



Barrow Borough Council Summary of Accounts 2007-2008



Details of the Council's Spending During 2007-2008

Treasurer's Statement

The Council's Statement of Accounts has been prepared in accordance with the Accounting Code of Practice for Local Authorities. The figures in this summary were originally compiled having regard to proper accounting practice. For the purposes of this statement some modifications were made to provide more meaningful information.

The Audit Commission is expected to issue an unqualified opinion on the Council's full accounts for 2007-2008.

A full copy of the Council's 2007-2008 audited accounts is available for examination on request. The accounts are also available on the Council's web site at www.barrowbc.gov.uk.

Financial Review for the Year

The following statement by the Borough Treasurer describes some of the key points on the Council's stewardship of public funds.

Financial performance

The Council balanced the budget for 2007-2008 by using £100,890 from balances. The year end position left a surplus of £423,488 after earmarking £683,988 to reserves. The surplus was mainly due to higher than expected income and a review of money set aside for potential liabilities.

Council Housing

The Council owns 2,739 houses, rented out to tenants. The income generated from rental income was £7,793,980 and after making all the payments for the management and maintenance of the houses, the year end position was a deficit of £1,851,136. The deficit was due to an acceleration of the housing stock improvement programme paid for by money held within the housing funds.

Capital Expenditure

This type of expenditure represents money spent by the Council for the purpose of purchasing, upgrading or improving assets such as buildings. The distinction from revenue expenditure is that the Council receives the benefits from capital expenditure over a longer period of time. The capital expenditure for the year was £12,741,814.

The following pages contain the three main accounts that the Council must legally hold separately:

- General Revenue Account
- Housing Revenue Account
- Council Tax Account

Revenue expenditure represents money spent by the Council on the day to day running costs of providing services to the public. The benefit received from this type of expenditure is consumed within the financial year ended 31st March 2008.

M Saleh
Borough Treasurer

The cost of Council services General Revenue Account for the year ended 31 March 2008

The account below shows the cost of providing Council services to the public between April 2007 and March 2008.

The total income for the year was £12,990,781
£1,246,300 (10%) was from the government.

£7,426,380 (57%) was the Council's share of the business rates national pool.

The local tax-payers paid £4,147,973 (32%) towards the cost of providing local services.

| | |
|--|-------------------|
| Money in hand at start (1) | 1,601,698 |
| Money received from: | |
| Government grant | 1,246,300 |
| Business rates | 7,426,380 |
| Council Tax | 4,147,973 |
| Other | 170,128 |
| Total money received (2) | 12,990,781 |
| | |
| Money spent on services: | |
| Leisure and recreation | 1,876,142 |
| Museum & Arts | 1,273,754 |
| Economy and planning | 983,721 |
| Refuse and street cleaning | 2,721,047 |
| Environmental health | 891,536 |
| Concessionary Travel | 1,141,418 |
| Corporate governance | 1,472,034 |
| Other services to the public | 535,034 |
| Net cost of services | 10,894,686 |
| Interest on borrowing and other items | 888,919 |
| Parish councils budgets | 99,700 |
| Total money spent (3) | 11,883,305 |
| | |
| Spare funds not used (4) [2 minus 3] | 1,107,476 |
| Money put aside for future use (5) | (683,988) |
| | |
| Money in hand at end (6) [1 plus 4 minus 5] | 2,025,186 |

The Council Tax revenue account for the year ended 31 March 2008

The account below shows the amounts collected from the council tax payers of the borough and the use of the funds.

| | |
|---|-------------------|
| Money in hand at start (1) | 348,630 |
| Money paid by local tax payers | 30,977,153 |
| Money paid by local businesses | 18,973,337 |
| Total funds in hand (2) | 49,950,490 |
| Fund given to/used for: | |
| The County for services they deliver | 22,877,259 |
| The Police for services they deliver | 3,656,977 |
| The Borough for own services | 4,147,973 |
| The Government for business rates | 18,869,870 |
| The cost of collecting business rates | 103,467 |
| Providing for bad debts | 423,292 |
| Sharing the surplus from 2005-2006 | 58,188 |
| Total fund used (3) | 50,137,026 |
| Payment exceeding receipts (4) [3 minus 2] | 186,536 |
| Money in hand at end (5) [1 minus 4] | 162,094 |

The council tax is collected on properties in the borough based on 8 valuation bands. For the year 2007-2008 the council tax was:

| | Band A | Band D |
|-------------------------------|---------------|-----------------|
| The County share | 713.53 | 1,070.30 |
| The Police share | 114.06 | 171.09 |
| The Borough share | 126.26 | 189.40 |
| Total paid by taxpayer | 953.85 | 1,430.79 |
| Dalton taxpayers pay | 974.66 | 1,462.00 |
| Askam taxpayers pay | 965.88 | 1,448.82 |
| Lindal taxpayers pay | 960.21 | 1,440.32 |

Balance Sheet - what the Council owns and is owed

| | <u>31 March 2008</u> |
|--------------------------------|--------------------------|
| Buildings and land owned | 164,925,656 |
| Cash in bank | 5,498,869 |
| Money owed to the Council | 6,973,961 |
| Money owed by the Council | (6,369,556) |
| Money borrowed | (29,633,282) |
| Provisions and grants | (59,839,757) |
| | <u>81,555,891</u> |
| Finance by: | |
| Non-distributable reserves (*) | 75,103,375 |
| Distributable reserves (**) | 6,452,516 |
| | <u>81,555,891</u> |

(*) Non-distributable reserves are balances not available for spending.

(**) Distributable reserves comprise the following balances:

| | |
|---------------------------------|-----------|
| General revenue account balance | 2,025,186 |
| Housing revenue account balance | 725,423 |
| Useable capital receipts | 1,728,568 |
| Other reserves | 1,973,339 |

The Council has a duty under legislation to maintain a prudent level of balances. The Borough Treasurer has determined that a minimum £1,500,000 balance is required for the general revenue account and £650,000 for the housing revenue account.

Cash Flow

| | | |
|---|---------------------------|-------------|
|  | Cash in hand at 31-3-2007 | 1,500,000 |
| | Cash in | 110,486,349 |
|  | Cash out | 106,487,480 |
| | Cash in hand at 31-3-2008 | 5,498,869 |

Capital Expenditure

Capital Expenditure generally represents money spent by the Council on purchasing, upgrading and improving assets such as buildings and land. The Council receives the benefit from this type of expenditure over a long period of time. Capital investment made during the year 2007-2008 was:

| | |
|------------------------------------|-------------------|
| Public housing | 3,862,177 |
| Private housing grants and renewal | 4,929,086 |
| Public buildings | 1,720,576 |
| Other assets | 2,229,975 |
| Total | 12,741,814 |

