

## THE STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income and Expenditure Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the authority is required to raise council tax on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- The payment of a share of housing capital receipts to the Government scores as a loss in the Income and Expenditure Account, but is met from the capital receipts balance rather than council tax.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the Council's spending against the council tax that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

	<b>2008/09</b>	<b>2007/08</b>
	<b>£000's</b>	<b>£000's</b>
Deficit for the Year on the Income and Expenditure Account	<b>10,692</b>	691
Net Additional Amount Required by Statute and Non-statutory Proper Practices to be Debited or Credited to the General Fund Balance for the Year (Note 1)	<b>(10,690)</b>	(711)
<b>Decrease/(Increase) in General Fund Balance for the Year</b>	<b>2</b>	(20)
General Fund Balance Brought Forward	<b>(1,562)</b>	(1,542)
<b>General Fund Balance Carried Forward</b>	<b>(1,560)</b>	(1,562)
Amount of General Fund Balance Generally Available for New Expenditure	<b>(1,560)</b>	(1,562)