



**SUMMARY
STATEMENT
OF ACCOUNTS
2012/13
(Unaudited)**

For the year ended 31st March 2013

Introduction

This document contains summarised information from the council's 2012/13 Statement of Accounts. The purpose of this document is to provide a more user friendly version of the council's financial affairs during 2012/13. The full Statement of Accounts is a large document that can be complex and this summary aims to provide an insight into how the council's money has been spent during the year.

As well as highlighting areas where the money has been spent and how it has been funded, this document also provides details of what the authority is worth, where and how capital funds were spent, council tax income and a summary of the council's own housing stock.

For the first time Milton Keynes Council has produced group accounts which consolidate the activities of the Milton Keynes Service Partnership and the Milton Keynes Development Partnership with those of the council. The figures for the group are shown in a separate column in the tables where applicable.

All figures in this document have been taken from the Statement of Accounts, which has been produced in accordance with the International Financial Reporting Standards (IFRS) aiming to make the documents more readable for all users. The full Statement of Accounts has been prepared in accordance with accounting policies applicable to local authorities. An unqualified audit opinion was given by the Ernst & Young LLP on Friday 27th September 2013.

If you require more detail on the figures provided in the Summary of Accounts the full Statement of Accounts can be found on the council's website at <http://www.milton-keynes.gov.uk/your-council-and-elections/council-data-and-accounts/statement-of-accounts-and-annual-audit-and-inspection-letter>.

Income and Expenditure

The following tables are extracts from the Comprehensive Income and Expenditure Statement that can be found in the council's main Statement of Accounts.

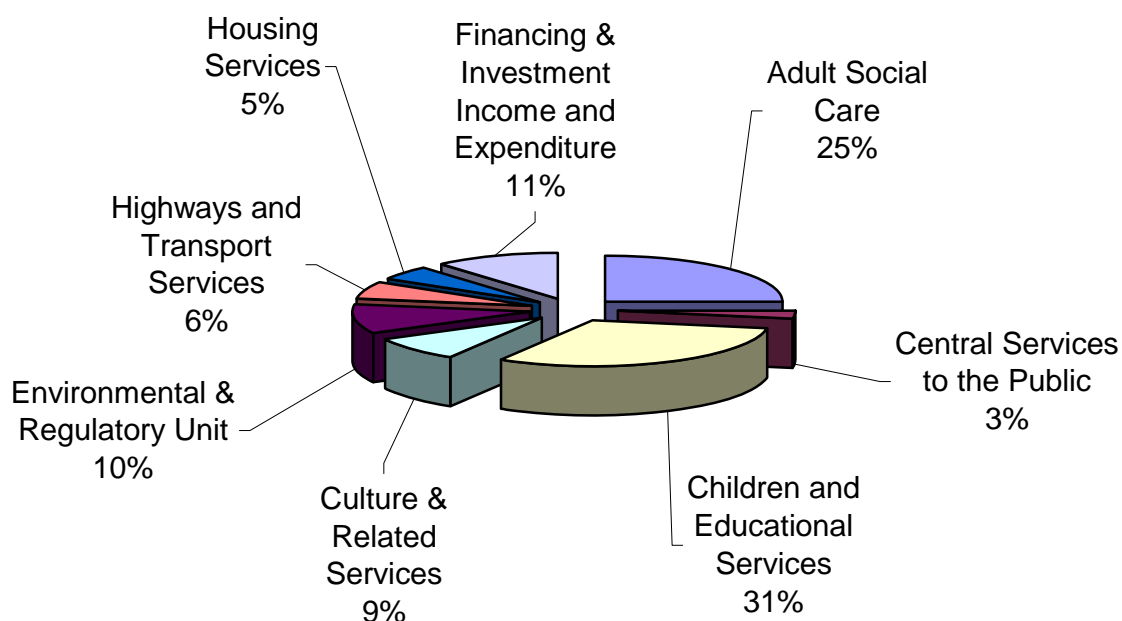
The first table and chart show the cost of running the council services during the financial year 2012/13 and the second table and chart shows where the money has come from to fund these services. Details of what each service provides can be found at the end of this section.

Where the money was spent

Milton Keynes Council spent a net total of £247,043,000 on providing services to the public during the financial year 2012/13.

Services	Net Spend	
	MKC £'000	Group £'000
Adult Social Care	57,378	57,448
Central Services to the Public	6,082	6,120
Children and Educational Services	71,265	71,405
Culture & Related Services	19,779	19,822
Environmental & Regulatory Unit	23,152	23,196
Highways and Transport Services	14,463	14,426
Housing Services	10,987	11,062
Housing Revenue Account	(17,035)	(17,085)
Planning Services	(528)	(488)
Exceptional Item- Contract Renegotiation	6,150	6,150
Total Cost of Services	191,693	192,056
Other Operating Expenditure	28,974	28,974
Financing and Investment Income and Expenditure	26,376	26,247
Total Spend	247,043	247,277

Percentage split of where the money was spent (Excluding HRA and Exceptional Items)



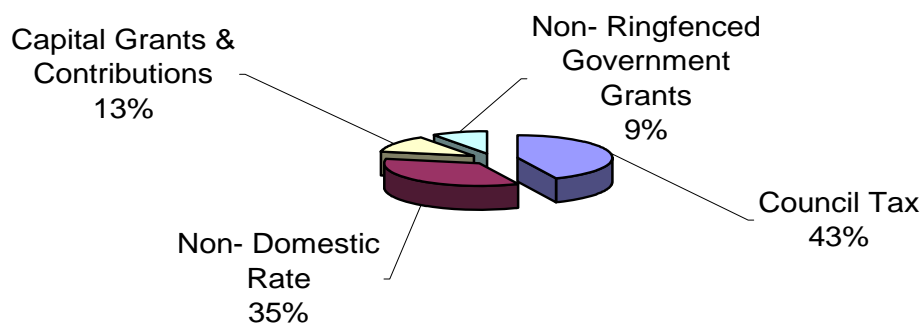
Income and Expenditure

Where does the money come from

	MKC £'000	Group £'000
Council Tax Income	(100,426)	(100,426)
Non- Domestic Rate Income	(80,016)	(80,016)
Capital Grants & Contributions	(28,965)	(28,965)
Non-Ringfenced Government Grants	(21,769)	(21,769)
Total Income	(231,176)	(231,176)

	MKC £'000	Group £'000
Total Spend	247,043	247,277
Total Income	(231,176)	(231,176)
Deficit on Provision of Services	15,867	16,101

Percentage split of where the money comes from



Council's Services:

Adult Social Care Services - supports adults with physical and learning disabilities and older people (aged 65 and over) including older people with mental health needs.

Central Services to the Public - includes local tax collection, registration of Births, Deaths and Marriages, elections, and other operating income and expenditure.

Children and Educational Services - includes children looked after, family support services, youth justice services, children's and young peoples safety and asylum seekers.

Culture and Related Services - includes library, recreational facilities and museums.

Environmental and Regulatory Services - includes waste collection and flood defence.

Highways and Transport Services - includes parking services, street lighting, public transport, structural maintenance on roads and bridges.

Housing Services - includes homelessness services including bed and breakfast accommodation and hostels.

Planning Services - includes Community and Economic development, Planning policies and Environmental Initiatives.

Balance Sheet

The table below is a condensed version of the balance sheet that can be found in the council's main Statement of Accounts. The balance sheet shows what the council owns, what it owes and what is owed.

	MKC £'000	Group £'000
Land, Buildings & Equipment	963,363	994,976
Stocks including goods for resale	1,830	1,830
Investments	60,334	60,334
Cash and Cash Equivalents	15,090	15,090
Bank Overdraft	(12,847)	(12,510)
Money owed to the council	95,229	63,809
Money owed and borrowed by the council	(784,225)	(784,989)
Net Assets	338,774	338,540
Financed By:		
Useable Reserves	108,009	108,115
Unuseable Reserves	230,765	230,425
Total Reserves	338,774	338,540

Reserves explained:

As per the table above, at 31st March 2013 the council had £108,009,000 of usable reserves, which are reserves that can be applied to help fund service pressures within the council's services or reduce local taxation.

The unusable reserves of £230,765,000 are kept to manage accounting processes for items such as non-current assets and financial instruments.

More details of reserves can be found in the Accounting Policy on page 42, the Movement in Reserves Statement on page 44 and the Notes to the financial statements on page 63 and 112 of the main Statement of Accounts.

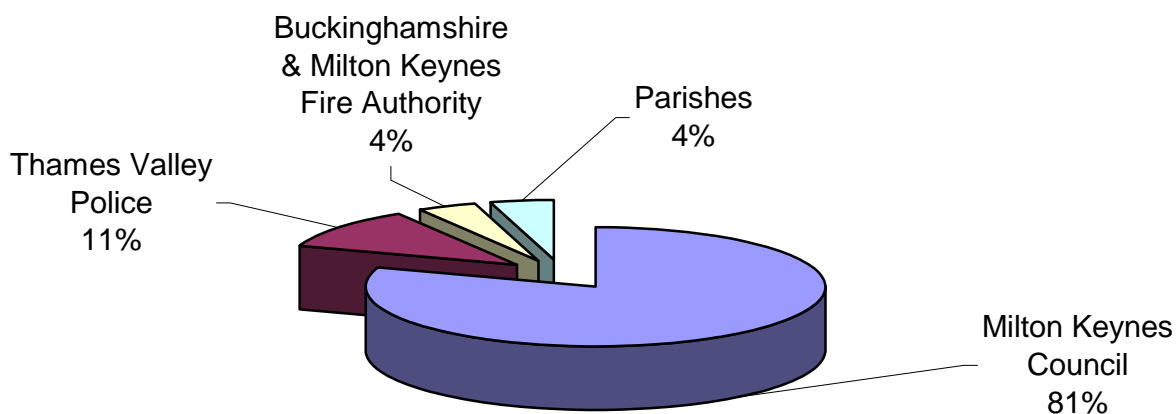
Council Tax

Council tax income comes from charges raised according to the value of residential properties; we collect council tax on behalf of other precepting authorities; these are Milton Keynes Police Authority, Milton Keynes Fire Authority and the individual parishes.

Band D yearly rate for 2012/13 £ **1,391.91**

Split across the Precepting Authorities :

Milton Keynes Council	1,116.27
Thames Valley Police	154.30
Buckinghamshire & Milton Keynes Fire Authority	59.13
Parishes	62.21



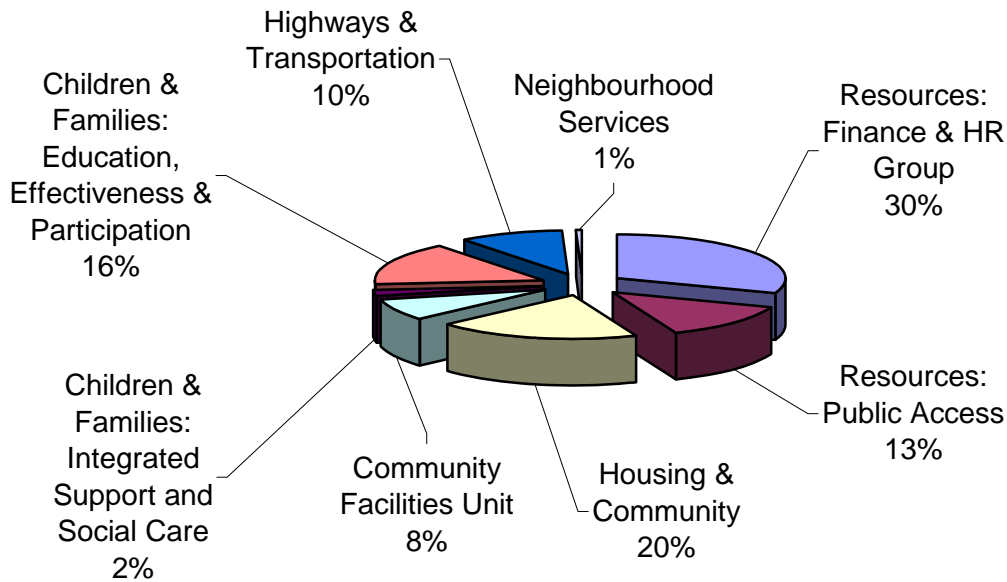
The Council Tax income shown in the “Where Does the Money Come From” table on page 4 was generated from charges raised according to the estimated value of residential properties as at 1st April 1991. The properties are classified into eight valuation bands and then charges are calculated by estimating the total amount of income required and dividing this by the Council Tax Base. The actual charge for each band of property is determined by applying a specified proportion of the Band D Council Tax charge. The calculation of the Council Tax Base for 2012/13 is shown in the table below along with the Council Tax charge for each band.

Band	Value from/ to		No. on valuation list	Proportion	Council Tax Amount
	£	£			
A	up to	40,000	16,052	0.67	927.94
B	40,001	52,000	29,511	0.78	1,082.60
C	52,001	68,000	27,482	0.89	1,237.25
D	68,001	88,000	12,640	1.00	1,391.91
E	88,001	120,000	10,312	1.22	1,701.22
F	120,001	160,000	5,210	1.44	2,010.54
G	160,001	320,000	2,702	1.67	2,319.85
H	320,001	and above	134	2.00	2,783.82

Capital Expenditure

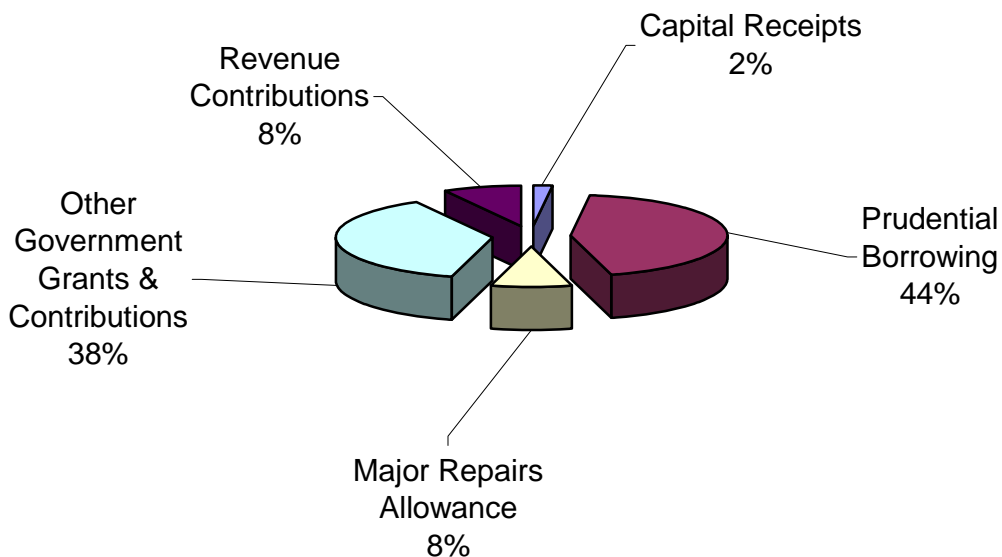
As well as the day to day costs of running the different services, we also spend money on improving and enhancing the assets that we own. As we incur capital expenditure, we are investing in our fixed assets which are then used to deliver services to the public over the long term. During the financial year 2012/13 we spent £103,256,000 on capital projects, the pie chart below shows how this was spent by service department.

Capital Expenditure by Service Department



The £103,256,000 worth of capital expenditure was financed by different areas, detailed in the following pie chart:

Capital Expenditure Funding



Housing Revenue Account

This statement shows the economic cost in the year of providing housing services in accordance with International Financial Reporting Standards, rather than the amount to be funded from rents and government grants. The council charges rent to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rent is raised, is shown in the Movement on the Housing Revenue Account Statement.

	£'000
Expenditure	
Repairs and Maintenance	11,434
Supervision and Management	7,664
Special Services	2,941
Rent, Rates, Taxes and Other Charges	332
Negative Housing Revenue Account Subsidy Payable	(53)
Depreciation of Non-Current Assets	
Dwellings	6,186
All Other HRA Assets	534
Impairment of Non-Current Assets	
Dwellings	7,603
All Other HRA Assets	(726)
Amortisation of Intangible Fixed Assets	14
Revenue Expenditure Funded by Capital Under Statute	417
Debt Management Costs	144
Movement in allowance for bad debts	307
Rent Rebate Subsidy Limitation Transfer to the General Fund	169
Exceptional Item Contract Re- negotiations	683
Total Expenditure	37,649
Income	
Dwelling Rents	(49,915)
Non-Dwelling Rents	(1,857)
Charges for Services and Facilities	
Tenants	(810)
Leaseholders	(1,212)
Contribution towards expenditure	(19)
Reimbursement Costs	(188)
Total Income	(54,001)
Net Cost of HRA Services as included in the whole authority	(16,352)
HRA Share of Corporate and Democratic Core	236
Net Cost of Housing Revenue Account Services	(16,116)
(Gain) / Loss on Sale of HRA Non-Current Assets	(864)
Interest Payable and Similar Charges	10,474
HRA Interest and Investment Income	(194)
Pension Interest Cost and Expected Return on Pension Assets	235
Surplus / Deficit for the Year on HRA Services	(6,465)

Housing Revenue Account

Housing Stock

We were responsible for managing the 11,377 dwellings that we own across the city. The following table shows you the types of buildings that make up this total.

	Houses	Flats	Total	Houses Built	No. of Houses
1 Bedroom	1467	2344	3811	Pre- 1919	48
2 Bedrooms	1794	848	2642	1919- 1944	346
3 or more bedrooms	4744	180	4924	1945- 1964	1517
				Post- 1964	6094
Total	8,005	3,372	11,377		8,005

Glossary

Capital Expenditure

Spending that produces or enhances an asset, like land, buildings, vehicles, plant and machinery. Definitions are set out in Section 40 of the Local Government and Housing Act 1989. Any expenditure that does not fall within the definition must be charged to a revenue account.

Fixed Assets

Non-current assets that yield benefits to the council and the services it provides for a period of more than one year

Housing Revenue Account

The account of revenue expenditure and income relating to the council's own housing stock

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards advise the accounting treatment and disclosure requirements of transactions so that the authority's accounts present fairly the financial position of the authority.

National Non-Domestic Rate (NNDR)

Under the revised arrangements for uniform business rates, that came into effect on 1st April 1990, the council collects Non-Domestic Rates for its area based on local rateable values, multiplied by a national uniform rate.

The total amount, less certain reliefs and deductions, is paid to a central pool managed by the government, that in turn, pays back to Authorities their share of the pool based on a standard amount per head of the local adult population.

Precepting Authorities

Those authorities that are not billing authorities (i.e. do not collect Council Tax) precept upon the billing authority, who then collect on their behalf - Thames Valley Police Authority, Buckinghamshire & Milton Keynes Fire Authority and the Parishes that precept upon Milton Keynes Council.