



castlepoint

benfleet | canvey | hadleigh | thundersley

Summary Accounts  
2006 - 2007



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## Director's Statement

The Council's full Statement of Accounts has been prepared in accordance with proper accounting guidelines. The figures in this Summary are based on the figures set out in the full Statement of Accounts, but some modifications have been made to provide more focused information.

The Audit Commission's independently appointed external auditor, PKF (UK) LLP, has undertaken an audit of the accounts in July 2007 and subsequently issued an unqualified opinion.

***Devinia Board, FCCA MAAT, Corporate Director (Resources)***

## Your Opinion

We would be very interested in your views and comments on the content and presentation of the information contained in this leaflet so that we may improve future versions. Please tell us your views by emailing [Finance@castlepoint.gov.uk](mailto:Finance@castlepoint.gov.uk) or writing to us as follows:

Chris Mills Head of Financial Services  
Council Offices, Kiln Road, Thundersley, Benfleet, Essex SS7 1TF.

## Summary Financial Review

The following is a summary of some of the key points from the accounts on the Council's use of public funds.

### Financial Performance

General Fund (General) Reserves increased by £561k over and above the budgeted increase of £157k. £454k of this underspend has been carried forward into the new financial year to match commitments.

In addition to the General Fund (General) Reserve, the authority earmarked £100k of its reserves to cover the potential payment of VAT, which was not called upon during the year. This will be returned to General Reserves. £225k was also earmarked for specific backlog maintenance works of which £115k remained unused at the year end. This balance will be carried forward to the new financial year.

### Council Housing

At the year end the balance on the Housing Revenue Account Reserve was £237k.

### Capital Expenditure

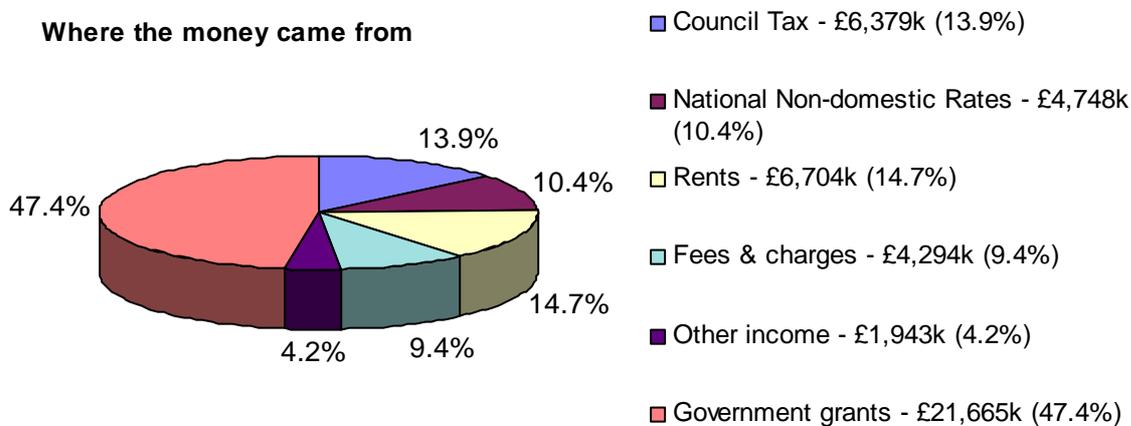
The Council has a limited capital programme, which is allocated across both General Fund and Housing Revenue Account activities. Overall, capital expenditure for the year was within budget by £301k.

## Cost of Council Services

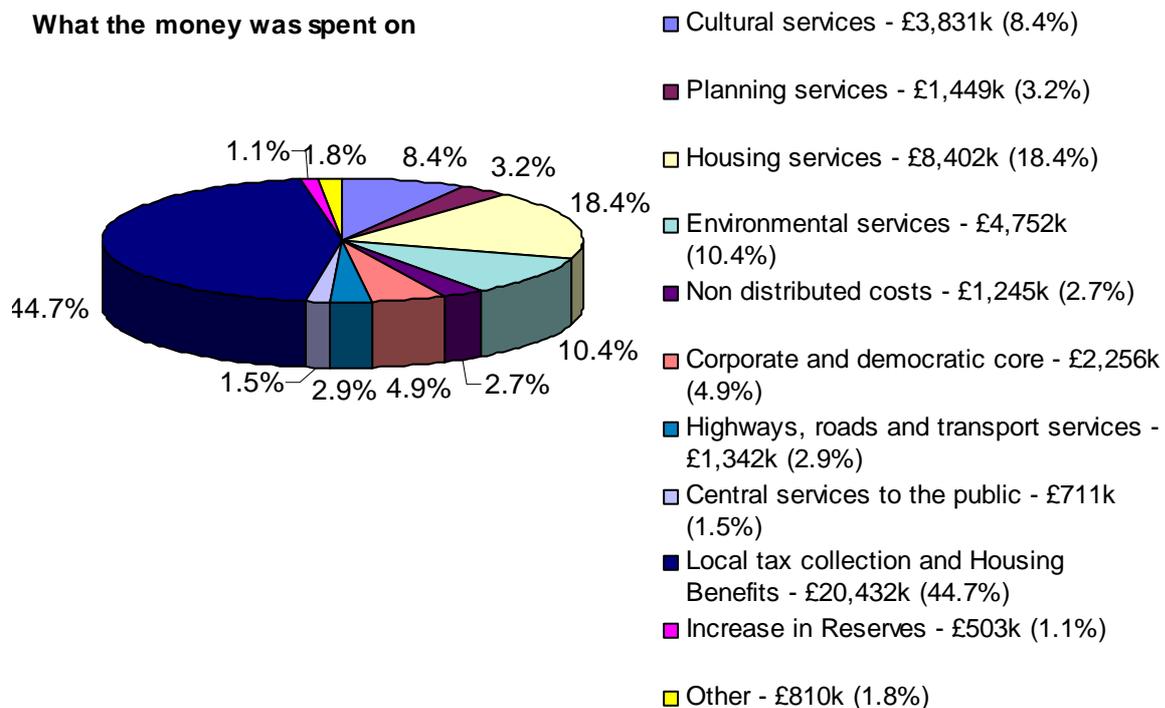
The charts below show in broad terms what the Council's money was spent on (the services provided) and how spending was funded.

Castle Point Borough Council raised Council Tax bills to the value of £36.9 million in 2006/07. Only 17% (£6.4m) of this was retained by the Council for the provision of its own services, the rest was paid over to the County Council, Police and Fire Authorities.

### Where the money came from



### What the money was spent on



## Balance Sheet

The Balance Sheet summarises the assets and liabilities held by the Council at 31 March 2007. It shows information such as the value of the Assets in the Council's ownership, the money owed to, and by the Council and the level of reserves.

	<b>£'000</b>
Buildings and land owned by the Council	131,162
Stocks	15
Cash in bank and investments	8,640
Money owed to the Council	3,045
Money owed by the Council	(6,233)
Grants to be released in future years	(500)
Long term borrowing	(8,429)
Liability related to defined benefit pension scheme	<u>(13,279)</u>
<b>Total Assets less liabilities</b>	<b><u>114,421</u></b>
General Fund (General) Reserve	3,474
General Fund (Earmarked) Reserves	115
Pensions Reserve	(13,279)
Housing Revenue Account Reserve	237
Collection Fund	46
Capital Accounts (useable)	627
Capital Accounts (unusable)	<u>123,201</u>
<b>Total Reserves &amp; Balances</b>	<b><u>114,421</u></b>



## Reserves & Balances

General Fund and Housing Revenue Account Reserves represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council. Any reserves in excess of the minimum recommended by the Corporate Director (Resources) can be allocated to priority based projects.

The General Fund is the main fund of the Council and includes the majority of the Council's activities. These are primarily financed through Council Tax, contribution from National Non-domestic Rates and Government Grants.

The Collection Fund is a ring-fenced account, the balance being redistributed to Council Tax Payers.

Capital Accounts (useable) - consists of those accounts relating to receipts from the sale of assets and the major repairs reserve. These accounts represent useable resources which may be used at the Council's discretion.

Capital Accounts (unusable) - consists of those accounts which provide balancing or matching entries in respect of the Fixed Asset Accounts. These accounts do not represent a resource available to the Council.

The Council's objective is to maintain General Fund reserves at a minimum level of £1m. The accounts show total General Fund reserves are currently standing at £3.589m. Of this, £454k will be spent on works delayed from 2006/07 to 2007/08. In addition, £400k has been earmarked for possible Housing transfer pre-ballot costs, Leaders priorities and a VAT contingency and £1.527m for backlog maintenance. Funds available over and above the minimum £1m level will be used to update financial plans and forecasts before discussion of the policy issues that will influence their future allocation to services.

## Housing Revenue Account

The Housing Revenue Account (HRA) is the account that relates to the provision of housing dwellings. The Account shows the major elements of housing revenue expenditure and how these are financed.

- The average weekly dwelling rent was £65.08.
- The Council housing stock at 31 March 2007 was 1,553 dwellings.
- Rent arrears for 2006/07 had increased to £192,597 from £143,537 in 2005/06. The Council continues to pursue these arrears.

	<b>£'000</b>
<b>Income</b>	
Council house rents	5,231
Other income	<u>746</u>
	<b><u>5,977</u></b>
<b>Expenditure</b>	
Repair and maintenance	1,235
Supervision and management	1,982
Depreciation and impairment of fixed assets	1,473
Other costs	<u>1,391</u>
	<b><u>6,081</u></b>

The recommended level of reserves for 2006/07 is £368k. At the end of the year the HRA reserves were below this level, at £237k. This was an improvement of £47k to the budget. The Council has budgeted to bring the reserves up to £378k, the level recommended for 2007/08, during the course of the new financial year.

## Council Tax and Business Rates

Castle Point Borough Council collected 98.7% of Council Tax owed in 2006/07 compared to 98.6% in 2005/06. It also collected 99.3% in respect of Business Rates owed for 2006/07 and 99.6% for 2005/06.

<b>Facts</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
Population of Castle Point Borough (estimated)	86,800	86,000	86,600
Band D equivalent	31,677	31,202	31,457
Number of Direct Debits	21,435	22,126	22,133
Value of Direct Debits (full year)	£22.2m	£26.2m	£27.2m
% of Direct Debits over total collection (full year)	63.76%	72.58%	72.82%

## Capital Expenditure

Capital Expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets such as buildings in its ownership. The Council receives benefit from capital expenditure over a long period of time. The following table outlines the capital investment made during the financial year 2006/07.

	<b>£'000</b>
<b>Environmental</b>	
Recycling initiatives	2
Public conveniences upgrade programme	237
<b>Housing Services</b>	
Disabled facilities grants	270
Renovation grants	42
<b>Direct Service Organisation</b>	
Vehicle replacement programme	298
<b>Central Services</b>	
Debt repayment	276
Computer related projects	347
<b>Cultural Services</b>	
King George V playground equipment	50
Canvey Heights Country Park	48
<b>Planning</b>	
Strategic flood risk analysis (Thames Gateway)	6
<b>HRA Annual programmes</b>	
Central heating	138
Kitchen improvements	291
Electrical	168
Disabled adaptations	87
Replacement doors	99
Bathroom improvements	76
Other	282
	<b><u>2,717</u></b>



## Definition of Terms

General Fund	Term used to describe those services provided to residents funded through Council Tax, Government Grant and contribution from National Non-Domestic Rates.
Government Grants	Sums paid by Central Government towards either specific services or in aid of services generally.
National Non-Domestic Rates (Business Rates)	A levy on businesses, based on a national rate set by the government.
Council Tax	The tax levied on domestic dwellings.
Capital Expenditure	Capital expenditure is expenditure that results in the provision or enhancement of assets such as land, buildings, plant and vehicles.

## Further Information

The full Statement of Accounts will be available for download from the Council's website at [www.castlepoint.gov.uk](http://www.castlepoint.gov.uk) from September 2007. Copies will also be available at local libraries. If you would like a copy of this document, or require it in another format, please email [Finance@castlepoint.gov.uk](mailto:Finance@castlepoint.gov.uk) or alternatively write to:

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Council Offices, Kiln Road,  
Thundersley, Benfleet,  
Essex SS7 1TF.

The full Statement of Accounts was approved at a meeting of Special Council on 25 June 2007. The reports which accompanied the accounts to committee include detailed explanatory narrative of figures shown in the accounts. A copy of these reports may be viewed on our web-site or obtained at the Council Offices.