

**Herefordshire Council
Summary Accounts
2015/16**



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.

2015/16 saw a continuation of the need to deliver significant budget reductions, £10m in addition to those achieved in the previous four years. I'm pleased to report that the council delivered these savings whilst continuing to provide good services to the community. Further savings will be required in the coming years, £28m between now and 2019/20.

	Budget £m	Actual £m	(Under)/Over Spend £m
Directorate			
Adults Wellbeing	58.9	58.9	0.0
Children's Wellbeing	38.3	40.3	2.0
Economy, Communities and Corporate	70.8	69.5	(1.3)
Directorate total	168.0	168.7	0.7
Other corporate budgets and reserves	0.8	0.4	(0.4)
Total	168.8	169.1	0.3

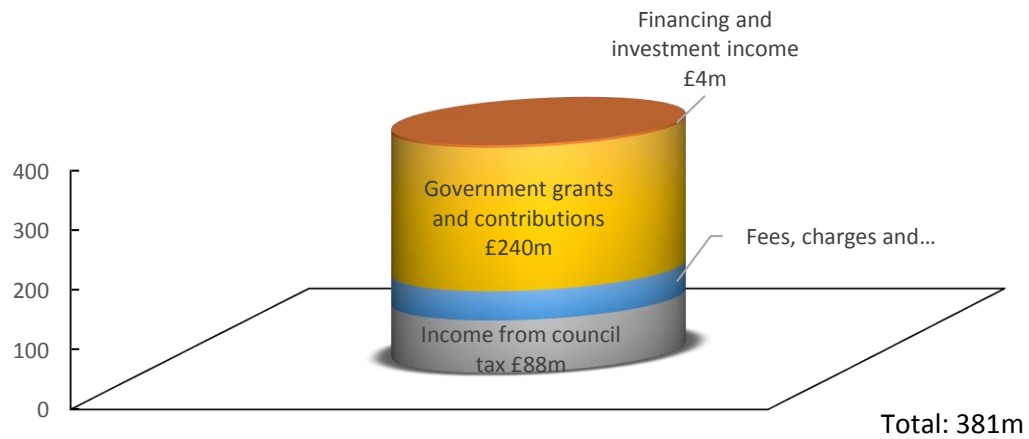
Herefordshire is a rural county with an older demographic, facing an increasing demand for services which provides a difficult environment for delivering savings. Despite this the council has set a medium term financial strategy which identifies how savings will be achieved.



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



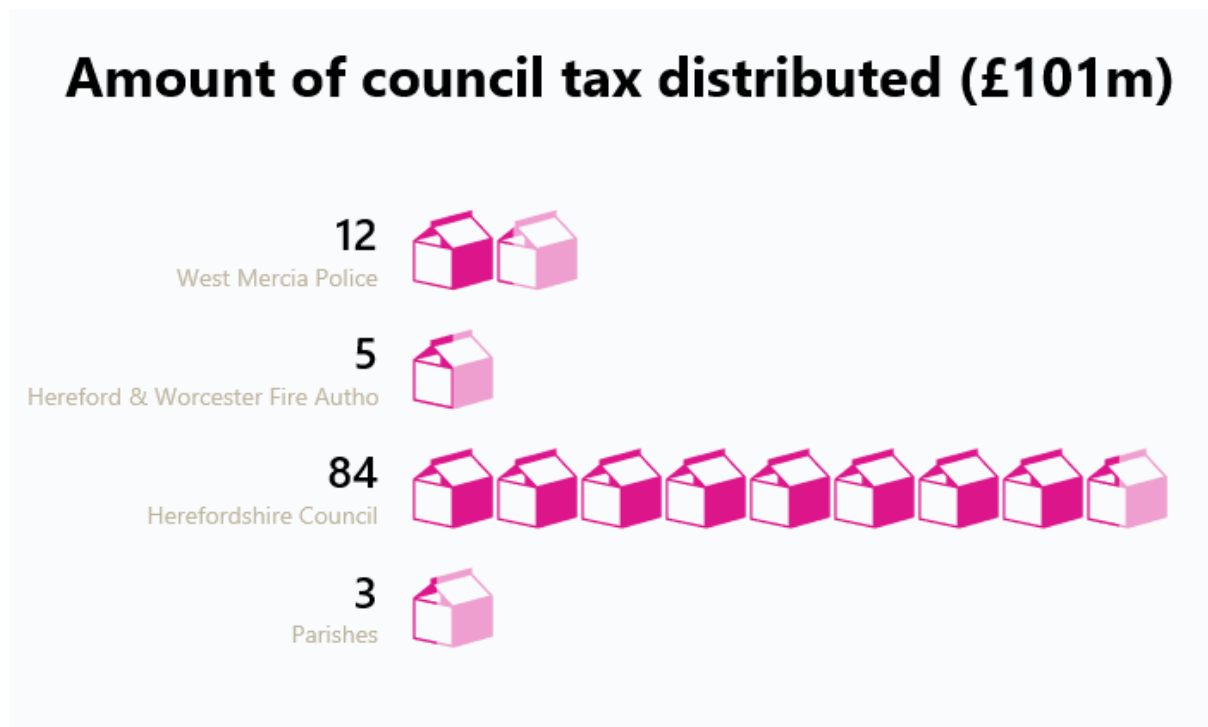
Cost of services

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



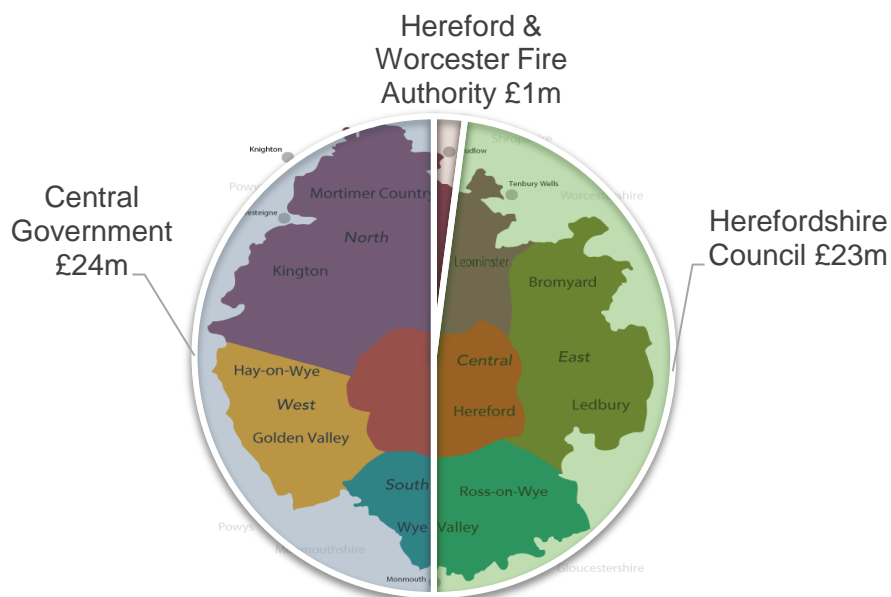
Council Tax

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 2015/16.



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 2015/16.

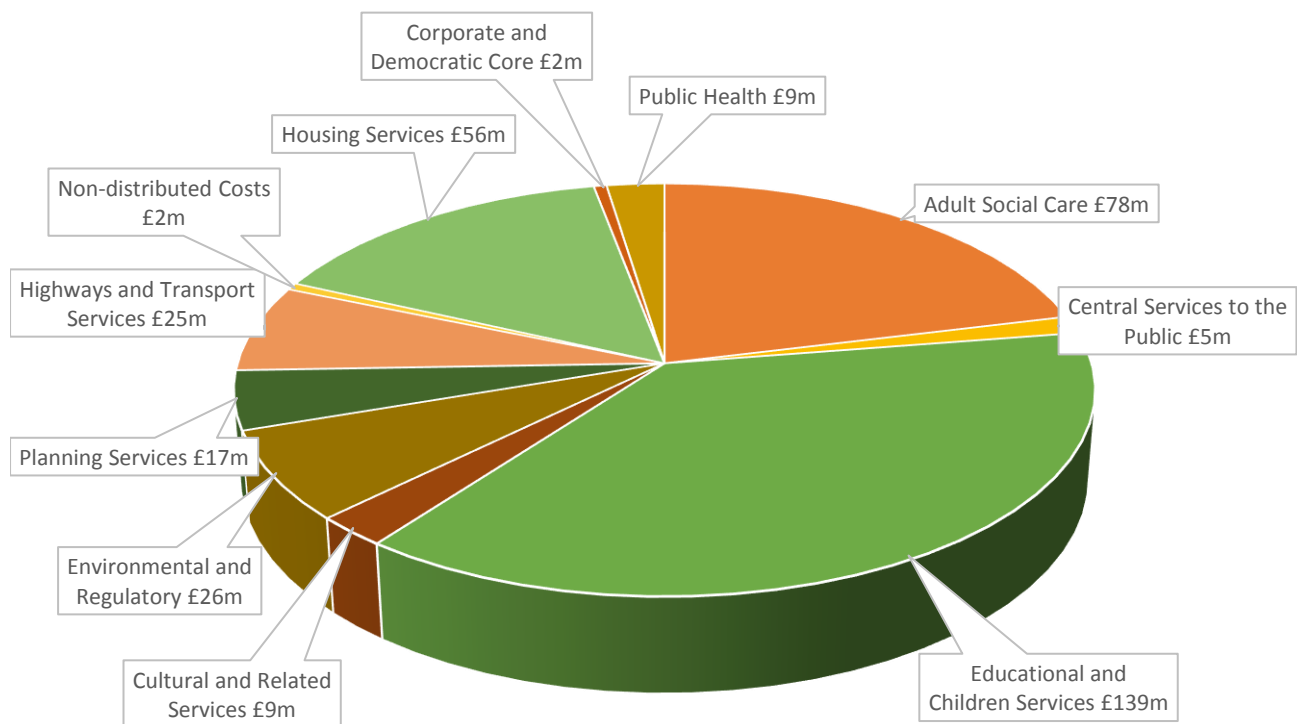


Revenue Spending

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

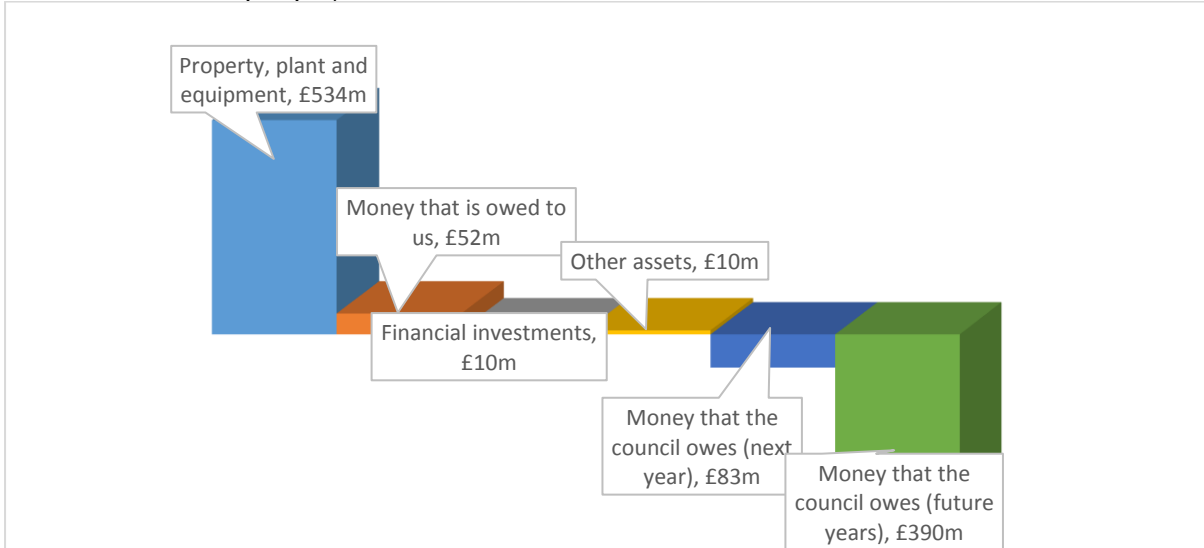
The charts below shows the councils revenue cost of services during the year.



Total: £368m

Balance Sheet

The Balance Sheet shows the financial position of the Council as at 31.03.16. 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.

