------------------|-------------------------------------|-----------------|----------------------|--------------------------------------|
| CCTV | 17 | - | 17 | - |
| Transport Realisation Reserve | 645 | - | - | 645 |
| Change Management Reserve | 725 | 73 | 657 | 141 |
| Legal Liability Reserve | 100 | - | - | 100 |
| Economic Regeneration Reserve | - | 661 | - | 661 |
| Budget Volatility Reserve | - | 100 | - | 100 |
| | 1,487 | 834 | 674 | 1,647 |

Note 32 - Movement in Revenue Resources

| | General Fund Balances £000 | HRA Balances £000 | Collection Fund Balances £000 | Earmarked Reserves £000 | Pension Reserves £000 |
|---|-------------------------------------|-------------------------|--|-------------------------------|-----------------------------|
| Surplus/(Deficit) for 2006/2007 | 40 | 51 | (1) | - | - |
| Appropriations to/(from) revenue | - | - | - | 160 | - |
| Actual gains and losses relating to pensions | - | - | - | - | 5,043 |
| Balance brought forward at 1st April 2006 | 646 | 1,099 | 372 | 1,487 | (18,328) |
| Balance carried forward at 31st March 2007 | 686 | 1,150 | 371 | 1,647 | (13,285) |

Note 33 Contingent Assets & Liabilities

A VAT sharing agreement was entered into with Green Vale Housing Association as part of the transfer of housing stock on 27th March 2006. The Council will accrue VAT savings as set out in the Transfer Agreement. The amount and timing of these monies is uncertain and it is dependant on the level of repairs undertaken and performance of Green Vale Housing Association. The VAT sharing agreement is also time limited.

Similarly the Council entered into an agreement with Green Vale Housing Association regarding the Right to Buy (RTB) sale of houses to tenants. This five-year agreement made provision for Green Vale Housing Association to retain the first £18,500 per property sold with Rossendale Borough Council receiving the balance of all sales income over and above this level each year.

The Council is currently in the process of implementing the single status agreement for employees. The purpose of the agreement is to ensure all employees have equal pay and conditions. Whilst in theory the exercise should be cost neutral, other authorities that have completed the process have experienced an increase in their overall pay bill. At this stage in the process it is not possible to estimate the potential liability.

Note 34 – Post Balance Sheet Movement in Revenue Resources

The following note explains the allocation of the HRA balances on 1st April 2007.

| | As at 31 March 2007 £000s | Movement £000s | As at 31 April 2007 £000s |
|---------------------------|------------------------------------|-------------------|---------------------------------|
| General Fund Balance | 686 | 125 | 811 |
| HRA Balance | 1,150 | (1,150) | - |
| Collection Fund Balance | 371 | - | 371 |
| Earmarked Reserves: | | | |
| Change Management Reserve | 141 | 525 | 666 |
| Budget Volatility | 100 | 100 | 200 |
| Single Status Reserve | - | 400 | 400 |
| Other Earmarked Reserves | 1,406 | - | 1,406 |
| | 3,854 | - | 3,854 |

Note 35. Trust Funds The Council acts as trustees for a number of trust funds which are summarised below. (These are not included in the balance sheet).

| Title and purpose of Charity | Value of Underlying Assets £ | Accumulated Balance 1st April 2006 £ | Expenditure £ | External Interest Received | Internal Interest Earned | Accumulated Balance 31st March 2007 £ |
|--|------------------------------|--------------------------------------|---------------|----------------------------|--------------------------|---------------------------------------|
| J H Pilling Legacy The purpose of the charity is for Stubbylee Park | 3,348 | 16,820 | - | - | 815 | 17,635 |
| Miles Ashworth Endowment The purpose of the charity is for Stubbylee Park | 6,574 | 12,348 | - | 389 | 374 | 13,111 |
| Mechanics Institute Scholarship The purpose is to assist with the provision of a scholarship for a student residing in Bacup | 60 | 2,675 | - | - | 130 | 2,805 |
| W Hardman Bequest The purpose is to purchase an exhibit for Rawtenstall Museum | 100 | 3,837 | - | - | 186 | 4,023 |
| Local Charities Account The purpose is to distribute sums to charities in Haslingden | 2,200 | 20,370 | - | - | 987 | 21,357 |
| S Pilling Trust The purpose is to assist students of the Borough of Haslingden | 200 | 2,450 | - | - | 119 | 2,569 |
| Greenfield Trust Massage Centre The purpose is to use the Trust for something advantageous to Haslingden and as a war memorial | 1,157 | 20,065 | - | - | 972 | 21,037 |
| Bacup Orchestral Scholarship Fund The purpose is to assist a Rossendale schoolchild with musical education. The student must be an instrumentalist | 200 | 780 | - | - | 38 | 818 |
| Smith Prize for Music The purpose is to provide a prize for a boys' junior class of the Rossendale Music Festival | 150 | 965 | - | - | 47 | 1,012 |
| Mayor of Haslingden Relief Fund The purpose is to distribute sums to Haslingden Borough residents, granting relief in necessitous circumstances | 176 | 805 | - | - | 39 | 844 |
| Haslingden Grane Duckworth Charity The purpose is to relieve persons resident in the Borough of Haslingden who are in conditions of need, hardship or distress | 1,990 | 12,106 | - | - | 587 | 12,693 |
| | 16,155 | 93,221 | - | 389 | 4,294 | 97,904 |

Due to the size and nature of these funds they are shown in £s rather than rounded to £000s
There are no outstanding liabilities in relation to any of these trust funds

These funds are now included in the Group Accounts.

Note 36. Local Government Pension Scheme

The following note explains the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that need to be disclosed at the time that the employees earn their future entitlement.

The authority participates in the Local Government Pension Scheme administered by Lancashire County Council – this is a funded scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. As stated in the Explanatory Foreword item 8, the scheme underwent a full valuation in March 2004 which resulted in a stepped increase in the contributions which the authority will make from April 2005 and has affected the Council's Pension Scheme Liabilities and Pension Reserve in the Consolidated Balance Sheet as at 31st March 2007.

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so that the real cost of retirement benefits is reversed out of the Consolidated Revenue Account after Net Operating Expenditure. The table shows transactions which have been made in the Consolidated Revenue Account during the year.



Income and Expenditure Account

| Local Government Pension Scheme | 2005/2006 £000s | 2006/2007 £000s |
|---|--------------------|--------------------|
| Net Cost of Services: | | |
| Current service cost | 1,261 | 913 |
| Past service cost | (963) | - |
| Curtailments and Settlements | 180 | (2,051) |
| Net Operating Expenditure: | | |
| Interest cost | 3,474 | 3,507 |
| Expected return on assets in the scheme | (2,944) | (3,266) |
| Net Charge to the income and Expenditure Account | 1,008 | (897) |
| Statement of Movement in the General Fund Balance | | |
| Reversal of net charges made for retirement benefits in accordance with FRS 17 | (968) | 921 |
| Actual amount charged against the General Fund Balance for pensions in the year | 1,441 | 1,091 |
| Employers' contributions payable to scheme | 1,481 | 1,115 |

The 2005/2006 figures above include a "Past Service Gain" of £963k. This relates to changes in the Pension Funds Scheme which allow members who retire on or after April 2006 to take a higher retirement lump sum in exchange for a lower retirement pension.

The figures for 2006/2007 allow for the transfers of staff to Greenvale Homes (participating within the West Yorkshire Pension Fund) on 27 March 2006 and to Capita on 29 September 2006. These transfers gave rise to the "Settlement Gain" of £2,229k, on the basis that they were "fully funded" on an approach consistent with the 2004 actuarial valuation. The amount of assets allocated in respect of the transfers are provisional and will be reviewed as part of the 2007 actuarial valuation of the Fund.

Actuarial Gains and Losses

The actuarial gains identified as movements on the pensions Reserve in 2006/2007 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2007:

| | 2005/2006 | | 2006/2007 | |
|---|------------|-------|--------------|-------|
| | £000 | % | £000 | % |
| Differences between the expected and actual return on assets | 6,961 | 12.8 | (361) | (0.8) |
| Differences between actuarial assumptions about liabilities and actual experience | (1,348) | (1.8) | - | - |
| Changes in the demographic and financial assumption used to estimate liabilities | (5,334) | (7.3) | 3,228 | 5.4 |
| | 279 | | 2,867 | |

Assets and Liabilities

The underlying assets and liabilities for retirement benefits attributable to Rossendale Borough Council at 31st March are as follows:-

| | 31st March 2006 £000 | 31st March 2007 £000 |
|-------------------------------------|-------------------------|-------------------------|
| Estimated assets in the scheme | 55,017 | 46,595 |
| Estimated liabilities in the scheme | (73,345) | (59,880) |
| Net liability | (18,328) | (13,285) |

The liabilities show the underlying commitments that the authority has in the long-run to pay retirement benefits. The total liability of £13.3m impact on the net worth of the authority is recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. As stated in the Explanatory Foreword note 8, the revenue contributions made by the Council have accordingly risen from 14.5% to 16.3% in April 2006 and are set to rise to 18.1% by April 2007.

The 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, salary levels, etc. The Borough Council Fund liabilities have been assessed by Mercer Human Resource Consulting, an independent firm of actuaries, and their estimates have been based on the latest full valuation of the scheme as at 31st March 2004 which was published in March 2005. The main assumptions used in their calculations at the beginning and end of the year are:

| | Beginning of Year % | End of Year % |
|--|---------------------|---------------|
| Rate of inflation | 2.9 | 3.1 |
| Rate of increase in salaries | 4.65 | 4.85 |
| Rate of increase in pensions | 2.9 | 3.1 |
| Rate of discounting scheme liabilities | 4.9 | 5.4 |

Assets in the County Council Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion with their expected rates of return at the beginning and end of the year:

| | Split of Assets % | Rate of Return | |
|--------------------|----------------------|---------------------|---------------|
| | | Beginning of Year % | End of Year % |
| Equity investments | 64.3 | 7.0 | 7.5 |
| Bonds | 8.4 | 4.3 | 4.7 |
| Other Bonds | 12.5 | 4.9 | 5.4 |
| Property | 7.0 | 6.0 | 6.5 |
| Cash/Liquidity | 4.5 | 4.5 | 5.25 |
| Other assets | 3.3 | 7. | 7.5 |

Note 37. Approval of Draft Statement of Accounts

The Accounts Committee considered and approved this Statement of Accounts on the 28th June 2007. The Chair of this Committee is Council Leader, Duncan Ruddick.

The audit process will now begin and the final audited Statement of Accounts will be presented to the same Audit Committee on the 27th September 2007.

Note 38. Reconciliation of Revenue Surplus to Net Cash Flow

| *Restated 2005/2006 £000 | | 2006/2007 £000 |
|--------------------------------|--|-------------------|
| (51,693) | Surplus/(Deficit) on Income & Expenditure Account. | 5,877 |
| 51,953 | Net additional amount required to be debited/(credited) to the General Fund balance for the year | (5,837) |
| 260 | Surplus/(Deficit) on General Fund | 40 |
| (74) | Surplus/(Deficit) on Housing Revenue Account | 51 |
| 37 | Surplus/(Deficit) on Collection Fund Account | (1) |
| 223 | Total Surplus for the Year | 90 |
| | ADD:- | |
| 215 | Minimum Revenue Provision | 54 |
| (5,923) | Capital Financing – Premia | - |
| 529 | Capital Expenditure financed from Revenue | 90 |
| 381 | Provision for Bad Debts | (265) |
| (646) | Other Balances | 199 |
| (47) | Increase/(Decrease) in Stocks and Work in Progress | (13) |
| (377) | (Increase)/Decrease in Debtors | (337) |
| 733 | Increase/(Decrease) in Creditors | (357) |
| - | Cash payments out to SRB partners | (705) |
| (3,361) | Payments to Capital Receipts Pool | - |
| 7,168 | Servicing of finance | (198) |
| (1,105) | Net cash inflow/(outflow) from revenue activities | (1,442) |

Note 39. Net Change in Liquid Resources

| Balance | at 1 April 2006 £000 | at 31 March 2007 £000 | Movement in Year £000 |
|-------------------------------|----------------------|-----------------------|-----------------------|
| Cash in Hand | 3 | 3 | - |
| Cash at Bank / Bank Overdraft | 2,744 | 2,011 | (733) |
| | 2,747 | 2,014 | (733) |



Balance:- Cash at Bank includes Current Accounts and Business Reserve Accounts which attract a higher rate of interest.

Note 40. Government Grants

| 2005/2006 | | | 2006/2007 | |
|-----------|---------------|---|-----------|---------------|
| £000 | £000 | | £000 | £000 |
| | | Revenue | | |
| 3,146 | | General Government Grant | 1,674 | |
| 15,523 | | DWP Grants for Rebates Benefits Granted | 16,451 | |
| 1,904 | | Redistributed NNDR pool | 4,952 | |
| | 20,573 | | | 23,077 |
| | | Other Government Grants:- | | |
| 102 | | Business Rates Admin | 102 | |
| 130 | | Elevate Pathfinder | 409 | |
| - | | Housing Subsidies | 190 | |
| 569 | | Single Regeneration Budget | 111 | |
| 64 | | Home Office | 66 | |
| 402 | | Planning Delivery Grant | 224 | |
| 735 | | Benefits Administration | 581 | |
| - | | Communities for Health | 100 | |
| 11 | | European Regional Aid | - | |
| - | | ODPM - Capacity Building | 44 | |
| 29 | | - Supported Housing | 30 | |
| | 2,042 | | | 1,857 |
| | | Capital | | |
| 1,475 | | Elevate Pathfinder | 1,129 | |
| 2,371 | | Housing Subsidies etc. | 963 | |
| 30 | | European Regional Aid | 14 | |
| 553 | | North West Development Agency | 799 | |
| 3 | | Single Regeneration Budget | 102 | |
| 93 | | English Heritage | - | |
| 8 | | DEFRA – Recycling | - | |
| 150 | | Implementing Electronic Government | - | |
| 54 | | National Heritage Memorial Fund | - | |
| | 4,737 | | | 3,007 |
| | 27,352 | | | 27,941 |



In addition to the above, as part of the LSVT arrangements in March 2006, the ODPM made a grant payment of £28.8 m direct to the PWLB to repay the loans outstanding.

| | | | | | | | | | |
|--------|---|---|---|---|---|---|---|---|---|
| LESLEY | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| LEANNE | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

DQ statement for Job Des.

Philip M...
6/10/04



Section 4

Supplementary Statements

“The Council is required to account separately for the Housing Revenue Account, Collection Fund and its Group activities.”



Note 1 – Changes in Accounting Policies

As explained in the Statement of Accounting Policies, the 2006-2007 Code of Practice has brought several changes to the format and detail of these accounts. It has

- removed the notional interest charges, and thereby
- removed the requirement for an Assets Management Revenue Account,
- applied UK GAAP accounting practices to convert the former Housing Revenue Account into an Income and Expenditure Account,

- generated the need for a Statement of Movement on the Housing Revenue Account Balance which reconciles the above Income and Expenditure Account to the movement on the HRA Balance for the year.

To ensure consistency for comparison purposes the notional interest previously reported in the 2005-2006 figures has been reversed

Note 2 – Discontinued Operations – LSVT

In November 2005 the results of the Housing tenants vote were announced, showing a significant majority in favour of Housing Stock Transfer from the Council to a new Registered Social Landlord (RSL). Green Vale Homes was therefore formed to be the new RSL. With financial support from the then Office of the Deputy Prime Minister (ODPM), the Council's housing stock and other assets and liabilities were transferred to Green Vale Homes on 27th March 2006. This explains why a number of the following notes show £nil balances as at 31st March 2006.

The most significant balance remaining within the Housing Revenue Account is the funds balance itself. The rules surrounding Housing Stock Transfer require the Housing Revenue Account to remain open for a further 12 months following the year of transfer. This means that any balance remaining after this period is available for transfer into General Fund Reserves (in the case of Rossendale this will be 1st April 2007 - see Note 35 to the Core Financial Statements.)

As a consequence of the above LSVT, there are no fixed assets attributable to the HRA in this year of close-down.

Note 3 - Analysis of the transactions in the Statement of Movement on the Housing Revenue Account Balance

| 2005/2006 £000 | | | 2006/2007 £000 | |
|-------------------|--|--|-------------------|--|
| 529 | | Capital expenditure funded by the Housing Revenue Account | - | |
| (70,184) | | Impairment of Fixed Assets | - | |
| (161) | | Transfer to/from Major Repairs Reserve | - | |
| (71) | | HRA share of contributions to or from the Pensions Reserve | - | |
| 24,769 | | Transfer from Capital Financing Account | - | |
| (45,118) | | Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year | - | |

Note 4. Fixed Assets

| | * Restated 2005/2006 £000s | 2006/2007 £000s |
|--|----------------------------------|--------------------|
| Book Value at 1 st April | 107,669 | - |
| Revaluation & Restatement of Fixed Assets | (30,883) | - |
| Additions | 3,317 | - |
| LESS Impairments | (70,184) | - |
| Capital Receipts from Disposals | (4,245) | - |
| Depreciation charged to HRA | (2,357) | - |
| Expenditure written off | (3,317) | - |
| Net Book Value at 31st March | - | - |

| | 2005/2006 £000s | 2006/2007 £000s |
|--|--------------------|--------------------|
| Breakdown of Assets at 1 st April | | |
| Houses | 107,031 | - |
| Land | 366 | - |
| Buildings | 272 | - |
| | 107,669 | - |

| | 2005/2006 | 2006/2007 |
|---|--------------|-----------|
| Number of houses at 1 st April | | |
| 1 bedroomed houses, flats and bungalows | 1,683 | - |
| 2 bedroomed houses, flats and bungalows | 1,515 | - |
| 3 bedroomed houses, flats and bungalows | 721 | - |
| 4 bedroomed houses, flats and bungalows | 39 | - |
| | 3,958 | - |

*Restated to comply with the SORP 2006

Note 5. Major Repairs Reserve

| | 2005/2006 £000s | 2006/2007 £000s |
|---|--------------------|--------------------|
| Balance at 1 st April | 267 | - |
| ADD Depreciation Charged to the HRA | 2,357 | - |
| ADD Transfers (to)/from the HRA | (161) | - |
| LESS Capital Expenditure charged to the MRR | (2,463) | - |
| Balance at 31st March | - | - |

Note 6. Provision for Bad Debts

| | 2005/2006 £000s | 2006/2007 £000s |
|---|--------------------|--------------------|
| Balance at 1 st April | 217 | - |
| Provisions made/debts repaid in year | 53 | - |
| Debts written off - Housing Rents | (31) | - |
| - Sundry Debtors | (44) | - |
| Debts transferred to Greenvale Homes | (187) | - |
| Debts transferred to General Fund | (8) | - |
| Balance at 31st March | - | - |

Note 7. Housing Revenue Account - Subsidy Grants Received

| | 2005/2006 £000s | 2006/2007 £000s |
|---|--------------------|--------------------|
| Defective Houses | 2 | - |
| Management & Maintenance Allowance | 4,852 | 41 |
| Major Repairs Allowance | 2,197 | - |
| Charges for Capital | 1,401 | - |
| | 8,451 | 41 |
| Less: Rent | (9,185) | - |
| Interest on Receipts | (7) | - |
| Prior year adjustment | - | 188 |
| Housing Revenue Account Subsidy receivable/(payable) | (741) | 229 |

Note 8. Capital Expenditure on Land, Houses and Other Property

| | 2005/2006 £000s | 2006/2007 £000s |
|--|--------------------|--------------------|
| Total Capital Programme expenditure Fixed Assets – Council Houses | 3,317 | - |
| This is financed as follows:- | | - |
| Major Repair Reserve | 2,463 | - |
| Supported Borrowing | 599 | - |
| Revenue Contribution | 255 | - |
| Total | 3,317 | |

Note 9. Vacant Possession

The total vacant possession value as at 1st April 2006 was £nil (£215.5m at 1st April 2005). The difference between the vacant possession value and the balance sheet value of dwellings shows the economic cost to the Government of providing council housing at less than open market value

Note 10. Capital Receipts

| | 2005/2006 £000 | 2006/2007 £000 |
|----------------------------------|-------------------|-------------------|
| Sale of Council Houses | 4,437 | - |
| Right to Buy Mortgage Repayments | 35 | - |
| | 4,472 | - |

Although £15,334 was received during 2006/2007 these mortgage debts are now attributable to the General Fund after the Stock Transfer.

Note 11. Revenue Balances

| | 2005/2006 £000 | 2006/2007 £000 |
|--------------------------------|-------------------|-------------------|
| Balance Brought Forward | 1,172 | 1,099 |
| Surplus/(Deficit) for the year | (73) | 51 |
| Balance Carried Forward | 1,099 | 1,150 |



| 2005/2006 £000s | | NOTE | 2006/2007 £000s |
|--------------------|-------------------------------|------|--------------------|
| Income | | | |
| 23,858 | Council Tax Income | 1 | 25,080 |
| 4,404 | Council Tax Benefit | | 4,557 |
| 9,655 | Non-Domestic Rates | 4 | 10,294 |
| 37,917 | Total income | | 39,931 |
| Expenditure | | | |
| Precepts & Demands | | | |
| 19,872 | Lancashire County Council | | 20,974 |
| 4,803 | Rossendale Borough Council | | 4,940 |
| 2,253 | Lancashire Police Authority | | 2,380 |
| 1,089 | Lancashire Fire Authority | | 1,151 |
| Non-Domestic Rates | | | |
| 9,499 | Payment to National Pool | | 10,141 |
| 102 | Cost of Collection Allowance | | 101 |
| 261 | Provision for Bad Debts | 2 | 245 |
| 37,880 | Total expenditure | | 39,932 |
| 37 | Surplus/ (Deficit) for year | | (1) |
| 335 | Balance at start of year | | 372 |
| 372 | Balance at end of year | | 371 |



Note 1. Council Tax Base

Council tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands estimating 1st April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the precepting authorities and the Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts: 21,040 for 2006/2007). This basic amount of council tax for a Band D property (£1,397.23 for 2006/2007 – see note 5 for details) is multiplied by the proportion specified for the particular band to give an individual amount due.

The council tax base has been calculated as follows:-

| Band | Ratio to Band D | Total No of properties | Total equivalent number after Discounts & Exemptions | 2006/2007 Band D equivalent | 2005/2006 Band D equivalent |
|---|-----------------|------------------------|--|-----------------------------|-----------------------------|
| Special | 5/9 | 50 | 47.75 | 26.50 | 24.60 |
| A | 6/9 | 15,210 | 13,161.50 | 8,774.30 | 8,759.50 |
| B | 7/9 | 4,388 | 4,000.00 | 3,111.10 | 3,109.60 |
| C | 8/9 | 3,605 | 3,355.25 | 2,982.40 | 2,948.40 |
| D | 1 | 3,066 | 2,909.25 | 2,909.30 | 2,887.00 |
| E | 11/9 | 1,712 | 1,635.25 | 1,998.60 | 1,976.30 |
| F | 13/9 | 615 | 584.25 | 843.90 | 834.50 |
| G | 15/9 | 414 | 397.25 | 662.10 | 634.60 |
| H | 2 | 28 | 26.25 | 52.50 | 55.50 |
| | | 29,088 | 26,116.75 | 21,360.70 | 21,230.00 |
| Less adjustment for anticipated changes to the base and losses on collection. | | | | (320.70) | (318.00) |
| Band D equivalent number of properties | | | | 21,040.00 | 20,912.00 |



Note 2. Provision for Bad Debts

| Total 2005/2006 £000s | | Council Tax 2006/2007 £000s | Business Rates 2006/2007 £000s | Total 2006/2007 £000s |
|-----------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| 1,334 | Balance 1 st April | 1,325 | 60 | 1,385 |
| 261 | Provision made in year | 194 | 51 | 245 |
| (210) | Debts Written Off | (175) | (75) | (250) |
| 1,385 | Balance 31st March | 1,344 | 36 | 1,380 |

Note 3. Arrears

| | 2005/2006 £ | 2006/2007 £ |
|--------------------------------------|----------------|----------------|
| Council Tax | 2,636 | 2,592 |
| Business Rates | 249 | 246 |
| Balance 31st March | 2,885 | 2,838 |

Note 4. National Non-Domestic Rates

NNDR is organised on a national basis. The Government specifies an amount (42.2p 2005/2006 and 43.3p in 2006/2007) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from ratepayers in its areas but it pays the proceeds into an NNDR pool administered by the Government. The Government redistributes the sums paid into the pool back to local authorities' General Funds on the basis of a fixed amount per head of population.

The NNDR income after reliefs and provisions was £10,294k for 2006/2007 (£9,655k for 2005/2006).

The rateable value for the Council's area at the end of the financial year 2006/2007 was £31,077k (2005/2006 was £29,130k).



Note 5. Precepting Bodies 2006/2007

| Precepting Bodies | 2005/06 | | | 2006/07 | | | | | | |
|-----------------------------------|-----------------|--------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Band D £ | Increase | Band A £ | Band B £ | Band C £ | Band D £ | Band E £ | Band F £ | Band G £ | Band H £ |
| Rossendale Borough Council | 227.57 | 2.20% | 155.05 | 180.90 | 206.74 | 232.58 | 284.26 | 335.95 | 387.63 | 465.16 |
| Lancashire County Council | 950.29 | 4.90% | 664.57 | 775.33 | 886.09 | 996.85 | 1,218.37 | 1,439.89 | 1,661.42 | 1,993.70 |
| Lancashire Police Authority | 107.72 | 4.99% | 75.39 | 87.96 | 100.52 | 113.09 | 138.22 | 163.35 | 188.48 | 226.18 |
| Lancashire Fire Authority | 52.10 | 5.00% | 36.47 | 42.55 | 48.63 | 54.71 | 66.87 | 79.03 | 91.18 | 109.42 |
| Total (excl Whitworth) | 1,337.68 | 4.45% | 931.49 | 1,086.73 | 1,241.98 | 1,397.23 | 1,707.73 | 2,018.22 | 2,328.72 | 2,794.46 |
| Whitworth Parish Council | 19.35 | 4.91% | 13.53 | 15.79 | 18.05 | 20.30 | 24.81 | 29.32 | 33.83 | 40.60 |
| Total Whitworth Parish | 1,357.03 | 4.46% | 945.02 | 1,102.52 | 1260.03 | 1,417.53 | 1,732.54 | 2,047.54 | 2,362.55 | 2,835.06 |



The Council is required to prepare summarised Group Accounts. The Council has a 100% interest in Rossendale Transport Limited, a company set up in accordance with the provisions of the Transport Act 1985 to run the Council's municipal bus operation. In turn Rossendale Transport has a wholly-owned subsidiary of Coachways Ltd. These Group Accounts show the consolidated financial position of the Council and its interest in Rossendale Transport Limited, and Coachways Ltd its subsidiary. The 2004/2005 Group Accounts have been restated to reflect the adoption of FRS17 by Rossendale Transport Ltd in line with the Council's accounting policies.

These group accounts also now include the trust funds held and operated by the Council but kept separate from the main operational accounts. Note 36 gives a full analysis of these trust funds.

Group Income and Expenditure Account

| *Restated 2005/2006 NET EXPENDITURE £000s | | 2006/2007 NET EXPENDITURE £000s |
|--|--|---------------------------------------|
| 11,138 | Net cost of continuing services | 9,611 |
| 40,004 | Housing revenue account services transferred to Green Vale Homes | (51) |
| 51,142 | Net cost of services | 9,560 |
| (610) | (Gains)/Losses on disposal of Fixed Assets | (4,426) |
| 44 | Whitworth Town Council Precept | 47 |
| (16) | (Surpluses)/Deficits on Trading Undertakings | (36) |
| 3,264 | Contribution of housing capital receipts to Government Pool | - |
| 6,022 | Amortised Premiums & Discounts | - |
| 1,611 | Interest payable | 306 |
| (339) | Interest and investment income | (268) |
| 25 | Taxation | 103 |
| 280 | Pensions interest cost and expected return on pension assets | 47 |
| 61,423 | Net expenditure | 5,333 |
| (4,803) | Precept on Collection Fund | (4,940) |
| (3,146) | Government Grants - General Govt Grants | (1,730) |
| (1,904) | Government Grants - Redistribution from NNDR pool | (4,952) |
| 51,570 | (Surplus)/Deficit for the year | (6,289) |

*Restated to comply with the SORP 2006

Reconciliation of the Single Entity (Surplus)/Deficit for the year to the Group (Surplus)/Deficit

| 2005/2006 £000s | | 2005/2006 £000s |
|--------------------|---|--------------------|
| 51,693 | (Surplus)/Deficit on Rossendale Borough Council Income & Expenditure Account for the year | (5,877) |
| | (Surplus)/Deficit arising from other entities included in the group accounts analysed into the amounts attributable to: | |
| (194) | Rossendale Transport Ltd | (387) |
| 69 | Coachways Ltd | (20) |
| 2 | Trust Funds | (5) |
| 51,570 | (Surplus)/Deficit for the year | (6,289) |

Group Statement of Total Recognised Gains and Losses

| 2005/2006 £000s | Group Statement of Total Recognised Gains and Losses | 2006/2007 £000s |
|--------------------|--|--------------------|
| (51,570) | Surplus/(Deficit) for the year on the Income and Expenditure Account | 6,289 |
| (33,237) | Surplus/(Deficit) arising on revaluation of fixed assets | 1,470 |
| 750 | Actuarial gains/(losses) on pension fund assets and liabilities | 3,015 |
| 37 | Surplus/(Deficit) for the year on the Collection Fund | (1) |
| (84,020) | Total recognised gains/(losses) for the year | 10,773 |

Group Balance Sheet as at 31st March 2006

| 31st March 2005 £000s | *Restated | | £000s | 31st March 2005 £000s |
|--------------------------|----------------|---|----------|--------------------------|
| 262 | | Intangible Assets | 506 | |
| | | Tangible Assets | | |
| 13,518 | | Operational Assets | 16,010 | |
| 5,686 | | - Other Land & Buildings | 5,463 | |
| 13 | | - Vehicles, Plant, Furniture & Equipment | 33 | |
| 598 | | - Community Assets | 598 | |
| 434 | | Non Operational Assets | | |
| 1,248 | | - Investment Assets | - | |
| | | - Assets under construction | 1,064 | |
| | | - Surplus assets held for disposal | | |
| | 21,759 | | | 23,674 |
| 7 | | Long-term Investments | 7 | |
| 99 | | Long-term Debtors | 67 | |
| | 106 | | | 74 |
| | 21,865 | Total long-term Assets | | 23,748 |
| 157 | | Current Assets | 138 | |
| 6,879 | | Stocks & work in progress | 9,286 | |
| (2,007) | | Debtors | (1,996) | |
| 100 | | Bad Debts Provision | - | |
| 2,841 | | Investments | 2,110 | |
| | 7,970 | Cash at Bank | | 9,538 |
| | 29,835 | | | 33,286 |
| (7,972) | | Current Liabilities | (7,670) | |
| (259) | | Creditors | (193) | |
| | (8,231) | Bank Overdraft | | (7,863) |
| | 21,604 | Total Assets less Current Liabilities | | 25,423 |
| (2,565) | | Long Term Borrowing | (1,845) | |
| (4,769) | | Government Grants Deferred | (4,333) | |
| (295) | | Grants Unapplied | (201) | |
| (985) | | Provisions | (533) | |
| (18,611) | | Liability related to defined benefit Pension Scheme | (13,359) | |
| | (27,225) | | | (20,271) |
| | (5,621) | Total assets less liabilities | | 5,152 |
| 1,325 | | Fixed Asset Restatement Account | 1,980 | |
| 7,401 | | Capital Financing Account | 11,932 | |
| 115 | | Usable Capital Receipts Reserve | - | |
| 64 | | Deferred Capital Receipts | 49 | |
| (18,328) | | Pension Reserve | (13,285) | |
| 1,487 | | Earmarked Reserves | 1,647 | |
| 2,315 | | Fund Balances and Reserves | 2,829 | |
| | (5,621) | Net equity | | 5,152 |

*Restated to comply with the SORP 2006

Group Cash Flow statement

| 2005/2006 | | | | 2006/2007 | |
|-----------|----------------|--|--|---------------|--------------|
| £000 | £000 | | | £000 | £000 |
| | 40 | Net Cash (Inflow)/Outflow from Revenue Activities | | | 127 |
| | | Dividends from joint ventures and associates | | | |
| | 0 | Cash inflows | | - | |
| | | Returns on Investments and Servicing of Finance | | | |
| 7,820 | | Cash Outflows | Interest paid | 306 | |
| (411) | | Cash inflows | Interest received | (377) | |
| | 7,409 | | | | (71) |
| | 47 | Taxation | | | 23 |
| | | Capital Expenditure and Financial Investment | | | |
| 8,515 | | Cash Outflows | Purchase of fixed assets and other capital expenditure | 5,750 | |
| (6,414) | | Cash Inflows | Sale of fixed assets | (1,217) | |
| (4,737) | | | Capital grants received | (3,007) | |
| (116) | | | Other capital cash receipts | (1,971) | |
| | (2,752) | | | | (445) |
| | 4,744 | Net Cash (Inflow)/Outflow before financing | | | (366) |
| | | Management of Liquid Resources | | | |
| | (2,636) | Management of liquid resources | Net increase)/decrease in short-term deposits | | 100 |
| | | Financing | | | |
| 12,315 | | Cash Outflows | Repayment of amounts borrowed | 2,557 | |
| (11,363) | | Cash Inflows | New loans raised | - | |
| (5,976) | | | New short term loans raised | (1,628) | |
| | (5,024) | | | | 929 |
| | (2,916) | Net (Increase)/Decrease in cash | | Note 2 | 663 |

Note 1. Net Change in Liquid Resources

| Balance | at 1st April 2006 £000s | at 31st March 2007 £000s | Movement in Year £000s |
|----------------|-------------------------|--------------------------|------------------------|
| Cash in Hand | 3 | 3 | - |
| Cash at Bank | 2,838 | 2,109 | 729 |
| Bank Overdraft | (259) | (193) | (66) |
| | 2,582 | 1,919 | 663 |

Note 2. Detailed Analysis of Net Cost of Services

| Consolidated Group 2005/2006 | | Consolidated Group 2006/2007 | |
|------------------------------|---------------|--|--------------|
| £000s | £000s | £000s | £000s |
| | 11,222 | Net Cost of Continuing Services - Rossendale Borough Council | 10,164 |
| | (231) | Net Cost of Continuing Services - Rossendale Transport Ltd | (527) |
| | 82 | Net Cost of Continuing Services - Coachways Ltd | (26) |
| | 10 | Trust Funds | - |
| | 55 | Intra-group consolidation for Dividends due | - |
| | 11,138 | Net Cost of Continuing Services | 9,611 |
| | 40,004 | Housing Revenue Account services transferred to Green Vale Homes | (51) |
| | 51,142 | NET COST OF SERVICES | 9,560 |

Note 14. Tangible and Intangible Assets

| *Restated | | | OPERATIONAL ASSETS | | | NON-OPERATIONAL ASSETS | | | TOTAL | TOTAL |
|-----------------------------------|--|------------------------------|-----------------------------|---------------------------------|-----------------------------|------------------------------|--------------------------------------|---------------------------------|----------------------------|----------------|
| Total Assets 2005/2006 £000 | | Intangible Assets £000 | Land & Buildings £000 | Vehicles & Equipment £000 | Community Assets £000 | Investment Assets £000 | Assets under Construction £000 | Surplus for Disposal £000 | Tangible Assets £000 | Assets £000 |
| 141,526 | Gross Book Value at 1 st April | 284 | 14,777 | 10,107 | 13 | 598 | 434 | 1,248 | 27,177 | 27,461 |
| (11,094) | Less Accumulated Depreciation | (22) | (931) | (4,321) | - | - | - | - | (5,252) | (5,274) |
| 130,432 | Net book value at 1st April | 262 | 13,846 | 5,786 | 13 | 598 | 434 | 1,248 | 21,925 | 22,187 |
| (29,899) | Revaluation & Restatement of Fixed Assets | - | 915 | (59) | - | - | (38) | 463 | 1,281 | 1,281 |
| - | Reclassification of Assets | - | 1,425 | - | - | - | (1,425) | - | - | - |
| 4,611 | Additions | 303 | 364 | 954 | 20 | 18 | 1,029 | - | 2,385 | 2,688 |
| (70,184) | Less:- Impairments | - | - | - | - | - | - | - | - | - |
| (6,169) | Disposals | - | (85) | (307) | - | - | - | (647) | (1,039) | (1,039) |
| (3,338) | Expenditure transferred to FARA | - | (121) | - | - | (18) | - | - | (139) | (139) |
| (3,694) | Depreciation | (59) | (334) | (911) | - | - | - | - | (1,245) | (1,304) |
| 21,759 | Net Book Value at 31st March | 506 | 16,010 | 5,463 | 33 | 598 | - | 1,064 | 23,168 | 23,674 |

*Restated to comply with the SORP 2006

Section 5

Other Statements

“The Council is committed to managing risks to a reasonable level.”



Scope Of Responsibility

Rossendale Borough Council is responsible for ensuring that:

- its business is conducted in accordance with the law and proper standards, and
- 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 responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The 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 Rossendale Borough Council for the year ended 31st March, 2007 and up to the date of approval of the annual report and accounts. Its effectiveness is considered in section 4 below.

The Internal Control Environment

This The key elements of the Council's internal control environment include:

- The Constitution, which establishes arrangements for policy setting and decision making and the delegation of powers to members and officers;
- The Audit Scrutiny Committee which oversees the production of the Authority's Statement on Internal Control and recommends its adoption.
- An established business planning process, which sets clear objectives and targets in light of the Council's policy priorities and financial resources;
- A performance management system of regular monitoring and reporting to members of the Council's performance

against its plans;

- A risk management framework, which ensures that risks to the Council's objectives are identified and appropriately managed;
- The Medium Term Financial Strategy, budget setting and budgetary management systems which aim to economically, effectively and efficiently use resources in line with corporate priorities and the regular reporting of financial performance to officers and members;
- Financial Regulations and Contract Procedure Rules and a clear supporting framework of financial procedures;
- A structure of centrally monitored devolved financial management that promotes management of the Council's finances at the appropriate organisational level;
- Comprehensive codes of conduct for members and officers that set out clear expectations for standards of behaviour together with job descriptions that make clear senior officer duties in matters of financial, performance and risk management;
- Well publicised and effective arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption;
- A partnership with Lancashire County Council for the management of the

internal audit service that works with officers to assess and develop the control environment and which supports management's assessment of compliance with established policies, procedures, laws and regulations.

- Annual quality assurance statements by all Heads of Service which both acknowledge officer responsibilities in matters of internal control and make an annual evaluation of the adequacy of the internal controls within the service area.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by, amongst other things, the work of the internal auditors and the executive managers within the authority 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 their annual audit letter and other reports.

The Council's recent review of the effectiveness of the system of internal control, by Internal Audit in their 2006-07 Annual Report, demonstrates a continued improvement in the Council's internal control systems. Internal Audits overall opinion

concluded that “the majority of systems of internal control were found to be adequate and effective, although in some cases, there may be scope for improvement.” Where weakness had been identified during the period action follow up reviews by Internal Audit “recognised that the majority of recommendations have either been implemented, or at least addressed”. As a result major improvements were in the level of internal control were made since the initial Internal Audit reviews.

As in previous years the issue of the separation of duties continues to be a challenge for any organisation the size of Rossendale Borough Council. Given the size of the organisation the Internal Audit Annual Report recognises that “it is not always practical to achieve an appropriate separation of duties, but it is important to ensure that there is appropriate monitoring of action taken by staff placed in this position.” The issue of the separation of duties is therefore something on which the Council and its officers continue to make appropriate and robust assessments of risk.

The Audit Commission has recently published its Annual Audit and Inspection Letter, amongst other things, the key messages to the Council are “improvements have been made to secure adequate performance in its use of resources...”,

“good progress has been made, in a relatively short timeframe, on data quality management and ethical governance arrangements” and “the IT control environment and arrangements need to be improved to limit the exposure to IT fraud or abuse, although identified issues are being quickly addressed as part of the Council’s ICT Strategy. In particular Use of Resources Report (March 2007) recognised the achievement made specifically in the area of internal control resulting in an improved score in this specific area of 2.

The Council and its officers welcome both the Internal and External Auditor’s annual reports, detailed Internal Audit reports on service areas which make specific recommendations and those reports and assessments made by the Audit Commission. The Council continues to develop arrangements to address areas of weakness and ensure continuous improvement of the system is in place.

Adequacy of internal control should also be seen in the context of an improving financial position that has been gained over the last 12 months reflected in the Consolidated Balance Sheet, as at 31st March 2007. The Council, despite an anticipated small in year deficit ended the year

in a much stronger and healthier financial position. The Council has now the capacity to achieve its upper end target for General Reserves of £750,000 and create a number of specific reserves to cushion it against unknown financial risk and to fund the Council’s continuing improvement programme.

Significant Internal Control Issues

On the basis of the review of the sources of assurance set out in this statement, Rossendale Borough Council continues to develop and embed satisfactory systems of internal control in order to facilitate the effective exercise of its functions and which include effective arrangements for the management of risk.

The system of internal control will be subject to continuous review to ensure that it continues to meet the needs of the Council and operates effectively. We will continue to improve and develop in a number of areas, including the further embedding of the following management disciplines: finance, performance and risk management. Some issues have been identified and have been raised in the Council’s recent Comprehensive Performance Assessment (2007) and specific actions will be taken alongside those that are already contained in the Corporate Plan (including the Best Value Performance Plan) to address them.

The table below summaries the various actions to be taken and their source. The latest version of the Corporate Plan and the Comprehensive Performance Assessment are available on the Council’s web site at www.rossendale.gov.uk. The Comprehensive Performance Assessment published in July 2007 reported that the Council’s “current performance is good and it is improving in most areas”.

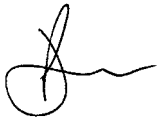


Corporate Improvement Plan

| No. | Issues | Planned Action |
|-------|--|---------------------------------|
| CP1.2 | <p>Greater Community Involvement in the design and delivery of local services.</p> <p>By 2010 we will:</p> <ul style="list-style-type: none"> • Increase the percentage of people who feel they can influence decisions in their area from 31% in 2006 to above the average level of performance for East Lancashire. | CP 1.2 (actions 2, 3, & 4) |
| CP1.3 | <p>Stronger relationship between Council and Communities</p> <p>By 2010 we will:</p> <ul style="list-style-type: none"> • Increase electoral turnout from 35% in 2007 to 36%. | CP 1.3 (actions 2, 3, 4, & 5) |
| CP4.3 | <p>Improved awareness and understanding of the Council and its achievements</p> <p>By 2010 we will:</p> <ul style="list-style-type: none"> • Increase the number of people who feel they know how the Council is performing from 24.6% in 2007 to above the average for all councils. • Achieve Gold level of the LGA Reputation Campaign • Increase the accessibility and awareness of the Council's performance. | CP 4.3 (actions 1, 2, 3 & 4) |
| CP6.1 | <p>Strong financial management and the delivery of value for money services (Improvement)</p> <p>By 2010 we will:</p> <ul style="list-style-type: none"> • Achieve level 3 in the Audit Commission review of the Council's 'Use of Resources' by the Audit Commission by 2010. | CP 6.1 (actions 1, 2, 3, 4 & 5) |
| CP6.2 | <p>Equipping members to fulfil their role as leaders in the community (Community Network)</p> <p>By 2010 we will:</p> <ul style="list-style-type: none"> • Maintain accreditation under the North West Charter for Member Development and strive to achieve level 2 of the Charter through the delivery of exemplary practice. • Increase the number of people who can identify at least one of their ward councillors from 35% in 2007 to 44%. | CP 6.2 (actions 1, 2 & 3) |

Internal Audit Reporting

| No. | Issues | Planned Action |
|-----|--|--|
| | Officer and Member (i.e. those charged with Governance) response to individual internal audit reports and the Internal Auditors annual report. | <p>1 – Internal audit report action plans agreed by Heads of Service and Managers</p> <p>2 – Audit committee meetings minutes and approvals</p> <p>3 – Heads of Service Statement on Internal Control: annual assurance statements</p> |



Duncan Ruddick
Leader of the Council




Carolyn Wilkins
Chief Executive



Capital Expenditure Report 2006/2007

| CORPORATE PRIORITY | CAPITAL SCHEME | TOTAL CAPITAL SPEND £000 | CAPITAL RECEIPTS £000 | REVENUE CONTRIBUTION £000 | NWDA £000 | GRANT FUNDING | | |
|---|--|-----------------------------|--------------------------|------------------------------|--------------|---------------|----------------------------|---------------|
| | | | | | | DCLG £000 | PERFORMANCE GRANTS £000 | OTHER £000 |
| Delivering Quality Services to our Customers | | | | | | | | |
| | Cemetery Maintenance Scheme | 9 | 9 | | | | | |
| | Operational Buildings Maintenance Scheme | 6 | 6 | | | | | |
| | Rawtenstall Market Café Fire | 22 | 22 | | | | | |
| | Haslingden Sports Centre Flood | 14 | 14 | | | | | |
| | Haslingden Sports Centre | 14 | 14 | | | | | |
| | Whitworth Civic Hall - Re-Build | 1,118 | 1,047 | | | | 56 | 15 |
| | Capital Salaries | 45 | 45 | | | | | |
| | E-Government Partnership | 16 | 16 | | | | | |
| | Restructuring Costs | 61 | 61 | | | | | |
| | Customer Services DWP | 78 | 78 | | | | | |
| | I.T Strategy | 118 | 118 | | | | | |
| | Finance System | 13 | 13 | | | | | |
| | RBC costs associated with LSVT | 218 | 218 | | | | | |
| | Spatial Systems upgrade | 69 | | 34 | | | 35 | |
| | | 1,801 | 1,661 | 34 | 0 | 0 | 91 | 15 |
| Delivering Regeneration across the Borough | | | | | | | | |
| | Accommodation Strategy | 8 | 8 | | | | | |
| | Futures Park Managed Unit | 240 | 240 | | | | | |
| | Swinnel Brook Culvert | 18 | 18 | | | | | |
| | Car Park upgrading (5yrs from 06/07) | 26 | 26 | | | | | |
| | Town Hall Relocation | 301 | 301 | | | | | |
| | SRB - Commercial Property Facelifiting | 102 | | | 102 | | | |
| | Lee Mill - Phase 3 | 50 | | | 50 | | | |
| | Brownfield Recycling Project | 17 | | | 17 | | | |

Capital Expenditure Report 2006/2007

| CORPORATE PRIORITY | CAPITAL SCHEME | TOTAL CAPITAL SPEND £000 | CAPITAL RECEIPTS £000 | REVENUE CONTRIBUTION £000 | NWDA £000 | GRANT FUNDING | | |
|--|--|-----------------------------|--------------------------|------------------------------|--------------|---------------|----------------------------|---------------|
| | | | | | | DCLG £000 | PERFORMANCE GRANTS £000 | OTHER £000 |
| | | | | | | | | |
| | CPO for improvements | 82 | | | | 82 | | |
| | SRB 121 - Blackburn Rd Corridor | 104 | | | | 104 | | |
| | Elevate - Facelifing | 860 | | | | 860 | | |
| | Elevate - Environmental Works | 267 | | | | 267 | | |
| | Elevate - Block Repair | 427 | | | | 427 | | |
| | | 2,502 | 593 | 0 | 169 | 1,740 | 0 | 0 |
| Keeping our Borough Clean and Green | | | | | | | | |
| | Refuse Collection Vehicles | 59 | 59 | | | | | |
| | Open Spaces Vehicle | 90 | 90 | | | | | |
| | Operating lease buy outs - Refuse Collection | 226 | 226 | | | | | |
| | Refuse Bins | 46 | 46 | | | | | |
| | | 421 | 421 | 0 | 0 | 0 | 0 | 0 |
| Promoting Rossendale as a Place to Live and Visit | | | | | | | | |
| | Whittaker Park - Multi use games Area | 2 | 2 | | | | | |
| | Museum Improvements | 2 | 2 | | | | | |
| | Playground Improvements | 6 | 6 | | | | | |
| | Panopticon | 20 | 20 | | | | | |
| | | 30 | 30 | 0 | 0 | 0 | 0 | 0 |
| Improving Health & Wellbeing | | | | | | | | |
| | Disabled Facilities Grants | 469 | 164 | | | 305 | | |
| | Disabled Access improvement | 201 | 201 | | | | | |
| | Decent Homes for Over 60's | 63 | | | | 63 | | |
| | Decent Homes Schemes | 262 | | | | 262 | | |
| | | 995 | 365 | 0 | 0 | 630 | 0 | 0 |
| | TOTAL | 5,749 | 3,070 | 34 | 169 | 2,370 | 91 | 15 |

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Rossendale
BOROUGH COUNCIL

Section 6

Glossary

“Striving to make sense of the accounting jargon.”



Accounting Standards Board

The role of the Accounting Standards Board (ASB) is to issue accounting standards. Accounting standards developed by the ASB are contained in 'Financial Reporting Standards' (FRSs). Soon after it started its activities in 1990, the ASB adopted the standards issued by the Accounting Standards Committee (ASC), so that they also fall within the legal definition of accounting standards. These are designated 'Statements of Standard Accounting Practice' (SSAPs). Whilst some of the SSAPs have been superseded by FRSs, some remain in force. Accounting standards apply to all companies, and other kinds of entities that prepare accounts that are intended to provide a true and fair view.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Agency Services

Services provided by the Council, as an agent on behalf of the responsible body, where the principal reimburses the Council for the cost of the work carried out.

Asset Management Revenue Account

An account which the Council is required to maintain under the new capital accounting arrangements, which apply from 1994/95 onwards. All principal repayments and interest charges on loans are charged to the account.

Auditor's Opinion

The opinion required by statute from the Council's external auditors, indicating whether the statement of accounts presents fairly the financial position of the authority.

Budget

A statement of the Council's spending plans for revenue and capital expenditure over a specified period of time.

Capital expenditure

Spending on the acquisition or maintenance of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. Expenditure that does not fall within the definition must be charged to a revenue account.

Capital Receipts

Proceeds from the sale of fixed assets, such as land or buildings, or the repayment of capital grants or advances.

Collection Fund

The account which shows the transactions of the Council in relation to non-domestic rates and Council Tax, and the distribution of these to precepting bodies and the General Fund. The Collection Fund is consolidated with the other accounts of the Council.

Community Assets

Assets that the Council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Comprehensive Performance Assessment

Comprehensive Performance Assessment (CPA) is a key element of the Government's performance framework for local government. It is intended to support improvement planning in local authorities and to lead to co-ordinated and proportionate audit and inspection, and increased freedoms and flexibilities for local government. Rossendale's CPA inspection took place during 2003/04.





this scrutinises every aspect of the Council's work and operations, and is based on a Corporate Self-Assessment stating how good services are and the Council's corporate capacity to improve. There are also two crosscutting inspections based on the themes 'balancing housing markets' and 'managing public space'. Councils are then given a score based on service delivery and working practices, and are rated as 'excellent', 'good', 'fair', 'weak' or 'poor'.

Consolidated Balance Sheet

The combined balance sheets of the Council's services.

Contingency Sum

A sum set aside to provide for foreseen but unquantifiable future commitments or for unforeseen expenditure that may become necessary during the year.

Cost of Management and Administration

An allocation to service accounts of the net cost of the administrative and professional departments which support all of the Council's services.

Creditor

An amount owed by the Council for goods received, or services rendered to it within the accounting period, but for which payment has not been made.

Current Costs Accounting (cca)

The presentation of the accounts in a form that aims to reflect the consequences of price and value charges.

Debt redemption

The repayment of external loans previously raised to finance capital expenditure.

Debtor

An amount of income due to the Council within the accounting period but not received at the balance sheet date.

Deferred capital receipts

Capital receipts to be received by instalments over agreed periods of time.

Deferred charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. An example of a deferred charge is expenditure on items such as improvement grants.

D.E.F.R.A.

The Department for the Environment, Food and Rural Affairs supports the Council in its recycling projects.

Depreciation

The measure of the wearing out,

consumption, or other reduction in the useful economic life of a fixed asset.

D.W.P.

The Department of Work and Pensions funds the Housing and Council Tax Benefits payable to borough residents and also funds the administration of those benefits.

E.R.D.F.

The European Regional Development Fund which supports regeneration projects such as Futures Park managed office units.

Financial reporting standard 17

FRS 17, issued by the Accounting Standards Board in November, 2000 and amended November, 2002, set out the accounting treatment for retirement benefits such as pensions and medical care during retirement.

General Fund

The main revenue fund of the Council. Day-to-day spending on services is met from the General Fund. Spending on the provision of housing, however, must be charged to a separate Housing Revenue Account.

H.I.P.s

Housing Investment Programmes

Housing Revenue Account (HRA)

An account which includes the expenditure and income arising from

the direct provision of housing by the Council.

Infrastructure assets

Assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible assets

Intangible assets are non-financial assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights, such as software. Intangible assets are capitalised at cost and depreciated to the revenue account over their useful economic life.

Large scale voluntary transfer (LSVT)

This relates to the transfer of the housing stock, as voted by the tenants, and is generally referred to as a large scale voluntary transfer due to its size.

Leasing

A method of utilising assets where a rental charge is paid for a specified period of time, instead of outright purchase.

Loans outstanding

The total amounts borrowed from external lenders for capital and temporary revenue purposes but not

repaid at the balance sheet date.

Local Authority Business Growth Incentive Scheme (LABGIS)

This is a means to reward Councils for increases in the rateable value of business properties above a certain threshold. Rossendale has received this for the first time in 2006/07 and used the extra income to create a Reserve for future Economic Development activity.

Major Repairs Allowance

Since April 2001, local authorities have received from the Government an annual Major Repairs Allowance (MRA) to cover depreciation and ongoing major repairs, but which is not intended to cover the backlog in repairs to Council dwellings. The MRA can be accumulated year on year, to allow authorities flexibility in spending on their Housing Revenue Account stock.

Major Repairs Reserve

The Major Repairs Reserve holds any unspent balances of the annual Major Repairs Allowances, to be carried forward to future years in order to fit in with the planned approach to asset management.

Minimum Revenue Provision

The minimum amount which must be charged to the Council's revenue account each year and set aside

as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

National non-domestic rates (NNDR)

A national non-domestic rate poundage for commercial premises is set annually by the government and collected by all local authorities. The proceeds are redistributed between local authorities in proportion to their adult populations.

Net book value

The amount at which assets are included in the balance sheet, i.e. their historical cost of current value, less the cumulative amounts provided for depreciation.

Non-operational assets

Assets held by the Council, but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

N.W.D.A.

The North West Regional Development Agency which supports regeneration projects such as Futures Park managed office units and the Brownfield Recycling Programme.



Office of the Deputy Prime Minister (OPDM)

The Office of the Deputy Prime Minister became the Department for Communities and Local Government (DCLG) on 5 May 2006 with a powerful remit to promote community cohesion and equality, as well as responsibility for housing, urban regeneration, planning and local government. DCLG is responsible for national policy on local government in England, examining the future of local government and local democracy; reviewing performance and measurement through inspection and audit; driving through the modernisation agenda of efficiency and improvement of service delivery; and maintaining and developing a framework for local government finance. In 2005/2006 the ODPM played a major role in supporting the LSVT of the Council's housing stock to Green Vale Homes.

Operational assets

Assets held and occupied, used or consumed by the Council in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Precept

The levy made by precepting authorities on billing authorities, requiring the latter to collect income

from Council Tax payers on their behalf.

Primacy of Legislative Requirements

The non-cash effects of transactions and other events should be reflected, as far as is possible, in the financial statements for the accounting period in which they occur and not in the period in which any cash involved is received or paid. (This replaces the principle of matching that underlays the accruals concept.)

Provision

An amount set aside in the accounts for liabilities that are certain to be incurred in the future, but which cannot be quantified accurately at the balance sheet date.

Public Works Loan Board (PWLB)

A Government agency that provides longer term loans to local authorities.

Rent allowance

A subsidy payable by the Council to a low income tenant in private rented accommodation.

Rent rebate

A subsidy payable by the Council to low income tenants in Council Houses.

Reserve

Amounts included in one financial year's accounts to provide for payment for goods or services, whether revenue or capital, in a future financial year.

Revenue account

An account that records an authority's day-to-day expenditure and income on such items as salaries and wages and other running costs of services.

Section 137 expenditure

Section 137 of the Local Government Act 1972, as amended by Section 36 of the Local Government and Housing Act 1989, empowers authorities to incur expenditure for the benefit of some or all of their inhabitants that is not authorised under other powers, within set maximum values per head of relevant population.

Statement of Recommended Practice

A Statement of Recommended Practice (SORP) on Accounting Practices for local authorities is prepared regularly to assist in the determination of recommended accounting practices and the SORP's form enables it to be related to the Financial Reporting Standards issued by the Accounting Standards Board. In England and Wales, the SORP constitutes 'proper accounting practice' under the terms of Section 66(4) of the Local Government and Housing Act 1989. The Chartered Institute of Public Finance and Accountancy (CIPFA) is the recognised SORP setting body for local government in England and Wales. To be applicable in Scotland the SORP requires approval by the

Local Authority (Scotland) Accounts Advisory Committee (LASAAC). A joint Committee (CIPFA/LASAAC) has been established to enable the SORP to be recognised in England, Wales and Scotland.

Statement of Standard Accounting Practice (SSAP) 9

SSAP 9 gives guidance on the accounting treatment of both stocks and long-term contracts. Stocks should be valued at the lower of cost and net realisable value (actual or estimated selling price after deduction.

Tangible Assets

Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.





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If you would like a summary of this information in large print, on audio cassette or language other than English, please let us know and we will be happy to arrange it.

Please telephone 01706 217777 or contact Communications Section, Town Centre Offices, Rawtenstall, BB4 7LZ

اگر آپ کو ان معلومات کا خلاصہ یا سے آڈیو میں، آڈیو کاسٹ پر یا انگریزی کے علاوہ کسی اور زبان میں دیکھنا چاہتے ہیں تو
سہولتیں کی درخواستیں ہم کو بھیجیں، ہم کو بھی آپ کے لئے اس کا اہتمام کریں گے۔
ہماری سربراہی 01706 217777 پر ٹیلیفون کریں یا ایمریکنی ٹیلیفون سیکشن سے اس پتے پر رابطہ قائم کریں:

آپانی যদি اسب تہویر سار سٹنکسپ بڈ ہرہفر ہاپای، اڈیو کاسٹے اٹھا ہرہجی ہاڈا
انیا کوان ہای پتہ چان تہلے انوٹھ کرے آمادہرکے جانالے آمرا اتانت خشی منے
تار ہابمسا کرہ ہ

انوٹھ کرے 01706 217777 ای ناسارے اٹھا ہرہجی ٹیلیفون سیکشن، ٹاؤن سنٹر
اڈیس، رٹسٹل بی.بی.8 ۹ ایل.جی.ڈی. ای ٹیکانای ہوگاہوگا کرہ ہ