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## **CASTLE POINT BOROUGH COUNCIL**

### **Summary Financial Statements**

**Financial Year 2010/2011:  
Covering the period from  
1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011.**



## 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, undertook an audit of the accounts in July and August 2011. An unqualified audit opinion was issued.

*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**

Following contributions from earmarked reserves and amounts carried forward to the next financial year, the General Fund had an overall surplus of £749,600. This compares favourably with the planned surplus of £594,400, and results in an additional amount of £155,200 added into the main General Fund balance. 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 £261,700 compared to a revised budget surplus of £62,500. See page 6 for further details on the Housing Revenue Account.

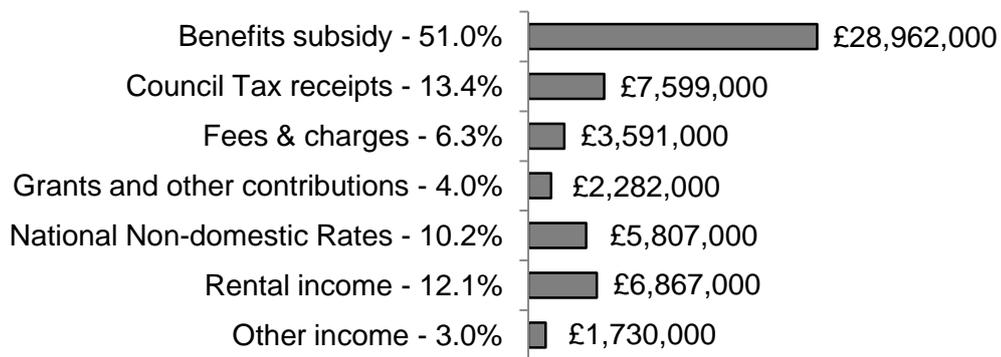
### **Capital Expenditure financial performance**

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 £5,103,300. See page 7 for further details on capital expenditure.

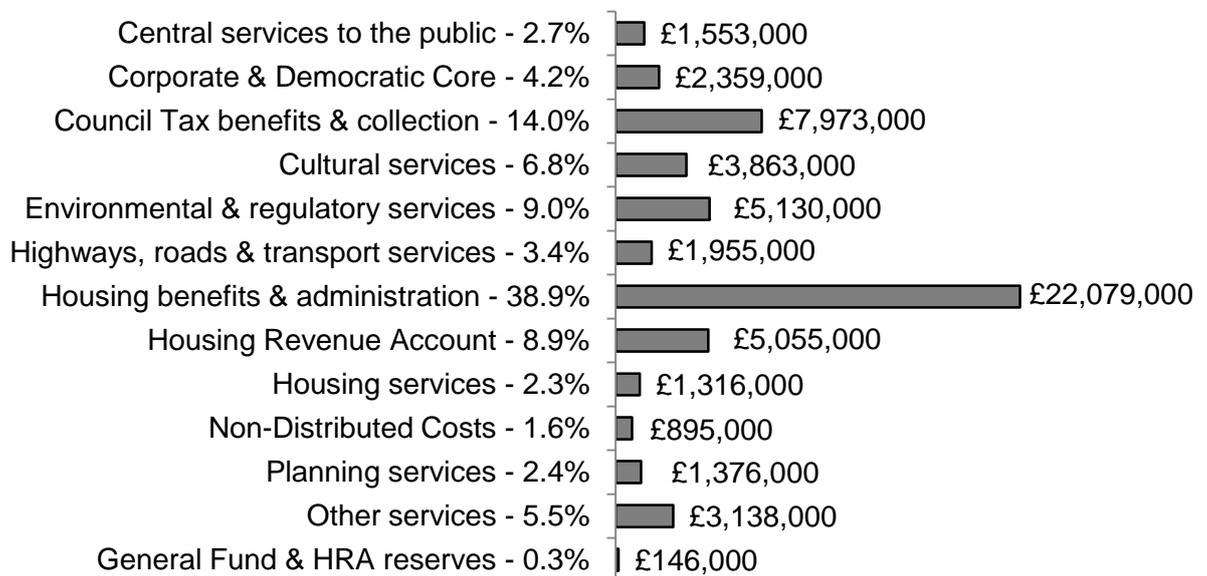
## Cost of Council Services

The charts below show in broad terms what the Council's money was spent on (the services provided) and how that spending was funded. These figures cover both the General Fund (GF) and the Housing Revenue Account (HRA). They represent a simplified version of the Council's revenue income and expenses, without some of the statutory adjustments such as capital charges that are required to be used in the amounts reported in the Statement of Accounts.

### Where the money came from (total £56,838,000):



### What the money was spent on (total £56,838,000):



## Definitions of Council Services

**Central services to the public** includes the cost of elections, emergency planning, land charges and grants and donations to voluntary and similar organisations.

**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.

**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.

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

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

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

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

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

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

**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.

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

**Other services** includes payments of interest, the precept payment to Canvey Island Town Council, and contributions towards capital expenditure and capital funding.

## Council Tax and Business Rates

Castle Point Borough Council raised Council Tax bills to the value of approximately £49 million in 2010/11. Only around 14.9% (£7,265,000) 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 98.61% of Council Tax owed in 2010/11, compared to 98.55% in 2009/10. It also collected 99.18% of Business Rates owed for 2010/11, compared to 99.10% in 2009/10.

| Statistics   | 2008/09       | 2009/10       | 2010/11       |
|--|---------------|---------------|---------------|
| Population of Castle Point Borough (estimated)       | 87,000        | 89,000        | 90,000        |
| Band D equivalent properties                         | 32,000        | 32,000        | 32,000        |
| Number of Direct Debits                              | 23,000        | 23,000        | 24,000        |
| Value of Direct Debits (full year)                   | £30.3 million | £30.1 million | £31.1 million |
| % of Direct Debits over total collection (full year) | 73.80%        | 74.31%        | 75.01%        |

## Balance Sheet

The Balance Sheet summarises the assets and liabilities held by the Council as at 31 March 2011. 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>        |
|--|----------------------|
| Council owned buildings, land, council houses and other assets | 114,513              |
| Stocks   | 45                   |
| Cash in bank and investments                                   | 9,341                |
| Money owed to the Council                                      | 4,874                |
| Money owed by the Council                                      | (5,571)              |
| Long term borrowing  | (7,325)              |
| Liability related to defined benefit pension scheme            | <u>(24,420)</u>      |
| <b>Total assets less liabilities</b>                           | <b><u>91,457</u></b> |
| <br>   |                      |
| <b>Funded by:</b>  |                      |
| General Fund balance and earmarked reserves                    | 5,847                |
| Housing Revenue Account reserve                                | 991                  |
| Pensions reserve (in deficit)                                  | (24,420)             |
| Usable capital reserves  | 1,468                |
| Unusable reserves  | <u>107,571</u>       |
| <b>Total Reserves &amp; balances</b>                           | <b><u>91,457</u></b> |

## Reserves & balances

General Fund and Housing Revenue Account reserves – these represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council. Earmarked reserves are those amounts being held to be spent on specific projects and priorities. Any reserves in excess of the minimum recommended by the Head of Resources can be allocated to other priority based projects, subject to the requirements of the Council's financial strategy and medium term financial forecast. See pages 5 & 6 for further analysis of the General Fund and Housing Revenue Account.

Usable capital reserves – These accounts represent resources which may be used at the Council's discretion, for capital purposes only. They primarily consist of receipts of income from the sale of assets such as land or buildings, and capital grants which have not yet been spent.

Unusable reserves – These reserves do not represent a resource available to the Council. They primarily consist of those accounts which provide balancing or matching entries in respect of the non-current asset accounts which are required by legislation. The Council's share of any surplus on the Collection Fund is also included in this category.

## 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>   |
|---|-----------------|
| Gross expenditure on services                                       | 46,620          |
| Income received by services   | (37,508)        |
| Net expenditure on services   | 9,112           |
| Precept payment to Canvey Island Town Council                       | 266             |
| Net total of interest paid and interest received                    | 390             |
| Other costs, and other statutory adjustments and entries            | 5,440           |
| <b>Total net expenditure</b>  | <b>15,208</b>   |
| <b>Funded by:</b>   |                 |
| Income from Council Tax   | (7,357)         |
| Income from Council Tax on behalf of Canvey Island Town Council     | (266)           |
| Additional income from the Collection Fund                          | (68)            |
|   | (7,691)         |
| Grants received from Central Government                             | (970)           |
| National Non-domestic Rates received from Central Government        | (5,807)         |
| Capital grants and contributions                                    | (624)           |
| <b>Total funding</b>  | <b>(15,092)</b> |
| Net movement in the year  | (116)           |
| General Fund reserves brought forward at the start of the year      | 5,963           |
| <b>General Fund reserves carried forward at the end of the year</b> | <b>5,847</b>    |

Total General Fund reserves are currently standing at £5,847,000, as shown above and on the Balance Sheet on page 4. During 2011/12 the Council has planned to use General Fund reserves as follows:

|   | <b>£'000s</b> |
|---|---------------|
| Reserves brought forward at 01 April 2011   | 5,847         |
| Planned change in reserves in 2011/12       | (1,559)       |
| Works delayed from 2010/11 to 2011/12       | (718)         |
| Unspent revenue grants applied              | (17)          |
| Leader's priority fund                      | (59)          |
| Regeneration and climate change initiatives | (208)         |
| Priority initiatives fund                   | (790)         |
| VAT contingency                             | (136)         |
| <b>Reserves unallocated</b>                 | <b>2,360</b>  |

The Council's objective in 2011/12 is to maintain General Fund reserves above the minimum level of £1,100,000 recommended by the Head of Resources.

## 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   | (5,758)                  |
| Other income  | (665)                    |
|   | <u><b>(6,423)</b></u>    |
| <b>Expenditure:</b>   |                          |
| Repair and maintenance of council housing stock                 | 888                      |
| Supervision and management                                      | 1,725                    |
| Other costs, and other statutory adjustments and entries        | (17,235)                 |
| Depreciation, revaluation and impairments of non-current assets | 20,783                   |
|   | <u><b>6,161</b></u>      |
| Increase in HRA reserves in the year                            | 262                      |
| HRA reserves brought forward at the start of the year           | 729                      |
| <b>HRA reserves carried forward at the end of the year</b>      | <u><u><b>991</b></u></u> |

The recommended minimum level of reserves as 31 March 2011 was £417,000. The actual reserves at that date exceeded this level, at £991,000, as shown above and on the Balance Sheet on page 4.

## 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 2010/11:

|  | <b>£'000s</b> |
|--|---------------|
| <b>Cultural Services</b>                               |               |
| Playground and other outdoor equipment                 | 96            |
| Canvey Heights Country Park                            | 1             |
| Runnymede Modernisation Works                          | 945           |
| Runnymede Hall Modernisation                           | 276           |
| <b>Planning Services</b>                               |               |
| Purchase of The Crown public house                     | 624           |
| Canvey Town Centre Master Plan and associated works    | 217           |
| Hadleigh Town Centre Master Plan and associated works  | 665           |
| Industrial Estate Refurbishment                        | 604           |
| <b>Housing Services</b>                                |               |
| Disabled facilities, and other home improvement grants | 659           |
| <b>Housing Revenue Account</b>                         |               |
| Central heating  | 79            |
| Kitchen improvements                                   | 375           |
| Electrical rewiring                                    | 38            |
| Disabled adaptations                                   | 168           |
| Bathroom improvements                                  | 219           |
| Window replacement                                     | 30            |
| Structural Repairs                                     | 15            |
| Other Housing works                                    | 92            |
| <b>Total capital expenditure</b>                       | <b>5,103</b>  |

## 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 2010/11 included works to improve the general condition of various properties, including:

- Runnymede Pool
- Playing field pavilions
- Public conveniences
- Community halls
- Cricket fencing

## 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 2011. 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.  |
| Earmarked Reserves          | Reserves held separate from the main General Fund reserve balance, and intended for use in future years on specific projects and priorities.   |
| 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 2011.  |
| 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 Statement of Accounts will be approved at a meeting of Special Council on 27<sup>th</sup> September 2011. 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 2011. 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.