

**Herefordshire Council
Summary Accounts
2014/15**



Introduction

This summary of the council's financial accounts contains information on the amount of money spent on the delivery of services to Herefordshire residents and others for whom the council has a statutory responsibility. A full version of the accounts which have been produced in accordance with the International Financial Reporting Standards (IFRS) can be found on the council's web site here:

<https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances>

The purpose of this document is to provide an overview of the detailed accounts.

2014/15 was another challenging year where further savings were delivered against a backdrop of continuing funding reductions and budget pressures. Despite this the council underspent its budget by £0.6m reflected throughout the year in its projections. The underspend included the delivery of £15m of savings, in addition to previous four years savings of £49m.

	Budget £m	Actual £m	(Under)/Over Spend £m
Directorate			
Adults Wellbeing	56.8	56.8	0.0
Children's Wellbeing	38.4	38.9	0.5
Economy, Communities and Corporate	50.3	50.0	(0.3)
Directorate total	145.5	145.7	0.2
Other corporate budgets and reserves	0.6	(0.2)	(0.8)
Total	146.1	145.5	(0.6)

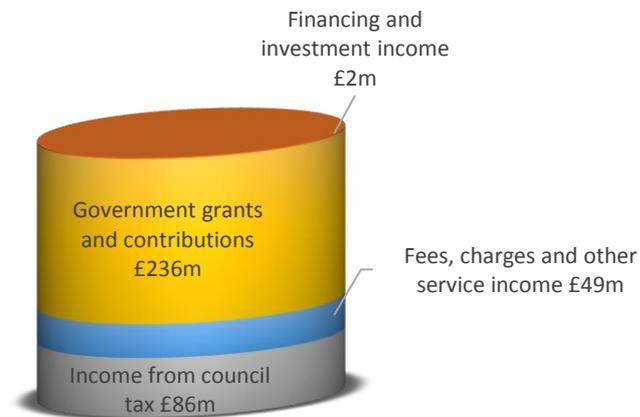
Further savings will be required in the coming years, £10m for 2015/16. The council is committed to achieve this alongside increasing demand for services from both an ageing and sparse population that provide a challenging environment.



Council Finances

We spend millions of pounds every year to provide local services. The money we spend comes from central government, business rates, council tax, fees and charges.

Income breakdown



Cost of services

This chart shows the net cost of providing services as a proportion of every pound spent on each of the council's directorates:



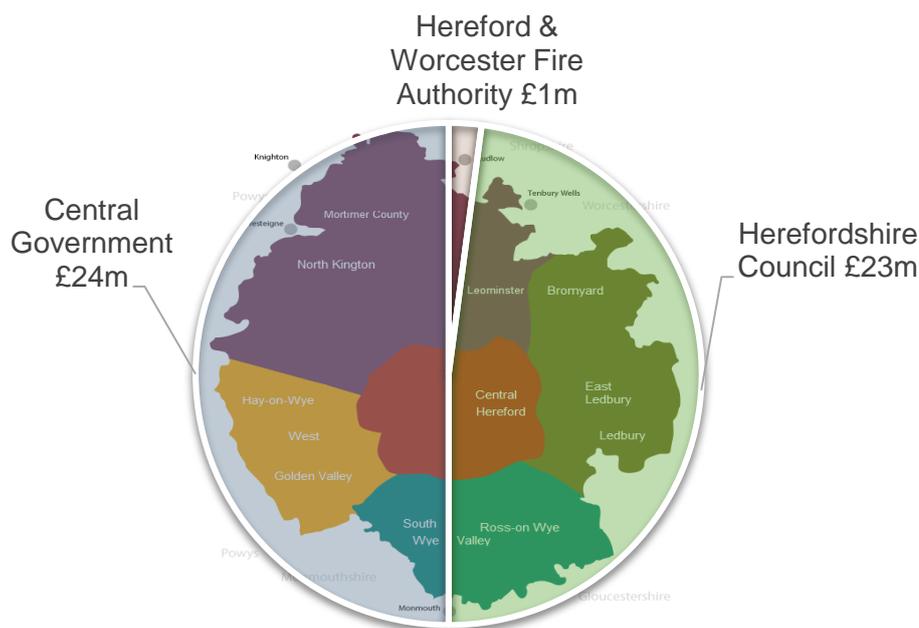
Council Tax

Council Tax charges are raised according to the historical value of residential properties. The council also collects Council Tax on behalf of West Mercia Police, Hereford & Worcester Fire Authority and various parishes in Herefordshire. The below table shows the distribution of council tax for 2014/15.



Business rates

From April 2013 the system of funding local authorities changed allowing Herefordshire Council to retain 49% of business rates with 50% paid to Central Government and 1% to Hereford and Worcester Fire Authority. The below chart shows the amounts paid to each for 2014/15.

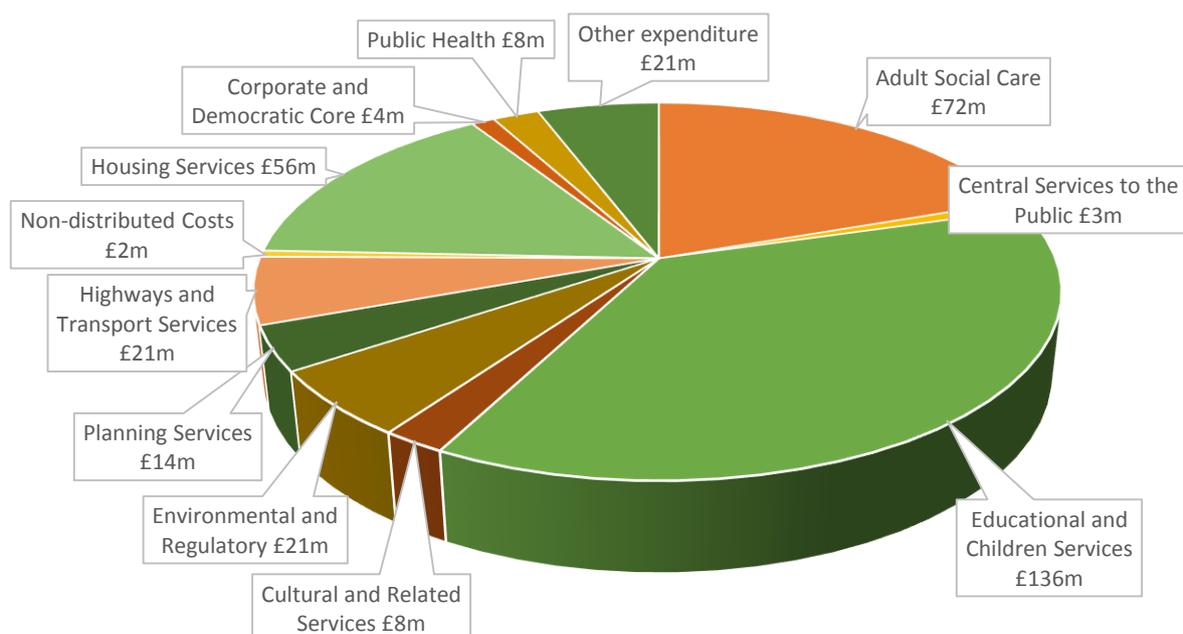


Revenue and Capital Spending

The spending on day-to-day services, including schools, social care and collecting your rubbish, is called revenue spending. Spending on roads and buildings which will be used for longer than one year is called capital spending.

Revenue Expenditure

The charts below show how the Council has spent revenue money during the year.



Capital Expenditure

	£m
Road network investment and improvements	30.3
EnviRecover energy from waste plant	6.0
Leominster Primary School replacement	5.2
New Heritage Archive & Records Centre	3.9
Leisure Centre site improvements	3.7
Hereford city link road	2.7
Broadband network, Fastershire	2.6
Hereford Enterprise Zone site investment	2.2
Other smaller schemes	15.7
Total	72.3



Heritage Archive & Records Centre



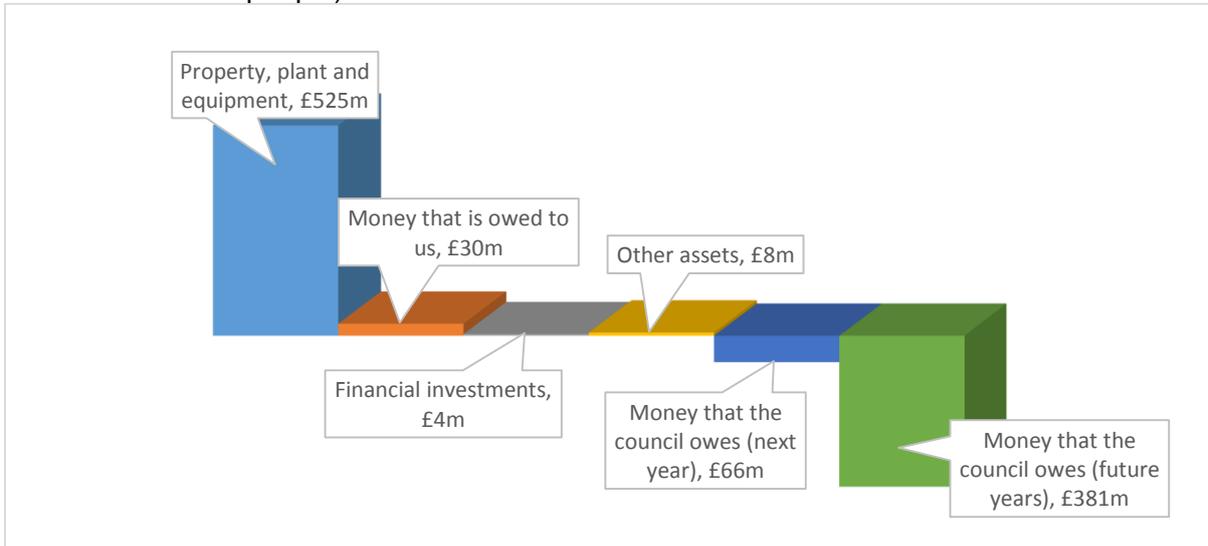
EnviRecover



The Master's house Ledbury

Balance Sheet

The Balance Sheet shows the financial position of the Council as at 31.03.15. It is split into two parts- our assets (things that we own, and money we are owed) and liabilities (money that we owe other people)



Keeping Reserves of Money

We keep reserves of money for financial difficulties we may face, for example if we experience a harsh winter. If we spend less than the money received we can add it to our reserves. Likewise, we can meet any temporary deficits (shortfalls) by drawing from our reserve balances.

Council reserves

The council holds various reserves however a significant proportion of them are unusable and represent sums set aside in reserve or to fund future liabilities. One of the most significant of these is the future pension costs, which while a large figure will be paid over a number of years to come.

