



Summary of Accounts

2008-09

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 2008-09 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 2008-09 in July and will issue their opinion in September 2009. A full copy of the Statement of Accounts is published on the Council's website.

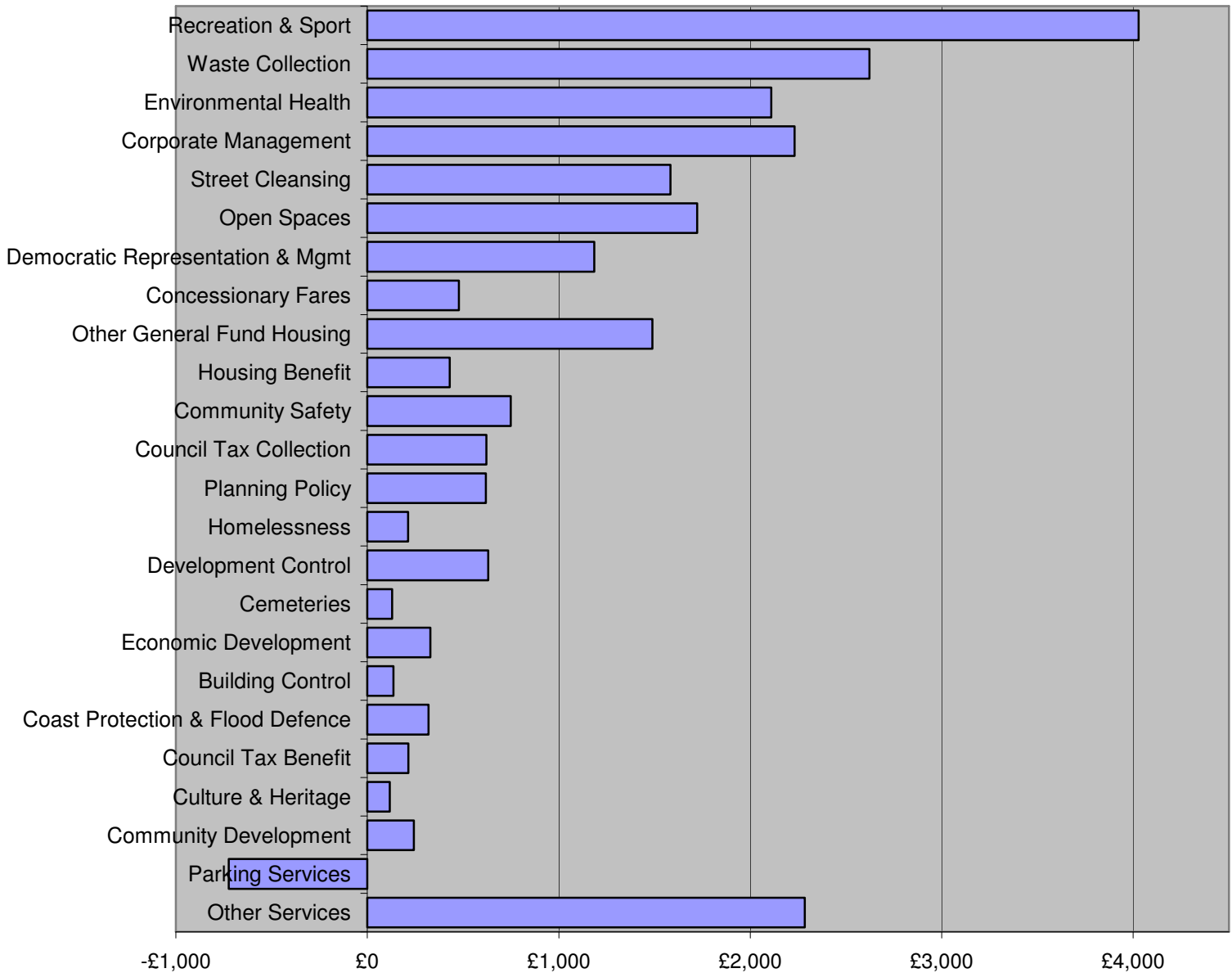
D BUCKETT CPFA
Head of Financial Services

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 2008-09 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:

	2008-09 Net Expenditure £'000
Total Cost of Services	23,763
Interest payable and other items	2,196
Parish Council Precepts	662
Interest and Investment Income	(414)
Net Operating Expenditure	26,207
Financed by	
Government Grants	(290)
Demand on the Collection Fund	(7,636)
Non-Domestic Rates Redistribution	(10,403)
Revenue Support Grant	(1,448)
Total Deficit for the Year	6,430

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 £5.940m. 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 £1.821m.

	2008-09 Net Expenditure £'000
General Fund Balance at start of year	(2,256)
Deficit on Income & Expenditure Account for the year	6,375
Accounting entries required by statute	(5,940)
General Fund deficit in year	435
General Fund Balance at the end of the year	(1,821)

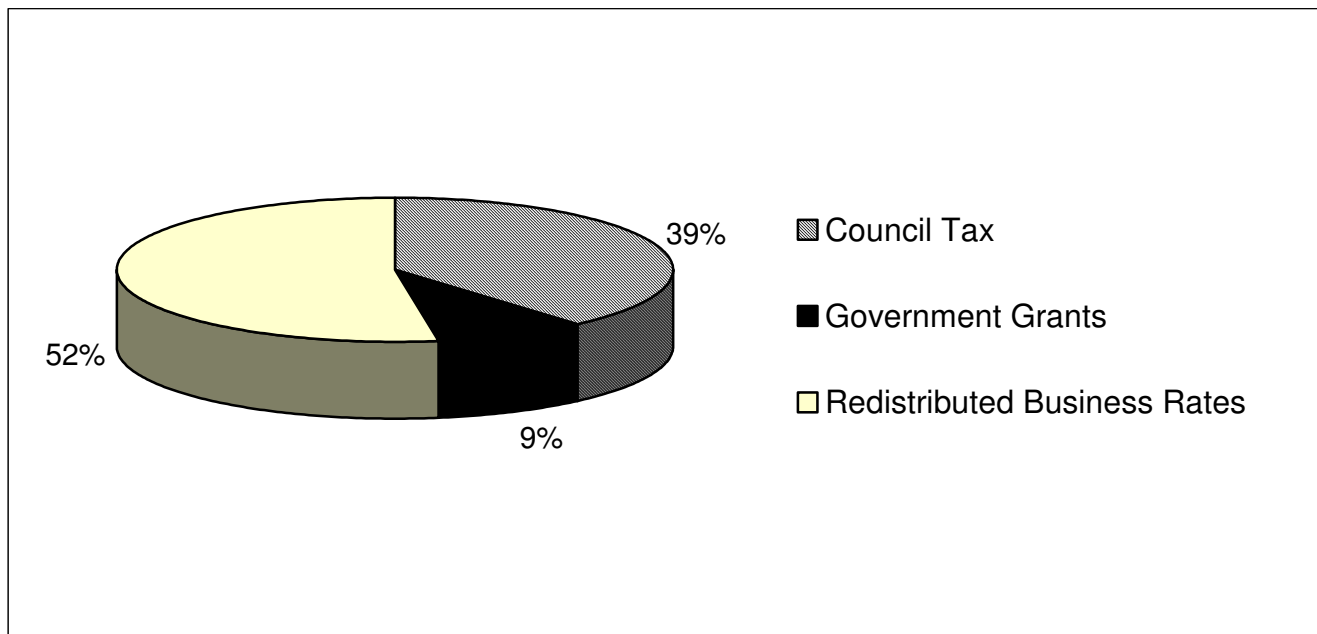
In 2008-09, the amount in our revenue account (the General Fund) went down by £435,000, compared to a budgeted deficit of £542,000 meaning that in total the revenue account had underspent by £107,000. The main differences are shown below:

	£'000
Contribution to the Partnership Reserve.	300
Savings achieved in respect of the refuse and recycling contracts.	(58)
Shortfall on bulky waste income target mainly due to a delay in implementing the new charging policy, and to the loss of income from Swale House refuse collection as this is now reclassified as commercial waste.	45
Higher costs than anticipated from the rollout of the recycling contract to replace a proportion of the older green bins that have come to the end of their natural life.	54
Building control service affected by the economic downturn.	76
Additional income and lower expenditure achieved in respect of Stay Put. This service is available to help people remain in their homes by providing assistance and advice, and a handyperson service to provide aids, adaptations, and repairs.	(52)
Savings generated on Council Tax, Housing Benefit Services and Housing Benefit Administration due to additional Government grants partially offset by additional supplies and service costs.	(385)
Costs incurred on senior staff related employment issues.	63
Local land charges income.	170
The additional car park income target set for 2008/09 has not been achieved.	55
A reduction in Concessionary Fares as a result a lower take up than originally anticipated following the introduction of national scheme.	(277)
Shortfall in planning fees income.	78
Overspend on the Local Development Framework and Faversham Area Action Plans including an approved contribution to reserves.	55
At the Executive on 7 January 2009 a one off sum was approved to offset the Leisure contract revenue deficit. This contribution is subject to the signing of a revised contract by Serco Leisure.	100
Reduction in investment income.	74
External advice has resulted in a change to the calculation of the Minimum Revenue Provision - the amount that needs to be set aside to support the underlying need to borrow.	(98)
Estimated additional costs of staff budgets.	163
Other minor variations.	72
TOTAL	435

How did we pay?

We spent £23.8 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	2008-09 £000
Council Tax	(7,636)
Government Grants	(1,793)
Redistributed Business Rates	(10,403)
Total Income	(19,832)



Our total income for 2008-09 was £19.8 million. As the chart here shows 39% came from Council tax, 9% came from government grant, and 52% 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	2008-09
	£000
Income from taxes	(19,832)
Cost of services	26,207
Accounting entries required by statute	(5,940)
<hr/> Deficit for the year	<hr/> 435
Balance on revenue account 1 April 2008	(2,256)
<hr/> Balance on revenue account 31 March 2009	<hr/> (1,821)

Cash flow	2008-09
	£m
Cash overdrawn on 1 April 2008	(0.1)
Cash in	(160.8)
Cash out	160.6
<hr/> Cash in hand on 1 April 2009	<hr/> (0.3)

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:

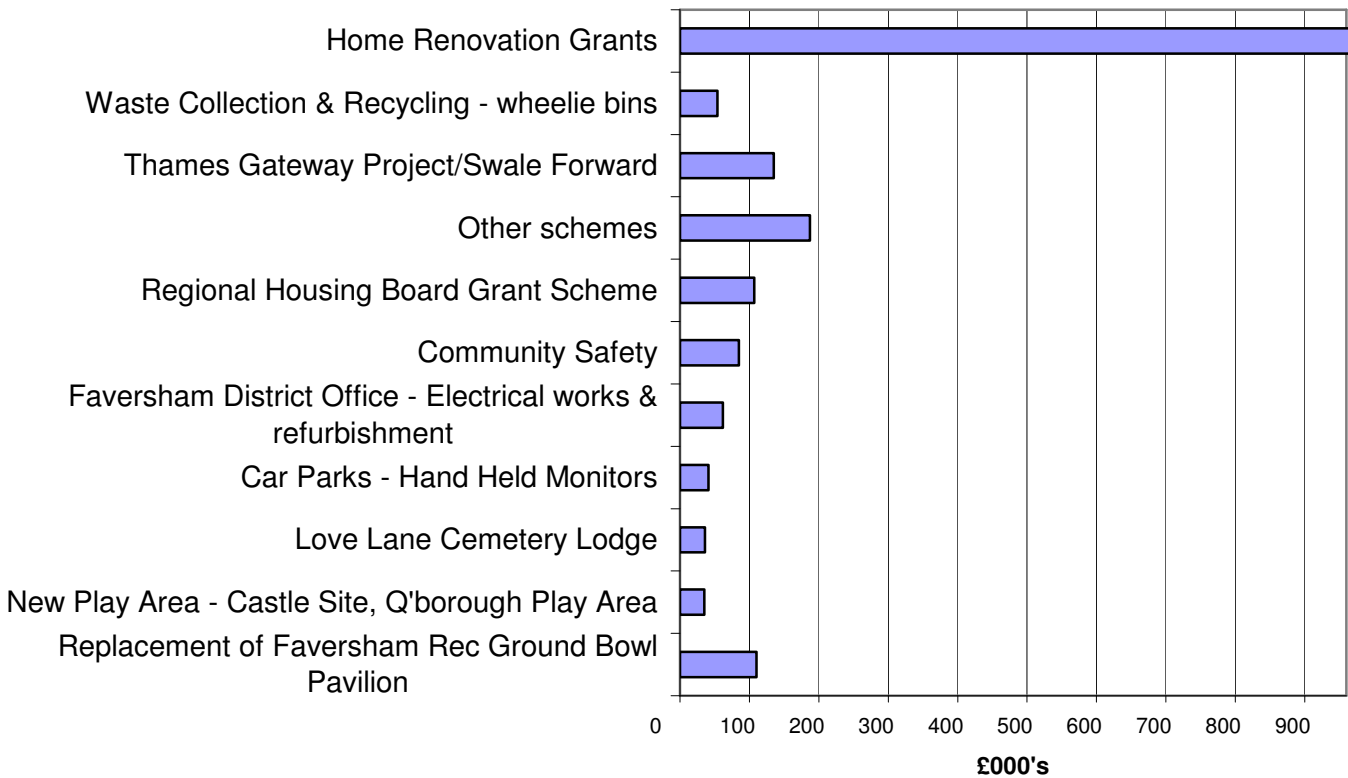
Amount others owe to us	11,508
Investments	5,110
Cash in hand	321
Total Assets	70,617
Amount we owe to others	(9,791)
Liability Related to Pension Scheme	(34,115)
Other long term liabilities	(16,655)
Net Assets	10,056

FINANCED BY:	
Capital finance and revaluation of assets	34,288
Pensions Reserve	(34,115)
Other reserves and balances	9,883
Total Net Worth	10,056

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 2008-09



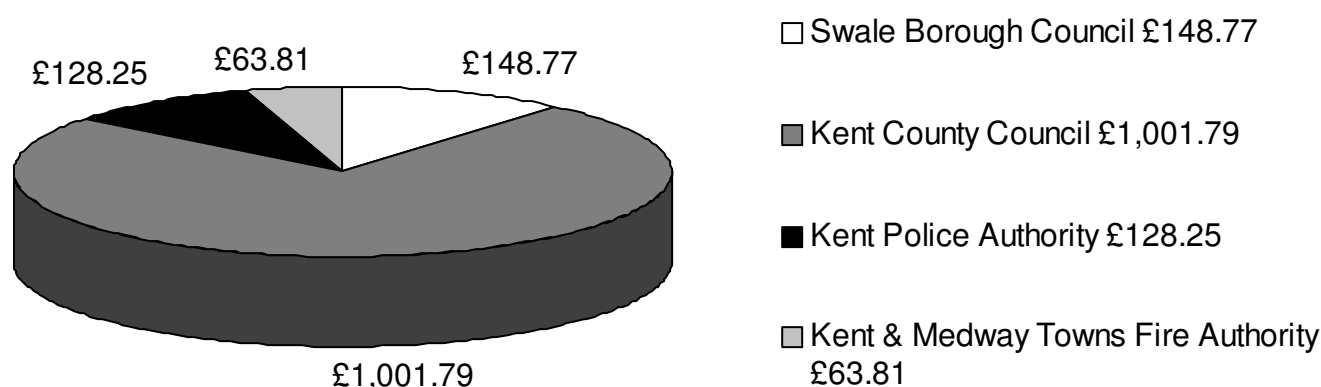
Council Tax 2008-09

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 2008-09 (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 2008-09

	£
The amount of money we needed	405.89
Less: collection fund deficit	1.60
Less: revenue support grant	31.22
Less: our share of business rates	224.30
The amount you paid for Swale's services	148.77

Council Tax 2009-10

Although not part of the 2008-09 accounts, details are added for your information on the 2009-10 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 2009-10 this figure is 46,798.58. If your home is in Band D, your council tax for this year will be £1,383.04 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	684.18	89.77	44.04	104.04	922.03
Band B	798.21	104.73	51.38	121.38	1075.70
Band C	912.24	119.69	58.72	138.72	1229.37
Band D	1026.27	134.65	66.06	156.06	1383.04
Band E	1254.33	164.57	80.74	190.74	1690.38
Band F	1482.39	194.49	95.42	225.42	1997.72
Band G	1710.45	224.42	110.10	260.10	2305.07

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**