

# Summary of Accounts 2008/09



This leaflet contains information from St Albans City and District Council's 2008/09 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 previous year, 2007/08, 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 2007/08 is available on the council's website at [www.stalbans.gov.uk](http://www.stalbans.gov.uk).

Colm O'Callaghan

Chief Finance Officer

## WHAT DID WE SPEND THE MONEY ON IN 2008/09?

We show the cost of running our services in our Income and Expenditure Account. This account shows you the costs in 2008/09 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.

<b>What did we spend the money on?</b>	<b>Gross Expenditure 2008/2009</b>	<b>Net Expenditure 2008/2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Central Services to the public</b>	8,956	1,802
Corporate management, members		
<b>Culture &amp; Related Services</b>	6,527	5,322
Museums, parks, sports centres		
<b>Environmental Services</b>	8,601	6,934
Refuse collection, street cleaning, recycling, health		
<b>Planning &amp; Development</b>	4,494	2,854
Development control, planning appeals, conservation		
<b>Transport and Car Park Services</b>	3,096	1,019
Transport concessions, Car Parks, roadside amenities		
<b>Housing Services</b>		
Council Housing	53,456	30,574
Homelessness, home renovation grants, housing benefit administration	26,479	4,055
<b>Corporate &amp; Democratic Costs</b>		
Corporate management, members costs	3,475	3,232
<b>Pension and back Pay</b>	2,233	2,233
<b>Net Cost of Services</b>	<b>117,317</b>	<b>58,025</b>

<b>What did we spend the money on?</b>		Net
(continued)		Expenditure
		2008/2009
	£'000	£'000
Payments to Parish Councils		2,042
Trading income from Markets, Property and Off Street Parking		(604)
Net Interest receivable		(1,509)
Adjustments for difference between accounting requirements and the legislation for council tax charging		
Asset charges (depreciation, impairments etc)	(37,298)	
Pension accounting entries	(195)	
Housing Revenue Account balance	(355)	
Other	1,808	(36,040)
<b>Cost of local services met by local and national taxes</b>		<b>21,914</b>

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 £21.9 million. (The statement above has included some netting off of figures for simplification).

#### **HOW DID WE PAY FOR THIS?**

We spent £21.9 million on running our services after allowing for income and we financed our spending using local and national taxes as follows.

<b>How did we pay?</b>	2008/2009
	£'000
Share of Council tax income	(12,511)
Share of Business Rates income	(6,664)
Central Government Grants	(1,478)
<b>Total Income</b>	<b>(20,653)</b>

#### **DID WE HAVE ANYTHING LEFT OVER?**

The excess of expenditure over income gives a deficit for the year of £1,261,000, which represents a spending of reserves built up in previous years.

<b>Did we have anything left over?</b>	2008/2009
	£'000
Cost of Services	21,914
Income from taxes and grants	(20,653)
<b>Decrease in General Fund Balance for the year</b>	<b>1,261</b>
Previous year balance	(5,304)
<b>New balance</b>	<b>(4,043)</b>

## THE HOUSING REVENUE ACCOUNT

At 31 March 2009, the council owned 5,293 dwellings available for council house tenants. 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.

<b>Housing Revenue Account</b>		<b>2008/2009</b>
		<b>£'000</b>
Rents and service charges		(22,506)
Government grants		(376)
<b>Total Income</b>		<b>(22,882)</b>
<b>Expenditure</b>		
Supervision and Management		5,412
Repairs and maintenance		3,321
Subsidy paid to government		9,641
Write down of asset values		34,659
Other		423
<b>Total Expenditure</b>		<b>53,456</b>
<b>Net cost of Services per Statutory Accounts</b>		<b>30,574</b>
Net Interest Payable		281
Adjustments for difference between accounting requirements and the legislation for charging to tenants		
Asset charges (depreciation, impairments etc)	(30,568)	
Pension accounting entries	195	
Other	(127)	(30,500)
<b>Decrease in the HRA Balance</b>		<b>355</b>
Surplus brought forward		(1,639)
<b>Surplus carried forward</b>		<b>(1,284)</b>

The adjustment of £30.5 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.

The increase in capital financing requirement shown below is the increase in notional borrowing required to fund asset purchases. However, as the Council has sufficient total funds available, no borrowing is actually required.

<b>CAPITAL EXPENDITURE DURING 2008/09</b>		<b>2008/2009</b>
<b>What we spent the money on</b>		<b>£'000</b>
To maintain and improve council houses		6,713
Grants to Housing Associations		2,361
Renovation and Improvement grants		1,149
To maintain and improve General Fund land and buildings		1,010
Vehicles Plant and equipment		1,850
Other		302
<b>Total</b>		<b>13,385</b>
<b>How we paid for it</b>		
Grants and contributions		713
Capital Reserves		6,371
Income from sales of assets		3,597
Increase in capital financing requirement		2,704
<b>Total</b>		<b>13,385</b>

## **WHAT WAS ST ALBANS CITY AND DISTRICT COUNCIL WORTH AT THE END OF 2008/9?**

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.

<b>What we are worth</b>		<b>2008/2009</b>
<b>Net Assets</b>		<b>£'000</b>
Value of Council houses		442,989
Value of other fixed assets and investments		71,102
Cash in bank and cash investments		18,310
Money owed to St Albans District Council and other assets		7,583
Money owed by St Albans District Council and other liabilities		(17,507)
Unused government grants		(2,273)
Pension benefits		(30,958)
<b>Total assets less total liabilities</b>		<b>489,246</b>
Property and asset reserves		511,983
Balance of premium to be written off		(618)
Call on reserves for back pay		(766)
Earmarked reserves for future projects		4,122
Working balances		5,483
Pension reserve		(30,958)
<b>Reserves and Balances</b>		<b>489,246</b>

Notes:

- While the pension fund is showing a deficit of £40 million, the latest report from the actuary assesses that this will be made good by future payments into the fund.
- The Council maintains working balances to meet future needs (eg planning appeals).

<b>Cash Flow</b>		<b>2008/2009</b>
		<b>£'000</b>
Overdraft and cash in hand at 1 April 2008		498
Net Cash movements		(209)
<b>Cash in bank and on hand on 31 March 2009</b>		<b>289</b>

## Graphical Illustration of Summary Finances

