

LB Camden

Summary of Accounts – 2011/12

This is a summary of the Council's accounts for 11-12. A copy of the full audited version of the Council's financial statements can be viewed at the following website:

<http://www.camden.gov.uk/ccm/content/council-and-democracy/publications-and-finances/statement-of-accounts.en>

Financial Performance

Revenue services -

The Council's revenue budget for 2011/12 was £286.5m and at the end of the year, the final position, after agreed movements in reserves, was a surplus of £1.2m. Total general reserves available for use by the council at the year-end stood at £128.6m, of which

- £13.6m is for the General Fund Balance, and
- £115.0m has been allocated to Earmarked Reserves

With regard to:

- the General Fund Balance, this is maintained to meet unforeseen circumstances that may occur within any given year and represents 4.9% of the council's day-to-day expenditure (including Dedicated Schools expenditure).
- Earmarked Reserves, these are maintained to meet expected future costs and include:
 - £40.4m to support ongoing capital activity and asset management.
 - £39.9m to support ongoing revenue activity,
 - £12.2m for the council's self-insurance scheme (which avoids paying premiums to insurers).
 - £10.3m for the council's service remodelling programme.
 - £12.1m for delegated schools budgets.

Council housing -

The council is the main provider of rented accommodation in Camden with 23,699 units at 31 March 2012. In 2011/12 average council rents excluding service charges were £91.96 per week, an increase of £6.35, or 7.4%, over the 2010/11 level of £85.61 per week. It is a legal requirement that no expenditure on these houses is paid for by Council Tax. Instead it is paid for by rents and grants from the government.

In the year, expenditure exceeded income by £3.9m and at the year-end there was an accumulated surplus on the council housing account (otherwise known as the Housing Revenue Account) of £59.4m. This reduction was due

to a planned use of revenue contributions to the capital programme in the year.

Capital expenditure -

This is the money spent by the Council on buying, upgrading or improving assets such as buildings and roads. The council receives the benefit of this spending over many years. Revenue expenditure, on the other hand, is money spent on the day to day provision of services. The Council's total capital expenditure for the year was £146.3m and the council owned assets worth £3,031.4m at the year end.

Income and Expenditure for 2011/12

The comprehensive income and expenditure statement reports the net cost of services for the year of all the Council's functions and how the cost has been financed from general government grants and taxpayers. It includes expenditure and income relating to council dwellings.

	<u>£m</u>
Central services to the public	11.6
Cultural and related services	37.8
Environmental and regulatory services	42.0
Highways and transport services	(2.0)
Children's and education services	81.4
Planning services	9.7
Local authority housing (HRA)	(31.3)
Other housing services	19.1
Adult social care	94.0
Corporate and democratic core	6.5
Non distributed costs	3.1
Cost Of Services	<u>271.9</u>
Other Operating Expenditure	11.0
Financing and Investment Income and Expenditure	33.1
(Surplus) or Deficit on Provision of Services	<u>316.0</u>
Required Accounting Adjustments	75.4 ¹
Total Comprehensive Income and Expenditure	<u>391.4</u>

¹ This includes items such as actuarial gains/losses, gains/losses on the revaluations of non current assets and other gains and losses.

Paid for By:

Government Grant	(153.3)
Contributions from NNDR Pool	(141.1)
Council Tax	(98.2)
Total income from grant and tax payers	<u>(392.6)</u>
Surplus for Year	<u>(1.2)</u>
General Fund Balance at the start of the year	(12.4)
Surplus for year	(1.2)
General Fund Balance at the end of the year	<u>(13.6)</u>

Balance Sheet for 2011/12

The Balance Sheet shows the value at the year end of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.

Balance Sheet as at 31 March 2012	£m
Buildings, Land and Other Owned Assets	3,031.4
Money owed to the council	57.4
Cash and Cash Equivalents	94.6
Other assets	130.6
Assets	<u>3,314.0</u>
Money owed by the council	<u>(1,029.4)</u>
Net Assets	<u>2,284.6</u>
General Fund Balance	13.6
Earmarked General Fund Reserves	115.0
Housing Revenue Account	59.4
Other Useable Reserves	3.5
Unusable Reserves	2,093.1
Total Reserves	<u>2,284.6</u>

Cash Flow for 2011/12

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period.

Cash flow	<u>£m</u>	<u>£m</u>
Cash at the beginning of the year		12.6
Net cash flow from operating activities	224.1	
Net cash flows from investing activities	(51.8)	
Net cash flows from financing activities	<u>(90.3)</u>	
		82.0
Cash at the end of the year		<u>94.6</u>

Council tax and business rates

The table below shows the council tax and business rates charged by the authority for the past 3 years, and the income it generates for the council.

Council tax and business rates

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
Council tax set			
- Camden Council	£1,021.53	£1,021.53	£1,021.53
- Greater London Authority	£309.82	£309.82	£309.82
Total	<u>£1,331.35</u>	<u>£1,331.35</u>	<u>£1,331.35</u>
Tax Base (Number of Equivalent "Band D" properties)	94,100	95,200	96,600
Amount collected	£128.9m	£129.4m	£130.1m
Arrears (Collection Fund Debtors)	£11.0m	£10.5m	£9.1m
Bad debts provision	£9.1m	£8.9m	£7.7m
Business rates set by the government	48.5p	41.4p	43.3p
Business rateable values	£824.0m	£1,211.1m	£1,248.1m
Amount paid to government	£330.0m	£358.6m	£438.3m
Amount paid back by government	£132.7m	£146.7m	£141.1m

Capital Commitments

The Council has authorised capital expenditure of £712m to be incurred in the years 2012/13 to 2017/18.

At 31 March 2012, the authority has entered into a number of contracts for the construction or enhancements of property, plant and equipment in 2012/13 and future years budgeted to cost £223.9m. Similar commitments at 31 March 2011 were £110.6m. The major commitments are:

Scheme	£m
Central St Giles	2.2
Frank Barnes/Edith Neville Primary School	8.7
South Camden Community School	14.6
New Council Offices (including swimming pool)	80.2
Abbey Road Estate regeneration	2.0
Holly Lodge phase 2 regeneration	6.6
Chester Balmore regeneration	10.1
Decent Homes programme	15.0
Mechanical & Electrical Programme	6.1
Decent Homes Partnering contract	19.1
Gospel Oak combined heat & power	5.8
Highgate New Town - heating	2.3
Long Term Care strategy – Older People	19.2
Charlie Ratchford Centre	7.7
Reducing CO2 emissions	2.2
Mount Pleasant Hostel development	4.4

Housing Revenue Account for 2011/12

The HRA is a statutory account that includes the transactions associated with the provision of local authority housing. The movement on the balance shows the change in the retained surplus on the HRA over the year after accounting adjustments outside the income and expenditure account have been made.

The council owns 23,699 council dwellings, and spending must be met from housing rents, government grant and service charges, not Council Tax.

	£m
Expenditure	
Repairs and maintenance	43.9
Supervision and management	46.6
PFI Costs	2.3
Rents, rates and other charges	9.8
Financing Costs	33.8
	136.4

Income	
Council house rents and charges	(149.8)
Government Grant	<u>(13.9)</u>
	<u>(163.7)</u>
Net Cost of HRA Services	<u>(27.3)</u>
HRA services share of Corporate and Democratic Core	<u>2.2</u>
Net (Income)/Expenditure for HRA Services	<u>(25.1)</u>
Revenue spending directly on capital schemes	15.7
Interest and similar charges	40.3
Investment income	(7.6)
Required accounting adjustments ²	(19.4)
(Surplus) or deficit for the year on HRA services	<u>3.9</u>
HRA Balance at the start of the year	(63.3)
Deficit for the year on HRA services	<u>3.9</u>
HRA Balance at the end of the year	<u>(59.4)</u>

The number of council dwellings reduced by 121 during the year, mainly due to sales to tenants. Rent arrears were £5.0m at the year-end, up £0.1m from last year.

² This includes items such as Revaluation changes on investment properties, deferred government grants, pensions interest cost/expected return, Items included in the HRA Comprehensive Income and Expenditure Statement but excluded from the movement on the HRA Balance for the year, transfer from major repair reserve, transfer from capital adjustment account regarding impairments, employers contribution to the pension fund.