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## **CASTLE POINT BOROUGH COUNCIL**

### **Summary Financial Statements**

**Financial Year 2009/2010:  
Covering the period from  
1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.**



## Head of Service Statement

The Council's full Statement of Accounts has been prepared in line with proper accounting guidelines. The figures in this Summary are based on the figures set out in the full Statement of Accounts, but some changes have been made to provide more focused and simpler information. All amounts have been rounded to the nearest thousand pounds.

The Audit Commission's independently appointed external auditor, PKF (UK) LLP, is to undertake an audit of the accounts in July 2010. An unqualified audit opinion is expected.

***Chris Mills, CPFA, Head of Resources***

## Definition of Terms

A section that provides a definition of technical terms and phrases is provided on page 8.

## 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.

### **General Fund financial performance**

The overall General Fund surplus for the year was £1,434,000. Of this balance, £949,000 will be carried forward to match works delayed into the new financial year. The resulting under spend of £485,000 compares favourably with the planned under spend of £255,000. See page 5 for further details on the General Fund.

### **Housing Revenue Account financial performance**

The overall Housing Revenue Account surplus for the year was £233,000 compared to a revised budget deficit of £70,000. Of this balance, £18,000 relates to specific projects delayed in 2009/10 which will be undertaken in the new financial year. See page 6 for further details on the Housing Revenue Account.

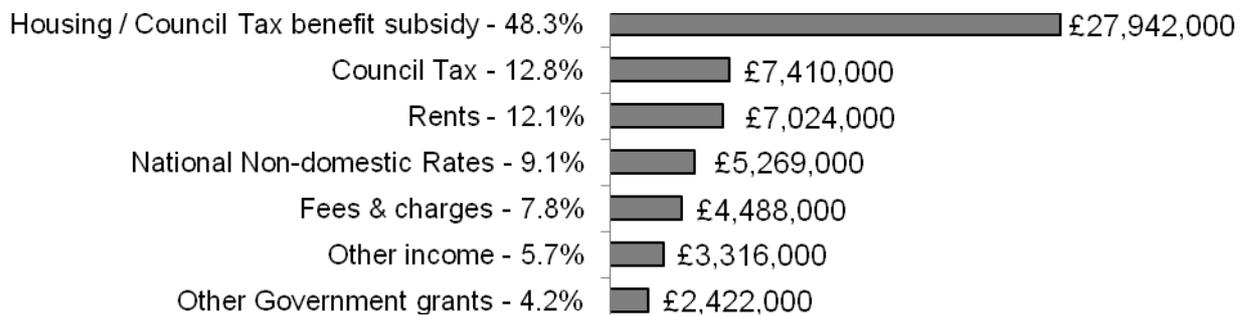
### **Capital Expenditure financial performance**

The Council has a capital programme, which is shared between both General Fund and Housing Revenue Account activities. Overall, capital expenditure for the year was £2,657,000. See page 7 for further details on capital expenditure.

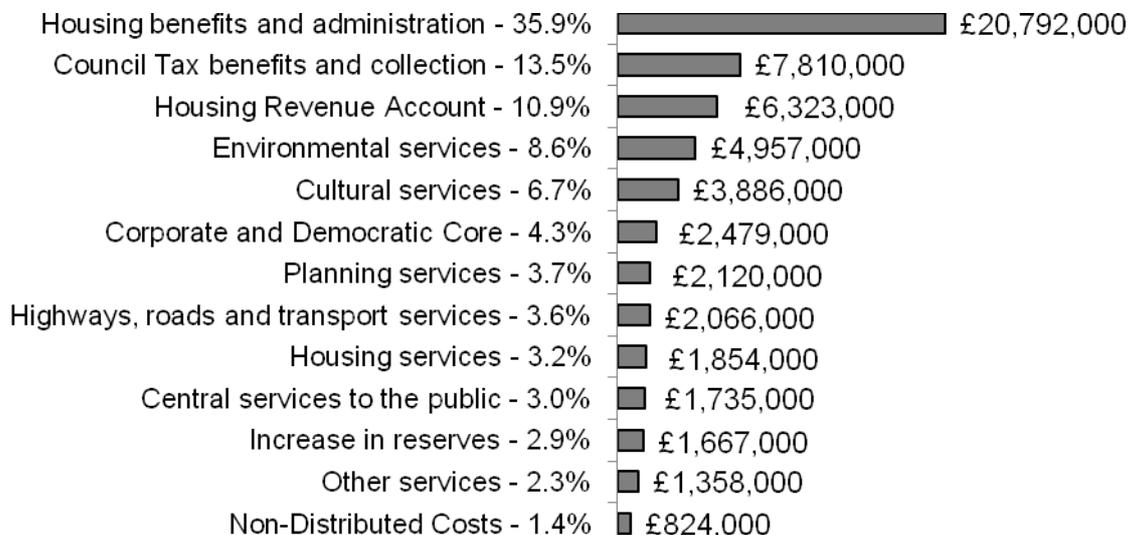
## Cost of Council Services

The charts below show in broad terms what the Council's money was spent on (the services provided) and how that spending was funded. They cover both the General Fund and the Housing Revenue Account.

### Where the money came from (total £57,871,000):



### What the money was spent on (total £57,871,000):



## Definitions of Council Services

**Housing benefits and administration** includes the cost of all Housing Benefit payments made to claimants, and the cost of administering the Housing Benefit function.

**Council Tax benefits and collection** includes the cost of collecting and administering Council Tax and National Non-domestic Rates and the cost of Council Tax Benefit payments made to claimants.

**Housing Revenue Account** includes the management and maintenance of the Council's own housing stock.



**Environmental services** includes food safety, animal & public health, pollution control, licencing, refuse collection and recycling, public conveniences, street cleaning and cemeteries.

**Cultural services** includes leisure centres, community halls, allotments, parks and open spaces, sport and the arts.

**Corporate and Democratic Core (CDC)** includes all Members' activities and those corporate activities and costs which enable the infrastructure that allows services to be provided.

**Planning services** includes building and development control and planning policy.

**Highways, roads and transport services** includes car parks and concessionary fares.

**Housing services** includes the cost of statutory homelessness and housing options functions, as well as other strategic housing functions.

**Central services to the public** includes the cost of elections, emergency planning, land charges and donations

**Other services** includes interest payable and the precept paid to Canvey Island Town Council.

**Non-Distributed Costs (NDC)** are overheads which are not allocated to a specific service, and include pension costs for past employees and properties not used as part of the Council's normal activities.

## Council Tax and Business Rates

Castle Point Borough Council raised Council Tax bills to the value of approximately £48 million in 2009/10. Only around 14.8% (£7,076,000) of this was kept by the Council to carry out its own services, and the rest was paid over to Canvey Island Town Council, Essex County Council and the Essex Police and Fire Authorities.

Overall the Council collected 98.6% of Council Tax owed in 2009/10, compared to 98.5% in 2008/09. It also collected 99.1% of Business Rates owed for 2009/10, compared to 98.8% in 2008/09.

Statistics	2007/08	2008/09	2009/10
Population of Castle Point Borough (estimated)	86,000	87,000	89,000
Band D equivalent properties	32,000	32,000	32,000
Number of Direct Debits	23,000	23,000	23,000
Value of Direct Debits (full year)	£28.7 million	£30.3 million	£30.1 million
% of Direct Debits over total collection (full year)	72.75%	73.80%	74.31%

## Balance Sheet

The Balance Sheet summarises the assets and liabilities held by the Council as at 31 March 2010. 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 levels of reserves held by the Council.

	<b>£'000s</b>
Buildings, land, council houses and other assets owned by the Council	133,149
Stocks	8
Cash in bank and investments	7,224
Money owed to the Council	6,998
Money owed by the Council	(5,696)
Grants to be released in future years	(1,406)
Long term borrowing	(7,825)
Liability related to defined benefit pension scheme	<u>(28,163)</u>
<b>Total assets less liabilities</b>	<b><u><u>104,289</u></u></b>
<b>Funded by:</b>	
General Fund reserves	5,500
Housing Revenue Account reserve	729
Collection Fund	101
Pensions reserve (in deficit)	(28,163)
Capital Accounts (useable)	1,737
Capital Accounts (unusable)	<u>124,385</u>
<b>Total Reserves &amp; balances</b>	<b><u><u>104,289</u></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 Head of Resources can be allocated to priority based projects. See pages 5 & 6.

The Collection Fund is a ring-fenced account, the balance being redistributed to the authorities listed on the previous page.

Capital Accounts (useable) – These accounts represent resources which may be used at the Council's discretion. They primarily consist of receipts of income from the sale of assets such as land or buildings.

Capital Accounts (unusable) – These consist of those accounts which provide balancing or matching entries in respect of the fixed asset accounts which are required by legislation. These accounts do not represent a resource available to the Council.

## General Fund

The General Fund is the main fund of the Council and covers the majority of the Council's activities. These are primarily financed through Council Tax, a contribution from National Non-domestic Rates and Government Grants. The main transactions during the year were:

	<b>£'000s</b>
<b>Income and expenditure:</b>	
Gross expenditure on services *	62,588
Income received by services *	(49,643)
Net expenditure on services	12,945
Precept payment to Canvey Island Town Council	267
Net total of interest paid and interest received	346
Other costs and income, and other statutory adjustments and entries	(834)
	<b>12,724</b>
<b>Funded by:</b>	
Income from Council Tax	(7,076)
Income from Council Tax on behalf of Canvey Island Town Council	(267)
Additional income from the Collection Fund	(67)
	(7,410)
Grants received from Central Government	(1,479)
National Non-domestic Rates received from Central Government	(5,269)
	<b>(14,158)</b>
Increase in General Fund reserves in the year	1,434
General Fund reserves brought forward at the start of the year	4,066
<b>General Fund reserves carried forward at the end of the year</b>	<b>5,500</b>

\* These figures include internal charges made between departments.

Total General Fund reserves are currently standing at £5,500,000, as shown above and on the Balance Sheet on page 4. During 2010/11 the Council has planned to use General Fund reserves as follows:

	<b>£'000s</b>
Reserves brought forward at 01.04.10	5,500
Planned change in reserves in 2010/11	(346)
Works delayed from 2009/10 to 2010/11	(949)
Leader's priority fund	(66)
Specific backlog maintenance works	(467)
Regeneration and climate change initiatives	(263)
Priority initiatives fund	(1,074)
VAT contingency	(137)
<b>Reserves unallocated</b>	<b>2,198</b>

The Council's objective in 2010/11 is to keep General Fund reserves at a minimum level of £1,100,000.

## Housing Revenue Account

The Housing Revenue Account (HRA) is a ring-fenced account that relates to the management and maintenance of the Council's own housing stock. The Account shows the major elements of housing revenue expenditure and how these are financed. The main transactions during the year were:

	<b>£'000s</b>
<b>Income:</b>	
Council house rents	(5,747)
Other income	(770)
	<u><b>(6,517)</b></u>
<b>Expenditure:</b>	
Repair and maintenance of council housing stock	1,097
Supervision and management	1,716
Other costs, and other statutory adjustments and entries	3,471
	<u><b>6,284</b></u>
Increase in HRA reserves in the year	233
HRA reserves brought forward at the start of the year	496
<b>HRA reserves carried forward at the end of the year</b>	<u><u><b>729</b></u></u>

The recommended minimum level of reserves for 2009/10 was £406,000. The end of the year HRA reserves exceeded this level, at £729,000, as shown above and on the Balance Sheet on page 4.

### HRA statistics

- The average weekly dwelling rent was £72.93.
- The Council housing stock at 31 March 2010 was 1,537 dwellings.
- Unpaid rent arrears at the end of the year was £261,000, compared to £253,000 at the end of 2008/09. The Council continues to pursue these arrears.

### Decent Homes Standard

The Council is committed to delivering the Government's Decent Homes Standard by the end of June 2011. The 2010/11 Housing Revenue Account capital programme is prioritised towards those programmes of repair, maintenance and modernisation which tackle identified non-decency issues in the housing stock.

## Capital Expenditure

Capital Expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets that it owns, such as buildings. 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 2009/10:

	£'000s		£'000s
<b>Housing Services</b>		<b>Planning Services</b>	
Disabled facilities, and other home improvement grants	373	Purchase of Hadleigh fire station *	507
		Canvey Town Centre Master Plan	132
<b>Operational Services</b>		Industrial Estate Refurbishment	27
Vehicle replacement programme	213		
		<b>Housing Revenue Account</b>	
<b>Cultural Services</b>		Central heating	99
Playground and other outdoor equipment	225	Kitchen improvements	343
Leisure centres equipment	42	Electrical rewiring	82
Canvey Heights Country Park	2	Disabled adaptations	101
Canvey Island seafront regeneration	14	Bathroom improvements	108
Purchase of West Wood	200	Window replacement	43
		Other Housing works	124
<b>Environmental Health</b>		<b>Central Services</b>	
Contaminated land	11	Asset repairs programme	11
		<b>Total capital spend</b>	<b>2,657</b>

\* Grant funding from the Homes and Communities Agency was passed onto to Essex County Council to enable them to purchase this site to use in connection with the 2012 Olympics.

## Programme of backlog repair and maintenance, disability access and health and safety works

During the year the Council continued a five year programme of backlog maintenance works. These works were subject to a competitive tender process in line with the Council's procurement strategy, which includes where possible use of local suppliers and adoption of sustainable building practices. The cost of the majority of these works is charged to the General Fund, with a small amount charged to Capital Expenditure, as shown above.

The programme for 2009/10 included works to improve the general condition of various properties, including:

- Waterside Farm Sports Centre
- Playing field pavilions
- Public conveniences
- Community halls
- Main Council Offices

## Definition of Technical Terms and Phrases

Assets	As shown on the balance sheet, this means the value of items owned by the Council including vehicles, buildings and land as at 31 <sup>st</sup> March 2010. Also includes sums of money owed to the Council at that date.
Band D Equivalent	Intended to represent the average property/dwelling within the Borough.
Capital Expenditure	This is expenditure that results in obtaining or improving assets, such as land, buildings, plant and vehicles.
Council Tax	The tax levied on domestic dwellings.
General Fund	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.
Government Grants	Sums paid by Central Government towards either specific services or in aid of services generally.
Housing Revenue Account	A separately ring-fenced account that relates to the management and maintenance of the Council's own housing stock.
Liability	As shown on the balance sheet, an amount owed by the Council as at the 31 <sup>st</sup> March 2010.
National Non-domestic Rates	A charge on businesses, based on a national rate set by the government. (Often referred to as Business Rates)
Ring-fenced account	An account which can only be used for a specific purpose.

## Further Information and your opinion

The full Statement of Accounts was approved at a meeting of Special Council on 30<sup>th</sup> June 2010. 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.

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 2010. 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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We would be very interested in your views and comments on the content and presentation of the information contained in this document so that we may improve future versions. Please tell us your views by contacting us by either of the methods shown above.