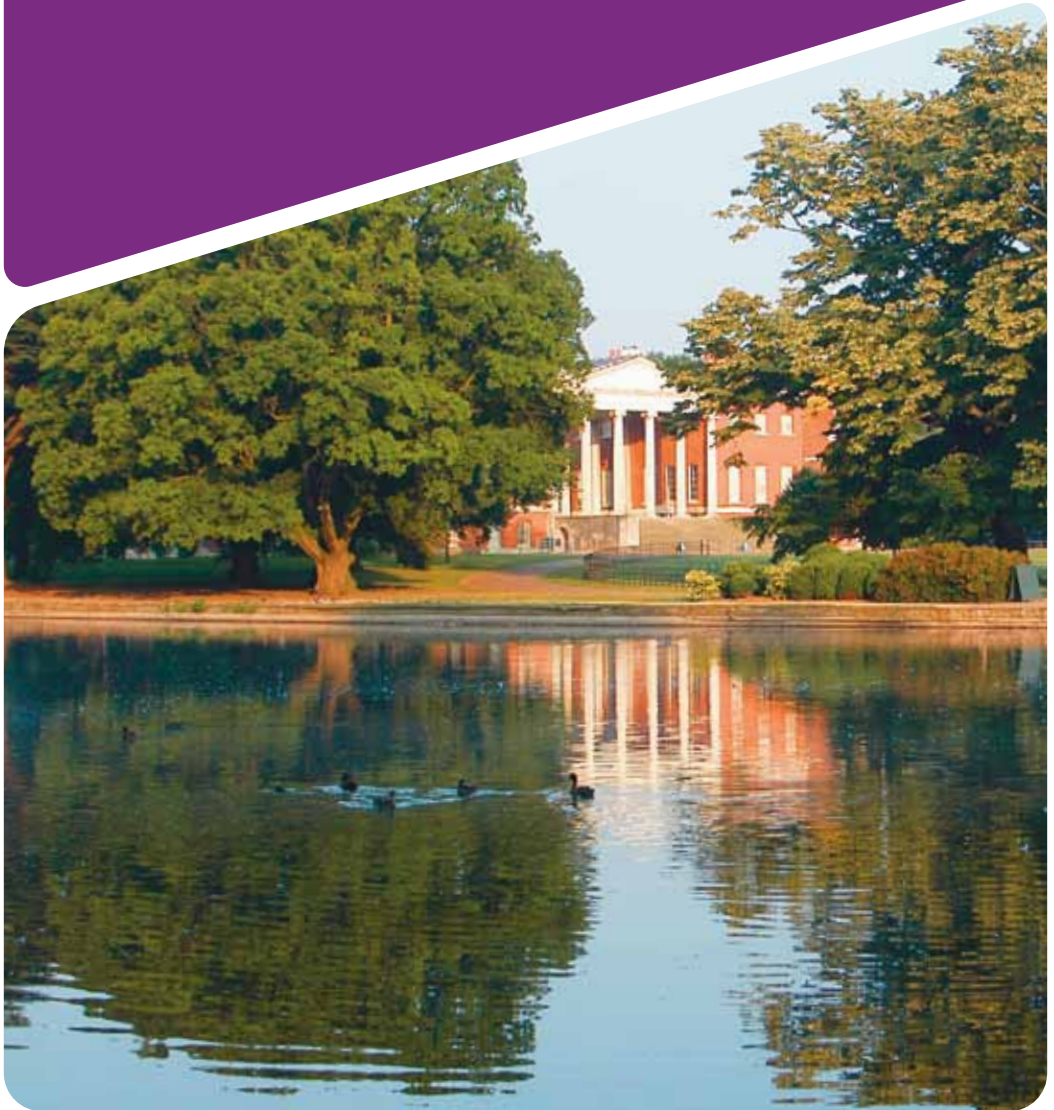




London Borough
of Hounslow

Summary of Accounts 2008-2009



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 The Audit Commission, the council's external auditor, and given an unqualified report (ie a clean bill of health).

This document provides a simpler summary of the council's financial performance during 2008-2009 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 or alternatively contact the Corporate Accounting Team on 020 8583 2409 or e-mail us at finance.accounting@hounslow.gov.uk

Financial position 2008-2009

The council set an original budget for 2008-2009 including levies and contingencies of £179.9m including schools, which service is now fully funded by central government via the Dedicated Schools Grant. During the year, the council undertook a performance improvement programme. This involved a major review of its budget. Savings of nearly £6.0m were identified and removed from departmental budgets.

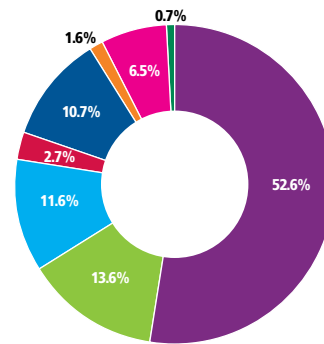
The spending of each department against its revised budget is set out in the cost of council services. Overall the council kept to its revised budget.

The main differences between the budget and the actual outturn were:

- Additional expenditure of £1.4m on children's services, as a result of various service pressures
- Savings on the net cost of providing housing benefits (£1.2m)
- Savings of £0.4m in corporate and central services, as a result of staff reductions.

Cost of council services 2008-2009

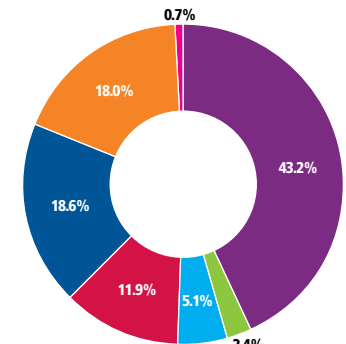
	Revised budget £m	Actual £m	Variance £m
Corporate and Central Services	12.7	12.3	-0.4
Children's Services and Lifelong Learning	75.7	77.1	1.4
Leisure Services	17.9	17.6	-0.3
Environment	33.2	33.7	0.5
Community Services	63.9	62.7	-1.2
Net expenditure	203.4	203.4	0.0
Other	-23.5	-23.5	0.0
Balanced budget	179.9	179.9	0.0



Analysis of income

Specific grants	353.5
Council Tax	91.2
Business rates	77.8
Housing rents	18.4
Fees, charges etc	71.6
General Government grants	10.8
Other grants and contributions	43.9
Interest	4.8

672.0m



Analysis of expenditure

Employee costs	288.8
Transport costs	16.3
Premises-related costs	33.9
Running expenses	79.3
Housing Benefits	124.5
Third party payments	120.2
Capital financing costs	4.8

667.8m

Balance sheet as at 31 March 2008

Balance sheet as at 31 March 2008

	<i>£m</i>
Capital assets and stocks	1,895
Investment and cash in the bank	79
Money owed to LB Hounslow	69
Money owed by LB Hounslow	-147
Temporary and Long term borrowing	-240
Pensions and other liabilities	-340
Total	1,316
General Fund balance	10
Reserves for specific purposes	75
Capital reserves	1,406
Pension Fund reserve	-175
Total	1,316

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 £240m 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 twelve 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 £15.8m and for repairs of council housing of £23.8m.

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 Housing Revenue Account 2008-2009

Summary Housing Revenue Account 2008-2009

	<i>£m</i>
Income	
Rent from Council houses and other property	56
Charges and contributions for services	8
Government subsidy	1
Total income	65
Expenditure and appropriation	
Repairs and maintenance to housing	11
General management	13
Services including district heating and wardens	11
Rent, rates and other charges	1
Financing and other costs	12
Exceptional change in value of fixed assets following revaluation	33
Total expenditure	81
HRA Net Cost of Service	16
Gain or loss from sale of HRA fixed assets	-1
Interest payable and similar charges	14
Interest and Investment income	-1
(Surplus)/Deficit	28

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 the Council owned 4,208 houses and bungalows and 9,341 flats and maisonettes.

Spending on capital projects

Capital expenditure by service	£m
Housing	15
Schools	15
Leisure services	2
Environment	7
Community services	0
Total	39

How capital spending was paid for	£m
Loans and borrowing	9
Receipts from sales and assets	1
Government grants and other contributions	19
Funding from revenue budgets	1
Financing from reserves	9
Total	39

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

Cashflow 2008-2009

Cash in	£m
Cash received from Central Government	464
Council tax and Non Domestic Rates	230
Income from sales of goods and services	103
Rents	15
Income from sales of assets	7

Cash out	£m
Payments to/on behalf of employees	279
Payments for goods and services	242
Payments to Central Government	108
Housing benefit payments	104
Purchase of fixed assets	39
Cash investments and financing costs	43
Overall change in cash	-4

Central Accountancy

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Translations and accessible formats:

ترجمے کی مفت سہولت

भाषांतरनी भइत सेवा

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020 8583 2299

