



# East Hampshire District Council

statement of accounts

## 2009/2010

# EAST HAMPSHIRE DISTRICT COUNCIL STATEMENT OF ACCOUNTS 2009/10

Explanatory Foreword	Page 2
Annual Governance Statement	Page 6
Audit Report	Page 15
Statement of Responsibilities	Page 18
Statement of Accounting Policies	Page 19
The Income & Expenditure Account	Page 24
The Statement of Total Movements on the General Fund	Page 24
The Statement of Total Recognised Gains & Losses	Page 25
The Balance Sheet	Page 26
The Cashflow Statement	Page 27
Index of Notes to the Financial Statements	Page 28
Notes to the Financial Statements	Page 29
The Collection Fund & Notes	Page 55
<b><u>Memorandum to the Accounts</u></b>	
General Information	Page 58
Analysis of 2009/10 Revenue Expenditure	Page 61

## **Further Information**

Further information about the accounts is available from Financial Services at Penns Place, Petersfield, (01730) 234125, or at [www.easthants.gov.uk](http://www.easthants.gov.uk). In addition, interested members of the public have a right to inspect the Council's accounts. The availability of the accounts for public inspection is advertised in the local press.

## EXPLANATORY FOREWORD

### Introduction to the Statement of Accounts

The Accounts for 2009/10, set out on pages 24 to 57, have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (more commonly referred to as the Statement of Recommended Practice (SORP)).

The purpose of the published Statement of Accounts is to give electors, local taxpayers, Councillors and other interested parties clear information about the Council's finances.

The statements inform readers of the cost of services provided by the Council in the year 2009/10, how services were paid for and the Council's assets and liabilities at the year end date of 31<sup>st</sup> March 2010.

The following statements are included:

#### ***The Income & Expenditure Account*** (page 24)

*This account details the actual income and expenditure arising from services provided by the Council. This includes costs not borne by the taxpayer, such as depreciation, and accounting adjustments such as FRS17 (Pensions), depreciation and impairments of assets. The balance on the Income & Expenditure Account therefore is not the same as the revenue surplus reported.*

#### ***The Statement of Total Movements on the General Fund*** (page 24)

*The Statement of Total Movements on the General Fund reconciles the balance on the Income and Expenditure Account to the movement on the General Fund. The Revenue Outturn surplus is shown as part of the movement on the General Fund.*

#### ***The Statement of Total Recognised Gains & Losses*** (page 25)

*The Statement of Total Recognised Gains & Losses determines the movement in net worth on the Balance Sheet. It does this by reconciling the Income and Expenditure Account to the movement on the Balance Sheet between 31<sup>st</sup> March 2009 and 31<sup>st</sup> March 2010.*

#### ***The Balance Sheet*** (page 26)

*The Balance Sheet shows the value of assets and liabilities of the Council. The balance in respect of the Collection Fund is also included.*

#### ***The Cash Flow Statement*** (page 27)

*The Cash Flow Statement shows the cash flows of the Council for all cash transactions. It reconciles the movement in cash / cash equivalent*

*balances on the Balance sheet with the surpluses or deficits in the Income & Expenditure Account which are shown on an accruals accounting basis. It also shows, by way of a note, the cash value of government grants received by the Council in the year.*

**The Collection Fund** (pages 55 to 57)

*This account records all transactions relating to Council Tax and National Non Domestic Rates (NNDR). Whilst both elements are shown as one account, they are discrete as are the treatment of surpluses or deficits. Council Tax receipts are allocated between the District and major precepting authorities. NNDR is self balancing within the account.*

**Council Services**

The Council had 289.8 budgeted full time equivalent staff at 1<sup>st</sup> April 2009. The Council's services and activities vary widely, covering homelessness and housing services, the collection of refuse, leisure and recreation, car parking, planning services, cemeteries, environmental health and many other services. More details of these services and the main achievements of the Council and its performance can be found in the Council's Annual Best Value Performance Plan and on its website ([www.easthants.gov.uk](http://www.easthants.gov.uk)).

**Review of the Year**

For the 2009/10 financial year, the Council agreed its budget for Net revenue spending on General Fund services at £14,140,000.

Net revenue spending is financed in part by Government Grant and the Council's share of National Non-Domestic Rates (NNDR), with the remainder being raised through Interest on External Investments and Council Tax. The Council Tax charge for Council services was set at £127.67 for band D properties. There was no change in the Council Tax charge between 2006/07 and 2009/10.

The table below compares the final outturn figures with the final budget.

	<b>Budget</b>	<b>Actual</b>	<b>Difference</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net General Fund Spending	<b>14,140</b>	<b>13,935</b>	<b>(205)</b>
<b>Financed By:</b>			
Government Grant	(6,182)	(6,182)	0
Depreciation	(503)	(503)	0
Interest on investments	(1,316)	(1,128)	188
Council tax	(6,064)	(6,066)	(2)
Releases from Reserves	(75)	(76)	(1)
<b>Total</b>	<b>0</b>	<b>(20)</b>	<b>(20)</b>

The Council's actual Net General Fund spending was £205k below the original budget. The main variances were as follows:

<b>Variances</b>	<b>£000</b>
<b>Overspends/Shortfalls of Income</b>	
Reduced Building Control Income, and an increase in bad debt provision for rental income due to the recession.	113
Flexible retirement costs	181
<b>Underspends / Additional Income</b>	
IT projects on hold, reduced postage and publicity costs	(151)
Housing Benefit Subsidy grant higher than expected, combined with better recovery of housing benefit overpayments	(148)
Environmental Services income (licensing, cemeteries and engineering) higher than expected	(201)

At the end of the year, the Council's General Fund Reserve stood at £2.241m. The revenue surplus for 2009/10 will be transferred to the General Fund, to mitigate the potential effect of the economic downturn. This will increase the working balance to £2.261m. This reserve is held to provide financial stability to the Council, and enable it to meet unexpected demands.

### **Material Credits to the Accounts**

During 2009/10 the Council received two unbudgeted grants;

1. A grant of £9.8m was received from the Department of Communities & Local Government and the Homes and Communities Agency. These funds are ringfenced for an eco town project at Whitehill/Bordon.

A grant of £74K was received under the Government's Local Authority Business Growth Incentive Scheme (LABGI). The money has been earmarked for spending on Economic Development Projects throughout the District.

## Capital Spending and Receipts

Capital expenditure is defined as expenditure which generates an asset that has a useful life of more than one year. The expenditure in the year amounted to £3.547m. The main items of Capital Expenditure were:

<b>Main Items of Capital Expenditure</b>	<b>Budget £000</b>	<b>Spend £000</b>
Housing Projects	895	818
Public Conveniences	202	157
Land Assets	356	251
Buildings & Equipment	1,934	1,879
Sports Projects	125	89
Community Projects	35	0
Use of Developers' Contributions	353	353
	<b>3,900</b>	<b>3,547</b>
Funded by:		
Grants		1,025
Contributions		204
Reserves		81
Developers Contributions		353
Capital Resources		1884

## Pension Costs

Information regarding assets, liabilities, income and expenditure relating to the Council's pension scheme is included on page 43. The Council's share of assets and liabilities of the pension fund show an estimated liability of £44.45m at 31<sup>st</sup> March 2010. The liability represents the difference between the value of the authority's pension fund assets and the estimated present value of payments which it is committed to make. Statutory arrangements for funding the liability mean that the financial position of the Council remains acceptable because a proportion of contributions made in 2009/10 relate to past service costs, which ensures that sufficient cash is available to cover current liabilities.

## Overall Financial Position

The Council's overall financial position remains strong with good levels of reserves. There are robust processes in place for budget setting and forecasting, and the Council has in place a Medium Term Financial Strategy. There are sound systems in place to ensure cash is collected, that debtor balances are minimised and all funding streams are exploited.

# ANNUAL GOVERNANCE STATEMENT

## Scope of Responsibility

East Hampshire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to '*secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*'.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the Code is available on our website at [www.easthants.gov.uk](http://www.easthants.gov.uk) or can be obtained from the Financial Services Department, Council Offices, Penns Place, Petersfield, Hampshire, GU31 4EX. This statement explains how the Council has complied with the Code and also meets the requirements of regulation 4[2] of the Accounts & Audit Regulations 2003 as amended by the Accounts & Audit [Amendment] [England] Regulations 2006 in relation to the publication of a statement on Internal Control.

## The Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads the Community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework in place at the Council for the year ended 31<sup>st</sup> March 2010 is designed to reflect the six core principles of effective corporate governance. The six core principles and the way in which the Council meets these principles are outlined below.

## **1. Purpose and Vision**

Purpose and Vision is about the way the Authority focuses on its purpose, the required outcomes for the community, and the creation and implementation of a vision for the local area.

The Council is a leading member of the East Hampshire Community Partnership. The Partnership has agreed a Community Strategy, which sets out the vision and priorities for East Hampshire. The Community Strategy reflects the extensive consultation and analysis of current and future needs of the area. The Community Strategy informs the Council's own strategy, which ultimately informs the service business plans.

Service business plans are agreed annually and identify objectives and targets for all services. Risk is considered and recorded as part of the business planning process.

The Council has a wide range of performance indicators, which are used to measure progress against the Council's priorities. Performance indicators are reported quarterly to the Overview & Scrutiny (Organisation) Committee, and communicated to the Public through the Performance Plan

The Council has a Medium Term Financial Framework, which is used to align resources to key priorities. The Framework is reviewed annually and forms the basis of the annual budgeting process. Monthly reporting of high risk budget areas is undertaken and quarterly financial forecasts are submitted to the Officer Leadership Team and Cabinet.

## **2. Public Accountability**

Public Accountability is the way in which the Council engages with local stakeholders to ensure robust public accountability.

The Council works extensively in partnerships. The East Hampshire Community Partnership informs the Community Strategy, which in turn drives the Council Strategy and the service business plans. The Community Strategy is drawn up in consultation with key stakeholders. The Council Strategy is formulated following the results of a survey which seeks feedback from the public, Councillors and staff.

All decision making meetings are held in public, although some items are considered as exempt under the Access to Information Act. Minutes of all Council meetings are made available to the public, and members of the public have the opportunity to contribute to Council meetings.



The Council has a complaints and feedback system, which records and monitors customer comments, complaints and requests for information. Complaints are regularly monitored and reported to the Officer Leadership Team. The Council has also introduced a *You Said...We Did* scheme to communicate improvements made as a result of customer comments.

Equalities & Diversity awareness training has been completed for all staff and some Councillors, and plans are being formulated for all services to undertake equality impact assessments.

A methodology for carrying out Value for Money reviews was determined during 2008/09, and reviews are planned to commence in 2009/10.

### **3. Structure**

Structure is the way in which the authority's Councillors and Officers work together to achieve a common purpose with clearly defined roles and responsibilities.

The Council ensures that the roles and responsibilities for decision making and governance arrangements are defined and allocated, so that there is clear accountability for decisions made and actions taken.

The Council does this by appointing a Leader and Cabinet, which allocates specific executive responsibilities.

There are also a number of committees appointed to discharge regulatory and scrutiny functions. Each committee has clear terms of reference setting out roles and responsibilities, and Councillor remuneration is reviewed and agreed by an independent remuneration panel.

All leadership roles, the roles of key officers and the Council's Scheme of Delegation are set out within the Council Constitution.

The Council's Overview & Scrutiny (Organisation) Committee also acts as an Audit Committee and provides assurance to the Council on the effectiveness of Risk Management, Internal Audit and the robustness of the Council's Annual Accounts.

All Council staff have clear conditions of employment, and roles and responsibilities are set out in job descriptions. Key officer roles include the S151 Officer, who carries overall responsibility for the Council's financial administration, and a Monitoring Officer, who carries responsibility for legal compliance.

The Council has a Partnership protocol in place to ensure clear governance arrangements and accountability when working with partners.

#### **4. Values & Conduct**

Values & Conduct is about how the Authority promotes its values and how it demonstrates good governance through upholding high standards of conduct and behaviour.

The Council agreed its values of Responsibility, Fairness and Respect in July 2005, and continues to promote them. The Council Values influence the way in which Councillors and Officers behave in the way they work and towards each other.

There are codes of conduct in place for all Councillors and Officers, and there is a requirement for Councillors to make any Declarations of Interest on an annual basis. There is a Standards Committee in place to monitor the Code of Conduct for Councillors, and to investigate any allegations of misconduct.

The Council has in place a complaints procedure; there are policies in place for anti fraud and corruption and for whistle blowing; and there are clearly defined disciplinary procedures for Officers.

#### **5. Robust Decision Making**

Robust Decision Making is about taking informed and transparent decisions which are subject to effective scrutiny and management of risk.

The Council's decision making process is outlined in the Council Constitution. Council is responsible for agreeing new policies and amendments to existing policies. It also sets out the policy and budget framework, and approves the annual Statement of Accounts.

The Cabinet operates within the policy framework set by Council, and makes key decisions. All Cabinet meetings are held in public, with the exception of exempt items under the Access to Information Act. All decision records are publicly available, and the Forward Plan is published on the Council website.

The Overview & Scrutiny (Organisation) Committee also acts as the Council's Audit Committee. In its role as Audit Committee, one of the roles of the Committee is to keep abreast of important decisions being made. All Cabinet reports are therefore circulated to the Committee, and Decisions made by Cabinet can be called in for review.

Decisions can also be made by officers under delegated powers and reported to Councillors in line with the Council Constitution. Authority to make decisions is given in the Scheme of Delegation and by specific agreement by Cabinet.

The Council has in place a number of policies and procedures to ensure decisions made are robust. These include the Financial Procedures, Procurement regulations and the Risk Management Policy. Compliance with these policies is the responsibility of all Officers, and assurance is provided by the Internal Audit function.

## 6. Skills & Training

Skills And Training is about the development of the capacity and capability of Councillors and Officers to ensure effectiveness.

Following the District Council Elections, all Councillors are required to undertake a comprehensive and compulsory training programme. This includes Planning training, Code of Conduct training and Licensing training. Councillors are not allowed to sit on the Planning or Licensing Committees until such training has been undertaken. The training programme ensures that they have an understanding of the procedures and protocols of the Council.

In addition to the compulsory training, a series of other courses and events are also offered. This includes events such as Finance training, speed reading, charring skills, Standards Committee training and personal safety awareness. During the course of a Councillor's four year term of office, regular skills audits are undertaken to identify any new skills requirements or refresher training requirements.

Training programmes are identified for Officers as part of the performance appraisal process. The Council has in place a Competency framework, which forms the basis of the performance appraisal process for all staff. The Council has been awarded the Investors in People accreditation in recognition of its commitment to ensuring all staff have the skills to discharge their responsibilities.

### Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the Governance Group (which includes the Chief Executive, the S151 Officer, the Monitoring Officer, the Financial Services Manager, the Policy & Performance Manager, the Governance Accountant and Internal Audit); the Annual Internal Audit report; External Audit comments; and annual Internal Control Questionnaires completed by service managers.

The **Executive** bodies are the **Council**, which is responsible for deciding policies and budgets, and the **Cabinet**, which is responsible for day to day decisions. In order to ensure transparency in the decision making process, decision making meetings are normally open to the public, a forward plan of decisions to be taken is published, and agendas and minutes of all meetings are available.

The Council's **Overview & Scrutiny (Organisation) Committee** meets four times per year as the Audit Committee. The Audit Committee is responsible for monitoring and ensuring risk management arrangements are adequate; receives reports from Internal and External Audit; and ensures that the Internal and External Audit reports are robust.

The Council's **Standards Committee** provides training and advice on the Councillor's Code of Conduct. It regularly reviews the Code and is available to investigate cases where the Code is not complied with.

The Council's **Internal Audit** function is contracted to Deloitte & Touche. An Audit plan is approved annually and is based on strategic risk assessments of services. Progress against the audit plan is reported quarterly to the Overview & Scrutiny (Organisation) Committee, and any reports that give limited assurance are addressed as a matter of priority.

Other governance arrangements include:

- **The Council Constitution.** This is a document which includes the roles, responsibilities, terms of reference and reporting arrangements of the Council and its committees.
- **The Monitoring Officer** – This is a statutory role which has a duty to ensure legal compliance and to monitor and review the operation of the constitution to ensure its aims and principles are given full effect.
- **The Section 151 Officer** – This is a statutory role which has a duty to make arrangements for the proper financial administration of the Council.
- **Policies and Procedures** – key areas of the Council's administration are covered by specifically approved policies which are reviewed appropriately. These include Treasury Management Policies and Practices and an annual review of Reserves and Balances and the Constitution.
- **Corporate Governance Group** – This group meets on a quarterly basis to monitor and implement Corporate Governance issues identified during the annual review of the effectiveness of Internal Control.
- **Scheme of Delegation** – this enables Councillors to concentrate on the strategic direction of the Council and on policy matters, whilst officers deal with operational matters within an approved framework.

### **Significant Governance Issues**

The review of the effectiveness of internal control during 2009/10 was structured around the core principles of the Code of Local Governance. In addition, input from Risk Management, Internal and External Audit, and the Corporate Governance Group was considered. A considerable amount of work has been undertaken to strengthen the Council's Governance arrangements. However, the review has identified further actions as follows:

## **1. Purpose & Vision**

- Service business plans recognise the need to conduct equalities impact assessments. A shared resource has been secured with Havant Borough Council and impact assessments for relevant services will be completed by March 2011.
- A revised Council Strategy was developed during 2009/10, and subsequently agreed by Full Council in May 2010. This strategy will be used as the basis for Business Planning for 2010/11 and beyond.

## **2. Public Accountability**

- Community Forums are to be restructured to incorporate more input from County and Parish Councillors, and to encourage more public participation at all tiers of local government and the voluntary sector.
- The Consultation Management system will be reviewed in 2010/11 in light of new legislation impacting on the way the Council consults with the public and other organisations.
- A robust methodology for following up audit recommendations has been designed and implemented. A similar process is to be developed for ombudsman reports during 2010/11.

## **3. Structure**

- A review of the Council's constitution commenced in 2008/09, and further sections of the Constitution were reviewed in 2009/10, including the Scheme of Delegation and the Overview and Scrutiny function. A more fundamental review will be undertaken during 2011 as East Hampshire District Council and Havant Borough Council seek to harmonise their processes.
- The Council's Risk Management system has been further developed during 2009/10 to enable better recording of risks, to ensure risks are reviewed more frequently and to provide better reporting.
- A new Business Continuity Plan has been developed and implemented during 2009/10. Training and testing has taken place, and as a result of testing, the plan will be further developed during 2010/11.
- Succession planning to ensure loss of key staff does not result in loss of key knowledge has been raised as an issue and will be discussed by the Corporate Governance Group during 2010/11.

#### **4. Values & Conduct**

- To publicise the Council's Whistle Blowing Policy and the Anti Fraud & Corruption Policy. The Whistle Blowing policy was publicised to all staff during 2009/10 and training sessions for existing staff is being developed for 2010/11

#### **5. Robust Decision Making**

- The Partnerships Protocol identifies the risks associated with partnerships. Partnership Audits have been undertaken during 2009/10. The outcomes of this audit will be presented to Cabinet during 2010.
- A Unit Costing Methodology will be developed during 2010/11. The methodology will help the Council to better understand cost drivers when making decisions.


#### **6. Skills & Training**

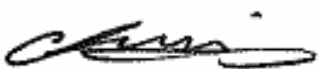
- Staff training on the Staff Code of Conduct is being developed for new and existing staff for 2010/11.
- All staff have undertaken Health & Safety training in 2009/10, relevant staff have received training on Data Quality, and Finance training has been provided for service managers
- Induction training for new starters has been improved during 2009/10
- A Councillor Training programme for 2011 and beyond will be discussed by the Corporate Governance Group during 2010.
- Financial Management training for Cabinet will be undertaken during 2010/11.


## Opinion


It is our opinion that Corporate Governance, along with supporting controls and procedures are strong. We intend over the coming year to address the matters referred to above to further enhance our corporate governance arrangements.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

	30-JUN-10
<b>Councillor David Parkinson, Leader of the Council</b>	<b>Date</b>

	30.6.10
<b>Sandy Hopkins, Chief Executive</b>	<b>Date</b>

	30/6/10
<b>William Price CPFA, S151 Officer</b>	<b>Date</b>

	30/6/10.
<b>Jo Barden-Hernandez, Monitoring Officer</b>	<b>Date</b>

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# Independent auditor's report to Members of East Hampshire District Council

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## Opinion on the accounting statements

I have audited the Authority accounting statements and related notes of East Hampshire District Council for the year ended 31 March 2010 under the Audit Commission Act 1998. The Authority accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies

This report is made solely to the members of East Hampshire District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

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## Respective responsibilities of the Chief Finance Officer and auditor

The Chief Finance Officer's responsibilities for preparing the accounting statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the accounting statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice of the financial position of the Council and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the accounting statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures



I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

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### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Council in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

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### **Opinion**

In my opinion the accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Council as at 31 March 2010 and its income and expenditure for the year then ended.

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### **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### **Council's Responsibilities**

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

## Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Council for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in October 2009. I report if significant matters have come to my attention which prevent me from concluding that the Council has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

## Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in October 2009, and the supporting guidance, I am satisfied that, in all significant respects, East Hampshire District Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010.

## Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.



Patrick Jarvis

Officer of the Audit Commission  
Collins House,  
Bishopstoke Road  
Eastleigh  
Hampshire

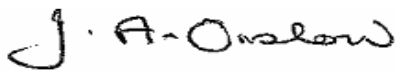
30 September 2010

## STATEMENT OF RESPONSIBILITIES

### Responsibilities of the Authority

The Authority is required to;

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In East Hampshire District Council that officer is the Business Director ( Section 151 Officer)
- manage its affairs to secure economic, efficient and effective use of resources
- safeguard its assets
- approve the statement of accounts



Cllr Mrs Judy Onslow - Chairman of the Council

### The Responsibilities of the Section 151 Officer

This officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom 2006* ('the Code of Practice').

In preparing this statement of accounts the Section 151 Officer 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 Section 151 Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps to prevent and detect fraud and other irregularities.

I certify that the Statement of Accounts present a true and fair view of the financial position of the Authority and its income and expenditure for the year ended 31<sup>st</sup> March 2010.



WR Price CPFA – Section 151 Officer

# STATEMENT OF ACCOUNTING POLICIES

## INTRODUCTION

The Accounts are prepared according to the Code of Practice on Local Authority Accounting in the United Kingdom 2009 issued by the Chartered Institute of Public Finance and Accountancy (CIPFA): A Statement of Recommended Practice. The Code sets out the accounting practices required for Statements of Accounts prepared in accordance with the statutory framework established for local authority accounts. In addition the Best Value Accounting Code of Practice is followed in the preparation of the Accounts. The Accounts have been prepared on the historical cost basis, modified by the revaluation of assets where relevant.

The purpose of a local authority's published Statement of Accounts is to give electors, local taxpayers, councillors of the authority, employees and other interested parties clear information about the authority's finances.

## ACCRUALS OF INCOME AND EXPENDITURE (Debtors and Creditors)

Revenue and capital income and expenditure are accrued in accordance with the Code of Accounting Practice and Financial Reporting Standard (FRS) 18. This means that sums due to or from the Council during the year are included irrespective of whether the cash has actually been received or paid.

In order to achieve the year end close of accounts deadline, housing benefit and other debtors and creditors of significant value have been estimated.

## REVENUE EXPENDITURE FINANCED FROM CAPITAL BY STATUTE

Revenue Expenditure financed from capital by statute represents expenditure which may be properly capitalised but does not result in tangible assets (e.g. renovation grants and grants to housing associations). These charges are written off fully to revenue in the year of purchase.

## EMPLOYEE COSTS

The salaries of employees together with associated employers' costs are charged to services in the period of account. Pay awards and redundancy payments are included in the accounts as soon as they can be estimated. Hampshire County Council administers the authority's pension fund, and contributions are included in the Accounts in the period to which they relate.

## FIXED ASSETS

*1. Recognition of Fixed Assets* - All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis.

*2. Valuation of Fixed Assets* - Operational property assets are valued at 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 (DRC). Non-operational property assets were valued at open market value. In relation to properties valued at DRC, regard was taken as to the prospect and viability of the continuance of occupation.

Property asset values are based upon a valuation report issued by Wadham & Isherwood dated 28th February 2010, and include variations from the valuers in subsequent letters. Due to a change in the requirements of the SORP 2007, all asset values at 1<sup>st</sup> April 2007 were deemed to be at historic cost. The purpose of this change is to bring Local Authority Fixed Asset Accounting into line with UK Generally Accepted Accounting Practice (GAAP). The Council considered the need to impair assets as part of the revaluation of assets, and any impairments have been written down to the relevant service line in the Income and Expenditure Account.

*3. Revaluations* - The assets recorded in the Balance Sheet at current value will be revalued on a rolling basis over a 5 year period, unless material changes occur within any category of asset in advance of the general revaluation. When assets are revalued the fixed assets figure in the Balance Sheet is adjusted accordingly, with a corresponding adjustment made to the Revaluation Reserve.

*4. Disposals* - Profits or losses arising from the disposal of fixed assets are credited or debited to the Income & Expenditure Account, accounted for on an accruals basis. Profits on disposal are then appropriated to the Usable Capital Receipts reserve. Where applicable, the prescribed proportion required for the repayment of external loans is credited to the Capital Financing Account.

Upon disposal, the asset is removed from the Balance Sheet by crediting the fixed assets and debiting a disposals account on the Income and Expenditure Account. This is offset against cash receipts and, if applicable, any disposal costs to calculate profit/loss. Assets may be revalued prior to disposal.

*5. Depreciation of Fixed Assets* - Depreciation is provided on all operational fixed assets. It includes operational buildings, equipment, and intangible assets. The method of depreciation used is the straight line method.

The asset types and their typical depreciation period are shown below:

<b>Asset Type</b>	<b>Typical Depreciation Period</b>
Buildings	30 to 65 years
Vehicles	4 to 7 years
Equipment	4 to 10 years
Intangible Assets	0 to 10 years

*Note - A depreciation period of 0 years indicates that the asset is written down in value in the year of acquisition.*

*6. Charges to revenue for Fixed Assets* – Prior to 2006, all General Fund services and support services included a capital charge for fixed assets used in the provision of services. From 2006, the Council is no longer required to make this charge. Depreciation is still charged to services.

Finance costs, including external interest payable, and the provision for depreciation are charged to the Income & Expenditure account. In practice this has the effect of inflating the net cost of services but has a neutral effect on the net operating expenditure and no impact on council tax levels.

Amounts set aside from revenue to finance capital expenditure are disclosed separately within the Statement of Movements in the General Fund.

## **GOVERNMENT GRANTS AND CONTRIBUTIONS**

Revenue grants are matched with relating expenditure and credited to the appropriate revenue account during the period to which they relate.

Grants or contributions to finance capital assets are initially credited to the government grants/contributions deferred account. Grants are accounted for on an accruals basis. They are included in the accounts when the conditions with regard to the receipt of the grant have been complied with and there is reasonable assurance that the grant will be paid.

Government Grants that finance Capital Expenditure are depreciated to Revenue over the life of the asset.

## **FINANCIAL INSTRUMENTS**

Financial Instruments are classified into two types:

1. Loans & Receivables – Assets that have fixed or determinable payments but are not quoted in an active market
2. Available for Sale Assets – Assets that have a quoted market price and/or do not have fixed or determinable payments.

### **Loans and Receivables**

Loans & receivables are measured at fair value and carried at their amortised cost. Annual credits to the Income & Expenditure account for interest receivable are based on the carrying amount of the asset multiplied by the effective interest rate. The Balance Sheet value of loans the Council has made represents the carrying amount plus any outstanding interest at the year end.

The Council has the power to make loans at less than market rates to voluntary organisations, Parish Councils and employees. These are known as soft loans. Statutory provisions define the impact of soft loans as the difference between the fair value of the loan calculated at market rates, and the actual value of the loan. The difference is charged from the Financial Instrument Adjustment Account to the Income and Expenditure Account. Interest receivable is subsequently credited to the Income and Expenditure Account over the life of the loan, with the difference between the effective rate of interest and the actual rate being written down to the Financial Instruments Adjustment Account.

Where assets are impaired due to a likelihood, arising from a past event, that payments will not be made, the asset will be written down and a charge made

to the Income & Expenditure Account. Gains and Losses arising on derecognition of the asset are credited/debited to the Income & Expenditure Account.

### **Available for Sale Assets**

Available for Sale assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Income & Expenditure Account for interest receivable are based on the amortised cost of the asset multiplied by the effective interest rate. When there are no fixed or determinable payments, income is credited to the Income & Expenditure Account when it becomes receivable.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

1. Instruments with quoted market prices – the market price
2. Other instruments with fixed and determinable payments – discounted cashflow analysis
3. Equity shares with no quoted market prices – independent appraisal of company valuations

Changes in fair value are balanced by an entry in the Available for Sale Reserve and the gain/loss is recognised in the Statement of Total Recognised Gains & Losses. The exception is impairments, which are debited to the Income and Expenditure Account along with any accumulated gain in the reserve.

Gains and losses arising on derecognition are credited /debited to the Income & Expenditure Account, along with any gains/losses previously recognised in the Statement of Total Recognised gains & Losses.

Where the fair value of an asset cannot be determined, it will be carried at cost, less any impairment losses).

### **LEASES**

For assets acquired under an Operating Lease agreement, the leasing rentals are charged to the appropriate service in the revenue account in the period to which they relate. No provision is made for outstanding lease commitments.

Leased assets do not form part of the Council's fixed asset register unless they are classed as a Finance Lease. A Finance Lease is defined as an asset which is leased to the Council, where the present value of the lease payments equals 90% or more of the asset's value, and where the Council has responsibility for the maintenance of the leased asset.

## **OVERHEADS**

The full cost of support services (e.g. Legal, Personnel, and Finance) and the operational management costs of services are charged to services using, in the main, actual usage figures. The management costs of services are fully allocated to the accounts representing the activities managed.

Activities undertaken by the Council because it is an elected multipurpose authority (including support services to those activities) are not allocated to services but charged to a separate cost centre within the General Fund entitled Corporate and Democratic Core.

## **PENSIONS**

The Council's employees can belong to the Local Government Pension Scheme administered by Hampshire County Council. Detailed regulations govern rates of contribution and scales of benefit. Pension costs are accounted for on an FRS17 basis.

## **PROVISIONS**

The Council has made proper provision for specific liabilities or losses which are likely or certain to be incurred, but there is uncertainty about amounts or dates. Provisions are not disclosed separately on the Balance Sheet but are included within creditors. The provision for doubtful debts is an exception as this is netted off against debtors. When debts are written off they are charged to the appropriate revenue account and there is a reduction in the provision required.

## **RESERVES**

Amounts set aside for purposes other than provisions are treated as reserves. The purpose and use of revenue reserves is outlined in note 19 to the Accounts. The Council also maintains a balance on the General Fund to meet any unforeseen working capital requirements or emergency financing needs not met by specific reserves. A review of reserves is undertaken annually.

Capital reserves are not available for revenue purposes. For specific reserves there are statutory constraints as to the purposes for which they may be used. Examples include the Revaluation Reserve, Capital Adjustment Account, and the Usable Capital Receipts reserve.

## **STOCKS & WORK IN PROGRESS**

Stocks are valued at the lower of Cost or Net Realisable Value.



## INCOME & EXPENDITURE ACCOUNT

2008/09		2009/10		
Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	<b>Net Expenditure on Council Services (Refer p61 to 63)</b>			
2,290	Cultural & Related Services	2,674	312	2,362
4,579	Environmental Services	7,141	1,884	5,257
1,512	Planning & Development Services	5,340	3,089	2,251
(309)	Highways, Road & Transport	1,942	1,854	88
1,652	Housing Services (General Fund)	24,625	22,720	1,905
434	Central Services to the Public	6,313	5,795	518
2,857	Corporate and Democratic Core & Other Services	4,259	2,048	2,211
<b>13,015</b>	<b>Net Cost of Services</b>	<b>52,294</b>	<b>37,702</b>	<b>14,592</b>
	<b>Other Operating Income and Expenditure</b>			
(20)	Profit/Loss on Disposal of Assets	104	165	(61)
15	Interest Costs	6	0	6
2,463	Precepts paid to Parish Councils	2,555	0	2,555
(1,922)	Interest and Investment Income	85	1,260	(1,175)
1,350	Pension Interest Cost & expected return on Pension Assets	2,410	0	2,410
<b>14,901</b>	<b>Net Operating Expenditure</b>	<b>57,454</b>	<b>39,127</b>	<b>18,327</b>
(8,509)	Demands or Precepts on the Collection Fund			(8,621)
(6,151)	General Government Grants			(6,182)
35	Collection Fund (Surplus) / Deficit			(23)
<b>276</b>	<b>Net Income &amp; Expenditure Account (Surplus) / Deficit</b>			<b>3,501</b>

2008/09 £'000s	Statement of Movement on the General Fund	2009/10 £'000s
276	(Surplus)/Deficit on the Income & Expenditure Account	3,501
(268)	Net Additional Amount required by statute and non statutory proper practices to be debited/credited to the General Fund Balance for the year (Note 1).	(3,977)
<b>8</b>	<b>General Fund Movement</b>	<b>(476)</b>
(1,793)	General Fund Balance Brought Forward	(1,785)
<b>(1,785)</b>	<b>General Fund Balance Carried Forward</b>	<b>(2,261)</b>

2008/09 £'000s	Reconciliation of General Fund Balance	2009/10 £'000s
(461)	Revenue (Surplus) / Deficit	(20)
469	Use of Previous Year's underspends	0
0	Housing Benefit Recovery from ongoing benefits	(456)
<b>8</b>	<b>General Fund Movement</b>	<b>(476)</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The purpose of the STRGL is to reconcile the surplus/deficit on the Income and Expenditure Account to the movement on the Balance Sheet. The total recognised gains and losses represents the movement in net worth of the Authority and reconciles to the movement on the Balance Sheet.

2008/09 £'000	<b>Statement of Total Recognised Gains and Losses</b>	2009/10 £'000
291	<b>(Surplus) / Deficit on the Income and Expenditure Account</b>	<b>3,501</b>
0	(Surplus) / Deficit arising on revaluation of Fixed Assets (Note 19a)	<b>(12,782)</b>
0	Revaluation (Gains) / Losses on Investments	<b>0</b>
11,060	Actuarial (Gains) / Losses on Pension Fund Assets/Liabilities (Note 19d)	<b>11,730</b>
0	Other (gains) / losses required to be included in the Statement of Total Recognised Gains & Losses	<b>0</b>
<b>11,351</b>	<b>Total Recognised (Gains) / Losses for the year</b>	<b>2,449</b>

# BALANCE SHEET

2008/09 Restated £'000	Balance Sheet as at 31st March 2010	2009/10	
		£'000	£'000
	<b>Intangible Fixed Assets (Note 11)</b>		
274	- Intangible Fixed Assets	220	
	<b>Tangible Fixed Assets (Note 11)</b>		
	<b>Operational Assets</b>		
0	- Council Dwellings	0	
15,091	- Other Land and Buildings	22,827	
594	- Vehicles, Plant and Equipment	465	
0	- Infrastructure assets	0	
0	- Community assets	0	
	<b>Non-Operational Assets</b>		
7,981	- Investment properties	13,524	
0	- Assets Under Construction	0	
985	- Surplus assets held for disposal	1,029	
24,925	<b>Total Fixed Assets</b>		<b>38,065</b>
	<b>Other Long Term Assets</b>		
12,686	Long-term Investments (Note 12)	5,247	
176	Long-Term Debtors (Note 13)	66	<b>5,313</b>
37,787	<b>Total Long-Term Assets</b>		<b>43,378</b>
	<b>Current Assets</b>		
57	Stock and Work in Progress	38	
2,959	Debtors (Note 14)	4,128	
12,552	Short-Term Investments (Note 12)	27,404	
1	Cash and Bank	1	<b>31,571</b>
53,356	<b>Total Assets</b>		<b>74,949</b>
	<b>Current Liabilities</b>		
0	Short Term Borrowing	0	
(3,283)	Creditors (Note 15)	(4,525)	
(69)	Bank Overdraft	(564)	<b>(5,089)</b>
50,004	<b>Total Assets less Current Liabilities</b>		<b>69,860</b>
	<b>Long Term Liabilities</b>		
0	Long Term Borrowing	0	
(125)	Deferred Liabilities (Note 15)	(135)	
(238)	Deferred Credits (Note 17)	(111)	
(3,257)	Developers' Contributions Deferred Account (Note 16)	(3,803)	
(101)	Provisions (Note 15)	(101)	
(181)	Government Grants - Deferred Account (Note 17)	(8,577)	
(30,970)	Liability related to defined benefit pension scheme (Note 18)	(44,450)	<b>(57,177)</b>
15,132	<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>12,683</b>
	<b>The Net Assets were financed by:</b>		
0	Revaluation Reserve (Note 19a)	12,782	
35,222	Capital Adjustment Account (Note 19b)	33,311	
3,266	Usable Capital Receipts Reserve (Note 19c)	3,108	
0	Financial Instruments Adjustment Account (Note 19)	0	
0	Available For Sale Financial Instruments Reserve	0	
(30,970)	Pension Reserve (Note 19d)	(44,450)	
5,927	Earmarked Reserves (Note 19e)	5,758	
1,785	General Fund Balance (Statement of Total Movement on General Fund, p24)	2,261	
0	Annual Leave Accrual Account	(75)	
(98)	Collection Fund Adjustment Account	(12)	<b>12,683</b>
15,132	<b>TOTAL NET WORTH</b>		<b>12,683</b>

*W R Price*

30/6/10

W R Price CPFA - Section 151 Officer

Date

## CASHFLOW STATEMENT

2008/09 Restated £'000	Cashflow Statement	2009/10 £'000	2009/10 £'000
	<b>Revenue Activities</b>		
	<b>Cash Outflows</b>		
(10,988)	Cash paid to and on behalf of employees	(11,245)	
(2,463)	Precept paid to Parishes	(2,555)	
(10,864)	Other Operating costs	(12,565)	
(17,352)	Housing benefit paid	(20,797)	
(35)	Employee loans made	(9)	(47,171)
	<b>Cash Inflows</b>		
1,171	Rents after rebates	1,140	
8,474	Council Tax receipts	8,645	
5,399	Non Domestic rate income from National Pool	5,022	
752	Revenue Support Grant	1,159	
17,270	Department for Work & Pensions Grant for Housing Benefit	20,579	
581	Department for Work & Pensions Housing Benefit Admin Grant	527	
1,250	Other Government revenue grants	7,790	
4,299	Cash received for goods & services	4,066	
1,640	Other operating cash receipts	1,212	
15	Employee loans repaid	22	50,162
<b>(851)</b>	<b>Net Cash inflow/outflow</b>		<b>2,991</b>
	<b>Returns on Investments and Servicing of Finance</b>		
	<b>Cash Inflows</b>		
1,903	Interest received		779
	<b>Cash Outflows</b>		
(8)	Interest Paid		(6)
<b>1,044</b>	<b>Total Revenue Activities (Note 24)</b>		<b>3,764</b>
	<b>Capital Activities</b>		
	<b>Cash Outflows</b>		
(1,349)	Purchase of Fixed Assets	(2,390)	
(4,959)	(Increase)/Decrease in Long Term Investments	7,439	
(1,343)	Other Capital Cash Payments	(1,199)	3,850
	<b>Cash Inflows</b>		
20	Sale of fixed assets	166	
464	Capital grants received (Note 27)	8,661	8,827
<b>(6,123)</b>	<b>Net Cash inflow / outflow before financing</b>		<b>16,441</b>
	<b>Management of Liquid Resources</b>		
6,970	Net (Increase)/decrease in short term deposits (Note 12)		(14,852)
162	Variance between NDR Collected & NDR Due		(2,103)
(941)	Difference between Council Tax Collected and Council Tax Due to Major Precepting Authorities		(49)
<b>68</b>	<b>Increase / (Decrease) in Cash / Cash equivalents (Note 25)</b>		<b>(563)</b>

# INDEX OF NOTES TO THE FINANCIAL STATEMENTS

## **Notes to the Income and Expenditure Account (Page 29 to 34)**

1. Note to the Statement of Total Movements on the General Fund
2. Expenditure on Services and Schemes under the Transport Act 2000
3. General Government Grants
4. European Single Currency
5. Members Allowances
6. Officers Emoluments
7. Trading Services
8. Related Party Transactions
9. Audit Costs
10. Net Contributions to/from Earmarked Reserves

## **Notes to the Balance Sheet (Pages 35 to 52)**

11. Fixed Assets
12. Financial Instruments
13. Long term Debtors
14. Current Debtors
15. Creditors
16. Developers' Contributions Deferred
17. Deferred Credits
18. Pensions
19. Movements on Reserves:
  - 19a Revaluation Reserve
  - 19b Capital Adjustment Account
  - 19c Usable Capital Receipts Reserve
  - 19d Pension Reserve
  - 19e Earmarked Reserves
20. Contingent Assets & Liabilities
21. Assets Acquired by way of leasing
22. Approval of the Statement of Accounts
23. Post Balance Sheet Events

## **Notes to the Cashflow Statement (Pages 53 to 54)**

24. Reconciliation of Total Revenue Activities to the Income & Expenditure Account
25. Increase/decrease in Cash Equivalents
26. Financing & Management of Liquid Resources
27. Memorandum item – Government Grants

# NOTES TO THE FINANCIAL STATEMENTS

## Notes to the Income & Expenditure Account

### 1. Note to the Statement of Movements on the General Fund

It is important to note that the stated bottom line figure on the Income & Expenditure Account does not represent the revenue surplus/deficit for the year, but the excess of expenditure over income. There are costs included within the Income and Expenditure Account that are not borne by taxpayers, such as Depreciation. These are reconciled in the Statement of Movement on the General Fund. The General Fund Movement represents the true Revenue surplus/deficit for the year.

The comparatives for 2008/09 have been restated to reflect a change in accounting policy in 2009/10. This change of policy relates to the collection fund. Historically, the collection fund has been treated as if the fund belonged to the Council. However, from 2009/10, it is being accounted for on an agency basis, which means that any balances relating to the major precepting authorities have been removed from East Hampshire District Council's accounts.

Below is a reconciliation of figures credited or debited to the General Fund in the year.

2008/09 (Restated) £'000	Note to the Statement of Movements on the General Fund	2009/10 £'000
	<b>Amounts included in the Income &amp; Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year.</b>	
(596)	Depreciation and Impairment of Fixed Assets	(1,926)
185	Amortisation of Government Grants Deferred	85
(1,343)	Revenue Expenditure funded from Capital under statute	(1,199)
20	Net Gain/(Loss) on sale of Fixed Assets	62
(2,300)	Net charges made for retirements in accordance with FRS17	(3,440)
	<b>Amounts Not included in the Income &amp; Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year.</b>	
0	Minimum Revenue Provision for Capital Financing	0
0	Capital Expenditure charged in year to the General Fund Balance	0
2,040	Employers' Contributions payable to the Local Govt Pension Scheme & retirement benefits payable direct to pensioners	1,690
	<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on General Fund Balance for the year.</b>	
0	Voluntary Revenue Provision for Capital Financing	0
1,726	Net Transfer to/(from) Revenue reserves	751
<b>(268)</b>	<b>Net Additional Amount required to be added to the General Fund Balance</b>	<b>(3,977)</b>

### 2. Expenditure on Services and Schemes under the Transport Act 2000

Details of individual services' income and expenditure are shown on pages 61 to 63. The analysis complies with the Best Value Accounting Code of Practice. The Council is also required to disclose any expenditure under the Transport Act 2000, relating to road charging schemes and workplace charging levies. The Council did not operate any schemes as at 31st March 2010.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. General Government Grants

2008/09 £'000	General Government Grants	2009/10 £'000s
752	Revenue Support Grant	1,159
5,399	National Non Domestic Rates Grant	5,022
<b>6,151</b>	<b>Total General Government Grants</b>	<b>6,181</b>

### 4. European Single Currency

The Council continues to review the practical implications of converting to the European Single Currency, so as to be able to move forward in the event of a positive decision. The Council has a Financial System which is Euro compliant.

### 5. Members' Allowances

Members' Allowances consist of a Basic Allowance for all Councillors of £4,500 and a Special Responsibility Allowance, dependent on the Councillor's role in the Council.

2008/09 £'000	Members' Allowances	2009/10 £'000
315	Value of Members' Allowances Paid:	318

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Officers' Emoluments

The table below outlines details of employees paid an annualised salary of £50,000 or more, broken down by types of emolument. The note includes staff who left during the year. Pension contributions relate to all contributions made during the year, and are made up of current service cost (14.5%) and past service costs (5.2%). No bonuses were paid to any of the officers disclosed below.

Remuneration Band	Salary, Fees & Allowances £	Expenses £	Payments for loss of employment £	Employers Pension contributions £	Other Emoluments £	Total £
<b>£50,000 to £55,000</b>						
Interim Head of Community Services (from 01/01/10)	44,178	0	0	8,240	0	52,418
<b>£55,000 to £60,000</b>						
Communications Manager	55,508	0	0	10,324	0	65,832
Financial Services Manager (Part Time, including maternity leave)	29,036	0	0	5,888	0	34,924
Facilities Manager	55,508	0	0	10,321	0	65,829
Building Control Manager	55,508	0	0	11,747	5,508	72,763
IT Services Manager	55,508	0	0	10,324	0	65,832
Human Resources Manager	55,508	0	0	10,324	0	65,832
Head of Revenues & Benefits	55,508	0	0	10,324	0	65,832
Democratic Services Manager (to 18/12/09)	41,631	0	8,400	0	0	50,031
Interim Head of Planning Services (From 1/10/09)	51,252	0	0	10,543	0	61,795
<b>£60,000 to £65,000</b>						
Head of Community & Democratic Services (To 31/12/09)	45,367	0	0	8,438	0	53,805
<b>£65,000 to £70,000</b>						
Head of Legal Services	65,365	0	0	12,157	0	77,522
Head of Environmental Services	65,365	0	0	12,724	3,045	81,134
Head of Communications, Customer & IT Services	65,365	0	0	12,724	3,045	81,134
Head of Housing & Property Services	65,365	0	0	12,724	3,045	81,134
Head of Planning Development (To 30/9/09)	32,897	0	0	6,361	1,522	40,780
Operations Director (to 28/2/10)	67,017	0	0	12,390	0	79,407
Project Manager, Whitehill/Bordon (from 30/11/09)	23,527	0	0	4,376	0	27,903
<b>£75,000 to £80,000</b>						
Business Director	77,098	0	0	14,340	0	91,438
<b>£85,000 to £90,000</b>						
Deputy Chief Executive	88,679	0	179,000	17,171	0	284,850
<b>£110,000 to £115,000</b>						
Chief Executive (To 12/7/09)	32,915	0	0	5,313	0	38,228
<b>£120,000 to £125,000</b>						
Chief Executive (From 12/10/09)*	5	0	0	0	0	5

\*The Council appointed a shared Chief Executive with Havant Borough Council in October 2009. The current Chief Executive is paid by Havant and EHDC pays a nominal salary. EHDC is recharged by Havant for its share of the cost of this post. This recharge amounted to £37,100 in 2009/10.



## NOTES TO THE FINANCIAL STATEMENTS

### 7. Trading Services

The Council is required to disclose the nature, turnover and profits or losses of any trading operations. The list of activities below is extracted from the revenue expenditure (pages 61 to 63) where there is a complete list of all Council activities (whether regarded as trading or non-trading).

2008/09 Net Expenditure £'000	Trading Services	2009/10		
		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
(283)	Markets	58	75	(17)
(181)	Building Control (Fee Earning)	449	479	(30)
68	Land Charges	273	263	10
(958)	Car Parks	976	1,490	(514)
133	Licensing	331	194	137
166	Pest Control	199	35	164
(283)	Woolmer Trading Estate	671	943	(272)
<b>(1,338)</b>	<b>Total</b>	<b>2,957</b>	<b>3,479</b>	<b>(522)</b>

### 8. Related Party Transactions

#### Definition

Related Party transactions involve the transfer of assets, liabilities and/or services to parties that can influence, or be influenced by, the Council. Related Parties include the following:

#### Central Government

Central Government determines the statutory framework within which the Council operates, and provides a significant amount of funding. Government Grants paid during 2009/10 are disclosed at Note 26.

#### Precepting Authorities

Precepts paid to Parish Councils during 2009/10 are disclosed within the Collection Fund.

#### Housing Associations

The Council is entitled to nominate two Councillors to sit on the Management Board of Drum Housing Association. The Council paid Disabled Facilities Grants totalling £30k to Drum Housing in 2009/10

#### Citizens Advice Bureaux

The Council is entitled to nominate Councillors to sit on the Management Boards of Alton, Petersfield, Havant & District and Whitehill CABs. The Council paid grants totalling £287k to the CABs in 2009/10.

#### Members and Chief Officers

Members and Chief Officers are required to disclose relationships with related parties during the year. Transactions with related parties are disclosed below.

2008/09 Net Expenditure £'000	Related Party Transactions	2009/10		
		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
42	Grants & Funding	41	0	41
<b>42</b>	<b>Total</b>	<b>41</b>	<b>0</b>	<b>41</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Audit Costs

The Council is required to disclose the following audit costs.

2008/09 £'000	Audit Costs	2009/10 £'000
100	Fees payable to the Audit Commission with regard to external audit services carried out by the appointed Auditor	96
7	Fees payable to the Audit Commission in respect of Statutory Inspection	25
27	Fees payable to the Audit Commission for the certification of grant claims and returns	34
0	Fees payable in respect of other services provided by the appointed Auditor	0
<b>134</b>	<b>Total</b>	<b>155</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Net Contributions to / (from) Earmarked Reserves

2008/09 £'000	Net Contributions	2009/10 £'000
	<b>Maintenance Reserves</b>	
0	Contribution to/from Information Technology Fund	(25)
(35)	Contribution to/from Open Space Maintenance Fund	(34)
(15)	Contribution to/from Asset Management Maintenance Fund	40
<b>(50)</b>	<b>Total Contributions to/(from) Maintenance Reserves</b>	<b>(19)</b>
	<b>External Risk Provisions</b>	
(163)	Contribution to/from Corporate Planning Reserve	(226)
(12)	Contribution to/from Insurance Reserve	(30)
(61)	Contribution to/from Interest Equalisation Account	(139)
<b>(236)</b>	<b>Total Contributions to/(from) External Risk Provisions</b>	<b>(395)</b>
	<b>Service Specific Reserves</b>	
(25)	Contribution to/from Community Initiatives Fund	(82)
39	Contribution to/from Community Schools Debt Release Reserve	47
(195)	Contribution to/from Carry Forwards	47
(3)	Contribution to/from Enforcement Provision	0
(34)	Contribution to/from Planning Reserves	(279)
15	Contribution to/from Second Homes Discount Reserve	3
434	Contribution to/from Local Authority Business Growth Incentive Grant Reserve	(450)
48	Contribution to/from Lottery Play Strategy Reserve	0
89	Contribution to/from Waste to Resources Action Plan Reserve	22
57	Contribution to/from Web Development Reserve	(41)
13	Contribution to/from Heatherlands Football Pitch Reserve	0
58	Contribution to/from Headstone Testing Reserve	(3)
205	Contribution to/from Concessionary Travel Reserve	(209)
(77)	Contribution to/from Implementing Electronic Government Reserve	0
20	Contribution to/from Community Planning Grants Reserve	(1)
70	Contribution to/from Business Enterprise Regulatory Reform Reserve	(1)
(23)	Contribution to/from Climate Change Reserve	33
0	Contribution to/from Performance Reward Reserve	(3)
0	Contribution to/from Credit Union Reserve	71
0	Contribution to/from Business Transformation Reserve	(64)
0	Contribution to/from Local Public Service Agreement Reserve	252
<b>691</b>	<b>Total Contributions to/(from) Service Specific Reserves</b>	<b>(658)</b>
	<b>Provisions</b>	
<b>70</b>	Contribution to/(from) Provisions	<b>0</b>
	<b>Government Grants Deferred</b>	
<b>44</b>	Grants Received transferred to Government Grants Deferred	<b>0</b>
<b>906</b>	<b>Net Increase in Provisions &amp; Earmarked Reserves</b>	<b>(1,072)</b>
	<b>Capital Financing Reserve</b>	
(1,343)	Revenue Expenditure financed from Capital under Statute	(1,199)
(590)	Depreciation and Impairment of Fixed Assets	(1,926)
<b>(1,027)</b>	<b>Total Contributions</b>	<b>(4,197)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the Balance Sheet

#### 11. Fixed Assets

The table below analyses the movements in fixed assets for the year.

	Land & Buildings £'000	Vehicles Plant & Equipment £'000	Intangible Software Assets £'000	Surplus Assets £'000	Total Non-Operational Assets £'000	Total £'000
<b>Deemed Historic Cost At 01/04/2009</b>	<b>15,408</b>	<b>1,083</b>	<b>572</b>	<b>989</b>	<b>7,981</b>	<b>26,033</b>
Reclassification	0	0	0	0	0	0
Additions	1,068	95	4	0	1,223	2,390
Write Downs	0	0	0	0	0	0
Disposals	(23)	0	0	(81)	(1)	(105)
Revaluation	8,326	0	0	132	4,323	12,781
Impairment	(1,406)	0	0	(5)	(2)	(1,413)
<b>Gross Book Value 31/03/2010</b>	<b>23,373</b>	<b>1,178</b>	<b>576</b>	<b>1,035</b>	<b>13,524</b>	<b>39,686</b>
<b>Depreciation</b>						
Accumulated	317	490	298	4	0	1,109
Charge for the Year	229	223	58	2	0	512
Disposals	0	0	0	0	0	0
<b>Total</b>	<b>546</b>	<b>713</b>	<b>356</b>	<b>6</b>	<b>0</b>	<b>1,621</b>
<b>Net Book Value 31/03/2010</b>	<b>22,827</b>	<b>465</b>	<b>220</b>	<b>1,029</b>	<b>13,524</b>	<b>38,065</b>
Historic Cost of Assets 01/04/2009	15,091	593	274	985	7,981	24,924

#### Notes

- a) The asset values in the accounts are based upon a valuation certificate dated 28th February 2010 by the Independent Valuers, Wadham & Isherwood. All assets were valued in accordance with Royal Institute of Chartered Surveyors rules and, as far as possible, in line with forthcoming IFRS requirements. The total valuation of land & buildings at 1st April 2009 was £35,425,000. The Council deem operational and non operational asset values at historic cost as at 31st March 2009. The Council continues to consider the need to impair its assets.  
In previous year's accounts the Council has presented this table on the basis of the 2004 valuation. In order to comply with forthcoming International Financial Reporting Standards, the table is now presented on the basis of historic cost at 1st April 2007.
- b) Community assets are assets that the Council holds in perpetuity, that have no determinable useful life, and that may have restrictions on disposal. Examples of Community Assets include parks, and historic buildings. The net book value of any community assets held by EHDC is zero.
- c) Infrastructure assets are assets required in order to enable other developments to take place, for example, roads, coastal defences and other similar environmental works. The net book value of any such infrastructure assets held by EHDC is zero.
- d) Depreciation Rates applied are outlined in the Statement of Accounting Policies on page 19.
- e) For properties valued on the basis of Depreciated Replacement Cost, regard was taken as to the prospect and viability of occupation continuing.
- f) The Council had no contracted or committed works as at 31st March 2010.
- g) In order to comply with forthcoming international financial reporting standards, the note is based on historic cost of assets as at 1st April 2007. In previous year's accounts, the note has been based on the valuation as at 1st April 2004.  
This does not impact on the overall asset values but accumulated depreciation prior to 1st April 2007 now forms part of the gross book value.

## NOTES TO THE FINANCIAL STATEMENTS

Number 2008/09	Analysis of Council Assets	Number 2009/10
	<b>Land &amp; Buildings</b>	
30	Car Parks	30
1	Lorry Parks	1
5	Cemeteries	5
2	Sport / Leisure Centres	2
1	Shopmobility Centre	1
8	Purpose Built Community Buildings	8
4	Other Community Buildings	4
178	Public open spaces and amenity land sites	178
2	Allotment sites	2
9	Public Conveniences	9
15	Bus Shelters	15
	<b>Operational Buildings</b>	
2	Offices	2
	<b>Investment Properties - (Non operational)</b>	
7	Shops	7
1	Retail Centre	1
61	Industrial Estate Units	63

### Financing of Capital Expenditure

Capital Expenditure was financed as follows:

2008/09 £'000	Financing of Capital expenditure	2009/10 £'000	2009/10 £'000
	<b>Capital Expenditure</b>		
128	- Land, Buildings and Investment Properties	2,291	
341	- Equipment & Intangible Assets	131	
1,343	- Revenue Expenditure funded from Capital under statute	1,199	
<b>1,812</b>	<b>Total expenditure</b>		<b>3,621</b>
	<b>LESS</b>		
0	- Whitehill/Bordon Grant to deferred account	(550)	
0	- Lottery Funding to deferred account	(35)	
0	- Other Contributions to deferred account	(169)	
(59)	- Planning Delivery Grant to deferred account	(6)	
(20)	- Right to Buy Receipts to deferred account	0	
	<b>ADD</b>		
0	- Whitehill/Bordon Grant Depreciation Charges	8	
0	- Lottery Funding Depreciation Charges	2	
0	- Other Contributions Depreciation Charges	10	
112	- Implementing Electronic Government Depreciation Charges	0	
17	- Kerbside Glass Depreciation Charges	17	
44	- Planning Delivery Grant Depreciation Charges	35	
4	- Right to Buy Depreciation Charges	4	
7	- Benefits Admin Grant Depreciation Charges	7	(677)
<b>1,917</b>	<b>Total to finance from capital resources</b>		<b>2,944</b>
	<b>Method of Finance</b>		
632	Capital Receipts and Cash Resources		1,959
603	Specific Capital Grants		551
397	Capital Contributions		353
285	Revenue Contributions		81
<b>1,917</b>	<b>Total resources used</b>		<b>2,944</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Financial Instruments

The borrowings & Investments disclosed in the balance sheet are made up of the following categories of Financial Instruments.

	Long Term 2008/09	Current 2008/09	Long Term 2009/10	Current 2009/10
<b>Financial Liabilities at amortised cost</b>				
Car Loans	0	48	0	35
Rent Deposits	125	0	135	0
<b>Financial Assets at amortised cost</b>				
Loans & Receivables	12,686	12,552	5,247	27,404
Available for Sale Financial Instruments	0	0	0	0
<b>Total Investments</b>	<b>12,686</b>	<b>12,552</b>	<b>5,247</b>	<b>27,404</b>

The Councils' current liabilities relate to Commercial Rent Deposits and Employee Car Loans. The Council is obliged to repay the rent deposits at the end of the Tenancy, providing all rent due has been paid. There were no impairments in the Council's financial instruments during 2008/09 or 2009/10. All outstanding debt is pursued until such time as it becomes uneconomic or disproportionate to the administrative effort required.

#### Financial Instruments Gains/Losses

The Gains & Losses recognised in the Income & Expenditure Account and Statement of Recognised Gains & Losses in relation to financial instruments are made up as follows:

Financial Assets & Liabilities 2008/09	Financial liabilities	Financial Assets		Total
		Loans & Receivables	Available for Sale assets	
Interest on Internal Funds	(7)			(7)
Interest Payable	(8)			(8)
Interest Income		1,472	450	1,922
Gains on revaluation of investments			0	0
<b>Total</b>	<b>(15)</b>	<b>1,472</b>	<b>450</b>	<b>1,907</b>

Financial Assets & Liabilities 2009/10	Financial liabilities	Financial Assets		Total
		Loans & Receivables	Available for Sale assets	
Interest on Internal Funds	(5)			(5)
Interest Payable	(1)			(1)
Interest Income		1,175	0	1,175
Gains on revaluation of investments			0	0
<b>Total</b>	<b>(6)</b>	<b>1,175</b>	<b>0</b>	<b>1,169</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Valuation of Assets Carried at Fair Value

Investment transactions during 2009/10 consisted of fixed rate cash deposits only. All fixed term deposits are recorded at cost. Any interest due, but not physically received in 2009/10, has been included within the fair value calculation of investments below. Deposits entered into during 2009/10 have been set as short term investments in order to avoid the Council being caught in an interest trap and to enable the Council to take advantage of increases in interest rates as soon as they happen. There are no forward deals open at 31st March 2010. The Council also operates a high interest account for overnight balances.

### Fair Value of Assets & Liabilities Carried at Amortised Cost

Financial Assets & Liabilities represented by loans & receivables are carried in the Balance Sheet at amortised cost. Their value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.

	31st March 09		31st March 10	
	Carrying Amt £'000s	Fair Value £'000s	Carrying Amt £'000s	Fair Value £'000s
<b>Financial Assets</b>				
Available for Sale Assets	0	0	0	0
Deposits >1yr	12,686	12,686	27,404	27,404
Deposits <1yr	12,552	12,552	5,247	5,247
Gains on Forward Deals	0	0	0	0

### Disclosure of the Nature & Extent of Risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks. These include:

1. Credit Risk - the possibility that other parties might fail to pay amounts due to the Authority
2. Liquidity Risk - the possibility that the Authority might not have funds available to meet its commitments to make payments.
3. Market Risk - the possibility that financial loss may arise for the authority as a result of changes in interest rates

The Authority's Risk Management Programme focuses on the unpredictability of financial markets and seeks to minimise the adverse effects of market movements on the resources available to fund services. The Council considers this risk when setting the annual Treasury Management Strategy, and the Prudential Indicators contained in the Strategy.

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. Deposits are not made with banks and financial institutions unless they are independently rated and contained on the Council's Lending List. The Council may also lend to other local authorities and Parish Councils. No more than £2.5m is invested with any single financial institution at any one time.

The Council also receives income from Council Tax, National Non Domestic Rates, and Housing Benefit Overpayments. These are statutory debts, and while every effort to collect this income is made, the Council cannot choose who its counterparties are.

	Amount at 31/03/10 £'000s	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions at 31/03/10 %	Estimated Maximum Exposure £'000s
Deposits with Banks & Building Societies	20,000	0.0%	0.0%	0
Customers	535	2.0%	10.0%	54
Council Tax	1,065	12.9%	15.0%	160
Business Rates	582	32.6%	35.0%	204
Housing Benefit Debtors	490	13.8%	20.0%	98

## NOTES TO THE FINANCIAL STATEMENTS

No credit limits were exceeded in the reporting period and the authority does not expect any losses from non performance by any counterparts in relation to deposits & bonds.

The following table shows an aged analysis of Trade Debtors and Mortgage Debtors. The Council does not renegotiate debt. The Authority does not generally allow credit for customers. However, of the £535k debtors, £291k is beyond the due date for payment. The Council took back responsibility for commercial property rent collection back from Vail Williams in 2009/10. A significant amount of commercial property debt over 180 days old was returned to the Council, impacting on the aged debtor schedule.

Age	2008/09 Total £	2009/10 Total £
0-28 Days	263,505	<b>244,129</b>
29-42 Days	153,266	<b>68,169</b>
43-90 Days	20,150	<b>12,607</b>
91-180 Days	25,214	<b>40,052</b>
Over 180 Days	73,306	<b>170,295</b>
<b>Grand Total</b>	<b>535,441</b>	<b>535,252</b>

### Liquidity Risk

The Council is a 'debt -free' Authority and does not have any long term loans. However, short term loans may be entered into from time to time to cover cash flow shortages. The Council has access to borrow through the Public Works Loan Board, and through banks & Building Societies. The risk of borrowing is that the Council is bound to repay at potentially unfavourable interest rates, and this risk is minimised through close cash flow management, avoiding the need to borrow wherever possible.

At the Balance Sheet date, the Council had no long or short term loans outstanding.

### Market Risk

The Authority is exposed to a degree of risk in terms of its exposure to interest rate movements. For example, a rise in rates would have the following impact:

1. Borrowing - The Council has no loans and therefore a rates rise would have no impact. However, if the Council were to take out a loan, the cost of borrowing would be higher.
2. Variable Rate Investments - Interest income credited to the Income & Expenditure Account would rise.
3. Fixed Rate Investments - The fair value of long term fixed rate investments would fall, as the return on the investment would become less favourable. Where fixed rate investments have short maturities, the effect will be as for variable rate investments, as the replacement investments would generate increased interest returns.

The Authority has a number of strategies for dealing with interest rate risk. Variable rate investments are limited in the Treasury Management Strategy to 65% of total investments between 2008/09 and 2009/10. The authority also maintains a treasury strategy to ensure that the maximum possible returns are achieved, within the boundaries of security and liquidity.

The Treasury Management function produces monthly reports to management on interest returns, maturities, reinvestments and sensitivity analysis.

According to this strategy, if average interest rates over the financial year 2009/10 are 1% higher than forecast, the financial effect would have been an increase in interest returns of £65k.

### Price Risk

The Authority does not invest in equity shares, and therefore is not exposed to equity price risk. The Council holds £12.6m of property investments on its Asset Register. These properties will be subject to price risks in the property markets, if the Council decided to sell at the current time.

### Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to losses arising from exchange rate movements.

The Council does not have any provision for the above risks. However, an insurance fund is maintained. The purpose of this fund is to cover insurance claims that fall below the excess limit for public liability insurance of £10k.



## NOTES TO THE FINANCIAL STATEMENTS

### 13. Long Term Debtors

Long Term Debtors are amounts owed to the Council that are due after the next financial year end.

Balance 01/04/09 £'000	Long Term Debtors	Additions £'000	Reductions £'000	Balance 31/03/10 £'000
1	Mortgages	0	0	1
31	Equity Shares	0	31	0
48	Employee Car Loans	6	20	34
1	Deposits owing to the Council	0	0	1
126	Mill Chase Community School	0	126	0
0	PUSH Loans	31	1	30
<b>207</b>		<b>37</b>	<b>178</b>	<b>66</b>
	<b>Provision for doubtful debts</b>			
(31)	Equity shares	31	0	0
<b>176</b>	<b>Total</b>	<b>68</b>	<b>178</b>	<b>66</b>

### 14. Current Debtors

Current Debtors are amounts owed to the Council that are due during the next financial year.

Restated Balance 01/04/09 £'000	Current Debtors	Balance 31/03/10 £'000
	<b>Amounts falling due within one year</b>	
	<b>Related Parties</b>	
683	Government departments	82
233	Other Local Authorities	74
131	Collection Fund - EHDC	138
	<b>Unrelated Parties</b>	
1,648	Debtors for services	2,050
0	Capital Debtors	0
879	HM Revenue & Customs (Value Added Tax)	168
<b>3,574</b>		<b>2,512</b>
<b>0</b>	<b>National Non Domestic Rates Balance due from Central Government</b>	<b>2,323</b>
<b>3,574</b>	<b>Total Debtors</b>	<b>4,835</b>
	<b>Provision for doubtful debts</b>	
(565)	General Fund	(653)
(50)	Collection Fund	(54)
<b>2,959</b>	<b>Total</b>	<b>4,128</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Creditors

Creditors are amounts owed by the Council at 31st March 2010.

Restated Balance 01/04/09 £'000	Creditors	Balance 31/03/10 £'000
	<b>Amounts falling due within one year</b>	
	<b>Related Parties</b>	
161	Government departments	2,307
0	Her Majesty's Revenues & Customs	0
38	Other Local Authorities	32
282	Collection Fund - EHDC	123
	<b>Unrelated Parties</b>	
0	Creditors in respect of Capital Spend	0
1,994	Creditors for goods and services	1,930
162	<b>National Non Domestic Rates Balance Due to Central Government</b>	0
645	<b>Council Tax Balance due to precepting Authorities</b>	133
<b>3,283</b>	<b>Total Creditors</b>	<b>4,525</b>
	<b>Provisions</b>	
101	Provisions	101
	<b>Amounts falling due over one year</b>	
126	Deferred liabilities	135
<b>3,510</b>	<b>Total</b>	<b>4,761</b>

### 16. Developers' Contributions Deferred Account

The advances in 2009/10 represents Developers' Contributions towards schemes which have yet to take place. The transfers represent the use of Contributions either on EHDC schemes or third party schemes.

Balance 01/04/09 £'000	Developers' Contributions	Contributions to Fund £'000	Releases from fund £'000	Balance 31/03/10 £'000
3,257	Contributions to/from Developers	1,067	521	3,803
<b>3,257</b>		<b>1,067</b>	<b>521</b>	<b>3,803</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 17. Deferred Credits

Deferred credits represent sums which are anticipated for future periods, or capital grants which are amortised as the asset is depreciated. The Council received a significant amount of capital grant from Central Government towards the Eco Town project at Whitehill/Bordon. This is split in this note between Allocated grant, which has been spent and is being amortised to Revenue over the life of the asset, and Unallocated, representing grant not yet spent.

Balance 01/04/09 £'000	Deferred Credits and Government Grants Deferred	Advances / Contribution £'000	Transfer to other a/cs £'000	Balance 31/03/10 £'000
2	Housing sale receipts deferred	0	1	1
236	Hampshire County Council repayment for Mill Chase Community	0	126	110
<b>238</b>	<b>Total Deferred Credits</b>			<b>111</b>
0	Whitehill/Bordon Grant Unallocated	8,186	550	<b>7,636</b>
0	Partnership for Urban South Hampshire	71	0	71
(14)	Implementing Electronic Government Grant deferred	14	0	0
48	Department for Environment, Food & Rural Affairs Grant Deferred	0	18	30
21	Revenues & Benefits Grant	0	7	14
86	Planning Delivery Grant (Capital) Deferred	6	35	57
25	Safer Stronger Communities Fund Grant	0	0	25
15	Right to Buy Receipts Deferred	0	5	10
0	Lottery Funding	35	2	33
0	Whitehill/Bordon Grant Allocated	550	8	542
0	Heatherlands	37	2	35
0	Hollybrook Play Park	132	8	124
<b>181</b>	<b>Total Government Grants Deferred</b>			<b>8,577</b>
<b>419</b>		<b>9,031</b>	<b>762</b>	<b>8,688</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. Pension Asset Account

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 payments into the Pension Scheme to ensure that employees receive their future entitlement.

FRS17 is the Accounting Standard that defines the way in which the Council accounts for Pension liabilities. The Balance Sheet therefore includes the Council's share of pension fund assets and liabilities. The liabilities do not just represent liabilities to current pensioners, but the present value of all future liabilities relating to every member of the scheme. In order to calculate this present value, a number of assumptions have to be made. Financial market conditions continued to have a dramatic effect on the value of the pension funds during 2009/10. This has resulted in the Pension Fund Actuary amending two of the assumptions used when calculating the Pension Fund liability. The first assumption relates to the rate of inflation of staffing costs, including salary and grade increases, and ultimately, pensions paid in future years. The average rate of inflation assumed over a 30 year period has increased from 4.9% to 5.4%, resulting in an increase in the overall pension liability.

8.3 The second assumption relates to the discount rate used when calculating the present value of future liabilities. The discount rate has fallen from 6.7% in 2008/09 to 5.5% in 2009/10.

This has a significant impact on the value of the pension liability. There is a risk that, in future, the pension liability could cause a negative balance sheet value, as has happened with some Fire authorities. This does not imply that the Council is not financially viable. The Pension fund liability on the Balance Sheet represents the overall liability to all members of the scheme. Operationally, cash required for current liabilities is met from the returns on pension fund assets.

The Council participates in the Local Government Superannuation Scheme, administered by Hampshire County Council (HCC). It is a funded scheme, meaning that the Council and employees pay contributions into the fund, calculated at a level intended to balance the pensions liabilities with investment assets. The Council pays additional contributions in respect of early and efficiency retirements and this is known as the unfunded element.

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on cash payable in the year. The adjustments shown in the pension asset account and the pension reserve (note 24d) reflect this.

Further information can be found in the County Council's Superannuation Fund Annual Report which is available upon request from the County Treasurer at Hampshire County Council:

County Treasurer  
Hampshire County Council  
The Castle  
Winchester  
Hampshire  
SO23 8UJ  
[www.hants.gov.uk](http://www.hants.gov.uk)

#### The Pension Asset Account

2008/09 £'000	<b>Pension Asset Account</b>	2009/10 £'000
(18,980)	Pension Asset Account Balance B/fwd	(30,970)
(80)	Restatement of Opening Balances	0
0	Unfunded Discretionary Benefits	0
(940)	Current Service Cost	(920)
(10)	Past Service Pension Costs	(110)
(4,200)	Interest Cost	(4,320)
530	Actuarial Changes - Assets	(20,970)
0	Return on investments	0
<b>(23,680)</b>	<b>Total</b>	<b>(57,290)</b>
2,850	Return on Assets	1,910
(11,670)	Actuarial Changes - Liabilities	9,240
1,850	Cash paid to Fund	2,000
(510)	Contributions from Participants	(510)
190	Benefits paid in respect of the unfunded liabilities	200
<b>(30,970)</b>	<b>Balance C/fwd</b>	<b>(44,450)</b>

## NOTES TO THE FINANCIAL STATEMENTS

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the Fund), which is part of the Local Government Pension Scheme (LGPS). East Hampshire District Council participates in the Fund which provides defined benefits, based on members' final pensionable salary. In accordance with Financial Reporting Standard No.17 - Retirement Benefits (FRS17), disclosure of certain information concerning assets, liabilities, income and expenditure relating to the pension scheme is required. The Employer's regular contributions to the Fund for the accounting period to 31st March 2010 are estimated to be £1.43m. In addition, Strain on Fund Contributions may be required. The latest actuarial valuation of the Fund took place on 31st March 2007. The principal assumptions used by the independent qualified actuaries in updating the latest valuations of the Fund for FRS17 purposes were:

<b>Financial Assumptions</b>	<b>March 2008</b>	<b>March 2009</b>	<b>March 2010</b>
Rate of Inflation	3.7% pa	3.4% pa	<b>3.7% pa</b>
Rate of general increase of salaries	5.2% pa	4.9% pa	<b>5.4% pa</b>
Rate of increase to pensions in payment	3.7% pa	3.4% pa	<b>3.7% pa</b>
Rate of increase to deferred pensions	3.7% pa	3.4% pa	<b>3.7% pa</b>
Discount rate for scheme liabilities	6.8% pa	6.7% pa	<b>5.5% pa</b>

<b>Principal Demographic Assumptions</b>	<b>31st March 2009</b>	<b>31st March 2010</b>
<b>Male</b>		
Base Table (in 2007)	PNMA00 with allowance for Medium Cohort Improvement factors to 2007	PNMA00 with allowance for Medium Cohort Improvement factors to 2007
Scaling to above base table rates	110%	110%
Cohort Improvement factors (from 2007)	80% of Lowest Cohort	80% of Lowest Cohort
Minimum underpin to improvement factors	1.25%	1.25%
Future lifetime from age 65 (currently aged 65)	22.2	22.3
Future lifetime from age 65 (currently aged 45)	24.5	24.7
<b>Female</b>		
Base Table in 2007	PNFA00 with allowance for Medium Cohort Improvement factors to 2007	PNFA00 with allowance for Medium Cohort Improvement factors to 2007
Scaling to above base table rates	110%	110%
Cohort Improvement factors (from 2007)	60% of Lowest Cohort	60% of Lowest Cohort
Minimum underpin to improvement factors	1.25%	1.25%
Future lifetime from age 65 (currently aged 65)	24.2	24.3
Future lifetime from age 65 (currently aged 45)	26.4	26.5

Members of the Pension Fund are allowed to exchange future pension payments for a lump sum on retirement. This is known as Commutation. The assumption made by the Actuary is that each member will exchange 25% of the maximum amount permitted for pre April 2008 contributions, and 75% for post April 2008 contributions.

A building block approach is employed when determining the rate of return on Pension Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on assets is then derived by aggregating the expected return for each asset class over the asset allocation for the Fund at 31st March 2009.

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of FRS17.

	<b>Long term expected rate of return at 31/3/08 (% pa)</b>	<b>Asset split as at 31/3/08 (%)</b>	<b>Long term expected rate of return at 31/3/09 (% pa)</b>	<b>Asset split as at 31/3/09 (%)</b>	<b>Long term expected rate of return at 31/3/10 (% pa)</b>	<b>Asset split as at 31/3/10 (%)</b>
Equities	7.6	61.9	7.0	55.2	<b>8.0</b>	<b>61.3</b>
Property	6.6	5.8	6.0	7.3	<b>8.5</b>	<b>6.1</b>
Government Bonds	4.6	26.6	4.0	27.4	<b>4.5</b>	<b>24.4</b>
Corporate Bonds	6.8	0	5.8	3.9	<b>5.5</b>	<b>2.4</b>
Cash	6.0	5.7	1.6	6.2	<b>0.7</b>	<b>5.8</b>
Other	6.0	0	1.6	0.0	<b>8.0</b>	<b>0.0</b>
<b>Total</b>	<b>6.7</b>	<b>100.0</b>	<b>5.7</b>	<b>100.0</b>	<b>6.7</b>	<b>100.0</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Reconciliation of Funded status to the Balance Sheet

The funded status of the Council's pension fund compares the notional value of assets, and the present value of all committed liabilities to give the overall funding deficit. The net pension liability is represented by the pension asset account on the balance sheet.

	Value as at 31/3/2008 £'m	Value as at 31/3/2009 £'m	Value as at 31/3/2010 £'m
Notional Value of Fund Assets	43.41	33.99	44.63
<b>Total Pension Assets</b>	<b>43.41</b>	<b>33.99</b>	<b>44.63</b>
Present Value of Liabilities (Funded)	59.53	61.94	85.60
Present Value of Liabilities (Unfunded)	2.94	3.02	3.48
<b>Total Pension Liability</b>	<b>62.47</b>	<b>64.96</b>	<b>89.08</b>
<b>Total Net Pension Liability</b>	<b>19.06</b>	<b>30.97</b>	<b>44.45</b>

### Analysis of Income & Expenditure Charge

The income and expenditure charge reconciles the current year costs recognised within the cost of services on the Income and Expenditure account. This is offset by the expected interest return on assets to provide the overall charge for the year.

	Period Ending 31st March 2009 £m	Period Ending 31st March 2010 £m
Current Service Costs	0.94	0.92
Past Service Costs	0.01	0.11
Interest costs	4.20	4.32
Expected Return on Assets	(2.85)	(1.91)
Curtailment Cost	0.00	0.00
Settlement Cost	0.00	0.00
<b>Expense Recognised</b>	<b>2.30</b>	<b>3.44</b>

### Changes to the Present Value of Liabilities during the Accounting Period

This table reconciles the movement in the overall pension liability for the year. There was a significant change in 2009/10 relating to an actuarial loss in 2009/10. This is due to two factors. The first factor is an increase in assumed salary and pensions inflation. The second, and most significant factor is a change in the discount rate applied to the liability calculation, as a result of changing market conditions in 2009/10.

	Period Ending 31st March 2009 £m	Period Ending 31st March 2010 £m
Opening Present Value of Liabilities	62.47	64.96
Current Service Costs	0.94	0.92
Interest cost	4.20	4.32
Contributions by Participants	0.51	0.51
Actuarial (Gains) / Losses on Liabilities	(0.53)	20.97
Net Benefits Paid out	(2.64)	(2.71)
Past Service Cost	0.01	0.11
Net increase in liabilities from Disposals & Acquisitions	0.00	0.00
Curtailments	0.00	0.00
Settlements	0.00	0.00
<b>Closing Present Value of Liabilities</b>	<b>64.96</b>	<b>89.08</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Changes to the Fair Value of Assets during the Accounting Period

This table reconciles the movement in the fair value of pension assets for the year. Following the financial market downturn in 2008/09, changes in asset values exceeded expectation in 2009/10 and has resulted in an actuarial gain of £9.24m.

	Period Ending 31st March 2009 £m	Period Ending 31st March 2010 £m
Opening Fair Value of Assets	43.41	33.99
Expected return on Assets	2.85	1.91
Actuarial Gains / (Losses) on assets	(11.67)	9.24
Contributions by the Employer	1.34	1.49
Contributions by Participants	0.51	0.51
Net Benefits Paid out	(2.45)	(2.51)
Net increase in assets from Disposals and Acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing Present Value of Liabilities</b>	<b>33.99</b>	<b>44.63</b>

### History of Asset Values

This table provides a history of pension fund asset values for the last five accounting periods. In accordance with Paragraph 77(o) of FRS17 (as revised), the assets for the current period and previous two periods are measured at current bid price. Asset values previously measured at mid market value for periods ending in 2007 and 2008 have been re-measured for this purpose. Asset values for periods ending in 2006 are shown at mid market value, and have not been re-measured as permitted by FRS17 (as revised).

	Period Ending 31st March 2006 £m	Period Ending 31st March 2007 £m	Period Ending 31st March 2008 £m	Period Ending 31st March 2009 £m	Period Ending 31st March 2010 £m
Fair Value of Assets	38.75	40.79	43.41	33.99	44.63
Present Value of Liabilities - Funded	(60.51)	(63.51)	(59.53)	(61.94)	(85.6)
Present Value of Liabilities - Unfunded	(3.16)	(3.19)	(2.94)	(3.02)	(3.48)
<b>Surplus / (Deficit)</b>	<b>(24.92)</b>	<b>(25.91)</b>	<b>(19.06)</b>	<b>(30.97)</b>	<b>(44.45)</b>

### Actual Return on Assets

This table shows the total return on pension fund assets. This includes the impact of any changes in assumptions made by the actuary.

	Period Ending 31st March 2009 £m	Period Ending 31st March 2010 £m
Expected Return on Assets	2.85	1.91
Actuarial Gains / (Losses)	(11.67)	9.24
<b>Actual Return on Assets</b>	<b>(8.82)</b>	<b>11.15</b>

### History of Experience Gains & Losses

In accordance with paragraph 79 of FRS17 (as revised), unfunded liabilities are disclosed separately for periods beginning on or after 6th April 2007. The history of experience gains/losses on liabilities shown has not been restated for periods ending 2007 and 2006 and includes the experience relating to unfunded liabilities.

Experience Gains / Losses	2005/06 £m	2006/07 £m	2007/08 £m	2008/09 £m	2009/10 £m
Experience Gains / (Losses) - Assets	5.26	(0.06)	(0.08)	(11.67)	9.24
Experience Gains / (Losses) - Funded Liabilities	0.16	(0.18)	(1.65)	(0.34)	0.93
Experience Gains / (Losses) - Unfunded Liabilities	N/A	N/A	(0.01)	(0.06)	0.10
<b>Total Experience Gains / (Losses)</b>	<b>5.42</b>	<b>(0.24)</b>	<b>(1.74)</b>	<b>(12.07)</b>	<b>10.27</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Movements on Reserves and Balances

The Council keeps a number of reserves in the Balance Sheet. Some of these reserves are statutory, and others are created to ensure resources are available to meet future spending needs. The Council reviews its reserves regularly.

Reserve	Purpose of the reserve	Balance 1/04/09 £'000	Net movement in year £'000	Balance 31/03/10 £'000	Note
Revaluation Reserve	To show the movements on Fixed Asset Balances as a result of revaluations and temporary impairments.	0	12,782	12,782	19a
Capital Adjustment Account	Resources set aside to finance past capital expenditure.	35,222	(1,911)	33,311	19b
Usable Capital Receipts	Capital Receipts from fixed asset sales, available for future capital expenditure.	3,266	(158)	3,108	19c
Pensions Reserve	To show the extent of the Pension Liability on the Balance Sheet.	(30,970)	(13,480)	(44,450)	19d
Financial Instruments Adjustment Account	The Financial Instruments Adjustment Account shows the unrealised gains/losses on financial assets & liabilities.	0	0	0	STRGL, p25
Available for Sale Financial Instruments Reserve	The Financial Instruments Adjustment Account shows the unrealised gains/losses on tradable financial assets & liabilities	0	0	0	STRGL, p25.
General Fund	Resources available to meet future service costs.	1,785	18	1,803	STMGF, p24
Collection Fund Adjustment Account	Surplus or deficit on the Collection fund relating to EHDC.	(98)	86	(12)	Collection Fund note 4
Earmarked Reserves	Specific reserves created to meet future liabilities.	5,927	(169)	5,758	19e

#### 19a Revaluation Reserve

The Revaluation Reserve was created as at 1st April 2007, and replaced the old Fixed Asset Restatement Reserve. Under the CIPFA SORP 2007 guidance, all assets are valued at historic cost at 1st April 2007. The purpose of this change is to bring Local Authority fixed asset accounting into line with UK Generally Accepted Accounting Policies. The balance of the old Fixed Asset Restatement has been debited to the Capital Adjustment Account.

2008/09 £'000	Revaluation Reserve	2009/10 £'000
0	<b>Opening Balance</b>	0
0	Revaluation of Assets	12,782
0	Impairment of Assets	0
0	Disposals	0
<b>0</b>	<b>Balance C/fwd</b>	<b>12,782</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 19b. Capital Adjustment Account

The Capital Financing Account contains the amount of capital expenditure financed from revenue and capital receipts. It also contains the amounts provided for depreciation. The Council is required, by statute, to set aside capital receipts for the repayment of external loans, however as the Council has no external loans there are no receipts set aside for repayments.

2008/09 £'000	<b>Capital Adjustment Account</b>	2009/10 £'000	2009/10 £'000
35,244	Opening Balance		35,222
0	Capital Receipts Set aside		0
	<b>Capital Financing</b>		
631	Capital Receipts	371	
285	Revenue Contributions	49	
397	Capital Contributions	354	
499	Specific Capital Grants	1,233	
<b>1,812</b>	<b>Sub Total</b>		<b>2,007</b>
	<b>Adjustments to Capital Financing</b>		
0	Minimum Revenue Provision*	0	
0	Losses on Disposal	(104)	
0	Whitehill/Bordon Transfer to deferred grant account	(550)	
0	Lottery Grant to Deferred Account	(34)	
0	Other Transfers to deferred grant account	(169)	
(59)	Planning Delivery Grant to Deferred Account	(6)	
(20)	Right to Buy Receipts to Deferred Account	0	
0	Whitehill/Bordon Depreciation Charges	8	
0	Lottery Funded Depreciation Charges	3	
0	Other Grant Funded Depreciation Charges	10	
7	Benefits Admin Depreciation Charges	7	
44	Planning Delivery Grant Depreciation Charges	35	
17	Kerbside Glass Depreciation Charges	17	
112	Implementing Electronic Government Depreciation Charges	(15)	
4	Right to Buy Depreciation Charges	4	
<b>105</b>	<b>Total Adjustments</b>		<b>(794)</b>
<b>1,917</b>	<b>Capital Financing for the year</b>		<b>1,213</b>
	<b>less</b>		
1,343	Revenue Expenditure financed from Capital under Statute		1,199
596	Depreciation and Write Down of Capital Expenditure		512
0	Impairment of Fixed Assets		1,413
<b>35,222</b>	<b>Balance C/fwd</b>		<b>33,311</b>

\*There is no Minimum Revenue Provision in respect of the General Fund as the Council does not currently borrow money to finance Capital Expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

### 19c. Usable Capital Receipts Reserve

The Usable Capital Receipts Reserve represents the capital receipts available to finance capital expenditure in future years, after setting aside the statutory amounts for the repayment of external loans.

2008/09 £'000	<b>Usable Capital Receipts Reserve</b>	2009/10 £'000	2009/10 £'000
3,946	Balance B/Fwd		3,266
	<b>Receipts from sales</b>		
21	Sale of Assets	196	
802	Grants and Contributions	845	
230	Capital growth on European Investment Bond	0	1,041
	<b>Less</b>		
1,733	receipts used for financing in year	1,199	1,199
<b>3,266</b>	<b>Balance C/fwd</b>		<b>3,108</b>

### 19d. Pension Reserve

2008/09 £'000	<b>Pension Reserve</b>	2009/10 £'000
(18,980)	Balance B/Fwd	(30,970)
(80)	Restatement of Brought Forward asset values	0
0	Unfunded Discretionary Benefits	0
(11,670)	Actuarial Changes - Assets	9,240
530	Actuarial Changes - Liabilities	(20,970)
(510)	Contributions from participants	(510)
(260)	Revenue account appropriation	(1,240)
<b>(30,970)</b>	<b>Total</b>	<b>(44,450)</b>
0	Actuarial Changes	0
<b>(30,970)</b>	<b>Balance C/fwd</b>	<b>(44,450)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19e. Earmarked Revenue & Capital Reserves

Balance 01/04/09 £'000	Specific Reserves	Additions £'000	Reductions £'000	Balance 31/03/10 £'000
	<b>Maintenance Reserves</b>			
35	All Weather Pitch	0	0	35
181	Information Technology	0	25	156
185	Open Space Maintenance	0	34	151
556	Asset Management Maintenance Fund	95	55	596
10	Forest Centre Integration Maintenance Reserve	0	0	10
<b>967</b>	<b>Maintenance Reserves</b>	<b>95</b>	<b>114</b>	<b>948</b>
	<b>External Risk Provisions</b>			
368	Corporate Planning	0	226	142
647	External Support Equalisation	0	139	508
94	Insurance	298	303	89
194	Redundancy Costs	0	0	194
<b>1,303</b>	<b>External Risk Provisions</b>	<b>298</b>	<b>668</b>	<b>933</b>
	<b>Service Specific Reserves</b>			
179	Leisure Management	0	0	179
245	Community Initiatives	0	82	163
237	Local Development framework	0	0	237
294	Planning Reserve	113	86	321
97	Second Homes Discount	3	0	100
119	Community Schools Debt Release	47	0	166
0	Carry Forwards	47	0	47
200	Department for Work & Pensions Reserve	0	55	145
(2)	Housing Reserve	0	0	(2)
28	Active Lifestyles Fund	0	0	28
20	Management Development Training Reserve	0	0	20
27	Dept for Environment, Food & Rural Affairs Grants Reserve	0	0	27
5	Housing Benefit Admin Grant	0	0	5
31	Planning Delivery Capital Grant	0	6	25
48	Lottery - Play Strategy	0	47	1
205	Concessionary Fares Special Grant	209	122	292
70	Business Enterprise Regulatory Reform	0	1	69
57	Headstone Testing Reserve	0	3	54
89	Waste to Resources Action Plan Reserve	22	0	111
23	Climate Change Grant Reserve	33	0	56
12	Heatherlands Football Pitch	0	12	0
90	Performance Reward Reserve	0	3	87
20	Community Planning Grants Reserve	0	1	19
52	Website Development Reserve	0	41	11
135	Right to Buy Receipts Reserve	22	12	145
1,376	Local Authority Business Growth Incentive Grant	74	524	926
0	Business Transformation Reserve	186	64	122
0	Credit Union Reserve	75	4	71
0	Environmental Improvements - Developer's Contribution	200	0	200
0	Local Public Service Agreement Reserve	252	0	252
<b>3,657</b>	<b>Service Specific Reserves</b>	<b>1,283</b>	<b>1,063</b>	<b>3,877</b>
<b>5,927</b>	<b>Total Earmarked Reserves</b>	<b>1,676</b>	<b>1,845</b>	<b>5,758</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Contingent Assets and Liabilities

1. There is an issue surrounding the ownership of land that was subject to a compulsory purchase order in the late 1980s. This could result in a claim on the Council in the order of £259k. A risk assessment has assessed the likelihood of this happening as being low. The Council currently has no provision in the accounts for this item.
2. The Council has submitted a Value Added Tax (VAT) claim on fuel expenses and travel claims made by employees between 1974 and 1997. The Council's Auditors, Deloitte & Touche, have prepared the claim on the Councils' behalf, and submitted in January 2008. The total income potentially due to the Council, after fees to Deloitte's have been deducted, is £56k excluding interest. Her Majesty's Revenues & Customs is considering the claim, but because the outcome is uncertain, there has been no adjustment in the accounts.
3. The Council entered into a shared Chief Executive arrangement with Havant during 2009/10 and as a result is carrying out a review of its top management. As a result, there was one flexible retirement during 2009/10, the costs of which have been accounted for in full during 2009/10. It is likely that some of these costs can be recovered from Havant during 2010/11.

### 21. Assets Acquired by way of Leasing

#### Assets Acquired by way of leasing

##### Finance leases

The Council has no finance leases.

##### Operational leases

The Council has obligations in respect of vehicles, equipment and land.

The following table identifies the total number of these obligations by expiry date of the lease.

Period	Land & Buildings	Vehicles & Equipment	Total
Within 1 year	1	0	1
1 to 2 Years	0	0	0
2-5 years	1	0	1
Over 5 years	11	3	13

#### Assets Leased by the Council

The Council leases assets out to individuals and businesses in the district. The table below outlines the categories of leases issued by the Council, the number of leases, and the annual income relating to those leases.

Lease Categories	Number of leases	Rental Income £'000
Community Buildings	6	1
Business Tenancies	8	53
Open Spaces, Access Rights and Footpaths	34	56
Allotments	13	0
Substations	19	1
Industrial Plots at Woolmer Way	61	940
Retail Properties	2	93
Sports Centres	2	0

### 22. Approval of the Statement of Accounts

The Statement of Accounts will be approved by full Council on 30th June 2010, and this is the date up to which Post Balance Sheet events have been considered for inclusion in the Accounts.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Post Balance Sheet Events

#### FRS 17 Pension Liabilities in the Hampshire County Council Pension Fund

In its budget on 22 June 2010 the Government announced that future increases in public sector pensions will reflect movements in the Consumer Price Index (CPI), effective from April 2011. Increases are currently determined by reference to the Retail Price Index (RPI).

The rate at which pensions will increase is one of the key factors in determining the liabilities of defined benefit pension funds. Any change in the rate at which pensions will increase will therefore affect the value of pension fund liabilities. The CPI differs from, and tends to be lower than, the RPI. The change from RPI to CPI is therefore expected to result in a reduction in the pensions liabilities and therefore the pension deficit on the balance sheet. The change will also impact upon the income and expenditure / profit and loss account over the next accounting period.

Hewitt have estimated that the impact on the balance sheet if the CPI change had occurred at the accounting date would have been to reduce the value of the liabilities on the balance sheet by between 8% and 10% (£6.8m and £8.5m), with the exact figure depending on the member profile of the Council. Hewitt have based this estimate on the FRS 17 assumptions applicable at the accounting year end, and allowing for CPI increases being lower than RPI increases by around 0.7% p.a. in the long term (Hewitt's best estimate of the differential at the accounting date). The actual figure will also reflect the date of measurement and assumptions used when producing next year's figures.

It is anticipated that the reduction in liabilities will be accounted for as a negative past service cost i.e. that this change constitutes a change to benefits since pension scheme members will expect a lower benefit following the change than before the change.

It is also anticipated that the move to CPI will reduce the interest cost and current service cost calculated for the next accounting period compared to the position if pension increases remained linked to the RPI.

## NOTES TO THE FINANCIAL STATEMENTS

### Cash Flow Notes

#### 24. Reconciliation of Total Revenue Activities to the Income & Expenditure Account

This reconciles the cash movements reported in the Cash flow statement to the Income & Expenditure Account, which is prepared on an accruals basis.

2008/09 £'000	Reconciliation of Revenue Activities	2009/10 £'000	2009/10 £'000
276	Balance on Income & Expenditure Account	3,501	
(268)	Statutory General Fund Movements (Statement of Total Movement on General Fund, p24)	(3,977)	
(8)	General Fund Movement Surplus/(Deficit)		(476)
(276)	Collection Fund Surplus/(Deficit)		(186)
(284)	<b>TOTAL ACCRUALS BASIS</b>		<b>(662)</b>
4,736	Less Creditors as at 31st March 2009 (Balance Sheet, p26)	3,283	
3,283	Add Creditors as at 31st March 2010, (Balance Sheet, p26)	4,525	1,242
3,935	Add Debtors as at 31st March 2009 (Balance Sheet, p26)	2,959	
2,959	Less Debtors as at 31st March 2010 (Balance Sheet, p26)	4,128	(1,169)
39	Add Stock as at 31st March 2009 (Balance Sheet, p26)	57	
57	Less Stock as at 31st March 2010 (Balance Sheet, p26)	38	19
499	Capital Grants Received (Note 26)	475	
0	Movements in Deferred Liabilities (Note 15)	9	
285	Capital Spend funded from Revenue contributions (Note 11)	49	533
1,027	Transfer of earmarked reserves (to)/from Revenue (Note 10)	4,197	
(144)	Investment interest accrued	(396)	3,801
<b>1,044</b>	<b>Total Cash Basis</b>		<b>3,764</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 25. Increase / (Decrease) in Cash / Cash Equivalents

This reconciles the balance on the Cash flow Statement to the cash movement during the year.

Balance 1st April 2009 £'000	Movement in Cash/Cash Equivalents	Movement in year £'000	Balance 31st March 2010 £'000
1 (69)	Cash in Hand and Bank Balance Bank Overdraft	0 (495)	1 (564)
<b>(68)</b>		<b>(495)</b>	<b>(563)</b>

### 26. Financing & Management of Liquid Resources

Liquid resources are current asset investments that can easily be converted back into cash and relates to the short term money market deposits performed within the Treasury Management section. They are disclosed at note 16.

### 27. Memorandum Item: Government Grants

2008/09 £,000	Analysis of Government Grants Received:	2009/10 £,000	2009/10 £,000
	<b>Revenue grants</b>		
752	Revenue Support Grant	1,159	
5,399	National Non Domestic Rates Grant	5,022	
68	Planning Delivery Grant	140	
7	Air Quality Grant	0	
10	Council Tax Billing Grant	0	
41	Business Enterprise Regulatory Reform Grant	0	
4	Non Domestic Rates Section 31 Grant	0	
87	Lottery Grant	0	
0	Free Swimming Grant	36	
4,396	Council Tax Benefits Subsidy	4,922	
17,270	Housing Benefit Subsidy	20,579	
581	Housing Benefit Admin Grant	601	
11	Housing Benefit Rent Rebate Subsidy	10	
154	Non Domestic Rates Cost of Collection	154	
100	Homelessness Grant	77	
92	Community Safety Grant	0	
0	Safer Stronger Communities Grant	78	
22	Employment Support Allowance	0	
23	Climate Change Grant	23	
643	Local Authority Business Growth Incentive Grant	75	
0	Whitehill/Bordon Grant	1,674	
<b>29,660</b>	<b>Total Revenue Grants</b>		<b>34,550</b>
	<b>Capital Grants</b>		
420	Disabled facilities Grants	475	
0	Dept for Environment, Food and Rural Affairs Waste Performance Grant	0	
44	Planning Delivery Grant	0	
0	Whitehill/Bordon Grant	8,186	
<b>464</b>	<b>Total Capital Grants</b>		<b>8,661</b>
<b>30,124</b>	<b>Total Government Grants</b>		<b>43,211</b>

## COLLECTION FUND

2008/09	Collection Fund Income & Expenditure Account	2009/10
£'000		£'000
	<b>Income</b>	
25,219	Income from Business Ratepayers	24,707
60,499	Council Tax	62,118
4,339	Council Tax Benefits	4,851
90,057	<b>Total Income</b>	<b>91,676</b>
	<b>Expenditure</b>	
64,989	Precepts paid	66,617
25,067	Contribution to National Non Domestic Rates Pool	24,553
152	Cost of National Non Domestic Rates Collection	154
11	Provision for Uncollectible Council Tax	28
114	Bad Debts in Respect of Council Tax	138
90,333	<b>Total Expenditure</b>	<b>91,490</b>
<b>276</b>	<b>(Surplus) / Deficit for the year</b>	<b>(186)</b>
(50)	Contribution to EHDC re Previous years deficit	(62)
(273)	Contribution to Hampshire County Council re Previous years deficit	(348)
(36)	Contribution to Hampshire & Isle of Wight Police Authority re Previous years deficit	(47)
(16)	Contribution to Hampshire Fire Authority re Previous years deficit	(20)
<b>(99)</b>	<b>Net Income &amp; Expenditure Account (Surplus) / Deficit</b>	<b>(663)</b>
	<b>Appropriation Account</b>	
<b>853</b>	<b>Deficit Brought Forward</b>	<b>754</b>
(99)	Total movement on Collection Fund	<b>(663)</b>
<b>754</b>	<b>Deficit Carried Forward</b>	<b>91</b>

This account details all monies due from Council Tax and National Non Domestic Rates (NNDR/Business Rates), and payments made to Hampshire County Council, Hampshire & Isle of Wight Police Authority, Parish Councils and the District Council. All Business Rates, less a deduction for collection costs, are paid to a Central Government pool and redistributed to local authorities by formula. The Collection Fund is incorporated within the Balance Sheet and the Cash Flow Statement.



## NOTES TO THE COLLECTION FUND

### 1. Council Tax base for 2009/10

The Council Tax is a product of a charge per Band D equivalent property and the tax base expressed in number of Band D Properties. The tax base is shown below:

Tax Band		Dwellings	Band D Equivalents	Weighting
A	Up to £40,000	2,639	1,356.82	6/9
B	Over £40,000 & up to £52,000	5,116	3,291.33	7/9
C	Over £52,000 & up to £68,000	11,521	9,048.39	8/9
D	Over £68,000 & up to £88,000	9,853	8,948.44	1
E	Over £88,000 & up to £120,000	8,295	9,353.08	11/9
F	Over £120,000 & up to £160,000	5,633	7,597.80	13/9
G	Over £160,000 & up to £320,000	4,341	6,804.07	15/9
H	Over £320,000	615	1,114.83	18/9
		<b>48,013</b>	<b>47,514.76</b>	

The calculation of the tax base is made by multiplying the total dwellings by the weightings shown above, and then adjusted for discounts and exemptions, to arrive at the Band D equivalents shown above.

The average Band D Council Tax charge for 2009/10 was: **£1,402.03**

### 2. Non Domestic Rateable Value and Multiplier

National Non Domestic Rates (Business rates) are collected by EHDC on behalf of the Government. It is subsequently redistributed to local authorities on the basis of population. The rates are calculated by multiplying assessed rateable value by a fixed multiplier set by Central Government.

The Rateable Value of Non Domestic Properties as at 31/03/10 was: **£62,677,672**

The standard multiplier for the year was: **48.5**

The Small Business Rate Relief Multiplier for the year was: **48.1**

### 3. Precepting Authorities

Precepts for the year were paid to the following Authorities :-

Authority	2008/09 £'000	2009/10 £'000
Hampshire County Council	47,305	<b>48,378</b>
Hampshire and Isle of Wight Police Authority	6,418	<b>6,752</b>
Hampshire Fire & Rescue Authority	2,757	<b>2,865</b>
East Hampshire District Council	8,509	<b>8,621</b>
<b>Total Precepts Paid</b>	<b>64,989</b>	<b>66,616</b>

## NOTES TO THE COLLECTION FUND

### 4. Allocation of Surplus/Deficit between Precepting Authorities

The balance on the Collection Fund is split between the major Precepting Authorities. The split is determined by the size of the precept payable as a percentage of the overall Council Tax income. Balances payable to other authorities are included as debtors/creditors on the Balance Sheet, and EHDC's balance is held as a fund balance in the bottom half of the Balance Sheet.

<b>Authority</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>
Hampshire County Council	549	65
Hampshire Fire & Rescue Authority	32	9
Hampshire & Isle of Wight Police Authority	74	4
East Hampshire District Council	99	12
<b>Total</b>	<b>754</b>	<b>90</b>

## GENERAL INFORMATION

2009	Area	2010
51,541	Hectares	51,541
199	Square Miles	199
39	Number of Parishes / Town Councils	39
113,258	<b>Population ( estimated June )</b>	113,704
6,642	Under 5	6,818
15,802	5 -15	15,850
71,315	16 - 64	71,563
19,499	65 and over	19,473
	<b>Density of Population</b>	
2	Per hectare	2
569	Per square mile	571

### Permanent Staffing Establishment

2008/09 Full Time Equivalents	Key Services	2009/10 Full Time Equivalents
41.3	Communications, Customer & IT Services	37.6
41.0	Community & Democratic Services	41.0
8.6	Corporate Management	10.6
46.7	Environmental Services	46.4
13.0	Financial Services	12.9
27.9	Housing, Property and Facilities Management	40.8
9.4	Legal Services	9.2
4.9	Human Resources	4.9
58.8	Planning Services	41.9
3.7	Policy & Performance	6.0
38.6	Revenue & Benefits	38.5
<b>293.9</b>	<b>Total Staffing (FTE's)</b>	<b>289.8</b>

Note  
This analysis is the budgeted staff numbers for the year rather than the actual staff in post, as this provides a better comparison year on year, and avoids distortions caused by staff movements.

## GENERAL INFORMATION

### East Hampshire District Council's Decision Making Structure 2009/10

#### **The Council's Constitution**

The Constitution sets out how the Council operates, how decisions are made and the procedures which ensure that these are efficient, transparent and accountable to local people. The Constitution reflects the Council's decision making arrangements required by the Local Government Act 2000.

#### **Full Council**

The Council is composed of 44 councillors elected every four years. The Council is responsible for deciding overall policy and budget setting. Councillors are democratically accountable to the residents of their ward. The overriding duty of councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them. Councillors have to agree to a code of conduct which will ensure high standards are maintained. The Standards Committee will train and advise them on the code of conduct. All councillors meet together as the Council. Meetings of the Council are normally open to the public.

#### **Cabinet**

The Cabinet is responsible for most day-to-day decisions. The Cabinet can include up to 10 councillors who are appointed by the Council. When major decisions are to be discussed or made, these are published in the Council's forward plan in so far as they can be anticipated. If these major decisions are to be discussed with council officers at a meeting of the Cabinet, this will generally be open for the public to attend except where personal or confidential matters are being discussed. The Cabinet has to make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council as a whole to decide.

#### **Community Forums**

In order to give local people a greater say in council affairs, there are four area based Community Forums. These cover the North East, North West, Central and South areas of the district. They are responsible for a range of area based decisions and advising the Cabinet and the Council of local people's aspirations, in order that they can help inform the decision making process. A detailed breakdown of the responsibilities of the Community Forums is included within the Constitution. They involve councillors for each particular area and the meetings are held in public.

#### **Overview and Scrutiny**

The Overview and Scrutiny Committee monitors the decisions of the Cabinet. It can 'call-in' a decision which has been made by the Cabinet but not yet implemented. It can also examine decisions made by the Community Forums or Officers, where other councillors have "called in" these decisions. It considers whether the decision is appropriate and may recommend that the decision be reconsidered. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy. The Overview and Scrutiny Committee support the work of the Cabinet and the Council as a whole. It can also allow residents to have a greater say in Council matters by holding public inquiries into matters of local concern when appropriate. This leads to reports and recommendations which advise the Cabinet and the Council on its policies, budget and service delivery.

#### **Panels**

The Council is committed to developing and formulating policy on an inclusive basis wherever this is possible. The Cabinet is advised and supported in its policy formulation role by Panels. The Panels have been structured to reflect the Council's three Priorities; Intensify our Protection of the Built and Natural Environment, Safer and More Vibrant Communities and Improve our Focus on Special Community Groups. They contain councillors from all political groups, with cross representation from the Cabinet. The Panels also have a role in advising and supporting the Overview and Scrutiny Committee as well as the Council and Community Forums. The panels can establish 'Task and Finish' groups to look at specific issues. The Cabinet is also able to set up ad hoc Panels to perform particular tasks.

The Council's Constitution and terms of reference for committees are available from [www.easthants.gov.uk](http://www.easthants.gov.uk) or from the Democratic Services team on (01730) 234073

## GENERAL INFORMATION

### Building Regulations Charging Account

The Building Act 1984, and specifically, the Local Authority Building Control Charges Regulations [S 1998/3129] require that the income for Building Regulations shall not be more than the costs incurred in performing the service over a 3 year period. The levels of income and costs are analysed below.

2008/09 Total £'000	Building Regulations Charging Account	2009/10		
		Chargeable £'000	Non Chargeable £'000	Total £'000
436	Employees Costs	256	196	452
222	Other Expenses	74	33	107
<b>658</b>	<b>Total Expenditure</b>	<b>330</b>	<b>229</b>	<b>559</b>
561	Building Regulation Fee Income	479	0	479
35	Other Income	0	0	0
<b>596</b>	<b>Total Income</b>	<b>479</b>	<b>0</b>	<b>479</b>
<b>62</b>	<b>Net Expenditure/(income)</b>			<b>80</b>
<b>62</b>	<b>(Surplus)/Deficit for the year</b>			<b>80</b>

### Publicity Costs

Set out below is the Council's spending on publicity.

2008/09 £'000	Publicity Spending	2009/10 £'000
117	Advertising and Promotions	80
32	Partners Magazine	27
<b>149</b>	<b>Total publicity spending</b>	<b>107</b>

## 2009/10 REVENUE EXPENDITURE

2008/09		2009/10		
Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	<b>Net Expenditure on Council Services</b>			
	<b>Cultural &amp; Related Services</b>			
	<b>Culture &amp; Heritage</b>			
195	Heritage	319	6	313
	<b>Recreation &amp; Sport</b>			
828	Grants & Funding	756	6	750
563	Leisure Management	708	89	619
53	Active Lifestyle	5	2	3
59	Sports Development	106	27	79
16	Play Projects	126	46	80
9	East Hampshire Community Partnership	14	5	9
	<b>Open Spaces</b>			
143	Countryside & Woodlands	165	41	124
225	Street Cleaning	333	80	253
	<b>Tourism</b>			
199	Economic Development & Tourism	142	10	132
<b>2,290</b>	<b>Total Cultural &amp; Related Services</b>	<b>2,674</b>	<b>312</b>	<b>2,362</b>
	<b>Environmental Services</b>			
	<b>Cemeteries, Cremation &amp; Mortuary Services</b>			
114	Cemeteries	279	146	133
	<b>Environmental Health</b>			
281	Food Safety	293	12	281
305	Environmental Protection	381	37	344
166	Pest Control	199	35	164
182	Health & Safety	247	27	220
149	Animal Welfare	171	12	159
133	Licensing	331	194	137
211	Public Conveniences	647	11	636
	<b>Community Safety</b>			
86	Community Safety	236	101	135
64	Drainage	58	0	58
	<b>Street Cleaning</b>			
676	Street Cleaning	974	240	734
	<b>Waste Collection</b>			
1,813	Refuse/Recycling Contract	2,444	234	2,210
292	Waste Reduction	118	211	(93)
135	Garden Waste	358	208	150
	<b>Service Management &amp; Support Services</b>			
(56)	Customer Services (Env Health)	248	287	(39)
28	Engineering Contracts	157	129	28
<b>4,579</b>	<b>Total Environmental Services</b>	<b>7,141</b>	<b>1,884</b>	<b>5,257</b>

## 2009/10 REVENUE EXPENDITURE

2008/09		2009/10		
Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	<b>Planning &amp; Development Services</b>			
	<b>Building Control</b>			
(181)	Building Control (Fee Earning)	449	479	(30)
243	Building Control (Non-Fee Earning)	297	22	275
	<b>Development Control</b>			
24	Planning Development (Fee Earning)	778	936	(158)
603	Planning Development (Non-Fee Earning)	543	62	481
265	Planning Enforcement	283	3	280
28	Planning Delivery Grant	62	0	62
397	Developers Contributions (Deferred Charge)	354	0	354
	<b>Planning Policy</b>			
368	Planning Policy	399	0	399
3	Local Plan	0	0	0
87	Local Development Framework	96	9	87
	<b>Environmental Initiatives</b>			
68	Community Team	167	69	98
	<b>Economic Development</b>			
385	Economic Development & Tourism	255	20	235
0	Alton Economic Development Project	0	0	0
0	Whitehill Seeda Project	0	0	0
(14)	Hants & IOW Improvement Plan	36	24	12
(533)	Local Authority Business Incentive Grant	19	1	18
(14)	Markets	58	75	(17)
66	Property Management	873	446	427
(283)	Woolmer Trading Estate	671	943	(272)
<b>1,512</b>	<b>Total Planning &amp; Development Services</b>	<b>5,340</b>	<b>3,089</b>	<b>2,251</b>
	<b>Highways, Roads &amp; Transport Services</b>			
	<b>Highways &amp; Roads (Routine)</b>			
(6)	Highway Services	28	0	28
70	Street Furniture	66	1	65
	<b>Street Lighting</b>			
51	Street Lighting	61	0	61
	<b>Parking Services</b>			
(958)	Car Parks	976	1,490	(514)
	<b>Public Transport</b>			
534	Concessionary Travel	811	363	448
<b>(309)</b>	<b>Total Highways, Roads &amp; Transport</b>	<b>1,942</b>	<b>1,854</b>	<b>88</b>
	<b>General Fund Housing Services</b>			
	<b>Housing Strategy &amp; Advice</b>			
351	Housing Needs	434	31	403
164	Housing Enabling	241	0	241
	<b>Private Sector Housing Renewal</b>			
256	Private Sector Housing	298	0	298
526	Disabled Facilities Grants (Deferred Charge)	770	0	770
	<b>Homelessness</b>			
58	Housing Needs	68	5	63
18	Anti Poverty	23	9	14
(2)	Homelessness Grants	161	158	3
	<b>Housing Benefits Payments</b>			
(63)	Rent Allowances	20,818	21,342	(524)
1	Non Housing Revenue Account Rent Rebates	12	10	2
	<b>Housing Benefits Admin</b>			
405	Benefits Administration	1,098	536	562
110	Benefits Investigations	193	68	125
	<b>Service Management &amp; Support Services</b>			
(3)	Beacon Council Housing Grant	36	34	2
(2)	Beacon Council Environment grant	62	59	3
(106)	Housing Operations	84	87	(3)
(61)	Community Services Support Team	327	381	(54)
<b>1,652</b>	<b>Total General Fund Housing Services</b>	<b>24,625</b>	<b>22,720</b>	<b>1,905</b>

## 2009/10 REVENUE EXPENDITURE

2008/09		2009/10		
Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	<b>Central Services to the Public</b>			
	<b>Local tax Collection</b>			
474	Council Tax	677	108	569
(58)	Council Tax Benefits	4,870	4,922	(52)
(70)	National Non-Domestic Rates	121	177	(56)
	<b>Elections</b>			
(19)	Democratic Services	132	119	13
22	Elections	193	193	0
	<b>Emergency Planning</b>			
17	Emergency Planning	47	13	34
0	Emergency Costs	0	0	0
	<b>Land Charges</b>			
68	Land Charges	273	263	10
<b>434</b>	<b>Total Central Services</b>	<b>6,313</b>	<b>5,795</b>	<b>518</b>
	<b>Corporate &amp; Democratic Core</b>			
	<b>Democratic Representation &amp; Management</b>			
1,644	Committee & Members Costs	1,672	27	1,645
10	Chairmans Budget	12	0	12
(53)	Democratic Services	322	322	0
233	Community Team	720	495	225
	<b>Corporate Management</b>			
351	Corporate Management	897	1,094	(197)
39	Income Generation	157	2	155
	<b>Other</b>			
77	Corporate Training Budget	47	0	47
321	Unapportionable Central Overheads	201	1	200
237	Whitehill/Bordon Opportunity	229	107	122
(2)	Budget Savings	2	0	2
<b>2,857</b>	<b>Total Corporate &amp; Democratic Core</b>	<b>4,259</b>	<b>2,048</b>	<b>2,211</b>
	<b>Memorandum - Central &amp; Support Services</b>			
	<b>Memorandum Items</b>			
0	Corporate Management Team & Support	772	772	0
0	Communications	437	437	0
0	Policy & Performance Management	218	218	0
0	Implementing Electronic Government	0	0	0
0	Implementing Electronic Government Recharges	0	0	0
0	Information Services	0	0	0
0	Information Services Recharges	30	30	0
0	Legal Services Group	515	515	0
0	Accountancy	468	468	0
0	Exchequer	255	255	0
0	Audit	64	64	0
0	Information Technology	1,029	1,029	0
0	Information Technology Recharges	3	3	0
0	Information Technology Data Services	809	809	0
0	Personnel Services	288	288	0
0	Corporate Property	228	228	0
0	Building Services	756	756	0
0	Distribution	306	306	0
<b>0</b>	<b>Total Support Services</b>	<b>6,178</b>	<b>6,178</b>	<b>0</b>
<b>13,015</b>	<b>Net Cost of Services</b>	<b>52,294</b>	<b>37,702</b>	<b>14,592</b>





## Further information

If you would like to find out more about our accounts for the year 2009/2010 please contact:

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