

## Notes to Appendix A

1. **Subscription income** has increased by just over 1%, based on the proposed subscription increase of 1.4% and after adjusting for the resignation from corporate membership of Cleveland PA and the GLA. No adjustment has been made to subscription income from Welsh authorities to reflect the new arrangements, and the LGA's support payment has been included here on the assumption that there will be no net change.
2. **Income generation** is expected to be significantly higher next year because of the inclusion of the National Social Services Conference.
3. There is expected to be a slight drop in the budget for **property-based income** next year following the loss of rental income from the Association of Police Authorities.
4. Income from **government grants** is shown for the first time with the inclusion of part of the Home Office's 3-year funding for the domestic violence project.
5. There is an increase of £115k in the budget for **buildings, infrastructure & systems** which is partly attributable to increased staff costs of £50k and partly to additional depreciation of £65k.
6. The budget for **common support services** is shown separately pending assimilation into a separate unit; it comprises staff costs for the HR and Finance teams and respective income generated.
7. **Corporate costs** are £144k higher than the current year's budget, with the increase in the contingency provision of £200k offset by savings in facilities management (postage and stationery costs £30k lower), and the cessation of the dowry of £31k for LABC Services.
8. The £224k reduction in **financing costs** comprises an expected increase of £150k in interest earnings, as a result of higher interest rates and higher balances, and a reduction of £74k in interest payable as a result of scheduled mortgage repayments.

# OUTLINE BUDGET 2005/06

## SUMMARY OF INCOME AND EXPENDITURE

		2005/06	2004/05		2003/04
		Outline budget £000	Estimated outturn £000	Approved budget £000	Actual outturn £000
<b>INCOME</b>	<b>Notes</b>				
Subscriptions & services to WLGA	<b>1</b>	14,834	14,657	14,684	14,348
Income generation	<b>2</b>	1,750	1,344	1,360	1,669
Property-based income (LGH facilities)	<b>3</b>	435	440	470	533
Government grants	<b>4</b>	90	90	0	30
		<b>17,109</b>	<b>16,531</b>	<b>16,514</b>	<b>16,580</b>
<b>REVENUE EXPENDITURE</b>					
Policy, strategy & communications		8,004	7,292	7,428	6,847
Members & political support groups		2,157	2,105	2,174	1,991
Buildings, infrastructure & systems	<b>5</b>	3,933	3,839	3,818	3,565
		14,094	13,236	13,420	12,403
Common support services	<b>6</b>	502	457	501	452
Corporate costs	<b>7</b>	1,727	1,374	1,583	1,315
Financing costs	<b>8</b>	636	691	860	858
Restructuring costs		150	150	150	216
		<b>17,109</b>	<b>15,908</b>	<b>16,514</b>	<b>15,244</b>
<b>SURPLUS</b>		<b>0</b>	<b>623</b>	<b>0</b>	<b>1,336</b>
<b>TRANSFER TO PENSIONS RESERVE</b>		0	0	0	(224)
		<b>0</b>	<b>623</b>	<b>0</b>	<b>1,112</b>
<b>STAFF COSTS</b>		<b>9,474</b>	<b>8,926</b>	<b>8,941</b>	<b>8,236</b>
<b>CAPITAL EXPENDITURE</b>		<b>582</b>	<b>597</b>	<b>547</b>	<b>394</b>

## Outline Budget 2005/06

## PRO FORMA BALANCE SHEETS

	2005/06	2004/05		2003/04
	Outline budget £000	Estimated outturn £000	Approved budget £000	Actual outturn £000
<b>FIXED ASSETS</b>				
<b>Local Government House</b>				
Cost	20,011	20,011	20,011	20,011
Accumulated depreciation	(1,707)	(1,444)	(1,442)	(1,181)
	<b>18,304</b>	<b>18,567</b>	<b>18,569</b>	<b>18,830</b>
<b>Equipment, furniture &amp; fixtures</b>				
Cost	4,387	3,805	3,740	3,208
Accumulated depreciation	(2,316)	(1,847)	(1,914)	(1,453)
	<b>2,071</b>	<b>1,958</b>	<b>1,826</b>	<b>1,755</b>
<b>Total fixed assets</b>	<b>20,375</b>	<b>20,525</b>	<b>20,395</b>	<b>20,585</b>
<b>CURRENT ASSETS</b>				
Debtors	1,981	1,851	2,500	1,749
Bank	5,500	6,000	4,700	5,021
<b>Total current assets</b>	<b>7,481</b>	<b>7,851</b>	<b>7,200</b>	<b>6,770</b>
<b>CREDITORS</b>				
Loans	520	520	520	520
Subscription / conference income in advance	2,000	2,000	2,000	1,308
Other creditors	2,500	2,500	2,500	2,099
<b>Total current creditors</b>	<b>5,020</b>	<b>5,020</b>	<b>5,020</b>	<b>3,927</b>
<b>NET CURRENT ASSETS</b>	<b>2,461</b>	<b>2,831</b>	<b>2,180</b>	<b>2,843</b>
<b>LONG-TERM LIABILITIES</b>				
ACC (Properties) Limited	(2,000)	(2,000)	(2,000)	(2,000)
AMA (Properties) Limited	(6,200)	(6,200)	(6,200)	(6,200)
Term loan	(9,360)	(9,880)	(9,880)	(10,400)
Pension liabilities	(4,200)	(4,200)	(4,400)	(4,300)
<b>Total amount falling due after one year</b>	<b>(21,760)</b>	<b>(22,280)</b>	<b>(22,480)</b>	<b>(22,900)</b>
<b>TOTAL NET ASSETS</b>	<b>1,076</b>	<b>1,076</b>	<b>95</b>	<b>528</b>
<b>Represented by</b>				
Deficit brought forward	(3,274)	(3,897)	(4,455)	(5,009)
Pension reserves	4,200	4,200	4,400	4,300
Designated reserves	150	150	150	125
Surplus for the year	0	623	0	1,112
	<b>1,076</b>	<b>1,076</b>	<b>95</b>	<b>528</b>