



# **Summary of Accounts 2012/13**

**What we do, and how we spend your money doing it**

**279 employees,  
47 Councillors  
and £18 million,  
all working for you**

**for the year ending 31 March 2013**

## **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](mailto: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**  
Head of Finance

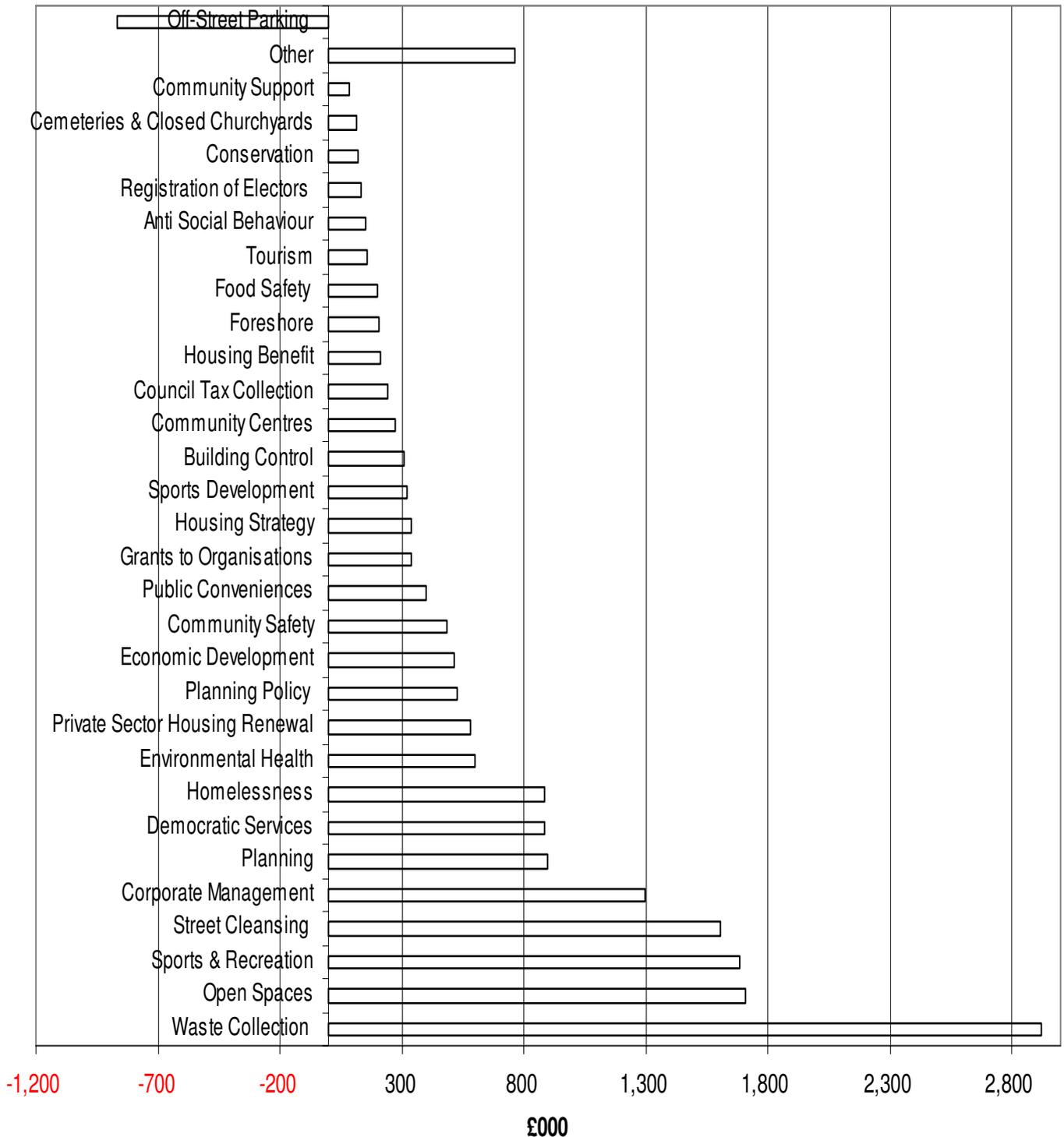
## Day to Day Spending

What did we spend the money on?

We show the cost of running our services in our revenue account known as the Comprehensive Income and Expenditure Account. This account shows you the costs in 2012/13 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 2012-13



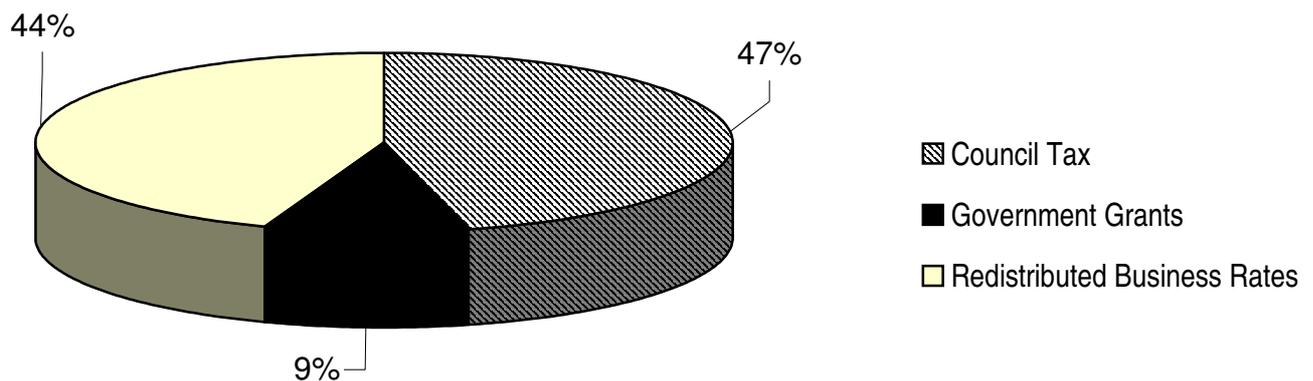
In 2012/13, the amount in our revenue account (the General Fund) decreased by £529,000. The main differences to the budget are shown below:

<b>Detail</b>	<b>Over or (under) Spend £'000</b>	<b>Explanation</b>
Underspend in 2011/12 increased the General Fund which were then agreed to be spent in 2012/13	1,192	Agreed at Cabinet 4 July 2012
Housing Benefits	(183)	Additional Housing / Council Tax Benefit Grant due to successful collection of overpayments plus savings in staff costs.
Property	(136)	Increased rental income due to sale of freehold land not completed as expected, plus backdated rent review.
Savings to be used to meet activity in 2013/14	(121)	Underspends in 2012/13 to be rolled forward into 2013/14.
External Audit Fees	(70)	The council has new auditors Grant Thornton.
Financial Guarantee	(68)	Provision for Financial guarantee for the Drill Hall Faversham is no longer required.
Other	(85)	
<b>Total Variance to Budget</b>	<b>529</b>	

## How did we pay?

How we paid for services	2012/13 £'000
Council Tax	(8,543)
Council Tax Freeze Grant	(385)
New Homes Bonus Grant	(1,200)
Revenue Support Grant	(164)
Redistributed Business Rates	(8,245)
<b>Total Income</b>	<b>(18,537)</b>

We spent £18.1 million on running services after allowing for income. We paid for our spending using local and national taxes and redistributed Business Rates as follows:



Our total income for 2012/13 was £18.5 million. As the chart here shows, 47% came from Council tax, 9% came from government grant and 44% 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 £3.3 million.

<b>Revenue Account Deficit</b>	<b>2012/13 £'000</b>
Income from taxes / grants	(18,537)
Service Expenditure	18,096
Lower Medway Internal Drainage Board	306
Parish Precepts	784
Other	(120)
<b>Deficit for year</b>	<b>529</b>

At the end of the financial year, our General Fund reserve stood at £3.287 million.

	<b>2012/13 Net Expenditure £'000</b>
General Fund Balance at start of year	(3,816)
Contributions to Balances	529
<b>General Fund Balance at the end of the year</b>	<b>(3,287)</b>

<b>Cash Flow</b>	<b>2012/13 £'m</b>
Cash and Cash equivalents in hand on 1 April 2012	8.6
Net Cash in from Operating Activities	(2.3)
Net Cash out from Investing Activities	9.2
Net Cash in from Financing Activities	(5.2)
<b>Cash and cash equivalents in hand on 1 April 2013</b>	<b>10.3</b>

## Balance Sheet

### What are we worth?

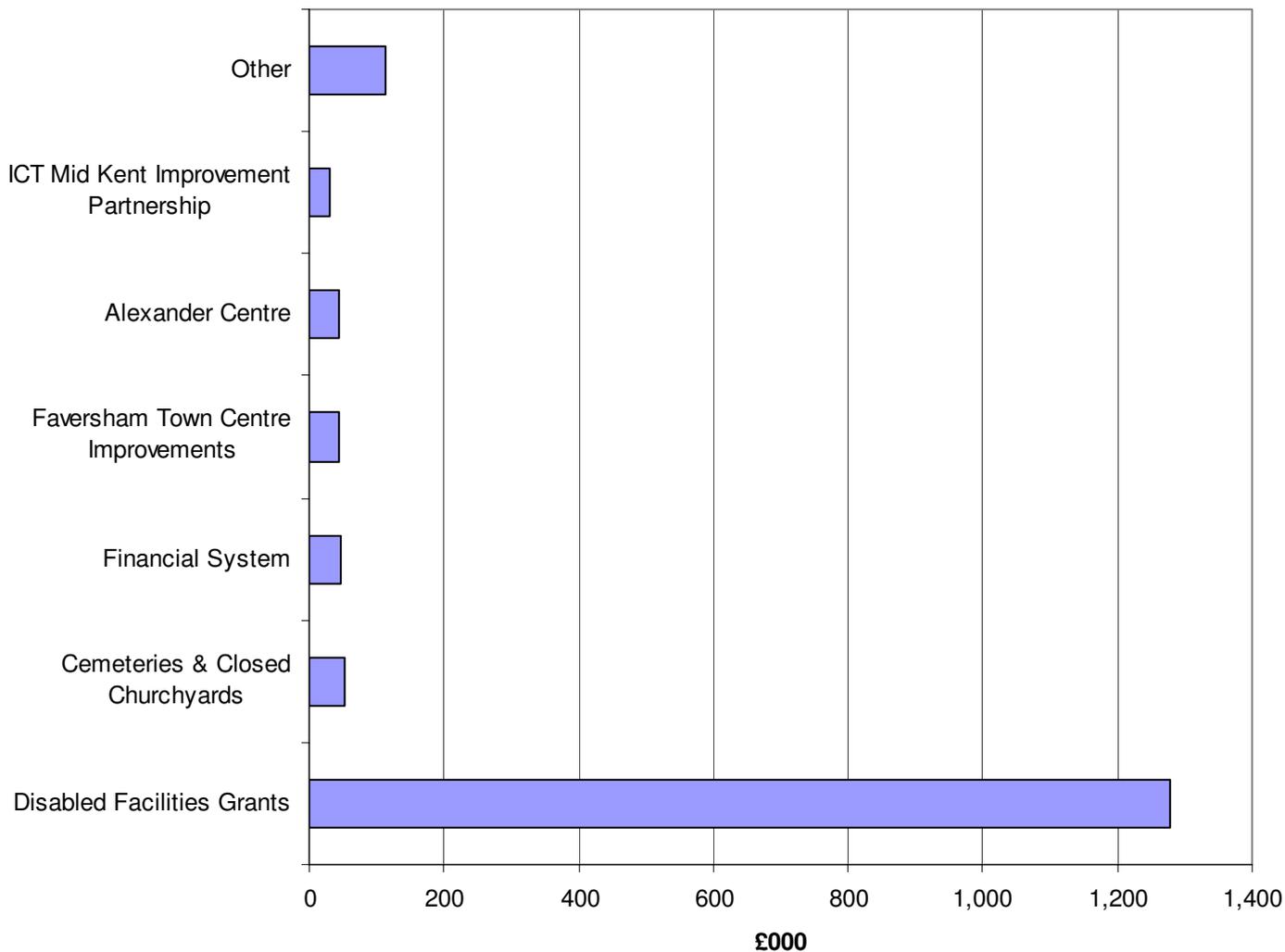
At the end of each financial year, we draw up a balance sheet that represents how much Swale's land and buildings are worth, what is owed to others, what others owe us and how much cash we have:

	£'000
Buildings, land and other long term assets owned by the council	51,438
Stocks	6
Amount others owe to us	5,166
Cash and cash equivalents	10,340
<b>Total Assets</b>	<b>66,950</b>
Amount we owe to others	(6,176)
Liability Related to Pension Scheme	(43,373)
Other Long term Liabilities	(3,775)
<b>Net Assets</b>	<b>13,626</b>
Financed by :	
Useable Reserves (can be used to provide services)	(12,269)
Unusable Reserves (held for accounting purposes only, not to provide services)	(1,357)
<b>Total Reserves</b>	<b>(13,626)</b>

## 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 £1.6 million were:

**Capital Expenditure 2012/13**



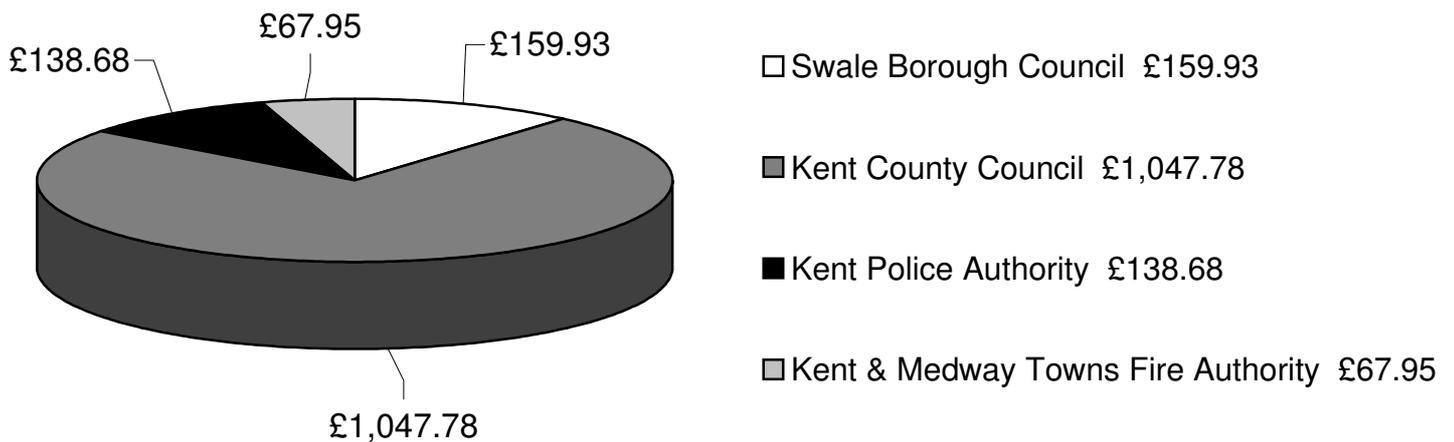
## Council Tax 2012/13

### 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 2012/13 (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 2012/13	£
The Amount of money we needed	334.45
Less: collection fund deficit	(0.79)
Less: revenue support grant	(3.38)
Less: our share of business rates	(170.35)
<b>The amount you paid for Swale's services</b>	<b>159.93</b>

## Council Tax 2013/14

Although not part of the 2012/13 accounts, details are added for your information on the 2013/14 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 2012/13 this figure is 41,225.21. If your home is in Band D, your council tax for this year will be £1,417.13 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:

	<b>Swale Borough Council</b>	<b>The Kent Police &amp; Crime Commissioner</b>	<b>Kent County Council</b>	<b>Kent and Medway Towns Fire and Rescue Authority</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Band A	106.62	94.31	698.52	45.30	944.75
Band B	124.39	110.03	814.94	52.85	1,102.21
Band C	142.16	125.75	931.36	60.40	1,259.67
Band D	159.93	141.47	1,047.78	67.95	1,417.13
Band E	195.47	172.91	1,280.62	83.05	1,732.05
Band F	231.01	204.35	1,513.46	98.15	2,046.97
Band G	266.55	235.78	1,746.30	113.25	2,361.88
Band H	319.86	282.94	2,095.56	135.90	2,834.26

## **What are our aims?**

### **Our Purpose**

- Making Swale a better place

### **Our Corporate Priorities**

- Embracing Localism
- Open for Business
- Healthy Environment

### **Our Competencies**

- Leadership at all levels
- Performance
- Ambition
- Customer Care
- Team Work

### **Our Values**

- **Fairness** - being objective to balance the needs of all those in our community
- **Integrity** - being open, honest and taking responsibility
- **Respect** - embracing and valuing the diversity of others
- **Service** - delivering high quality, cost effective public service
- **Trust** - delivering on our promises to each other, customers and our partners