

West Lothian Council

Statement of Accounts

Year ended 31 March 2007

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West Lothian
Council

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Accounts of West Lothian Council for the year ended 31 March 2007, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

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Independent Auditor's Report

Independent auditor's report to the members of West Lothian Council and the Accounts Commission for Scotland

I certify that I have audited the financial statements of West Lothian Council and its group for the year ended 31 March 2007 under Part VII of the Local Government (Scotland) Act 1973. These comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet and Cash-Flow Statement, the Housing Revenue Account Income and Expenditure Account, Statement of Movement on the HRA Balance, the Council Tax Income Account, the Non-Domestic Rate Income Account, the Loans Fund Revenue Account, the Charitable Trusts Statement, the Common Good Account, and the Group Accounts and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Head of Finance and auditor

The Head of Finance's responsibilities for preparing the financial statements in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2006 - A Statement of Recommended Practice (the 2006 SORP) are set out in the Statement of Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

I report my opinion as to whether the financial statements present fairly the financial position of the local authority and its group in accordance with applicable laws and regulations and the 2006 SORP, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the local authority has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Statement on the System of Internal Financial Control reflects the authority's compliance with the SORP. I report if, in my opinion, it does not comply with the SORP or if it is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the statement covers all risk and controls. Neither am I required to form an opinion on the effectiveness of the local authority's corporate governance procedures or its risk and control procedures.

I read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Foreword, Statement of Assurance on Corporate Governance, Reports from Services and Performance Indicators. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Head of Finance in the preparation of the financial statements, and of whether the accounting policies are appropriate to the local authority and its group'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 financial statements 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 financial statements.

Opinion

In my opinion

- the financial statements present fairly, in accordance with applicable laws and regulations and the 2006 SORP, the financial position of West Lothian Council and its group as at 31 March 2007 and its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

Fiona Kordiak, CPFA
 Director of Audit Services
 Audit Scotland
 Osborne House, 1/5 Osborne Terrace
 Edinburgh, EH12 5HG

25 September 2007

FOREWORD TO THE STATEMENT OF ACCOUNTS

By Alan Logan, Head of Finance

1. INTRODUCTION

The statement of accounts presents the financial position of the Council for the year to 31 March 2007.

2. THE FINANCIAL STATEMENTS

The Council's Accounts for the year 2006/07 are set out in Statements 4 to 22 on Pages 9 to 42. A description of the purpose of each statement is given and, where applicable, how it relates to other statements. The Statement of Accounts is intended to present fairly the financial transactions of the Council during the year ended 31 March 2007. These statements are supported by Statement 1 which sets out the respective responsibilities of the authority and the Head of Finance for the accounts; Statement 2 the Council's accounting policies; Statement 3 covers the system of internal financial control.

The statements for 2006/07 represent a substantial change from the statements that authorities produced in 2005/06 and earlier years. The Consolidated Revenue Account, and the Statement of Total Movements on Reserves have been replaced with the following:

- Income and Expenditure Account (Statement 4) – a summary of the resources generated and consumed by the authority in the year.
- Statement of the Movement on the General Fund Balance (Statement 5) – a reconciliation showing how the balance of resources generated/consumed in the year links in with statutory requirements for raising council tax.
- Statement of Total Recognised Gains and Losses (Statement 6) – demonstration of how the movement in net worth in the Balance Sheet is identified to the Income and Expenditure Account surplus or deficit and to other unrealised gains and losses.

To comply with proper accounting practices, the figures for 2005/06 have been restated in the new format.

In addition the format of the accounts has been revised with the core financial statements being the above three statements plus the Balance Sheet and Cash Flow Statement. These are followed by Statement 9 the Notes to the Core Financial Statements. Followed by the Supplementary Financial Statements (Statements 10 to 22), which includes the Housing Revenue Account, Council Tax and Non-Domestic Rate Income Accounts and the Group Accounts.

3. REVENUE BUDGET - General Services

The General Fund recorded a net surplus of £695,000 for the year. This position was £1,094,000 better than expected, after taking account of £399,000 of net expenditure on commitments funded from the balance.

The underspend of £1,094,000 comprised a net service underspend of £323,000, an underspend of £181,000 for Joint Boards and a favourable variance in relation to funding of £590,000, mainly as a result of improvement in Council Tax collection levels and a saving in council tax benefits.

The addition of the net surplus of £695,000 to the balance at 31 March 2006 of £3,598,000 leaves a General Fund balance of £4,293,000 at 31 March 2007. Existing commitments against the balance are £2,044,000 which leaves an uncommitted balance of £2,249,000 slightly above the Council's target minimum uncommitted General Fund balance of £2 million.

In 2005/06 an exceptional item of £6,750,000 was provided for the estimated costs of equal pay compensation payments. During 2006/07, the Council made payments of £5,971,000 from this provision. The target date for full implementation of the single status agreement was originally February 2007, this has been revised to 1 October 2007, and the Council will require to make additional equal pay compensation payments to cover the period February to October 2007. As a result, the Council has provided for further equal pay compensation payments in the financial statements of £1,442,000, based on the most up to date information available.

4. REVENUE BUDGET - Housing

In common with the main Income and Expenditure account (Statement 4), Housing is required to comply with the new accounting statements. Statement 10 the HRA – Income and Expenditure Account includes depreciation and impairment on housing assets and the deficit for the year is £13.781 million. Statement 11 the Statement of Movement on the HRA Balance adjusts this deficit as a result of amounts which are required by statute to be debited or credited to the HRA Balance for the year, the net credit for these items is £13.790 million.

The overall position was a net underspend of £9,000 for the year, which will be transferred to the Housing Revenue Account balance making a cumulative balance carried forward of £925,000. See Statement 11 for details.

5. CAPITAL BUDGET 2006/07

The Local Government in Scotland Act 2003 paved the way for the introduction of the CIPFA Prudential Code for Capital Finance in Local Authorities from 1 April 2004. Under the provisions of the Code councils can decide locally on capital investment strategy, on the basis that spending plans must be affordable, prudent, sustainable and meet Best Value requirements. Compliance with these criteria is demonstrated by defined prudential indicators.

The Council was able to demonstrate the affordability of their capital plans and capital expenditure of £77.9 million was incurred in 2006/07. This expenditure was split between two distinct blocks with £28.8 million spent on the Housing Programme and £49.1 million on the General Services Programme.

6. ACQUISITION OF MAJOR ASSETS

A new primary school, Simpson Primary School, Bathgate, was completed during the year at a cost of £5.7 million.

7. SIGNIFICANT TRADING OPERATIONS

The Local Government in Scotland Act 2003 repealed the requirement to maintain DSO/DLO trading accounts and introduced new requirements to maintain and disclose significant trading operations. Consequently, a trading account has been prepared for the only significant trading operation, Commercial Properties, in accordance with guidance issued by CIPFA/LASAAC. See Note 12 for further details.

8. CAPITAL FUNDING AND BORROWING

Of the total capital expenditure of £78.6 million (including £0.7 million from finance leases), £36.9 million was funded by asset sales and contributions from third parties, £11.6 million was raised from revenue contributions to capital and the remaining £30.1 million was funded by borrowing, £29.4 million from the council's loans fund with £0.7 million from finance leases. Total internal capital debt outstanding at 31 March 2007 was £236.4 million. In addition the Council has an outstanding liability of £0.6 million relating to one covenant scheme.

In August 2001 the Council entered into a thirty year Public Private Partnership (PPP) contract to upgrade and refurbish five schools and construct a new primary school. Further details are provided in note 6 to the core financial statements.

In August 2007 the Council entered into a second thirty year PPP contract to construct and manage two new secondary schools.

9. PENSION RESERVE AND FRS 17

The pensions accounting standard FRS 17 is fully adopted in the accounts and details are available in Statement 2 on accounting policies. The requirement to recognise the Council's share of the net liabilities of the Lothian Pension Fund in the balance sheet has resulted in a Pension Reserve debit balance of £86.1 (£134.6) million at 31 March 2007 (2006). However, this negative reserve does not impact on the Council's available reserves.

The figures presented in the actuary's valuation are prepared only for the purposes of FRS 17 and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, and have no impact on the employers' pension contribution rate.

10. GROUP ACCOUNTS

New requirements for group accounts were introduced in ACOP for 2005/06, which require local authorities to consider their interests in all types of entity, including companies, joint ventures and statutory bodies such as Police, Fire and Valuation Boards. Authorities are required to prepare a full set of group accounts in addition to their own Council's accounts where they have a material interest in such entities.

The Council does not have any subsidiary companies but the following are deemed to be Associates under Group Accounts guidance, West Lothian Leisure Ltd, the Lothians and Borders Police and Fire Boards and the Lothian Valuation Board. In addition the Council has a 50% holding in West Lothian Recycling Ltd. Full details of the group accounts are on pages 37 to 42.

11. FUTURE DEVELOPMENTS

As mentioned in item 4 full implementation of the single status agreement will be effective from 1 October 2007 with any additional costs being incorporated into the financial model. Significant efficiencies are required to meet targets set out in the government's Efficient Government programme and the council is currently preparing an efficiency strategy which will be incorporated into the Council's financial strategy for 2008/09 to 2010/11. In addition a ten year capital strategy is currently being finalised which will be integrated with the asset management plan.

11. AUDIT

The Accounts have been audited and the Independent Auditor's Report is on Page 1.

13. ACKNOWLEDGEMENTS

The control of budgets to maximise the effectiveness of limited resources could not take place without the support of colleagues and staff throughout the Council and this is gratefully acknowledged.

I would also like to express my appreciation to my own staff for their high level of commitment, support and performance during the year.

14. FURTHER INFORMATION

Further information on the Accounts or on the Council's general finances can be obtained from Finance Services, West Lothian House, Almondvale Boulevard, Livingston, EH54 6QG.

The Authority's responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Head of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Head of Finance's responsibilities

The Head of Finance 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 ("the Code of Practice").

In preparing this statement of accounts the Head of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Head of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2007.

Alan Logan CA, CPFA
Head of Finance
5 June 2007

ACCOUNTING POLICIES

STATEMENT 2

PRINCIPLES ADOPTED IN COMPILING ACCOUNTS

General

The Accounts have been prepared in accordance with the 2006 Code of Practice on Local Authority Accounting in the United Kingdom (ACOP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). Exceptions to the Code are stated in the Policies and Notes to the accounts. The accounts have been prepared on a historic cost basis, other than changes resulting from the revaluation of certain categories of fixed assets. The Council's assets and liabilities as at 31 March 2007 are shown in a Balance Sheet (Statement 7).

Revenue Transactions

The Revenue Accounts of the Council are maintained on an accruals basis in accordance with the Code of Practice. That is, sums due to or from the Council during the year are included, whether or not the cash has actually been received or paid in the year. Provision has been made for possible bad or doubtful debts in both the General Fund Account and Housing Revenue Account.

Covenant Scheme

Expenditure incurred under Covenant Schemes is included in the accounts. Only repayments to the developer count against capital expenditure. The indebtedness of the authority to the development company has been recorded in the balance sheet as a deferred covenant liability.

Fixed Assets - Valuation

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Fixed assets are included in the Balance Sheet at valuations.

Operational assets have been included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use - apart from Vehicles, Plant, Furniture and Equipment, and Infrastructure Assets which are shown at depreciated historical cost. Non-Operational assets have been included in the Balance Sheet at the lower of net current replacement cost or net realisable value.

Plant, furniture and computer equipment costing below £6,000 are not treated as fixed assets but are charged to the revenue account. This de minimis limit does not apply where certain categories of these assets are grouped together and form part of the approved capital programme.

Council houses have been valued using a Beacon Principle in accordance with the Royal Institution of Chartered Surveyors (RICS) Guidance.

Valuations have been provided by the Council's Property Services and an external firm of chartered surveyors.

Fixed Assets - Capital Receipts

Receipts arising from the sale of Fixed Assets are credited to the usable capital receipts reserve and used to finance new capital expenditure. These transactions are credited to the capital financing account.

Fixed Assets - Depreciation

Assets, other than land, are being depreciated using the straight line method over their useful economic lives as follows:-

- Council dwellings	50 years
- Council dwellings (fixtures)	27 years
- Operational buildings	20 - 50 years
- Plant and equipment	10 - 25 years
- Motor vehicles	4 - 10 years
- Fixtures and fittings	3 - 10 years
- Infrastructure assets	40 years

No depreciation is provided on Community Assets and Non-Operational Assets.

Fixed Assets - Charges to Revenue

Service revenue accounts and the Housing Revenue Account (HRA) have been charged with a capital charge for all fixed assets used in the provision of the service. Such charges cover the annual provision for depreciation.

This is a change in accounting policy in 2006/07 with the removal of the notional interest element of the capital financing charge. The 2005/06 figures have been restated to reflect this change, which has no impact on the net general fund surplus or deficit for the year.

Improvement Grants

All expenditure on improvement and other grants is charged to revenue in the year the expenditure is incurred.

Government Grants

Government grants are accounted for on an accruals basis and income has been credited, in the case of revenue grants, to the appropriate revenue account. Capital grants received on the creation of fixed assets have been credited to a government grants deferred account.

ACCOUNTING POLICIES

Redemption of Debt

The Council operates a Consolidated Loans Fund under the terms of the Local Government (Scotland) Act 1975. All loans raised are paid into the fund. Capital payments made by services are financed from the Loans Fund and repaid over the maximum possible repayment period for the category of expenditure using the annuity method.

Repayment of debt inherited from the former Regional and District Councils is made by a combination of both annuity and straight line provision.

Investments

Investments have been shown in the Balance Sheet at cost.

Reserves

The Council operates the following reserves under Schedule 3 of the Local Government (Scotland) Act 1975.

General Fund - to ensure that sufficient funds are held in reserve to deal with the financial consequences of uncertain future events the Council has agreed that the uncommitted General Fund Balance will be a minimum of £2 million.

Insurance Fund - this is the funding mechanism for the control of insurable risk and includes premiums and self-funded insurance costs. The fund covers all known insurance liabilities and is independently valued every three years.

Repair and Renewal Fund - established to provide for information technology investment.

Capital Fund - established to ensure that, following the introduction of the CIPFA Prudential Code for Capital Finance in Local Authorities in April 2004, borrowing decisions and capital programme management are based on Best Value considerations. General Fund treasury management balances in any given year will normally be transferred to or from the Capital Fund. The balance in the Capital Fund at 31 March 2007 was £34.5 million.

The system of Capital Accounting has established three capital reserves. The fixed asset restatement account, and the capital financing account are non-cash capital reserves and do not therefore represent funds available for use. The usable capital receipts reserve represents the balance of available receipts carried forward to fund future capital expenditure.

Stocks

Stocks and stores held by the Council are recorded at the lower of cost and net realisable value.

Loans Fund Interest

Interest has been calculated and allocated to the Revenue Account in accordance with LASAAC Guidance Note No. 2.

Interest on revenue balances is allocated on the basis of the monthly balances held on the respective accounts.

STATEMENT 2 (Continued)

Central Support Services

Service Level Agreements were in place during the year but these were not fully operational for all services.

However time recording systems did exist and the information generated from these has been used as the basis for allocating costs to direct services, with the exception of the following:-

- a) Administration Buildings - Based on floor areas.
- b) Central Telephone Service - Based on number of extensions.
- c) Central Postal and Messenger Services - Based on actual usages.

Central Support Services allocated to the HRA is a fixed amount agreed at the start of the financial year.

Repurchase of Borrowing

Gains or losses arising on the repurchase or early settlement of borrowing are recognised in the Income and Expenditure Account periods during which the repurchase or early settlement is made. Where, however, the repurchase of borrowing is coupled with a refinancing or restructuring of borrowing with substantially the same overall economic effect when viewed as a whole, gains or losses are recognised over the life of the replacement borrowing.

Corporate and Democratic Core

In accordance with CIPFA Guidance the costs of corporate and democratic core and of non distributed costs have not been allocated to Services but gathered together and charged to the General Fund within Corporate and Other Services in the Income and Expenditure Account.

Finance Leases

Assets acquired under finance leases have been capitalised together with a liability to pay outstanding rentals. Payments have been apportioned between the finance charge and the reduction of the outstanding obligation, with the finance charge being allocated and charged to revenue over the term of the lease.

Public Private Partnership

Following analysis of risks, the accounting treatment of the Public Private Partnership for the provision of school buildings, maintenance and other facilities, is that the authority does not have an asset of the property and payments on the contract are charged to the relevant service revenue account. Development costs are written off to revenue as they are incurred.

Where the amount to be paid for the return of the school assets at the end of the contract is less than the expected residual value, the difference will have been reflected in the contract payments. This capital payment is removed from the service revenue account and recorded as a long term debtor which will increase over the contract period. Funding of this capital payment is made by a capital transfer from current revenue (CFCR) involving a debit to the Statement of Movement on the General Fund Balance.

ACCOUNTING POLICIES

STATEMENT 2 (Continued)

Operating Leases

Current annual operating lease rentals have been charged to revenue.

Pension Costs

The Council participates in two different pension schemes which meet the needs of employees in particular services. Both the schemes provide members with defined benefits related to pay and service. The schemes are as follows:-

Teachers: This is an unfunded scheme administered by the Scottish Executive. Under the pensions accounting standard Financial Reporting Standard (FRS) 17 - 'Retirement Benefits' this scheme is treated as a defined contribution scheme as it does not allow the identification of liabilities consistently and reliably between participant authorities. The pension cost charged to the Accounts is the contribution rate set by the Scottish Executive on the basis of a notional fund.

Other Employees: Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (which is administered by the City of Edinburgh Council as the Lothian Pension Fund). The Lothian Pension Fund is a multi-employer scheme funded on the basis of triennial actuarial valuations of the required employers' contributions to ensure adequate assets in the scheme. As it is possible to identify the Council's share of the assets and liabilities underlying the scheme on a consistent and reliable basis, it is accounted for as a defined benefit scheme under FRS 17.

FRS 17 is based on the premise that an organisation should account for retirement benefits when it is committed to give them, even if the actual payment will be many years in the future. The pension cost under FRS 17 is therefore not the cash contributions paid to the pension fund but the increase in the employers' attributable pensions liability during the year.

The FRS 17 actuarial valuation involves the actuary reviewing the most recent triennial actuarial valuation, updating it to reflect current conditions at the balance sheet date and apportioning assets and liabilities amongst employers. Assets are valued at fair value, principally market value for investments. Liabilities are valued using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The inclusion of attributable scheme assets and liabilities in the balance sheet represents an authority's commitment to increase contributions to make up any shortfall, or its ability to benefit, via reduced contributions, from a surplus in the scheme.

The actuary identifies the following elements of pension cost charged to the Income and Expenditure account:

Current Service Cost - the increase in the present value of liabilities expected to arise from employee service in the current period.

Past Service Costs - the increase in liabilities arising from decisions to improve retirement benefits in the current period but which are related to employee service in prior periods.

Curtailments and Settlements - events that change the pension liabilities but are not covered by the actuarial assumptions.

Interest Cost - the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement.

Expected Return on Assets - a measure of the expected average rate of return on the investment assets held by the scheme in the year.

Any difference between the accounting cost (i.e. the FRS 17 based cost) and the funding cost (i.e. the contributions or payments made during the year) is appropriated from the Pensions Reserve to the Statement of Movement on the General Fund Balance. This appropriation ensures the FRS 17 pension cost equals the pension payments funded from taxation.

1. This statement applies to the 2006/07 accounts of West Lothian Council, and is prepared in acknowledgement of my responsibility for ensuring that an effective system of internal financial control is maintained and operated throughout the Council.
2. The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or detected within a reasonable period of time.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, audit committee scrutiny and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. Key elements include:-
 - comprehensive budgeting systems and monitoring arrangements
 - scrutiny of periodic and annual financial and operational performance reports
 - performance management information
 - documented internal control framework relating to financial processes, procedures and regulations
 - clearly-defined capital expenditure guidelines
 - project management disciplines
4. The Internal Audit Unit is an independent appraisal function established by the Council to examine and evaluate systems of financial and non-financial control. The Internal Audit Unit operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom, and operates in accordance with the ISO 9001: 2000 quality standard for systems based audit work. Strategic and annual audit plans are prepared which are based on an assessment of risk. Internal audit reports are issued in the name of the Internal Audit Manager who has the right, when deemed necessary, of direct access to the Chief Executive. The Council has established an Audit Committee which monitors the independence and effectiveness of internal audit, and the Internal Audit Manager prepares an annual report to the Committee which provides an independent opinion on the adequacy and effectiveness of the Council's system of internal financial control.
5. Assurance is based on the findings of Internal and External Audit, Best Value service reviews, management opinions and the tests of corporate governance referred to above. I am satisfied that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness and to take corrective action.

INCOME AND EXPENDITURE ACCOUNT

STATEMENT 4

PURPOSE

This Account summarises the resources that have been generated and consumed in providing services and managing the Council during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

SERVICE COST

Note	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Restated 2005/06 £'000
	172,684	20,135	152,549	145,457
	39,777	36,556	3,221	3,041
	95,492	35,693	59,799	53,926
	113,303	48,260	65,043	62,014
	7,573	185	7,388	6,501
	<u>34,351</u>	<u>40,166</u>	<u>(5,815)</u>	<u>(167)</u>
	463,180	180,995	282,185	270,772
	<u>46,587</u>	<u>34,477</u>	12,110	4,549
14	<u>1,442</u>	<u>-</u>	<u>1,442</u>	<u>7,294</u>
			295,737	282,615
			(9,218)	(2,711)
12			(893)	(1,099)
4			17,778	15,773
			(5,951)	(4,448)
			<u>(2,796)</u>	<u>2,043</u>
			294,657	292,173
			(60,330)	(60,319)
			(166,070)	(158,235)
1			<u>(63,780)</u>	<u>(60,803)</u>
			(290,180)	(279,357)
			<u>4,477</u>	<u>12,816</u>

INCOME

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE STATEMENT 5

PURPOSE

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.
- 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 funds and reserves.

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

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE FOR THE YEAR ENDED 31 MARCH 2007

Note	2006/07 £'000	2005/06 £'000
Deficit for the year on the Income and Expenditure Account	4,477	12,816
2 Net additional amount required by statute and non-statutory proper practices to be credited to the General Fund Balance for the year	<u>(5,172)</u>	<u>(9,598)</u>
(Increase) Decrease in General Fund for the year	(695)	3,218
General Fund Balance brought forward	<u>(3,598)</u>	<u>(6,816)</u>
General Fund Balance carried forward	<u>(4,293)</u>	<u>(3,598)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**STATEMENT 6****PURPOSE**

This Statement brings together all the gains and losses of the Council for the year and shows the aggregate change in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2007**

Note	2006/07 £'000	2005/06 £'000
Deficit for the year on the Income and Expenditure Account	4,477	12,816
24 Surplus arising on revaluation of fixed assets	(178,485)	(16,624)
36 Actuarial (gains) losses on pension fund assets and liabilities	(43,201)	1,987
Interest on Reserves and Funds	<u>(1,661)</u>	<u>(1,567)</u>
Total recognised gains for the year	<u>(218,870)</u>	<u>(3,388)</u>

BALANCE SHEET**STATEMENT 7**

PURPOSE The Balance Sheet brings together all the assets and liabilities of all the funds controlled by the Council as at 31 March 2007, and thereby depicts the Council's overall financial position at that date. It excludes trust funds and other third party funds administered by the Council. These are shown separately in statements 15 and 16.

ASSETS AND INVESTMENTS

	Note	As at 31 March 2007 £'000	Restated As at 31 March 2006 £'000
TANGIBLE FIXED ASSETS	16		
Operational Assets			
- Council Dwellings		530,531	485,355
- Other Land and Buildings		553,818	426,761
- Vehicles, Plant, Furniture and Equipment		12,968	13,410
- Infrastructure Assets		119,117	89,200
- Community Assets		1,783	1,783
Non-Operational Assets			
- Investment Properties		6,908	1,157
- Assets under construction		8,723	9,570
- Surplus Assets, held for disposal		<u>57,216</u>	<u>64,644</u>
		1,291,064	1,091,880
Long Term Investments		25	25
Long Term Debtors	17	26,694	25,421
Deferred Premiums on the early repayment of debt	18	<u>10,708</u>	<u>11,105</u>
TOTAL LONG TERM ASSETS		<u>1,328,491</u>	<u>1,128,431</u>
CURRENT ASSETS			
Stocks	19	737	737
Debtors	20	79,453	69,659
Bad Debt Provisions	20	(41,145)	(40,456)
Investments (short-term)		113,938	109,578
Cash and Bank		<u>254</u>	<u>173</u>
TOTAL CURRENT ASSETS		<u>153,237</u>	<u>139,691</u>
CURRENT LIABILITIES			
Loans repayable within one year		(1,286)	(1,402)
Creditors	21	(63,269)	(55,936)
Bank Overdraft		<u>(2,465)</u>	<u>(917)</u>
TOTAL CURRENT LIABILITIES		<u>(67,020)</u>	<u>(58,255)</u>
NET CURRENT ASSETS		<u>86,217</u>	<u>81,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,414,708</u>	<u>1,209,867</u>
LONG TERM LIABILITIES			
Long and Medium Term Loans	22	(288,031)	(268,112)
Deferred Liability	23	(4,046)	(4,474)
Net Pension Scheme Liabilities	36	(86,075)	(134,620)
Government Grants Deferred Account		<u>(27,939)</u>	<u>(12,914)</u>
TOTAL LONG TERM LIABILITIES		<u>(406,091)</u>	<u>(420,120)</u>
TOTAL NET ASSETS	31	<u>1,008,617</u>	<u>789,747</u>
FINANCED BY:-			
RESERVES			
Fixed Asset Restatement Account	24	727,766	561,881
Capital Financing Account	25	321,017	323,368
Usable Capital Receipts Reserve	29	77	77
Pension Reserve	36	<u>(86,075)</u>	<u>(134,620)</u>
		<u>962,785</u>	<u>750,706</u>
FUND BALANCES			
Revenue Balance - General Fund	35	4,293	3,598
- Housing Revenue Account		<u>925</u>	<u>916</u>
		5,218	4,514
Insurance Fund	26	6,062	4,634
Repair and Renewal Funds	27	86	222
Capital Fund	28	<u>34,466</u>	<u>29,671</u>
		<u>45,832</u>	<u>39,041</u>
TOTAL EQUITY		<u>1,008,617</u>	<u>789,747</u>

Alan Logan CA, CPFA, Head of Finance

5 June 2007

CASH FLOW STATEMENT**STATEMENT 8**

PURPOSE	This consolidated statement summarises the inflows and outflows of cash arising from transactions with third parties for Revenue and Capital purposes, thus showing the Council's sources and use of funds. Cash is defined, for the purpose of this statement, as cash in hand and deposits repayable on demand less overdrafts repayable on demand.		
REVENUE ACTIVITIES		2006/07	2005/06
		£'000	£'000
	Cash Outflows		
	Cash paid to and on behalf of employees	213,231	209,149
	Other operating cash payments	139,248	126,342
	National non-domestic rate payments to national pool	62,321	59,987
	Housing Benefit paid out	<u>16,919</u>	<u>15,943</u>
		431,719	411,421
	Cash Inflows		
	Rents (after rebates)	14,100	13,833
	Council Tax income	53,190	51,567
	National non-domestic rate receipts from national pool	63,918	60,184
	Non-domestic rate receipts	63,510	60,532
	Revenue Support Grant	166,070	158,235
	DWP grants for benefits	16,919	15,824
	Other government grants	65,454	52,917
	Cash received for goods and services	13,814	13,566
	Other operating cash receipts	<u>16,140</u>	<u>21,122</u>
		473,115	447,780
	NET CASH INFLOW ON REVENUE ACTIVITIES (Note 38)	41,396	36,359
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	Cash (Outflows)/Inflows		
	Interest paid	(15,476)	(12,317)
	Interest element of finance lease rental payments	(353)	(267)
	Interest received	4,414	3,735
	Dividends received from Joint Venture	<u>200</u>	<u>-</u>
	NET CASH OUTFLOW FROM SERVICING OF FINANCE	(11,215)	(8,849)
CAPITAL ACTIVITIES	Cash Outflows		
	Purchase of fixed assets	78,486	82,393
	Improvement grants and long term debtors	<u>1,296</u>	<u>1,302</u>
		79,782	83,695
	Cash Inflows		
	Sale of fixed assets	18,231	16,851
	Capital grants received	13,336	9,310
	Other capital cash receipts	<u>1,897</u>	<u>1,155</u>
		33,464	27,316
	NET CASH (OUTFLOW) INFLOW BEFORE FINANCING	(46,318)	(56,379)
		(16,137)	(28,869)
MANAGEMENT OF LIQUID RESOURCES	Net increase in short term deposits (Note 40.1)	(32,000)	(32,000)
FINANCING	Cash Outflows		
	Repayments of amounts borrowed		
	- Long/Medium Term Loans	87,261	26,888
	- Covenant repayments	185	655
	Capital element of finance lease rental payments	<u>678</u>	<u>636</u>
		88,124	28,179
	Cash Inflows		
	New loans raised	107,179	99,346
	New short term loans raised	<u>(116)</u>	<u>70</u>
		107,063	99,416
	NET (DECREASE) INCREASE IN CASH (Note 39)	18,939	71,237
		(29,198)	10,368

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9

1. Council Tax Income

The amount shown in the accounts represents a collection level of 97% for the Council Tax in 2006/07 together with minor adjustments to levels previously allowed for the collection of the Community Charge/Council Tax between 1989/90 and 2005/06.

2. 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.
- 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 funds and reserves.

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

Amounts included in the Income and Expenditure account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year	2006/07		2005/06
	£'000	£'000	£'000
Depreciation and Impairment		(45,254)	(33,958)
Government Grants Deferred amortisation		208	53
Net gain on sale of fixed assets		9,218	2,711
Amount by which pension costs calculated in accordance with FRS 17 are different from contributions due to the Lothian Pension fund		<u>5,344</u>	<u>(2,437)</u>
		(30,484)	(33,631)
Amounts not included in the Income and Expenditure account but required to be included by statute when determining the Movement on the General Fund Balance for the year			
Loans fund principal repayments	7,949		7,512
Capital expenditure charged in-year to the HRA	8,544		10,312
Capital expenditure charged in-year to the General Fund Balance	<u>4,237</u>		<u>4,299</u>
		20,730	<u>22,123</u>
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year			
Transfer of Housing Revenue Account surplus/(deficit)	9		(148)
Transfer to/(from) Insurance Fund	1,205		2,272
Transfer to/(from) Capital Fund	<u>3,368</u>		<u>(214)</u>
		<u>4,582</u>	<u>1,910</u>
Net additional amount required by statute and non-statutory proper practices to be credited to the General Fund Balance for the year		<u>(5,172)</u>	<u>(9,598)</u>

3. Agency Agreements

Agency agreements operate in certain services under which the Council undertakes work on behalf of another body for which it is reimbursed, or reimburses other bodies for undertaking work which is properly the function of the authority.

Expenditure/Income on agency agreements with other bodies is analysed as follows:-	2006/07	2005/06
	£'000	£'000
Expenditure		
Local Bus Services	39	73
Residential Schools and other Social Work payments	280	245
Special School Placements	86	244
Lothian and Borders Waste Strategy	76	77
Other	<u>705</u>	<u>592</u>
	<u>1,186</u>	<u>1,231</u>
Income		
Scottish Water Collection Services	378	439
Social Work Services	1,325	1,511
Local Bus Services	64	84
Special School Placements	168	150
Lothian and Borders Waste Strategy	6	15
Other	<u>144</u>	<u>20</u>
	<u>2,085</u>	<u>2,219</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

4. Interest Payable and Similar Charges

	2006/07	2005/06
	£'000	£'000
Interest Payable	17,047	15,048
Losses on the repurchase or early settlement of borrowing	398	398
Loans Fund Expenses	<u>333</u>	<u>327</u>
	<u>17,778</u>	<u>15,773</u>

5. Publicity Expenditure

The Local Government Act 1986 requires certain publicity expenditure to be accounted for separately. During 2006/07 this publicity expenditure amounted to £747,000 (£899,000 2005/06) as follows:-

	2006/07	2005/06
	£'000	£'000
Advertising for staff	234	378
Booklets, publications, leaflets	85	87
Statutory Notices	35	29
Other Public Relations Unit Costs	349	345
Other	<u>44</u>	<u>60</u>
	<u>747</u>	<u>899</u>

6. Leasing and Public Private Partnership (PPP) Agreements

The Council uses leased cars, street sweeping vehicles, occupies certain offices financed under the terms of various operating leases and leases central heating, windows and doors in some of the Council's housing stock. The amounts paid under these arrangements were as follows:-

	2006/07	2005/06
	£'000	£'000
Plant and Vehicles	1,410	1,470
Gas Central Heating	553	584
Windows and Doors	700	700
Property	<u>842</u>	<u>805</u>
	<u>3,505</u>	<u>3,559</u>

Assets acquired under finance leases have been capitalised and are detailed in Note 16.

Estimated outstanding PPP obligations over the 30 year primary period are:-

	2006/07	2005/06
	£'000	£'000
Basic Annual Payments	112,200	116,600
Level Playing Field Support (Government Grant)	<u>(48,858)</u>	<u>(50,774)</u>

7. Employee Information

The number of officers whose remuneration, including benefits, in the year were £50,000 or more is detailed below:-

	2006/07	2005/06
£50,001 - £60,000	46	24
£60,001 - £70,000	14	15
£70,001 - £80,000	9	7
£80,001 - £90,000	3	3
£90,001 - £100,000	2	3
£100,001 - £110,000	1	1
£110,001 - £120,000	<u>2</u>	<u>1</u>
	<u>77</u>	<u>54</u>

8. Members Allowances

These are analysed as follows:-

	2006/07	2005/06
	£'000	£'000
Members allowances paid in the year	<u>670</u>	<u>659</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

9. **Related Party Transactions**

During the year, the Council entered into a number of transactions with related parties which include Central Government, Other Local Authorities, Police, Fire and Joint Valuation Boards and related companies. These are analysed as follows:-

	2006/07 £'000	2005/06 £'000
EXPENDITURE		
Government Payments		
PAYE and National Insurance	51,793	49,638
Superannuation – Teachers	7,778	7,463
Other Local Authority Payments		
Superannuation	17,243	16,173
Other Payments	996	788
Other Related Party Payments		
Police, Fire and Joint Valuation Boards	23,546	22,820
West Lothian Municipal Bank Ltd.	50	51
West Lothian Leisure Ltd.	1,898	1,785
Members Allowances	670	659
Criminal Justice Authority	2,073	-
SESTRAN	<u>28</u>	<u>-</u>
	<u>106,075</u>	<u>99,377</u>
INCOME		
Government Grants		
Scottish Executive:		
• Revenue Support Grant	166,070	158,235
• Supporting People	10,179	9,400
• Education Grants	13,189	8,653
• Other Grants	11,191	11,296
Department of Work and Pensions:		
• Council Tax Benefits Grant	9,760	8,922
• Housing Benefits Grant	35,607	34,417
• Administration of Benefits Grant	1,518	1,222
Other Related Party Income		
Other Local Authority Receipts	937	1,113
West Lothian Municipal Bank Ltd.	18	18
Criminal Justice Authority	1,811	-
SESTRAN	<u>19</u>	<u>-</u>
	<u>250,299</u>	<u>233,276</u>

10. **Service Analysis**

The service analysis in the Income and Expenditure Account reflects the service structure of the Council. However, the following analysis complies with the CIPFA Best Value Accounting Code of Practice (BVACOP):-

	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Restated 2005/06 £'000
Education Services	164,460	20,638	143,822	138,052
Housing Services	51,609	49,761	1,848	1,472
Cultural and Related Services	23,334	5,956	17,378	16,674
Environmental Services	16,388	3,980	12,408	11,003
Fire Services	7,567	273	7,294	7,527
Roads and Transport Services	16,619	1,098	15,521	17,223
Police Services	14,875	-	14,875	14,261
Planning and Development Services	14,167	7,627	6,540	4,608
Social Work	83,820	24,069	59,751	53,911
Joint Valuation Board	1,103	-	1,103	1,032
Central Services	5,684	4,124	1,560	(592)
Corporate and Democratic Core	6,020	-	6,020	5,244
Non-Distributed Costs	<u>-</u>	<u>5,935</u>	<u>(5,935)</u>	<u>357</u>
Net Cost of General Fund Services	405,646	123,461	282,185	270,772
Housing Revenue Account (HRA)	48,634	36,524	12,110	4,549
Exceptional Items	<u>1,442</u>	<u>-</u>	<u>1,442</u>	<u>7,294</u>
Net Cost of Services	<u>455,722</u>	<u>159,985</u>	<u>295,737</u>	<u>282,615</u>

The costs of the corporate and democratic core function of £6,020,000 (£5,244,000 2005/06) and non distributed costs, which relate to past service pension costs and pension curtailment and settlement costs, of £5,935,000 Cr (£357,000 2005/06), have not been allocated to Services and are shown separately.

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT9 (CONTINUED)

11. **West Lothian Community Health and Care Partnership (WLCHCP)**

This body was established in April 2005 in accordance with the National Health Service Reform (Scotland) Act 2004. WLCHCP manages a substantial range of West Lothian Council's social care services and NHS Lothian's community health services for the West Lothian community.

The aims of the Partnership are to:

- improve health and wellbeing
- provide safer care and development of children
- improve quality of life for older people
- reduce life inequalities
- maximise resources
- reduce bureaucracy
- strengthen service delivery

Of the Partnership's gross budget of £152.8 million for 2006/07, West Lothian Council contributed £71.4 million.

12. **Trading Accounts**

The Local Government in Scotland Act 2003 repealed the requirement to have separate DSO/DLO trading accounts and introduced a specific performance requirement for each significant trading operation to breakeven over a three year rolling basis.

Commercial Properties have been identified as a significant trading operation. The Service involves the maintenance and letting of industrial units, office accommodation and shops. The portfolio contains around 450 individual rental units and the policy objective is to generate maximum income from these assets and to ensure an adequate supply of property to meet the requirements of business needs in West Lothian. Summarised details of the account are as follows:-

	2006/07	Related 2005/06
	£'000	£'000
Turnover	4,540	4,440
Expenditure	<u>3,647</u>	<u>3,341</u>
Surplus (Deficit) for year	<u>893</u>	<u>1,099</u>
 Budget Surplus (Deficit) for year	 <u>925</u>	 <u>781</u>

Included in turnover is internal income of £665,000 (£584,000 2005/06).

The SORP for 2006 requires the exclusion of notional interest from capital charges leaving only depreciation on fixed assets used. However, for the purposes of assessing whether the trading account has met the statutory target, a cost of capital (notional interest) requires to be included in expenditure. In 2004/05 the surplus of £730,000 included notional interest. The inclusion of notional interest changes the surplus for 2005/06 of £1,099,000 to a deficit of £106,000. The inclusion of notional interest changes the surplus for 2006/07 of £893,000 to a deficit of £237,000.

In the three years to 31 March 2007 the trading account made a statutory aggregate surplus of £387,000, therefore meeting the statutory financial requirement to breakeven over the three year period.

	2006/07	2005/06
	£'000	£'000
13. Audit Fee		
Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the Code of Audit Practice were as follows:-	<u>340</u>	<u>351</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

16. FIXED ASSETS

16.1 Movement of fixed assets 2006/07

OPERATIONAL	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000
Cost or Valuation					
Value as at 1.4.2006	519,656	471,145	33,741	92,572	1,783
Additions	20,291	16,150	3,835	31,703	-
Disposals	(11,340)	(517)	(3,451)	-	-
Transfers	-	6,955	(79)	546	-
Revaluations	<u>47,225</u>	<u>88,291</u>	-	-	-
Value as at 31.3.2007	<u>575,832</u>	<u>582,024</u>	<u>34,046</u>	<u>124,821</u>	<u>1,783</u>
Aggregate Depreciation					
Value as at 1.4.2006	34,301	44,384	20,331	3,372	-
Charge for year	18,511	16,353	4,198	2,332	-
Depreciation on Disposals	(880)	-	(3,451)	-	-
Impairment Loss	3,807	-	-	-	-
Transfers	-	-	-	-	-
Revaluations	<u>(10,438)</u>	<u>(32,531)</u>	-	-	-
Value as at 31.3.2007	<u>45,301</u>	<u>28,206</u>	<u>21,078</u>	<u>5,704</u>	-
Net Book Value					
As at 31.3.2007	<u>530,531</u>	<u>553,818</u>	<u>12,968</u>	<u>119,117</u>	<u>1,783</u>
As at 31.3.2006	<u>485,355</u>	<u>426,761</u>	<u>13,410</u>	<u>89,200</u>	<u>1,783</u>
NON OPERATIONAL					
	Investment Properties £'000	Assets Under Construction £'000	Surplus Assets £'000		TOTAL £'000
Cost or Valuation					
Value as at 1.4.2006	1,197	9,570	64,692		1,194,356
Additions	-	6,575	-		78,554
Disposals	-	-	(1,631)		(16,939)
Transfers	5,751	(7,422)	(5,751)		-
Revaluations	-	-	-		<u>135,516</u>
Value as at 31.3.2007	<u>6,948</u>	<u>8,723</u>	<u>57,310</u>		<u>1,391,487</u>
Aggregate Depreciation					
Value as at 1.4.2006	40	-	48		102,476
Charge for year	-	-	53		41,447
Depreciation on Disposals	-	-	(7)		(4,338)
Impairment Loss	-	-	-		3,807
Transfers	-	-	-		-
Revaluations	-	-	-		<u>(42,969)</u>
Value as at 31.3.2007	<u>40</u>	<u>-</u>	<u>94</u>		<u>100,423</u>
Net Book Value					
As at 31.3.2007	<u>6,908</u>	<u>8,723</u>	<u>57,216</u>		<u>1,291,064</u>
As at 31.3.2006	<u>1,157</u>	<u>9,570</u>	<u>64,644</u>		<u>1,091,880</u>

16.2 Information on assets held.

Fixed assets owned by the Council include the following:-

	Numbers as at 31 March 2007	Numbers as at 31 March 2006	Numbers as at 31 March 2007	Numbers as at 31 March 2006
Council Dwellings	13,258	13,581		
Operational Buildings				
Cemetery Buildings	15	15	33	33
Cinema and Theatres	2	2	3	3
Clubhouses	14	14	51	51
Community Centres	44	44	7	7
Day Centres	14	14	4	4
Depots	18	18	86	85
Hostels	13	13	103	103
Industrial/Factory Premises	190	190	75	75
Libraries	11	11	5	5
Lock Up Garages	158	158	32	32
Museum, Visitor Centres	6	6	5	5
Muster Rooms	1	1	1	1
Non Stock Houses	37	37	15	15
OAP Pavilions	3	3		
Operational Equipment				
Vehicles/Trailers	183	168		
Community Assets				
Open Spaces	148	148		
Children's Play Areas	142	142		

Surplus Assets comprises mainly development land which will be sold on a phased basis over the next four years and the proceeds will be used to help fund the Council's capital programme over that period.

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

16.3 Sources of Finance for Capital Expenditure Additions in year.

	2006/07	2005/06
	£'000	£'000
Capital receipts from asset sales	21,819	18,131
Capital financed from current revenue	11,632	13,315
Capital grants received	13,336	9,310
Other capital contributions received	1,712	970
Borrowing from loans fund	29,363	41,489
Assets acquired under finance leases	692	789
	<u>78,554</u>	<u>84,004</u>

16.4 Fixed Asset Valuation

For assets included in the balance sheet at current value the undernoted valuation details apply:-

Date of Valuation	Council Dwellings	Operational Land & Buildings	Non-Operational Assets	Total
	£'000	£'000	£'000	
1 April 2002	-	16,986	83,783	100,769
1 April 2003	-	64,066	9,884	73,950
1 April 2004	419,112	75,069	9,001	503,182
1 April 2005	-	42,292	-	42,292
2004/05 Transfer	-	59,293	(59,293)	-
1 April 2006	135,825	346,246	-	482,071
Net historical cost alterations	<u>17,088</u>	<u>(21,928)</u>	<u>29,606</u>	<u>24,766</u>
Gross Valuation	<u>572,025</u>	<u>582,024</u>	<u>72,981</u>	<u>1,227,030</u>

Valuations of the above categories of assets were undertaken over a five year rolling programme by Chartered Surveyors of the Council's Property Services Unit, in accordance with the Statement of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. The former Livingston Development Corporation housing stock valuation at 1 April 2006, was carried out by D.M. Hall LLP, an external firm of chartered surveyors.

Properties regarded by the authority as operational were valued on the basis of 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.

Plant and machinery for heating and lighting purposes is included in the valuation of the buildings, however items of specialised plant have been shown separately at depreciated historic cost.

Non operational assets have been valued on the basis of open market value.

For assets other than those valued at 1 April 2006 the authority is not aware of any material change in value in 2006/07.

16.5 Depreciation

Assets other than land are being depreciated using the straight line method over their useful economic lives as follows:-

Council Dwellings	50 Years
Council Dwellings (fixtures)	27 Years
Operational Buildings	20 - 50 Years
Plant and Equipment	10 - 25 Years
Motor Vehicles	4 - 10 Years
Fixtures and Fittings	3 - 10 Years
Infrastructure	40 Years

No depreciation is charged on Investment Properties or Community Assets.

The total depreciation charge for 2006/07 (2005/06) was £41.447m (£33.958m).

16.6 Capital Commitments

At 31 March 2007 the Council has commitments on capital contracts of £0.8m (£2.4m 2005/06) for the Housing Programme and £42.1m (£9.8m 2005/06) for the Composite Programme. The majority of the Composite Programme figure relates to the Council's new Civic Centre project.

16.7 Finance Leases

Included within the analysis of fixed assets in 16.1 are the following assets acquired by finance leases:-

		2006/07	2005/06
		£'000	£'000
Operational Buildings	- Gross Cost	1,573	3,731
	- Aggregate Depreciation	264	798
	- Depreciation for the year	78	328
Vehicles	- Gross Cost	2,319	1,628
	- Aggregate Depreciation	863	398
	- Depreciation for the year	465	302
Finance lease interest for the year		353	267

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

16.7 Finance Leases (Continued)

The future obligations (net of finance charges) under these finance leases are:-		2006/07	2005/06
		£'000	£'000
2007/08	(2006/07)	785	667
2008/09 to 2011/12	(2007/08 to 2010/11)	2,380	2,248
2012/13 onwards	(2011/12 onwards)	687	1,139

16.8 Operating Leases

The future cash payments required under operating leases are:-		2006/07	2005/06
		£'000	£'000
2007/08	(2006/07)	872	842
		- Land and Buildings	
		- Other Operating Leases	
2008/09 to 2011/12	(2007/08 to 2010/11)	3,091	3,086
		- Land and Buildings	
		- Other Operating Leases	
2012/13 onwards	(2011/12 onwards)	3,013	3,639
		- Land and Buildings	
		- Other Operating Leases	
		400	1,039

17. LONG TERM DEBTORS

	Balance at 1 April 2006	Expend.	Repayments	Balance at 31 March 2007
	£'000	£'000	£'000	£'000
Loan Advances				
Former Council Houses	29	-	(16)	13
Private Parties	2	-	-	2
Small Business Loans	13	-	(7)	6
	44	-	(23)	21
PPP Schools Residual Value	5,770	2,022	-	7,792
PPP Schools Deferred Consideration	19,607	-	(726)	18,881
	<u>25,421</u>	<u>2,022</u>	<u>(749)</u>	<u>26,694</u>

The PPP Schools Residual Value reflects the build up of the fair value of assets to be returned to the Council at the end of the 30 year contract period.

The PPP Schools Deferred Consideration reflects the net book value of the assets transferred to the PPP Contractor for nil value which requires to be written off to revenue over the 30 year contract period.

18. DEFERRED PREMIUMS ON THE EARLY REPAYMENT OF DEBT

	Balance at 1 April 2006	Expend.	Repayments	Balance at 31 March 2007
	£'000	£'000	£'000	£'000
Premiums on Debt Rescheduling	11,105	-	(397)	10,708

The premiums on debt rescheduling of £10,708,000 (£11,105,000 2005/06) represents premiums incurred on loans rescheduled in previous years which will be released to the Income and Expenditure Account over the life of the replacement loans.

19. STOCK

	2006/07	2005/06
	£'000	£'000
Building Maintenance	210	248
Transport	106	110
Printing	5	5
Canteens	75	74
Roads and Grounds Maintenance	341	300
	<u>737</u>	<u>737</u>

20. DEBTORS

	2006/07	2005/06
	£'000	£'000
Government Departments	9,837	10,276
Housing Rents	662	667
Other Local Authorities	312	2
Sundry Debtors	27,860	20,852
Local Tax Payers	38,085	36,602
Interest Receivable	2,697	1,260
	<u>79,453</u>	<u>69,659</u>

The provisions for bad debts of £41,145,000 (£40,456,000 2005/06) are analysed as follows:-

	2006/07	2005/06
	£'000	£'000
Community Charge Debtors	15,212	15,480
Council Tax Debtors	18,986	18,172
Non-Domestic Rate Debtors	5,596	5,387
Housing Rents	382	368
Other Debtors	969	1,049
	<u>41,145</u>	<u>40,456</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

21. CREDITORS

	2006/07	2005/06
	£'000	£'000
Inland Revenue	4,755	4,477
Interest Payable	4,593	4,747
Other Local Authorities	3,368	3,225
Housing Rents	502	469
Commercial Rents	327	374
Government Departments	10,642	5,993
Sundry Creditors	<u>39,082</u>	<u>36,651</u>
	<u>63,269</u>	<u>55,936</u>

Included within Sundry Creditors are the following provisions:-	Balance at 31.03.2006	Payments in Year	Additional Provision	Balance at 31.03.2007
Equal pay settlements	6,750	(5,971)	1,442	2,221
Food preparation retrospective repayments	544	(527)	-	17
	<u>7,294</u>	<u>(6,498)</u>	<u>1,442</u>	<u>2,238</u>

It is anticipated that further equal pay settlements will be made in 2007/08 and charged to the provision.

22. LONG AND MEDIUM TERM LOANS

Source of Loan	Range of interest Rates Payable (%)	2006/07	2005/06
		£'000	£'000
P.W.L.B.	3.70 - 10.625	227,095	217,097
Money Market	2.70 - 3.95	60,730	50,730
E.I.B.	8.75 - 8.85	206	285
		<u>288,031</u>	<u>268,112</u>

An analysis of loans by maturity is:

Maturing in 1-2 years	94	85
Maturing in 2-5 years	223	140
Maturing in 5-10 years	1,689	2,793
Maturing in more than 10 years	<u>286,025</u>	<u>265,094</u>
	<u>288,031</u>	<u>268,112</u>

23. DEFERRED LIABILITY

Covenant

This relates to the Council's indebtedness to financial institutions for capital expenditure incurred under one Covenant Agreement. The movements for the year were:-

	Sum Outstanding 1.4.2006	Repaid During Year	Sum Outstanding 31.3.2007	2005/06
	£'000	£'000	£'000	£'000
Covenant	<u>810</u>	<u>(185)</u>	625	810
Less:				
Amounts repayable within one year included in current liabilities			<u>(185)</u>	<u>(185)</u>
			440	625
Finance Leases - outstanding principal			3,194	3,417
Other			<u>412</u>	<u>432</u>
			<u>4,046</u>	<u>4,474</u>

24. FIXED ASSET RESTATEMENT ACCOUNT

	2006/07	2005/06
	£'000	£'000
Balance as at 1 April	561,881	559,373
Unrealised gains on revaluation of fixed assets	178,485	16,624
Removal of the net book value of disposals	<u>(12,600)</u>	<u>(14,116)</u>
Balance at 31 March	<u>727,766</u>	<u>561,881</u>

The system of capital accounting requires the establishment of the fixed asset restatement account. The balance includes the difference between the valuation of assets under the previous system of capital accounting and the revaluation as at 1 April 1996. Each year the account is written down by the net book value of assets as they are disposed of and debited/credited with the deficits or surpluses arising on revaluations.

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

25.	CAPITAL FINANCING ACCOUNT	2006/07	2005/06
		£'000	£'000
	Balance as at 1 April	323,368	317,019
	Provision for the repayment of external loans	(37,098)	(26,393)
	Capital financed from current revenue (general fund)	4,384	4,299
	Capital financed from current revenue (HRA)	8,544	10,312
	Proceeds of disposals from Usable Capital Receipts	<u>21,819</u>	<u>18,131</u>
	Balance at 31 March	<u>321,017</u>	<u>323,368</u>

The capital financing account contains the amount of capital expenditure for the purchase of fixed assets financed from revenue and capital receipts and the difference between loans fund principal repayments and depreciation charged to the Statement of Movement on the General Fund Balance.

26.	INSURANCE FUND			Appropriations	
				(to) from	Balance
		Balance	Internal	Income and	at 31
		at 1 April	Interest	Expenditure	March
		2006	£'000	Account	2007
		£'000	£'000	£'000	£'000
	Insurance Fund	<u>4,634</u>	<u>223</u>	<u>1,205</u>	<u>6,062</u>

In May 2001 approval was given by Committee to establish the insurance fund in accordance with existing guidance.

27.	REPAIR AND RENEWAL FUNDS			Appropriations	
				(to) from	Balance
		Balance	Transfer to	Income and	at 31
		at 1 April	fund Capital	Expenditure	March
		2006	Expenditure	Account	2007
		£'000	£'000	£'000	£'000
	Finance Computer Repair and Renewal Fund	147	(147)	-	7
	Computer Development Repair and Renewal Fund	<u>75</u>	<u>-</u>	<u>-</u>	<u>79</u>
		<u>222</u>	<u>(147)</u>	<u>-</u>	<u>86</u>

28.	CAPITAL FUND			Appropriations	
				(to) from	Balance
		Balance	Transfer to	Income and	at 31
		at 1 April	fund Capital	Expenditure	March
		2006	Expenditure	Account	2007
		£'000	£'000	£'000	£'000
	Capital Fund	<u>29,671</u>	<u>-</u>	<u>3,368</u>	<u>34,466</u>

The Capital Fund was approved by Policy, Partnership and Resources Committee in September 2003 to ensure that, following the introduction of the Prudential Code, borrowing decisions and capital programme management are based on Best Value considerations. During 2004/05 a substantial capital receipt of £26.1 million from Dedridge North was transferred to the Capital Fund to assist the Council in achieving the agreed objective of best value management of capital financing and treasury decisions. The amount transferred will be utilised in full to finance the Council's future capital programme. The net surplus on general fund treasury management for 2006/07 of £3,368,000 was transferred from the Statement of Movement on the General Fund Balance in accordance with the above Committee's decision.

29.	USABLE CAPITAL RECEIPTS RESERVE		Proceeds	Transfer to	
			from	Capital	Balance
		Balance	Asset	Financing	at 31
		at 1 April	Sales	Account	March
		2006	£'000	£'000	2007
		£'000	£'000	£'000	£'000
	Usable Capital Receipts Reserve	<u>77</u>	<u>21,819</u>	<u>(21,819)</u>	<u>77</u>

The Usable Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

30.	RELATED COMPANIES				
	The Council has a relationship with the following companies which have been set up for specific purposes. Accounts of the companies may be obtained on application to the Head of Finance.				

30.1 West Lothian Municipal Bank Limited

The company has carried on business in Armadale as a Bank of Deposit, basically a savings bank, since 1964. Members of the Council are the sole shareholders and directors of the company. The company does not pay a dividend and the directors are not paid any remuneration. The Council does not have a shareholding in the company. The Council matches the expenses and interest incurred so that no profit or loss is made. The vast majority of the funds of the company are lent to the Council who guarantee to make good to a depositor any principal and interest due, should the company default in payment.

The following details have been extracted from the most recent accounts of the company, which were audited, have had no qualifications to the audit certificate.

	17.4.2007	17.4.2006
	£'000	£'000
Debtors - West Lothian Council	1,025	1,146
Creditors - due to Depositors	1,099	1,208

30.2 West Lothian Venture Fund Limited

The company is limited by guarantee and was set up in August 1997 to promote industry and commerce within West Lothian. The three members are WL Ventures Group Limited, Bank of Scotland plc and West Lothian Council. Each of the members has appointed one director. There is no commitment by the Council to meet any losses.

The unaudited (audited) accounts for the period ended 4 April 2007 (year ended 31 March 2006) show a profit before and after tax of £52,066 (£80,208) with net assets of £546,845 (£494,779).

30.3 WL Ventures Group Limited

The company is limited by guarantee and was set up to promote industry and commerce within West Lothian. The Council has a right to nominate six members and directors, however, the Council shall not be eligible to be appointed as a member and no member shall be a nominee for West Lothian Council.

The unaudited (audited) accounts for the period ended 4 April 2007 (year ended 31 March 2006) show a loss before and after tax of £13,318 (£260,648) with net assets of £820,413 (£833,731).

30.4 West Lothian Leisure Limited

The company is an Industrial and Provident Society with charitable status and was set up on 1 February 1998 to take over from that date the operation of the Council's major sport and leisure facilities.

The company is managed by a committee of management comprising three councillors, three workforce representatives, three representatives of service users and three representatives of the business community. The Council does not have a shareholding in the company.

The audited accounts for the year to 31 March 2007 (2006) show a net profit of £380,565 (£731,701) with net assets of £1,728,678 (£701,113).

30.5 West Lothian Recycling Limited

West Lothian Recycling Limited is a joint venture established in 1999 by West Lothian Council and Tarmac to provide a recycling and composting facility for West Lothian. The Council owns 50% of the issued share capital of £100.

The company was formed as a direct response to the challenges faced by the parent organisations to meet their aspirations and obligations for Sustainable Development and Local Agenda 21 issues.

The company is run by a board of six directors, three from the Council and three from Tarmac. The directors receive no remuneration for their services.

As part of a Shareholders Agreement, Tarmac has lent £193,000 to the company and the Council has guaranteed 50% of this amount, plus 50% of the related financing costs, should the company default on repayment.

The unaudited (audited) accounts for the year ended 31 December 2006 (2005) show a profit before tax of £283,014 (£432,183) and a profit after tax of £230,970 (£331,313) with net assets of £355,288 (£324,318).

30.6 West Lothian Housing Partnership Limited

The Partnership is a Company limited by guarantee and was formally incorporated in 1998. In June 2001 the Partnership was registered as a charity with the Inland Revenue and achieved contractual registration with Communities Scotland in November 2001.

The company's main aim is to develop and operate new housing for rent. During the financial year the company had 230 properties under management. In return for sponsorship, funding and land the company gave the Council full nomination rights for all initial house lets, reverting to 50% nominations for subsequent vacancies thereafter.

The company is managed by a board of fifteen directors comprising one third nominated councillors, one third tenants and one third independent members of the public.

The audited accounts for the year to 31 March 2007 (2006) show a profit before and after tax of £142,161 (£148,589) with net assets of £882,071 (£739,910).

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

31. RELATED PARTIES

	2006/07	2005/06
	£'000	£'000
Amount due (to) or from related parties are detailed below:-		
Government departments	(5,560)	(194)
Other local authorities	(3,056)	(3,223)
Related companies		
• West Lothian Municipal Bank Ltd.	(1,025)	(1,146)
• West Lothian Leisure Ltd.	312	826
• West Lothian Recycling Ltd.	9	9
• West Lothian Housing Partnership Ltd.	-	1
	<u>(9,320)</u>	<u>(3,727)</u>

32. NET ASSETS

	2006/07	2005/06
	£'000	£'000
The total net assets on the balance sheet are:-		
General Fund	425,215	255,341
Housing Revenue Account (HRA)	583,402	534,406
	<u>1,008,617</u>	<u>789,747</u>

33. CONTINGENT LIABILITY

As mentioned in Note 30.5 the Council has guaranteed a loan from its partner Tarmac to its related company, West Lothian Recycling Ltd. up to maximum of £96,500, plus 50% of the related financing costs.

The implementation of the national agreement on Single Status, which brings together relevant employees under one set of service conditions, is currently being discussed between the Council and the trade unions. The financial implications of Single Status cannot be accurately estimated at this time but implementation is planned to take place on 1 October 2007.

There is a potential for some equal pay cases, from employees who have not accepted the Council's offer, being decided by employment tribunals whose costs will be met by the Council.

34. DELEGATED SCHEMES

In accordance with both the School Boards Delegation and Devolved School Management schemes, a net credit balance of £1,110,000 (£953,000 2005/06) is held within the General Fund. This sum represents the amount by which schools underspent their delegated schemes and may be used to supplement their 2006/07 budgetary provision. This sum, although held within the General Fund, must be spent on Education Services and is not available to the authority for general use.

35. GENERAL FUND BALANCE

The following amounts have been earmarked within the General Fund Balance.

	£'000	£'000
General Fund Balance at 31 March 2007		4,293
Less: Earmarked Balances -		
Education - Delegated Schemes	1,110	
Energy Efficiency Fund	434	
Core Development Areas Project Team	416	
Local Planning Inquiry	84	
Uncommitted General Fund Balance at 31 March 2007		<u>2,044</u>
		<u>2,249</u>

36. PENSIONS

36.1 Pension Costs
Teachers

In 2006/07 (2005/06) the Council paid an employer's contribution of £7,778,101 (£7,463,140) representing 12.4% (12.4%) of pensionable pay to the Scottish Executive in respect of teachers' pension costs. In addition, the Council is responsible for all pension payments relating to added years together with related increases. In 2006/07 (2005/06) these amounted to £455,427 (£421,157) representing 0.7% (0.7%) of pensionable pay.

Local Government Superannuation (Scotland) Scheme

The Lothian Pension Fund provides members with defined benefits related to pay and service. The amounts charged to revenue under FRS 17 are as follows:-

	2006/07		2005/06	
	£'000	% of Payroll	£'000	% of Payroll
Current Service Cost	20,629	24.2%	16,450	20.2%
Past Service Costs	(5,972)	(7.0%)	181	0.2%
Curtailments and Settlements	67	0.1%	176	0.2%
Expected Return on Employer Assets	(28,870)	(33.9%)	(20,498)	(25.5%)
Interest on Pension Scheme Liabilities	26,074	30.6%	22,541	28.1%
	<u>11,928</u>	<u>14.0%</u>	<u>18,850</u>	<u>23.2%</u>

The amount charged to taxation for the Lothian Pension Fund Scheme in 2006/07 (2005/06) was £17,243,000 (£16,173,000).

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

36.2 Pension Assets and Liabilities

In accordance with FRS 17 the Council is required to disclose information on defined benefit pension schemes. As explained in Statement 2 on the Accounting Policies the Council participates in two formal schemes, the Local Government Superannuation Scheme (which is administered by the City of Edinburgh Council as the Lothian Pension Fund) and the Teachers' Scheme. The Scottish Executive is responsible for the Teachers Scheme which is treated under FRS 17 as a defined contribution scheme, as it does not allow the identification of liabilities consistently and reliably between participant authorities. The following information relates to the Lothian Pension Scheme. In addition the Council has liabilities for discretionary pension payments outside the main schemes.

The Council's share of pension assets and liabilities is as follows:-	31 March 2007	31 March 2006
	£'000	£'000
Share of assets in Lothian Pension Fund	436,031	393,670
Present Value of Share of Lothian Pension Fund liabilities	(491,425)	(494,050)
Share of net liabilities in Lothian Pension Fund	(55,394)	(100,380)
Present value of unfunded liabilities for discretionary pensions	(30,681)	(34,240)
Net pension liabilities and pension reserve	(86,075)	(134,620)

Assets are valued at fair value, principally market value for investments, and consist of:

	Long Term Rate of Return at 31 March		Share of Fund at 31 March		Share of Fund at 31 March	
	2007	2006	2007	2006	2007	2006
	% per	Annum	%	£'000	%	£'000
Equity investments	7.8%	7.4%	77%	334,446	82%	322,540
Bonds	4.9%	4.6%	5%	23,608	6%	23,210
Property	5.8%	5.5%	12%	53,598	11%	42,060
Cash	4.9%	4.6%	6%	24,379	1%	5,860
			<u>100%</u>	<u>436,031</u>	<u>100%</u>	<u>393,670</u>

Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The valuations are based on a valuation as of March 31, 2005 and updated for the following years, by Hymans Robertson the independent actuaries to the Lothian Pension Fund. The main assumptions used in the calculations for both the Lothian Pension Fund and discretionary payments are:

	31 March 2007	31 March 2006
• rate of inflation	3.2%	3.1%
• rate of increase in salaries	4.7%	4.6%
• rate of increase in pensions	3.2%	3.1%
• rate for discounting scheme liabilities	5.4%	4.9%

The movement in the net pension liability for the year to 31 March 2007 is as follows:

	2006/07	2005/06
	£'000	£'000
Net pensions liability at 1 April 2006	(134,620)	(130,195)
Movements in the year:		
• current service cost	(20,629)	(16,450)
• employers' contributions payable to scheme	15,479	14,455
• employers' contributions for unfunded benefits	1,793	1,957
• past service costs	5,972	(181)
• impact of settlements and curtailments	(67)	(176)
• interest cost	(26,074)	(22,541)
• expected return on assets in the scheme	28,870	20,498
• actuarial gains (losses)	43,201	(1,987)
Net pensions liability at 31 March 2007	(86,075)	(134,620)

The reduction in the net pensions liability in 2006/07 is primarily as a result of the actuarial gains of £43.201 million and a past service return of £5.972 million from an allowance for commuting part of the LGPS pension for additional lump sum cash on retirements with effect from 8 October 2006.

The figures presented in the actuary's valuation are prepared only for the purposes of FRS 17 and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes and have no impact on the employers' pension contribution rate.

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

Pension Assets and Liabilities (Continued)

The net pensions liability does not impact on the Council's available reserves but the requirement to recognise the net pensions liability in the balance sheet has reduced the reported net worth of the authority by 9% (14% 2005/06)

Local government legislation provides that local authorities have an obligation to meet the expenditure of the Joint Boards of which they are constituent members. As a consequence West Lothian Council has additional liabilities arising from the pension deficits of:

- Lothian and Borders Fire Board
- Lothian and Borders Police Board
- Lothian Valuation Joint Board

Further information regarding these deficits can be found in the annual report and accounts of the relevant bodies.

36.3 Pension Fund Reserve

The pension reserve mirrors the net pensions liability detailed in 36.2 above. The movements in the year are summarised as follows:

	2006/07 £'000	2005/06 £'000
Balance at 1 April	(134,620)	(130,195)
Net surplus (deficit) for year	5,344	(2,438)
Actuarial Gain (Loss) in Pension Plan	<u>43,201</u>	<u>(1,987)</u>
Balance at 31 March	<u>(86,075)</u>	<u>(134,620)</u>

36.4 History of Gains and Losses

	Difference Between Expected and Actual Return on Assets £'000	Value of Assets £'000	% of Assets %
2006/07	2,585	436,031	0.6%
2005/06	62,337	393,674	15.8%
2004/05	8,555	282,839	3.0%
2003/04	39,393	248,622	15.8%
2002/03	(69,529)	189,490	(36.7)%

	Experience Losses on Liabilities £'000	Present Value of Liabilities £'000	% of Present Value %
2006/07	3,858	522,106	0.7%
2005/06	(5,469)	528,284	(1.0)%
2004/05	(7,905)	413,034	(1.9)%
2003/04	3,567	307,225	1.2%
2002/03	399	289,845	0.1%

	Actuarial Gains/(Losses) Recognised £'000	Present Value of Liabilities £'000	% of Present Value %
2006/07	43,201	522,106	8.3%
2005/06	(1,987)	528,284	(0.4)%
2004/05	(68,749)	413,034	(16.6)%
2003/04	42,960	307,225	14.0%
2002/03	(69,130)	289,845	(23.9)%

37. STATEMENT OF ACCOUNTS

The Head of Finance, Alan Logan CA, CPFA, being the officer responsible for the Council's financial affairs, authorised the issue of the statement of accounts on 5 June 2007. Events after the balance sheet have been considered up to this date.

38. **Reconciliation of the Income and Expenditure Account to the Revenue Activities Net Cash Flow.**

	2006/07	2005/06
	£'000	£'000
Net (deficit) surplus on Income and Expenditure Account	(4,477)	(12,816)
Interest and dividends	11,215	8,849
Non-Cash Transactions		
Internal Interest on Funds	1,661	1,568
Depreciation and Impairment Loss	45,254	33,958
Government Grants Deferred Amortisation	(208)	(53)
Increase (Decrease) in Bad Debt Provisions	689	(223)
Increase (Decrease) in Other Provisions	(5,056)	7,294
Gain on sale of fixed assets	(9,218)	(2,711)
Additional FRS17 pension costs removed	(5,344)	2,437
Housing adjustment funded from HRA balance	<u>-</u>	91
	27,778	
Items on an accruals basis		
Decrease in Stocks and Work in Progress	-	85
(Increase) Decrease in Debtors (net of Bad Debt Provisions)	(9,794)	(2,029)
Increase (Decrease) in Creditors (net of Other Provisions)	12,298	(99)
Removal of Capital Debtors and Creditors	3,998	(372)
(Decrease) Increase in Deferred Liability	(19)	(17)
Decrease in Long Term Debtors (premiums on debt rescheduling only)	<u>397</u>	<u>397</u>
NET CASH INFLOW ON REVENUE ACTIVITIES	<u>41,396</u>	<u>36,359</u>

39. **Reconciliation of the movement in cash to the movement in net debt.**

	2006/07	2005/06
	£'000	£'000
(Decrease) Increase in cash	(29,198)	10,368
Cash used to increase loans and covenants	(19,618)	(71,873)
Cash used to increase liquid resources	<u>32,000</u>	<u>32,000</u>
Change in net debt	(16,816)	(29,505)
Net debt at 1 April 2006	<u>(161,304)</u>	<u>(131,799)</u>
Net debt at 31 March 2007	<u>(178,120)</u>	<u>(161,304)</u>

39.1 **Analysis of change in net debt.**

	At 1 April 2006	Cash Flows	Other Non-Cash Changes	At 31 March 2007
	£'000	£'000	£'000	£'000
Cash and Bank in hand	173	(10)	-	163
Investments repayable on demand	34,578	(27,640)	-	6,938
Bank overdraft	<u>(916)</u>	<u>(1,548)</u>	-	<u>(2,464)</u>
	33,835	(29,198)	-	4,637
Debt due within 1 year	(1,402)	116	-	(1,286)
Debt due after 1 year	(268,737)	(19,734)	-	(288,471)
Current asset investments	<u>75,000</u>	<u>32,000</u>	-	<u>107,000</u>
	<u>(161,304)</u>	<u>(16,816)</u>	<u>-</u>	<u>(178,120)</u>

40. **Management of liquid resources.**

Investments shown under current assets in the consolidated balance sheet can range from deposits repayable on demand to deposits up to a maximum of 364 days. Deposits repayable on demand are shown as cash in the cash flow statement. Accordingly liquid resources represent all investments up to 364 days duration less deposits repayable on demand.

40.1 **Movements in the management of liquid resources.**

	31 March 2007	1 April 2006	Change in Year
	£'000	£'000	£'000
Investments (short-term)	113,938	109,578	4,360
<u>Less: Investments repayable on demand shown as cash</u>	<u>(6,938)</u>	<u>(34,578)</u>	<u>27,640</u>
	<u>107,000</u>	<u>75,000</u>	<u>32,000</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

STATEMENT 9 (CONTINUED)

41. Reconciliation of financing items to the Balance Sheet

	2006/07	2005/06
	£'000	£'000
Movement in financing per cash flow statement	18,939	71,237
Add: Capital element of finance lease rentals	<u>679</u>	<u>636</u>
Increase in loans and covenants	<u>19,618</u>	<u>71,873</u>

41.1 Analysis of Change in Loans and Covenants Repayable

	31 March 2007 £'000	1 April 2006 £'000	Change in Year £'000
Long and Medium Term Loans			
Public Works Loan Board (PWLB)	227,095	217,097	9,998
Money Market	60,730	50,730	10,000
European Investment Bank (EIB)	<u>206</u>	<u>285</u>	<u>(79)</u>
	288,031	268,112	19,919
Covenants shown under Deferred Liability	<u>440</u>	<u>625</u>	<u>(185)</u>
	<u>288,471</u>	<u>268,737</u>	<u>19,734</u>
Loans repayable within one year			
Loans	1,101	1,217	(116)
Covenants	<u>185</u>	<u>185</u>	<u>-</u>
	<u>1,286</u>	<u>1,402</u>	<u>(116)</u>
TOTALS	<u>289,757</u>	<u>270,139</u>	<u>19,618</u>

42. Analysis of Government Grants

	2006/07	2005/06
	£'000	£'000
Revenue Support Grant	166,070	<u>158,235</u>
Council Tax Benefits	9,760	8,921
Housing Benefits	18,688	18,592
National Priorities Action Fund	10,577	3,350
Supporting People Grant	10,179	9,770
Urban Aid	34	41
Other School Grants	6,682	7,779
Criminal Justice Grants	1,111	1,343
Administration of Benefits Grants	1,520	1,372
Mental Illness Grants	204	204
Social Work Grants	373	409
Other	<u>6,326</u>	<u>1,136</u>
	65,454	<u>52,917</u>
DWP Grants for Benefits	<u>16,919</u>	<u>15,824</u>
	<u>248,443</u>	<u>226,976</u>

HRA – INCOME & EXPENDITURE ACCOUNT

STATEMENT 10

PURPOSE

This statement mirrors the presentation of the authority Income and Expenditure Account. This Account summarises the resources that have been generated and consumed in providing services and managing the Housing Revenue Account during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

	Note	2006/07 Actual £'000	2006/07 Budget £'000	2005/06 Actual £'000
INCOME				
Dwellings Rent (gross)		(33,165)	(33,192)	(32,773)
Non-Dwelling Rents (gross)		(710)	(456)	(768)
Housing Support Grant		-	-	-
Other Income		<u>(602)</u>	<u>(301)</u>	<u>(286)</u>
TOTAL INCOME		<u>(34,477)</u>	<u>(33,949)</u>	<u>(33,827)</u>
EXPENDITURE				
Repairs and Maintenance		12,722	12,034	11,084
Supervision and Management	1	7,846	7,298	7,959
Depreciation and Impairment		23,509	19,702	17,377
Bad or Doubtful Debts		187	430	375
Other Expenditure		<u>2,323</u>	<u>2,065</u>	<u>1,581</u>
TOTAL EXPENDITURE		<u>46,587</u>	<u>41,529</u>	<u>38,376</u>
Net Cost of HRA Services per Authority Income and Expenditure Account		12,110	7,580	4,549
HRA services share of Corporate and Democratic Core		-	-	-
HRA share of Non Distributed Costs		<u>-</u>	<u>-</u>	<u>-</u>
Net Cost of HRA Services		12,110	7,580	4,549
HRA share of the Operating Income and Expenditure included in the Whole Authority Accounts				
Gain or loss on sale of HRA assets		-	-	-
Interest payable and similar charges		1,783	2,434	1,666
Interest and investment income		-	-	-
Pensions interest cost and expected return on pensions assets		<u>(112)</u>	<u>-</u>	<u>86</u>
Deficit for the year on HRA services		<u>13,781</u>	<u>10,014</u>	<u>6,301</u>

NOTES

1. HRA Services share of corporate and democratic core

The HRA share of CDC costs of £18,334 is included within Supervision and Management Costs.

STATEMENT OF MOVEMENT ON THE HRA BALANCE

STATEMENT 11

PURPOSE	Note	2006/07 £'000	2005/06 £'000
This statement summarises the differences between the outturn on the HRA Income and Expenditure Account and the HRA Balance.			
Deficit for the year on HRA Income and Expenditure Account		13,781	6,301
Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	1	<u>(13,790)</u>	<u>(6,244)</u>
(Increase) or decrease in the Housing Revenue Account Balance		(9)	57
Housing Revenue Account surplus brought forward		(916)	(1,064)
Transfer to General Fund		-	91
Housing Revenue Account surplus carried forward		<u>(925)</u>	<u>(916)</u>
NOTES			
1. Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year		2006/07 £'000	2005/06 £'000
Depreciation and Impairment		(23,509)	(17,377)
Gain or loss on sale of HRA fixed assets		-	-
Net charges made for retirement benefits in accordance with FRS 17		<u>(506)</u>	<u>(684)</u>
		<u>(24,015)</u>	<u>(18,061)</u>
Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year			
Employer's contributions payable to the Lothian Pension Fund and retirement benefits payable direct to pensioners		619	599
Loans fund principal		1,062	906
Capital expenditure funded by the HRA		<u>8,544</u>	<u>10,312</u>
Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year		<u>(13,790)</u>	<u>(6,244)</u>
2. Housing Stock			
The Council's stock at 1 April 2006 was 13,581 and at 31 March 2007 was 13,258. As a result the Council was responsible for managing an average of 13,420 dwellings during 2006/07.			
Stock movements can be summarised as follows:-			
		2006/07	2005/06
Stock as at 1 April		13,581	13,897
Additions		2	-
Less Demolitions		(58)	-
Less Sales		<u>(267)</u>	<u>(316)</u>
Stock as at 31 March		<u>13,258</u>	<u>13,581</u>
Housing Stock Numbers by type are as follows:			
1 Bed		2,133	
2 Bed		6,257	
3 Bed		4,278	
4 Bed		459	
More than 4 Bed		<u>131</u>	
		<u>13,258</u>	
Figures for 2005/06 are not available			
3. Rent Arrears		2006/07	2005/06
Gross Rent Arrears at 31 March		<u>£489,717</u>	<u>£538,651</u>
4. Bad Debts Provision			
A bad debts provision of £381,798 (£367,631 at 31 March 2006) has been made in respect of house rent arrears.			
5. Losses on Void Properties		2006/07	2005/06
Losses on void properties at 31 March		<u>£450,846</u>	<u>£464,570</u>

COUNCIL TAX INCOME ACCOUNT

STATEMENT 12

PURPOSE

This statement shows the net income raised from Council Tax levied under the Local Government Finance Act 1992.

	2006/07 £'000	2005/06 £'000
INCOME		
Gross Council Tax levied and contributions in lieu	71,814	68,741
Less:		
Discounts	(5,958)	(5,591)
Provision for bad debts	(1,929)	(1,851)
Net cost of benefits	39	32
Other deductions	<u>(1,590)</u>	<u>(1,589)</u>
	<u>(9,438)</u>	<u>(8,999)</u>
	62,376	59,742
Adjustments for previous years' Community Charge and Council Tax	<u>1,404</u>	<u>1,061</u>
Transfers to General Fund	<u>63,780</u>	<u>60,803</u>

NOTES

1. Calculation of the Council Tax base 2006/07

	PROPERTY BANDS								Total
	A	B	C	D	E	F	G	H	
Properties	17,791	24,075	8,289	6,940	8,216	4,601	2,173	164	72,249
Exemptions	(629)	(426)	(152)	(75)	(62)	(32)	(16)	(11)	(1,403)
Disabled Relief	176	(111)	(1)	11	(25)	(30)	(19)	(1)	-
Discounts (25%)	(2,535)	(2,305)	(716)	(422)	(324)	(130)	(51)	(3)	(6,486)
Discounts (50%)	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(3)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>0</u>	<u>(18)</u>
Effective Properties	<u>14,800</u>	<u>21,229</u>	<u>7,415</u>	<u>6,451</u>	<u>7,804</u>	<u>4,408</u>	<u>2,086</u>	<u>149</u>	<u>64,342</u>
Ratio to band D	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	
Band D Equivalents	9,867	16,511	6,591	6,451	9,538	6,367	3,477	298	59,100
Contributions in lieu									-
Level of non-payment provided for									<u>(1,773)</u>
COUNCIL TAX BASE									<u>57,327</u>

2. The level of Council Tax depends upon the value of the property. Certain prescribed dwellings are exempt and discounts are given to eligible taxpayers i.e. single occupants. A Council Tax Benefit Scheme is available to taxpayers on a low income. Other deductions include Disabled Relief.

A bad debt provision of 3% of the net income from council tax has been provided, this represents a collection level of 97%.

3. The Council Tax charge for each band is as follows:-

Band	2006/07	2005/06
	Council Tax £	Council Tax £
A	734.00	716.00
B	856.33	835.33
C	978.67	954.67
D	1,101.00	1,074.00
E	1,345.67	1,312.67
F	1,590.33	1,551.33
G	1,835.00	1,790.00
H	2,202.00	2,148.00

NON-DOMESTIC RATE INCOME ACCOUNT

STATEMENT 13

PURPOSE

This account shows the income from the rate levied on non-domestic property under the Local Government (Scotland) Act 1975 as amended by the Local Government Finance Act 1992.

INCOME

	2006/07 £'000	2005/06 £'000
Gross rates levied and contributions in lieu		71,976
<u>Less</u>		
Reliefs and other deductions	(9,812)	(10,278)
Payment of interest	(6)	(5)
Provisions for bad and doubtful debts	(1,248)	(1,210)
	<u>(11,066)</u>	<u>(11,493)</u>
	60,910	59,209
Previous years' adjustments		<u>1,338</u>
		<u>702</u>
Net non-domestic rate income		<u>62,248</u>
Allocated:		
National non-domestic rate pool		62,321
Cost of Council rate relief		<u>(73)</u>
		<u>62,248</u>
		<u>59,911</u>

NOTES

- The amount distributed to West Lothian Council from the national non-domestic rate income pool in 2006/07 was £60,404,000 (£60,400,000 2005/06).
- Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for Lothian area. The National non-domestic rate poundage is determined by the Scottish Executive, and was 44.9p per £ in 2006/07 (46.1p in 2005/06). The rate was 45.3p (46.55p in 2005/06) for properties with a rateable value of more than £29,000. Properties with a rateable value of £10,000 or less are subject to a reduced charge.
- Rateable values as at 1 April 2006

	Number	Rateable Value £'000
Shops, Offices and other Commercial Subjects	2,375	74,081
Industrial Subjects	1,704	63,156
Miscellaneous (Schools etc.)	<u>1,297</u>	<u>33,760</u>
	<u>5,376</u>	<u>170,997</u>

LOANS FUND REVENUE ACCOUNT

STATEMENT 14

PURPOSE

This statement shows the revenue transactions of the Loans Fund. The Loans Fund provides a central pool of finance for all Council expenditure.

All external loans, borrowed to finance capital spending, are paid into the fund. Interest due on these borrowings and debt management expenses are allocated to this account. These costs are then charged annually to the Income and Expenditure Account.

	2006/07 £'000	2005/06 £'000
EXPENDITURE		
Interest paid to External Lenders	14,850	12,836
Interest paid on Internal Revenue Account Balances	1,843	1,944
Losses on the Repurchase of Borrowing	<u>398</u>	<u>398</u>
Total Interest	17,091	15,178
Expenses of Borrowing	<u>333</u>	<u>327</u>
Total Expenditure	<u>17,424</u>	<u>15,505</u>
INCOME		
Interest Received from Investments	5,795	4,025
Expenses charged to the Income and Expenditure Account	<u>333</u>	<u>327</u>
	6,128	4,352
Net Loans Fund interest charged to the Income and Expenditure Account	<u>11,296</u>	<u>11,153</u>
Total Income	<u>17,424</u>	<u>15,505</u>

NOTES

1. The average rate of interest on borrowings from the Loans Fund was 4.9% (5.5% 2005/06).
2. The rate for debt management expenses was 0.2% (0.2% 2005/06).
3. The amount of internal debt outstanding at 31 March 2007 was £237.2 million or £1,448 per head of population compared with £217.4 million or £1,335 per head of population at 31 March 2006. These figures include covenant debt of £0.8 million (£1.0 million).

CHARITABLE TRUSTS**STATEMENT 15****PURPOSE**

The Council acts as sole trustee for 39 Charitable Trusts and Mortifications.

The figures below summarise the Income and Expenditure arising during the year and the aggregate Assets and Liabilities of the Trusts at the year end.

INCOME AND EXPENDITURE ACCOUNT

EXPENDITURE	2006/07 £'000	2005/06 £'000
Beneficiaries	<u>4</u>	<u>6</u>
INCOME		
Loans Fund and Dividend Interest	15	14
Donations	<u>-</u>	<u>-</u>
	<u>15</u>	<u>14</u>
SURPLUS		
For Year	11	8
At 1 April 2006	<u>327</u>	<u>319</u>
At 31 March 2007	<u>338</u>	<u>327</u>

BALANCE SHEET

	2006/07 £'000	2005/06 £'000
Current Assets		
Investments	49	49
Revenue Advances to Loans Fund	<u>289</u>	<u>278</u>
	<u>338</u>	<u>327</u>
Current Liabilities	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>338</u>	<u>327</u>
FINANCED BY:		
Reserves		
Capital Fund	158	158
Revenue Fund	<u>180</u>	<u>169</u>
TOTAL RESERVES	<u>338</u>	<u>327</u>

NOTES

- In order to preserve the capital value of Trust Funds, it is Council policy to disburse only revenue income arising from them. This is done one year in arrears i.e. revenue income received during 2005/06 is disbursed in 2006/07.
- The main fund balances where the Council is sole trustee at 31 March 2007 are:-

	Capital £'000	Revenue £'000
Irene Elizabeth Miller Trust	60	1
West Lothian Trust for the Benefit of People with Disabilities	41	13
Quarter Farm Trust	17	33
James Wood Bequest	13	40
Robert Turner of Armadale Trust	11	18

- The Council also administers 6 other trusts, which have external and Council trustees. At 31 March 2007 (2006) the total assets of these trusts was £182,000 (£177,000).

COMMON GOOD ACCOUNT**STATEMENT 16****PURPOSE**

The Common Good Fund was inherited from West Lothian District Council and the former Linlithgow Town Council at the respective reorganisations of local government in 1996 and 1975 and is administered by the Council. Income from the Fund may be applied for the benefit of inhabitants of Linlithgow.

The figures below summarise the Income and Expenditure arising during the year and the Assets and Liabilities of the Fund at the year end.

INCOME AND EXPENDITURE ACCOUNT

	2006/07 £'000	2005/06 £'000
Expenditure		
Donations	-	-
Income		
Interest	1	1
	<u>1</u>	<u>1</u>
Surplus/(Deficit)		
For year	1	1
At 1 April 2006	<u>9</u>	<u>8</u>
At 31 March 2007	<u>10</u>	<u>9</u>

BALANCE SHEET

	2006/07 £'000	2005/06 £'000
Fixed Assets		
Heritable Property	1	1
Furnishings	<u>4</u>	<u>4</u>
	5	5
Current Assets		
Revenue Advances to Loans Fund	<u>14</u>	<u>13</u>
TOTAL ASSETS	<u>19</u>	<u>18</u>
FINANCED BY:		
Reserves		
Revenue Balance	10	9
Capital Reserve	<u>9</u>	<u>9</u>
TOTAL LOANS AND RESERVES	<u>19</u>	<u>18</u>

NOTES

- Fixed Assets represent book values taken over from the former Councils as recorded in their Abstract of Accounts. They consist of:-

	£'000
Furnishings	4
Heritable Property	<u>1</u>
	<u>5</u>

GROUP INCOME AND EXPENDITURE ACCOUNT

STATEMENT 17

FOR THE YEAR ENDED 31 MARCH 2007

SERVICE COST

	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	2005/06 £'000
Education Services	164,460	20,638	143,822	138,052
Housing Services	51,609	49,761	1,848	1,472
Cultural and Related Services	23,334	5,956	17,378	16,674
Environmental Services	16,388	3,980	12,408	11,003
Fire Services	7,567	273	7,294	7,527
Roads and Transport Services	16,619	1,098	15,521	17,223
Police Services	14,875	-	14,875	14,261
Planning and Development Services	14,167	7,627	6,540	4,608
Social Work	83,820	24,069	59,751	53,911
Joint Valuation Board	1,103	-	1,103	1,032
Central Services	5,684	4,124	1,560	(592)
Corporate and Democratic Core	6,020	-	6,020	5,244
Non-Distributed Costs	<u>-</u>	<u>5,935</u>	<u>(5,935)</u>	<u>357</u>
Total General Fund Services	405,646	123,461	282,185	270,772
Housing Revenue Account	48,634	36,524	12,110	4,549
Exceptional items	1,442	-	1,442	7,294
Share of Operating Results of Associates	29,669	29,841	(172)	(611)
Share of Operating Result of Joint Venture	<u>430</u>	<u>461</u>	<u>(31)</u>	<u>(215)</u>
Net Cost of Services	<u>485,821</u>	<u>190,287</u>	295,534	281,789
Gain on disposal of fixed assets			(9,218)	(2,711)
Surplus on Trading Operations			(893)	(1,099)
Interest payable			17,380	15,375
Share of interest payable of Associates			287	353
Share of interest payable of Joint Venture			-	-
Losses on early settlement of borrowing			398	398
Interest and investment income			(5,951)	(4,448)
Share of interest receivable of Associates			(126)	(127)
Share of interest receivable of Joint Venture			(10)	(1)
Net interest cost (return) of pension scheme			(2,796)	2,043
Share of corporation tax of Joint Venture			<u>26</u>	<u>50</u>
Net Expenditure			<u>294,631</u>	<u>291,622</u>
INCOME				
Non-Domestic Rates			(60,330)	(60,319)
Revenue Support Grant			(166,070)	(158,235)
Council Tax Income			<u>(63,780)</u>	<u>(60,803)</u>
Total Income			<u>(290,180)</u>	<u>(279,357)</u>
Deficit for the year			<u><u>4,451</u></u>	<u><u>12,265</u></u>

**RECONCILIATION OF THE SINGLE ENTITY SURPLUS
OR DEFICIT FOR THE YEAR TO THE GROUP SURPLUS OR DEFICIT**

STATEMENT 18

PURPOSE

This statement provides the link between the Council's surplus or deficit on the Income and Expenditure Account with the Group Income and Expenditure Account.

	2006/07	2005/06
	£'000	£'000
Deficit on the authority's single entity Income and Expenditure Account for the year	4,477	12,816
<u>Less</u>		
Associates dividend income and any other distributions from group entities included in the single entity deficit on the Income and Expenditure Account	<u>-</u>	<u>-</u>
	4,477	12,816
<u>Less</u>		
Surplus or deficit arising from other entities included in the group accounts analysed into the amounts attributable to:		
• Associates – surplus	(11)	(385)
• Joint Venture – surplus	(15)	(166)
Group Account deficit for the year	<u>4,451</u>	<u>12,265</u>

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES STATEMENT 19

PURPOSE

This Statement brings together all the gains and losses of the Council's Group for the year and shows the aggregate change in its net worth. In addition to the surplus or deficit generated on the Group Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the cost of retirement benefits.

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2007

	2006/07 £'000	2005/06 £'000
Deficit for the year on the Group Income and Expenditure Account	4,451	12,265
Surplus arising on revaluation of fixed assets	(178,485)	(16,624)
Actuarial (gains) losses on pension fund assets and liabilities	(43,201)	1,987
Interest on Reserves and Funds	(1,661)	(1,567)
(Gains) losses on Investments in Associates and Joint Venture	<u>(4,327)</u>	<u>23,777</u>
Total recognised gains and losses for the year	<u>(223,223)</u>	<u>19,838</u>

GROUP BALANCE SHEET**STATEMENT 20****ASSETS AND INVESTMENTS**

	As at 31 March 2007 £'000	As at 31 March 2006 £'000
TANGIBLE FIXED ASSETS		
Operational Assets		
- Council Dwellings	530,531	485,355
- Other Land and Buildings	553,818	426,761
- Vehicles, Plant, Furniture and Equipment	12,968	13,410
- Infrastructure Assets	119,117	89,200
- Community Assets	1,783	1,783
Non-Operational Assets		
- Investment Properties	6,908	1,157
- Assets under construction	8,723	9,570
- Surplus Assets, held for disposal	<u>57,216</u>	<u>64,644</u>
	1,291,064	1,091,880
Long Term Investments	25	25
Investments in Associates and Joint Venture	(138,162)	(142,515)
Long Term Debtors	26,694	25,421
Deferred Premiums on the early repayment of debt	<u>10,708</u>	<u>11,105</u>
TOTAL LONG TERM ASSETS	<u>1,190,329</u>	<u>985,916</u>
CURRENT ASSETS		
Stocks	737	737
Debtors	79,453	69,659
Bad Debt Provisions	(41,145)	(40,456)
Investments (short-term)	113,938	109,578
Cash and Bank	<u>254</u>	<u>173</u>
TOTAL CURRENT ASSETS	<u>153,237</u>	<u>139,691</u>
CURRENT LIABILITIES		
Loans repayable within one year	(1,286)	(1,402)
Creditors	(63,269)	(55,936)
Bank Overdraft	<u>(2,465)</u>	<u>(917)</u>
TOTAL CURRENT LIABILITIES	<u>(67,020)</u>	<u>(58,255)</u>
NET CURRENT ASSETS	<u>86,217</u>	<u>81,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,276,546</u>	<u>1,067,352</u>
LONG TERM LIABILITIES		
Long and Medium Term Loans	(288,031)	(268,112)
Deferred Liability	(4,046)	(4,474)
Net Pension Scheme Liabilities	(86,075)	(134,620)
Government Grants Deferred Account	<u>(27,939)</u>	<u>(12,914)</u>
TOTAL LONG TERM LIABILITIES	<u>(406,091)</u>	<u>(420,120)</u>
TOTAL NET ASSETS	<u>870,455</u>	<u>647,232</u>
FINANCED BY:-		
RESERVES		
Fixed Asset Restatement Account	727,766	561,881
Capital Financing Account	321,017	323,368
Usable Capital Receipts Reserve	77	77
Pension Reserve	<u>(86,075)</u>	<u>(134,620)</u>
	<u>962,785</u>	<u>750,706</u>
FUND BALANCES		
Revenue Balance - General Fund	4,293	3,598
- Housing Revenue Account	<u>925</u>	<u>916</u>
	5,218	4,514
Insurance Fund	6,062	4,634
Repair and Renewal Funds	86	222
Capital Fund	<u>34,466</u>	<u>29,671</u>
	<u>45,832</u>	<u>39,041</u>
Share of Net Liabilities of Associates and Joint Venture	<u>(138,162)</u>	<u>(142,515)</u>
TOTAL EQUITY	<u>870,455</u>	<u>647,232</u>

Alan Logan CA, CPFA, Head of Finance, 5 June 2007

GROUP CASH FLOW STATEMENT**STATEMENT 21**

	2006/07 £'000	2005/06 £'000
Net Cash Inflow from Revenue Activities	66,992	60,976
<u>Less</u> Cash Flows with Associates and Joint Venture	<u>(25,596)</u>	<u>(24,617)</u>
Net Cash Inflow from Revenue Activities	41,396	36,359
Dividends from Joint Venture and Associates	200	-
Returns on Investments and Servicing of Finance		
• Interest paid	(15,829)	(12,584)
• Interest received	<u>4,414</u>	<u>3,735</u>
	(11,415)	<u>(8,849)</u>
Taxation	-	-
Capital Expenditure and Financial Investment		
• Purchase of fixed assets	(79,782)	(83,695)
• Purchase of long-term investments	-	-
• Sale of fixed assets	18,231	16,851
• Capital grants received	13,336	9,310
• Other capital cash receipts	<u>1,897</u>	<u>1,155</u>
	(46,318)	<u>(56,379)</u>
Equity Dividends	-	-
Acquisitions and Disposals	-	-
Net Cash (Outflow) Inflow before Financing	(16,137)	(28,869)
Management of Liquid Resources		
• Net increase in short-term deposits	(32,000)	<u>(32,000)</u>
Financing		
• Repayments of amounts borrowed	(87,446)	(27,543)
• Capital element of finance lease rental payments	(678)	(636)
• New loans raised	<u>107,063</u>	<u>99,416</u>
	18,939	<u>71,237</u>
Net (Decrease) Increase in Cash	<u>(29,198)</u>	<u>10,368</u>

NOTES TO THE GROUP ACCOUNTS

STATEMENT 22

1. Combining Entities

The Council has a number of related companies full details of which are shown on page 22 of the Accounts. For the purposes of consolidation and incorporation within the Group Accounts the Council does not have any subsidiary companies but has significant influence over West Lothian Leisure Ltd, the Lothian and Borders Police and Fire Boards and the Lothian Valuation Joint Board. These interests are deemed to be Associates. The Council has a 50% joint venture in West Lothian Recycling Ltd.

The following shares of the accounts of these bodies have been included within the Group Accounts.

Associates		2006/07	2005/06
West Lothian Leisure Ltd.	- basis - WLC funding to total income	27.83%	27.91%
Joint Boards - Police	- basis - WLC funding to total funding	7.66%	7.71%
- Fire	- basis - WLC funding to total funding	15.92%	15.66%
- Valuation	- basis - WLC funding to total funding	18.20%	17.81%
Joint Venture			
West Lothian Recycling Ltd.	- basis - 50% of share capital	50%	50%

The accounting period for the Associates is the 31 March 2007 while the Joint Venture is the 31 December 2006

The Charitable Trusts which the council manages have not been included in the Group Accounts on the grounds of materiality. Full details of these trusts can be found in Statement 15 on page 33.

2. Financial Impact of Consolidation

The effect of inclusion of the Associates and Joint Venture on the Group Balance Sheet as at 31 March 2007 (2006) is to reduce the net assets by £138.2m (£142.5m) representing the Council's share of net liabilities of these organisations. The net liabilities are attributable to the Joint Boards which have significant pension liabilities under FRS 17 as the Police and Fire Officers pension schemes are unfunded and pension payments, net of officer's contributions, are met annually from revenue funding.

3. Group Cash Flow Statement

The transactions between the Council and its Associates and Joint Venture have been excluded from the Group Cash Flow Statement. Dividends of £200,000 in 2006/07 from the Joint Venture have been included in the Group Cash Flow Statement. Other than the item noted above there are no changes between the Council's cash flow statement on page 12 and the Group cash flow statement.

4. Group Income and Expenditure Account

The service analysis in the Group Income and Expenditure Account complies with the CIPFA Best Value Accounting Code of Practice (BVACOP) detailed in note 11 to the single entity accounts.

5. Non Material Interest in Other Entities

The following companies which the Council has a relationship with, and are detailed fully in note 30 Related Companies to the single entity accounts, are not consolidated into the Group Accounts as they are not considered to be a material part of the Group.

West Lothian Municipal Bank Ltd
West Lothian Venture Fund Ltd
WL Ventures Group Ltd
West Lothian Housing Partnership Ltd

In addition the following organisations are also not considered to be a material part of the Group.

The West of Scotland Archaeology Service – This body was set up in 1997 as a Joint Committee of local authorities in the area. It is currently funded by 12 local authorities and Historic Scotland for Specific Projects. Its primary purpose is to provide planning related archaeological advice to its members, permitting them to discharge their duties in respect of Scottish Executive planning guidance for the treatment of archaeological remains in the planning process. During the year, the Council made a contribution of £13,212 representing 8% of the Committee's estimated running costs for the year to 31 March 2007.

South East of Scotland Transport Partnership (SESTRAN) – The Council is a member of SESTRAN, one of seven statutory regional transport partnerships set up under the Transport (Scotland) Act 2005. SESTRAN has a membership of 8 local authorities and they have a statutory duty to produce a Regional Transport Strategy Plan and provide the Council with capital grant for West Lothian projects within the plan. During the year, the Council made a contribution of £28,000 and had a voting share of 12.5%.

STATEMENT OF ASSURANCE ON CORPORATE GOVERNANCE

This statement assures stakeholders on the adequacy of corporate governance arrangements within West Lothian Council.

The Council must ensure its business is conducted in accordance with the law and proper standards, and that public money is used efficiently and effectively. In discharging this accountability, Members and senior officers are responsible for stewardship of resources and governance of the Council's affairs. To this end, the Council has in place a local code of corporate governance, as well as management and reporting arrangements to ensure the code is adhered to.

The Chief Legal Officer reports annually to the Council's Policy, Partnership and Resources Committee on compliance with the code and chairs a working group that is responsible for overseeing the operation of corporate governance in practice.

The working group uses a ranking system and an electronic database to monitor progress against each of the requirements of the local code. Based on the evidence gathered by this system, the group has established that compliance with the requirements remained at a high level in 2006/07. The group has also reviewed and recommended amendments to the content of the code. The changes reflected areas such as implementation of systems procedures, maintenance of registers of contracts, anti fraud benefit policy, recommendations of Internal Audit and system checking, and risk management strategy.

As well as ensuring there are proper systems and procedures in place, the working group also focuses on enhancing the quality of these systems and procedures and verifying their deployment throughout the Council. Evidence indicates high and improving quality levels and high deployment. This aspect of corporate governance will be prioritised on an ongoing basis to deliver further quality refinement and more comprehensive evidence of deployment in a few areas where improvement is possible. The working group will also review the content of the code to take account of future developments in outcome agreements and locality planning and of guidance that is going to be published on how to implement the recommendations of the Independent Commission on Good Governance Standards for Public Services.

The Internal Audit Manager independently reviews the adequacy, effectiveness and extent of compliance with the code. An internal audit conducted during 2006/07, which concentrated in particular on the structures and processes section of the code, concluded that the Council's arrangements for compliance with the local code are satisfactory.

On the basis of reports by the Chief Legal Officer and Internal Audit Manager, we can state that governance arrangements are operating satisfactorily within West Lothian Council and that the requirements of the local code of corporate governance continue to be substantially met. Effective governance arrangements will remain a key priority for the Council in the future, including continuous review and improvement.

Alex Linkston
Chief Executive

Councillor Peter Johnston
Leader of the Council

4 June 2007

REPORTS

FROM

SERVICES

The Service

Education and Cultural Services is a major service of West Lothian Council encompassing schools, arts, sport and leisure, outdoor education, libraries, lifelong learning and a range of critical support services.

Policy Objectives

The broad goals of West Lothian Education and Cultural Services are set firmly within the framework of the wider planning context both nationally and in relation to West Lothian Council. The Scottish Executive has established a set of National Priorities, which will underpin the improvement objectives of the service in relation to schools. It has also identified four capacities, which now form the key outcome that the service is striving to achieve for the pupils, students and wider population of West Lothian. At the same time, the service as a whole has set out its main policy objectives within the context of the West Lothian Community Plan and West Lothian Council's Corporate Plan.

The 5 National Priorities are:-

- i. To raise standards of educational attainment for all in schools, especially in the core skills of literacy and numeracy, and to achieve better levels in national measures of achievement including examination results;
- ii. To support and develop the skills of teachers, the self-discipline of pupils and to enhance school environments so that they are conducive to teaching and learning;
- iii. To promote equality and help every pupil benefit from education, with particular regard paid to pupils with disabilities and special educational needs, and to Gaelic and other lesser used languages;
- iv. To work with parents to teach pupils respect for one another and their interdependence with other members of their neighbourhood and society and to teach them the duties and responsibilities of citizenship in a democratic society;
- v. To equip pupils with foundation skills, attitudes and expectations necessary to prosper in a changing society and to encourage creativity and ambition.

In seeking to attain the 4 capacities Education and Cultural Services will:-

- challenge and support the pupils, students and wider population of West Lothian to maximise their potential to become **successful learners** with enthusiasm and motivation for learning, determination to reach high standards of achievement and openness to new thinking and ideas.
- challenge and support the pupils, students and wider population of West Lothian to maximise their potential to become **confident individuals** with self respect, a sense of physical, mental and emotional well-being, secure values and beliefs and ambition.
- challenge and support the pupils, students and wider population of West Lothian to maximise their potential to become **responsible citizens** with respect for others and a commitment to participate responsibly in political, economic, social and cultural life.
- challenge and support the pupils, students and wider population of West Lothian to maximise their potential to become **effective contributors** with an enterprising attitude, resilience and self-reliance.

Education and Cultural Services

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
7,501	Early Years Education	8,248	8,280
50,480	Primary Education	54,284	53,191
52,473	Secondary Education	55,308	54,685
9,748	Special Education	9,553	9,792
6,180	Community Learning and Development	6,764	7,066
4,163	Sports and Leisure	4,235	4,293
1,365	Arts	1,333	1,455
2,936	Libraries and Museums	2,945	3,008
1,790	School Meals	1,432	1,720
634	Outdoor Education	633	689
8,187	Corporate Management and Support	8,312	8,370
145,457		153,047	152,549
	Analysis of Cost		
106,307	Employee Costs	111,712	110,284
14,282	Premises Costs	14,535	15,545
2,593	Transport Costs	2,601	2,804
17,333	Supplies and Services Costs	18,437	18,323
6,535	Third Party Payments	7,573	7,665
944	Transfer Payments	1,154	1,063
4,603	Support Services	5,234	5,218
8,548	Capital Financing Costs	11,782	11,782
161,145		173,028	172,684
	Offset By:		
15,688	Fees, Charges and Other Income	19,981	20,135
145,457	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	153,047	152,549

Policy Objectives (Continued)

In pursuit of the objectives of the Community Plan and Corporate Plan, Education and Cultural Services aims to:-

- i. provide high-quality learning opportunities within West Lothian;
- ii. provide high-quality cultural services to the people of West Lothian through our arts, sport, recreation, libraries and outdoor education services;
- iii. increase the levels of recognition of achievements for students and staff both locally and nationally;
- iv. maximise the Service's capacity to achieve its attainment targets by 2007.

This approach (iii and iv) is known as "Succeeding Together", and will have 3 main outcomes.

- improving attainment and achievement of all young people.
- engaging all in evidence based improvement.
- sharing and implementing learning experiences.

BUDGET PERFORMANCE

Revenue

Net expenditure on Education & Cultural Services for 2006/07 amounted to £152.6m. Excluding the year on year movement in school carry forward balances of £157,000, this figure represented an underspend of £341,000 equivalent to 0.2% of the service budget. The net movement in school carry forward balances will be added to the existing schools' reserve of £953,000 set aside within the General Fund.

Expenditure during the year incorporated £1.631m of additional resources for schools for the purchase of educational equipment and related materials. An underspend, of £250,000, was generated through the deferred increase in teachers superannuation rates until April 2007. There were a variety of offsetting variances, for example the revised opening date for Simpson Primary realised demographic savings to offset utility and school meal cost pressures.

CUSTOMER AND SUPPORT SERVICES

The Customer and Support Services grouping comprises Housing and Building Services, Customer Services and the Support Services to the Council.

HOUSING AND BUILDING SERVICES

The Service

The activities and resources of the Housing Service are shown on the separate Housing Revenue Account page. Building Services carry out all maintenance and major works related to council properties as well as undertaking work on behalf of other authorities, housing associations and various external bodies.

Policy Objectives

- To provide a construction and maintenance service for all Council properties.
- To undertake work for the Housing and Education capital programmes including school extensions, central heating upgrading, aids and adaptations, replacement doors and windows and the delivery of the Social Housing Quality Standard programme.
- To provide a 3-star gas service for all West Lothian Council houses.
- To provide an enhanced estate management service for common housing areas.
- To provide an emergency standby service for all Council properties.

CUSTOMER SERVICES

The Service

Customer Services includes Council Information Services, Customer Service Centre, Registration Services, Corporate Communications, Quality Development and Business Improvement. The service drives the Customer Services Strategy which aims to put customers at the heart of Council service provision. The Service promotes the culture of customer service throughout the Council and ensures the public are informed of the Council's activities and achievements.

Policy Objectives

- To provide customers with easy access to all Council services and ensure they receive a consistently high level of service irrespective of how they wish to communicate e.g. telephone, on-line or face to face.
- To provide support and advice to customers on the full range of council services.
- To set standards for customer service across the Council.
- To deliver the initiatives within the Customer Care Strategy.
- To lead on the Customer First Programme i.e. a strategic framework for the Scottish Executive and Scottish Local Authorities for modernising public services on a large scale.
- To provide a Quality Development Team to give guidance, training, support and assessment to services striving for continuous improvement.
- To promote and publicise the Council's activities and achievements.

Customer and Support Services

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
1,407	Customer Services	1,593	1,638
640	Housing & Building Services	605	605
824	Support Services	862	872
170	Director	106	106
3,041		3,166	3221
	Analysis of Cost		
16,109	Employee Costs	17,487	17,686
745	Premises Costs	635	814
1,468	Transport Costs	1,517	1,610
10,133	Supplies and Services Costs	10,877	10,727
5,252	Third Party Payments	8,014	7,977
-	Transfer Payments	-	-
946	Support Services	936	887
7	Capital Financing Costs	76	76
34,660		39,542	39,777
	Offset By:		
31,619	Fees, Charges and Other Income	36,376	36,556
3,041	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	3,166	3,221

SUPPORT SERVICES

The Service

As the name suggests Support Services provides a supportive 'backbone' to the Council as well as providing direct services to the community such as District Court and Licensing. Essential services such as committee support, information technology, human resources, learning and development, payroll and recruitment sit along side legal services and occupational health and safety acting to safeguard the Council

Policy Objectives

- To provide efficient shared support services to all areas of the Council.
- To initiate and support the development of Corporate, HR and IT related policies and strategies to ensure consistent standards across the Council.
- To act to protect and safeguard the Council against legal challenges minimising risk and achieving best practice.
- To provide a range of learning and development interventions to ensure that the workforce and elected members are supported to deliver fit for purpose services.

BUDGET PERFORMANCE

Revenue

The service net expenditure of £3.221m resulted in an overspend of £55,000. This overspend relates mainly to an overspend in premises costs.

WLCHCP and Social Policy Services

WLCHCP AND SOCIAL POLICY SERVICES

The West Lothian Community Health and Care Partnership (WLCHCP) and Social Policy Services grouping covers all social work services as well as Housing Strategy, Criminal Justice, Communities and Health services. The establishment of the WLCHCP now means that services are grouped into the two areas outlined below:

WLCHCP The Service

West Lothian Community Health and Care Partnership (WLCHCP) was established in April 2005 in accordance with the National Health Service Reform (Scotland) Act 2004 and manages a substantial range of Council and NHS Services. Council services include older people services, mental health, learning and physical disabilities, children's services as well as health improvement and information services.

The CHCP co-ordinates the planning, development and provision of health and care services, allied to the improvement of services to local communities as part of the ongoing programme of development and modernisation in public services.

Council and Health services operate in line with their own standing orders and schemes of delegation and currently manage budgets separately.

Policy Objectives

- To enhance delivery of integrated health and care services.
- To increase well-being for West Lothian citizens and reduce inequalities across the communities in West Lothian
- To deliver more effective and innovative services by bringing together those who provide community based health and social care.

OTHER SOCIAL POLICY SERVICES

The Service

The former Social Policy services not covered by the CHCP agreement includes Criminal Justice, Housing Strategy, Homelessness, Social Strategy and Community Safety.

Policy Objectives

- To provide a full range of Criminal Justice services.
- To develop the West Lothian Council's housing and homeless strategies.
- To develop West Lothian Council's social strategy through joint working with voluntary organisations and other external partners and support social inclusion.

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
50,276	CHCP Services	56,587	56,653
3,650	Other Social Policy Services	3,227	3,146
53,926		59,814	59,799
	Analysis of Cost		
31,634	Employee Costs	34,747	34,439
2,268	Premises Costs	2,041	2,086
2,647	Transport Costs	2,608	3,044
11,504	Supplies and Services Costs	15,558	16,174
36,018	Third Party Payments	35,457	35,566
901	Transfer Payments	786	946
2,309	Support Services	2,484	2,469
791	Capital Financing Costs	793	768
88,072		94,474	95,492
	Offset By:		
34,146	Fees, Charges and Other Income	34,660	35,693
53,926	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	59,814	59,799

BUDGET PERFORMANCE

Revenue

The service net expenditure of £59.799m resulted in an underspend of £15,000. The Service generally operated to a break even position despite a variety of cost pressures. The underspend resulted from reduced support services charges.

Development and Environmental Services

DEVELOPMENT AND ENVIRONMENTAL SERVICES

The Development and Environmental Services grouping covers the planning, development and management of the environment of West Lothian. In addition it provides various asset and facilities management support services to the Council. These services are delivered through the three service areas outlined below:

PROPERTY SERVICES The Service

The key aims of Property Services are to provide professional support to the Council on all property related issues and to provide direct front line service provision in Economic Development and Countryside. The overall purpose is to improve the local economy and quality of life for the West Lothian Community and to maximise the efficiency, condition and effectiveness of the Council's property holdings.

Policy Objectives

- To provide the full range of professional services required to procure, build and maintain the property portfolio required for the staff and services provided by West Lothian Council.
- To maximise the income arising from the property held by the Council and to deliver capital contributions for the spend programme at the appropriate time.
- To manage the Asset Management Plan maximising the use of Council assets, the investments required in those assets and minimising the costs of doing so.
- To create the conditions needed to promote sustainable economic growth in West Lothian by supporting and advising on economic strategy, economic research, training, promotion and business development.
- To manage the three country parks owned by the Council, to enhance appreciation of the countryside and provide the optimum recreational opportunities to the community.

DEVELOPMENT AND REGULATORY SERVICES The Service

Development and Regulatory Services provides the key services required to manage the continued sustainable growth of West Lothian and regulate the activities of businesses and individuals to maintain a high quality of life.

Policy Objectives

- To determine applications for planning permission and related consents in accordance with the development plan.
- To determine applications for building warrants to ensure that building works comply with building standards.
- To monitor and secure compliance with environmental health and trading standards legislation.
- To maintain an up-to-date development plan and prepare development briefs.
- To develop a transportation strategy and implement projects to improve accessibility and safety for road users.
- To determine applications for road construction consent.
- To ensure efficient and effective maintenance of structures on the road network.
- To promote the use of public transport including the provision of schools transport, concessionary travel and supported services on non-commercial routes.

OPERATIONAL SERVICES

The Service

Operational Services provides a comprehensive and complementary range of services that improves, maintains and plans ahead for the quality of life in West Lothian. The overall aim of Operational Services is to promote and ensure

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
3,196	Property Services	4,184	4,032
24,921	Operational Services	27,430	27,507
11,077	Development and Regulatory Services	10,327	10,231
22,820	Joint Boards	23,453	23,273
62,014		65,394	65,043
	Analysis of Cost		
32,197	Employee Costs	34,402	34,938
3,250	Premises Costs	2,525	3,430
10,034	Transport Costs	11,206	10,343
22,312	Supplies and Services Costs	23,067	22,271
32,316	Third Party Payments	31,376	34,474
-	Transfer Payments	-	-
3,285	Support Services	3,944	3,868
3,756	Capital Financing Costs	3,979	3,979
107,150		110,499	113,303
	Offset By:		
45,136	Fees, Charges and Other Income	45,105	48,260
62,014	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	65,394	65,043

OPERATIONAL SERVICES (Continued)

a high standard in the service provided to the local community.

Policy Objectives

- To provide a comprehensive waste management service comprising efficient refuse collection and disposal, clean and accessible public conveniences and facilitation of full participation in waste minimisation and recycling.
- To manage, develop and maintain all open spaces and land based assets under Council ownership and to provide improved access to outdoor play, sport and recreational facilities.
- To provide a single point of contact for land based environmental services in a co-ordinated and customer focused manner under locality management which contributes towards providing a cleaner, safer and greener local environment for all communities.
- To ensure all roads, footways, street lighting and car parks are maintained to a high standard including provision of a comprehensive planned weather emergency service.
- To provide a safe and reliable transport service to clients with specific needs throughout various locations in West Lothian.
- To provide an effective and efficient vehicle maintenance and repair service for the Council's vehicles on a pre planned weekly safety inspection cycle.
- To manage the Council vehicle portfolio.
- To contribute to West Lothian Council's overall aim to move towards social inclusion and promote a healthier lifestyle.
- To provide a high quality, cost effective internal printing and graphic design service.

BUDGET PERFORMANCE

Revenue

The underspend of £351,000 is mainly due to a surplus of £180,000 against the contribution towards Joint Boards and also takes into account a reduction in the charges from Central Support Services. The Service generally operated to achieve break even position with additional cost pressures being offset by additional income generation.

The Service

These services include the costs attributable to the Council's Corporate and Democratic Core not required to be charged directly to services and other services which support the Council's corporate and strategic objectives.

Policy Objectives

- To support and advise Council Members to determine and set policy within a Best Value framework, taking account of professional standards and best practice.
- To deliver the election process to ensure representation of the people of West Lothian.
- To provide, via the Development Budget, funding for new initiatives which were not budgeted for elsewhere.
- To ensure that we have in place an up to date Emergency Plan to cover all major incidents or critical events which may arise.

BUDGET PERFORMANCE

Revenue

The revenue overspend is £33,000. This is largely due to an overspend in Corporate and Democratic Core Costs.

Corporate Services

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
5,244	Corporate and Democratic Core	5,978	6,020
18	Elections	82	81
27	L.D.C. Indemnity Insurance	27	27
73	Initiatives Budget	75	64
1,025	Revenues - Cost of Collection	1,074	1,074
114	Emergency Planning	119	122
6,501		7,355	7,388
	Analysis of Cost		
175	Employee Costs	132	228
1	Premises Costs	11	3
2	Transport Costs	4	2
635	Supplies and Services Costs	635	680
44	Third Party Payments	-	36
5,815	Support Services	6,581	6,624
-	Capital Financing Costs	-	-
6,672		7,363	7,573
	Offset By:		
171	Fees, Charges and other Income	8	185
6,501	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	7,355	7,388

The Service

The Council is responsible for the administration of the Housing Benefit Scheme for both council houses and the private rented sector. In addition other non-distributable costs, such as past service pension costs are charged here.

Policy Objectives

- To provide a service which processes housing benefit claims from applicants promptly and efficiently after providing claimants with the appropriate level of advice.

BUDGET PERFORMANCE

Revenue

The overspend of £112,000 is mainly due to an overspend in Housing Benefit costs.

Other Services

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
707	Housing Benefits	1,222	1,364
(1,372)	Insurance Service Account	(1,204)	(1,204)
181	Past Service Pension Costs	(5,972)	(6,002)
176	Pension Curtailments and Settlements	67	67
93	Other Pension Costs	71	71
-	Capital Financing Charges	51	51
(43)	Energy Efficiency Fund	(162)	(162)
91	Other Costs	-	-
(167)		(5,927)	(5,815)
	Analysis of Cost		
816	Employee Costs	(5,188)	(5,511)
1,458	Premises Costs	1,377	1,402
302	Transport Costs	442	372
827	Supplies and Services Costs	1,172	1,059
34,820	Transfer Payments	36,337	36,479
316	Support Services	484	499
-	Capital Financing Costs	51	51
38,539		34,675	34,351
38,706	Offset By: Fees, Charges and Other Income	40,602	40,166
(167)	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	(5,927)	(5,815)

The Service

Central Support Services provide a range of professional, technical and administrative support to units throughout the Council, as well as offering advice and guidance to the Council and its Committees.

The cost of these services is charged out to various service units on an agreed basis.

Policy Objectives

- To provide efficient and effective central support to the Council, its Committees and Services, so that the community can enjoy a high standard of service at reasonable cost.
- To ensure that all statutory obligations are met, that effective arrangements for the collection of money and payments of bills are made, and that funds are spent in accordance with statutory requirements and Council policy.
- To maximise the effectiveness of the Council's workforce by managing areas such as I.T., recruitment and selection, conditions of service, training, health and safety and other matters relating to employee welfare development.
- To develop and implement the Council's financial strategy, corporate priorities and policies.
- To ensure that the Council's performance is monitored, and that its activities are communicated effectively to the public.
- To provide a wide range of financial services, support and advice to all council services.

BUDGET PERFORMANCE**Revenue**

There is a revenue underspend of £111,000. These figures are reflected on the Support Services line on the individual service accounts pages.

Central Support Services

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
10,747	Support Services	12,074	11,984
3,644	Property Management Unit and Buildings Administration	3,968	3913
4,533	Chief Executive and Finance	4,922	4,956
18,924		20,964	20,853
	Analysis of Cost		
13,618	Employee Costs	14,536	14,287
1,979	Premises Costs	1,794	1,839
233	Transport Costs	268	289
4,985	Supplies and Services Costs	4,380	5,134
41	Third Party Payments	49	46
1,973	Capital Financing Costs	3,519	3,519
22,829		24,546	25,114
3,905	Offset By: Fees, Charges and Other Income	3,582	4,261
18,924	Net Expenditure met from Council Tax, Non Domestic Rates and Revenue Support Grant	20,964	20,853

The revenue figures above do not include charges made through recharge of Central Support Services. These recharges are reported as expenditure within the individual service accounts pages as follows:-

Restated 2005/06 Actual £'000	CENTRAL SUPPORT RECHARGES	2006/07 Budget £'000	2006/07 Actual £'000
4,603	Education and Cultural Services	5,234	5,218
946	Customer and Support Services	936	887
3,285	Development and Environmental Services	3,944	3,868
642	Trading Operations - Commercial Properties.	616	603
5,815	Corporate Services	6,581	6,624
315	Other Services	484	499
2,309	W.L.C.H.C.P. and Social Policy	2,484	2,469
17,915	GENERAL FUND SERVICES	20,279	20,168
1,009	Housing Revenue Account	685	685
18,924	TOTAL RECHARGE	20,964	20,853

The Service

The Commercial Properties service involves the maintenance and letting of industrial units, office accommodation and shops to businesses within West Lothian. The portfolio contains around 450 individual rental units.

Policy Objectives

- To manage the property owned by West Lothian Council and to generate maximum income from those assets. To ensure the adequate supply of property to meet the requirements of business needs in West Lothian.

BUDGET PERFORMANCE

Commercial Properties operated against a surplus budget of £925,000 in 2006/07. The adverse variance of £31,000 relates mainly to an increase in property management expenditure partially offset by increased income.

Development and Environmental Services Trading Operations - Commercial Properties

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
(497)	Economic Property Development	(351)	(613)
(602)	Livingston Portfolio	(574)	(280)
(1,099)	Deficit (Surplus) for year	(925)	(893)
	Analysis of Cost		
-	Employee Costs	-	-
1,106	Premises Costs	1,441	1,476
-	Transport Costs	-	-
131	Supplies and Services Costs	106	185
9	Third Party Payments	10	20
642	Support Services	616	603
1,453	Capital Financing Costs	1,363	1,363
3,341		3,536	3,647
	Offset By:		
4,440	Fees, Charges and other Income	4,461	4,540
(1,099)	Deficit (Surplus) for year	(925)	(893)

Prudential Code

Capital expenditure by local authorities is governed by the provisions of the CIPFA Prudential Code. The Code provides local authorities with the freedom to decide locally on capital investment strategy, provided it is established that the planned expenditure is affordable, prudent, sustainable and complies with Best Value requirements. Compliance with these criteria is demonstrated by a series of prudential indicators set out in the Prudential Code which are required to be approved annually by the Council and monitored regularly throughout the year.

Definition of Capital Expenditure

Expenditure on the acquisition or creation of fixed assets is capitalised. Subsequent expenditure on fixed assets is recognised as capital expenditure where it lengthens substantially the useful life, increases substantially the market value and/or increases substantially the extent to which an asset can be used in conjunction with the activities of the Council.

OVERALL PERFORMANCE

The 2006/07 capital budget includes an over-programming assumption of £2 million and the underspend for the year against the budget is £477,000. In terms of expenditure, the actual spend of £47.092 million in 2006/07 is equivalent to 99% of the budget target.

SERVICE PERFORMANCE**Development and Environmental Services**

Major capital investment was undertaken in 2006/07 in improving the condition of the roads infrastructure throughout West Lothian.

Additional spend has been incurred in relation to road safety improvements and enhancements to council properties.

The variance of £80,000 relates to net slippage in various projects that will be completed during 2007/08.

Education and Cultural Services

Substantial capital investment was made during 2006/07 to improve the condition of school buildings and provide extra capacity for an increasing school roll, including the completion of the new Simpson Primary School. Additional spend was incurred in areas such as arts venues, community centres and libraries.

The variance of £2.033 million relates to planned slippage in various projects that will be completed in 2007/08.

General Services Capital Programme

2005/06 Actual £'000	SERVICE EXPENDITURE	2006/07 Budget £'000	2006/07 Actual £'000
	Development and Environmental Services		
8,359	Development and Regulatory Services	5,711	4,632
6,611	Property Services	3,726	2,965
18,611	Operational Services	14,529	16,289
33,581	Development and Environmental Services - Total	23,966	23,886
	Education and Cultural Services		
15,730	Schools	16,569	16,555
616	Arts	1,799	921
376	Community and Lifelong Learning	1,399	1,124
2,191	Sports and Leisure	1,543	740
553	Libraries	466	403
19,466	Education and Cultural Services - Total	21,776	19,743
	Customer and Support Services		
415	Customer Services	150	219
402	Support Services	507	385
817	Customer and Support Services - Total	657	604
	WLCHCP and Social Policy Services		
969	WLCHCP Services	2,472	2,312
0	Social Policy Services	479	336
969	WLCHCP and Social Policy Services - Total	2,951	2,648
	Chief Executive and Finance Services		
40	General	219	211
40	Chief Executive and Finance Services - Total	219	211
N/A	Over-programming Adjustment	(2,000)	N/A
54,873	TOTAL	47,569	47,092

Customer and Support Services

Capital expenditure during 2006/07 in this area was mainly associated with improvements to IT infrastructure and the co-location of Blackburn Library and CIS. The variance of £53,000 relates to slippage.

WLCHCP and Social Policy Services

Capital expenditure was incurred during 2006/07 on improving the condition and suitability of social care properties. In addition, two new Young Person's Centres were completed during the year.

The variance of £303,000 relates mainly to planned slippage in projects that will be completed in 2007/08.

Chief Executive and Finance Services

Capital expenditure during 2006/07 related to IT improvements. The variance of £8,000 relates to slippage.

Housing Revenue Account

The Service

West Lothian Council's Housing Service is committed to providing good quality homes in safe and friendly environments for our tenants, and to work in partnership with other housing providers to maximise the amount of accommodation available to the people of West Lothian.

This involves providing a comprehensive range of high quality housing management services to our customers. The Housing Service in West Lothian is committed to continually striving to achieve excellence in service delivery. Our housing staff, who work generically, ensure that customers receive a comprehensive service, including repairs and maintenance, allocating empty homes, dealing with estate management issues, giving housing and welfare rights advice and providing advice and accommodation for the homeless and potentially homeless.

The Housing Service works in partnership with our direct customers - our tenants - on a local basis through Tenants' and Residents' Associations and Area Committees to determine priorities for the service, and to monitor our performance. We also recognise that not all our tenants wish to be involved in formal participation structures and use innovative methods of facilitating customer feedback and involvement. In addition we use extensive customer consultation surveys to gauge the views of our wider customer base – the general public.

Our partnerships extend to other service providers within the Council – with Social Policy, Education, Land Services and externally with the Police, NHS Lothian and with the voluntary sector.

Policy Objectives

Our overall objective is to manage the housing stock efficiently and effectively, to maximise the resources available for developing the Housing Service in West Lothian, and to ensure continuing high levels of customer satisfaction with the service. Within this framework we seek to achieve:-

- a sensitive approach in developing strategies to prevent homelessness and to provide appropriate temporary and permanent housing solutions for homeless people, both from within our own resources and in partnership with other housing providers.
- the implementation of a strategy to tackle youth homelessness in partnership with Social Policy, the voluntary sector and with other local public sector housing providers.
- the building of partnerships with the private sector and with housing associations in developing innovative ways of building new houses for rent, and to ensure consistently high standards of housing management.
- to ensure that the capital programme tackles the investment needs of the housing stock.
- to continue to build partnerships with other customers and stakeholders in further developing robust information sharing and participation structures.
- to communicate and monitor our customer care strategy throughout the organisation.

Restated 2005/06 Actual £'000	SERVICE COST	2006/07 Budget £'000	2006/07 Actual £'000
	REVENUE		
12,884	Financing Costs	12,122	11,389
7,959	Supervision and Management	7,298	7,846
11,084	Repairs and Maintenance	12,033	12,722
2,422	Other Expenditure	2,975	2,962
34,349		34,428	34,919
	Less		
32,613	Council House Rents	33,671	33,616
1,679	Other Income	757	1,312
57	(Surplus) Deficit for year	0	(9)
	Analysis of Cost		
3,822	Employee Costs	4,286	4,227
12,025	Premises Costs	12,752	13,583
164	Transport Costs	157	222
3,331	Supplies and Services Costs	3,188	3,619
325	Third Party Payments	329	529
789	Transfer Payments	910	665
1,009	Support Services	684	685
12,884	Financing Costs	12,122	11,389
34,349		34,428	34,919
	Less		
34,006	Rents	34,127	34,327
286	Other Income	301	601
57	(Surplus) Deficit for year	0	(9)
	CAPITAL		
9,140	SHQS/Kitchens & Bathrooms	14,161	12,399
12,594	External Upgrading	9,740	10,791
2,425	Energy Efficiency	1,400	2,036
1	New Build	3,995	530
3,504	Miscellaneous	1,890	3,065
27,664	TOTAL CAPITAL EXPENDITURE	31,186	28,821

Policy Objectives (Continued)

- to continue to build working partnerships with other service providers, both internal and external, to ensure that we maximise the use we make of our resources and expertise in the areas of Housing Management, Community Care, Supporting People and Housing Development.
- to ensure that services to our customers are of the highest standard in terms of the condition of their homes and their environment.
- to ensure that our allocation policies make efficient and flexible use of our housing stock and that priority is given to those in greatest housing need.
- robust policies and procedures through quality assurance mechanisms including use of the Business Excellence Model and various quality techniques such as benchmarking, self assessment and service audits.

BUDGET PERFORMANCE Revenue

	£'000
Balance at 1 April 2006	916
Surplus	9
Balance at 31 March 2007	925

The increase in the cumulative balance on HRA can be attributed to higher than budgeted rental income.

Capital

Significant capital expenditure was incurred during 2006/07 on areas such as external upgrading and the Scottish Housing Quality Standard, including the kitchens and bathrooms replacement programme. The net underspend of 2.365 million is a result of slippage in the new build enabling programme and this budget will be carried forward to 2007/08..

ACCOUNTS COMMISSION

Performance Indicators

2006/07

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**LOCAL GOVERNMENT ACT 1992
PUBLICATION OF STANDARDS OF PERFORMANCE FOR 2006/07**

In accordance with the 2005 Direction issued by the Accounts Commission, West Lothian Council publishes below the statutory performance indicators of the Council for the 12 months ending 31st March 2007.

ADULT SOCIAL WORK

- (1) **Community Care Services. Average time taken to provide CCS from first identification of need to first service provision.**

	2006/07	27 days (changed definition)
	2005/06	17 days (Scottish Ave 20 days)

Commentary

Reporting requirements have been changed slightly for this year.

The indicator now determines on the median of how long a user waits for a service and only includes users who have no ongoing services.

Information based on 1-Oct-06 to 31-Dec-06 sample.

- (2) **Residential Accommodation: Staff Qualifications:**

	Number of qualified staff		% of staff qualified	
	2006/07	2005/06	2006/07	2005/06
a) Elderly people	86	81	58.5% Scottish Ave 42.5%	55.1%
b) Other adults	9	11	75.0% Scottish Ave 48.0%	78.6%
Total staff for Elderly & Adults	95	92	59.7% Scottish Ave 43.2%	57.1%

Commentary

West Lothian Council has been developing its services to meet the needs of older people. We have increased the provision of services so that people are either able to stay in their own homes or in supported housing in the community. This means that fewer people have to go into residential care. We have reduced the number of placed in residential care but increased the quality for those who need it.

- (3) **Residential Accommodation: Privacy. The number of single rooms and the number of rooms with en-suite facilities, expressed as % of all residential care places for each of the following users, for each provider:**

	Council		Voluntary Sector		Private Sector	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Single rooms						
a) Elderly people	100%	100% Scottish Ave 96.4%	100%	100% Scottish Ave 91.5%	87.0%	87.3% Scottish Ave 85.4%
b) Other adults	97.2%	97.2% Scottish Ave 98.3%	99.4%	98.1% Scottish Ave 86.3%	93.0%	97.7% Scottish Ave 87.7%
Rooms with en-suite facilities						
a) Elderly people	100%	100% Scottish Ave 38.1%	100%	100% Scottish Ave 65.2%	86.7%	87.2% Scottish Ave 75.1%
b) Other adults	94.4%	100% Scottish Ave 30.1%	97.5%	97.5% Scottish Ave 38.5%	95.3%	97.7% Scottish Ave 61.2%

Commentary

Provision in West Lothian is well above the Scottish average.

These figures are dependent on demand for these services; the figures are collated from individual care-home returns which include voluntary and private homes.

(4) Home Care / Home Helps. The level and volume of service:

Level of Service	2006/07	2005/06	2006/07	2005/06
a) number of people aged 65+ receiving home care			1,150	1,181
Total volume of service	Number of home care hours		As a rate per 1,000 population aged 65+	
b) total number of home care hours	6,411	5,936	316.1	299.8 Scottish Ave 490.5
	Number of home care clients aged 65+		% of home care clients aged 65+	
c) Home care clients aged 65+ receiving:				
i. Personal care	1,081	1,076	94.0%	91.1% Scottish Ave 67.9%
ii. A service during evening / overnight	466	475	40.5%	40.2% Scottish Ave 29.5%
iii. A service at weekends	891	895	77.5%	75.8% Scottish Ave 55.6%

Commentary

a) + b) The figures reflect assessed need, this return is collated over one week in the year giving an average week. Clients can receive a service weekly, 2 weekly, and quarterly, which will show a slight increase or decrease in the figures, dependent on the week

c) The figures reflect the assessed need, which again will change dependent on the week of the snapshot. Despite the variability of the indicator, the figures reflect an efficient and effective service.

(5) Respite Care

	Volume of respite care		No. per 1,000 population	
	2006/07	2005/06	2006/07	2005/06
i) Elderly people aged 65+				
Total overnight respite nights provided	3,945 nights	3,309 nights	194.5	167.1 Scottish Ave 341.6
Total daytime respite hours provided	6,498 hrs	8,633 hrs	320.4	436.1 Scottish Ave 2570.3
ii) People aged 18 - 64				
Total overnight respite nights provided	3,285 nights	3,328 nights	31.4	32.6 Scottish Ave 44.0
Total daytime respite hours provided	2,966 hrs	2,163 hrs	28.3	20.8 Scottish Ave 706.0

Commentary

The reason for the relative drop in service provision is that the organisation had internal difficulties resulting in the loss of their manager. There then followed a period of difficulty, which caused problems in the recruitment of carers and resulted in a loss of service availability. Due to the nature of the manager's departure the recruitment of a replacement took longer than would otherwise have been the case. However since the appointment of the new manager the service has seen a gradual return to the anticipated levels of service provision.

Criminal Justice

(6) Social enquiry reports:

	2006/07	2005/06
a) the number of reports submitted to courts during the year	1,287	1,437
d) the proportion of reports submitted to courts by the due date	99.5%	99.4% Scottish Ave 95.8%

Commentary

Decrease in demand for Social Enquiry Reports from 2005/6 levels has resulted in 10.4% reduction in reports completed and submitted to Court. This is a return to 2004-5 levels, after a year of unusually high demand. Proportion of reports submitted on time remains stable and above the national average. This has been achieved and maintained by the introduction of a more effective and efficient allocation system.

(7) Probation:

	2006/07	2005/06
a) the number of new probation orders issued during the year	271	250
b) the proportion of new probationers seen by a supervising officer within one week	93.0%	96.4% Scottish Ave 58.3%

Commentary

The increase in total orders are reflective of the confidence the courts have in the management of offenders subject to Probation Orders, despite a dip in demand for Social Enquiry reports. Enhanced systems are now in operation to meet national objectives. Improvement in response to first contact interviews post sentence is largely due to proactive communication with the Courts to identify new Orders. Performance is well above the previous year's national average as a result of these changes.

(8) Community Service

	2006/07	2005/06
a) the number of new community orders issued during the year	282	256
b) i. Average number of hours per week to complete community orders	3.6 hrs	3.9 hrs Scottish Ave 3.4
b) ii. Total community orders completed during the year	144	180

Commentary

Total years figures are dependent on the number of Community Service Orders imposed by the Courts. Similarly to Probation, it is felt that the service carries high levels of credibility with the courts that may explain the increase despite a drop in Social Enquiry Report requests.

The average hours taken to complete orders is slightly down but remains above the previous years Scottish average.

BENEFITS ADMINISTRATION

Housing Benefit & Council Tax Benefit

(1) The gross administration cost per case:

Gross cost per case	2006/07	£41.18
Gross cost per case	2005/06	£42.73
Scottish Average	2005/06	£50.13

Commentary

The weightings on this indicator have changed. The calculation based upon this change shows a decrease in cost per claim. The new weightings are designed to more accurately reflect the cost of work undertaken.

(2) The time for processing applications from the date of receipt of the application to the posting of the notification of the outcome:

Type of claim	Number of claims 2006/07	Average time to process 2006/07	Number of claims 2005/06	Average time to process 2005/06
New claims	10,758	31.7 days	11,480	30.8 days Scottish Ave 31.7
Notification of changes of circumstances	27,594	6.8 days	35,922	6.5 days Scottish Ave 14.5

Commentary

The current national performance standard for processing times for new claims is 36 days and for processing change of circumstances this has been extended to 10 days. The council's performance at 31.7 days for new claims and 6.8 days for changes of circumstances significantly undercuts the national standard.

(3) Accuracy and security of processing:

a) The % of cases for which the calculation of the amount of benefit due was correct on the basis of the information available at the determination, for a sample of cases checked post-determination:

	2006/07	98.4%
	2005/06	96.2%
Scottish Average	2005/06	97.4%

b) The % of recoverable overpayments (excluding Council Tax Benefit) that were recovered in the year.

	2006/07	59.5%
	2005/06	46.3%
Scottish Average	2005/06	71.6%

c) The overpayments recovered expressed as a % of total overpayment debt at the start of the year plus the in-year overpayments

	2006/07	26.2%
	2005/06	24.4%
Scottish Average	2005/06	32.4%

d) % of housing benefit overpayments written off

	2006/07	5.2%
	2005/06	14.2%
Scottish Average	2005/06	4.4%

Commentary

The pace of change in benefit legislation shows no sign of abatement. Nonetheless, accuracy figures have continued to improve.

CORPORATE MANAGEMENT

Sickness Absence

- (1) The number of days lost through absence expressed as a % of the total working days available, for the following groups of staff:

Staff Groupings	% of days lost	
	2006/07	2005/06
Chief officers and local government employees.	5.8%	5.8% Scottish Ave 5.4%
Craft employees	6.2%	5.5% Scottish Ave 5.9%
Teachers	3.6%	3.9% Scottish Ave 3.8%

Commentary

The council is currently considering and undertaking action to bring about a reduction in sickness absence. This includes implementing systems that produce of better management information to be able to target specific service areas where sickness absence is higher or more problematic. This continues to be a priority area for the council and management guidance, as well as practice is also under review.

Litigation Claims

- (2) The number and value of civil liability claims incurred by the council in the year:

	2006/07	2005/06
a) Number of claims per 10,000 population	35.8	37.5 Scottish Ave 29.3
b) Claims as a % of revenue budget	0.2%	0.2% Scottish Ave 0.1%
ci) Number of claims per 10,000 population (updated 2005/06 position)		38.9
cii) Total claims value for 2005/06 (updated position)		0.5%

Commentary

2005/06 costs are affected by one very serious injury claim.

Equal opportunities policy

- (3) The number and percentage of the highest paid 2% and 5% of earners among council employees, that are women:

	2006/07	2005/06
Percentage of women in the top 2%	32.3%	30.2% Scottish Ave 31.7%
Percentage of women in the top 5%	37.8%	35.6% Scottish Ave 38.0%

Commentary

The council continues to monitor gender information and determine any appropriate positive action. This includes a recent Impact Assessment of its Recruitment and Selection Policy to ensure it treats all post applicants fairly.

Public Access

- (4) The number and % of council buildings from which the council delivers services to the public, and the % of these in which all public areas are suitable for and accessible to disabled people:

	2006/07	2005/06
The number of council buildings from which the council delivers services to the public	162	161
% in which all public areas are suitable for and accessible to disabled people	35.8%	30.4% Scottish Ave 43.4%

Commentary

Accessibility was improved at a further nine properties during 2006/07 as part of an ongoing investment programme to improve public access.

Council Tax Collection**(5) The cost of collecting Council Tax per dwelling:**

	2006/07	£8.05
	2005/06	£7.13
Scottish Average	2005/06	£13.62

Commentary

New recovery initiatives are in place and this reduced the number of cases being passed and fees being paid to the sheriff officer. This has led to the collection of increased income from current and earlier years.

(6a) The income due from Council Tax for the year, excluding reliefs and rebates:

	2006/07	£54,926,684
	2005/06	£52,471,034

(6b) The % of 6a) that was received during the year:

	2006/07	93.8%
	2005/06	93.5%
Scottish Average	2005/06	93.3%

Commentary

For the eighth year in a row in-year collection of Council Tax has increased. Even after the year has ended collection of outstanding Council Tax continues until all collectable debt is paid.

Payment of Invoices**(7) The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid:**

	2006/07	92.3%
	2005/06	91.6%
Scottish Average	2005/06	85.1%

Commentary

From October 2005 the Accounts Payable Team have increased the frequency of payments. This change has led to the continued increase in payment performance

Asset Management**(8a) The proportion of gross internal floor area that is in satisfactory condition:**

	2006/07	76.4%
--	----------------	--------------

(8b) The proportion of operational buildings that are suitable for their current use:

	2006/07	70.5%
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Commentary

This is new indicator so there are no previous comparisons available.

CULTURAL AND COMMUNITY SERVICES

Sport and Leisure Management

(1) Number of attendances per 1,000 population for swimming pools

	2006/07	4,069
	2005/06	3,931
Scottish Average	2005/06	3,463

Commentary

The slight increase in performance is probably attributable to the up-take of the "Free Swim" scheme and a new swim lesson programme.

(2) The number of attendances per 1,000 population for indoor sport and leisure facilities, excluding pools in a combined complex:

	2006/07	5,406
	2005/06	4,977
Scottish Average	2005/06	4,156

Commentary

Higher performance is as a result of the continuation of a general trend of increased membership. In addition, the introduction of fitness suites at the Armadale and Whitburn swimming pools, during 2005/06, and their increased popularity have contributed to this increased performance.

Museums

(3a) The number of visits to / usages of council funded or part funded museums per 1,000 population:

2006/07	651
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(3b) The number of visits in part a) that were in person per 1,000 population:

2006/07	631
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Commentary

The Museums service in West Lothian provides funding for three independent museums and runs three community museums, creates touring exhibitions and temporary displays, and provides outreach services to the community.

None of these museums currently has the facility to count virtual visitors. All museums are currently upgrading web access and have requested this counting facility to be installed.

This is new indicator so there are no previous comparisons available.

Stock Turnover

(4) Changes in library stock:

	Adult lending stock of book and audio-visual material		Children's and teenage lending stock of book and audio-visual material	
	2006/07	2005/06	2006/07	2005/06
a) Recommended national target for annual number of additions per 1,000 population	280	280	100	100
b) Actual additions per 1,000 population	230	221 Scottish Ave 186	44	94 Scottish Ave 77
c) Stock at year end per 1,000 population	1,162	987 Scottish Ave 1,552	343	353 Scottish Ave 591

Commentary

As the funding available to buy new stock has remained constant for some years, the figures do not fluctuate much. Last year more junior/teenage stock was bought in relation to adult stock, and this year more adult stock was bought, which is reflected in the total number of closing stock items.

Use of Libraries**(5) Borrowers from public libraries:**

	2006/07	2005/06
a) Number of visits to libraries per 1,000 population	4,771	New indicator No previous data
b) Borrowers as a % of resident population	25.7%	27.3% Scottish Ave 23.1%

Commentary

Visitor figures have been increasing slightly for a few years, proving the use of libraries is not falling, but is moving away from borrowing of materials.

Library issues have fallen over the past six years, as customers' use of libraries changes and public access to bestsellers becomes easier and cheaper. The figures for West Lothian are in line with national trends.

(6) Learning centre and learning access point users:

	2006/07	2005/06
a) The number of users as a % of the resident population:	4.7%	4.7% Scottish Ave 10.1%
b) The number of times the terminals are used per 1,000 population:	561.0	526.8 Scottish Ave 776.7

Commentary

The number of occasions terminals are accessed has increased over the past five years. The figure for 'users as a percentage of the population' has remained the same as last year, and it is still below the national average. This is because the limited floor space in West Lothian libraries does not allow for many more PCs to be added.

DEVELOPMENT SERVICES

Processing Time – Planning Applications

(1) Number and percentage of householders and non-householder applications dealt with within two months:

Timescale	% of applications	
	2006/07	2005/06
i. Householder	97.8%	94.3% Scottish Ave 78.3%
ii. Non-householder	59.8%	70.7% Scottish Ave 44.6%
Total	78.1%	83.2% Scottish Ave 60.9%

Commentary:

The overall performance of the planning service at West Lothian remains consistently high with 78% of all applications determined within the statutory 2 month period. West Lothian continues to perform particularly well with regards to householder applications resulting in 97.8% of all householder applications being determined with 2 months. Larger and more complex applications will inevitably take longer to process and depending on the number of these applications determined over a 12 month period this will affect the overall performance figures. More applications are being affected by the need for legal agreements and as a result of this the number of applications determined within the statutory 2 month period has fallen from recent years. Legal agreements are required when developers are being asked to contribute either land or money towards the likes of affordable housing, schools, public art and travel plan coordinator to mention but a few. It is likely, therefore, that the determination rate may find a new equilibrium over time based on the number of legal agreements requiring conclusion before planning permission can be issued

Appeals - Planning

(2)

	2006/07	2005/06
a) Number of planning determinations	1,255	1,234
b) Number of planning determinations that went to appeal	19	24
c) Number of successful appeals	7	9
d) i. Successful appeals as a % of determinations	0.6%	0.7% Scottish Ave 0.6%
ii. successful appeals as % of (b)	36.8%	37.5% Scottish Ave 37.3%

Commentary

The council also has no powers to affect the number of appeals submitted and it is the decision of the applicant to appeal against a decision if they wish. The Scottish Executive Inquiry Reporters Unit will assess the proposals independently and reach a final decision.

Development Plans

(3) Percentage population covered by a Local Plan, which has been adopted or finalised within the last 5 years:

2006/07	100%
2005/06	100%

Commentary

The Finalised West Lothian Local Plan 2005 is a document which allocates land uses within West Lothian to ensure housing, business & industry and commercial & leisure uses are located in areas appropriate for their use.

EDUCATION & CHILDREN'S SERVICES

Primary Schools

- (1) a) Occupancy: % of primary schools where ratio of pupils to places is:

Pupils / Places	% of schools	
	2006/07	2005/06
i) 40% or less	1.5%	1.5% Scottish Ave 10.3%
ii) 41 - 60%	23.1%	16.9% Scottish Ave 24.2%
iii) 61 - 80%	24.6%	29.2% Scottish Ave 34.8%
iv) 81 - 100%	29.2%	29.2% Scottish Ave 26.3%
v) 101% or more	21.5%	23.1% Scottish Ave 4.4%

- b) The total number of primary schools: 65

Commentary

Very efficient use is made of accommodation in West Lothian schools. Total primary school rolls increased by 24 or 0.16% while total primary capacities increased by 103 or 0.58% between September 2005 and September 2006. Some changes in rolls and capacities resulted in a few schools changing occupancy bands.

Secondary Schools

- (2) a) Occupancy: % of schools where ratio of pupils to places is:

Pupils / Places	% of schools	
	2006/07	2005/06
i) 40% or less	0%	0.0% Scottish Ave 1.6%
ii) 41 - 60%	0%	0.0% Scottish Ave 10.4%
iii) 61 - 80%	27.3%	27.3% Scottish Ave 32.6%
iv) 81 - 100%	63.6%	63.6% Scottish Ave 41.5%
v) 101% or more	9.1%	9.1% Scottish Ave 13.8%

- b) The total number of secondary schools: 11

Commentary

Very efficient use is made of accommodation in West Lothian schools. Total secondary school rolls decreased by 32 or 0.3% between September 2005 and September 2006. The rolls of 5 schools increased, the rolls of 4 schools decreased and the rolls of 2 schools remained the same. No capacities changed and no schools changed occupancy band.

Equal Opportunities Policy

- (3) The number and percentage of head and deputy head teachers who are women compared with the percentage of all teachers who are women.

	Head and Deputy Head women teachers				All women teachers			
	Number		%		Number		%	
	2006/7	2005/6	2006/7	2005/6	2006/7	2005/6	2006/7	2005/6
Secondary Schools	16	15	43.2%	38.5% Scot ave 37.0%	622	633	62.6%	62.5% Scot ave 60.2%
Primary Schools	82	87	82.8%	83.7% Scot ave 85.8%	1,004	994	94.0%	94.0% Scot ave 93.0%
Special Schools	11	10	84.6%	100% Scot ave 83.1%	55	50	74.3%	75.8% Scot ave 83.6%
Total	109	112	73.2%	73.2% Scot ave 71.2%	1,681	1677	78.7%	78.5% Scot ave 77.0%

Commentary

The gender distribution in the WLC teaching profession is comparative to the national picture. Also the percentage of female senior management positions (73.2%) approximates to the percentage of female staff in the schools sector (78.7%). It is recognised that more effort is required nationally to encourage more men into the Primary teaching sector.

Children's Reporter Liaison

- (4) The % of Children's Hearing Reports requested by the Reporter which were submitted within target time:

	2006/07	53.6%
	2005/06	54.4%
Scottish Average	2005/06	35.5%

Commentary

We give priority to servicing the Children's Hearing system by compiling and submitting reports as far as possible within the required timescales.

Ongoing staffing vacancies continue to effect the percentage of reports the practice team service is able to submit within target time however we manage to submit reports in time at an above average rate.

- (5) Supervision

	2006/07	2005/06
Number of new supervision requirements made during the year	60	94
Percentage of children seen by a supervising officer within 15 days	95.0%	90.4% Scottish Ave 76.5%

Commentary

All children and young people subject to supervision orders have a social worker. Individual circumstances led to 3 children not being seen by their supervising worker within the target timescale.

Looked After Children – Academic Attainment

- (6) The number and % of young people ceasing to be looked after, who achieved SCQF level 3 or better in English and Maths or other subjects:

	2006/07 Number of young people		2006/07 % of young people		
	At home	Away from home	At home	Away from home	Total
a) Number ceasing to be looked after	19	27			
b) Number attaining at least one SCQF level 3 (any subject)	13	23	68.4%	85.2%	78.3%
c) Number attaining at least SCQF level 3 English or Maths	7	20	36.8%	74.1%	58.7%

Commentary

The definition of this indicator has changed significantly and therefore no comparisons have been made with previous years. Education, Social Policy and Health Services within West Lothian take their role as the Corporate Parent of Looked After Children very seriously and work closely and in partnership to support them. Our partnership working is regarded as excellent as evidenced in recent independent evaluations by the West Lothian Assessment Process, Charter Mark, HMIE and SWIA.

Residential Accommodation: Staff Qualifications

- (7) Care staff in Local Authority residential children's homes who have appropriate qualifications for the level of post held:

	2006/07 % of staff qualified	74.4%
	2005/06 % of staff qualified	75.0%
Scottish Average	2005/06	47.9%

Commentary

All staff have access to qualifying training. Over the next three years the Scottish Social Service Council will make it a requirement that all staff should hold a qualification

Respite Care

- (8) Children aged 0-17 with disabilities

	No. per 1,000 children (0-17 years)	
	2006/07	2005/06
a) total overnight respite care provided	25.9 nights	25.6 nights Scottish Ave 64.4 nights
b) % overnight respite nights not in a care home	37.2%	29.2% Scottish Ave 36.1%
c) total hours daytime respite provided	292.0 hours	339.1 hours Scottish Ave 695.3 hours
d) % daytime respite hours provided not in a day care centre	100%	100% Scottish Ave 66.0%

Commentary

The Child Disability Service has continued to develop its Priority Assessment Tool, to ensure an equitable distribution of service provision to all service users. As this continues to develop, some changes in data relating to service provision will be evident, as we become more accurate in our identification of priority and a more equitable distribution of service is achieved.

HOUSING**Response Repairs**

- (1a) Target response time for each priority category (set by the Council).
 (1b) Number of repairs carried out in each category.
 (1c) % of repairs completed within the target timescale for each priority category.

	1a		1b		1c	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Emergency (Hours)	24	24	12,522	18,433	88.7%	91.0%
Priority (Days)	5	5	16,423	16,890	87.1%	89.9%
Routine (Days)	15	15	15,359	11,892	89.3%	92.2%
Gas Repairs (Hours)	24	No service	10,563	No service	92.8%	No service

- (1d) The % of all repairs due to be completed within 24 hours that were completed within target

	2006/07	90.5%
	2005/06	91.0%
Scottish Average	2005/06	93.5%

Commentary

During 06/07 the number of repairs carried out under the Emergency category were sub-divided to reflect specific repairs to Housing Maintenance and Gas Repairs, which previously were recorded as one group.

This will enable these two distinct key functions to have their own performance reporting mechanisms.

No Scottish average comparison is included for a), b) or c) as the categories used by the 32 Scottish authorities vary widely, making comparison meaningless.

Managing Tenancy Changes

- (2) Total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year:

	2006/07	0.60%
	2005/06	0.60%
Scottish Average	2005/06	2.30%

Commentary

The performance recorded for void loss for 2006-07 is the same as the previous year.

Performance recorded against this indicator over the past four years ranges from 0.4 % to 0.6% and is still one of the best in Scotland. Consistent high performance is the result of a robust void management procedure and a performance management system embedded in the organisation.

(3a) Stock which is not low demand – the number of dwellings that were re-let within the following time bands:

Void Period	Number of Houses	
	2006/07	2005/06
Less than 2 weeks	527	570
2 - 4 Weeks	187	202
5 – 8 Weeks	35	52
9 – 16 weeks	8	21
More than 16 weeks	4	4
Average re-let times	11 days	13 days Scottish Ave 64 days

(3b) Low demand stock – the number of dwellings that were re-let within the following time bands:

Void Period	Number of Houses	
	2006/07	2005/06
Less than 2 weeks	4	0
2 - 4 Weeks	9	0
5 – 8 Weeks	8	0
9 – 16 weeks	3	0
More than 16 weeks	0	0
Average re-let times	31 days	0 days Scottish Ave 129 days

For low demand stock	2006/07	2005/06
3ci) the number remaining un-let at the year end	0	0
3cii) the average period these dwelling had been un-let at the year end	0	0
3d) the number of dwellings considered to be low demand at the year end (includes both void and occupied properties)	88	191
3e) the number at d) above considered to be low demand at the start of the year (includes both void and occupied properties)	88	191
3f) the number at d) above that were not actively being re-let because they were subject to a disposal strategy	88	191

Commentary

The performance recorded in the less than two-week band shows a slight improvement from the figure recorded in 2005-06. This consistent return is due to the robust void management procedures and performance management system embedded in the organisation.

Rent Arrears**(4a) Current tenant arrears as percentage of net amount rent due in the year:**

	2006/07	2.8%
	2005/06	3.2%
Scottish Average	2005/06	7.0%

(4b) The % of all tenants owing more than 13 weeks rent at year-end, excluding those owing less than £250:

	2006/07	1.7%
	2005/06	2.3%
Scottish Average	2005/06	4.5%

(4c) The % of all tenants giving up their tenancy that were in rent arrears :

2006/07	47.5%
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(4d) The average debt owed by tenants leaving their properties with arrears as a % of the average weekly rent:

2006/07	7.72%
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(4b) The % of former tenant arrears written of or collected during the year:

2006/07	33.3%
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Commentary

This year has seen an improvement in performance from 3.2% last year to 2.8%. In monetary terms this is a reduction of £55,252.

This improvement is the result of the robust Rent Arrears procedures and performance management system embedded within the organisation. The procedures focus on early intervention, which helps identify any Housing Benefit or support issues.

Rent Arrears campaigns during the year also assisted by re-enforcing the message that Paying Rent is extremely important and the Council will take the ultimate action of eviction, if necessary.

Benefit Take-up Campaigns also support the process and a Benefit Healthcheck is offered to all new tenants.

The Former Tenant indicators are new indicators therefore no comments can be made in relation to how performance compares to previous years or to other authorities.

Although, it should be noted that West Lothian Council is a member of a Former Tenants Sub Group of the Scottish Rent Arrears Forum and has been discussing with the other participating authorities on how processes and performance can be improved.

Council House Sales**(5a) The % of house sales completed within 26 weeks:**

	2006/07	91.2%
	2005/06	82.6%
Scottish Average	2005/06	74.6%

(5b) The average time to sell houses:

	2006/07	21.0 weeks
	2005/06	23.0 weeks
Scottish Average	2005/06	25 weeks

Commentary

Improved performance is a reflection of new management approaches, which make the service more efficient and responsive to customer needs.

Homelessness

(6a)	The number of households assessed as homeless or potentially homeless during the year:	2006/07	1,393
		2005/06	1,304
(6b)	The average time between presentation and completion of duty by the council for those cases assessed as homeless or potentially homeless:	2006/07	21.0 weeks
		2005/06	14.6 weeks
		Scottish Average	17 weeks
		2005/06	17 weeks
(6c)	The number of cases re-assessed as homeless or potentially homeless within 12 months of previous case being completed as a proportion of all cases assessed as homeless or potentially homeless during the year:	2006/07	7.2%
		2005/06	9.9%
		Scottish Average	7.9%
		2005/06	7.9%

Commentary

The number of households assessed as homeless or potentially homeless have increased from 2005-2006 this would be expected as homeless applications have risen from the previous year. The number of weeks between presentation and completion of duty for homeless or potentially homeless households has increased from the previous years position which confirms that it is taking longer to re-house priority need households. The "reasonable" time period in temporary accommodation and quality advice and assistance offered to non-priority households is also impacting on length of time taken to discharge duty.

Performance on repeat homelessness has improved from the previous years situation as there has been further developments in performance management and reporting systems within Homelessness Services in West Lothian.

PROTECTIVE SERVICES

Food Safety : Hygiene Inspections

- (1) Number of establishments in each of the following three categories requiring inspection during the year, and the percentage of these which were inspected within the prescribed period:

Minimum inspection frequency	Number to be inspected		% actually inspected	
	2006/07	2005/06	2006/07	2005/06
Approved premises	19	25	100%	96.4% <i>Scottish Ave 89.3%</i>
6 months	0	7	Not applicable	100% <i>Scottish Ave 93.3%</i>
12 months	145	131	100%	100% <i>Scottish Ave 96.1%</i>
more than 12 months	493	468	97.6%	99.1% <i>Scottish Ave 81.6%</i>

Commentary

The slight dip in 'greater than 12 months' performance is due to vacant posts in the team.

Environmental Protection

- (2) Domestic Noise Complaints:

	2006/07
a) No. of complaints received	1,603
a)i. No. without the need for attendance on site	576
a)ii. No. requiring attendance on site	186
a)iii. No. dealt with under Part V of the Antisocial Behaviour (Scotland) Act 2004	841
For aii and aiii above, the average time (hours) between the time of complaint and attendance on site.	
b)i. Requiring attendance on site	NR
b)ii. Dealt with under Part V of the Antisocial Behaviour (Scotland) Act 2004	1.31 hr

Commentary

The average waiting time between complaint and attendance on site for indicator category (bii) was 1 hour 10 minutes. This is a new indicator so no previous year comparison is available. The measure for indicator b)i has not been reported in this first year, as there have been considerable difficulties with the definition. This situation applies to a number of Scottish authorities.

- (3) Non-Domestic Noise Complaints:

	2006/07
a) No. of non-domestic complaints received	240
a)i. No. settled without the need for formal action	230
a)ii. No. requiring formal action	10
b) For those requiring formal action, the average time (calendar days) to institute formal action	18 days

Commentary

The Statutory Performance Indicator has changed significantly since 2005-6, making any direct comparison with the preceding year impossible.

Trading Standards - Enquiries, Complaints and Advice

- (4) The number of enquiries, complaints and advice requests received, and the proportion completed in the following time bands:

	Number received		% dealt with	%	
	2006/07	2005/06		2006/07	2005/06
Consumer complaints	1,589	1,768	Within 14 days	58.7%	55.4% Scottish Ave 72.6%
Business advice requests	249	224	Within 14 days	88.8%	91.4% Scottish Ave 95.1%

Commentary

The overall number of consumer complaints received has fallen slightly and the completion performance has improved on the previous year. This improvement can be attributed to improved case management techniques.

Trading Standards - Inspection of Trading Premises

- (5) Premises liable to inspection: target and actual coverage:

(i) Locally determined target visit frequency		(ii) Number of premises in this category		(iii) Target total number of visits		(iv) Percentage of (iii) actually achieved	
		06/07	05/06	06/07	05/06	06/07	05/06
High level of risk	12 months	19	24	19	24	100%	95.8% Scottish Ave 85.5%
Medium level of risk	36 months	480	559	218	221	98.6%	98.2% Scottish Ave 74.7%

Commentary

The inspection rates for both high and medium risk categories show a slight improvement on previous high performance levels.

ROADS & LIGHTING**Carriageway Condition****(1) % of the road network that should be considered for maintenance treatment:**

	2006/07	2005/06
i. A class roads	19.1%	16.6%
ii B class roads	48.5%	41.5%
iii. C class roads	64.8%	27.5%
iv. Unclassified roads	42.1%	40.8%
v. Overall	41.8%	35.3%

Commentary

A Roads are up (3%), B Roads are down (7%), C Roads are up (37%) U Roads are down (2%) overall SPI is up (6.5%) West Lothian is still in the upper level of National road network performance and the expectation is that further improvement will be evident in the immediate future.

The results for the most part confirm the success of the council's commitment to improve the road network, the small variation in the A, B, and U roads could be the result of the slight variances that occur during the survey process. The evident rise in the C Roads indicator is related to the concentration of the capital programme on the Urban roads network to date, it is anticipated that the remaining C road maintenance backlog will be removed in the current capital programme year. The expectation is that significant improvement will be determined in all categories by next year's survey.

Repairs Response**(2) Traffic lights failure: elapsed time from notification to the Council to the completion of the repair:**

	2006/07	2005/06
% of jobs completed within 48 hours	92.3%	91.9% Scottish Ave 94.0%

Commentary

The indicator this year is slightly down on last year but variances are common with such low value data. As the stock of Traffic Lights increases the variances in the repair times should reduce. These returns also take into account numerous power failures over which the Council has no control.

(3) Street lights failure: elapsed time from notification to the Council to the completion of the repair:

	2006/07	2005/06
% of jobs completed within 7 days	82.7%	89.0% Scottish Ave 93.5%

Commentary

This indicator is influenced by Scottish Power failures, which are significantly high at present in West Lothian. However infrastructure renewal through the Capital programme and action by the Electricity Regulator, OFGEM, should moderate this in future years. Failures through cable faults will always take longer than 7 days due to safety requirements on obtaining utility information and we anticipate that the outcome will be around mid 90% for the foreseeable future.

(4) Street Lighting Columns:**The proportion of street lighting columns that are over 30 years old**

	2006/07	22.8%
	2005/06	23.9%
Scottish Average	2005/06	37.7%

Commentary

This indicator replaced the previous indicator of percentage replacement of columns, which was deemed to be unfair to authorities that had good quality stock. 30 years is the benchmark life taken from both the Institution of Lighting Engineers and CSS/SCOTS but columns can have a longer design life or can last a shorter time dependant on the quality of materials and manufacture. This figure will drop significantly over the next 2 years due to the huge Capital infrastructure programme in West Lothian. Further investigation is currently being carried out to get accurate installation dates for some of the unknown stock.

(5) Bridges – Road Network Restrictions**(5a) Number and % of bridges failing European standard:**

	Number of assessed bridges		% failing European standard	
	2006/07	2005/06	2006/07	2005/06
a) council	304	305	3.0%	3.9% Scottish Ave 8.1%
b) private	29	30	3.4%	3.3% Scottish Ave 19.7%
c) all bridges	333	335	3.0%	3.9% Scottish Ave 9.2%

(5b) Number and % of bridges with a weight or width restriction:

	Number of assessed bridges		% with a weight or width restriction	
	2006/07	2005/06	2006/07	2005/06
a) council	2	2	0.7%	0.7% Scottish Ave 1.8%
b) private	0	0	0.0%	0% Scottish Ave 7.8%
c) all bridges	2	2	0.6%	0.6% Scottish Ave 2.4%

Commentary

Since last reported in 2006 the number of assessed council bridges has been reduced by one (due to change in use to a footbridge) and the number failing to meet 40 tonnes reduced by three (due to strengthening schemes), leading to a reasonable reduction in the SPI for 2006/07.

There is no significant change in the position with regard to assessed private bridges, the slight increase in the SPI (from 3.3% to 3.4%) is due to a reduction in the overall number of private bridges (due to change of ownership or use) rather than an increase in the number failing assessments.

There is no change in the number of bridges with weight or width restrictions.

WASTE MANAGEMENT**Refuse Collection****(1a) The net cost of collection per premise (combined domestic, commercial and domestic bulky uplift):**

	2006/07	£70.61
	2005/06	£65.53
Scottish Average	2005/06	£53.76

(1b) The nets cost of refuse disposal per premise (combined domestic, commercial and domestic bulky uplift):

	2006/07	£69.19
	2005/06	£64.03
Scottish Average	2005/06	£63.18

Commentary

The recycling rate has increased this year due to increased materials being diverted from landfill. This is due to more investment in recycling infrastructure and more recycling opportunities being developed.

(2) The number of complaints, per 1,000 households, regarding the household waste collection service:

	2006/07	68.5
	2005/06	98.7
Scottish Average	2005/06	38.6

Commentary

The high demographic growth in West Lothian has a direct effect on the service with the rise of natural waste enquiries. Improvements in the infrastructure and administration now identify genuine complaints, service requests and wrong bin presentation / contamination issues. This public engagement gives the Waste Management Service the opportunity to identify improvements to the service.

Refuse Recycling**(3) The amount of municipal waste collected by the authority during the year that was recycled or disposed of by the following methods:**

Waste Management Method	2006/07		2005/06	
	Tonnes	%	Tonnes	%
Landfilled	73,911.9	65.5%	80,854.5	72.3% Scottish Ave 72.9%
Composted	14,332.8	12.7%	13,669.9	12.2% Scottish Ave 8.3%
Recycled	24,581.1	21.8%	17,323.0	15.5% Scottish Ave 16.4%
Other recovery including energy from waste	86.3	0.1%	15.4	0.0% Scottish Ave 2.3%
Total Tonnes	112,912.1		111,862.8	
Total biodegradable municipal waste landfilled	45,346.7	61.4%	46,208.3	57.1%
	Household premises	Commercial premises	Household premises	Commercial premises
Number of household and commercial premises	72,480	1,330	71,240	1,329

Commentary

During 2006/07 the number of methods being used to divert waste from landfill has increased and diversified. There continues to be an increase in the amount of waste recycled and composted and a decrease in the waste sent to landfill.

(4) The cleanliness index achieved following inspection of a sample of streets and other relevant land:

	2006/07	71
	2005/06	72
Scottish Average	2005/06	70

Commentary

The improved performance in cleanliness is still significantly higher than achieved in 2004/05 when the index level achieved was 67.

A slight slip of one index point is not unexpected due to the very high level of improvement experienced last year.

Staff effectiveness has greatly improved the cleanliness of the surveyed areas by improved training and support when compared to earlier years.

We expect to maintain and build on this higher level of cleanliness performance, given improved working practise and favourable help and support of our citizens.

(5) The % of abandoned vehicles removed within 14 days:

2006/07	80.0%
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Commentary

This is a new indicator so no comparative information is available.

This year **513** enquiries were reported regarding vehicle abandonment's. Out of these enquires only **85** led to removal of the vehicle by the council and, of those **68** were removed within the prescribed 14 days.

Although the indicator refers to vehicles removed by the council, many other vehicles are the subjects of staff investigation, which takes staff resource time and effort. It is therefore our view that the level of enquires will still remain high even though vehicles removed by the council could in reality reduce.

Customers with special requirements

Information is available in Braille, on tape, in large print and community languages.

Please contact the Interpretation and Translation Service on 0131 242 8181.

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براہ مہربانی انٹرنیٹ پر ایڈز ٹرانسلیٹنگ سروس سے ٹیلیفون نمبر 0131 242 8181 پر رابطہ قائم کریں۔

Informacje te mogą być przelozone na Jezyk Braille'a, dostepne na tasmie magnetofonowej lub wydane duzym drukiem oraz przetlumaczone na jezyki mniejszosci narodowych.
Prosimy o kontakt z Uslugami Tlumaczeniowymi pod numerem 0131 242 8181.

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Text phones offer the opportunity for people with a hearing impairment to access the council. The text phone number is **01506 464427**. A loop system is also available in all offices.

Any enquiries to:
West Lothian Council
Finance Services
West Lothian House
Almondvale Boulevard
Livingston
EH54 6QG