

# Kingston Council's Accounts for 2007/08

## Strategic Director of Finance's Statement

The information below provides an overview of Kingston Council's revenue and capital spending for the year 2007/08 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 2008), 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 unaudited 2007/08 Statement of Accounts is also available online on the Council's website at [www.kingston.gov.uk](http://www.kingston.gov.uk) / your council / financial information.

### Tracie Evans

*Strategic Director of Finance*

## The Income and Expenditure Account Statement and the Movement in the General Fund Balance Statement

These accounts show the revenue cost of running the Council's services over the past year, and where the money came from to fund these costs. Amounts taken into account in determining the Council's actual budget requirement from the council tax annual demand and hence the overall surplus or deficit for the year is shown in the movement on the general fund balance.

2006-07 Net Expenditure		2007-08 Gross Expenditure	2007-08 Gross Income	2007-08 Net Expenditure
£m	Service Area	£m	£m	£m
2.3	Central Services to the Public	14.1	(11.8)	2.3
23.6	Cultural, Environmental and Planning	34.3	(9.3)	25.0
24.4	Children and Education Services	152.7	(127.9)	24.8
14.6	Highways, Roads and Transport	27.7	(12.8)	14.9
4.3	Housing Services – non HRA	60.3	(58.5)	1.8
(0.8)	Housing Services – HRA	25.2	(26.2)	(1.0)
35.2	Adult Social Care Services	57.5	(21.2)	36.3
5.4	Corporate and Democratic Core	4.8	(0.1)	4.7
0.3	Non Distributed Costs	3.1	0.0	3.1
<b>109.3</b>	<b>Net Cost of Services</b>	<b>379.7</b>	<b>(267.8)</b>	<b>111.9</b>
1.5	Net Interest – Paid on Loans and received on Investments			1.4
0.5	Levies paid to other Statutory Bodies			0.5
3.9	Provision for the repayment of Loans			4.6
3.1	Transfers to/from Earmarked Reserves			2.2
(13.3)	Technical Accounting Adjustments			(13.4)
<b>105.0</b>	<b>Amount met from Government Grant and Local Tax Payers</b>			<b>107.2</b>
	<b>Financed by:</b>			
(6.4)	Revenue Support Grant – from Central Government			(5.1)
(27.2)	National Non-Domestic Rates- from Government Pool			(28.4)
(70.7)	Council Tax – from Local Tax Payers			(74.4)
<b>0.7</b>	<b>Net General Fund (Surplus) /Deficit for the Year</b>			<b>(0.7)</b>
	<b>Overall General Fund Balance</b>			
(4.7)	Balance Brought Forward at the Beginning of the Year			(4.0)
<b>(4.0)</b>	<b>Balance Carried Forward at the End of the Year</b>			<b>(4.7)</b>

## 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 2007		31 March 2008
£m	Assets	£m
715.6	Fixed Assets (Land, Buildings, Vehicles and Equipment owned by the Council)	755.1
1.9	Long term Debtors	1.8
99.1	Long and Short Term Investments	95.6
26.1	Sundry Debtors (amounts owed to the Council)	34.0
2.5	Cash, Bank, Stocks and Work in Progress	2.7
<b>845.2</b>		<b>889.2</b>
	Liabilities	
(52.2)	Sundry Creditors and Short Term Borrowing (inc bank overdraft)	(52.6)
(160.4)	Pension Liability	(139.4)
(152.9)	Long Term Borrowing	(161.6)
(70.5)	Government Grants Deferred	(83.5)
(4.1)	Provisions	(4.9)
<b>(440.1)</b>		<b>(442.0)</b>
<b>405.1</b>	<b>Total Assets less Liabilities</b>	<b>447.2</b>
	Financed by:	
364.7	Non Useable Reserves (technical accounting balances)	403.1
40.4	Useable Reserves (see below for breakdown)	44.1
<b>405.1</b>	<b>Total Net Worth (Equity)</b>	<b>447.2</b>
	N.B. Breakdown of Useable Reserves	
3.4	Useable Capital Receipts	0.3
31.0	Earmarked Reserves	36.3
4.0	General Fund Balance	4.7
1.9	Housing Revenue Account Balance	2.6
0.1	Collection Fund Balance	0.2
40.4		44.1

**Note:** The main earmarked reserves include Schools Reserves (£6.6m) for use in schools only; Capital Reserve Fund (£4.5m), Education Standards Fund (£7.9m) and Section 106 Reserves (£2.1m), all of which are earmarked for programmed capital projects; Insurance Fund (£2.1m) which is available to meet future claims arising; Repairs and Renewals Fund (£3.4m), which provides for the future replacement of vehicles, plant and equipment, Invest to Save Reserve (£4.5m), which will be used to fund initiatives under *destination* KINGSTON 2011 policy programme.

## The Council's Capital Investment Programme over the past Year

The Council has approved a Capital Investment Programme of £118m over the period 2008-09 to 2010-11, of which £36m was contractually committed as at the end of May 2008. 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.

2006-07		2007 08
£m	Expenditure	£m
1.2	Adult Social Services	3.2
16.5	Schools, Children and Lifelong Learning	19.6
9.5	Environmental Services, (including Highways)	8.8
12.2	Housing Services (including HRA and House Renovation Grants)	9.4
6.0	Leisure and Culture (inc Libraries, Theatre and Hook Centre)	9.7
1.5	Central Services	1.3
<b>46.9</b>	<b>Total Capital Expenditure</b>	<b>52.0</b>
	Financed by:	
(22.0)	Loans	(13.4)
(18.2)	Capital Grants and Contributions	(29.8)
(0.8)	Direct from Revenue	(0.7)
(3.6)	Housing Major Repairs Reserve	(3.7)
(0.5)	Use of Earmarked Reserves	(0.4)
(1.8)	Useable Capital Receipts	(4.0)
<b>(46.9)</b>	<b>Total Capital Financing</b>	<b>(52.0)</b>

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

As at 31st March 2008, the Council managed 4,854 dwellings with a book value of £335 million.

This table shows the income and expenditure relating to the provision of council housing by the Council. The overall surplus on the account for 2007-08 was £0.68m.

2006 07		2007-08
£m	Income	£m
(20.4)	Rents from Dwellings and Non Dwellings	(21.6)
(3.5)	Service Charges and Other Contributions	(4.6)
<b>(23.9)</b>		<b>(26.2)</b>
	Expenditure	
4.0	Repairs and Maintenance	4.8
9.4	Supervision and Management	9.5
3.8	Depreciation of Fixed Assets	3.9
4.9	Housing Subsidy (Negative)	5.9
1.0	Other Costs	1.1
<b>23.1</b>		<b>25.2</b>
<b>(0.8)</b>	<b>Net Cost of Services</b>	<b>(1.0)</b>
0.4	Net interest - paid on loans and received on investments	0.5
0.3	Provision for the repayment of loans	0.3
0.7	Direct revenue funding of capital expenditure	0.5
(0.9)	Technical accounting adjustments	(1.0)
<b>(0.3)</b>	<b>Net Deficit / Surplus (-) for the Year</b>	<b>(0.7)</b>
(1.6)	Balance Brought Forward at the Beginning of the Year	(1.9)
<b>(1.9)</b>	<b>Balance Carried Forward at the End of Year</b>	<b>(2.6)</b>