



**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2016
(Subject to Audit)**



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Cover Photo: Our new housing development at Fir Close in Willand

Introduction by the Leader of the Council



It is my pleasure to introduce our annual accounts for 2015/16 in what has been a year of significant change and achievement for Mid Devon.

We have adopted our new Corporate Plan which now clearly sets out the ambitions and priorities of the council over the next 4 years. As well as committing to our objectives, we have reflected this in the constitutional makeup of the council by creating a new policy development group (PDG) purely to look at the Mid Devon economy and explore ways in which we can improve economic outcomes for our area.

During the year the council appointed a new Chief Executive and I am pleased to see the early results of his actions and his views on how the operational delivery of services can be tailored, targeted and improved to deliver on our Corporate Plan. I have every confidence that he will provide the necessary level of strategic support to the elected members and leadership to the officer structure to drive Mid Devon forward during the challenging times ahead, as the council is determined to do.

As well as deciding to relocate the council's depot and streetscene services out to Uffculme over this coming summer, the council has also agreed to share office space with the Department for Work and Pensions as part of our drive to maximise property and asset efficiency. This is exactly the type of approach that the public expects to see and should benefit our shared customers as well as ensuring the council's own property 'footprint' is as effective as it can be.

Finally, as new strategic approaches for both tourism and economic development are brought forward to define and guide how the council interacts and supports our business and visitor economies, we are actively seeking out effective strategic collaborations for the future. At the level of service provision, this year the council has agreed to share our Building Control activity with North Devon to enhance our commerciality and service offer. At a strategic level we have agreed to work more closely with the 'Greater Exeter' authorities comprising Exeter City, Teignbridge and East Devon Districts in order to work together at the level of strategy across a geography that is most relevant to Mid Devon.

These are times of challenge and change. What is important is that we focus on every opportunity for Mid Devon and I am confident the council is more than up to the task.

Clive Eginton

Leader of the Council

Views from the Chief Executive



My first reflection inevitably focuses on the strategic financial context within which the council is now operating; with government grant being £2.5m lower than in 2010/11 it is testament to the dedication, hard work and determination of all those involved in delivering services to the public that we continue to maintain and improve delivery. With our collection rates across council tax, business rates and housing rents all being in the top quartile nationally, and success in attracting funds such as the £1.2m Leader funding for rural economic development, our financial efficiency is bolstered by prudent investment decisions and tactical asset purchases that are realising financial gains as well as regenerative ones.

This year the council rolled out major changes to our Waste service, collecting more products and implementing our new garden waste collection scheme. Of course while the council can improve services, systems and processes, it is the people of Mid Devon who transform this into a successful reality. A huge thank you therefore must go to all residents who have helped us achieve a recycling rate of over 50% for the first time, with 8,000 households making use of our garden waste scheme, as well as delivering a phenomenal 10% reduction in residual waste per household in a single year.

Performance highlights include Mid Devon winning the 'Best Small Food Market' at the Great British Market Awards for our popular Electric Nights Streetfood market, and our Land Charges team winning the Gold Award for Customer Satisfaction at the 2016 Land Data awards. The council was also successful in combining with neighbours Exeter City, Teignbridge and East Devon in bidding to become a pilot authority for introducing a statutory register of brownfield land to improve development potential. Our experience will be used by government to inform and develop national legislation in this area.

Finally, having joined the authority towards the end of the financial year and secured agreement on both our depot move to Uffculme and the sharing of office space at Phoenix House with the Department for Work and Pensions, I look forward to the coming year where we have a number of major operational changes to implement that will challenge us to deliver without any discernible impact to our customers. The coming year may also provide a better view on our long-term financial future as we learn more about structural changes to the future of both business rates and the new homes bonus scheme. And I will continue to be challenging in the exploration of new options for efficiency and partnership that will allow us to deliver the best possible outcomes for Mid Devon's residents, businesses and visitors.

Stephen Walford

Chief Executive

Narrative Report

Financial Commentary by Head of Finance Andrew Jarrett



Strong financial stewardship has enabled the Authority to end 2015/16 with core spending close to budget and healthy reserves to face an uncertain future. This year we had the benefit of our investment in the shopping complex of Market Walk, Tiverton which generated a net profit of £190k. A long term investment of £2.5m was made with the CCLA LAMIT commercial property fund and the net return achieved to date has been around 4.5%, much higher than our cash based deposits. A more detailed review of the various revenue and capital elements are shown in the following pages.

Looking into the future we will be relocating our recycling and waste activities to a new multi-purpose depot. The new recently produced Corporate Plan shows the Council's ambitions for the next four years and a new Policy Development Group is to be established to provide support/challenge for the economy. The economic and tourism strategy will involve working more closely with

the business community. There is also the finalisation of the Local Plan for the development of private and commercial property and we are looking to reduce costs further by bringing the Department of Work and Pensions into Phoenix House.

The Authority now faces more inherent risks in managing to balance its budgets and with more pressure to reduce our net revenue budget greater innovation and collaboration will be required. We have recently received an offer from Central Government of a three year funding settlement, which confirmed the complete removal of the Revenue Support Grant by 2019/20. This means the Council will need to save an additional £1.7m during this period, on top of the £2.5m it has already saved since 2010/11. However, I am confident of the Council's ability to continue providing a wide range of services within an ever reducing funding envelope.

Andrew Jarrett

Head of Finance

1.1 Introduction

The Council's Narrative Report sets out the overall financial position and details the financial transactions relating to the District Council's activities for the year ended 31 March 2016. The financial statements have been prepared in accordance with the requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom for 2015/16.

1.2 The Core Financial Statements

Stated below is a list of the major areas of the Accounts with a brief description that outlines the purpose of each component.

1.3 Movement in Reserves Statement

This statement analyses the in-year changes in both useable and unusable reserves and clearly shows the real value of cash reserves held by the Council.

1.4 Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement is a summary of the resources generated and consumed by the Council in the year.

1.5 The Balance Sheet

This statement is fundamental to the understanding of the Council's financial position at the year-end. It shows all balances and reserves at the Council's disposal, its long-term indebtedness and the non current assets and net current assets employed in its operation together with summarised information on the non current assets held.

1.6 Cash Flow Statement

This consolidated statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

1.7 The Housing Revenue Account (HRA) Income and Expenditure Account

This account reflects the statutory obligation to account separately for the Council's provision of housing. The HRA Income and Expenditure Account shows in more detail the income and expenditure on HRA services included in the whole authority Comprehensive Income and Expenditure Statement.

1.8 Collection Fund

This account reflects the statutory requirement for the Council to maintain a separate Collection Fund which shows its transactions in relation to national non-domestic rates and council tax and illustrates how these have been distributed to Devon County Council, Devon and Cornwall Police Authority, Devon and Somerset Fire Authority, central government and the Council itself. The Balance Sheet and the Cash Flow Statement only reflect Mid Devon's share of any Collection Fund surplus or deficit.

2.0 Review of the Year

The purpose of the narrative report to the Annual Report and Accounts is to provide a commentary on the main financial highlights contained within the Report and to identify any significant events that may affect the reader's interpretation of the Accounts.

2.1 Revenue Expenditure – General Fund Financial Performance

During the year regular monthly financial monitoring information has been produced and reported to senior management and members. This monitoring report consistently forecasted a small underspend during 2015/16. The month 12 outturn report tabled at the 12 May 2016 Cabinet meeting declared an estimated outturn deficit of £417k on the General Fund (this detailed report can be found on the council's website).

The main budget variances which reconcile the year end General Fund deficit are shown in the table overleaf.

2015/16 Savings & Additional Costs	Budget variances £k
One off service restructuring	358
Income below budget	229
Loss of business rates due to GP surgeries	100
Fall in recycling material prices	54
Reduced grass cutting contribution from Devon County Council	31
Additional income	(140)
Maintenance underspends	(138)
Salary savings	(68)
Sharing Head of ICT with North Devon District Council	(35)
Other minor variations and use of earmarked reserves	(222)
Net overall loss for the year	169

Note – since this outturn position was declared a number of minor revisions have been made which have resulted in an overall loss of £169k for the year on the General Fund as shown in the Movement in Reserves Statement (so a change of £248k).

The overall General Fund position delivered in 2015/16 reflects the continued efforts of both officers and members to provide high quality services at an affordable cost and demonstrates the Council's on-going commitment to further reduce operational cost to mitigate against further cuts in Central Government funding.

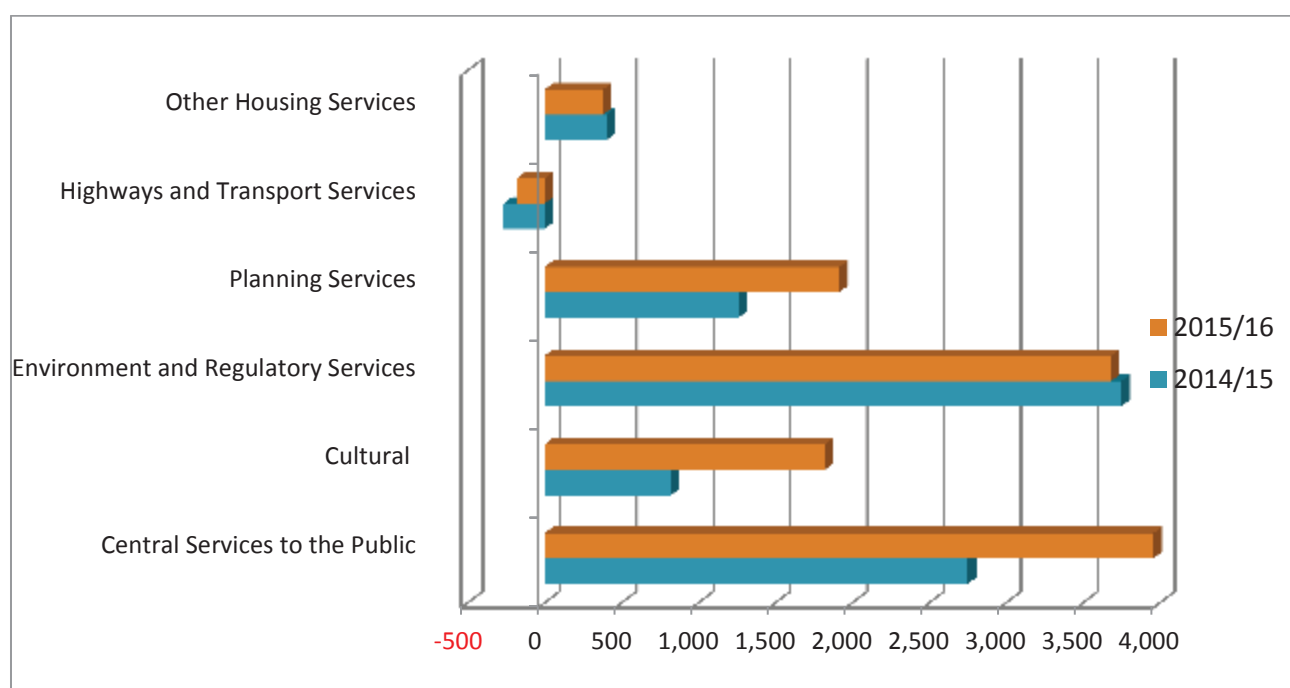
The closing General Fund Balance (GFB) of £2,211k can be reconciled by:

GFB as at 31 March 2015	(£2,380k)
General Fund overspend in 2015/16 (after transfers to / from earmarked reserves)	£169k

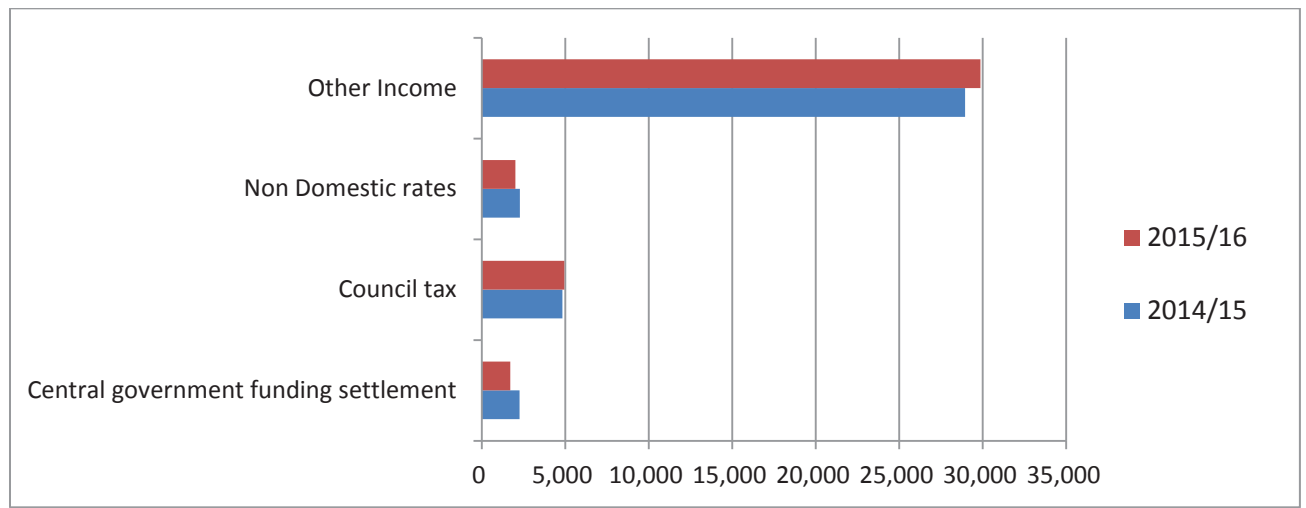
Closing GFB as at 31 March 2016	(£2,211k)

Note – Minimum GFB agreed at 25% of net expenditure = £2.2m.

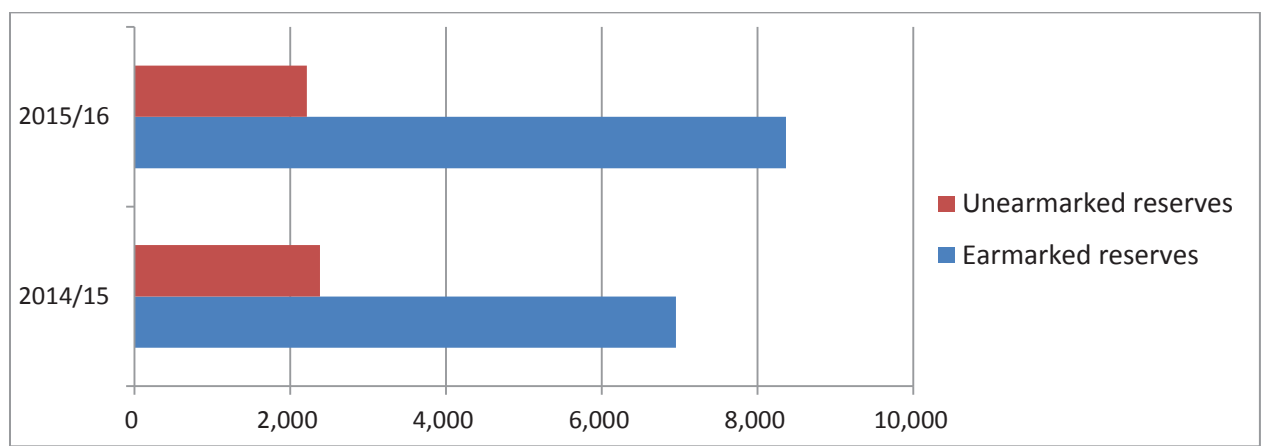
General Fund Net Service Expenditure £k



General Fund Revenue Income £k



General Fund Account Reserves £k



2.2 Revenue Expenditure - Housing Revenue Account (HRA)

The 2015/16 financial year has seen a very positive financial position delivered by the HRA. Overall spending levels have been below budget during the year and the HRA Balance has ended the year well above the minimum approved level of £1m. The outturn report showed a year end under spend of £916k and Cabinet approved the recommendation to transfer this £916k into the 30yr Modernisation reserve.

The main budget variances which reconcile this outturn position are shown in the table below:

2015/16 Savings & Additional Costs	Budget variances £k
Repairs carried out by DLO reducing the need for contractors	(371)
Increased income	(192)
Staff savings across a number of teams	(173)
Other minor savings	(109)
Reduced equipment spend	(43)
Reduction in bad debt provision	(28)
Overall surplus	(916)

Note - A detailed explanation of the end of year financial position on the HRA was reported to the Cabinet at its meeting on the 12 May 2016 which can be accessed on the Council's website.

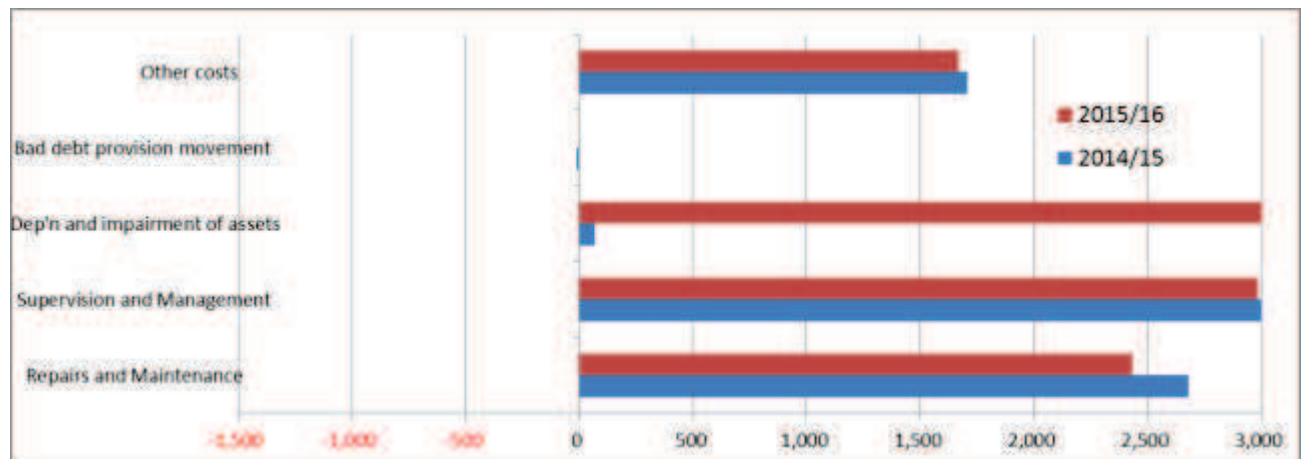
The Housing Service continues to prioritise its spending to ensure the delivery of the Decent Homes Standard and to this end has continued to target additional resources into increased expenditure on major stock improvements. This additional investment has resulted in 100% of our Council housing stock achieving the Decent Homes Standard.

The final year end position after accounting for transfers into earmarked reserves is a surplus of £nil on the HRA for 2015/16.

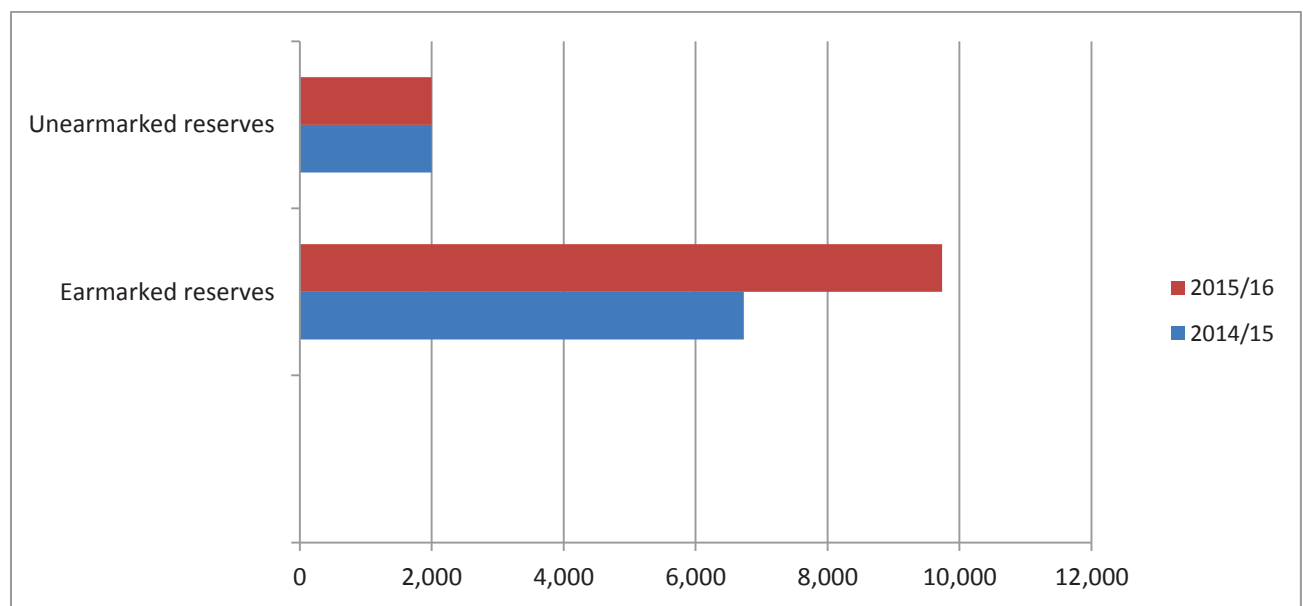
The closing HRA Balance (HRAB) of £2,000k can be reconciled by:

HRAB as at 31 March 2015	(£2,000k)
HRA surplus delivered in 2015/16	0k
Closing HRAB as at 31 March 2016	<u>(£2,000k)</u>

Housing Revenue Account Service Expenditure £k



Housing Revenue Account Reserves £k



2.3 Revenue Expenditure – Non Financial Performance And Risk

When reviewing the performance of the Council in 2015/16 one needs not only to see how we perform against budget one must also assess how we performed against the operational/strategic targets set within the context of the Corporate Plan during the year. The performance reports that follow highlight the achievements for the financial year against the targets set for both of the General Fund and Housing Revenue account.

In addition the Council pro-actively reports any major risk to its' Cabinet, Policy Development Groups and Scrutiny meetings at regular intervals during the year

2.4 Capital Expenditure

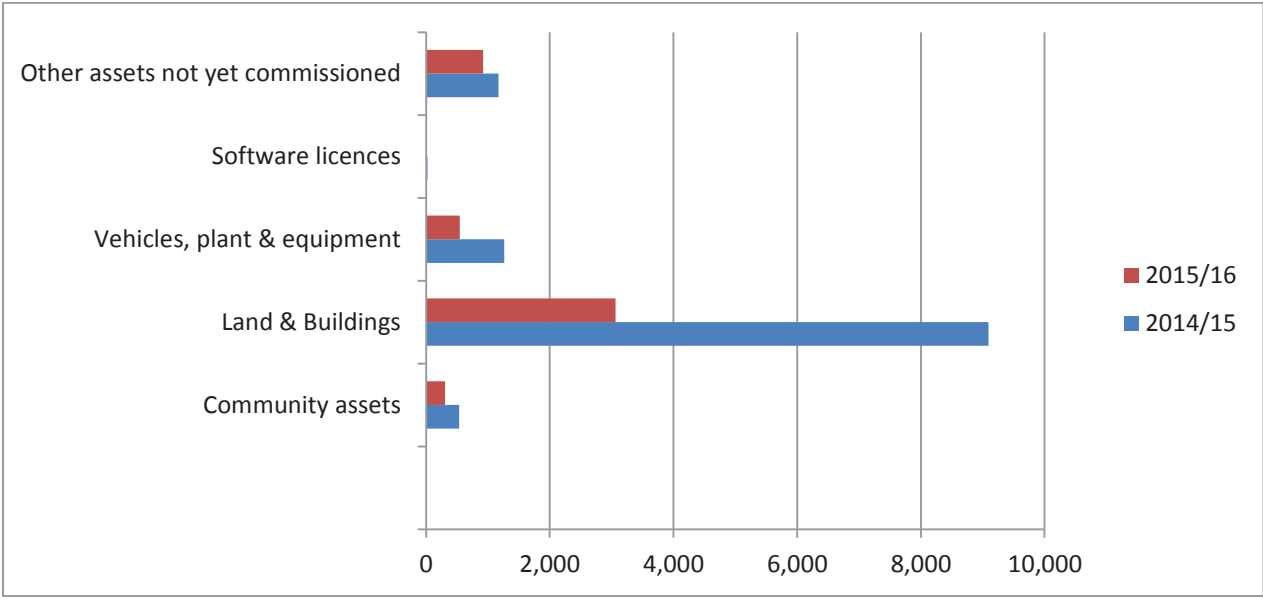
During the year capital expenditure amounted to £4,839k. The Council used £568k of capital receipts to fund the capital programme with the balance of the expenditure met by a combination of borrowing, external grants and earmarked reserves.

The largest areas of expenditure in the 2015/16 capital programme were: £2,846k spent on improvements and additions to our existing housing stock, £736k on council house building projects, £547k on plant and equipment and £281k spent on various housing related grants/projects.

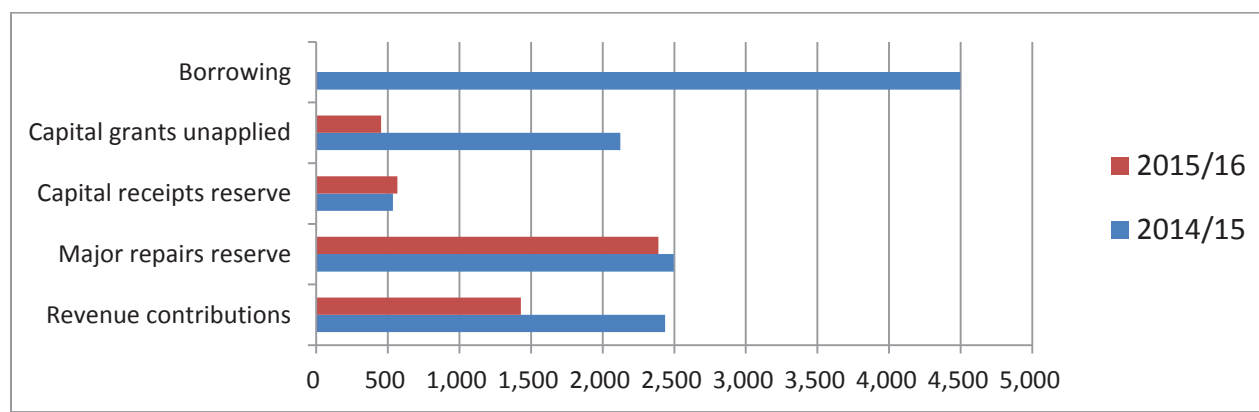
In its medium term financial plan the Council has a draft capital programme which shows a funding deficit of £3.123m. In order to help manage this funding gap we have already been reserving sums from specific grants/receipts and from the new Homes Bonus to ensure sufficient funding is available where required.

A review of each of the financial statements will provide further details of the financial position of the Council for 2015/16.

Capital Expenditure £k



Capital Financing £k



2.5 The Movement in Reserves Statement

This statement is the key to establishing the aggregate financial position of the Council, as it produces a summary of all the “cash backed” Reserves that the Council holds. It shows that the Council’s useable reserves have increased by £4,994k to £25,476k during 2015/16.

2.6 The Comprehensive Income and Expenditure Statement

The financial highlights for the Comprehensive Income and Expenditure Statement are given below:

Page 3 of the Accounts shows an overall surplus on the Comprehensive I & E Account of £7,923k, however this position also includes the consolidation of the Council’s HRA. In addition there are a number of technical accounting adjustments made to the final accounts which need to be “reversed out” in order to reflect the final cash position. These entries are included in the Adjustments between Accounting Basis and Funding Basis under Regulations, shown on pages 8 to 13. Once all of these adjustments are accounted for, then the final outturn deficits of £169k on the General Fund and £0k on the HRA shown on the Movement in Reserves Statement is delivered.

For information purposes, in addition to the various fees and charges levied by services, the General Fund was funded by £1,705k from Central Government Formula Grant, £2,009k from Business Rates, and Council Tax of £6,087k. In addition there were miscellaneous grants totalling £2,198k (which included £1,619k of New Homes Bonus).

2.7 Balance Sheet

The financial highlights for the Balance Sheet are shown below:

- The Property, Plant and Equipment valuation, after adjustment for additions, disposals, and finance leases, decreased by £1,201k during 2015/16, due to sales of right to buy properties and some valuation movements.
- The overall Pension Scheme deficit decreased by £3,596k.

2.8 Cash Flow Statement

The Council had a net cash inflow during 2015/16 of £3,428k.

2.9 Housing Revenue Account (HRA) Income and Expenditure Account

The financial highlights for the HRA Income and Expenditure Account are given below:

- The Council experienced a £3,090k surplus on the HRA during 2015/16.

But after accounting for the adjustments made in the Movement on the HRA Statement of £84k and the transfers to Earmarked Reserves of £3,006k you arrive at the end of year break even position.

3.0 Major Repairs Reserve (MRR)

The Housing Revenue Account also holds a MRR, which is ring fenced for capital expenditure on HRA properties. This reserve effectively carries forward any unspent major repairs allowance. During 2015/16 the Council credited £2,390k to the MRR which was fully utilised. Therefore, there was no carrying balance on the MRR as at the 31/3/16.

3.1 The Collection Fund

The financial highlights for the Collection Fund are given below:

- The Council Tax Collection Fund made an overall deficit of £181k in the year. This leaves an overall surplus on the fund of £60k; of which 13.71% is due to MDDC, which amounts to £8k.
- The Council Tax collection rate achieved in the year was 98.1% (97.8% in 2014/15).
- The Council set a Band D equivalent council tax rate of £182.15 in 2015/16 (frozen for the 6th successive year).
- The Business Rates Collection Fund has resulted in an overall deficit of £1,896k in the year. This leaves an overall deficit on the fund of £1,852k; of which 40% is due to MDDC, which amounts to £741k. The primary reason for this deficit is an increase in the appeals provision of £1,581k with £1,555k of the increase relating to the projected cost of settling GP Surgery appeals.
- The Business rates collection rate achieved in the year was 99.1% (99.0% in 2014/15).

3.2 Pension Fund

The financial highlights of the pension fund are:

- Pension assets have decreased to £52,033k (£52,379k in 14/15)
- Pension liabilities have decreased to £97,897k (£101,722k in 14/15)
- Unfunded liabilities have decreased to £1,168k (£1,285k in 14/15)
- The net deficit on the fund is £47,032k (£50,628k in 14/15)

The requirement to recognise the net pension liability on the Balance Sheet arises from Financial Reporting Standard 17 “Retirement Benefits” and IAS19. IAS19 requires all councils and other businesses to disclose pension assets and liabilities within the Balance Sheet. Further analysis of the pension movements can be found in the notes following the core financial statements.

3.3 Valuation of Property Portfolio

The Council instructed the District Valuer to undertake a full valuation of 1/5 of its asset portfolio and review the remaining assets in order to establish a “true and fair” view for the 31 March 2016 Balance Sheet.

3.4 Treasury Activities

The table below gives an overview of the Council’s treasury activities during 2015/16:

31/3/15 £k	Investment Categories	31/3/16 £k
3	Cash floats	3
4,846	Bank deposits	4,884
500	Short term deposits	1,500
0	CCLA LAMIT property fund	2,390
5,349	Total	8,777

In addition to above cash equivalents the Council also held £13.5m of short term investments as at the 31 March 2016.

The Council generated investment interest of £148k, which gave an average rate of return of 0.74%. It also paid £1,637k off the outstanding balances of five PWLB loans.

3.5 Borrowing

At the end of 2015/16 the Council had five Public Works Loan Board loans outstanding with a principle of £45.65m. Interest of £1.3m was paid during 2015/16. The interest rates on these loans range from 1.32% to 2.68% pa.

3.6 Post Balance Sheet Events

There have been none.

3.7 The Financial Future of Mid Devon

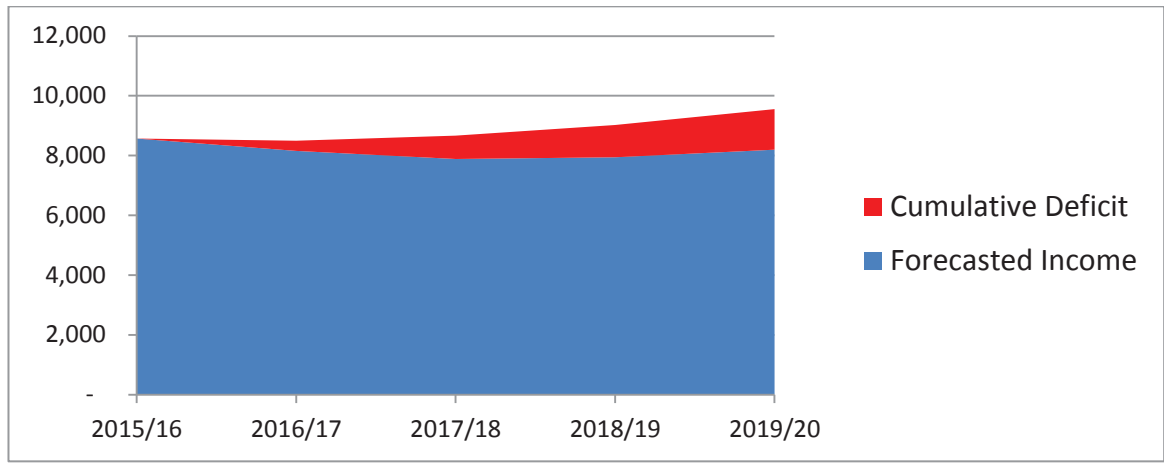
2015/16 was again a challenging financial year for the Council. The continuing large reductions in grant funding settlements from Central Government (a cut of circa £2.5m from the 2010/11 level of £6.186m) have resulted in the need to make very significant cuts in the level of expenditure that can be directed to general service provision.

There are major concerns over current volatility risks associated with localised business rates especially with the current consultation on the complete control of business rates by 2019/20 and the changes to the funding of New Homes Bonus. In addition central government have confirmed the abolition of the Revenue Support Grant by 2019/20

However, due to more commercial attitudes, better procurement, increased income, delivery of a number of spend to save projects (e.g. solar panels/renewable energy initiatives and leisure centre enhancements) and continued reductions in staffing levels the Council has managed to work within this ever tightening funding envelope and not see a reduction in the quality or range of services being delivered. Further significant budget cuts remain highly likely and must at least be factored into updated Medium Term Financial Plans.

Strategic financial planning meetings are planned for the summer months, in order to establish what level and range of services can be delivered in the future against this back drop of ever reducing funding levels. These meetings will not simply be about exploring ways of delivering existing services at a reduced cost, they will also need to consider different delivery models, including greater partnership working and reviewing more commercial opportunities. The Council starts this process from a position of relative strength as a result of strategically strengthening a number of reserves including its General Fund Balance in order to provide a short term buffer whilst it decides how to reduce its overall net operating costs by another £2m by 2019/20.

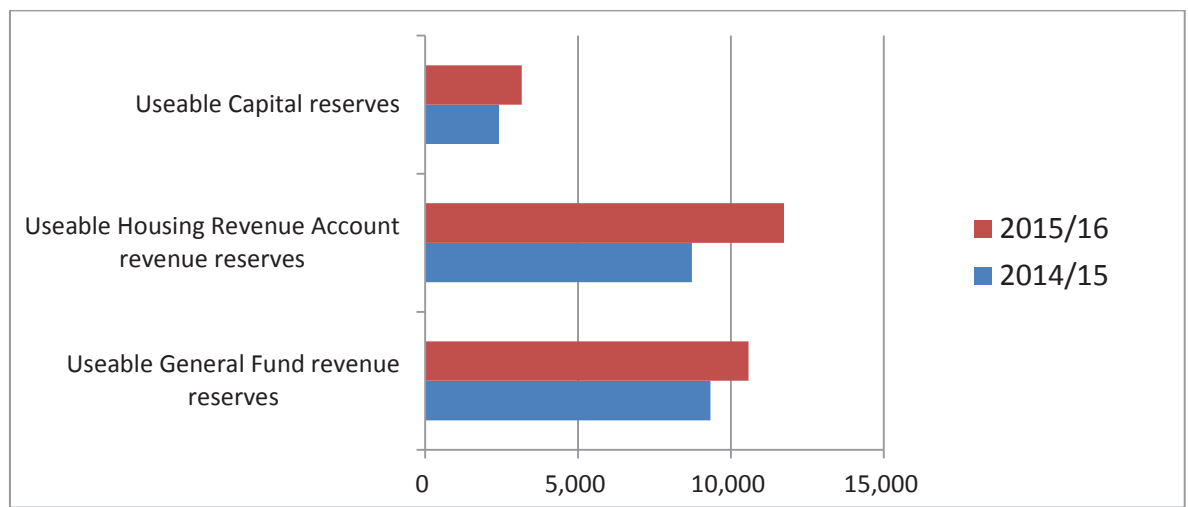
Medium Term Forecast Expenditure and Funding £k (As discussed at the October 2015 Cabinet meeting)



Notes

1. This diagram shows that delivering our existing range and level of services, without any remedial action, would result in the Council's expenditure exceeding the available resources by £1.4m by the end of 2019/20.
2. Central government has reduced the main Revenue Support Grant from £6.2m, in 2010/11 down to £1.7m for 2016/17. This is a funding cut of just over 72% over the last five years, but we retain £2m of business rates.

Total Useable Reserves £k



**Andrew Jarrett
Head of Finance**

MTE PDG Performance Report

Quarterly report for 2015-2016

No headings

For Environment - Cllr Neal Davey Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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MTE PDG Performance Report

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well below target	<u>Reduce the carbon footprint of our offices and public buildings by 2% pre adjustment</u>	+28.2	+2.0	+2.0	n/a	n/a	n/a	-0.5
<p>Management Notes: (2015 - 2016)</p> <p>Increases in the leisure properties do not necessarily mean this is a negative indication of poor energy management ie more people coming through the door using more electricity/gas. Also, this can be further explained in the annual EEVS (independent energy report). Electricity isnt degree day corrected.</p> <p>(SK)</p>								
Well above target	<u>Reduce the carbon footprint of our offices and public buildings by 0.5% post adjustment</u>	21.7%	0.5%	0.5%	n/a	n/a	n/a	3.4%
<p>Management Notes: (2015 - 2016)</p> <p>Last years reduction was following the installation of the energy saving project and high investment therefore, 2015/16 is showing at a much lower % reduction.</p> <p>(SK)</p>								
No Target	<u>Number of Fixed Penalty Notices (FPNs) Issued (Environment)</u>	16	No target - for information only.	No target - for information only.	2	8	16	21
<p>Management Notes:</p>								
Above target	<u>Residual household waste per head (measured in Kilograms)</u>	462.6	455.00	455.00	117.44	225.63	329.42	426.82
<p>Management Notes: (Quarter 1 - 4)</p> <p>The large diversion of waste (nearly 10%) from residual collections to recycling and a reduction in overall total tonnage of waste collected is very encouraging and will relate to the new recycling scheme introduced. Figures yet to be verified by DCC</p> <p>(SK)</p>								
Below target	<u>% of Household Waste Reuse, Recycled and Composted</u>	48.2%	52.0%	52.0%	50.2%	52.2%	50.9%	50.6%
<p>Management Notes: (Quarter 4)</p> <p>The recycling rate has increased in all quarters compared to the same quarters in the previous year. The recycling rate in the second half of the year rose by between 4% and 5% following the launch of the new scheme. Figures yet to be verified by DCC</p> <p>(SK)</p>								
Well	<u>Number of Households</u>	n/a	15%	15%	0%	0%	18%	20%

MTE PDG Performance Report

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
above target	<u>on Chargeable Garden Waste</u>							
Management Notes: (Quarter 4)								
There were 7,021 customers at the end of the financial year which is above the target set. Numbers continue to grow in April and move toward the final target of 10,000.								
(SK)								
Well above target	<u>% of missed collections reported per Quarter (refuse and organic waste)</u>	0.10%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%
Management Notes:								
Well below target	<u>% of Missed Collections logged per Quarter (recycling)</u>	0.13%	0.03%	0.03%	0.05%	0.08%	0.13%	0.12%
Management Notes: (Quarter 4)								
Missed collections were up in the year due to two round reschedules for both phases of the roll out of the new scheme. The second phase of roll out in Q3 involved changing collections cycles and rounds to match refuse rounds. Perm staff were used for deliveries and agency staff used on rounds leading to reduced route knowledge. Missed collections began to reduce again in Q4 and were down to 66 (0.04%) in March as rounds became established and route knowledge grew.								
(SK)								
Well above target	<u>Number of Missed Collections reported per Quarter (refuse and organic waste)</u>	1,797	540	540	99	203	354	472
Management Notes:								
Well below target	<u>Number of Missed Collections reported per Quarter (Recycling)</u>	1,162	270	270	126	380	895	1,294
Management Notes: (Quarter 4)								
Missed collections were up in the year due to two round reschedules for both phases of the roll out of the new scheme. The second phase of roll out in Q3 involved changing collections cycles and rounds to match refuse rounds. Perm staff were used for deliveries and agency staff used on rounds leading to reduced route knowledge. Missed collections began to reduce again in Q4 and were down to 66 (0.04%) in March as rounds became established and route knowledge grew.								
(SK)								

DAH PDG Performance Report

Quarterly report for 2015-2016

No headings

For Decent and Affordable Homes - Cllr Ray Stanley Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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DAH PDG Performance Report

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well below target	Deliver 15 homes per year by bringing Empty Houses into use	12	15	15	1	4	5	8
Management Notes: (Quarter 4)								
2 year fixed term arrangement with Exeter CC for provision of an Empty Homes Officer working 2 days per week for MDDC.								
(HS)								
Well below target	Number of affordable homes delivered (gross)	58	80	80	0	14	19	27
Management Notes: (Quarter 1 - 4)								
The original target of 80 new homes for the year has not been met as there has been some delays on various sites so these completions will roll over into the new financial year.								
(AH)								
On target	% Emergency Repairs Completed on Time	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Management Notes:								
Below target	% Urgent Repairs Completed on Time	99.94%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%
Management Notes: (March)								
Throughout the year we completed 1270 jobs and 1268 of these were completed on time. Just two jobs were failed to be completed on time.								
(AH)								
On target	% Routine Repairs Completed on Time	99.98%	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%
Management Notes:								
Below target	% Repairs Completed at First Visit	99.87%	100.00%	100.00%	98.28%	98.30%	97.75%	97.63%
Management Notes: (March)								
Throughout the year we completed 6,546 jobs and out of these 6,391 were completed during the first visit. Therefore, there were 155 jobs which were not completed on our first visit to the property. The reason for the majority of these is that we have had to leave site to order specific material such as glass, doors, heating parts etc.								
(AH)								

DAH PDG Performance Report

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Above target	<u>Ratio of expenditure between planned and responsive repairs</u>	81.19	70.30	70.30	29.71	55.45	69.31	73.27
Management Notes:								
Below target	<u>Rent Collected as a Proportion of Rent Owed</u>	100.09%	100.75%	100.75%	97.16%	99.04%	99.36%	99.74%
Management Notes: (March)								
Although outside target, performance here was good. As Universal Credit is being rolled out in Mid Devon rent arrears may go up. Performance is closely monitored so we can review procedures if collection levels begin to fall.								
(AH)								
Well above target	<u>Rent Arrears as a Proportion of Annual Rent Debit</u>	0.60%	1.00%	1.00%	0.94%	1.05%	0.81%	0.66%
Management Notes:								
On target	<u>% Decent Council Homes</u>	100.00%	100.00%	100.00%	99.38%	99.28%	99.45%	100.00%
Management Notes:								
Below target	<u>% Properties With a Valid Gas Safety Certificate</u>	99.86%	100.00%	100.00%	99.72%	99.72%	99.91%	99.86%
Management Notes: (March)								
At the end of the financial year we had three properties without a valid gas certificate. Legal services are dealing with two of the instances, trying to gain access to the properties, and the remaining instance is due to an absent tenant.								
(AH)								
Above target	<u>Average Days to Re-Let Local Authority Housing</u>	14.9days	17.0days	17.0days	15.2days	15.5days	16.1days	16.3days
Management Notes:								
No Target	<u>Dwelling rent lost due to voids</u>	n/a	no target - for information only	no target - for information only	0.73%	0.64%	0.68%	0.75%
Management Notes:								

CWB PDG Performance Report

Quarterly report for 2015-2016

No headings

For Community Well-Being - Cllr Colin Slade Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Not calculable

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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CWB PDG Performance Report

Performance Indicators								
Status	Definition	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Well above target	<u>The number of Empty Shops. (TIVERTON)</u>	12	20	20	17	16	16	16
Management Notes: (Quarter 4)								
Empty shop count January 2016 = 16 empty shops out of 249								
(ZL)								
Well above target	<u>The number of Empty Shops. (CREDITON)</u>	10	10	10	9	9	6	7
Management Notes: (Quarter 4)								
Empty shop count in January 2016 = 7 empty shops out of 118								
(ZL)								
Well above target	<u>The number of Empty Shops (CULLOMPTON)</u>	11	14	14	12	10	7	8
Management Notes: (Quarter 4)								
Empty shop count in January 2016 = 8 empty shops out of 94								
(ZL)								
Well below target	<u>Percentage of food premises inspections that should have been carried out that were carried out for A & B (High Risk) premises</u>	46%	100%	100%	n/a	n/a	n/a	75%
Management Notes: (2015 - 2016)								
There has been reduced resource in food, an Environmental Health Officer has now been recruited. This has helped to reduce the backlog of inspections which has improved the figure achieved this year.								
(SK)								
Below target	<u>The percentage of Leisure's operational expenditure recovered through customer receipts</u>	88.16%	88.50%	88.50%	79.19%	83.76%	84.36%	85.15%
Management Notes: (Quarter 4)								
There were a number of reasons why the operational recovery rate was slightly under target for the quarter, but the main areas of underperformance								

CWB PDG Performance Report

Performance Indicators

Status	Definition	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
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were Health & Fitness and Westside. However, Front of House exceeded its target due to cash sales of advanced zest membership.

Going forward, the service will be monitored by business area which will give a clearer indication of performance.

(NC)

Below target	<u>% of Leisure members retained from month beginning to month end.</u>	95.33%	96.50%	96.50%	96.87%	95.46%	95.65%	96.13%
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Management Notes:

(Quarter 4)

The performance for the final quarter for retention has recovered significantly since a dip in mid 2015/16.

We will be changing the way we record this to 'attrition rate' for 2016/17 in line with UK Active Benchmarking.

The national average for attrition across the sector is 5% (source UK Active data 2014/15) and as we have been performing at above 95% **retention** for all of 2015/16, our attrition rate is performing well against the national average, as it was less than 5%.

(NC)

Above target	<u>Issue of TENS within 3 working days</u>	n/a	97%	97%	94%	97%	98%	99%
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Management Notes:

AGENDA ITEM

PLANNING COMMITTEE

DATE: 11TH MAY 2016

REPORT OF JENNY CLIFFORD, THE HEAD OF PLANNING AND REGENERATION

PLANNING PERFORMANCE 2015/16

RECOMMENDATION:

For information and discussion.

REASON FOR REPORT:

To provide the Committee with information on the performance of Planning Services for the quarter 4 and the full 2015-16 financial year

MATTERS FOR CONSIDERATION:

Performance against targets, Government proposals to implement further changes to the planning system and resources within the Planning Service.

RELATIONSHIP TO CORPORATE PLAN:

The Planning Service is central to achieving priorities in the Corporate Plan.

FINANCIAL IMPLICATIONS: Planning performance has the potential for significant financial implications in the event that applications are not determined within 26 weeks or an extension of time negotiated. In that instance the planning fee is returned. Through the issue of planning permissions for new dwellings the Service enables the award of New Homes Bonus money to the Council.

LEGAL IMPLICATIONS: The Government monitors planning performance in terms of speed and quality of decision making. In the event minimum standards are not met, an authority may be designated as underperforming with special measures applied that allow applicants for major development to apply for permission direct from the Planning Inspectorate and bypassing local decision making. The speed measure is the number of major applications determined within 13 weeks as measured over a 2 year period. The new target of more than 50% has been met. The quality measure is the percentage of major applications determined over a two year period that have been overturned at appeal. The less than 20% target has been met (10%). However the Government proposes to tighten performance requirements.

RISK ASSESSMENT: Financial risk as a result of fee return and the designation of planning authorities in special measures for underperformance is referred to above. These aspects are actively monitored, to allow priorities to be adjusted as required to reduce the risk. However this risk is increasing with the Government having identified through the Autumn Statement and subsequent technical consultation on planning changes the intention to tighten existing measures and introduce new ones.

1.0 PLANNING PERFORMANCE

Set out below are the Planning Service performance figures for quarter 4 from 1st January – 31st March 2016 together with the performance figures for the whole of the 15/16 financial year.

Performance data is published quarterly on the Council's website at <https://new.middevon.gov.uk/planning/performance-standards/>

Performance by year and quarter is set out below and expressed as a percentage unless marked otherwise and reports against a mix of Government and local performance targets.

Planning Service Performance	Target	2014/15	2015/16				2015/16
			Q1	Q2	Q3	Q4	
Major applications determined within 13 weeks	60%	64	*57	*50	*75	*33	47%
Minor applications determined within 8 weeks	65%	67	68	73	74	64	68%
Other applications determined within 8 weeks	80%	78	91	85	75	89	86%
Householder applications determined in 8 weeks	85%	90	92	97	95	88	93%
Listed Building Consents	80%	70	70	67	85	70	71%
Enforcement site visits undertaken within 15 days of complaint receipt	87%	94	100	94	89	91	89%
Delegated decisions	90%	95	94	93	94	94	94%
No of applications over 13 weeks old without a decision	Less than 45 applications	36	25	26	36	40	40
Major applications determined within 13 weeks (over last 2 years)	More than 50%	50	51	58	56	53	53%
Major applications overturned at appeal as % of all major decisions in last 2 years	Less than 20%	14%					10%
Determine all applications within 26 weeks or with an extension of time (per annum –Government planning guarantee)	100%	95	97	96	94	99	99%
Building Regulations Applications examined within 3 weeks	95%	74	70	70	76	67	72%
Building Regulation Full Plan applications determined in 2 months	95%	98	99	98	97	87	97%

*Important note on major application statistic reporting: The 53% statistic for major applications determined within 13 weeks reported above includes all major applications and does not take into account any extensions of time agreed with the applicant or planning performance agreements (PPAs) that have been entered into. Government instructions to Councils over this performance target remove reporting applications with extensions of time or PPAs from this target as they are reported separately. Once these have been removed 87% of major applications were determined within 13 weeks compared with the target 60%. This performance target has therefore been met.

Application processing- Development Management.

The Government sets a range of additional performance targets for planning authorities in order to drive performance. Those for major planning application decision making are

currently used by the Government as indicators of performance in terms of both speed and quality of decision making as follows:

Speed: More than 50% of major applications determined within 13 weeks. MDDC 15/16 85% excluding those with extensions of time (see note * above).

Quality: Of major applications determined over a 2 year period, no more than 20% of decisions to be overturned at appeal. MDDC currently 10%.

Authorities not meeting these targets risk being designated as underperforming, resulting in the application of special measures. Some of these are set out in more detail in the accompanying report on appeal performance for 45/16.

The Autumn Statement and ‘Technical consultation on implementation of planning changes’ issued by the Department for Communities and Local Government in February 2016 indicate that it is the intention of the Government to tighten these performance measures and add to them. Through the Housing and Planning Bill this performance approach is to be extended for applications for non-major development. The Government is consulting on tightening the quality of decision making target to no more than 10% of major applications determined over a 2 year period to be overturned at appeal.

New non-major application performance targets currently being consulted upon are more than 60-70% of such applications to be determined within the required time including any agreed extension of time. Furthermore that as a quality of decision indicator there be no more than 10 – 20% of decisions on non-major applications overturned at appeal.

During 15/16 the Planning Service determined 1008 planning applications including 26 majors, 127 prior notifications, 85 certificates of lawful use and 49 notifications. Work in addition to this included pre-application advice requests as well as general advice and queries.

Planning enforcement.

Activity within the enforcement part of the Planning Service by quarter is as follows:

Enforcement 2015/16	Qu 1	Qu 2	Qu 3	Qu 4
New enforcement cases registered	14	71	54	To follow
Enforcement cases closed	47	53	39	To follow
Committee authorisations sought	3	2	1	2
Planning contravention notices served	Data available from Qu 2	9	5	10
Breach of condition notices served	0	1	0	0
Enforcement notices served	2	1	0	3

Statistics for the number of enforcement cases closed are an indication of there either not being a breach of control, or that the breach was resolved without formal action. Resolution of breaches may take significant work that is by its nature not clearly reflected in statistics. A report will shortly come before Scrutiny Committee with the results of benchmarking performance in enforcement against other authorities in the area. This benchmarking is currently underway. In addition, the establishment of more meaningful and measurable performance indicators for the planning enforcement is being progressed.

Staffing in enforcement was below the 2.5 FTE posts towards the beginning of the 2015/16 financial year. One Enforcement Officer post will be vacant at the time of the consideration of this report. Recruitment is underway and a temporary resource is proposed to assist the team during this period.

Building Control.

Building Control performance in plan checking has not met the local performance target over the last financial year. The Building Control team has seen significant changes over 2015/16 with the legacy following the redundancy of the previous Building Control Manager at the end of 2014. This previous Manager acted as an Inspector over part of the District and managed a caseload of applications. With the reduction in the size of the team the time taken for certain activities has increased. Staff levels have been low for part of this period following the departure of 2 Building Control Officers. The service has been restructured to replace them with Building Surveyors and appointments have been made to these posts. The new post holders are due to start work within approximately one month. Arrangements have been put in place to manage and cover plan checking during this period of reduced staffing. A review of the Building Control service including workloads and level of staffing has also been undertaken within 15/16 and there is now a Building Control Manager in place on a shared basis with North Devon Council. Authority has been given by Cabinet to develop a framework for future delivery of the service in partnership with North Devon Council.

Planning policy – Forward Planning.

Planning policy production targets reported in 2015 are as follows together with the updated position:

Document	2015 position	Current position
Local Plan Review	Pre-submission consultation in progress until 27th April 2015	In progress (see below for more detail)
CIL Draft charging schedule	Pre-submission consultation in progress until 27th April 2015	Draft charging schedule prepared. Consultation responses assessed. Awaits Local Plan Review due to proposed joint examination.
Annual Monitoring Report	2014 AMR presented to Cabinet February 2015	2015 AMR agreed under delegated powers
Cullompton Article 4 Review	Consultation completed December 2014, target to Cabinet 4th June 2015	Completed
Conservation Area Appraisals and Management Plans: Thorverton Morchard Bishop Newton St Cyres Cheriton Fitzpaine Silverton	In preparation Consultation completed mid March	Completed
Solar & Wind Landscape Sensitivity SPD	In preparation	Solar landscape sensitively to Cabinet June 2015
Self Build guidance / SPD	In preparation	Self build register requirements met
Open Space SPD	In preparation	No longer required.

The latest version of the Local Development Scheme (October 2015) indicates Local Plan Review timescale as follows:

- Sustainability appraisal scoping: May 2013 (completed)
- Preparation stage consultation : January 2014 (completed)
- Publication stage consultation: February - April 2015 (completed)
- Submission: June 2016
- Hearings: September 2016

- Adoption: January 2017
- Revision: 2020

Since the Local Development Scheme was prepared, further technical work in respect of flood modelling and highway infrastructure design at junction 28 of the M5 at Cullompton has been commissioned and is currently taking place. The outcomes of this technical work are expected in June / July. The latest estimate for Local Plan submission to the Inspectorate assuming no major modifications is August 2016.

At the meeting of Council on 27th April 2016 it was agreed that the outcomes of the Local Plan pre-submission consultation and subsequent technical work be considered by Council and Cabinet. It is likely that this will be via special meetings in August 2016. Plan submission now also expected August 2016 (assuming no major modification is made).

The Government has set out the expectation that Councils should have a local plan in place and that they should be kept up to date. It proposes to publish league tables setting out local plan progress and intervening where no local plan has been produced by early 2017. A new delivery test is also to be introduced to ensure delivery against the number of homes set out in local plans. The Government has indicated that priority for intervention will be Councils without a local plan in place and those that have not kept policies in local plans up to date.

The priority for the Forward Planning Team is currently the Local Plan Review and associated tasks. An interim Team Leader was secured in 2015 to supplement staffing and will cover a further period of maternity leave in 2016. Further resources have been secured via consultancy in order to ensure sufficient staff resources are in place to complete the Local Plan Review process through examination and to adoption.

Other current planning policy related work streams are as follows:

- Review of the Statement of Community Involvement
- Waste storage SPD
- Sustainable Urban Drainage Systems SPD
- Brownfield land register
- Strategic planning work
- Tiverton town centre masterplan
- Area B Tiverton Eastern Urban Extension masterplan
- Neighbourhood planning screening and support as resources allow

Over 15/16 the Planning Service has also produced a Tiverton Eastern Urban Extension design guide following the adoption of the Area A masterplan and adopted a masterplan SPD for the Cullompton NW Urban Extension.

Performance for 2015/16 shows that in the majority of instances targets are being met or exceeded. However there remain areas of concern, particularly given the ever tightening performance environment.

Planning Service staffing continues to still not be at full strength due to the maternity leave of several senior staff. This continues to have knock-on effects in terms of associated arrangements for cover and redeployment of staff into different roles and is expected to continue to do so into the first half of this financial year. Not all posts have been backfilled, but are being kept under review. The performance of the service in meeting the majority of targets over 15/16 represents a significant achievement, particularly in light of the challenges over this financial year referred to above.

Planning Service workload is expected to rise in 2016 due to the Local Plan Review and other emerging policy work, largescale major applications expected in Tiverton and Cullompton associated with urban extensions, the programmed submission of a planning

application for development at J27 and the implementation of further changes to the planning system.

Planning performance continues to be closely monitored. The performance of the planning service against targets is increasingly important, requires resourcing and presents an ongoing risk to the authority both financially and reputationally. Every effort continues to be made to maintain our charter standards of customer service and our performance levels within the eight and thirteen week government target periods.

Contact for Information: Jenny Clifford, Head of Planning and Regeneration
01884 234346

List of Background Papers: PS1 and PS2 returns
DCLG Improving planning performance – Criteria for designation. June 2014
DCLG Planning performance and the planning guarantee –Government response to consultation. June 2013
HM Treasury ‘Fixing the foundations – creating a more prosperous nation’ July 2015
Department of Communities and Local Government – Technical consultation on implementation of planning changes. February 2016

Circulation of the Report: Cllr Richard Chesterton
Members of Planning Committee

Working Environment Portfolio Performance

Quarterly report for 2015-2016

No headings

For Working Environment and Support Services - Cllr Margaret Squires Portfolio

For MDDC - Services

Filtered by Performance Status: Exclude PI Status: Data not due, Data not entered

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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Working Environment Portfolio Performance

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
No Target	Number of phone calls to CF per month	12,670	For Information Only	For Information Only	11,192	11,420	12,483	12,492
Management Notes:								
Above target	Satisfaction with front-line services	81.75%	80.00%	80.00%	80.00%	81.50%	81.33%	80.75%
Management Notes:								
Well below target	% complaints acknowledged w/in 3 days	46%	80%	80%	45%	57%	76%	66%
Management Notes: (Quarter 4) 100% of complaints were acknowledged, but the system only shows 45% as acknowledged with in 3 days. This is not accurate, checking against manual files indicates that more were acknowledged in time. Full analysis will be completed for the annual report to Members on complaints. (LR)								
Above target	% of complaints resolved w/in timescales (10 days - 12 weeks)	97%	90%	90%	93%	100%	98%	93%
Management Notes: (Quarter 4) 7 complaints remain at investigation stage, but are still within the policy SLA. These complaints will be resolved in 2016-17. The % resolved within time over all is 96% . (LR)								
Above target	% Emails received by Customer Services responded to within 5 days	98.0%	95.00%	95.00%	99.00%	98.50%	98.67%	99.00%
Management Notes:								
Not calculable	Number of Complaints	74	For information only	For information only	61	39	87	95
Management Notes:								
Not calculable	Number of Digital payments	8,989	For information only	For information only	7,083	10,892	14,705	10,407
Management Notes:								

Working Environment Portfolio Performance

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
(Quarter 4)								
figures for 2015-16 include payments made at the post office, these will not be included in future years as digital as these are assisted cash- cheque payments.								
(LR)								
No Target	<u>Number of web hits per month</u>	n/a	For information only	For information only	0	0	0	0
Management Notes:								
(Quarter 4)								
data not available while the website is both Umbraco and Goss. Final Goss pages to be closed at the end of march.								
Communications Officer to receive training on Google analytics to ensure information can be gathered and reported from Umbraco for 2016/17								
(NC)								
On target	<u>% electoral registration forms returned during annual canvass of electors</u>	0%	90%	90%	0%	0%	98%	0%
Management Notes:								
On target	<u>% Electoral Commission Registration Performance Standards</u>	0%	90%	90%	0%	0%	100%	0%
Management Notes:								
On target	<u>% Electoral Commission Returning Officer Performance Standards</u>	100%	90%	90%	n/a	n/a	n/a	0%
Management Notes:								
(2015 - 2016)								
no elections until May and June 2016								
(JS)								
Well below target	<u>Response to FOI Requests (within 20 working days)</u>	95%	100%	100%	70%	90%	88%	87%
Management Notes:								
(Quarter 4)								
145 requests responded to 19 over 20 days								
(LC)								
Below target	<u>Working Days Lost Due to Sickness Absence</u>	9.21days	8.00days	8.00days	1.64days	3.68days	5.71days	8.12days
Management Notes:								
(Quarter 4)								
The total number of days lost to sickness absence is 1062 which is split into 623 days for long Term Sickness (15 + days) and 439 for short term sickness (less than 15 days).								
(JC)								

Finance Portfolio Performance

Quarterly report for 2015-2016
No headings
For Finance - Cllr Peter Hare-Scott Portfolio
For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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Finance Portfolio Performance

Performance Indicators								
Status	Title	Prev Year End	Annual Target	Current Target	Q1 Act	Q2 Act	Q3 Act	Q4 Act
Below target	<u>% total Council tax collected - monthly</u>	97.80%	98.5%	98.5%	29.4%	56.7%	83.4%	98.1%
<p>Management Notes: (March)</p> <p>Prior to this year the monthly targets were always achieved until the last month which in my opinion made them pointless. In order to make them more meaningful I asked Audit to change the Targets to reflect the best monthly figures we have achieved in the past. Therefore the figures give the Office something to aim for each month instead of waiting till the end of the year.</p> <p>(JC)</p>								
Above target	<u>% total NNDR collected - monthly</u>	99.00%	98.00%	98.00%	31.10%	55.80%	80.59%	99.10%
<p>Management Notes: (March)</p> <p>Both Ctax and NNDR monthly collection rates have changed in their make up because we have now added 12 monthly instalments. The effect of this is that the April - January monthly instalment figures are slightly down on previous years where as the February and March instalments bring the collection back up.</p> <p>(JC)</p>								
Above target	<u>Percentage of Invoices Paid on Time</u>	99.26%	97.50%	97.50%	n/a	99.57%	n/a	99.73%
<p>Management Notes: (October - March)</p> <p>The Creditors team continue to perform very well, continually looking to improve processes; including being very proactive in encouraging departments to GRN invoices promptly on receipt of goods.</p> <p>(RF)</p>								
Well above target	<u>Time taken to process Housing Benefit/Council Tax Benefit new claims and change events</u>	8days	14days	14days	14days	13days	12days	10days
<p>Management Notes:</p>								

Risk Report

Report for 2015-2016
Filtered by Flag: Include: * CRR 5+ / 15+
For MDDC - Services

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (5+) Low (1+)

Risk Report

Risk: Asbestos Health risks associated with Asbestos products such as lagging, ceiling/wall tiles, fire control.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Nick Sanderson

Review Note: Recommendations from the HSE after the events last year have now been implemented.

Risk Report

Risk: Breaches in HR Legislation Failure to keep Council policies up to date, that complement the appropriate legislation

Failure to develop staff knowledge and competence regarding legislation/changes

Effects (Impact/Severity): - The Council could face poor reports from assurance bodies
 - Failure to meet statutory duties could result in paying penalties, stretching already thin financial resources
 - Failure to comply with legislation could lead to legal challenge against individuals or the Council as a whole
 - Future legislation changes, their impact on services and the cost of implementing changes to policies, procedures and service delivery

Causes (Likelihood):

Service: Human Resources

Current Status: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Jill May

Review Note: The council employs four Chartered Ins of Personnel and Development (CIPD) staff who undertake regular employment law updates. All policies are reviewed on an three year programme which has slipped lately due to pressure of work (reorganisations, consultations and redundancies) however we always prioritise legislative change. Therefore whilst this is a huge risk it is a risk which is managed.

Risk: Chemicals Staff using chemicals incorrectly.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Jill May

Review Note:

Risk Report

Risk: Council Finances - Banking Arrangements Problems with banks and online services may affect ability to access funds when we need to or receive / process payments on a timely basis

Effects (Impact/Severity): Unable to promptly pay suppliers or treasury commitments

Causes (Likelihood): ICT systems down at Council or Bank so impossible to review cash position or make urgent payments

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note:

Risk: Council Finances - Investments Failure to invest in the Council's funds in an efficient and effective manner may cause potential of a loss of monies invested

Effects (Impact/Severity): • Could result in cash flow loss of up to £3M

Causes (Likelihood): • Future banking collapses

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note: Cabinet have recently agreed to invest in CCLA

Risk: Council Finances - Treasury Management Failure to comply with the CIPFA Code of Practice on Treasury Management /local authority accounting would be a breach in statutory duty

Effects (Impact/Severity):

Causes (Likelihood):

Service: Financial Services

Current Status:
Medium (5)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 1 -
Very Low

Head of Service: Andrew Cawdron, Andrew Jarrett

Review Note: Strategy is approved by Cabinet annually.
2015 Audit found no issue with this

Risk Report

Risk: Document Retention If documents fail to be retained for the statutory period then we may face financial penalties

Effects (Impact/Severity):

- The Council may be disadvantaged in taking or defending legal action if prime documents are not retained;
- Performance statistics cannot be verified;
- The external auditor may not be able to verify the Council's final accounts and subsidy may be lost.
- Mismanagement of burial records

Causes (Likelihood): • "Data debris" cluttering system and storage space

Service: Management Team

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Liz Reeves

Review Note:

Risk: Failure to comply with card security standards As an organisation we need to comply with the requirements of TrustWave to be authorised as card payment processors.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Management Team

Current Status: Medium (5)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Liz Reeves

Review Note: Annual review of policy and training for all staff. ICT advise on all payment systems to ensure comply to PCI standard.

Risk: Fire and Explosion Risks associated with storage of combustible materials, fuels and flammable substances and sources of ignition, as well as emergency procedures (existence, display and knowledge of), accessibility (or obstruction) of emergency exits and walkways to. Also, risks associated with use of fire extinguishers, having correct type in location, in date and trained operatives on site.

Effects (Impact/Severity): Very High (5) – Although the risk is low, a fire in the server or storage room could potentially cause loss of life, have serious financial implications and severely impact the councils ability to provide services due to loss of IT infrastructure.

Causes (Likelihood): Very Low (1) – The likelihood of a fire within ICT is extremely low. No quantities of combustible materials are stored within the work area. There is easy access to the emergency exit and all staff have received fire awareness training.

Service: I C T

Current Status: No Data	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 1 - Very Low
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Head of Service: Liz Reeves

Review Note: we had an incident 7 pm Tuesday evening and our heat sensors and recovery team worked all as it should and problem averted

Risk Report

Risk: H&S RA - Refuse Driver/Loader Risk Assessment for Role - Highest risk from role RA. - Risk of RTA from sever weather conditions

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

**Current Status:
Medium (10)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Head of Service: Stuart Noyce

Review Note: Annual Review of Risk Assesment

Risk: Information Security Inadequate Information Security could lead to breaches of confidential information, damaged or corrupted data and ultimately Denial of Service. If the council fails to have an effective information strategy in place.

Risk of monetary penalties and fines, and legal action by affected parties

Effects (Impact/Severity):

Causes (Likelihood):

Service: I C T

**Current Status:
Medium (5)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Liz Reeves

Review Note:

Risk: Legionella Legionella

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

**Current Status:
Medium (5)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Jill May

Review Note:

Risk Report

Risk: Plant Rooms plant rooms

Effects (Impact/Severity):

Causes (Likelihood):

Service: Leisure Services

Current Status: Medium (5)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Jill May

Review Note:

Risk: St Andrew Street A staircase in the new development does not meet current building regulations due to conservation requirements.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Property Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Head of Service: Nick Sanderson

Review Note: The staircase has to remain in position, no further issues reported from the housing team. We will continue to monitor and will take action where possible and permitted.

Risk: Vehicles, Transport, Driving Risk of collisions with other moving or stationary vehicles, cycles and/or pedestrians.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Street Scene Services

Current Status: No Data

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 1 - Very Low

Head of Service: Stuart Noyce

Review Note:

Risk Report

Risk: Waste Collection - Health and Safety Inadequate training with regards to Manual Handling and workplace hazards (eg contact with broken glass) could result in Health and Safety risks

Effects (Impact/Severity):

Causes (Likelihood): - Increasing demand and service costs due to increasing population, consumer society and an increasing amount of waste

Service: Street Scene Services

Current Status:
Medium (9)

**Current Risk Severity: 3 -
Medium**

**Current Risk Likelihood: 3 -
Medium**

Head of Service: Andrew Jarrett, Stuart Noyce

Review Note: All staff received manual handling training in Dec 2015 with M Lowe

4.0 STATEMENT OF ACCOUNTING POLICIES

4.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2015/16 financial year and its position at the year end of 31 March 2016. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2003, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the "Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice for Local Authorities 2015/16 (SeRCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. These statements have been compiled on the basis of the Council remaining a going concern and all amounts have been rounded to the nearest £1,000.

4.2 Accruals and Prepayments of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet.

Expenses in relation to services provided (including services provided by employees) are recorded as expenditure when the services are received rather than payments made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

A de minimis of £10k is normally applied to any adjustments made.

4.3 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice for Local Authorities 2015/16 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi- functional, democratic organisation.

- Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and any depreciation and impairment losses chargeable to non-operational properties.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Cost of Services.

4.4 Charges to Revenue for Non Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service

The Council is not required to raise council tax to cover depreciation, revaluations, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to at least 4% of the underlying amount measured by the adjusted Capital Financing Requirement, excluding amounts attributable to HRA activity). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the Minimum Revenue Provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

4.5 Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits e.g. cars for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount

calculated according to the relevant accounting standards. In the movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of The Local Government Pension Scheme, administered by Devon County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Authority.

4.6 The Local Government Pensions Scheme (LGPS)

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Devon County Council pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices using the annualised yield on the iBoxx credit index over the fifteen year AA rated non-gilt bond index.
- The assets of the Devon County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:
 - *quoted securities* – current bid price
 - *unquoted securities* – professional estimate of fair value
 - *unitised securities* – average of the bid and offer rates
 - *property* – market value

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- *current service cost* – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- *past service cost* – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- *net interest on the net defined benefit liability*, i.e. net interest expense for the authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the

period as a result of contribution and benefit payments.

Remeasurements comprising:

- *the return on plan assets* - excluding amounts included in net interest on the net defined benefit liability - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

- *actuarial gains and losses* – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve as Other Comprehensive Income and Expenditure

Contributions paid to the Local Government Pensions Scheme - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any such amounts payable but unpaid at year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

4.7 Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as either short term or long term creditors depending upon the conditions. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and

contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. When it has been applied it is posted to the Capital Adjustment Account.

4.8 Revenue Expenditure Funded from Capital under Statute (REFCUS)

REFCUS represents expenditure that may be capitalised under statutory provisions but does not result in the creation of tangible assets controlled by the Council. Service revenue accounts have been charged on the basis of the benefit that the service received as a result of the expenditure, net of any capital grants received during the year. As the asset created is not owned by the Authority at the end of the accounting period the expenditure, net of any capital grants received during the year, is immediately written off in full in the year of creation. Where the Council has determined to meet the cost of the REFCUS from existing capital resources or by borrowing, a transfer to the Capital Adjustment Account then reverses out the amounts charged in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account.

4.9 Value Added Tax

Income and expenditure excludes any amounts related to VAT as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it, except where the Council is unable to recover VAT. VAT receivable is excluded from income.

4.10 Exceptional Items

When items of income and expenses are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

4.11 Minimum Revenue Provision

The Prudential Code requires that all capital expenditure is financed by a credit to the Capital Adjustment Account. If funding is not immediately available then a capital financing requirement (CFR) arises.

Essentially the CFR has to be mitigated over time on a prudent basis by making a "minimum revenue provision". This is a charge to the General Fund made from the "Adjustments between Accounting Basis and Funding Basis under Regulations" and the Capital Adjustment account.

The basis of estimation adopted by the Authority comprises three elements:

1. To make a minimum revenue provision of 4% on assets acquired prior to 1 April 2008.
2. Finance leases have their capital financing applied on a straight line basis over the life of the lease contract.
3. New assets, acquired after 1 April 2008, that are not finance leases, have their

capital financing calculated on a straight line basis over the life of the asset.

4.12 Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

4.13 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively. i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or if the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. When a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

4.14 Reclassifiable Amounts in the Surplus or Deficit on the Provision of Services

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred. Expenditure is treated as *revenue* in nature unless the expenditure exceeds £20k. (Except in the case of some projects where the total funding grant

exceeds £20k but an individual project using this money may amount to less than this.)

Measurement

Assets are initially measured at cost comprising:

- the purchase price
- any costs attributable to bringing the asset into the working condition necessary for it to be capable of operating in the manner intended by management
- any costs attributable to dismantling and removing the item and restoring the site on which it is located

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction depreciated historical cost
- dwellings - fair value, determined using the basis of existing use value for social housing (EUV-SH). The adjustment factor to give EUV-SH has remained at 31%
- all other assets - fair value, determined as the amount that would be paid for the asset in its existing use (existing use value - EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets have short asset lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (In some cases gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the

relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Componentisation

The move to IFRS accounting has seen the introduction of componentisation. This policy states that where a large asset is made up of a number of components that have differing economic lives then they should be depreciated component by component. Taking account of materiality the Council has decided to only account for a component that makes up in excess of 20% of the total asset value subject to a minimum value of £250k.

The only exception to this is where major components of council dwellings are separated out from the whole asset for the purposes of setting a more accurate depreciation figure. These major components have been identified as roofs, kitchens, bathrooms, windows and boilers.

Impairment

Assets are assessed at year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Council had the District Valuer estimate current values of 1/5 of all of the property portfolio at 31 March 2016.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systemic allocation of their depreciable amounts over their useful lives. Depreciation is charged in full in the year of acquisition. An exception is made for assets without a determinable finite life (i.e. freehold land and certain Community Assets), Heritage assets and assets that are not yet available for use (i.e. assets under construction) where no depreciation is charged.

Depreciation is calculated on the following bases:

- council dwellings - depreciation has been calculated based upon the expected lives of key components of our housing units

Roofs	50 years
Kitchens	20 years
Bathrooms	30 years
Windows	30 years
Boilers	10 years
Structure	60 years

Applying this model, with current rebuilding costs, a depreciation charge of £1,959k for the year has been determined. This charge has been allocated pro rata across all of the council dwellings, including new additions based upon the property's value

- other buildings – straight-line allocation over the life of the property as estimated by the Valuer
- Vehicles, plant and equipment – straight-line allocation over the life of the asset as estimated by suitably qualified and experienced officers. Examples of the sort of time scales are given below:

Plant	Expected asset life of 10 years
Vehicles	Expected asset life of 5 to 7 years
ICT Equipment	Expected asset life of 5 years
Specialist equipment	Expected asset life of 3 to 10 years
CVSC Boilers & Solar Panels on Council Buildings (Phoenix House, 3 Leisure Buildings & Moorhayes Community Centre)	Expected asset life of 25 years

- Infrastructure – straight-line allocation over the life of the property as estimated by the Valuer

Where an asset has major components with different estimated useful lives, these are depreciated separately. Currently the Council has identified no such assets.

Revaluation gains are also depreciated with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Gains or losses on sale are posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been

classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for sale. When an asset is disposed of or decommissioned the value of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for sale) is written off to the Other Operating Expenditure in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10k are categorised as capital receipts. A proportion of receipts relating to housing disposals and other assets, net of statutory deductions and allowances is payable to the Government. Part of the retained balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow and part is required to be set aside in a ring fenced reserve for future Council house building. Receipts are appropriated to the Reserve from the Adjustments between Accounting Basis and Funding Basis under Regulations.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

4.15 Heritage Assets

A tangible heritage asset is defined as an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Where such assets are identified the asset is included in the accounts as a tangible heritage asset and shown separately from vehicles, plant and equipment. If the asset was donated or acquired for less than fair value the asset is brought into the balance sheet at its fair value. The authority values heritage assets on the basis of insurance valuations.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity.

Any impairment is recognised and measured in accordance with the Authority's general policies on impairment shown in note 4.15 above.

Where an impairment loss has been determined, and a revised valuation obtained, the impairment loss is charged to the Surplus or Deficit on the Provision of Services. The charge is then reversed out and charged to the Capital Adjustment account.

4.16 Art Collection

The Authority's art collection includes paintings (oil on canvas, oil on board), statues and busts and some furniture, most of which are contained within the Town Hall at Tiverton. The assets which were donated in years past were valued for insurance

purposes by Chilcotts professional Fine Art Valuers and Auctioneers in March 2012. These asset values will be re-visited at 5 yearly intervals.

The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation.

The collection is relatively static and acquisitions and donations are rare. Purchases would be initially recognised at cost and donations recognised at valuations provided by the external valuers, with reference to the most relevant and recent information from sales at auctions and other commercial markets.

Acquisition, Preservation and Management

The Authority does not have a defined policy to acquire further Heritage assets. Those owned by the Authority have been bequeathed or donated to the Authority. The Authority's Estates team maintain a record of the assets, working with relevant professional advisers to ensure their continued preservation. Members of the public do not currently have access to the assets contained within the Town hall.

4.17 Intangible Assets

Expenditure on non-monetary assets that do not have a physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell the asset or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost.

Capitalised internally developed software costs associated with in-house commissioning and configuration of software have been amortised over one year as there is no readily ascertainable market value.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10k) the Capital Receipts Reserve.

4.18 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as

operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent upon the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the Lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied in writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant and equipment - applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (in this case ownership of the asset does not transfer to the authority at the end of the lease period).

The authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense to the services benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or

equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Lease rentals are apportioned between:

- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing And Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to (the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement. For this set of accounts the Council has no lessor finance leases.

4.19 Investments including Cash on Deposit with Banking Institutions

Where investments are held at the balance sheet date they are treated as long term if, at the initial contract date, their term is more than twelve months. If, at the initial contract date, their term is more than three months but less than twelve months they are regarded as short term investments. Any cash and bank balances whose term, at their initial contract date is less than three months are categorised as cash and cash equivalents.

4.20 Accounting for Local Taxes

Non Domestic Rates (NDR)

- Retained Business Rate income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income.
- Top Up Income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income.

Council Tax

- Council Tax income included in the Comprehensive Income & Expenditure Statement for the year will be treated as accrued income.

Both NDR, Top Up Income and Council Tax will be recognised in the Comprehensive Income & Expenditure Statement in the line Taxation & Non-Specific Grant Income. As a billing authority the difference between the NDR and

Council Tax included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund shall be taken to the Collection Fund Adjustment Account and reported in the Movement in Reserve Statement. Each major preceptor's share of the accrued NDR and Council Tax income will be available from the information that is required to be produced in order to prepare the Collection Fund Statement. The income for Council Tax, NDR is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the authority, and the amount of the revenue can be measured reliably .

Revenue relating to such things as council tax, general rates, etc. shall be measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

4.21 Inventories

Inventories are included in the Balance Sheet at average cost. This is a departure from the requirement of the SORP, which require inventories to be shown at the lower of cost and net realisable value. However, the effect of this alternative treatment is not considered to be material.

4.22 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

4.23 Financial Instruments

Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale-assets – assets that have a quoted market price and/or do not have fixed or determinable payments

Available-for-Sale-Assets

Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority,

Assets are maintained in the Balance sheet at fair value. Values are based on the following technique:

Instruments with quoted market prices – the market price

The input to the measurement technique is categorised in accordance with the following technique:

Level 1 input – quoted price (unadjusted) in active markets for identical assets that the authority can access at the measurement date.

Changes in fair value are balanced by an entry in the Available-for-Sale Financial Instruments Reserve and the gain /loss is recognised in the Surplus or Deficit on revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure liner in the Comprehensive Income and expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-sale Financial Instruments reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains or losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available–for-Sale Financial Instruments Reserve.

Loans and receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of the asset, would be credited or debited to the Financing and Investment Income line in the Comprehensive

Income and Expenditure Statement.

4.24 Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, based on the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

For this set of accounts the Council has no provisions.

4.25 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the existence of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts. For this set of accounts the Council has no contingent liabilities.

4.26 General Fund Reserve

Council has approved a policy whereby the level of the General Fund balance should not fall below 25% of the net General Fund budget. Transfers from earmarked reserves have been made to ensure this minimum balance is retained. (£2.2m for 2016/17).

5.0 THE STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

5.1 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.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

5.2 The Head of Finance's Responsibilities

The Head of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with the proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice").

In preparing this Statement of Accounts, the Head of Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that were reasonable and prudent
- complied with the Code of Practice.

The Head of Finance has also:

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

5.3 Opinion

In my opinion the Statement of Accounts gives a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2016.

Date..... **Signature**:.....

Andrew Jarrett – CPFA
Head of Finance
Mid Devon District Council

6.0 CHIEF FINANCIAL OFFICER’S CERTIFICATE

I certify that the accounts set out in the following pages, gives a true and fair view of the financial position of the Council at 31 March 2016.

The date on which the Statement of Accounts was authorised for issue by the Head of Finance was 31 May 2016.

This is also the date up to which events after the Balance Sheet date have been considered.

Approved by the Head of Finance

.....
Andrew Jarrett – CPFA Dated

Approved by the Chairman of the Audit Committee

.....
Bob Evans Dated

Approved by the Leader of the Council

.....
Clive J Eginton Dated

Approved at a meeting of the Audit Committee on the 31 May 2016

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Mid Devon District Council Financial Statements 2015-16

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Notes	USEABLE RESERVES										Total Authority Reserves £000
		REVENUE RESERVES					CAPITAL RESERVES					
		General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000		
Balance at 31 March 2015		(2,380)	(6,953)	(2,000)	(6,730)	(985)	0	(1,434)	(20,482)	(66,858)	(87,340)	
Movement in Reserves during 2015/16												
(Surplus) or deficit on the provision of services		2,302		(3,090)					(788)		(788)	
Other Comprehensive Income and Expenditure	21/22								0	(7,135)	(7,135)	
Total Comprehensive Income and Expenditure		2,302	0	(3,090)	0	0	0	0	(788)	(7,135)	(7,923)	
Adjustments between accounting basis and funding basis under regulations	5	(3,545)		84		(457)	0	(288)	(4,206)	4,206	0	
Net Increase/Decrease before Transfers to Earmarked Reserves		(1,243)	0	(3,006)	0	(457)	0	(288)	(4,994)	(2,929)	(7,923)	
Transfers (to) / from Earmarked Reserves	6	1,412	(1,412)	3,006	(3,006)				0			
(Increase)/Decrease in 2015/16		169	(1,412)	0	(3,006)	(457)	0	(288)	(4,994)	(2,929)	(7,923)	
Balance at 31 March 2016 Carried forward		(2,211)	(8,365)	(2,000)	(9,736)	(1,442)	0	(1,722)	(25,476)	(69,787)	(95,263)	
Held for Revenue Purposes		(2,211)	(8,365)	(2,000)	(9,736)				(22,312)			
Held for Capital Purposes						(1,442)	-	(1,722)	(3,164)		1	

Mid Devon District Council Financial Statements 2015-16

Movement in Reserves Statement continued

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Notes	USEABLE RESERVES														
		REVENUE RESERVES					CAPITAL RESERVES									
		General Fund Balance £000	Earmarked General Fund Reserves £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000					
2014/15																
Balance at 31 March 2014		(2,460)	(5,843)	(2,004)	(4,613)	(1,071)	-	(1,357)	(17,348)	(70,032)						(87,380)
Movement in Reserves during 2014/15																
Surplus on the provision of services		(3,471)		(8,233)					(11,704)							(11,704)
Other Comprehensive Income and Expenditure													0	11,744		11,744
Total Comprehensive Income and Expenditure		(3,471)	0	(8,233)	0	0	0	0	(11,704)	11,744						40
Adjustments between accounting basis and funding basis under regulations	5	2,441		6,120		86	0	(77)	8,570	(8,570)						0
Net Increase/Decrease before Transfers to Earmarked Reserves		(1,030)	0	(2,113)	0	86	0	(77)	(3,134)	3,174						40
Transfers (to) / from Earmarked Reserves	6	1,110	(1,110)	2,117	(2,117)				0							0
(Increase) / Decrease in 2014/15		80	(1,110)	4	(2,117)	86	0	(77)	(3,134)	3,174						40
Balance at 31 March 2015 Carried forward		(2,380)	(6,953)	(2,000)	(6,730)	(985)	0	(1,434)	(20,482)	(66,858)						(87,340)
Held for Revenue Purposes		(2,380)	(6,953)	(2,000)	(6,730)				(18,063)							
Held for Capital Purposes						(985)	0	(1,434)	(2,419)							

Comprehensive Income and Expenditure Statement

This section is a summary of our spending on services and where we got the money from to do so.

2014/15			Notes	2015/16		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
3,497	(745)	2,752	Central Services to the Public	4,749	(791)	3,958
3,283	(2,460)	823	Cultural	4,272	(2,449)	1,823
5,824	(2,074)	3,750	Environment and Regulatory Services	6,301	(2,618)	3,683
3,019	(1,758)	1,261	Planning Services	3,871	(1,955)	1,916
443	(710)	(267)	Highways and Transport Services	562	(742)	(180)
6,123	(13,731)	(7,608)	Local Authority Housing (HRA)	9,709	(13,880)	(4,171)
20,083	(19,681)	402	Housing	19,772	(19,393)	379
42,272	(41,159)	1,113	Costs of Services	49,236	(41,828)	7,408
		1,042	Other Operating Expenditure			916
		(37)	Financing and Investment Income and Expenditure			2,777
		(13,822)	Taxation and Non-Specific Grant Income			(11,999)
		0	Surplus or deficit on revaluation of available for sale financial assets			110
		(11,704)	(Surplus) or Deficit on Provision of Services			(788)
		80	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(1,340)
		11,664	Remeasurement of the net defined benefit liability			(5,795)
		11,744	Other Comprehensive Income and Expenditure			(7,135)
		40	Total Comprehensive Income and Expenditure			(7,923)

Balance Sheet

This section shows our financial position at the end of the financial year.

31 March 2015 £000		Notes	31 March 2016 £000
170,321	Property, Plant & Equipment	23	169,120
491	Heritage Assets	26	491
0	Intangible assets	27	0
500	Long-term investments	33	0
158	Long-term Debtors	34	158
171,470			169,769
9,500	Short-term Investments	35	13,500
184	Inventories	36	195
3,340	Short-term Debtors	37	2,596
5,349	Cash and Cash Equivalents	38	8,777
18,373	Current Assets		25,068
(3,775)	Short-term Creditors	39	(5,397)
(82)	Provisions	41	(41)
(1,637)	Short-term Borrowing	30	(1,683)
(5,494)	Current Liabilities		(7,121)
(725)	Long-term Creditors	40	(641)
(45,656)	Long-term Borrowing	30	(43,973)
(50,628)	Other Long Term Liabilities	47	(47,032)
0	Capital Grants Receipts in Advance	40	(807)
(97,009)	Long Term Liabilities		(92,453)
87,340	Net Assets		95,263
20,482	Usable Reserves	42	25,476
66,858	Unusable reserves	43	69,787
87,340	Total Reserves		95,263

Cash Flow Statement

This section shows what cash we spend and receive

2014/15 £000		Notes	2015/16 £000
11,704	Net surplus or (deficit) on the provision of services		788
(365)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	50	12,421
(1,123)	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities (See note references)	51	(554)
10,216	Net cash flows from Operating Activities		12,655
(8,920)	Investing Activities	53	(7,479)
(1,695)	Financing Activities	54	(1,748)
(399)	Net increase or decrease in cash and cash equivalents		3,428
5,748	Cash and cash equivalents at the beginning of the reporting period	38	5,349
5,349	Cash and cash equivalents at the end of the reporting period	38	8,777

Notes to the Accounts

1 Accounting Standards that Have Been Issued But Have Not Yet Been Adopted

The Code of Practice requires that the Authority discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2016 for 2015/16). The disclosure requirements are expected to be included in a subsequent edition of the Code.

In compiling the 2015/16 accounts the following accounting policies have not been adopted:

- Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions)
- Annual Improvements to IFRSs 2010 – 2012 Cycle
- Amendment to IFRS 11 Joint Arrangements (Accounting for Acquisitions of Interests in Joint Operations)
- Amendment to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)
- Annual Improvements to IFRSs 2012 – 2014 Cycle
- Amendment to IAS 1 Presentation of Financial Statements (Disclosure Initiative)
- The changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis
- The changes to the format of the Pension Fund Account and the Net Assets Statement

2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the statements are:

- a) estimates for accrued expenditure/incomes - based on service managers and accountants calculations at year end;
- b) bad debt provision - based on historic trends, adjusted for any material movements during 2014/15;
- c) asset lives for the calculation of depreciation charges - based on service managers experience of previously used assets.
- d) Estimating the total amount of the housing benefit subsidy claim for the year prior to its final determination after 31 March using data for the first eleven months.

The Council has also placed reliance on technical estimates supplied by third parties for the following:

Property valuations made by the District Valuer;

Pension valuations supplied by Barnett Waddingham - Actuary engaged by Devon County Council.

Notes to the Accounts

The Council has received very detailed reports from both of these sources outlining overall valuations and all of the key assumptions made in arriving at these final figures. These reports will be examined by Grant Thornton during their audit of the Council's Accounts.

There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

3 Material Items of Income and Expense

There were no material items this year.

4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and relevant factors. However because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Note	Item	Uncertainties	Effect if Actual results Differ from Assumptions
23	Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent upon assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings and plant based on a gross value of £47,429k (excl. Council Houses) would increase by £231k for every year that useful lives had to be reduced.
22	Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied. The value of pension assets is estimated based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date. The actual valuations at the Balance Sheet date, which may not be available until some time later, may give a different value of pension assets, but this is not considered to be material.	The effects on the closing defined benefit obligation of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the the closing defined benefit obligation to £97,335k and a 1 year increase in mortality rates would increase the closing defined benefit obligation to £102,163k. However the assumptions interact in complex ways.

Notes to the Accounts

37	Arrears	At 31 March 2016, the Authority had a gross sundry debtors balance of £553k. A review of significant balances suggested that a provision for doubtful debts of 46% or £257k was appropriate (£234k of which relates to DARS). However, in the current economic climate it is not certain whether such an allowance would be sufficient.	An increase of 1% in the provision would lead to an increased bad debt provision of £3k from £234k to £237k.
	Housing Benefit Subsidy Claim	To help meet the earlier preparation of the accounts the Housing Benefit Subsidy claim has been estimated at 27 March, having regard to the financial ledger and expectation of the final annual figure.	Estimating before the year end has led to an immaterial amount of £2k which will now be accounted for in 2016/17
	NNDR GP surgery appeals	A number of GP surgeries in the district have lodged appeals in respect of their NNDR. The extent of any repayments of NNDR will be dependent on the outcome of the appeals process which could exceed a year. A provision of £1,555k has been made in relation to this. (This is the major element of the total increase in appeals provision of £1,581k that has been made in the accounts)	The provision may be insufficient or exceed the claims determined. In any event the amount is unlikely to be material.

5 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

General Fund Balance

The General Fund is the statutory fund into which all of the receipts of an authority are required to be paid and out of which all liabilities are to be met, except for the Housing Revenue Account (HRA) see below and where statutory rules provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year. However the General Fund balance is not available to fund the HRA services (see below).

Housing Revenue Account Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function.

Major Repairs Reserve

The authority is required to maintain a Major repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historic capital expenditure. The balance on the reserve show the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance may be restricted by grant terms as to the capital expenditure against which it can be applied and /or the financial year in which this can take place.

Notes to the Accounts

5 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the adjustments we have to make to arrive at the final charge to Council tax

2015/16	Usable Reserves						Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000	£000
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
<u>Adjustments involving the Capital Adjustment Account:</u>							
Charges for depreciation and impairment of non current assets	(1,679)	(2,153)					3,832
Revaluation losses on Property, Plant and Equipment	(228)	(2,157)					2,385
Amortisation of intangible assets	(25)						25
Capital grants and contributions applied							
Income in relation to donated assets							0
Revenue expenditure funded from capital under statute	(306)						306
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(20)	(809)					829
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
Statutory provision for the financing of capital investment	370	993					(1,363)
Capital expenditure charged against the General Fund and HRA balances	835	590					(1,425)
<u>Adjustments primarily involving the Capital Grants Unapplied Account</u>							
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	644	97			(741)		
Application of grants to capital financing transferred to the Capital Adjustment Account					453		(453)
<u>Adjustments involving the Capital Receipts Reserve:</u>							
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	26	1,259	(1,285)				
Use of the Capital Receipts Reserve to finance new capital expenditure			568				(568)
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals		(25)	25				
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(235)		235				
Right to Buy Discounts repaid							
<u>Adjustments involving the Deferred Capital Receipts Reserve:</u>							
Transfer of deferred sale proceeds as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1)						1
Balance carried forward	(619)	(2,205)	(457)	0	(288)	0	3,569

Notes to the Accounts

5 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the adjustments we have to make to arrive at the final charge to Council tax							
2015/16	Usable Reserves						Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000	£000
Balance brought forward	(619)	(2,205)	(457)	0	(288)	0	3,569
<u>Adjustment involving the Major Repairs Reserve:</u>							
Reversal of Major Repairs Allowance credited to the HRA		2,390		(2,390)			
Use of the Major Repairs Allowance to finance new capital expenditure				2,390			(2,390)
Interest credited to the Major Repairs Reserve							
<u>Adjustments involving the Financial Instruments Adjustment Account:</u>							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements							
<u>Adjustment involving the Pensions Reserve:</u>							
Actuarial past service gain adjustment							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(4,406)	(88)					4,494
Employer's pension contributions and direct payments to pensioners payable in the year.	2,295						(2,295)
<u>Adjustment involving the Collection Fund Adjustment Account:</u>							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statements is different from council tax income calculated for the year in accordance with statutory requirements	(25)						25
Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statements is different from NNDR income calculated for the year in accordance with statutory requirements	(755)						755
<u>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</u>							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	(35)	(13)					48
Total Adjustments	(3,545)	84	(457)	0	(288)	0	4,206

Notes to the Accounts

5 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the adjustments we have to make to arrive at the final charge to Council tax

2014/15	Usable Reserves						Movement in Unusable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
<u>Adjustments involving the Capital Adjustment Account:</u>							
Charges for depreciation and impairment of non current assets	(1,353)	(2,165)					3,518
Revaluation losses on Property, Plant and Equipment	987	1,944					(2,931)
Amortisation of intangible assets	(118)						118
Income in relation to donated assets	9						(9)
Revenue expenditure funded from capital under statute	(536)						536
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement		(386)					386
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>							
Statutory provision for the financing of capital investment	262	947					(1,209)
Capital expenditure charged against the General Fund and HRA balances	1,453	984					(2,437)
<u>Adjustments primarily involving the Capital Grants Unapplied Account</u>							
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	566	1,634			(2,200)		
Application of grants to capital financing transferred to the Capital Adjustment Account					2,123		(2,123)
<u>Adjustments involving the Capital Receipts Reserve:</u>							
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	10	659	(669)				
Use of the Capital Receipts Reserve to finance new capital expenditure			535				(535)
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals		(13)	13				
Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	(207)		207				
Balance carried forward	1,073	3,604	86	0	(77)	0	(4,686)

Notes to the Accounts

5 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the adjustments we have to make to arrive at the final charge to Council tax

2014/15	Usable Reserves						Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000	£000
Balance brought forward	1,073	3,604	86	0	(77)	0	(4,686)
<u>Adjustment involving the Major Repairs Reserve:</u>							
Reversal of Major Repairs Allowance credited to the HRA		2,496		(2,496)			
Use of the Major Repairs Allowance to finance new capital expenditure				2,496			(2,496)
Interest credited to the Major Repairs Reserve							
Balance brought forward							
<u>Adjustments involving the Financial Instruments Adjustment Account:</u>							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements							
<u>Adjustment involving the Pensions Reserve:</u>							
Actuarial past service gain adjustment							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(835)	20					815
Employer's pension contributions and direct payments to pensioners payable in the year.	2,156						(2,156)
<u>Adjustment involving the Collection Fund Adjustment Account:</u>							
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statements is different from council tax income calculated for the year in accordance with statutory requirements	(66)						66
Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statements is different from NNDR income calculated for the year in accordance with statutory requirements	111						(111)
<u>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</u>							
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	2						(2)
Total Adjustments	2,441	6,120	86	0	(77)	0	(8,570)

Notes to the Accounts

6 Transfers to/from Earmarked Reserves

This section shows movements in these reserves

General Fund - Revenue Earmarked Reserves	Balance at 1/4/14	Transfers In	Transfers Out	Reclassification	Balance at 31/03/15	Transfers In	Transfers Out	Reclassification	Balance at 31/3/16
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital Earmarked Reserves	963	375	(215)		1,123		(218)	(338)	567
Maintenance & Amenity Reserve	1,260	113	(136)		1,237	289	(608)		918
Misc. General Fund Reserves	1,027	667	(310)		1,384	524	(447)	1,325	2,786
Vehicle and plant sinking funds	695	635	(304)	(135)	891	580			1,471
New Homes Bonus	1,224	1,281	(618)		1,887	1,619	(918)	(987)	1,601
General Vehicle Replacement	158		(293)	135	0				0
Insurance excess claims fund	155		(34)		121		(35)		86
Statutory Development Plan	111	60	(111)		60				60
NNDR Reserve	250				250	726	(100)		876
									0
Total Revenue Earmarked Reserves	5,843	3,131	(2,021)	0	6,953	3,738	(2,326)	0	8,365

The £1.6m held in the New Homes Bonus will be used to help fund the Private Sector Housing and Economic Development components of the future capital programme. The capital contingency reserve makes provision for an identified funding cap for future capital programmes shown in the medium term financial plan. The maintenance reserve is a collection of Section 106 contributions being used to fund revenue costs of additional play parks and amenity provision included in various planning provisions. Miscellaneous General Fund items are a large number of items that relate to specific projects that will be delivered in 2016/17. A full breakdown of the constituents is provided in the outturn report for the Cabinet meeting of 12 May 2016.

Housing Revenue Account - Revenue Earmarked Reserves	Balance at 1/4/14	Transfers In	Transfers Out	Reclassification	Balance at 31/03/15	Transfers In	Transfers Out	Reclassification	Balance at 31/3/16
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sewage Treatment Works	16		(16)		0	25			25
Solar Panel Income - Renewables	345	183	(158)		370	136	(164)		342
HRA Affordable Rent surplus	0				0	65	(65)		0
30yr Maintenance Programme	4,252	2,892	(784)		6,360	3,291	(765)		8,886
HRA _ PWLB Loan premium	0				0	483			483
Total Revenue Earmarked Reserves	4,613	3,075	(958)	0	6,730	4,000	(994)	0	9,736

7 Transfers to/from Capital Grants Unapplied

This note details the receipt and utilisation of various capital grants over the last two years.

	Balance at 1/4/14	Transfers In	Transfers Out	Reclassification	Balance at 31/03/15	Transfers In	Transfers Out	Reclassification	Balance at 31/3/16
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Funds Unapplied									
Regional Housing Pot	159	0	(159)	0	0	23	0	0	23
Afford Housing Contributions	566	142	(26)	0	682	164	(25)	0	821
Tiverton Enhancement Scheme	14	0	0	0	14	0	0	(14)	0
Air Quality Fund - Cullompton	44	10	0	0	54	8	0	0	62
Air Quality Fund - Crediton	298	110	0	0	408	118	0	0	526
Planning Delivery Grant	198	0	0	0	198	0	0	0	198
Cap Grants Unapplied Nonspecific	78	1,905	(1,905)	0	78	(104)	54	14	42
DCC Funding	0	33	(33)	0	0	20	0	0	20
DCLG DFG grant	0	0	0	0	0	311	(281)	0	30
HCA						200	(200)		0
Total Capital Grants Unapplied	1,357	2,200	(2,123)	0	1,434	740	(452)	0	1,722

Notes to the Accounts

8 Other Operating Expenditure

2014/15 £000		2015/16 £000
1,119	Parish Council precepts	1,137
206	Payments to the Government Housing capital receipts pool	235
(283)	(Gains)/Losses on the disposal of non current assets	(456)
1,042	Total	916

9 Financing and Investment Income and Expenditure

2014/15 £000		2015/16 £000
1,374	Interest payable and similar charges	1,336
(1,238)	Net interest on the net defined benefit liability	1,655
0	Heritable dividend	(44)
(173)	Interest receivable and similar income	(170)
(37)	Total	2,777

10 Taxation and Non Specific Grant Income

2014/15 £000		2015/16 £000
(5,946)	Council tax income	(6,087)
(2,289)	Non domestic rates	(2,009)
(2,271)	Revenue Support Grant	(1,705)
(1,392)	Non-ringfenced government grants	(1,738)
(1,924)	Capital grants and contributions	(460)
(13,822)	Total	(11,999)

Further details of specific grant income are shown at note 57.

11 Surplus or deficit on revaluation of available for sale financial assets

2014/15 £000		2015/16 £000
0	Deficit on revaluation of available for sale financial assets	110
0	Total	110

Notes to the Accounts

The Council invested £2.5m in the Church Charities and Local Authority (CCLA) Local Authorities' Mutual Investment Trust (LAMIT) Property Fund, which is carried in the Balance Sheet at its fair value of £2,390k. It is anticipated that this investment, which is intended to be held for the long term, will provide a return equal or superior to those achieved by the Council's other current investments. The fair value is based upon public price quotations in an active market for this financial instrument and without this investment counting as capital expenditure.

12 Operating Leases

Authority as Lessee

Vehicles, Plant, Furniture and Equipment

The Authority holds a number of plant and equipment items under terms of operating leases (e.g. photocopiers, a franking machine, various IT equipment and fitness equipment).

Payments under Operating Leases

The Authority has made payments of £66k under operating leases in 2015/16 (£38k in 2014/15) comprising of the following elements:

2014/15		2015/16
£000		£000
36	Land & Buildings	46
2	Vehicles, Plant & Equipment	20
38	Total	66

For future years liabilities for Finance and Operating Leases see note 59.

Authority as Lessor

The gross value of assets held for use in operating leases as at 31 March 2016 was £12,097k (£7,136k in 2014/15)

	2014/15			2015/16		
	Gross Value	Net Book Value	Rental Income	Gross Value	Net Book Value	Rental Income
	£000	£000	£000	£000	£000	£000
HRA Shops	1,209	1,209	(108)	1,189	1,189	(108)
General Fund Shops	3,745	3,745	(33)	3,775	3,775	(436)
Other GF Land & Buildings	865	865	(68)	5,796	5,796	(106)
Industrial Units	1,317	1,317	(93)	1,337	1,337	(87)
Total	7,136	7,136	(302)	12,097	12,097	(737)

The increase in General Fund land & buildings gross value and net book value is due to the inclusion of some of our corporate buildings, which have some areas leased to third parties.

The Council also received £13,168k from the rental of 1,146 Garages Rents and 3,060 Council Houses (£12,953k 2014/15). For more information see the Housing Revenue Account notes.

Notes to the Accounts

13 Officers' Emoluments

This table includes all statutory and non-statutory posts whose overall remuneration exceeds £50k excluding pension contributions and non taxable allowances.

Remuneration Band	2014/15		2015/16	
	Number of Employees	Left During Year	Number of Employees	Left During Year
£50,000 - £54,999	1	0	0	0
£55,000 - £59,999	1	0	0	0
£60,000 - £64,999	2	0	2	0
£65,000 - £69,999	1	0	1	0
£70,000 - £74,999	0	0	2	0
£75,000 - £79,999	0	0	0	0
£80,000 - £84,999	0	0	1	1
£95,000 - £99,999	1	0	0	0
£115,000 - £119,999	1	1	0	0
£135,000 - £139,999	1	1	1	1

The above table includes one employee who received a termination payment in 2015-16. The remuneration includes payments received for loss of office and pension strain. This employee is also included in the termination benefits note.

All of the employees in the above table are included in the Senior Officers table.

In completing the 2015/16 Accounts we have complied with the statutory instrument regarding officer emoluments. The statutory instrument requires the individual naming of any officers with an annual salary of £150,000 or more and the post title of any officers earning £50,000 or more who occupy statutory roles or are responsible for managing the strategic direction of services.

The Council had no officers earning at or in excess of £150,000 in 2015/16

Notes to the Accounts

13 Officers' Emoluments

Senior Officers Earning in Excess of £50,000

Post Title	Financial Year	Salary (Including Allowances)	Compensation for Loss of Employment	Expenses	Benefits in Kind	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including pension contributions
Chief Executive. Note 1	2015/16	82,183				82,183	15,214	97,397
	2014/15	97,637				97,637	18,356	115,993
Chief Executive. Note 2	2015-16	11,333				11,333	2,131	13,463
Head of Business Information Services. Note 3	2015/16	56,742	79,630			136,372	10,668	147,040
	2014/15	54,175				54,175	10,185	64,360
Head of Planning and Regeneration. Note 4	2015/16	60,261				60,261	11,312	71,573
	2014/15	62,819	73,471			136,291	11,810	148,101
Head of Financial Services	2015/16	63,850				63,850	12,004	75,854
	2014/15	62,819				62,819	11,810	74,630
Head of HR & Development	2015/16	66,481				66,481	12,498	78,979
	2014/15	62,819				62,819	11,810	74,630
Head of Communities and Governance	2015/16	71,878				71,878		71,878
	2014/15	58,034				58,034		58,034
Head of Environmental Services. Note 5	2015/16							
	2014/15	46,857	71,890			118,747	8,809	127,556
Head of Housing & Property Services	2015/16	71,228				71,228	12,635	83,863
	2014/15	66,453				66,453	12,423	78,876

Note - the amounts included in the two above tables are shown gross of any related tax which would be levied.

The pension contribution figures have been restated to 18.8% which is the common contribution rate applicable from 1st April 14 to 31st March 17.

Note 1. The former Chief Executive left this Authority on the 8-1-16. The Returning Officer fee for the District Election is included in the salary figure.

Note 2. The new Chief Executive started on the 15-2-16.

Note 3. The Head of Business Information Services left this Authority on the 31-3-16. Reimbursement of £33,244.54 was received from NDDC under a shared arrangement. The remuneration above reflects the full amounts paid by the Authority. Loss of office and the pension strain have been included.

Note 4. The former Head of Planning left this Authority on the 31-3-15.

Note 5. The Head of Environmental Services left this Authority on the 31-12-14.

Notes to the Accounts

14 Termination Benefits

2015/16				
Exit Package Cost Band	Number of Compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £000
£0 - £19,999	6	7	13	62
£20,000 - £39,999	11	1	12	349
£40,000 - £59,999	1	0	1	44
£60,000 - £79,999	1	0	1	80
				535

A number of redundancies associated with service restructures were agreed during 2015/16 in order to reduce future employee costs to match ongoing expenditure against the well documented cuts in central government funding.

2014/15				
Exit Package Cost Band	Number of Compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £000
£0 - £19,999	1	6	7	38
£20,000 - £39,999	1		1	29
£40,000 - £59,999				0
£60,000 - £79,999	2		2	145
				212

15 External Audit Costs

Fees paid to Mid Devon's appointed external auditor, Grant Thornton, were as follows.

2014/15		2015/16	
£'000		£'000	
64	Fees payable with regard to the annual audit fee	48	
9	Fees payable for the certification of claims and returns	10	
4	Fees payable for the local elector challenges	0	
77	Total	58	

Notes to the Accounts

16 Related Party Transactions

The Council is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers of the accounts to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. housing benefits). Details of transactions with government departments are set out in a note to the Cash Flow Statement and note 57 relating to all grant income.

Members of the Council have direct control over the Council's financial and operating policies. The Council's constitution requires members to declare their interests in related parties in a register of interests. In addition, members are asked to declare separately any transactions with the Authority. The Head of Finance has reviewed these existing declarations and has decided none warrant disclosure in this years Accounts.

Officers of the Council are bound by the Council's Code of Conduct. Senior Officers (which encompasses all members of Management Team) are required to declare any related party transactions with the Council. No transactions have required disclosure.

17 Members Allowances

2014/15 £000		2015/16 £000
267	Allowances	272
24	Expenses	26
291	Total	298

18 Acquired and/or Discontinued Activities

The Council did not acquire any new activities or discontinue any existing ones during 2015/16.

Notes to the Accounts

19 Depreciation and Impairment of Non Current Assets

2014/15 £000		2015/16 £000
3,518	Depreciation	3,831
118	Amortisation of intangible assets	25
(2,931)	Net reversal of impairment of non current assets	(2,387)
£705	Total	£1,469

20 Capital Financing

The Council is required by statute to set aside a minimum revenue provision for the repayment of our capital financing requirement.

2014/15 £000		2015/16 £000
	Housing Revenue Account - Capital Financing Requirement	
916	HRA self financing settlement	916
	Housing developments after 1/4/13	61
31	Finance leases	16
947		993
	General Fund - Capital Financing Requirement	
78	Assets acquired prior to 1/4/13	75
100	Assets acquired after 1/4/13	200
84	Finance leases	95
262		370
£1,209	Total	£1,363

21 Insurance

All major risks have been identified and are insured with applicable excesses. There were no major claims outstanding as at the 31/3/16. However there is a £34k accrual that has been made in respect of our liability going back some years with Municipal Mutual Limited (MMI).

Notes to the Accounts

22 Pensions

All of the pension figures included in the 2015/16 Accounts are prepared in accordance with International Accounting Standard 19 (IAS 19). This complies with all generic Technical Actuarial Standards (TASs) and the Pensions TAS. The data provided by the Pension Fund's Actuary (Barnett Waddingham) also fully complies with their understanding of Financial Reporting Standard 17 and International Financial Reporting Standards.

Participation in the Pension Scheme

As part of the terms and conditions of employment of its officers the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme (LGPS) administered by Devon County Council - this is a (defined benefit final salary scheme) and is fully funded, meaning that the Council and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with the investment assets. Governance of the scheme is the responsibility of the pensions committee of Devon County Council. Policy is determined in accordance with the Pension Fund Regulations.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General fund and Housing revenue Account the amounts required by statute as described in the accounting policies note.

Arrangements for the award of discretionary post-retirement benefits upon early retirement .

This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no investment assets built up to meet these pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions relating to Retirement Benefits

The Council recognises 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 the Council is required to make against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the note titled Adjustments between Accounting Basis and Funding Basis under Regulations (AABFBR). The following transactions have been made in the Income and Expenditure Account and the AABFBR:

Notes to the Accounts

22 Pensions continued

Pension Assets and Liabilities Recognised in the Balance Sheet

	Local Government Pension Scheme		Discretionary Benefit	
	2014/15	2015/16	2014/15	2015/16
	£000	£000	£000	£000
Present value of the defined benefit obligation	101,722	97,897	1,285	1,168
Fair value of plan assets	52,379	52,033	-	-
Sub-total	49,343	45,864	1,285	1,168
Other movements in the liability (asset)				
Net liability from defined benefit obligation	49,343	45,864	1,285	1,168

Comprehensive Income and Expenditure Statement

	Local Government Pension Scheme		Discretionary Benefit	
	2014/15	2015/16	2014/15	2015/16
	£000	£000	£000	£000
<i>Cost of Services</i>				
<i>Service cost comprising:</i>				
Current service cost	2,053	2,742	0	0
Past service costs	0	97	0	0
(Gain) / loss from settlements			0	0
<i>Expenditure</i>				
Net interest expense	1,727	1,634	0	0
Administrative expenses	27	21	0	0
<i>to the Surplus or Deficit on the Provision</i>	3,807	4,494	0	0
<i>to the Comprehensive Income and</i>				
Remeasurement of the net defined benefit liability comprising:				
Return on plan assets (excluding the amount included in the net interest expense)	(2,992)	1,307	0	0
Actuarial gains and losses arising on changes in demographic assumptions	0	0	0	0
Actuarial gains and losses arising on changes in financial assumptions.	11,664	(7,102)	0	0
<i>to the Comprehensive Income and</i>	8,672	(5,795)	0	0
<i>Movement in Reserves Statement</i>				
Reversal of net charges made to the surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code.	(10,323)	2,199	0	0
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>	0	0	0	0
Employers' contributions payable to the scheme	2,156	2,295	0	0
Retirement benefits payable to pensioners	0	0	(3,388)	(3,598)

Notes to the Accounts

22 Pensions continued

Reconciliation of the Movements in the Fair Value of Scheme Assets

	Local Government Pension		Discretionary Benefit Arrangements	
	2014/15	2015/16	2014/15	2015/16
	£000	£000	£000	£000
Opening fair value of scheme assets	47,998	52,379	0	0
Interest income	2,097	1,716	0	0
Remeasurement gain / (loss):	0		0	0
- The return on plan assets, excluding	2,992	(1,307)	0	0
- Other	(27)	(21)	0	0
Contributions from employer	2,156	2,295	0	0
Contributions from employees into the scheme	551	569	0	0
Benefits paid	(3,388)	(3,598)	0	0
Other	0		0	0
Closing fair value of scheme assets	52,379	52,033	0	0

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Discretionary Benefits	
	2014/15	2015/16	2014/15	2015/16
	£000	£000	£000	£000
Opening balance at 1 April	88,395	103,190	(92)	(183)
Current service cost	2,053	2,742	0	0
Interest cost	3,824	3,350	0	0
Contributions from scheme participants	551	569	0	0
Remeasurement (gains) and losses:				
- Actuarial gains and losses arising on changes in demographic assumptions	0	0	0	0
- Actuarial gains and losses arising on changes in financial assumptions.	11,639	(7,075)	0	0
- Other		0		
Past service cost	0	97	0	0
Losses / (gains) on curtailment	0	0	0	0
Experience loss / (gain) on defined benefit obligation	25	(27)	0	0
Benefits paid	(3,297)	(3,508)	(91)	(90)
Closing balance at 31 March	103,190	99,338	(183)	(273)

Notes to the Accounts

22 Pensions continued

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using their projected unit credit method, an estimate of the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension scheme and discretionary benefits liabilities have been estimated by Barnett Waddingham, an independent firm of actuaries, estimates for the Local Government Pension Scheme being based upon the latest full valuation of the scheme as at 31 March 2013 and has then been updated for estimated fund returns, asset statement, market returns, income and expenditure or as at the 31 March 2016.

The significant assumptions used by the actuary have been:

	Local Government Pension Scheme		Discretionary Benefit	
	2014/15	2015/16	2014/15	2015/16
Mortality assumptions:				
Longevity at 65 for current pensioners				
- Men	22.8	22.9		
- Woman	26.1	26.2		
Longevity at 65 for future pensioners				
- Men	25.1	25.2		
- Woman	28.4	28.6		
Rate of inflation	2.4%	2.3%		
Rate of increase in salaries	4.2%	4.1%		
Rate of increase in pensions	2.4%	2.3%		
Rate for discounting scheme liabilities	3.3%	3.6%		

Local Government Pension Scheme assets comprised:

	Fair value of scheme assets	
	2014/15 £000	2015/16 £000
Cash and cash equivalents	903	965
Equities:		
UK	12,912	12,511
Overseas	18,068	16,896
Sub-total equities	30,980	29,407
Bonds:		
- Gilts	3,332	1,711
- Other Bonds	1,821	1,495
Sub-total bonds	5,153	3,206
Other investments:		
- Infrastructure	1,452	2,167
- Property	5,236	5,753
- Target Return Portfolio	7,724	7,538
- Alternative Assets	931	2,997
Sub-total other investment funds	15,343	18,455
Total assets	52,379	52,033

Notes to the Accounts

22 Pensions continued

Estimation of Assets and Liabilities

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table on page 25. The sensitivity analyses shown below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on the actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £000	Decrease in Assumption £000
Longevity (increase or decrease in 1 year)	102,163	96,064
Rate of inflation (increase or decrease by 0.1 %)	n/a	n/a
Rate of increase in salaries (increase or decrease by 0.1%)	99,266	98,865
Rate of increase in pensions (increase or decrease by 0.1%)	100,647	97,511
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	97,335	100,827

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis and the next triennial valuation is due to be completed on 31 March 2016. The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to be pay pensions and other benefits to certain public servants.

The authority anticipates paying £2,120k expected contributions to the scheme in 2016/17

The weighted average duration of the defined benefit obligation for scheme members is 18 years. (2014/15 18 years)

Notes to the Accounts

23 Property, Plant and Equipment

Movements in Balances

2015/16	Assets Under Construction	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equip	Community Assets	Infra-structure Assets	Surplus Assets	Total Property, plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2015	1,376	123,746	41,335	5,425	516	292	0	172,690
Additions	923	2,957	106	547	0	0		4,533
Revaluation increases/(decreases) recognised in the Revaluation reserve	0	(2,127)	420	0	0	0		(1,707)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	(2,153)	(234)	0	0	0		(2,387)
Derecognition - Disposals	(3)	(809)	0	(467)	0	0		(1,279)
Derecognition - Other				(200)				(200)
Reclassification	(1,790)	1,874	(109)	0	0	0		(25)
At 31 March 2016	506	123,488	41,518	5,305	516	292	0	171,625

Accumulated Depreciation and Impairment

At 1 April 2015	0	0	(5)	(2,297)	(67)	0	0	(2,369)
Depreciation charge		(1,959)	(1,095)	(757)	(10)	(11)		(3,832)
Depreciation written out to the Revaluation Reserve		1,959	1,070	0	0	0		3,029
Depreciation written out to the Surplus/Deficit on the Provision of Services								0
Impairment losses/(reversals) recognised in the Revaluation Reserve		0						0
Impairment losses/(reversals) recognised in the Provision of Services		0						0
Derecognition - Disposals		0	0	667	0	0		667
Derecognition - Other		0		0	0	0		0
At 31 March 2016	0	0	(30)	(2,387)	(77)	(11)	0	(2,505)
Net Book Value								
At 31 March 2016	506	123,488	41,488	2,918	439	281	0	169,120
At 31 March 2015	1,376	123,746	41,330	3,128	449	292	0	170,321

Notes to the Accounts

23 Property, Plant and Equipment

Nature of asset holding	Assets Under Construction	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equip	Community Assets	Infra-structure Assets	Surplus Assets	Total Property, plant and
	£000	£000	£000	£000	£000	£000	£000	£000
Owned	£506	£123,488	£41,488	£2,348	£439	£281	£0	£168,550
Subject to Finance Leases	£-	£-	£-	£570	£-	£-	£-	£570

(See note 59 for finance lease information.)

At 31 March 2016 the Council had £505k of assets under construction - £61k in respect of Council House building at Birchen Lane, 12k in respect of Council House building at Burlescombe, £240k for Council house building at Palmerston Park, Tiverton, £57k relating to the town hall redevelopment project, £61k on digital transformation projects and £74 k in respect of a number of smaller projects.

Revaluations

The Council carries out a full valuation of all land and buildings each year. Valuations of land and buildings were carried out by the District Valuer and Valuation Office. Valuations were carried out in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

	Assets Under Construction	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equip	Community Assets	Infra-structure Assets	Surplus Assets	Total Property, plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Valued at Historical Cost	506			2,918	£439		0	3,863
Valued at fair value in year								
2015/16		139,422	41,489			238		181,149
2014/15		123,747	41,063			292		165,102
2013/14		119,320	36,749			291		156,360
2012/13		112,475	6,924			26		119,425
2011/12			5,237			84		5,321

Notes to the Accounts

23 Property, Plant and Equipment

Movements in Balances

2014/15	Assets Under Construction	Council Dwellings	Other Land & Buildings	Vehicles Plant & Equip	Community Assets	Infra-structure Assets	Surplus Assets	Total Property, plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2014	624	119,320	36,752	4,413	516	291		161,916
	1,785	4,206	4,286	1,264				11,541
Revaluation increases/(decreases) recognised in the Revaluation reserve		(1,960)	(1,039)			(4)		(3,003)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services		1,944	1,110					3,054
Derecognition - Disposals	(14)	(386)				(71)		(471)
Derecognition - Other				(252)				(252)
Reclassification	(1,019)	622	226			76		(95)
At 31 March 2015	1,376	123,746	41,335	5,425	516	292	0	172,690

Accumulated Depreciation and Impairment

At 1 April 2014			(3)	(1,924)	(58)			(1,985)
Depreciation charge		(1,959)	(1,020)	(513)	(9)	(11)		(3,512)
Depreciation written out to the Revaluation Reserve		1,959	1,018			11		2,988
Derecognition - Disposals				140				140
At 31 March 2015	0	0	(5)	(2,297)	(67)	0	0	(2,369)

(See note 59 for finance lease information.)

Nature of asset holding

Owned	£1,376	£123,746	£41,330	£2,447	£449	£292	£0	£169,640
Subject to Finance Leases	£-	£-	£-	£681	£-	£-	£-	£681

Notes to the Accounts

At 31 March 2015 the Council had £1,376k of assets under construction - £1,272k in respect of Council House building in St Andrew's Street, £41k for Council house building at Palmerston Park, Tiverton, £25k relating to the Web transformation project and £38k in respect of a number of smaller projects.

24 Revenue Expenditure Funded From Capital Under Statute (REFCUS)

This is expenditure that does not result in, or remain matched with assets controlled by the Council. Examples of this would include financial assistance towards capital investment incurred by other parties, works on properties not owned by the basis of the benefit that the service received as a result of the expenditure net of any capital grants received.

	Balance at 1/4/14	Expend	Transfer in Year	Amount Financed or Written Off	Balance at 31/03/15	Expend	Transfer in Year	Amount Financed or Written Off	Balance at 31/3/16
Description	£000	£000	£000	£000	£000	£000	£000	£000	£000
Affordable housing	0	27		(27)	0	25		(25)	0
Private Sector Housing Grants & DFG's	0	476		(476)	0	281		(281)	0
Other REFCUS	0	33		(33)	0			0	0
Total	0	536	0	(536)	0	306	0	(306)	0

Capital grants received to finance these projects amounted to £306k (2014/15 £287k).

25 Summary of Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital is to be financed in future years by charges to revenue as assets used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2014/15 £000		2015/16 £000
50,020	Opening Capital Financing Requirement	53,320
	Capital investment	
11,541	Property, Plant and Equipment	4,533
23	Intangible assets	0
536	Revenue Expenditure Funded from Capital under Statute	306
	Sources of Finance	
(535)	- Capital receipts applied	(568)
(2,496)	Use of Major Repairs Allowance to finance HRA new capital expenditure	(2,390)
(2,123)	- Government grants and contributions	(453)
	Sums set aside from revenue:	
(2,437)	Direct revenue contributions	(1,425)
(1,209)	Statutory provision for the financing of capital investment	(1,363)
53,320	Closing Capital Financing Requirement	51,960
	Explanation of movements in year	
(3,300)	Increase in underlying need to borrowing (unsupported by government financial assistance)	(1,360)
(3,300)	(Decrease)/Increase in Capital Financing Requirement	(1,360)

Notes to the Accounts

26 Heritage Assets

The Authority's accounting policies for recognition and measurement of heritage assets are set out in the Authority's summary of accounting policies (See note 4.15 page xlv).

Art Collection Movements

2014/15		2015/16
£000		£000
	Cost or Valuation	
475	At 1 April 2015	491
	Additions	
10	Additions (Donated assets)	0
	Disposals	0
6	Revaluation increases/(decreases) recognised in the Revaluation reserve	0
0	Revaluation increases/(decreases) recognised in the Surplus/Deficit on the	0
491	At 31 March 2016	491

Heritage Assets: Summary of Transactions

	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000
Value of Heritage Assets Acquired by Donation					
Art Collection	925	925	475	491	491
Carrying Value of assets at 31 March	925	925	475	491	491

Art Collection

The Authorities art collection includes paintings (oil on canvas, oil on board), statues and busts and some furniture, most of which are contained within the Town Hall at Tiverton. The assets which were donated in years past have been valued for insurance purposes by Chilcotts professional Fine Art Valuers and Auctioneers at 31 March 2012.

The collection is relatively static and acquisitions and donations are rare. Purchases would be initially recognised at cost and donations recognised at valuations provided by the external valuers, with reference to the most relevant and recent information from sales at auctions and other commercial markets.

Notes to the Accounts

26 Heritage Assets

Civic Regalia

The civic regalia was valued by G W Pack Jewellers for the sum of £23.2k on 23 May 2013.

Heritage Assets of Particular Importance

The most significant items identified in the collection are as follows:

An oil painting on canvas of George III by Sir Joshua Reynolds, (British, 1723 - 1792)

A full length portrait in ornate giltwood and plaster frame.

	2014/15 £000	2015/16 £000
	250	250

Preservation and Management

The Council's Property Management Team are responsible for the ongoing maintenance and security of these assets.

27 Intangible Assets

The Authority accounts for its software to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

The carrying amount of intangible assets is amortised in full in the first year. The amortisation of £25k charged to revenue in 2015/16 was charged to the following service headings:

	2014/15 £000	2015/16 £000
IT Software Support & Maintenance	118	25
Total	118	25

Movements in Balances

The movement on Intangible Asset balances during the year is as follows:

	2014/15 Other Assets £000	2015/16 Other Assets £000
Balance at start of year:		
- Gross carrying amounts	271	389
- Accumulated amortisation	(271)	(389)
Net carrying amount at start of year	0	0
Additions		
- Internal development		
- Purchases	23	0
Reclassification	95	25
Derecognition - Disposals		
Amortisation charge for the period	(118)	(25)
Net carrying amount at the end of year	0	0

Notes to the Accounts

27 Intangible Assets

Comprising:	2014/15 £000	2015/16 £000
Gross carrying amounts	389	414
Accumulated amortisation	(389)	(414)
	0	0

Amortisation of intangible assets has been charged to the following services in the Comprehensive income and expenditure account:

	2014/15 £000	2015/16 £000
Central Services - IT Software Support and Maintenance	(118)	(25)
Total	(118)	(25)

28 Commitments under Capital Contracts

	2014/15 £000	2015/16 £000
Various MRA works	1,240	1,200
St Andrews Street Council House building project	1,324	0
Palmerston Park & Birchen Lane Council House Building Project	0	4,095
	2,564	5,295

Various MRA works

Costs to date	0	0
Retentions accrued	0	0
Commitment outstanding	1,240	1,200
	1240	1,200

St Andrews Street Council House Building Project

Costs to date	816	0
Retentions accrued	43	0
Commitment outstanding	465	0
	1324	0

Palmerston Park & Birchen Lane Council House Building Project

Costs to date	0	85
Retentions accrued	0	4
Commitment outstanding	0	4006
	0	4,095

Notes to the Accounts

29 Non Current Asset Valuation

The Council instructed the District Valuer to complete a full property valuation exercise for 1/5 of its freehold properties and a review of all other freehold properties. Where applicable property assets are therefore included in the 2015/16 accounts at their 31/3/16 valuation. The District Valuer has made his valuation in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

Andrew Doak, a Senior Surveyor, with the District Valuer's Office, and MRICS FAAV qualified, undertook a valuation exercise to reassess the value of the housing stock as at 31 March 2016. These revised values have been incorporated into the Council's balance sheet. This valuation was undertaken based on a beacon basis, where a standard valuation was applied across the Council's housing stock against similar groups of property. The adjustment factor of 31% to adjust the value of Council House values to EUV - SH has been used as the discount factor for 2015/16.

Properties regarded by the Council as operational were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost. Properties regarded by the Council as non-operational have been valued on the basis of open market value. The District Valuer has undertaken a comprehensive impairment review of the Council's assets as at the 31 March 2016.

30 Short-Term and Long-Term Borrowing

As at the 31/3/16 the Council had 5 long term loans outstanding from the Public Works Loan Board (PWLB) comprising:

- 1 - £41.22m to fund the Housing Revenue Account stock purchase - 25 year loan @ 2.94% maturing 28/3/37
- 2 - £175k to fund new gym equipment and 2 refuse vehicles - 5 year loan @ 1.32% maturing 28/3/18
- 3 - £74k to fund a new street sweeper - 7 year loan @ 2.18% maturing 11/3/21
- 4 - £134k to fund a recycling baler - 10 year loan @ 2.68% maturing 25/3/24
- 5 - £4,053k to fund the purchase of properties at Market Walk Tiverton and 32-34 Fore Street Tiverton - 25 year loan @ 2.61% maturing 27/3/40

The overall maturity profile for these loans is shown in the table below:-

Lender	Maturity Date	Balance at	Balance at
		31/03/2015 £000	31/03/2016 £000
Public Works Loan Board	< 1 year	1,637	1,683
	2 - 5 years	6,845	6,954
	Over 5 years	38,811	37,019
Total loan value outstanding		47,293	45,656

Notes to the Accounts

31 Trusts for which the Council is the Sole Trustee

Mid Devon is the sole trustee for the Peoples Park and Recreation Grounds charity. The purpose of the Trust is to provide recreational open space for the people of Tiverton. The net assets of the trust were £250k at 31 March 2016 and comprised land and buildings.

32 Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

2015/16	Financial Liabilities		Financial Assets			Total £000
	Liabilities measured at amortised cost	Finance lease assets	Loans and receivables	Financial assets carried at contract amounts	Available - for-sale assets	
	£000	£000	£000		£000	
Interest payable	1,304				0	1,304
Interest payable on finance leases		32				32
Interest payable and similar charges	1,304	32	0	0	0	1,336
Interest income	0		(148)		(66)	(214)
Interest and investment income	0	0	(148)	0	(66)	(214)
Impairment charge	0	0	0		110	110
Net (gain)/loss for the year	1,304	32	(148)	0	44	1,122

2014/15	Financial Liabilities		Financial Assets			Total £000
	Liabilities measured at amortised cost	Finance lease assets	Loans and receivables	Financial assets carried at contract amounts	Available - for-sale assets	
	£000	£000	£000		£000	
Interest payable	1,336					1,336
Interest payable on finance leases		38				38
Impairment losses						0
Interest payable and similar charges	1,336	38	0	0	0	1,374
Interest income						
Interest and investment income	0	0	(173)			(173)
Interest and investment income	0	0	(173)	0	0	(173)
Impairment charge	0	0	0		0	0
Net (gain)/loss for the year	1,336	38	(173)	0	0	1,201

Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments using the following assumptions:

- an estimated interest rate of 0.74% for loans receivable (this percentage is based on an average rate of interest on all fixed term deposits outstanding)
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate the fair value. The Authority only deals in these kind of instruments.
- the fair value of trade and other receivables is taken to be the invoiced or billed amount less any bad debt provision.

Notes to the Accounts

The fair values calculated are as follows:

	31/03/2015		31/03/2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets	£000	£000	£000	£000
Long term investments	500	500	0	0
Short term investment	9,500	9,500	13,500	13,500
Cash and cash equivalents	5,349	5,349	8,777	8,777
Loans and trade receivables	470	470	322	322
Total	15,819	15,819	22,599	22,599
Financial Liabilities				
Long term borrowing	(47,293)	(53,756)	(45,656)	(52,558)
Finance leases	(681)	(681)	(570)	(570)
Trade payables	(637)	(637)	(694)	(694)
Total	(48,611)	(55,074)	(46,920)	(53,822)

Disclosure of Nature and Extent of Risks Arising from Financial Instruments

- liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments
- market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. A treasury management strategy is formally approved annually by the Executive. This identifies all treasury risks and forms the basis of the day to day operating guidance applied by the Treasury Accountant when making decisions on placing any surplus funds (i.e. to whom, for how long, for how much, etc.). This treasury strategy can be found on the Council's website.

Credit Risk

Credit risk arises from deposits with banks and building societies as well as credit exposure to the Council's customers. The treasury policy has evolved to the present where the use of the main UK Banks and Building Societies (with a FITCH rating of F1 or higher) up to a maximum deposit value of £5m with any one institution. Once again this evidences our prudent approach to lending of surplus funds. The Council has continued to apply this lending strategy during the whole of 2015/16.

Fair Value Disclosure of PWLB Loans

The fair value of Public Works Loan Board (PWLB) loans of £52,558k measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date (Level 2 fair value hierarchy input). The difference between the carrying amount and the fair value measures the reduced interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

Notes to the Accounts

However, the authority has a continuing ability to borrow at concessionary rates for the PWLB rather than from the markets. A supplementary measure of the reduced interest that the authority will pay as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £45,656k would be valued at £52,558k. If the authority were to seek to avoid the projected loss/realise the projected gain by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £53,362k.

Income, Expense, Gains and Losses

Financial Assets: Available for Sale (CCLA LAMIT Property Fund)

	31/03/2015 £000		31/03/2016 £000
Interest income	0		(66)
Total income in Surplus or Deficit on the Provision of Services	0		(66)
Losses on revaluation	0		110
Surplus/Deficit arising on revaluation of financial assets in other Comprehensive Income and Expenditure	0		110
Net Gain/Loss for the year	0		44

33 Long Term Investments

	31/03/2015 £000	31/03/2016 £000
500 Lloyds Bank	500	0

Notes to the Accounts

34 Long Term Debtors (amounts due in more than 12 months)

31/03/2015 £000		31/03/2016 £000
158	Other entities and individuals	158
158	Total	158

35 Short Term Investments

31/03/2015 £000	31/03/2016 £000
9,500	13,500

Bank/Building Society	Term		Fixed Interest Rate %	31/03/2015	31/03/2016
	From	To		£000	£000
Sumitomo	10/03/2016	10/06/2016	0.58%		1,000
Sumitomo	15/03/2016	15/06/2016	0.58%		1,500
Nationwide	04/01/2016	21/04/2016	0.53%		2,500
Sumitomo	22/01/2016	27/05/2016	0.62%		1,000
Barclays	19/01/2016	04/07/2016	0.66%		1,500
Lloyds	17/03/2016	19/09/2016	0.80%		500
Lloyds	17/09/2015	16/09/2016	1.05%		1,000
Lloyds	01/10/2015	30/09/2016	1.05%		500
Santander	01/10/2015	30/09/2016	1.00%		1,000
Lloyds	15/10/2015	14/10/2016	1.05%		1,000
Lloyds	03/11/2015	02/11/2016	1.05%		500
Lloyds	15/02/2016	14/02/2017	1.05%		500
Lloyds	01/03/2016	01/03/2017	1.05%		1,000
	Total			0	13,500

36 Inventories

	31/03/2015 £000	31/03/2016 £000
Raw materials	184	195

37 Short Term Debtors (amounts due in less than 12 months)

31/03/2015 £000		31/03/2016 £000
1,051	Central government bodies	460
148	Other local authorities	201
8	NHS bodies	0
0	Public corporations and trading funds	0
3,165	Other entities and individuals	2,800
(1,032)	Less: bad debt provisions	(865)
3,340	Total	2,596

Notes to the Accounts

38 Cash and Cash Equivalents

31/03/2015 £000		31/03/2016 £000
3	Cash held by the Authority	3
4,846	Bank current accounts	4,884
500	Short-term deposits with financial institutions	1,500
0	CCLA LAMIT Property Fund	2,390
5,349		8,777

In August 2015 the Council made a £2.5m investment into the CCLA Local Authorities' Mutual Investment Trust Commercial Property Fund and purchased 828,610 units in the fund. During 2015/16 the income received amounted to £66k, a 4.5% return for the 7 months. The carrying value of the investment in the Balance Sheet is based upon the fair value. The fair value at 31 March 2016 amounted to £2.390k (828,610 x £2.8836, the level one fair value hierarchy input quoted bid price at 31 March 2016). The Council has treated any investment holding with a duration of less than 3 months when placed as a cash equivalent.

Society	Term		Fixed Interest Rate %	31/03/2015	31/03/2016
	From	To		£000	£000
Barclays	02/03/2015	21/04/2015	0.38%	500	0
	Total			500	0

39 Short Term Creditors (amounts due in more than 12 months)

31/03/2015 £000		31/03/2016 £000
(694)	Central government bodies	(1,421)
(291)	Other local authorities	(992)
(8)	NHS bodies	0
0	Public corporations and trading funds	0
(2,782)	Other entities and individuals	(2,985)
(3,775)	Total	(5,397)

40 Long Term Creditors (amounts due in more than 12 months)

31/03/2015 £000		31/03/2016 £000
(45,774)	Central government bodies	(43,973)
	Other local authorities	
	NHS bodies	
	Public corporations and trading funds	
(607)	Other entities and individuals	(641)
(46,381)		(44,614)
(50,628)	Other Long Term Liabilities	(47,032)
	Capital Grants Receipts in Advance (Note 57)	(807)
(97,009)	Total	(92,453)

41 Provisions

31/03/2015 £000		31/03/2016 £000
(82)	Local land charges provision	(41)

Notes to the Accounts

The land charges case has now been resolved and payment of the principal of £59k has been made. A new provision of £41k has now been made for the outstanding costs associated with the case.

42 Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

43 Unusable Reserves

31/03/2015 £000		31/03/2016 £000
(10,418)	Revaluation reserve (note 44)	(11,466)
(107,071)	Capital Adjustment Account (note 45)	(106,185)
(40)	Deferred Capital Receipts Reserve (note 46)	(39)
50,628	Pensions Reserve (note 47)	47,032
(77)	Collection Fund Adjustment Account (note 48)	703
120	Accumulating Compensated Absences Adjustment Account (note 49)	168
(66,858)	Total Unusable Reserves	(69,787)

44 Revaluation Reserve

The revaluation reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the Capital Adjustment Account.

31/03/2015 £000		31/03/2016 £000
(10,692)	At 1 April 2015	(10,418)
(1,086)	Upward revaluation of assets	(2,041)
1,166	Downward revaluation of assets and impairment losses not posted to the Surplus on the Provision of Services	701
(10,612)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus on the Provision of Services	(11,758)
	Accumulated gains on assets sold	20
194	Difference between fair value depreciation and historical cost depreciation	272
(10,418)	At 31 March 2016	(11,466)

Notes to the Accounts

45 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of the acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction or enhancement.

The account contains revaluation gains and losses on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

This note provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

31/03/2015 £000		31/03/2016 £000
(99,695)	At 1 April 2015	(107,071)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
3,518	Charges for Depreciation and impairment of non current assets	3,832
(2,931)	Revaluation losses on Property, Plant and Equipment	2,385
118	Amortisation of intangible assets	25
536	Revenue expenditure funded from capital under statute	306
386	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	809
(98,068)		(99,714)
(194)	Adjusting amounts written out of the Revaluation Reserve	(272)
(98,262)	Net written out amount of the cost of non current assets consumed in the year	(99,986)
	Capital financing applied in the year:	
(535)	Use of the Capital Receipts Reserve to finance new capital expenditure	(568)
(2,496)	Use of the Major Repairs Reserve to finance new capital expenditure	(2,390)
	Capital grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	0
(9)	Donated assets funding	0
(2,123)	Application of grants to capital financing from the Capital Grants Unapplied Account	(453)
(1,209)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(1,363)
(2,437)	Capital expenditure charged against the General Fund and HRA balances	(1,425)
(107,071)	At 31 March 2016	(106,185)

Notes to the Accounts

46 Deferred Capital Receipts Reserve

31/03/2015		31/03/2016
£000		£000
(40)	At 1 April 2015	(40)
0	Transfer to the Capital Receipts Reserve upon receipt of cash	1
(40)	At 31 March 2016	(39)

This deferred capital receipts reserve relates to the rent to mortgage scheme that operated some time ago. Under the scheme home owners were helped with the provision of a mortgage which was secured on the property by way of a legal charge registered at the Land Registry. In the future when the property is sold Mid Devon will receive the balance outstanding, although part of the proceeds will be payable to the Department of Communities and Local Government under the Pooling legislation.

47 Pensions Reserve

The Pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by the employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31/03/2015		31/03/2016
£000		£000
40,305	At 1 April 2015	50,628
11,664	Remeasurement of net defined liability	(5,795)
815	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	4,494
(2,156)	Employer's pension contributions and direct payments to pensioners payable in the year	(2,295)
50,628	At 31 March 2016	47,032

Notes to the Accounts

48 Collection Fund Adjustment Account - Council Tax

The Collection Fund Adjustment Account manages the differences arising from the recognition of the council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection fund

31/03/2015 £000		31/03/2016 £000
(99)	At 1 April 2015	(33)
66	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	25
(33)	At 31 March 2016	(8)

The (£8k) represents MDDC's share (13.71%) of the overall Collection Fund Surplus of (£60k) at 31/03/16 (£33k 31/03/15) (see page 66).

The NNDR Adjustment Account manages the differences arising from the recognition of the NNDR income in the Comprehensive Income and expenditure Statement as it falls due from NNDR payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection fund

31/03/2015 £000		31/03/2016 £000
67	At 1 April 2015	(44)
(111)	Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	755
(44)	At 31 March 2016	711

This balance is made up of £741k ((£44k) at 31/03/15) which represents MDDC's share (40%) of the overall NNDR Deficit of £1,852k (see page 67) and (£30k) which represents additional income from renewable energy schemes making the total of £711k.

Notes to the Accounts

49 Accumulating Compensating Absences Adjustment Account

31/03/2015 £000		31/03/2016 £000
122	At 1 April 2015	120
(122)	Settlement or cancellation of accrual made at the end of the preceding year	(120)
(2)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable on the year in accordance with statutory requirements.	0
120	Amounts accrued at the end of the current year	168
120	At 31 March 2016	168

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Notes to the Accounts

50 Cash Movements

31/03/2015 £000		31/03/2016 £000
3,518	Depreciation	3,832
118	Amortisation	25
(3,054)	Impairment	2,387
87	Bad debts written off	54
611	(Decrease)/increase in creditors	2,456
(800)	Decrease /(increase) in debtors	744
15	(Increase)/decrease in inventories	(11)
386	Carrying amount of non-current assets sold	829
(1,341)	Pension liability reversal	2,199
-	Deficit on revaluation of available for sale financial assets	110
95	Other adjustments	(204)
(365)		12,421

51 Cash Flow - Adjustment for items in the net surplus or deficit on the provision of services that are investing or financing activities

31/03/2015 £000		31/03/2016 £000
(2,191)	Other receipts from financing activities	(741)
536	REFCUS adjustment	306
(669)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,285)
1,374	Interest paid	1,336
(173)	Interest received	(170)
	Difference between preceptors share and amount of NNDR paid to them	
(1,123)		(554)

Notes to the Accounts

52 Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

31/03/2015 £000		31/03/2016 £000
(173)	Interest received	(170)
1,374	Interest paid	1,336
1,201		1,166

53 Cash Flow Statement - Investing Activities

31/03/2015 £000		31/03/2016 £000
(11,554)	Purchase of property, plant and equipment, investment property and intangible assets	(4,533)
(536)	Other cash payments (REFCUS)	(306)
669	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,285
2,191	Capital grants received	741
0	Sale of long-term investments	500
(2,986)	Purchase of temporary investments	(4,000)
4,497	Other investing activities	-
173	Interest received	170
(1,374)	Interest paid	(1,336)
(8,920)	Net cash flows from investing activities	(7,479)

54 Cash Flow Statement - Financing Activities

31/03/2015 £000		31/03/2016 £000
(221)	Cash payments for the reduction of the outstanding liabilities relating to finance leases	(111)
(1,474)	PWLB debt repayment	(1,637)
(1,695)	Net cash flows from financing activities	(1,748)

Notes to the Accounts

55 Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Best Value Accounting Code of Practice. However decisions about resource allocation are taken by the Authority's Cabinet on the basis of budget reports analysed across services. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- the cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year

The income and expenditure of the Authority's principal services for the year is as follows:

Service Income and Expenditure

2014/15				2015/16		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
560	(168)	392	Community Development	569	(154)	415
1,183	-	1,183	Corporate Management	1,208	-	1,208
455	(677)	(222)	Car Parks	531	(717)	(186)
(2)	(2)	(4)	Customer Services	173	(1)	172
1,760	(412)	1,348	Environmental Services	1,852	(421)	1,431
-	-	-	Finance And Performance	40	(6)	34
67	(75)	(8)	Grounds Maintenance	91	(38)	53
406	(146)	260	General Fund Housing	326	(95)	231
83	(2)	81	Human Resources	46	(1)	45
6	(28)	(22)	I.T. Services	60	(45)	15
1,099	(220)	879	Legal & Democratic Services	1,299	(241)	1,058
2,582	(1,735)	847	Planning And Regeneration	2,445	(1,348)	1,097
595	(204)	391	Property Services	688	(774)	(86)
20,317	(19,795)	522	Revenues And Benefits	20,101	(19,543)	558
3,244	(2,354)	890	Recreation And Sport	3,509	(2,383)	1,126
3,993	(1,380)	2,613	Waste Services	4,307	(1,892)	2,415
14,936	(15,028)	(92)	HRA	11,540	(14,546)	(3,006)
51,284	(42,226)	9,058		48,785	(42,205)	6,580

This reconciliation shows how the figures in the analysis of service income and Expenditure relate to the amounts in the Comprehensive Income and expenditure Statement.

2014/15 £000		2015/16 £000
9,058	Net expenditure in the service Analysis	6,580
0	Net expenditure of services and support services not included in the Analysis	-
(7,945)	Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	829
0	Amounts included in the analysis not included in the Comprehensive Income and Expenditure Statement	-
1,113	Cost of services in Comprehensive Income and Expenditure account	7,408

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Notes to the Accounts

56 Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of services income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2015/16	Service Analysis	Support Services not in Analysis	Amounts not reported to management decision making	Amounts not included in the I and E	Allocation of recharges	Cost of services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Fees and charges	(21,991)		(111)			(22,102)		(22,102)
Interest and investment income							(170)	(170)
Income from Council Tax							(6,087)	(6,087)
Government grants and contributions	(20,214)		0			(20,214)	(5,912)	(26,126)
Total Income	(42,205)	0	(111)	0	0	(42,316)	(12,169)	(54,485)
Employees	14,503		545			15,048		15,048
Other expenses	33,114		94			33,208	1,655	34,863
Support Services			0			0		0
Depreciation, amortisation & impairment	1,168		301			1,469		1,469
Interest payments							1,336	1,336
Payments to Housing Pool							235	235
Parish Council Precepts							1,137	1,137
Loss on disposal of assets							(456)	(456)
Total Expenditure	48,785	0	940	0	0	49,725	3,907	53,632
Surplus deficit on the provision of services	6,580	0	829	0	0	7,409	(8,262)	(853)

Mid Devon District Council Financial Statements 2015-16

Notes to the Accounts

56 Reconciliation to Subjective Analysis continued

2014/15	Service Analysis	Support Services not in Analysis	Amounts not reported to management for decision making	Amounts not included in the I and E	Allocation of recharges	Cost of services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Fees and charges	(20,131)		(1,068)			(21,199)		(21,199)
Interest and investment income							(173)	(173)
Government grants and contributions	(22,095)		1,633			(20,462)	(7,876)	(28,338)
Total Income	(42,226)	-	565	0	0	(41,661)	(13,995)	(55,656)
Employees	13,503		(101)			13,402		13,402
Other expenses	37,781		(9,115)			28,666	(1,238)	27,428
Support Services			0			0		0
Depreciation, amortisation & impairment			706			706		706
Interest payments							1,374	1,374
Payments to Housing Pool							206	206
Parish Council Precepts							1,119	1,119
Loss on disposal of assets							(283)	(283)
Total Expenditure	51,284	-	(8,510)	0	0	42,774	1,178	43,952
Surplus deficit on the provision of services	9,058	-	(7,945)	0	0	1,113	(12,817)	(1,684)

Notes to the Accounts

57 Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2015/16

Credited to Taxation and Non Specific Grant Income

2014/15 £000		2015/16 £000
(5,946)	Council Tax	(6,087)
(2,289)	Non Domestic Rates	(2,009)
(2,271)	Revenue Support Grant	(1,705)
(54)	Council Tax Freeze Grant	(54)
(1,281)	New Homes Bonus	(1,619)
(1,530)	Homes and Communities Agency	(200)
(451)	Other	(325)
(13,822)	Total	(11,999)

Credited to Services

2014/15 £000		2015/16 £000
(18,890)	Housing Benefit Subsidy	(18,786)
(300)	Section 106s	(266)
(56)	Homelessness	0
(391)	Housing Benefit Admin Grant + Additional Grant	(346)
(106)	Business Rates - Cost of Collection Grant	(108)
(682)	Others	(804)
(20,425)	Total	(20,310)

The Authority has received a number of grants, contributions and donations that cannot be recognised as income as there are conditions attached to them that will require the monies or property to be returned to the donor. The balances at the year-end are as follows:

Capital Grants Receipts in Advance due in less than one year

2014/15 £000		2015/16 £000
0		0

Capital Grants Receipts in Advance due in more than one year

2014/15 £000		2015/16 £000
0	Homes and Communities Agency grant monies	(807)

Revenue Grants Receipts in Advance due in less than one year

2014/15 £000		2015/16 £000
0		0

Notes to the Accounts

Revenue Grants Receipts in Advance due in more than one year

2014/15 £000	2015/16 £000
0	0

58 Contingent Liabilities

There are no contingent liabilities at 31 March 2016.

59 Leases

Authority as Lessee

The Council has acquired a number of vehicles and items of equipment under finance leases. The assets acquired under these leases are carried as Property Plant and Equipment in the Balance sheet at the net amounts below.

2014/15 £000		2015/16 £000
681	Vehicles, Plant and Equipment	570

Notes to the Accounts

59 Leases continued

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

Finance lease liabilities (net present value of minimum lease payments):

2014/15 £000		2015/16 £000
(111)	- current	(89)
(570)	- non current	(481)
0	Finance costs payable in future years	0
(681)	Minimum lease payments	(570)

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments

2014/15 £000		2015/16 £000
111	Not later than one year	89
323	Later than one year and not later than five years	284
247	Later than five years	197
681		570

Finance Lease Liabilities

2014/15 £000		2015/16 £000
111	Not later than one year	89
323	Later than one year and not later than five years	284
247	Later than five years	197
681		570

Notes to the Accounts

59 Leases continued - Operating

The future minimum lease payments due under non-cancellable leases in future years are:

2014/15 £000		2015/16 £000
48	Not later than one year	119
47	Later than one year and not later than five years	441
1	Later than five years	551
96		1,111

Minimum Lease Payments incurred during the year

2014/15 £000		2015/16 £000
38	Operating Leases for vehicles, equipment, land and buildings	66
70	Hire payments for vehicles, plant and equipment	112
108		178

Authority as Lessor

Finance Leases

The Authority has no material finance leases as a lessor.

Operating Leases

The Authority leases out land and buildings under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses

2014/15 £000		2015/16 £000
590	Not later than one year	571
1,249	Later than one year and not later than five years	1,025
690	Later than five years	672
2,529		2,268

Notes to the Accounts

59 Leases continued

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. For HRA income from Council Dwellings and Garage rents please see page 55.

60 Impairment Losses and Reversals

Where property valuations fall, if there is no revaluation reserve, the fall in value is charged to the relevant service in the Comprehensive Income and Expenditure Statement. This is then reversed out in the Adjustments between Accounting Basis and Funding Basis under Regulations so that the Council taxpayer is not charged. Where property prices subsequently rise in later years then the Comprehensive Income and Expenditure Statement can only be credited to the sum of the maximum charged to the Comprehensive Income and Expenditure Statement in earlier years, with any excess then being credited to the revaluation reserve.

The following amounts have been charged or credited (negative figures represent impairments following a decrease in value) to the Comprehensive Income and Expenditure Statement following the revaluation of certain properties. See note 29 for further details of the non current asset valuation.

2014/15		2015/16
£000		£000
1,944	Council Dwellings	(2,153)
1,110	Other Land & Buildings	(234)
3,054		(2,387)

The net £2,387k impairment (decrease in value) across a number of Council property assets (shops, toilets etc.) has arisen as a result of a decrease in the prevailing market values in the area.

Housing Revenue Account (HRA) Income and Expenditure Statement

This section is a summary of our spending on our Council housing services and where we got the money from to do so.

2014/15			2015/16	
£'000		Note	£'000	£'000
	Expenditure			
2,679	Repairs and Maintenance		2,433	
3,008	Supervision and Management		2,985	
67	Depreciation and impairment of non-current assets	74	4,294	
(11)	Increase/(Decrease) in bad debt provision		(3)	
5,743	Total Expenditure			9,709
	Income			
(12,422)	Dwelling rents	73	(12,780)	
(531)	Non-dwelling rents		(550)	
(778)	Charges for services and facilities		(550)	
(13,731)	Total Income			(13,880)
(7,988)	Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement			(4,171)
184	HRA services share of Corporate and Democratic Core			146
196	HRA share of other amounts included in the whole Authority Net Cost of Services but not allocated to specific services			223
(7,608)	Net Cost / (Income) of HRA Services			(3,802)
(273)	(Gain) on sale of HRA fixed assets			(450)
	Other operating income			
1,330	Interest payable and similar charges	75		1,301
(48)	Interest and investment income			(42)
(1,634)	Capital grants and contributions receivable			(97)
(8,233)	(Surplus) for the year on HRA Services			(3,090)

Movement on the HRA Statement

This Account shows in more detail the income and expenditure on HRA services included in the whole authority Income and Expenditure Account (comprising as well as the amounts included in the whole authority Net Cost of Services for the HRA, the HRA's share of amounts included in the whole authority Net Service Cost but not allocated to individual services and the HRA's share of operating income and expenditure such as Pension Interest Costs and Expected Return on Pension Assets).

2014/15 £'000		Note	2015/16	
			£'000	£'000
(2,004)	Balance on the HRA at the end of the previous year			(2,000)
(8,233)	Deficit / (Surplus) for the year on the HRA Income and Expenditure Statement		(3,090)	
6,120	Adjustments between accounting basis and funding basis under statute	61	84	
(2,113)	Net (increase) or decrease before transfers to or from reserves		(3,006)	
2,117	Transfers (to) or from reserves		3,006	
4	(Increase) or decrease in year on the HRA			0
(2,000)	Balance on the HRA at the end of the current year			(2,000)

Notes to the Accounts

61 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the statutory adjustments we have to make to arrive at the final charge for Council Housing.

2015/16	Usable Reserves					Movement in Unusable Reserves
	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
<u>Adjustments involving the Capital Adjustment Account:</u>						
Charges for depreciation and impairment of non current assets	(2,153)					2,153
Revaluation losses on Property, Plant and Equipment	(2,157)					2,157
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(809)					809
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Statutory provision for the financing of capital investment	993					(993)
Capital expenditure charged against the General Fund and HRA balances	590					(590)
<u>Adjustments primarily involving the Capital Grants Unapplied Account</u>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	97			(97)		
Application of grants to capital financing transferred to the Capital Adjustment account						
<u>Adjustments involving the Capital Receipts Reserve:</u>						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,259	(1,259)				
Transfer of capital mortgage repayments to Capital Receipts Reserve						
Use of the Capital Receipts Reserve to finance new capital expenditure						
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	(25)	25				
Balance carried forward	(2,205)	(1,234)	0	(97)	0	3,536

Notes to the Accounts

61 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the statutory adjustments we have to make to arrive at the final charge for Council Housing.						
2015/16	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£000
Balance brought forward	(2,205)	(1,234)	0	(97)	0	3,536
<u>Adjustment involving the Major Repairs Reserve:</u>						
Reversal of Major Repairs Allowance credited to the HRA	2,390		(2,390)			
<u>Adjustments involving the Financial Instruments Adjustment Account:</u>						
<u>Adjustment involving the Pensions Reserve:</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(88)					88
<u>Adjustment involving the Accumulated Absences Account:</u>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(13)					13
Total Adjustments	84	(1,234)	(2,390)	(97)	0	3,637

Notes to the Accounts

61 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the statutory adjustments we have to make to arrive at the final charge for Council Housing.

2014/15	Usable Reserves					Movement in Unusable Reserves
	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
<u>Adjustments involving the Capital Adjustment Account:</u>						
Charges for depreciation and impairment of non current assets	(2,165)					2,165
Revaluation losses on Property, Plant and Equipment	1,944					(1,944)
Amortisation of intangible assets						
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(386)					386
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>						
Statutory provision for the financing of capital investment	947					(947)
Capital expenditure charged against the General Fund and HRA balances	984					(984)
<u>Adjustments primarily involving the Capital Grants Unapplied Account</u>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,634			(1,634)		
Application of grants to capital financing transferred to the Capital Adjustment account						
Balance carried forward	2,958	0	0	(1,634)	0	(1,324)

Notes to the Accounts

61 Adjustments between Accounting Basis and Funding Basis under Regulations

This section shows the statutory adjustments we have to make to arrive at the final charge for Council Housing.

2014/15	Usable Reserves					Movement in Unusable Reserves
	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000	£000
Balance brought forward	2,958	0	0	(1,634)	0	(1,324)
<u>Adjustments involving the Capital Receipts Reserve:</u>						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	659	(659)				
Contribution from the Capital Receipts Reserve towards administrative costs of non current asset disposals	(13)	13				
Transfer of deferred sale proceeds as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement						
<u>Adjustments involving the Deferred Capital Receipts Reserve:</u>						
Transfer of deferred sale proceeds as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement						
<u>Adjustment involving the Major Repairs Reserve:</u>						
Reversal of Major Repairs Allowance credited to the HRA	2,496		(2,496)			
Use of the Major Repairs Allowance to finance new capital expenditure			2,496			(2,496)
Interest credited to the Major Repairs Allowance						
<u>Adjustment involving the Pensions Reserve:</u>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	20					(20)
<u>Adjustment involving the Accumulated Absences Account:</u>						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements						
Total Adjustments	6,120	(646)	0	(1,634)	0	(3,840)

Notes to the Accounts

62 Housing Stock

The Housing Revenue Account owned the following property:

	Council Housing	Other Land & Buildings	Total
At 1 April 2015	3,065	1,198	4,263
Additions	16		16
Sales	(19)		(19)
Improvement changes	(2)		(2)
Disposals		(11)	(11)
Transfers			-
At 31 March 2016	3,060	1,187	4,247

The figures above include 14 newly built properties on St Andrews St, Tiverton, one property purchased, one whose use has changed from an office, 19 RTB sales and four small properties converted into two larger properties.

The Authority has previously sold 3 properties under the **Rent to Mortgage** Scheme whereby the tenants were able to purchase the property, the treatment of these is that the authority has an assigned debt when these properties are sold. Therefore a debtor exists in the Balance Sheet for **£158k** that represent MDDC's share due when these are sold. A Creditor has also been created for **£119k** to represent the Pooling Liability (at 75%) that will be due to be paid to central government when these properties are sold.

63 Number of dwellings by type

31 March 2015		31 March 2016
1,463	Houses	1,458
1,012	Bungalows	1,011
590	Flats	591
3,065	Total	3,060

64 HRA Dwelling Valuation

The vacant possession value of dwellings in the HRA is £398,348k as at the 1st April 2016, down from £399,180k in the previous year. This definition assumes that vacant possession would be provided on completion of the sale of all the dwellings. A second value of £123,488k represents the value of the property portfolio as social housing. The difference between these two figures reflects the economic costs to the sector of providing social housing at less than market rents.

Notes to the Accounts

31 March 2015 £000		31 March 2016 £000
399,180	Vacant Possession Value	398,348
123,746	Existing Use Value for Social Housing (EUV-SH)	123,488

The 31 March 2016 dwellings valuation has been calculated by the Valuation Office who have supplied the Council with beacon property values across the range of housing stock. After applying these indices the average dwelling value has remained static at £130k.

65 HRA Non-Current Asset Values

2014/15 £000	HRA Non-Current Asset Values	31 March 2016 £000
123,746	Dwellings	123,488
6,436	Other land and buildings	6,174
82	Vehicles, plant and equipment	33
215	Infrastructure assets	205
1,327	Assets under Construction	317
131,806		130,217

66 Capital Expenditure

2014/15 £000	Expenditure	Funding	2015/16 £000
2,846	Improvements to dwellings	Major repairs reserve	2,390
112	Construction of dwellings	Capital grants	200
748	Assets under construction	Revenue contribution	596
		Useable Capital Receipts	520
3,706			3,706

2014/15 £000	Expenditure	Funding	2014/15 £000
4,109	Improvements to dwellings	Major repairs reserve	2,496
711	Construction of dwellings	Capital grants	2,132
1,327	Assets under construction	Revenue contribution	984
		Useable Capital Receipts	535
6,147			6,147

67 Major Repairs Reserve

The authority is required to hold a Major Repairs Reserve, which ensures a sufficient element of the HRA's resources are being used on capital expenditure to maintain the standard of HRA dwellings. This account is credited with a value equal to depreciation for the year. The reserve is used to fund major upgrade works to council properties. The idea being that if an amount equal to depreciation for the year is spent on upgrading the properties, their value should be maintained at a consistent level. This reserve has been fully spent in recent years and so holds a balance of zero.

2014/15 £000		2015/16 £000
0	At 1 April 2015	0
2,496	Amount transferred from Housing Revenue Account	2,390
(2,496)	Capital expenditure incurred during the year	(2,390)
0	At 31 March 2016	0

Notes to the Accounts

68 Capital Receipts

2014/15 £000		2015/16 £000
659	Sale of council houses	1,259
0	Sale of land	0
0	Sale of council houses - discount repaid	0
0	Council house loan repayments	0
659	Total	1,259

69 Pension Liability: Current Year Costs

Each year the HRA Income and Expenditure Account is charged with an amount to reflect the true cost of pension contributions in relation to that year. Since this is not an actual cost in year, it is reversed out again in the table on page 58.

2014/15 £000		2015/16 £000
20	Net interest on the defined benefit liability	(88)

70 Arrears

At 31st March 2016 the rent arrears as a proportion of gross rent income totalled 1.2% (1.2% at 31st March 2015). Rent written off during 2015/16 amounted to £36k (£43k in 2014/15). The breakdown of the total arrears is shown below.

31 March 2015 £000		31 March 2016 £000
150	Rent (dwellings & garages)	149
10	Housing benefit overpayments	14
19	Court costs	15
43	Rechargeable Repairs	47
20	Other	17
242	Total	242

71 Bad Debt Provision

The provision for bad debt for the housing service stands at £116k as at 31 March 2016 (£119k 31 March 2015).

Notes to the Accounts

72 Rents Received in Advance

2014/15 £000		2015/16 £000
(108)	Dwellings rental income received in advance	(116)

73 Gross Rents

This represents the total rent income due for the year after allowing for voids and other adjustments. The rents set averaged at £80.65 per week based on a 52 week year (2014/15 £78.51).

74 Depreciation & Impairment of Fixed Assets

Depreciation and Amortisation

2014/15 £000	Operational Assets	2015/16 £000
1,959	Dwellings	1,959
133	Other Land and Buildings	135
9	Infrastructure	10
0	Intangible assets	0
33	Vehicles, Plant and Equipment	33
2,134	Total	2,137

Impairment

2014/15 £000	Operational Assets	2015/16 £000
(1,944)	Dwellings	2,147
(123)	Other Land and Buildings	6
(2,067)	Total	2,153

75 Interest payable and similar charges

2014/15 £000		2015/16 £000
1,269	PWLB loan interest - HRA self financing	1,243
58	Internal self financing - General Fund	56
3	Finance lease interest	1
1,330		1,301

Notes to the Accounts

76 Finance Lease Costs

Finance lease costs now appear in several places on the accounting statements. The following provides an explanation of where they appear and their corresponding values.

2014/15 £000		2015/16 £000
Housing Revenue Account Income and Expenditure Account		
3	Finance lease interest	1

31	Depreciation on finance lease assets	16
----	--------------------------------------	----

2014/15 £000	Adjustments between Accounting Basis and Funding Basis under Regulations	2015/16 £000
(31)	Depreciation reversed	(16)

31	Capital financing of finance lease assets	16
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2014/15	Balance Sheet	2015/16
16	Asset - Plant and Equipment	16

(16)	Liability < 1 year	(16)
------	--------------------	------

0	Liability > 1 year	0
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77 Self Financing Settlement Payment

As part of the replacement of the HRA subsidy system in 2012, MDDC made a one-off settlement payment of £46.59m. The size of this is based on a valuation of Mid Devon's housing service over the 30 years from 2012-2042. In order to fund it, MDDC have taken on a debt from the Public Works Loan Board (PWLB) and will be required to make payments of £2.6m per annum (made up of £1.2m interest and £1.4m principal).

2014/15 £000		2015/16 £000
(43,983)	Opening Balance	(42,622)
1,361	Repaid in Year	1,402
(42,622)	Closing Balance	(41,220)

The Collection Fund Income and Expenditure Account - Council Tax

This section summarises how the money we collected through Council tax is distributed between precepting authorities.

2014/15 £000	INCOME	Notes	2015/16 £000
(43,387)	Council Tax receivable		(44,810)
(43,387)	Total Income		(44,810)
	EXPENDITURE		
	Precepts, Demands and Shares	81	
30,737	- Devon County Council		31,691
4,917	- Mid Devon District Council		4,971
4,486	- Devon and Cornwall Police		4,625
2,076	- Devon Fire and Rescue		2,140
1,021	- Parish Precepts		1,137
43,237			44,564
	Charges to Collection Fund		
71	- Write offs of uncollectable amounts		107
26	- Increase in provision for bad debts		5
97			112
	Apportionment of previous year's Surplus / (Deficit)		
377	- Devon County Council		224
74	- Mid Devon District Council		43
55	- Devon and Cornwall Police		33
25	- Devon Fire and Rescue		15
531			315
43,865	Total Expenditure		44,991
478	(Surplus) / Deficit for the year		181
(719)	Opening Balance at 1st April		(241)
(241)	Closing Balance at 31 March	48	(60)

The £60k represents the overall surplus on the Council Tax element of the Collection Fund at 31/03/16 (2014/15 £241k). Of this 13.71% is due to MDDC, which equates to £8k (2014/15 £33k see note 48 on page 43).

The Collection Fund Income and Expenditure Account - Non Domestic Rates

This section summarises how the money we collected through our share of Non Domestic Rates is distributed between precepting authorities.

2014/15		Notes	2015/16
£000	INCOME		£000
(15,128)	Business Rates receivable	79	(14,984)
(6)	Transitional Protection Payments		(120)
(15,134)	Total Income		(15,104)
	EXPENDITURE		
	Precepts, Demands and Shares		
7,242	- Central Government		7,381
1,304	- Devon County Council		1,329
5,794	- Mid Devon District Council		5,906
145	- Devon Fire and Rescue		148
14,485			14,764
	Charges to Collection Fund		
142	- Write offs of uncollectable amounts		23
13	- Increase in provision for bad debts		18
351	- Increase in provision for appeals		1,581
106	- Cost of Collection		108
68	- Disregarded Amounts - Renewable Energy Schemes		92
0	- Interest on refunds		2
680			1,824
	Apportionment of previous year's Surplus / (Deficit)		
(144)	- Central Government		206
(26)	- Devon County Council		37
(115)	- Mid Devon District Council		165
(3)	- Devon Fire and Rescue		4
(288)			412
14,877	Total Expenditure		17,000
(257)	(Surplus) / Deficit for the year		1,896
213	Opening Balance at 1st April		(44)
(44)	Closing Balance at 31 March	48	1,852

The £1,852k represents the overall Deficit on the Non-domestic rate element of the Collection Fund at 31/03/16 (2014/15 (£44k) Surplus). Of this 40% is attributable to MDDC, which equates to £741k (2014/15 (£17.6k)) see note 48 on page 43)

Notes to the Collection Fund

78 General

These accounts represent the transactions of the Collection Fund, which is a statutory fund separate from the main accounts of the Council. The accounts are, however, consolidated with the Council's balance sheet. The accounts have been prepared on the accruals basis.

79 Income from Business Rates

The Council collects non domestic rates for its area, which are based on local rateable values multiplied by a uniform rate. The total amount receivable; less certain reliefs and other deductions is distributed between Central Government, Devon County Council, Devon & Somerset Fire Authority and Mid Devon District Council. The authority is also a member of the Devon Business Rates Pool administered by Plymouth City Council which helps to minimise risk of financial loss on appeals or reductions in our overall rateable value. Mid Devon District Councils overall gross collectable business rates at 31 March 2016 is £20,223k (31 March 2015 £19,589k). This is calculated by taking the rateable value at that date of 41,019,896 multiplied by the uniform business rate of 49.3p per £. The total income detailed on the Non Domestic Rates statement takes account of the fact that circa £5,000k is awarded each year in various discretionary and mandatory reliefs.

The large increase in the provision for appeals for Business Rates of £1,581k, relates mainly to the anticipated reductions in Rateable Value of GP surgeries (£1,555k) that have not yet been determined by the Valuation Office. The anticipated loss of 65% has been based on an average of settled appeals in 15/16. Also the majority of these appeals have an effective date of 01/04/10.

80 Calculation of Council Tax Base

The council tax base is calculated by taking the number of chargeable dwellings in each valuation band (adjusted for discounts as necessary) and converted into the number of Band D equivalent properties multiplied by the council tax rate per Band D properties.

	Number of Dwellings	
	Actual	Band D
A	5,128.3	3,417.6
B	7,968.3	6,197.5
C	5,949.8	5,288.7
*D	3,123.8	3,123.8
E	4,147.3	5,068.9
F	2,190.5	3,164.1
G	890.3	1,483.8
H	51.3	102.5
Total	29,449.3	27,846.7

* LCTS scheme taken out of the band D figures

81 Precepting Authorities

2014/15 £000		2015/16 £000
30,737	Devon County Council	31,691
4,917	Mid Devon District Council	4,971
4,486	Devon and Cornwall Police	4,625
2,076	Devon Fire and Rescue	2,140
1,021	Parish Precepts	1,137
43,237	Total	44,564

GLOSSARY OF TERMS

Accounting Period

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the balance sheet date.

Actual

The actual, rather than budgeted, expenditure or income attributable to the accounting period. Sometimes referred to as “Actuals”.

Actuarial Gains and Losses

Changes in actuarial deficits or surpluses due to actual experience or events that have not been exactly the same as the assumptions adopted at the previous valuation, or the actuarial assumptions have changed.

Actuary

An expert on rates of death and insurance statistics who assesses whether we have enough money in our pension fund.

Accruals

Sums included in the final accounts to recognise revenue and capital income and expenditure attributable to the accounting period, but for which payment has not been received or made by 31 March.

Accumulated Compensated Absences Adjustment Account

This account represents the value of any unused holiday, time off in lieu or flexi hours which have not been taken by officers at 31 March.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

Accumulated Compensated Absences Adjustment Account

This account represents the value of any unused holiday, time off in lieu or flexi hours which have not been taken by officers as at the 31 March.

Amortisation

The writing down of an intangible fixed asset over its useful life.

Appointed Auditors

The Audit Commission appoints external auditors to every Local Authority, from one of the major firms of registered auditors.

Assets

An item having value to the Council in monetary terms, categorised as:

- **Current assets** will be consumed within the next financial year (e.g.: cash and stock).

- **Fixed assets (non current)** provide benefits over their useful life for more than one year and can be tangible (e.g. buildings) or intangible (e.g.: computer software licences).
- **Community assets** are assets that the local authority intends to hold in perpetuity, that have no determinable useful life and may have restrictions on their disposal (e.g. town squares and picnic sites).
- **Infrastructure assets** that form part of the economic or social framework of the area and whose function is not transferable (e.g.: highways, bridges and footpaths).
- **Operational assets** are fixed assets held and occupied by a local authority and used in the direct delivery of services.
- **Non Operational assets** are fixed assets held by a local authority but not directly occupied, used or consumed in the delivery of services (e.g.: buildings under construction and surplus assets).
- **Assets under Construction** details capital expenditure to date on work in progress.
- **Available for Sale** are assets actively being marketed at the Balance Sheet date.

Audit Committee

A Committee of the Council who consider financial matters and reports from Internal Audit, and approve and monitor our Financial Regulations and risk management. The Committee delegated to approve the Accounts following external Audit review.

Audit of Accounts

An independent examination of the Council's financial affairs.

Authorised Limit

This represents the legislative limit on the Council's external debt under the Local Government Act 2003.

Balances

The total revenue reserves required to provide a working balance during the financial year, for example in periods when expenditure exceeds income.

Balance Sheet

A statement of all of our assets, liabilities and balances at the end of the financial year, 31 March.

Best Value Accounting Code of Practice (BVACOP)

Details standard definitions of service and total cost which enables spending comparisons to be made with other local authorities.

Budget

The forecast of net revenue and capital expenditure over the accounting period.

Cabinet

The Cabinet comprises seven Members of the Council (including the Leader), who are responsible for making most of the essential decisions about running the Council. Each member of the Cabinet is responsible for specific service areas.

Capital Adjustment Account

This records the timing difference between the costs of fixed assets used and the capital financing set aside to pay for them.

Capital Expenditure

Expenditure on assets which have a long term value. Includes the purchase of land, purchase or cost of construction of buildings and the acquisition of plant, equipment and vehicles.

Capital Charges

This is a general term used for the notional charges made to service revenue accounts for the use of fixed assets. The term covers the following:

Depreciation, Impairment charges and Amortisation of Deferred Charges (included in gross expenditure) offset by the Amortisation of government grants deferred (included in income).

Capital Financing Costs

These are costs, such as interest, which we charge because we have spent money on non current assets.

Capital Receipts

Proceeds received from the sale of property and other fixed assets.

Carrying Amount

The Balance Sheet value recorded of either an asset or a liability.

Cash-flow Statement

This is a statement that shows the changes in our cash and bank balances during the year.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Collection Fund

A separate fund that records the income and expenditure relating to council tax and non domestic rates.

Community Assets

These are fixed assets that the Council intends to hold in perpetuity which have no determinable finite useful life and in addition, may have restrictions on their disposal. An example is a park.

Comprehensive Income and Expenditure Statement (CIES)

The account that reports the income and spending on our services.

Comprehensive Spending Review (CSR)

CSR is the public expenditure planning process introduced by the government in 1997.

Contingency

This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in budgets.

Contingent Liabilities or Assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not yet been made in the Council's accounts.

Corporate Democratic Core

Those activities which the local authority is engaged in specifically because it is an elected multi-purpose authority. This includes the costs of corporate policy making, representing local interests, representatives and duties arising from public accountability.

Council Tax

This is the main source of local taxation to local Authorities. Council Tax is levied on households within its area by the Billing Authority and the proceeds are paid into its Collection Fund for distribution to precepting Authorities and for use by its own General fund.

Council Tax Requirement

This is the estimated revenue expenditure on General fund services that needed to be financed from the Council Tax after deducting income from fees and charges, certain specific grants and any funding from reserves.

Council Tax Support Scheme (CTSS)

The means tested scheme that replaced Council tax Benefit and reduces the Council Tax bill of those who qualify.

Creditor

Amounts owed by the Council for work done, goods received or services rendered but for which payment has not been made at 31 March.

Current Assets

These are the short-term assets we have at date of the balance sheet which we can use in the following year.

Current Liabilities

These are the short-term liabilities we have at date of the balance sheet which we will pay in the following year.

Current Service Cost

Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtor

Sums of money due to the authority but unpaid at the balance sheet date.

Deferred Capital Receipts

These represent capital income still to be received after disposals have taken place and wholly consist of principal outstanding from the sale of council houses

Deferred Charges (now known as REFCUS see below)

Expenditure which may properly be capitalised but which does not result in tangible fixed assets owned by the Council. These charges are to be amortised to revenue over an appropriate period.

Deferred Contributions

Amounts paid to us for future activities.

Deferred Liabilities

Sums of money due by the Council originally repayable within a period in excess of twelve months but where payment is not due until future years.

Defined Benefit Scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Department for Communities and Local Government (DCLG)

A department of Central Government with an overriding responsibility for determining the allocation of general resources to Local Authorities.

Depreciation

The allocation of the cost of the useful economic life of the Council's fixed assets for the accounting period through general wear and tear, consumption or obsolescence.

Derecognition

Financial assets and liabilities needed to be removed from the balance sheet once performance under a contract is complete or the contract is terminated.

Earmarked Reserves

Those elements of total Council reserves which are retained for specific purposes.

Employee Costs

Those costs incurred employing staff including salaries, employer's national insurance, pension contributions, and training.

Exceptional Items

Material items deriving from events or transactions that will fall within the ordinary activities of the Authority, but which need to be separately disclosed by virtue of their size and/or incidence to give a fair presentation of the accounts.

Expenditure

This refers to amounts paid by the Authority for goods and services rendered of either capital or revenue nature. This does not necessarily involve a cash payment

since expenditure is deemed to have been incurred once the goods and services have been received even if they have not been paid for.

External Audit

The independent examination of the activities and accounts of local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Fees and Charges

The Council's charges for certain services e.g. car parking.

Finance Lease

A lease whereby all the risks and rewards of ownership of a fixed asset are with the lessee. In substance the asset belongs to the lessee.

Financial Instruments

A financial instrument is any contract that gives to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives.

Financial Regulations

These are the written code of procedures, approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

General Fund

The main revenue fund of the Council. Income from the council tax precept and Government grants are paid into the fund, from which the cost of providing services are met.

Government Grants

Payments by Central Government towards local authority expenditure. They are specific for a particular service; and are receivable in respect of both revenue and capital expenditure.

Government Grants Deferred

Grants or contributions received which have supported wholly or in part the acquisition of fixed assets, net of the appropriate share of depreciation on those assets for which a depreciation charge is made.

Heritage Assets

An asset with a historical, artistic, scientific, technological, geophysical or environmental quality that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefit

This is an allowance to persons on low income (or none) to meet, in whole or in part, their rent. Benefit is allowed or paid by local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Authority's own tenants are known as rent rebate and that paid to private tenants as rent allowance.

Housing Revenue Account (HRA)

Statutory ring-fenced account required to represent the landlord/tenant obligations for the Council in relation to managing and maintaining its housing stock in return for rental income from tenants.

Impairment

A reduction in the value of a fixed asset to below its carrying amount on the balance sheet due to damage, obsolescence or a general decrease in market value.

Income

These are amounts due to the Council for goods supplied or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Council).

Income & Expenditure Account

The net cost for the year for services provided by the Council for which it is responsible and showing how the cost has been financed from precepts, grants and other income.

Infrastructure

Non current assets which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets

These are non current assets that do not have physical substance but are identifiable and controlled by the Council. Computer software is the most common example.

Interest

An amount received or paid for the use of a sum of money when it is invested or borrowed.

International Financial reporting Standard (IFRS)

Defined accounting standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of other entities.

Inventories (previously Stock)

Items of raw materials, work in progress or finished goods held at the financial year end, valued at the lower of cost or net realisable value.

Joint Venture

This is an entity in which the reporting Authority has an interest on an longer term basis and is jointly controlled by the reporting Authority and one or more entities under a contractual or other binding arrangement.

Local Authority (Scotland) Accounts Advisory Committee (LASAAC)

A joint committee with CIPFA which produces the Code of Practice on Local Authority Accounting in the United Kingdom (referred to as the 'Code').

Leasing Costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases. Operating leases are those where the risks of ownership rest with the owner of the asset whereas in the case of finance leases the asset appears in our Balance Sheet.

LGPS (Local Government Pension Scheme)

The fund that manages and pays our staff pensions. Our LGPS scheme is now managed by Peninsula Pensions.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Liquid Resources

Cash and current asset investments that can be easily converted to known amounts of cash without penalty, or can be traded on the active market.

Local Development Plan

A plan which includes documents that establishes the local policy towards the use of land and the vision for involving communities in the plan making process.

Long Term Borrowing

Amounts borrowed in excess of 364 days.

Long-Term Contract

A contract entered into for the design, manufacture or construction of a single substantial asset, or the provision of a service (or a combination of assets and services which together constitute a single project), where the project falls into more than one accounting period.

Long Term Debtors

Sums of money due to the Authority originally repayable within a period in excess of twelve months but where payment is not due until future years.

Management Team

A meeting of the Chief Executive and Heads of service.

Medium Term Financial Strategy (MTFS)

This is a financial planning document that sets out the future years financial forecasts for the Council. It considers local and national policy influences and projects their impact on the general fund revenue budget, capital programme and HRA. It usually covers a four year time frame.

Member

An elected councillor of the Council.

Minimum Revenue Provision (MRP)

MRP is the minimum amount which must be charged to the Authority's revenue account each year and set aside as provision for credit liabilities as required by the Prudential Code.

National Non Domestic rate (NNDR)

NNDR is the levy on business property, based upon a national rate in the pound applied to the 'rateable value' of the property. The government determines a national rate poundage each year which is applicable to all Local Authorities. Mid Devon is a member of the Devon NNDR Pool of Local Authorities whose share of the NNDR is allocated between the members.

Net Book Value

The value of fixed assets included on the balance sheet, being the historical cost or a current revaluation less the cumulative amounts of depreciation.

Net Debt

Net debt is the Council's borrowings less cash and liquid resources.

Net Realisable Value (NRV)

NRV is the open market value of an asset in its existing use less any costs to be incurred in selling the asset.

Non Current Assets

Assets that yield benefits to the Council and the services it provides for a period of more than one year. Examples include land, buildings and vehicles.

Non-distributed Costs

In the main this represents support service area charges. E.g.: Corporate Management, Finance, Legal, ICT, HR services, etc. In addition to this a number of non-service specific corporate fees are included as well as any extra payments made to maintain the value of the pension fund.

Operating Lease

A lease where the risks and rewards, and therefore the ownership of the asset, remains with the lessor.

Operational Boundary

This reflects the maximum anticipated level of external debt consistent with budgets and forecast cash flows.

Pension Strain

Additional employers pension contributions as a result of an employee's early retirement.

Precept

The amount levied by one authority which is collected by another. e.g.: the County Council is the precepting authority and the District Council is the collecting authority.

Prior Period Adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provision

This is an amount which is put aside to cover future liabilities or losses which are considered to be certain or very likely to occur, but the amounts and timing are uncertain.

Public Works Loan Board (PWLB)

An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Authorities.

Rateable Value

A value placed upon all properties subject to rating. The value is based on a national rent that property could be expected to yield after deducting the cost of repairs.

Related Parties

Related parties comprise Central Government, other Local Authorities, precepting and levying bodies subsidiary and associated companies, elected Members, all senior officers and the Pension Fund. In respect of individuals identified as related parties the following are also presumed to be related parties:

- Members of the close family, or the same household; and
- Partnerships, companies, trusts or other entities in which the individual, or member of their close family, or the same household, has a controlling interest.

Revenue Contribution to Capital (RCCO)

Capital spending that is directly paid for from revenue.

Revenue Expenditure

Spending on the day-to-day running of services – mainly wages, operating expenses of buildings and equipment, and debt charges. These costs are met from the Council tax, government grants and our own fees and charges.

Revenue Support Grant

The major grant received each year from Central Government, which is not ring-fenced, to help finance our activities. Commonly referred to as the Council's "Formula Grant"

Reporting Standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based upon International Financial reporting standards (IFRS), International Standards (IAS) and International Financial

Reporting Interpretations Committee (IFRIC), UK Generally Accepted Accounting Practice (GAAP) and Financial Reporting Standards (FRS).

Reserves

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves such as the capital adjustment account cannot be used to meet current expenditure.

Restatement

We normally show the amounts that were in last year's accounts as the same figure, but where there is a change in the accountancy rules, we have to change last year's figures to meet the current rules and ensure comparability.

Revaluation Reserve

This records net gains from revaluations made after 1 April 2007 not yet realised through sales.

Revenue Contributions

This refers to the financing of capital expenditure directly from revenue rather than from loans or other sources.

Revenue Expenditure

The day to day expenditure of the authority on such items as employees, transport and equipment.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of an asset that belongs to the Authority.

Revenue Support Grant (RSG)

The major grant paid by central government to local authorities in aid of service provision.

Service Reporting Code of Practice (SeRCOP)

SeRCOP replaced the previous Best Value Accounting Code of Practice (BVACOP). Its aim is to provide consistent financial reporting for services in England and Wales and is given legislative backing by "proper practices" under the Local Government Act 2003.

Settlements

Generally this occurs where there is a bulk transfer out of the Pension Fund or from the employer's share of the Fund to a new contractor's share of the fund as a result of outsourcing a section of the Council. It reflects the difference between the IAS 19 liability and the assets transferred to settle the liability.

Tax Base

The number of houses we can charge our Council Tax on.

Treasury Management

This is the process by which the Authority controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy, approved by Cabinet, prepared with regard to legislative and CIPFA requirements setting out the framework for treasury activity for the Council.

Trust Funds

Funds administered by the Council for such purposes as prizes, charities and specific projects, on behalf of minors.

Unsupported (Prudential) Borrowing

This is borrowing for which no financial support is provided by Central Government. The borrowing costs are to be met from current revenue budgets.

Value for Money

The benefit obtained (not just in financial terms) for a given input of cash.

Virement

The authorised transfer of budget from one area of service to another.