

# Kingston Council's **Accounts for 2004/05**

## Director of Finance's Statement

The information below provides an overview of Kingston Council's revenue and capital spending for the year 2004-05 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 that 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

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 Kingston Council at the end of the last financial year (on 31 March 2005), and its income and expenditure for the 2004/05 financial year.

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 and Accountancy (CIPFA).

### Further Details

The full Statement of Accounts is available online from Kingston Council's website:  
[www.kingston.gov.uk/full\\_accounts.pdf](http://www.kingston.gov.uk/full_accounts.pdf)

**Tony Knights**, Director of Finance

## The Consolidated Revenue Account Statement

This table 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 for the year and the end of year position on the general fund balance.

2003-04 Net Expenditure £000		2004-05 Gross Expenditure £000	2004-05 Gross Income £000	2004-05 Net Expenditure £000
	Service Area			
73,169	Education	110,515	(30,584)	79,931
7,431	Environmental Services	9,619	(1,120)	8,499
2,275	Planning and Development Services	4,009	(1,665)	2,344
15,757	Highways and Transportation	26,406	(8,583)	17,823
15,669	Housing Services	82,243	(66,203)	16,040
9,138	Leisure, Parks, Libraries and Culture	9,536	(1,520)	8,016
36,604	Social Services	65,822	(24,940)	40,882
3,438	Central Services	33,519	(28,280)	5,239
3,455	Corporate and Democratic Services	5,913	(1,864)	4,049
166,936	Net Cost of Services	347,582	(164,759)	182,823
(22,948)	Less; Internal Charges for Use of Assets (included in cost of services-above)			(25,418)
2,485	Net Interest - Paid on Loans and Received on Investments			1,646
1,608	Levies paid to other Statutory Bodies			793
(1,714)	Technical Accounting Adjustments			(3,970)
146,367	Amount met from Government Grant and Local Tax Payers			155,874
	Financed by;			
(43,277)	Revenue Support Grant - from Central Government			(50,557)
(43,220)	National Non-Domestic Rates - from Government Pool			(41,947)
(60,283)	Council Tax - from Local Tax Payers			(64,846)
(413)	Net General Fund Surplus for the year			(1,476)
	Overall General Fund Balance			
(2,366)	Balance Brought Forward at the Beginning of the Year			(2,779)
(2,779)	Balance Carried Forward at the End of the Year			(4,255)

NOTE: The four Neighbourhood Committee's underspent by £0.24m in 2004-05. After taking into account their ability to carry forward these sums to spend in 2005-06, the unallocated General Fund Balance is £4.015m. This represents approximately 2.4% of the Council's Net Budget Requirement for 2005-06.

## 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 2004 £000		31 March 2005 £000
	<b>Assets</b>	
673,528	Fixed Assets (Land, Buildings, Vehicles and Equipment owned by the Council)	714,538
4,553	Long Term Debtors	4,639
76,550	Short Term Investments	84,010
31,049	Sundry Debtors (Amounts owed to the Council)	33,815
2,459	Cash, Bank, Stock and Work in Progress	2,535
788,139		839,537
	<b>Liabilities</b>	
(50,744)	Sundry Creditors and Short Term Borrowing (Amounts owed by the Council)	(49,915)
(101,500)	Pensions Liability	(158,600)
(121,372)	Long Term Borrowing	(129,696)
(2,658)	Provisions	(3,452)
(276,274)		(341,663)
511,865	<b>Total Assets less Liabilities</b>	497,874

31 March 2004 £000		31 March 2005 £000
	<b>Financed by;</b>	
481,129	Non Useable Reserves (technical accounting balances)	467,059
30,736	Useable Reserves (see below for breakdown)	30,815
511,865	<b>Total Net Worth (Equity)</b>	497,874
	<b>N.B. Breakdown of Useable Reserves</b>	
3,111	Useable Capital Receipts	4,273
23,135	Earmarked Reserves	21,881
2,779	General Fund Balance	4,255
2,011	Housing Revenue Account Balance	705
(300)	Collection Fund Balance	(299)
30,736		30,815

NOTE: The main earmarked reserves include Schools Reserves (£5.19m) for use in schools only; Capital Reserve Fund (£3.257m), Education Standards Fund (£2.342m) and Section 106 Reserves (£2.205m), all of which are earmarked for programmed capital projects; Insurance Fund (£2.086m) which is available to meet future claims arising; Repairs and Renewals Fund (£1.968m), 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 £93m over the period 2004-05 to 2007-08, of which £28.5m was incurred in 2004-05 and £16.4m was contractually committed as at the end of June 2005. 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.

2003-04 £000		2004-05 £000
	<b>Expenditure</b>	
6,690	Education	6,278
12,425	Environmental Services (including Highways and Transportation)	12,041
4,882	Housing Services (including HRA and House Renovation Grants)	6,445
583	Leisure, Parks, Libraries and Culture	1,254
791	Social Services	786
1,034	Central Services	1,688
26,405	<b>Total Capital Expenditure</b>	28,492
	<b>Financed by;</b>	
(4,068)	Borrowing	(7,428)
(13,331)	Capital Grants and Contributions	(21,502)
(4,103)	Direct from Revenue	(5,001)
(1,243)	Earmarked Reserves	(845)
(499)	Useable Capital Receipts	(53)
(3,161)	Sundry Creditors and Accruals Adjustment (inc 2003/04 accruals)	6,337
(26,405)	<b>Total Capital Financing</b>	(28,492)

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

As at 31st March 2005, the Council managed 4,919 dwellings with a gross book value of £377million. This table shows the income and expenditure relating to the provision of council housing by the Council. The overall deficit for 2004-05 was £1.306m, which comprised of a planned contribution from revenue balances of £1.388m and an underspending during the year of £0.082m.

2003-04 £000		2004-05 £000
	<b>Income</b>	
(18,570)	Rents from Dwellings and Non Dwellings	(18,425)
(3,318)	Service Charges and Other Contributions	(4,069)
(7,738)	Housing Subsidy	0
(29,626)		(22,494)
	<b>Expenditure</b>	
4,537	Repairs and Maintenance	4,871
9,777	Supervision and Management	9,329
16,278	Capital Financing Costs	16,947
11,245	Rent Rebates	0
0	Housing Subsidy (Negative)	4,033
352	Other Costs	382
42,189		35,562
12,563	<b>Net Cost of Service</b>	13,068
(105)	Interest Received	(104)
210	Direct Revenue Funding of Capital Expenditure	1,309
(11,836)	Technical Accounting Adjustments	(12,967)
832	<b>Net Deficit for the Year</b>	1,306
24	Prior Year Adjustment	0
(2,867)	Balance Brought Forward at the Beginning of the Year	(2,011)
(2,011)	<b>Balance Carried Forward at the End of the Year</b>	(705)