

Kingston Council's Accounts for 2006/07

Strategic Director of Finance's Statement

The information below provides an overview of Kingston Council's revenue and capital spending for the year 2006-07 and a summary of the Royal Borough's balance sheet. It sets out where we receive our funding from and how we used this money last year to provide services in the Royal Borough.

Revenue Spending

This is money the Council spends over the course of the year on delivering public services, and includes staff salaries and running costs. Revenue spending is financed from government grants, council tax, business rates and other income.

Capital Spending

This is money spent on items or projects which bring benefits to the community for more than one year and which adds value to our assets. Capital spending is financed from loans, government grants, capital receipts, revenue and other contributions from third parties.

Balance Sheet

This shows the net worth of the Council and provides a summary of our assets and liabilities.

Audit Arrangements

The Council's accounts are currently with the Audit Commission. When these figures have been checked the Commission will let us know

whether they present fairly the financial position of the Council at the end of the year (on 31 March 2007), and its income and expenditure for the year then ended.

The Council's accounts are prepared according to the requirements of the Code of Practice on Local Authority Accounting (Statement of Recommended Practice), published by the Chartered Institute of Public Finance Accountancy (CIPFA).

Further Details

The full 2006/07 Statement of Accounts is available online from Kingston Council's website: www.kingston.gov.uk/information

Tracie Evans,
Strategic Director of Finance

The Income and Expenditure Account Statement and Movement on General Fund Balance

This account shows the revenue cost of running the Council's services over the past year, and where the money came from to fund these costs. It also shows the surplus or deficit for the year and the end of year position on the general fund balance.

2005-06 Net Expenditure £m		2006-07 Gross Expenditure £m	2006-07 Gross Income £m	2006-07 Net Expenditure £m
	Service Area			
44.4	Social Services	72.4	(24.5)	47.9
26.4	Cultural, Environmental and Planning	30.5	(6.8)	23.7
13.9	Highways, Roads and Transport	26.5	(11.9)	14.6
78.9	Education Services	124.5	(112.7)	11.8
4.9	Corporate and Democratic Core	5.4	0	5.4
1.2	Housing Services	79.9	(76.4)	3.5
(0.4)	Central Services to the Public	13.3	(11.0)	2.3
169.3	Net Cost of Services	352.5	(243.3)	109.2
1.7	Net Interest – Paid on Loans and received on Investments			1.5
0.5	Levies paid to other Statutory Bodies			0.5
3.1	Provision for the repayment of Loans			3.9
5.1	Transfers to/from Earmarked Reserves			3.1
(12.2)	Technical Accounting Adjustments			(13.2)
167.5	Amount met from Government Grant and Local Tax Payers			105.0
	Financed by;			
(49.7)	Revenue Support Grant – from Central Government			(6.4)
(50.1)	National Non-Domestic Rates- from Government Pool			(27.2)
(68.2)	Council Tax – from Local Tax Payers			(70.7)
(0.5)	Net General Fund Surplus / Deficit for the year			0.7
	Overall General Fund Balance			
(4.2)	Balance Brought Forward at the Beginning of the Year			(4.7)
(4.7)	Balance Carried Forward at the End of the Year			(4.0)

NOTE: For 2006/07, the arrangements for the government funding of schools has changed. In previous years, funds were provided as part of the council's overall Revenue Support Grant and shown as corporate income in the accounts. In 2006/07, the council received a specific service grant - the Dedicated Schools Grant - of £73.8m. This amount has therefore been credited against the Education Services outturn in the Income and Expenditure Account in this year's accounts. This explains the significant year on year variation in the cost of Education Services.

The Consolidated Balance Sheet Statement

This table shows a summary of the Council's assets and liabilities as at the end of the past year. It also shows the Council's net worth (equity) and how this is financed by useable and non-useable reserves.

31 March 2006 £m		31 March 2007 £m
	Assets	
676.8	Fixed Assets (Land, Buildings, Vehicles and Equipment owned by the Council)	715.6
1.6	Long term Debtors	1.9
104.1	Short Term Investments	95.9
33.7	Sundry Debtors (amounts owed to the Council)	29.3
2.4	Cash, Bank, Stocks and Work in Progress	2.4
818.6		845.1
	Liabilities	
(51.4)	Sundry Creditors and Short Term Borrowing (Amounts owed by the Council)	(54.7)
(157.4)	Pension Liability	(160.4)
(150.5)	Long Term Borrowing	(149.3)
(4.0)	Provisions	(4.1)
(363.3)		(368.5)
455.3	Total Assets less Liabilities	476.6

31 March 2006 £m		31 March 2007 £m
	Financed by;	
418.5	Non Useable Reserves (technical accounting balances)	436.2
36.8	Useable Reserves (see below for breakdown)	40.4
455.3	Total Net Worth (Equity)	476.6
	N.B. Breakdown of Useable Reserves	
4.5	Useable Capital Receipts	3.4
26.0	Earmarked Reserves	31.0
4.7	General Fund Balance	4.0
1.6	Housing Revenue Account Balance	1.9
0.0	Collection Fund Balance	0.1
36.8		40.4

NOTE: The main earmarked reserves include Schools Reserves (£6.7m) for use in schools only; Capital Reserve Fund (£5.5m), Education Standards Fund (£4.8m) and Section 106 Reserves (£1.7m), all of which are earmarked for programmed capital projects; Insurance Fund (£1.7m) which is available to meet future claims arising; Repairs and Renewals Fund (£2.2m), which provides for the future replacement of vehicles, plant and equipment.

The Council's Capital Investment Programme over the past Year

The Council has approved a Capital Investment Programme of £156m over the period 2006-07 to 2009-10, of which £47m was incurred in 2006-07 and £48m was contractually committed as at the end of May 2007. This table shows the capital cost in the past year of creating or improving assets which were or will be used to provide the Council's services, and where the money came from to finance this expenditure.

2005-06 £m		2006-07 £m
	Expenditure	
13.1	Schools, Youth and Lifelong Learning	16.5
11.1	Environmental Services (including Highways and Transportation)	9.5
8.1	Housing Services (including HRA and House Renovation Grants)	12.2
3.1	Leisure, Parks, Libraries and Culture	6.1
1.0	Social Services	1.2
1.8	Central Services	1.5
38.2	Total Capital Expenditure	47.0
	Financed by;	
(15.3)	Loans	(22.0)
(16.1)	Capital Grants and Contributions	(18.2)
(4.6)	Direct from Revenue	(4.5)
(0.9)	Use of Earmarked Reserves	(0.5)
(1.3)	Useable Capital Receipts	(1.8)
(38.2)	Total Capital Financing	(47.0)

The Housing Revenue Account (HRA) Statement for the past Year

As at 31st March 2007, the Council managed 4,869 dwellings with a book value of £312 million. This table shows the income and expenditure relating to the provision of council housing by the Council. The overall surplus for 2006-07 was £0.32m, which comprised a planned contribution to revenue balances of £0.25m and an underspending during the year of £0.07m.

2005-06 £m		2006-07 £m
	Income	
(19.5)	Rents from Dwellings and Non Dwellings	(20.4)
(3.4)	Service Charges and Other Contributions	(3.5)
(22.9)		(23.9)
	Expenditure	
4.0	Repairs and Maintenance	4.0
9.0	Supervision and Management	9.4
3.9	Depreciation of Fixed Assets	3.8
4.2	Housing Subsidy (Negative)	4.9
1.1	Other Costs	1.0
22.2		23.1
(0.7)	Net Cost of Services	(0.8)
(0.1)	Interest Received on Investments	(0.1)
0.4	Direct Revenue Funding of Capital Expenditure	0.7
(0.5)	Technical Accounting Adjustments	(0.1)
(0.9)	Net Deficit / Surplus (-) for the Year	(0.3)
(0.7)	Balance Brought Forward at the Beginning of the Year	(1.6)
(1.6)	Balance Carried Forward at the End of the Year	(1.9)