



London Borough  
of Hounslow

# Summary of Accounts 2009-2010



## Introduction

The Council's formal accounts are set out in a prescribed format by statute and in accordance with UK generally accepted accounting practice. These accounts have been audited by Audit Commission, the Council's external auditor and given an unqualified report (i.e. a clean bill of health).

This document provides a simpler summary of the Council's financial performance during 2009/10 based on the statutory accounts.

If you have any questions on these accounts, or have any comments on whether you have found these accounts useful please let us know.

A full copy of the statement of accounts is available from [www.hounslow.gov.uk](http://www.hounslow.gov.uk) or alternatively contact the Corporate Accounting Team on 020 8583 2421 or email us at [finance.accounting@hounslow.gov.uk](mailto:finance.accounting@hounslow.gov.uk)

## Financial Position 2009/10

The Authority set an original budget for 2009/10 including levies and contingencies of £183.2m including schools, which service is now fully funded by central government via the Dedicated Schools Grant. During the year, the Authority continued its performance improvement programme. This involved a major review of its budget. Savings of nearly £16.8m were identified and removed from departmental budgets. Off this £7m was used for new priority initiatives.

The spending of each department against its revised budget is set out in the cost of council services. Overall the Council over spent by £0.2m. This represents 0.1% of the net Budget.

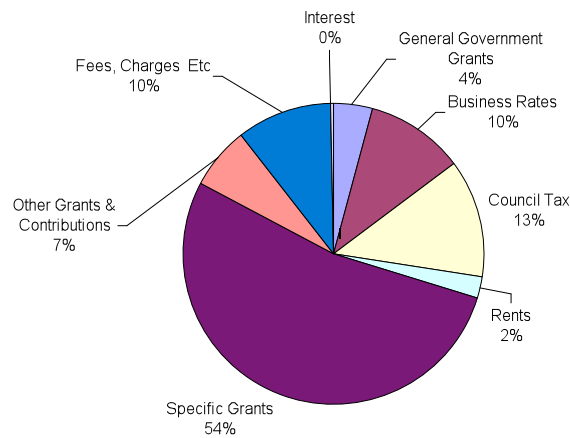
The main reasons for the difference from the revised budget were:

- a net over spend of £0.2m on children's services and lifelong learning services is made up of additional expenditure of £2.5m as a result of various service pressures offset by various under spends of £2.3m
- savings in community services of £0.2m where the anticipated over spend on rent allowances was more than offset by savings in other areas of the department
- savings of £0.5m in finance, mainly by careful management of incentive payments to Liberata, the revenues and benefits contractor
- environment department under spent by £0.5m. This was mainly on leisure services. In other areas shortfalls in income from planning, building control and highways fees were offset by savings on waste management
- the £1.2m over spend on "Other Items" is mainly attributable to voluntary redundancy payments made during the year. This is largely offset by the departmental under spends of £1m shown in the table.

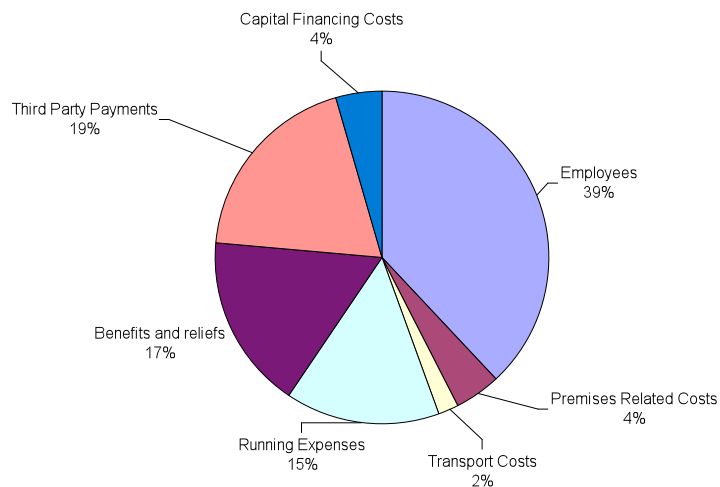
## Cost of council services 2009-2010

Service	2009/10		
	Approved Budget	Actual	Variance
	£m	£m	£m
Corporate Services	3.5	3.5	0.0
Finance	5.6	5.1	(0.5)
Central Unit	1.8	1.8	0.0
Children's Services and Lifelong Learning	57.1	57.3	0.2
Environment	65.1	64.6	(0.5)
Community Services	62.8	62.6	(0.2)
<b>Net Service Spend</b>	<b>195.9</b>	<b>194.9</b>	<b>(1.0)</b>
Other Items	(12.7)	(11.5)	1.2
<b>Total Net Expenditure</b>	<b>183.2</b>	<b>183.4</b>	<b>0.2</b>

### Where the Council's income comes from



### Where the money was spent



## BALANCE SHEET AS AT 31 MARCH 2010

	£M
Capital assets and stocks	2,046
Investments and cash in the bank	104
Money owed to LB Hounslow	58
Money owed by LB Hounslow	-88
Bank overdraft and borrowing	-269
Pensions and other liabilities	-451
	<b>1,399</b>
General Fund Balance	9
Reserves for specific purposes	81
Capital reserves	1,637
Pension Fund reserve	-327
	<b>1,399</b>

### Notes to the Balance Sheet

Capital assets include the civic buildings, council houses and vehicles as well as properties held for investment.

Long term borrowing represents £261m of the total amount borrowed.

The pension liability shows the current commitment to pay retirement benefits to existing and future pensioners. The liability is being paid over a fifteen year period.

General Fund Balance is the unused reserves which can be used to fund future service demands and unforeseen circumstances.

Reserves for specific purposes includes amounts held on behalf of schools of £16.5m and for council housing of £23.6m.

Capital reserves show the technical accounts which include changes in the value of property. This is not money available to the council to spend.

## SUMMARY HRA 2009-10

<b>Income</b>	<b>£M</b>
Rent from Council houses and other property	59
Charges and contributions for services	8
Government Subsidy	1
<b>Total income</b>	<b>68</b>
<b>Expenditure &amp; Appropriation</b>	
Repairs and Maintenance to housing	11
General Management	14
Services including district heating & wardens	11
Rent, rates and other charges	1
Financing and other costs	12
Negative HRA subsidy payable	1
Exceptional change in value of fixed assets following revaluation	1
<b>Total expenditure</b>	<b>51</b>
<b>HRA Net Cost of Service</b>	<b>(17)</b>
Gain or loss from sale of HRA fixed assets	0
Interest payable and similar charges	11
Interest and Investment income	0
<b>Surplus/(Deficit)</b>	<b>(6)</b>

### Notes to the HRA

The Housing Revenue Account are the accounts relating to the management and maintenance of the Council's housing properties.

Income is received from rents and charges for services, the costs can only be spent on managing the Council's housing stock, cannot subsidise or be supplemented by council tax.

The management of Hounslow's properties is carried out by Hounslow Homes, an arms length management company owned by the Council.

At the 31 March 2010 the Council owned 4,236 houses and bungalows and 9,183 flats and maisonettes.

## Spending on Capital Projects

Capital expenditure represents money spent building a sustainable future for Hounslow, either buying new assets or improving our existing assets, in particular Council housing.

### Capital Expenditure by Service

£M

Corporate Services	1
Schools	18
Children's Services	1
Environment including Leisure	18
Housing including Housing Revenue Account	26
Community services	2
	66

### How capital spending was paid for

£M

Loans and borrowing	15
Receipts from sales of assets	5
Government Grants & Other Contributions	27
	19
Funding from revenue budgets	
Financing from Reserves	0
	66

## Cashflow

	£M
<b>Cash In</b>	
Cash received from Central Government	507
Council Tax and Non Domestic Rates	80
Income from sales of goods and services	152
Rents	30
Income from sales of assets	4
<b>Cash Out</b>	
Payments to/on behalf of employees	292
Payments for goods and services	274
Payments to Central Government	0
Housing benefit payments	127
Purchase of fixed assets	55
Cash Investments and financing costs	28
Overall change in cash	4