



Summary of Accounts

2007-08

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 2007-08 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 under General Council Info / Statement of Accounts.

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. The accounts are still subject to audit as our external auditors, the Audit Commission, audited the Council's accounts for 2007-08 in July and will issue their opinion in September 2008. A full copy of the Statement of Accounts is published on the Council's website.

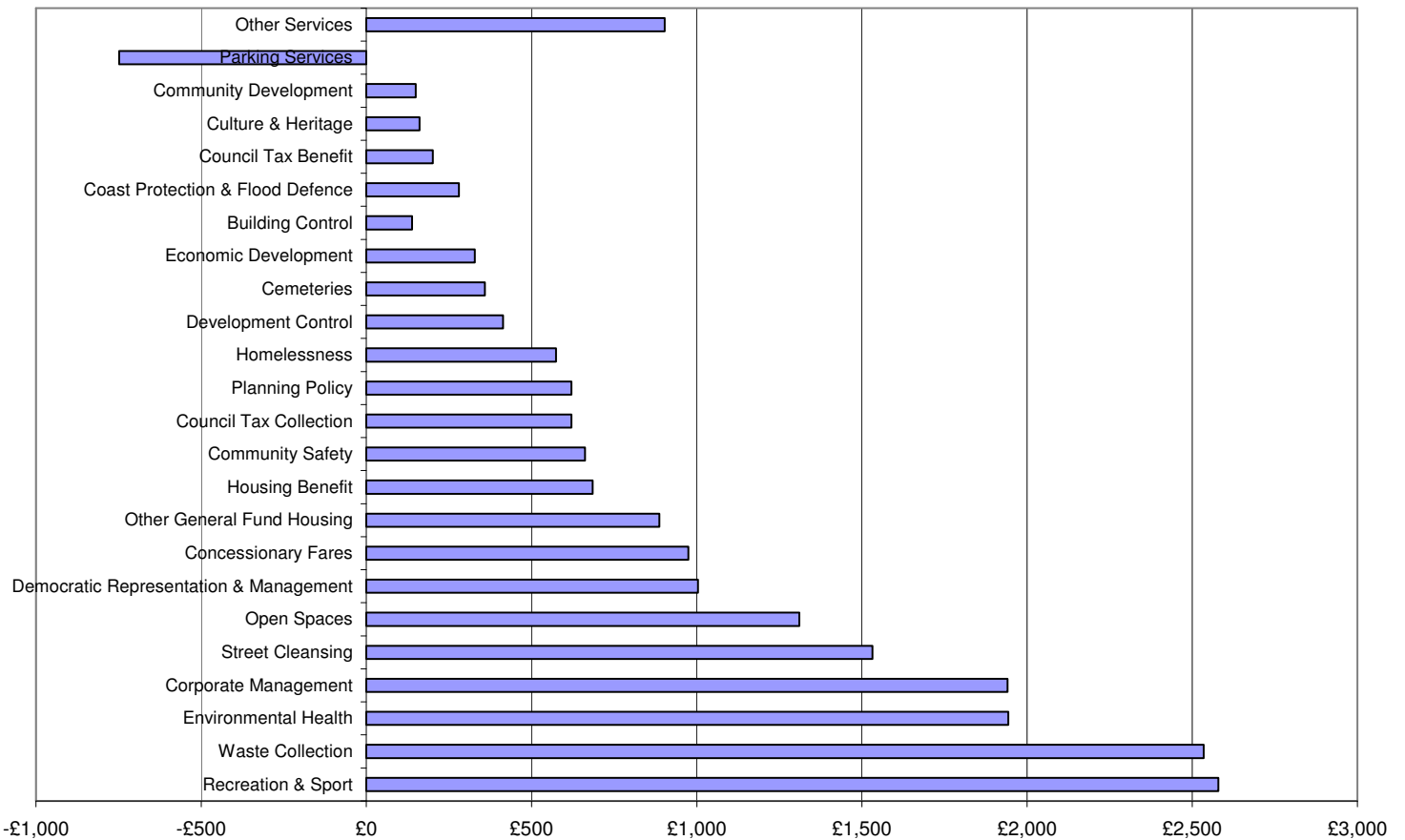
D BUCKETT CPFA
Head of Financial Services

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 2007-08 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:



The Income and Expenditure account is summarised below:

	2007-08 Net Expenditure £'000
Total Cost of Services	20,056
Interest payable and other items	237
Parish Council Precepts	604
Interest and Investment Income	(510)
Net Operating Expenditure	20,387
Financed by	
Government Grants	(187)
Demand on the Collection Fund	(7,059)
Non-Domestic Rates Redistribution	(9,917)
Revenue Support Grant	(1,664)
Total Deficit for the Year	1,560

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 £1.434m. 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 £2.256m.

	2007-08 Net Expenditure £'000
General Fund Balance at start of year	(2,382)
Deficit on Income & Expenditure Account for the year	1,560
Accounting entries required by statute	(1,434)
General Fund deficit in year	126
General Fund Balance at the end of the year	(2,256)

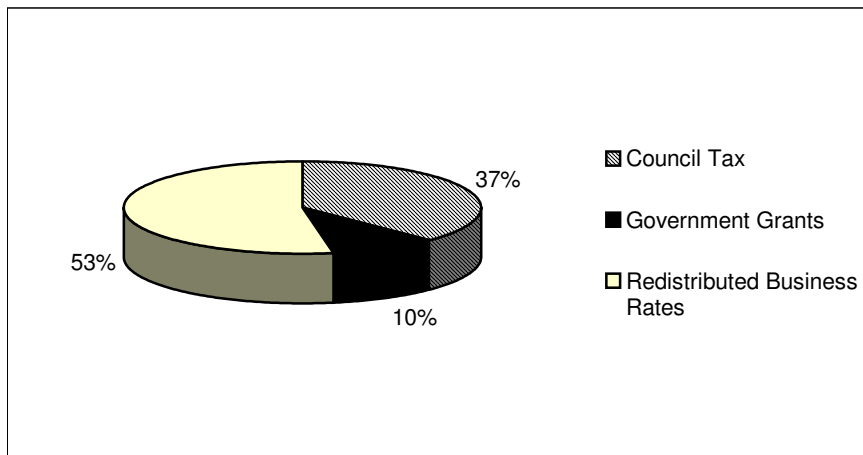
In 2007-08, the amount in our revenue account (the General Fund) went down by £126,000, compared to a budgeted deficit of £160,000 meaning that in total the revenue account had underspent by £34,000. The main differences are shown below:

	£'000
Money moved to other funds	628
Overspend on staff employment contract matters.	39
Greater income from the transition phase of the Gambling Act 2005 than anticipated	(65)
Savings on capital financing accounts including fees due to be incurred on disposals of fixed assets	(28)
Saving on Cleansing contract variations due to only two weed sprays being required instead of three	(23)
Savings generated on Council Tax/ Housing Benefit service	(290)
Greater recovery of Stay Put fee income from support given to the Loan Assistance Scheme and Disabled Facilities Grants	(25)
Under spend on Local Development Framework Implementation Special item which has been approved for rollover	(61)
Over achievement of Planning fees for the year	(41)
Under spend on staff costs	(44)
Minimum Revenue Provision savings	(90)
Bad Debt Provision	131
Other Variations	(165)
TOTAL	(34)

How did we pay?

We spent £20.6 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	2007-08 £000
Council Tax	(7,059)
Government Grants	(1,851)
Redistributed Business Rates	(9,917)
Total Income	(18,827)



Our total income for 2007-08 was £18.8 million. As the chart here shows 37% came from Council tax, 10% came from government grant, and 53% came from redistributed business rates.

Did we have anything left over?

We spent more than we received from income in last year leading to a deficit on our revenue account. This deficit for the year was added to accumulated surpluses from previous years to give a new balance of £2.2 million.

Revenue Account Surplus	2007-08
	£000
Income from taxes	(18,827)
Cost of services	20,387
Accounting entries required by statute	(1,434)
Deficit for the year	126
Balance on revenue account 1 April 2007	(2,382)
Balance on revenue account 31 March 2008	(2,256)

Cash flow	2007-08
	£m
Cash overdrawn on 1 April 2007	0.2
Cash in	(154.1)
Cash out	153.8
Cash in hand on 1 April 2008	(0.1)

Balance Sheet

What are we worth?

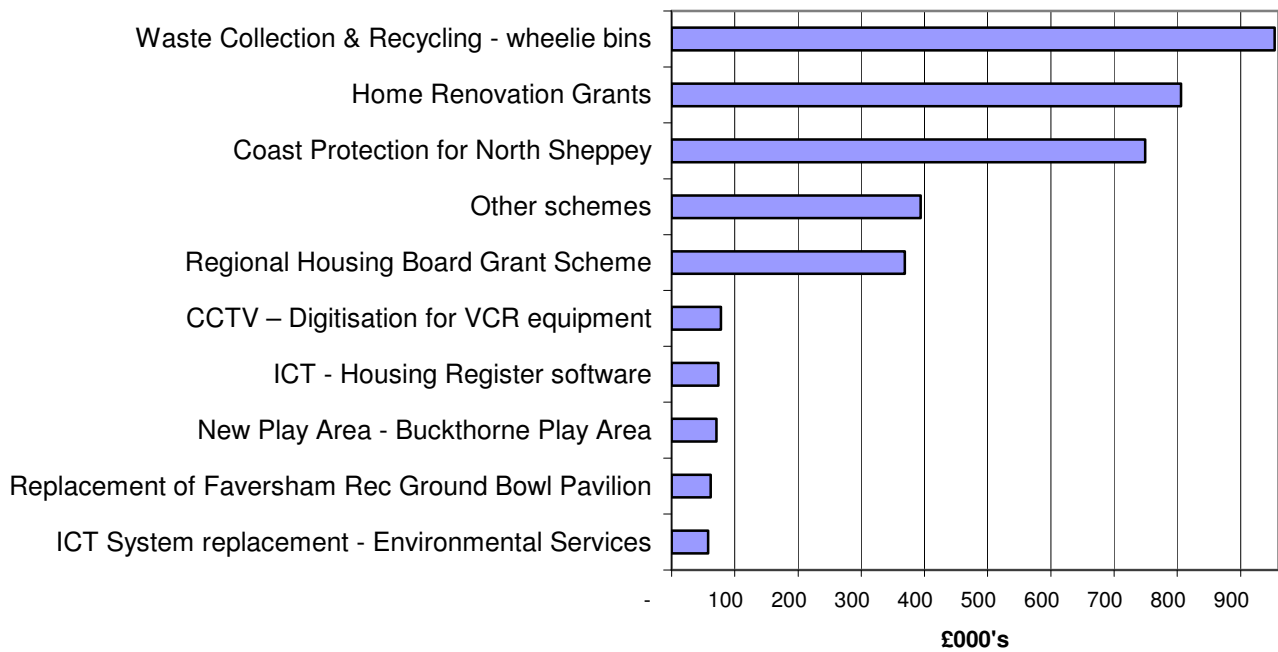
At the end of each financial year, we draw up a balance sheet that represents how much Swale's land and buildings are worth, what is owed to others, what others owe us and how much cash we have:

	£'000
Buildings, land and other long term assets owned by the council	52,850
Stocks	3
Amount others owe to us	8,083
Investments	4,971
Cash in hand	154
Total Assets	66,061
Amount we owe to others	(7,187)
Liability Related to Pension Scheme	(27,030)
Other long term liabilities	(9,443)
Net Assets	22,401
FINANCED BY:	
Capital finance and revaluation of assets	39,664
Pensions Reserve	(27,030)
Other reserves and balances	9,767
Total Net Worth	22,401

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 £3.6 million and were:

Capital Expenditure 2007-08



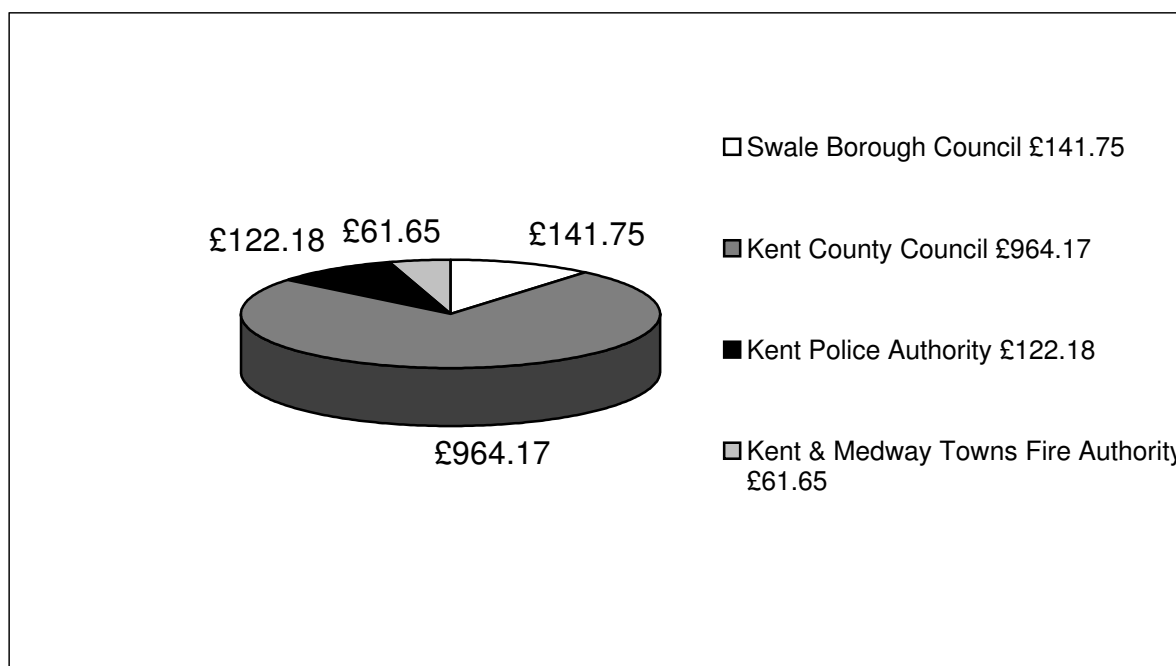
Council Tax 2007-08

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 2007-08 (ignoring contribution to parishes) the County Council received 75p from every £1, the Police Authority 9p, 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 2007-08

	£
The amount of money we needed	394.04
Add: collection fund deficit	0.72
Less: revenue support grant	36.36
Less: our share of business rates	216.65
The amount you paid for Swale's services	141.75

Council Tax 2008-09

Although not part of the 2007-08 accounts, details are added for your information on the 2008-09 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 2008-09 this figure is 46,379.34. If your home is in Band D, your council tax for this year will be £1,342.62 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	667.86	85.50	42.54	99.18	895.08
Band B	779.17	99.75	49.63	115.71	1,044.26
Band C	890.48	114.00	56.72	132.24	1,193.44
Band D	1,001.79	128.25	63.81	148.77	1,342.62
Band E	1,224.41	156.75	77.99	181.83	1,640.98
Band F	1,447.03	185.25	92.17	214.89	1,939.34
Band G	1,669.65	213.75	106.35	247.95	2,237.70
Band H	2,003.58	256.50	127.62	297.54	2,685.24

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 number of key drivers for change set out earlier in this plan 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**