

Summary of Accounts 2009/10



This leaflet contains information from St Albans City and District Council's unaudited 2009/10 Statement of Accounts, which summarises the Council's financial position.

Chief Finance Officer's Statement

As St Alban's and District Council's Chief Finance Officer I confirm that the figures in this summary were compiled having regard to proper accounting practice.

The Council's accounts for the year 2008/09, have been audited by The Audit Commission – the government's public spending watchdog. We received a clean audit report as in previous years. A full copy of the audited statement of accounts for 2008/09 is available on the council's website at www.stalbans.gov.uk.

Colm O'Callaghan

Chief Finance Officer

WHAT DID WE SPEND THE MONEY ON IN 2009/10?

We show the cost of running our services in our Income and Expenditure Account. This account shows you the costs in 2009/10 of the Council's services and the amount left to be financed from local and national tax income. Gross expenditure is the amount we paid out and net expenditure is after deducting amounts we received in the way of rents, fees and charges etc.

What did we spend the money on?	Gross Expenditure 2009/2010 £'000	Net Expenditure 2009/2010 £'000
Central services to the public	11,404	2,913
Corporate management, members		
Culture & related services	7,169	5,437
Museums, parks, sports centres		
Environmental services	8,612	6,186
Refuse collection, street cleaning, recycling, health		
Planning & development	5,006	3,188
Development control, planning appeals, conservation		
Transport & car park services	3,205	930
Transport concessions, car parks, roadside amenities		
Housing services		
Council housing	41,520	18,326
Homelessness, home renovation grants, housing benefit administration	28,756	1,889
Corporate & democratic costs		
Corporate management, members costs	1,885	1,470
Non Distributed Costs	87	87
Net cost of services	107,644	40,426

What did we spend the money on?		Net
(continued)		Expenditure
		2009/2010
	£'000	£'000
Payments to Parish Councils		2,188
Trading income from markets, property and off street parking		(630)
Net interest receivable		(176)
Adjustments for difference between accounting requirements and the legislation for council tax charging		
Asset charges (depreciation, impairments etc)	(22,297)	
Pension accounting entries	2,153	
Housing Revenue Account balance	51	
Net transfers to reserves	45	(20,048)
Cost of local services met by local and national taxes		21,760

The Income and Expenditure Account in the Statement of Accounts has been prepared using the rules for producing statutory accounts similar to those of commercial companies. There are other statutory rules for local government accounting relating to eg depreciation and pension charges and an adjustment is made for these so that they are not charged to Council Tax payers. After making the statutory adjustments the cost attributable to Council Tax payers is £21.8 million. (The statement above has included some netting off of figures for simplification).

HOW DID WE PAY FOR THIS?

We spent £21.8 million on running our services after allowing for income and we financed our spending using local and national taxes as follows.

How did we pay?	2009/2010
	£'000
Share of Council Tax income	(12,726)
Share of Business Rates income	(6,199)
Central Government Grants & other	(1,729)
Total Income	(20,654)

DID WE HAVE ANYTHING LEFT OVER?

The excess of expenditure over income gives a deficit for the year of £1.1 million, which represents a spending of the reserves built up in previous years leaving reserves of £2.9 million.

Did we have anything left over?	2009/2010
	£'000
Cost of services	21,760
Income from taxes and grants	(20,654)
Decrease in General Fund balance for the year	1,106
Previous year balance	(4,043)
New balance	(2,937)

THE HOUSING REVENUE ACCOUNT

At 31 March 2010, the council owned 5,216 dwellings available for council house tenants and sheltered accommodation. The income and expenditure relating to our responsibilities as landlord has, by law, to be recorded separately in a Housing Revenue Account, which is summarised below.

Housing Revenue Account	2009/2010
	£'000
Rents and service charges	(22,950)
Government grants	(244)
Total Income	(23,194)
Expenditure	
Supervision and management	5,236
Repairs and maintenance	3,483
Subsidy paid to government	9,480
Write down of asset values	23,033
Other	288
Total Expenditure	41,520
Net cost of Services per Statutory Accounts	18,326
Net Interest Payable	54
Adjustments for difference between accounting requirements and the legislation for charging to tenants	
Asset charges (depreciation, impairments etc)	(18,790)
Pension accounting entries	359
	(18,431)
Decrease in the HRA Balance	(51)
Surplus brought forward	(1,163)
Surplus carried forward	(1,214)

The adjustment of £18.4 million relates to differences in accounting treatment of certain items between that required by accounting practice and that required by law. This includes the treatment of depreciation (write down of assets) and the treatment of pension costs. The adjustment ensures that depreciation, variations in property values and other accounting adjustments are not charged to Council Tenants. (The statement above has included some netting off of figures for simplification).

WHAT DID WE SPEND ON IMPROVING OUR ASSETS?

We also spend money on capital projects; that is buying, improving and repairing our land and property so that we can continue to provide first class public facilities. This type of spending has to be accounted for separately from the revenue spend shown above.

CAPITAL EXPENDITURE DURING 2009/10	2009/2010
What we spent the money on	£'000
To maintain and improve council houses	5,790
Grants to Housing Associations	114
Renovation and improvement grants	1,060
To maintain and improve General Fund land and buildings	1,642
Vehicles, plant and equipment	1,117
Other	343
Total	10,066
How we paid for it	
Grants and contributions	1,293
Capital Reserves	5,658
Income from sales of assets	867
Increase in capital financing requirement	748
Long term borrowing	1,500
Total	10,066

The increase in capital financing requirement shown below is the increase in notional borrowing required to fund asset purchases. The Council has, for the first time in a number of years, taken out a long term loan in order to fund capital expenditure.

Income from sales of assets mainly relates to council house sales under the government's 'right to buy' scheme. The use of capital reserves includes the use of £4,914 thousand from the Major Repairs Reserve, a reserve specially set up to fund council house refurbishment programmes and funded through the housing subsidy regime.

Non-housing major spending included initial spending on a new sports facility at Westminster Lodge and capital programmes to improve cleansing and recycling activities.

WHAT WAS ST ALBANS CITY AND DISTRICT COUNCIL WORTH AT THE END OF 2009/10?

At the end of each financial year we draw up a balance sheet that represents how much our land and buildings are worth, what is owed to us, how much we owe to others and how much cash we have.

What we are worth	2009/2010
Net Assets	£'000
Value of council houses	452,975
Value of other fixed assets and investments	76,303
Cash in bank and cash investments	8,668
Money owed to St Albans District Council and other assets	5,552
Money owed by St Albans District Council and other liabilities	(8,497)
Long term borrowing	(1,500)
Unused government grants	(2,629)
Pension benefits	(58,815)
Total assets less total liabilities	472,057
Property and asset reserves	525,715
Balance of premium to be written off	(253)
Earmarked reserves for future projects	1,124
Working balances	4,286
Pension reserve	(58,815)
Reserves and Balances	472,057

Notes:

- The pension fund deficit has increased to £58.8 million. However, the latest report from the actuary assesses that this will be made good by future payments into the fund.
- Following the collapse of property values in 2008/09, values have generally increased in 2009/10 and these increases have been reflected in the statement above. Movements in property values affect the Balance Sheet but Local Government accounting rules mean that any benefit or burden does not accrue to council tax payers or council house tenants.
- The Council maintains working balances to meet future needs (egg planning appeals).

	2009/2010
Cash Flow	£'000
Cash in hand at 1 April 2009	1,639
Net cash movements	1,665
Cash in bank and on hand on 31 March 2010	3,304

Graphical Illustration of Summary Finances

