



**SUMMARY
STATEMENT
OF ACCOUNTS
2011/12
(Unaudited)**

For the year ended 31st March 2012

Introduction

This document contains summarised information from the council's 2011/12 Statement of Accounts. The purpose of this document is to provide a more user friendly version of the council's financial affairs during 2011/12. 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.

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 District Auditor on 25th September 2012.

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 www.milton-keynes.gov.uk/Finance.

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 2011/12 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.

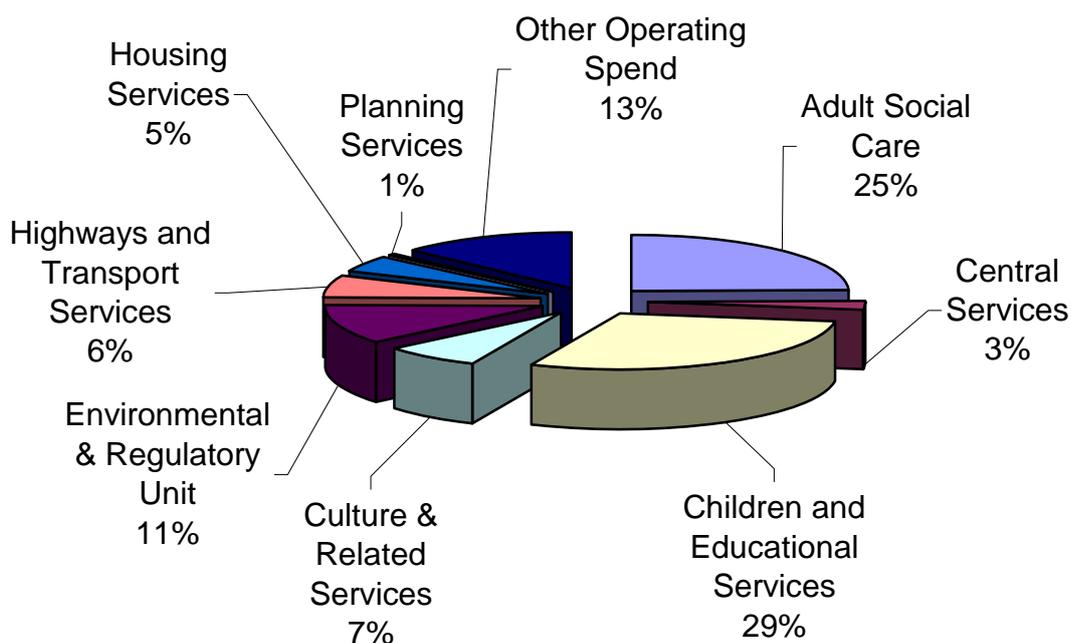
Where the money was spent

We spent a net total of £402.3 on providing services to the public during the financial year 2011/12.

Services	Net Spend £m
Adult Social Care	54.6
Central Services	6.0
Children and Educational Services	65.5
Culture & Related Services	16.0
Environmental & Regulatory Unit	25.1
Highways and Transport Services	14.3
Housing Services	10.6
Housing Revenue Account*	180.2
Planning Services	1.2
Total Cost of Services	373.3
Other Operating Spend	29.0
Total Spend	402.3

* This figure includes £170.3m for an exceptional item in respect of the HRA Self Financing Scheme.

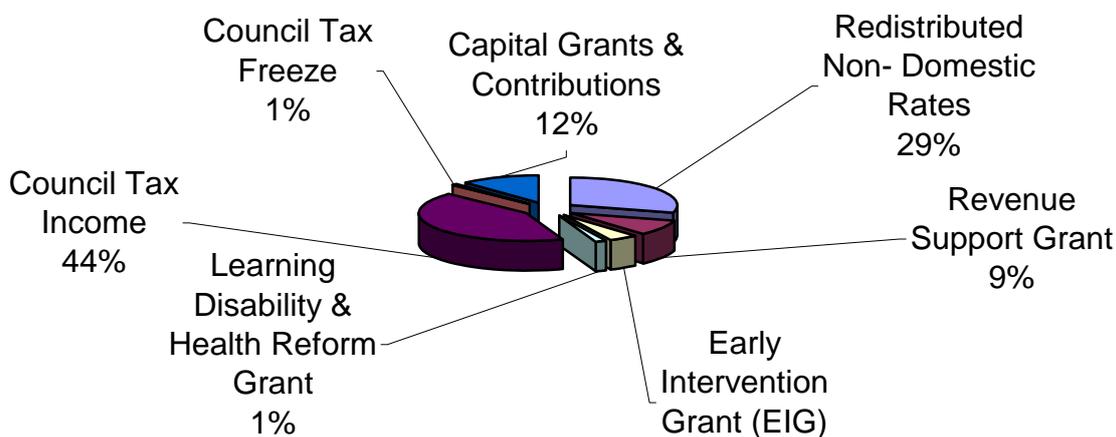
Percentage split of where the money was spent (Excluding HRA)



Income and Expenditure

	£m
Total Spend	402.3
Income	
Redistributed Non- Domestic Rates	(67.6)
Revenue Support Grant	(20.9)
Early Intervention Grant (EIG)	(10.2)
Local Services Grant	(0.8)
Learning Disability & Health Reform Grant	(3.3)
Council Tax Income	(98.6)
Council Tax Freeze	(2.3)
Capital Grants & Contributions	(27.2)
Total Income	(230.9)
Deficit on the Provision of Services	171.4

Percentage split of where the money comes from



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 - Central services to the public such as local tax collection, registration of Births, Deaths and Marriages, elections, and other operating income and expenditure.

Children's 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 housing advice and advances, homelessness services including bed and breakfast accommodation and hostels.

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.

	£m
Land, Buildings & Equipment	977.3
Stocks including goods for resale	1.1
Investments	99.6
Cash and Cash Equivalents	2.9
Bank Overdraft	(10.9)
Money owed to the council	61.0
Money owed and borrowed by the council	(819.8)
Net Assets	311.1
Financed By	
Useable Reserves	93.4
Unuseable Reserves	217.7
Total Reserves	311.1

Reserves explained

As per the table above, at 31st March 2012 the council had £93.4 million of usable reserves, which are reserves that can be applied to help fund service pressures within the council's services or reduce local taxation.

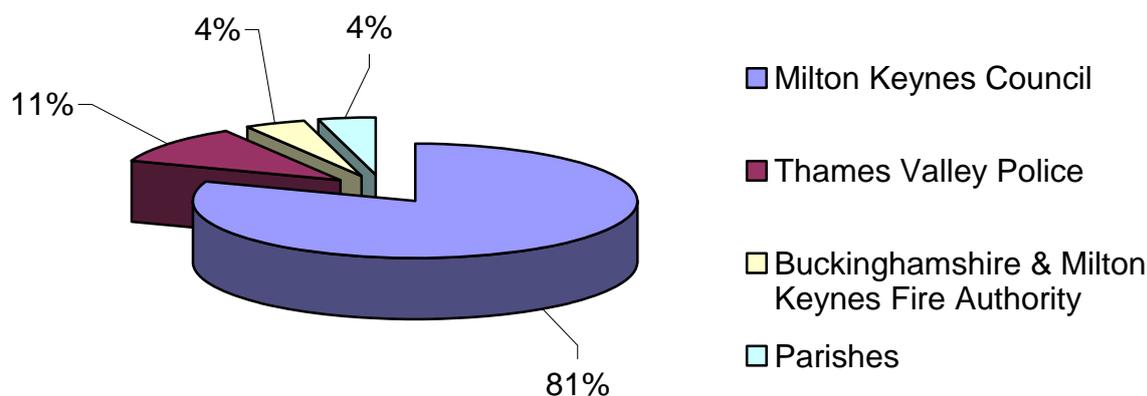
The unusable reserves of £217.7m are kept to manage accounting processes for items such as non-current assets and financial instruments.

More details of reserves can be found in the Accounting Policy on page 40, the Movement in Reserves Statement on page 42 and the Notes to the financial statements on page 61 and 105 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 2011/12	£
	1,390.00
Split across the Precepting Authorities	
Milton Keynes Council	1,116.27
Thames Valley Police	154.30
Buckinghamshire & Milton Keynes Fire Authority	59.13
Parishes	60.30



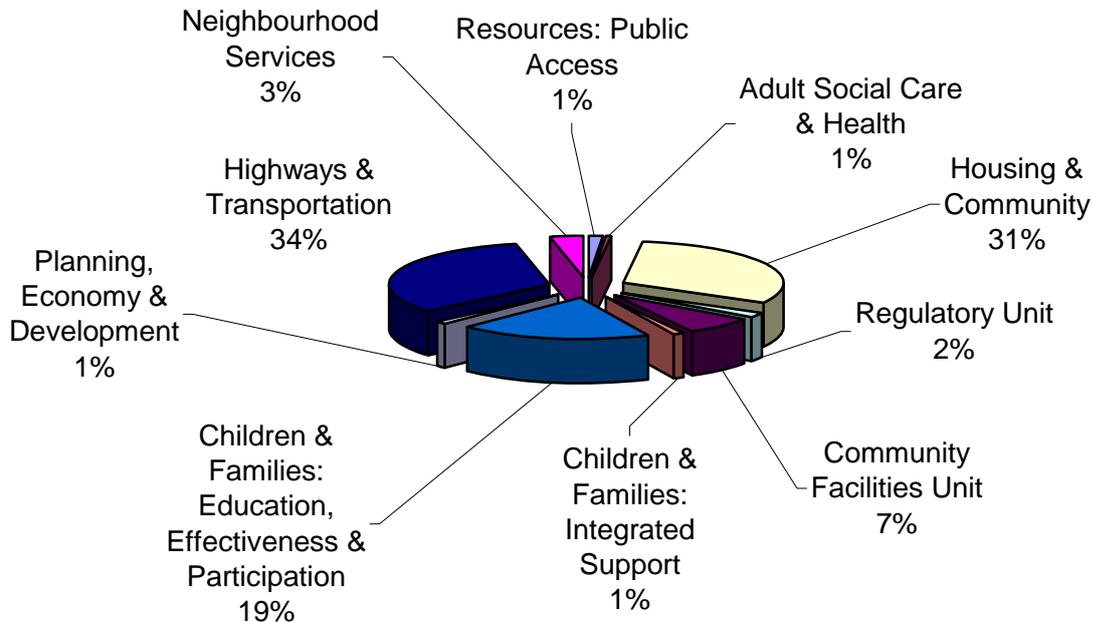
The Council Tax income shown in the “Where Does the Money Come From” table above was generated from charges raised according to the estimated value of residential properties as at 1st April 1991. The properties are classified into eight valuation bands and then charges are calculated by estimating the 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 2011/12 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	15,875	0.67	926.67
B	40,001	52,000	29,034	0.78	1,081.11
C	52,001	68,000	27,104	0.89	1,235.56
D	68,001	88,000	12,376	1.00	1,390.00
E	88,001	120,000	10,101	1.22	1,698.89
F	120,001	160,000	5,158	1.44	2,007.78
G	160,001	320,000	2,678	1.67	2,316.67
H	320,001	and above	129	2.00	2,780.00

Capital Expenditure

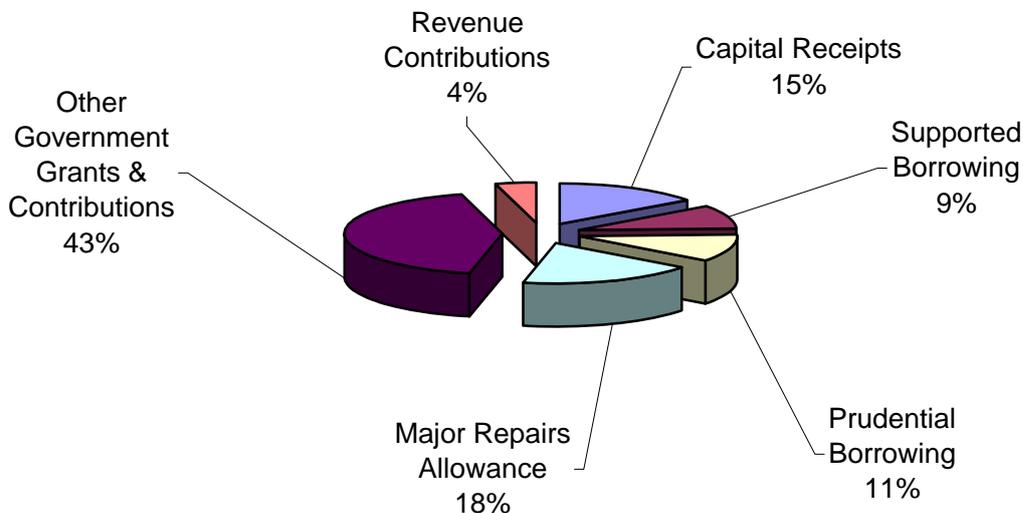
As well as the day to day costs of running the different services. We also spend money on improving and enhancing the assets that we own. As we incur capital expenditure, we are investing in our fixed assets which are then used to deliver services to the public over the long term. During the financial year 2011/12 we spent £35 million on capital projects, the pie chart below shows how this was spent by service department.

Capital Expenditure by Service Department



The £35 million 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.

	2011/12 £'000
Expenditure	
Repairs and Maintenance	11,254
Supervision and Management	7,402
Special Services	2,692
Rent, Rates, Taxes and Other Charges	386
Negative Housing Revenue Account Subsidy Payable	12,494
Depreciation of Non-Current Assets	
Dwellings	6,421
All Other HRA Assets	723
Impairment of Non-Current Assets	
Dwellings	17,186
All Other HRA Assets	779
Debt Management Costs	63
Amortisation of Intangible Fixed Assets	22
Revenue Expenditure Funded by Capital Under Statute	143
Contribution to Reserves for Bad and Doubtful Debts	641
Rent Rebate Subsidy Limitation Transfer to the General Fund	1,080
HRA Self Financing Debt Settlement	170,360
Total Expenditure	231,646
Income	
Dwelling Rents	(48,129)
Non-Dwelling Rents	(1,724)
Charges for Services and Facilities	
Tenants	(812)
Leaseholders	(646)
Contribution towards expenditure	(155)
Housing Revenue Account Subsidy Receivable	0
Total Income	(51,466)
Net Cost of HRA Services as included in the whole authority	180,180
HRA Share of Corporate and Democratic Core	246
HRA Share of other amounts included in the whole authority Cost of Services but	0
Net Cost of Housing Revenue Account Services	180,426
(Gain) / Loss on Sale of HRA Non-Current Assets	111
Interest Payable and Similar Charges	3,912
HRA Interest and Investment Income	(110)
Pension Interest Cost and Expected Return on Pension Assets	84
Capital Grants and Contributions Receivable	0
Surplus / Deficit for the Year on HRA Services	184,423

Housing Revenue Account

Housing Stock

We were responsible for managing the 11,422 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	1451	2368	3819	Pre- 1919	49
2 Bedrooms	1800	853	2653	1919- 1944	349
3 or more bedrooms	4770	180	4950	1945- 1964	1507
				Post- 1964	6116
Total	8,021	3,401	11,422		8,021

Glossary

Audit Committee

The Audit Committee's function is to ensure good governance, monitor the management of risk, monitor actions of fraud and maintaining and giving financial assurance.

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.

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.

Major Repairs Allowance

The estimated average annual cost of maintaining the condition of the council's housing stock over a 30 year period based on the council's mix of dwelling types

Precept

A precept is a levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf, such as the Thames Valley Police Authority, the Buckinghamshire & Milton Keynes Fire Authority and the individual parishes.

Revenue Support Grant

Revenue Support Grant is a non-ringfenced Government Grant which can be used by the authority to finance revenue expenditure on any service.