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CASTLE POINT BOROUGH COUNCIL

Summary Financial Statements

**Financial Year 2012/2013:
Covering the period from
1st April 2012 to 31st March 2013.**

Head of Service Statement

The Council's full Statement of Accounts is prepared in line with proper accounting guidelines that the Council must follow. 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 ("£000s" or "k").

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

The Audit Commission's independently appointed external auditor, BDO LLP, undertook an audit of the accounts during July and August 2013.

Chris Mills, CPFA, Head of Resources

Summary Financial Review

The following is a summary of some of the key points from the accounts:

General Fund financial performance

Following contributions to and from earmarked reserves and amounts carried forward to the next financial year, the General Fund had an overall surplus for the year of £70k, compared to a revised budget planned draw from reserves of £130k, which is a difference of £200k.

Please see page 5 for further details on the General Fund.

Housing Revenue Account financial performance

Following contributions to earmarked reserves, the Housing Revenue Account had an overall surplus for the year of £700k compared to a revised budget planned surplus of £587k, which is a difference of £113k.

Please see page 6 for further details on the Housing Revenue Account.

Capital Expenditure financial performance

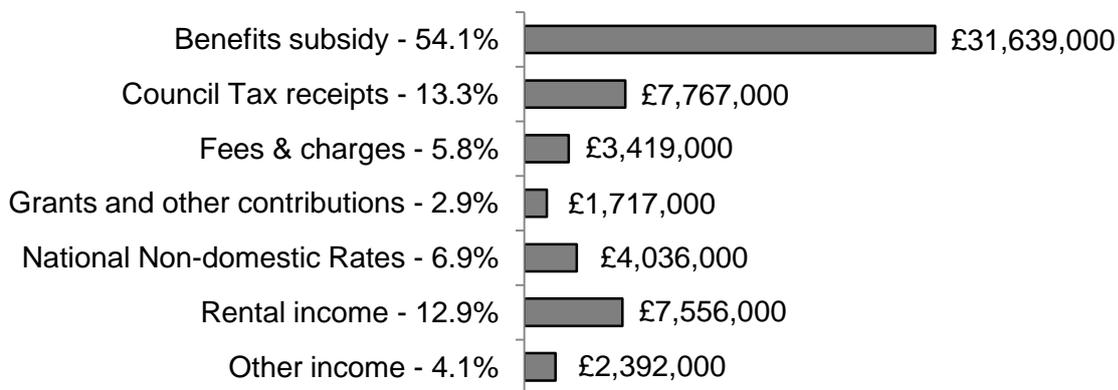
The Council has a capital programme, which is shared between both General Fund and Housing Revenue Account activities. Overall, capital expenditure for the year was £4,432k.

Please see page 7 for further details on capital expenditure.

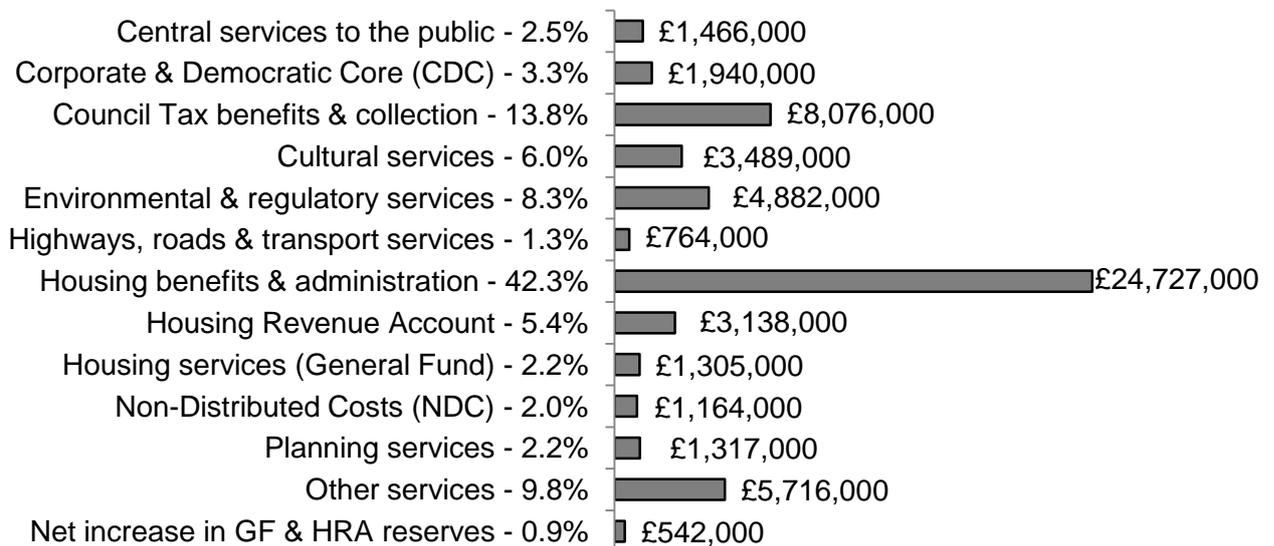
Cost of Council Services

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 £58,526,000):



What the money was spent on (total £58,526,000):



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 public transport schemes.

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 £49.85 million in 2012/13. Around £7.39 million (14.9%) of this was kept by the Council to carry out its own services, and the remainder was paid over to Canvey Island Town Council, Essex County Council, Police and Crime Commissioner for Essex and Essex Fire Authority.

Overall the Council collected 98.65% of Council Tax owed in 2012/13, the same percentage as in 2011/12. It also collected 98.59% of Business Rates owed for 2012/13, compared to 99.18% in 2011/12.

Collection statistics	2011/12	2012/13
Population of Castle Point Borough (estimated)	89,600	89,600
Band D equivalent properties	32,056	32,208
Number of Direct Debits	25,101	25,425
Value of Direct Debits (full year)	£32.8 million	£34.3 million
% of Direct Debits over total collection (full year)	76.79%	80.09%

Balance Sheet

The Balance Sheet summarises the assets and liabilities held by the Council as at 31st March 2013. 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.

	£000s
Council owned buildings, land, houses and other assets	117,776
Stocks	46
Cash in bank and investments	13,952
Money owed to the Council	3,327
Money owed by the Council	(7,694)
Long term borrowing	(41,776)
Liability related to defined benefit pension scheme	<u>(39,157)</u>
Total assets less liabilities	<u><u>46,474</u></u>
Funded by:	
General Fund reserve	3,022
Housing Revenue Account reserve	1,724
Earmarked reserves	5,024
Pensions reserve (in deficit)	(39,157)
Usable capital reserves	1,386
Unusable reserves	<u>74,475</u>
Total Reserves & balances	<u><u>46,474</u></u>

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. 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, Housing Revenue Account and earmarked reserves.

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:

	£000s
Gross expenditure on services	49,981
Income received by services	(38,869)
Net expenditure on services	<u>11,112</u>
Precept payment to Canvey Island Town Council	267
Net total of interest paid and interest received	345
Other costs and income, and other statutory adjustments and entries	1,930
Total net expenditure	<u>13,654</u>
Funded by:	
Income from Council Tax and the Collection Fund	(7,500)
Income from Council Tax on behalf of Canvey Island Town Council	(267)
	<u>(7,767)</u>
Grants received from Central Government	(915)
National Non-domestic Rates received from Central Government	(4,036)
Total funding	<u>(12,718)</u>
Net income and expenditure	(936)
Transfers to or from earmarked reserves (see page 6)	1,006
Net movement in the year	<u>70</u>
General Fund reserve brought forward at the start of the year	2,952
General Fund reserve carried forward at the end of the year	<u>3,022</u>

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:

	£000s
Income:	
Council house rents	(6,481)
Other income	(499)
	<u>(6,980)</u>
Expenditure:	
Repairs and maintenance of council houses	972
Supervision and management	1,888
Other costs, and other statutory adjustments and entries	2,641
	<u>5,502</u>
Net income and expenditure	1,478
Transfers to or from earmarked reserves (see below)	(778)
Net movement in the year	700
HRA reserve brought forward at the start of the year	1,024
HRA reserve carried forward at the end of the year	<u><u>1,724</u></u>

Earmarked reserves

The Council maintains a number of earmarked reserves, where amounts are held for use on specific projects. The balances as at 31st March 2013 on these reserves were as follows:

	£000s
Spend delayed from 2012/13 to 2013/14	1,448
Unspent revenue grants	91
Leader's priority fund	15
Regeneration and planning initiatives and strategies	224
Leisure Services fund	384
Initiatives and improvements funds	998
Asset maintenance fund	473
Insurance repayments reserve	342
VAT reserve	271
Housing Revenue Account loan repayment reserve	778
Total earmarked reserves	<u><u>5,024</u></u>

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 expenditure made during the financial year 2012/13:

	£000s
Cultural Services	
Waterside Farm modernisation works	2,765
Environmental Services	
Vehicle replacement programme	161
Housing Services	
Disabled facilities, and other home improvement grants	380
Housing Revenue Account	
Council House acquisition	98
Kitchen improvements	198
Central Heating	185
Disabled adaptations	79
Bathroom improvements	74
Electrical rewiring	272
Other Housing works	204
Other miscellaneous capital expenditure	16
Total capital expenditure	4,432

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 st March 2013. 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 and Housing Revenue Account reserves, 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 support 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 31 st March 2013.
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

The Statement of Accounts was approved at a meeting of Special Council on 25th September 2013. The reports which accompany the accounts to this meeting include detailed explanatory narrative of figures shown in the accounts. A copy of these reports may be viewed after the above date on our web-site or obtained at the Council Offices.

The full Statement of Accounts will be available for download at the end of September 2013 from the Council's website at www.castlepoint.gov.uk. If you require a copy of this document in another format, or have any views and comments on it, please email Finance@castlepoint.gov.uk or alternatively write to:

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