



Summary of Accounts

2010-11

Contacting Swale Borough Council

The Customer Service Centre deals with all enquiries across the Council; it should be your first stop when contacting us.

Copies of the Swale Summary of Accounts 2010-11 are available on the Council website www.swale.gov.uk.

If you would like further hard copies or alternative versions (i.e. large print, audio, different language) we will do our best to accommodate your request - please contact the Council at:

Swale Borough Council
Swale House, East Street,
Sittingbourne,
Kent ME10 3HT

Customer Service Centre ☎ 01795 417850

We want your views!

Each year the Council is legally required to produce a Statement of Accounts that summarises the Council's financial activities and gives details of the overall financial position. Much of the information in the document is of a technical nature satisfying both statutory requirements and local authority procedures so councils are now being encouraged to produce summary accounts.

Summary accounts are intended to be a user friendly summary of the more detailed Statement of Accounts publication and we are interested in your views as to how these summary accounts look and what further information you would like to see in them. Please either email them to finance@swale.gov.uk or send them to: Accountancy Section, Swale Borough Council, Swale House, East Street, Sittingbourne, Kent ME10 3HT. We have already changed their appearance in response to comments we received earlier. A full copy of the Statement of Accounts is published on the Council's website.

Statement by the Head of Finance

The Council's Statement of Accounts has been prepared to meet accounting standards. The figures in this summary were originally compiled having regard to proper accounting practice. For this summary we have changed the way some information is presented so that it is easier to understand. A full copy of the Statement of Accounts is published on the Council's website.

Nick Vickers CPFA

Interim Head of Finance

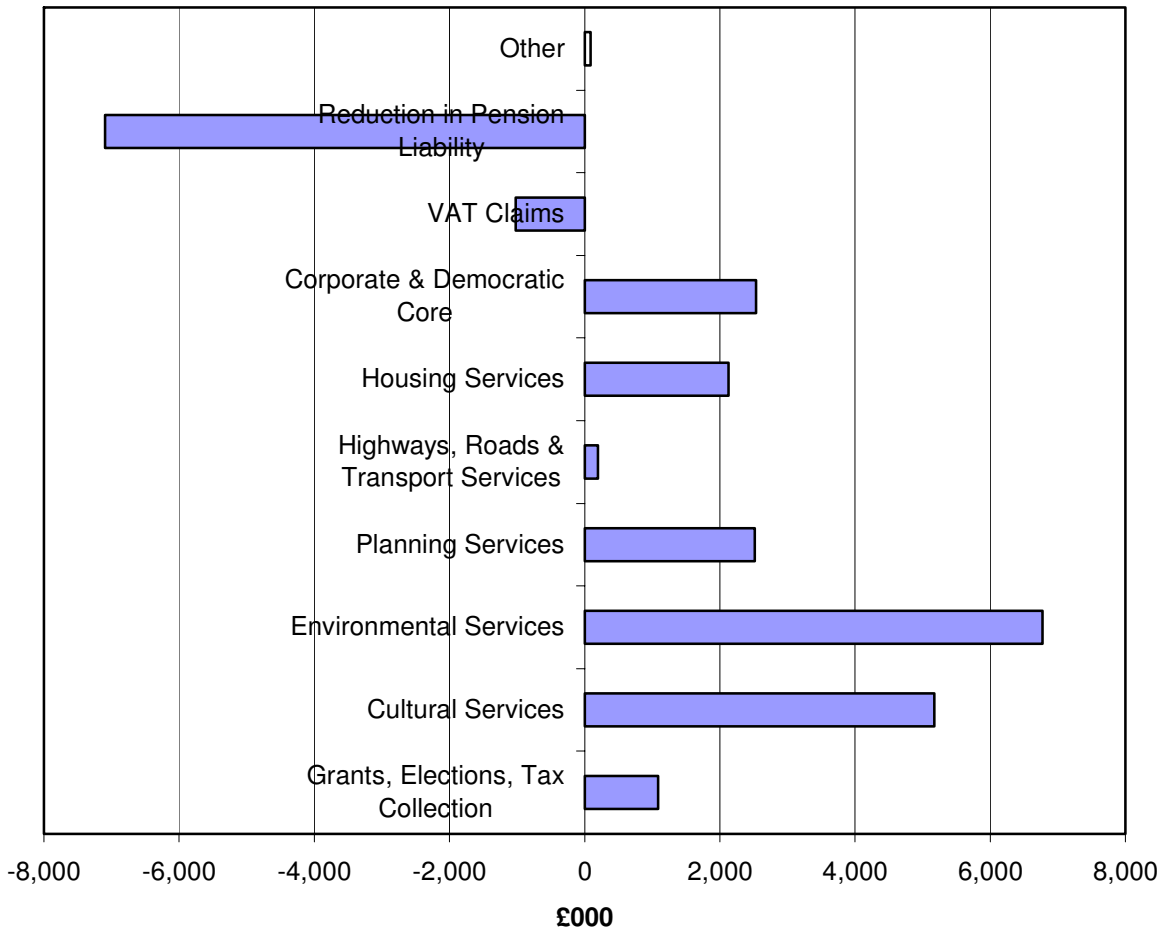
Day to Day Spending

What did we spend the money on?

We show the cost of running our services in our revenue account known as the Income and Expenditure Account. This account shows you the costs in 2009-10 of the council's priorities and the amount left to be financed from local and national tax income.

The Cost of Services is shown below:

Cost of Services 2010-11



The Income and Expenditure account is summarised below:

	2010-11 Net Expenditure £'000
Total Cost of Services	12,370
Interest payable and other items	(2,022)
Lower Medway Internal Drainage Board	324
Parish Council Precepts	767
Interest and Investment Income	(44)
Government Grants	(1,699)
Income from Council Tax	(8,487)
Redistributed Business Rates	(10,596)
Surplus on Provision of Services	(9,387)
Adjustment between accounting basis and funding basis	8,812
Contribution to Balances	(575)

At the end of the financial year, our General Fund reserve stood at £3.134 million.

	2010-11 Net Expenditure £'000
General Fund Balance at start of year	(2,559)
Contribution to Balances	(575)
General Fund Balance at the end of the year	(3,134)

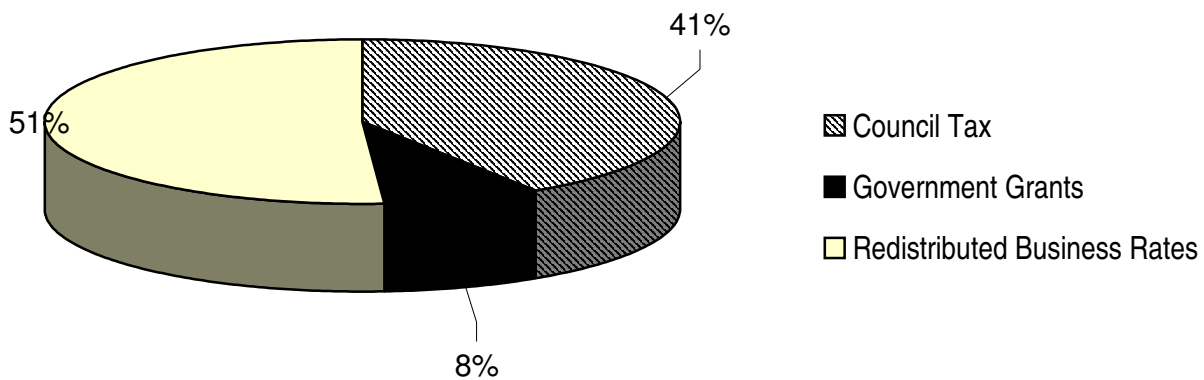
In 2010-11, the amount in our revenue account (the General Fund) increased by £575,000, compared to a budgeted decrease of £75,000. The main differences to the budget are shown below:

Detail	£'000	Explanation
Variations advised re cost centres requesting rollovers	(318)	Underspends/additional grant monies in 2010-11 to be rolled forward into 2011-12.
Housing	(120)	Additional income recovered by the Home Improvement Agency, Staying Put, from extra Disabled Facilities Grant (DFG) and Decent Home Loans support.
Computer Equipment & Materials	(113)	Savings on licences etc.
Learning & Skills Development	(103)	Underspend is largely due to not being able to appoint a Learning & Skills Officer and consequently limited capacity to undertake the work.
Local Development Framework	(100)	Contribution from the Local Development Framework reserve.
Rent Deposit Scheme	(95)	The rent deposit scheme is currently under review and an underspend has resulted from the stopping of payments to landlords, on behalf of tenants, for the rent in advance element.
Housing/Council Tax Benefits	(90)	Housing Benefit Performance Reward Grant. Variance on £60m gross budget.
Concessionary Fares	(83)	Savings as a result of reduced operator payments.
Policy & Performance/ Communications & Marketing	(65)	Salary savings.
Housing Staffing	(59)	Underspend primarily resulting from a number of vacancies, the recent restructure and income from a partnering organisation for use of staff expertise.
Corporate Training Costs	(55)	50% of this budget was frozen to offset overspends in other parts of the Council.
Other Commissioning & Customer Contact	(51)	Various underspends.
Members Allowances	(43)	2010-11 budget increase not required as members allowances were frozen.
Street Markets	58	£42,000 net shortfall in income due to market performance & £16,000 budget understated.
Recycling Campaign	70	Delays in the recycling campaign and additional expenditure.
Car Parks -fees and charges	96	Under recovery of car park income offset by additional residents' parking permits.
Planning Appeals	119	A number of recent planning appeal costs have been awarded against the Council.
Loss of Housing & Planning Delivery Grant	305	The Government has withdrawn the Housing and Planning Delivery grant for 2010-11.
Other	(3)	
TOTAL NET VARIANCE	(650)	

How did we pay?

We spent £20.2 million on running services after allowing for income. We paid for our spending using local and national taxes and redistributed Business Rates as follows:

How we paid for services	2010-11 £'000
Council Tax	(8,487)
Government Grants	(1,699)
Redistributed Business Rates	(10,596)
Total Income	(20,782)



Our total income for 2010-11 was £20.8 million. As the chart here shows, 41% came from Council tax, 8% came from government grant and 51% came from redistributed business rates.

Did we have anything left over?

We spent less than we received from income in last year leading to a surplus on our revenue account. This surplus for the year was added to accumulated surpluses from previous years to give a new balance of £3.1 million.

Revenue Account Surplus	2010-11
	£'000
Income from taxes/ grants	(20,782)
Net expenditure	11,395
Accounting entries required by statute	8,812
Surplus for the year	(575)
Balance on revenue account 1 April 2010	(2,559)
<u>Balance on revenue account 31 March 2011</u>	<u>(3,134)</u>

Cash flow	2010-11
	£'m
Cash and cash equivalents in hand on 1 April 2010	(0.3)
Net Cash Flows from Operating Activities	4.0
Net Cash Flows from Investing Activities	1.4
Net Cash Flows from Financing Activities	(3.4)
<u>Cash and cash equivalents overdrawn on 1 April 2011</u>	<u>1.7</u>

Balance Sheet

What are we worth?

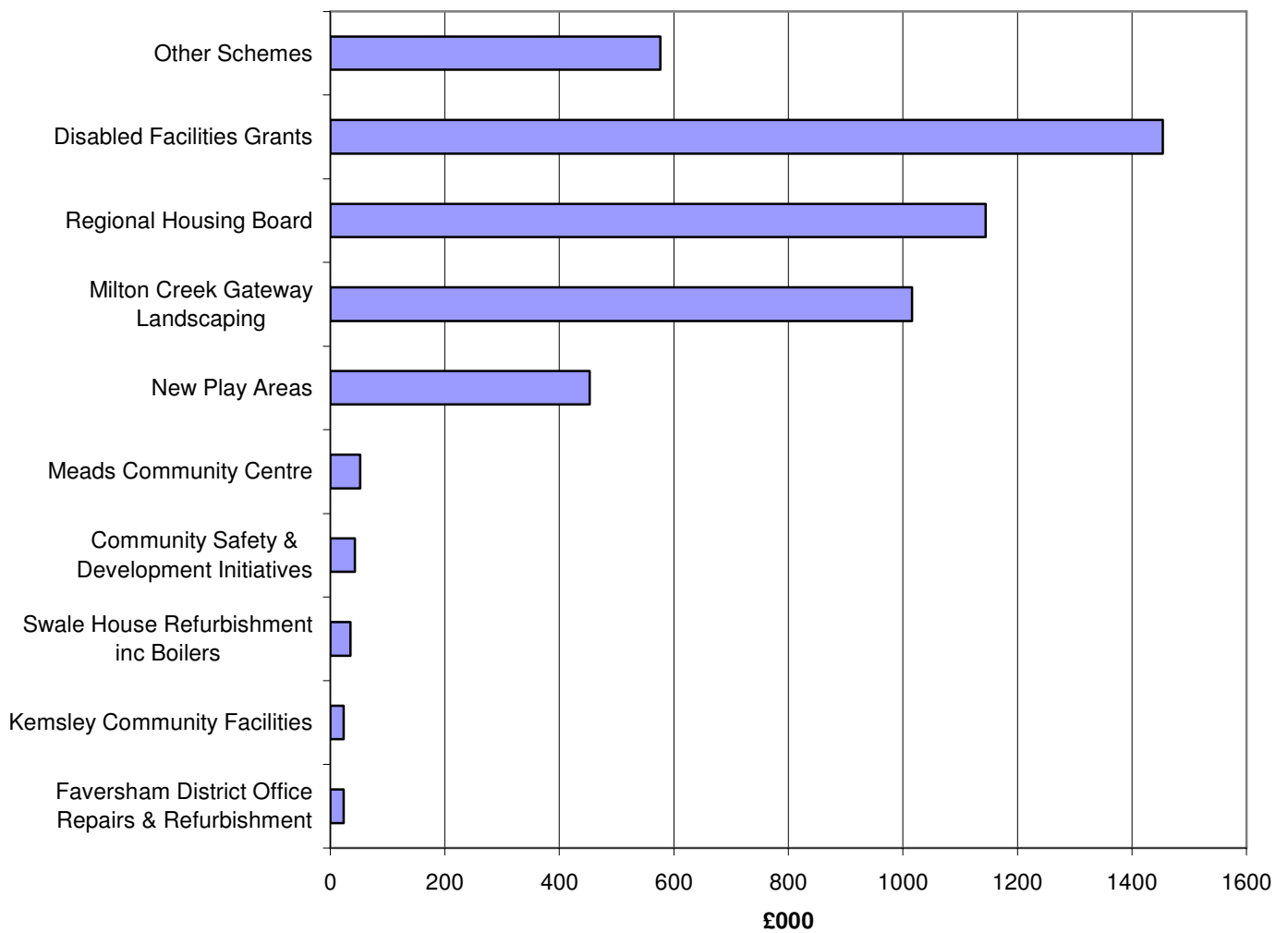
At the end of each financial year, we draw up a balance sheet that represents how much Swale's land and buildings are worth, what is owed to others, what others owe us and how much cash we have:

	£'000
Buildings, land and other long term assets owned by the council	53,934
Stocks	1
Amount others owe to us	11,989
Asset held for sale	525
Cash and cash equivalents	1,724
Total Assets	68,173
Amount we owe to others	(5,613)
Liability Related to Pension Scheme	(27,439)
Other long term liabilities	(4,968)
Net Assets	30,153
FINANCED BY:	
Capital finance and revaluation of assets	46,083
Pensions Reserve	(27,439)
Other reserves and balances	11,509
Total Net Worth	30,153

Capital Expenditure

Capital expenditure represents money spent by the Council for the purchase, upgrading or improvement of assets such buildings, equipment and vehicles. The main items of expenditure totalled £5.4 million were:

Capital Expenditure 2010-11



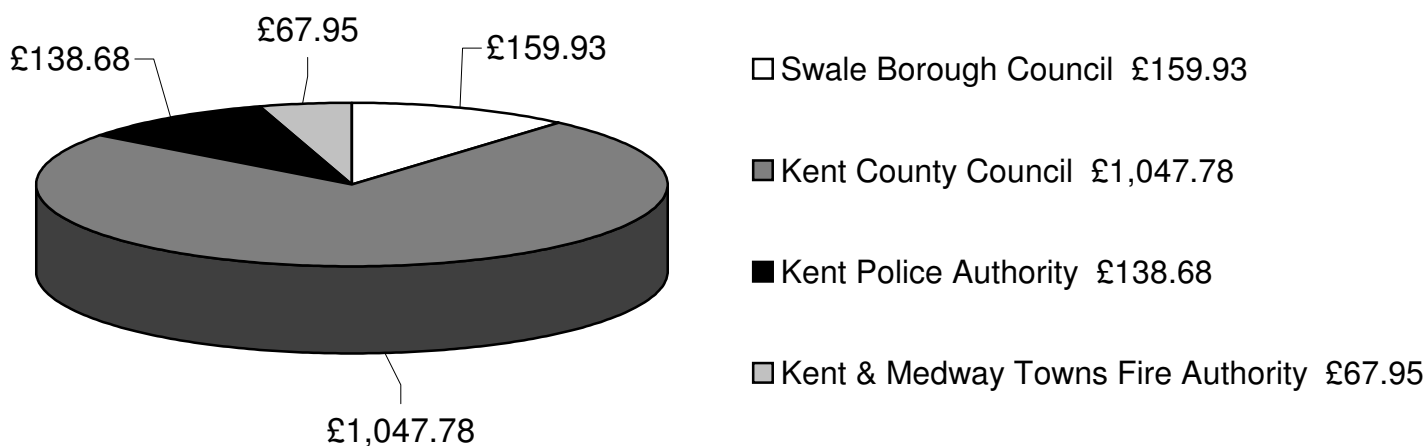
Council Tax 2010-11

How council tax is calculated.

Swale Borough Council provides many local services but not all. Others come from Kent County Council, the Police Authority and Kent Fire and Rescue Service. If you live in an area with a parish council, it too provides local services. The council tax you pay is divided between these authorities.

In 2010-11 (ignoring contribution to parishes) the County Council received 74p from every £1, the Police Authority 10p, the Fire and Rescue Service 5p, and Swale Borough Council kept 11p from every £1 collected.

The council tax goes towards paying for the services provided by the county council, the borough council, the police and fire services and parish councils. The Council also receives money from central government in the form of the Revenue Support Grant or from business rates. The Revenue Support Grant comes from general taxation. The business rate, although collected by Swale Borough Council, is paid to the government which then repays a proportion of it back to local councils based on population.



Swale's share of the council tax for a Band D property 2010-11

	£
The amount of money we needed	418.12
Less: collection fund deficit	1.52
Less: revenue support grant	32.54
Less: our share of business rates	224.13
The amount you paid for Swale's services	159.93

Council Tax 2011-12

Although not part of the 2010-11 accounts, details are added for your information on the 2011-12 council tax. Your council tax bill is made up of the money needed by all the local authorities divided by the "tax base". This is the number of properties registered for council tax as if every one was in a Band D property. For 2010-11 this figure is 47,971.52. If your home is in Band D, your council tax for this year will be £1,414.34 plus a contribution towards your parish council's spending if applicable. This amount varies depending on their spending.

Council tax is initially always calculated for a Band D home. That figure is then used to work out the level of tax for the other bands. Each other band is a proportion of Band D's amount, as shown below:

	Kent County Council	Kent Police Authority	Kent and Medway Towns Fire Authority	Swale Borough Council	Total
	£	£	£	£	£
Band A-	582.10	77.04	37.75	88.85	785.74
Band A	698.52	92.45	45.30	106.62	942.89
Band B	814.94	107.86	52.85	124.39	1,100.04
Band C	931.36	123.27	60.40	142.16	1,257.19
Band D	1,047.78	138.68	67.95	159.93	1,414.34
Band E	1,280.62	169.50	83.05	195.47	1,728.64
Band F	1,513.46	200.32	98.15	231.01	2,042.94
Band G	1,746.30	231.13	113.25	266.55	2,357.23
Band H	2,095.56	277.36	135.90	319.86	2,828.68

What are our aims?

We have set out four interrelated corporate priorities that cover the entire Borough of Swale, which includes the urban areas of Faversham, Sheppey and Sittingbourne and a significant rural area. These priorities will direct what the council does and provide a framework for all council policies.

Setting our priorities

In setting these priorities, we have considered Swale's performance against a range of economic, social and environmental factors relative to the Thames Gateway, Kent, and the southeast and to the national picture. We have considered a number of key drivers for change but more importantly we have consulted widely and take into account a range of research that helps us understand what is important to our communities and what you believe we should be focussing on.

Swale Borough Council Corporate Priorities:

- 1. Regenerating Swale**
- 2. Creating a Cleaner and Greener Swale**
- 3. Promoting a Safer and Stronger Community**
- 4. Becoming a High Performing Organisation**