



Summary of Accounts

2009-10

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 2009-10 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

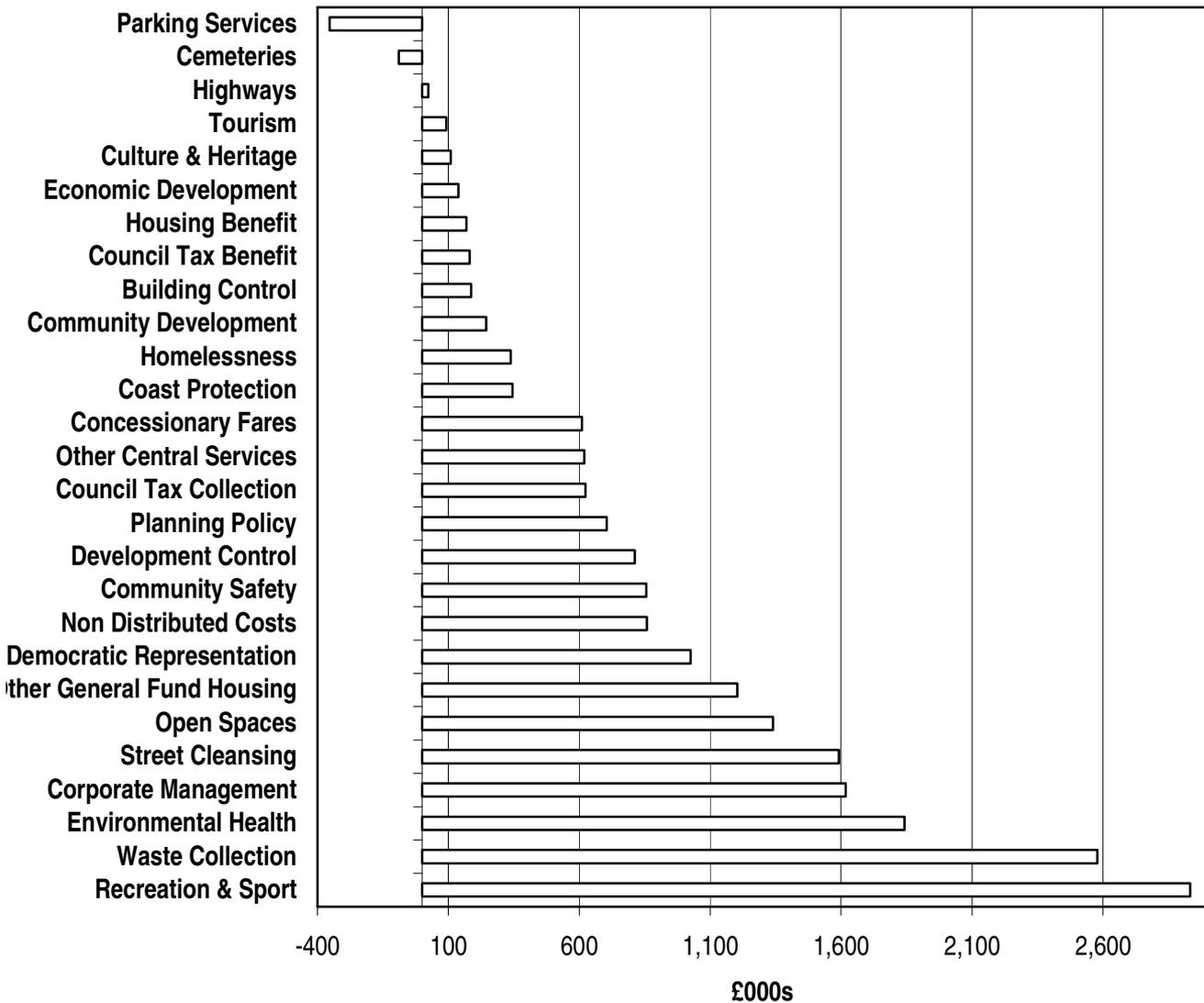
Day to Day Spending

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 2009-10



The Income and Expenditure account is summarised below:

	2009-10 Net Expenditure £'000
Total Cost of Services	20,604
Interest payable and other items	1,648
Parish Council Precepts	700
Interest and Investment Income	(59)
Net Operating Expenditure	22,893
Financed by	
Government Grants	(3,173)
Income from Council Tax	(8,125)
Non-Domestic Rates Redistribution	(9,751)
Total Deficit for the Year	1,844

The following statement – the ‘Statement of Movement on the General Fund Balance’ – reconciles the movement on the Income and Expenditure Account with the statutory accounting entries that local authorities need to take into account when setting local taxes. These entries total £2.582 million. This Statement also includes transfers we have made to and from other reserves. At the end of the financial year, our General Fund reserve stood at £2.444 million.

	2009-10 Net Expenditure £'000
General Fund Balance at start of year	(1,821)
Deficit on Income & Expenditure Account for the year	1,844
Accounting entries required by statute	(2,582)
General Fund surplus in year	(738)
General Fund Balance at the end of the year	(2,559)

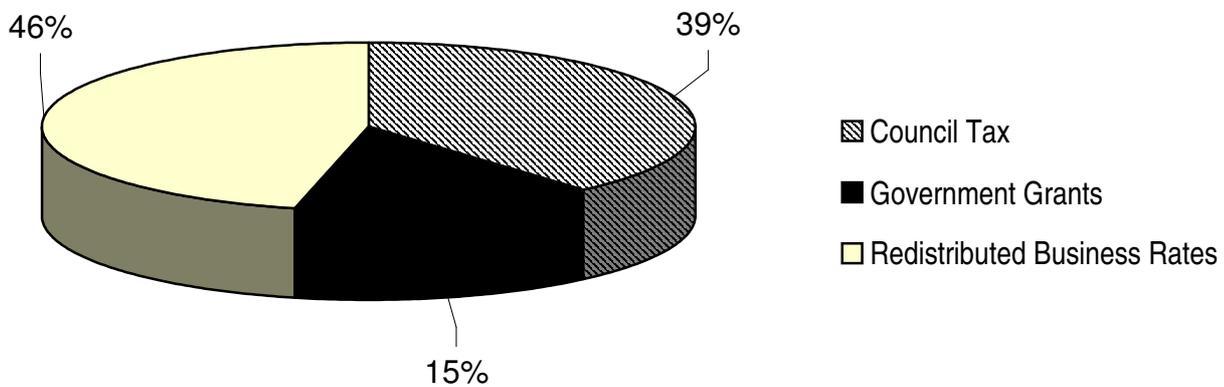
In 2009-10, the amount in our revenue account (the General Fund) increased by £738,000, compared to a budgeted increase of £188,000, due to an increase in the Council Tax surplus of £12,000 and an underspend on the revenue account of £538,000. The main differences to the budget are shown below:

	£'000
Contribution to the Partnership Reserve	150
Lower premises costs including utility charges partially offset by reduced rental income	(28)
A net reduction in Democratic Service costs has been achieved	(42)
Housing (Homelessness) - higher grant income and other receipts in respect of recession funding and homelessness and lower net costs in respect of bed and breakfast payments, homeless hostel, and rent deposit scheme. Partially offset by additional bad debt provisions including for the rent deposit scheme and contributions to reserves	(12)
Housing (Stay Put) - a net increase in fee income and Primary Care Trust grants partially offset by contribution to reserves	(129)
Additional government grant received from the Department of Communities and Local Government in respect of Housing Planning Delivery grant	(315)
Savings achieved following the deletion of the post of Operations Director	(92)
Higher than anticipated vacancy allowance in respect of Policy	(24)
The car park income target set for 2009/10 has not been achieved	150
A one off provision has been included for potential backdated car park rent payments anticipated	132
Reduced payments to bus operators in respect of concessionary fares due to lower usage	(76)
Higher Council Tax collection costs including supplies, bank charges, audit fees, and other variations, partially offset by a lower than budgeted bad debt provision	51
Increased bad debt provision in respect of Housing Benefit administration	181
Additional Housing Benefit Performance Reward Grant received in 2009/10, partially offset by a contribution to reserves	(101)
Higher Housing Benefit Administration subsidy achieved	(260)
Additional funding from the Primary Care Trust including to cover free swimming lessons -Leisure Centres, partially offset a contribution to reserves	(40)
Lower costs incurred in respect of Learning and Skills, partially offset by a contribution to reserves	(122)
Higher premises costs and reduced rent income in respect of Markets	65
Reduced grounds maintenance costs in respect of Church Marshes	(27)
Other net minor variations	1
TOTAL	(538)

How did we pay?

We spent £22.9 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	2009-10 £'000
Council Tax	(8,125)
Government Grants	(3,173)
Redistributed Business Rates	(9,751)
Total Income	(21,049)



Our total income for 2009-10 was £21.0 million. As the chart here shows, 39% came from Council tax, 15% came from government grant and 46% 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 £2.4 million.

Revenue Account Surplus	2009-10
	£'000
Income from taxes	(21,049)
Net expenditure	22,893
Accounting entries required by statute	(2,582)
Surplus for the year	(738)
Balance on revenue account 1 April 2009	(1,821)
<u>Balance on revenue account 31 March 2010</u>	<u>(2,559)</u>

Cash flow	2009-10
	£'m
Cash in hand on 1 April 2009	0.3
Net revenue cash out	(1.8)
Net Capital cash out	(0.8)
Decrease in short term funds	1.3
<u>Cash overdrawn on 1 April 2010</u>	<u>(1.0)</u>

Balance Sheet

What are we worth?

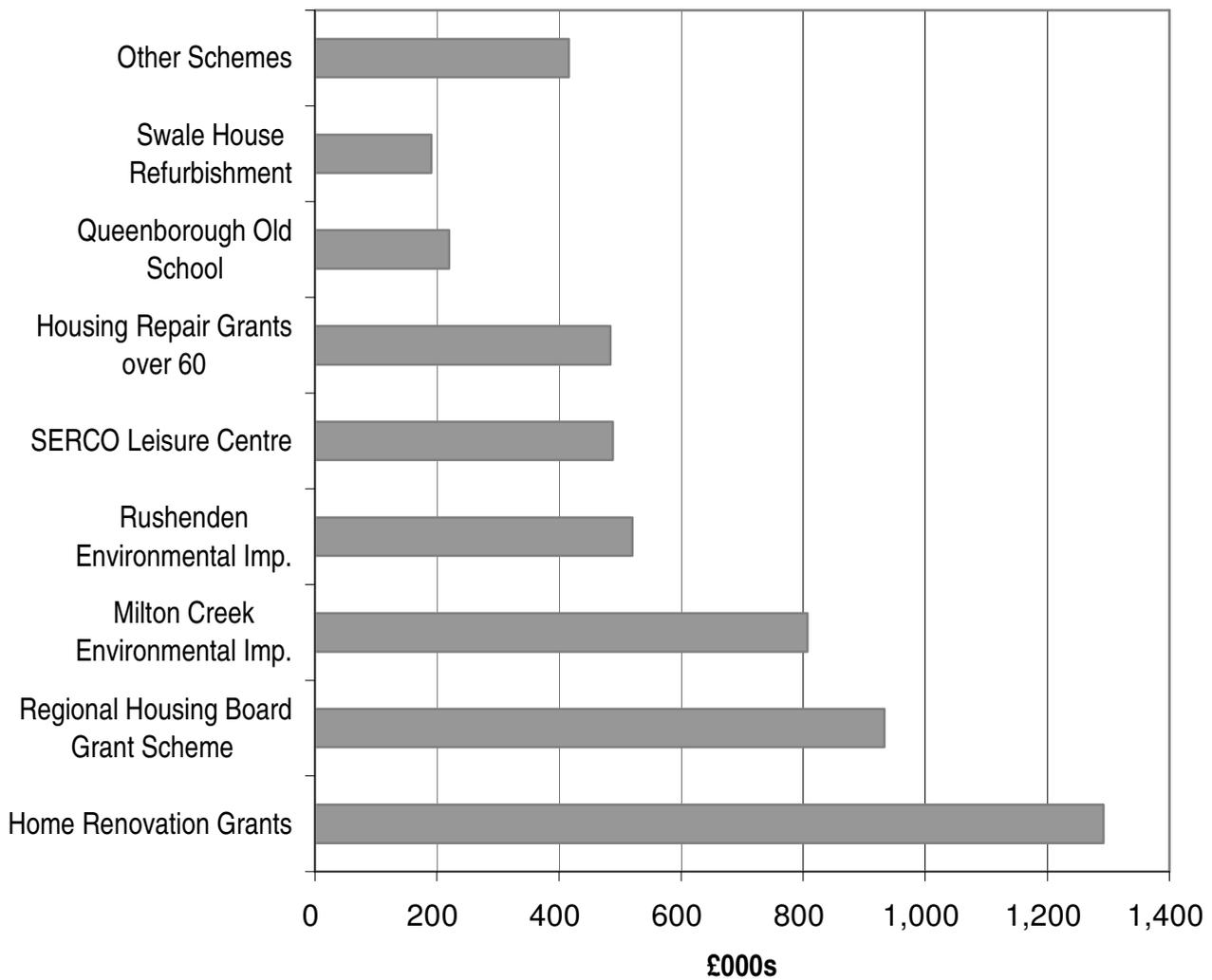
At the end of each financial year, we draw up a balance sheet that represents how much Swale's land and buildings are worth, what is owed to others, what others owe us and how much cash we have:

	£'000
Buildings, land and other long term assets owned by the council	51,966
Stocks	2
Amount others owe to us	12,158
Investments	724
Cash in hand	
Total Assets	64,850
Amount we owe to others	(5,575)
Liability Related to Pension Scheme	(55,800)
Other long term liabilities	(12,301)
Net Assets	(8,826)
FINANCED BY:	
Capital finance and revaluation of assets	37,685
Pensions Reserve	(55,800)
Other reserves and balances	9,289
Total Net Worth	(8,826)

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 2009-10



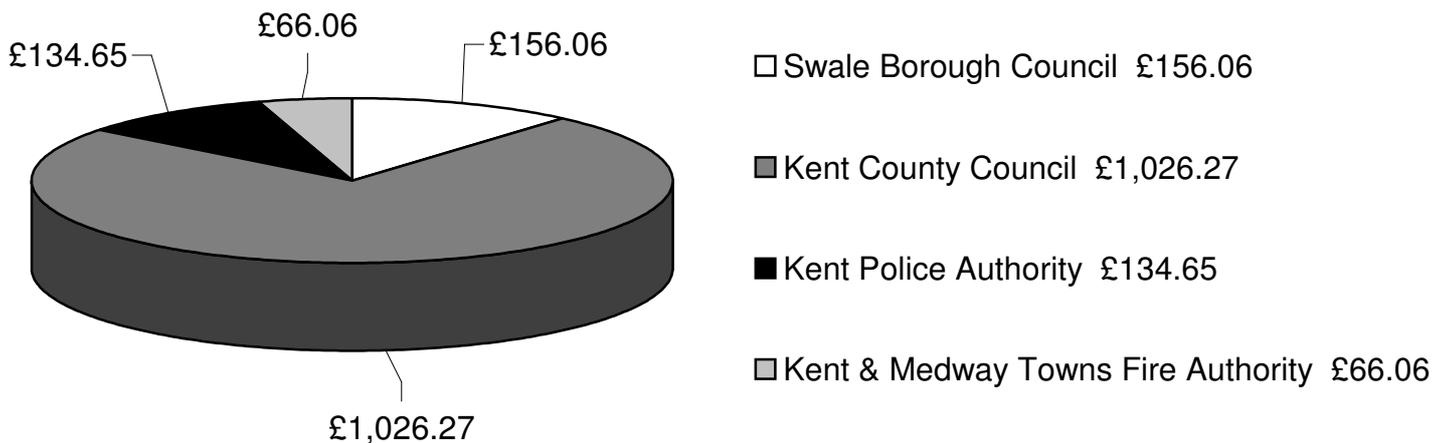
Council Tax 2009-10

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 2009-10 (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 2009-10

	£
The amount of money we needed	413.53
Less: collection fund deficit	1.02
Less: revenue support grant	48.09
Less: our share of business rates	208.36
The amount you paid for Swale's services	156.06

Council Tax 2010-11

Although not part of the 2009-10 accounts, details are added for your information on the 2010-11 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 47,276.32. 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 between now and 2011 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**