

Hillingdon Council's Statement of Accounts 2005/2006

Council taxpayers and local businesses have a right to know how the council spends the money it receives from government and council tax.

We have summarised the council's audited 2005/2006 accounts to include information that is most relevant and of interest to residents and local businesses.

The following charts and tables explain how much we spent on services and improvements last year and how we used income from council-owned housing as well as explaining how our finance processes performed.

The council publishes its statement of accounts in accordance with the code of practice on local authority accounting in Great Britain.

Full copies of the audited accounts are available on the council's website www.hillingdon.gov.uk or by contacting our corporate accountancy team on 01895 250816. We would welcome suggestions for improving information in either the summary or full accounts.

Financial review

Cllr Ray Puddifoot, leader of the council has noted: "My priority has been to get the council's finances into a strong position to ensure that we are able to meet the challenges of having to deliver more for less."

In the most recent government inspection of councils, Hillingdon scored 'three stars' for our performance in the use of resources.

During the year the council faced a new challenge when the government retrospectively altered the grant conditions of the leaving care grant, which provides funding to the council for unaccompanied asylum seeking children beyond their eighteenth birthday. This reduced the council's income in respect of

2004/2005 and 2005/2006 by £5.3m, with further loss of £4.8m in 2006/2007.

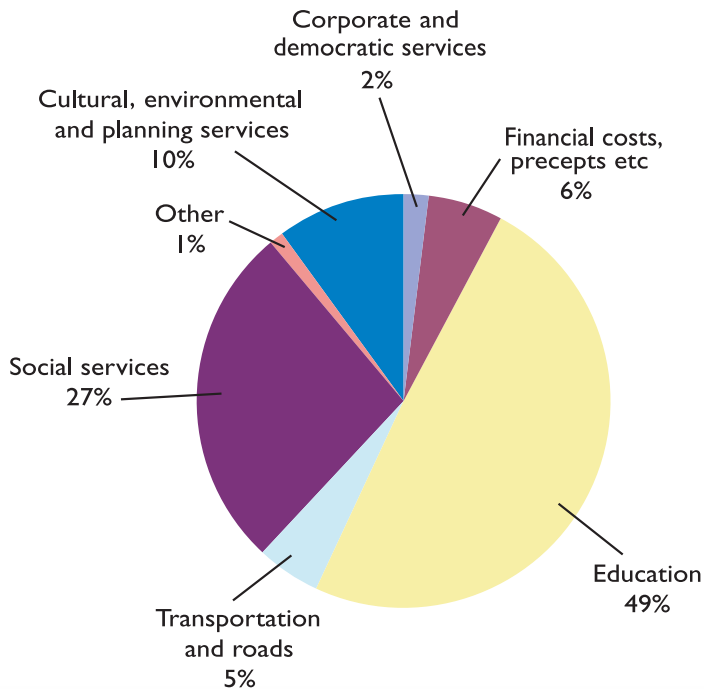
The council is in the process of challenging this decision. Through a combination of efficiency savings and the use of balances the final net expenditure totalled £306m, which reduced balances by £2.7m. Without the loss of grant income there would have been a £2.6m underspend.

We now have a stable and well-managed budget, which has meant in 2006/2007, the council was able to invest £1.6m extra in service improvements. This was achieved whilst keeping the council tax increase to under 3% for council services, with an increase in the Greater London Authority precept adding a further 2%, leading to an overall increase in council tax of 5%.



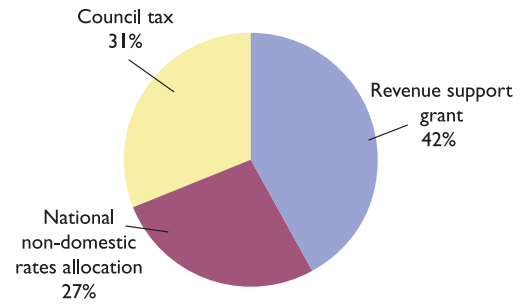
The cost of council services in 2005/2006

The revenue account presents the cost of running the council's services between 1 April 2005 and 31 March 2006.



The chart above shows that the total cost of council services in 2005/2006 was £306 million. Cultural, environmental and planning services include libraries, parks, waste collection and disposal and environmental health. Corporate and democratic services is the administrative cost of running the organisation including the democratic process. Other services include housing, court and probation services, council tax administration and the registration of births, deaths and marriages. Financing costs are the revenue costs of funding the capital expenditure and precepts are payments to London-wide bodies such as the London Borough Grants Committee.

Funding of the council's services



The council's balances

The general fund pays for most of the services provided by Hillingdon Council. The council controlled balance at 31 March 2006 is £4.9m. Given the scale of the council's business, this balance is not considered high.

Schools have delegated budgets and can carry forward any under or overspends at the end of the year. School balances at 31 March 2006 totalled £11.9m.

	Council £m	Schools £m
Balance 1 April 2005	7.6	8.9
Movement	-2.7	+3.0
Balance 31 March 2006	4.9	11.9

How has the finance service performed?

% of creditors paid within 30 days	
2004/2005	91%
2005/2006	93%
% of electronic payments	
2005/2006	59%
% of business rates collected	
2004/2005	98.7%
2005/2006	98.9%



The council's balance sheet

As at 31 March 2006

Council assets and cash in the bank

£000s

Assets (buildings, land, vehicles and equipment)	1,435,310
Money owed to the council	141,183
Money owed by the council	-113,204
Cash at bank	740
Stock	178
Total	1,464,207

Financed by:

£000s

Council equity in its assets	1,276,671
Loans	164,103
Ring fenced reserves and balances	18,862
General fund balances	4,571
Total	1,464,207

Council housing accounts

The council owns 10,936 homes in the borough. By law, all money spent on housing improvements has to be funded from rental income and not from council tax or government grants.

Income

£000s

Council housing rents (gross)	43,336
Other income	3,471
Subtotal	46,807

Expenditure

£000s

Contribution to the housing capital programme	17,073
Supervision and management	13,270
Repair and maintenance	9,649
Government charge	7,831
Other	2,327
Subtotal:	50,150

Deficit for the year	3,343
Balance brought forward from 2004/2005	-13,013

Balance carried forward -9,670

Council tax figures (for 2005/2006 and 2004/2005)

Population of Hillingdon

2004/2005	247,222
2005/2006	252,400

How many were band D equivalent

2005/2006	96,555
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% of council tax collected in year

2004/2005	95.3%
2005/2006	94.8%

Council owned homes – summary

As of 31 March 2006, Hillingdon Council owns:

One bedroom properties	3,761
Two bedroom properties	3,848
Three bedroom properties	3,063
Four or more bedroom properties	193
Hostels	71

Total 10,936

Revenue from council house sales during 2005/2006 £8.8m

Rent arrears as of 31 March 2006 £2.22m (this is a decrease of £0.88m on 2004/2005)

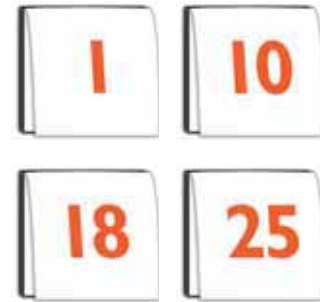


Capital expenditure

Capital expenditure broadly represents money spent by the council on buying, upgrading and improving assets such as roads and buildings. The following table outlines the capital investment made during the year 2005/2006.

Corporate	£000s
ICT projects	2,019
Hillingdon Improvement Programme modernisation	1,750
Modernisation of other council buildings	1,576
Modernisation of Kings College Pavilion	924
Hillingdon Improvement Programme e-procurement	207
Modernisation of Civic Centre	185
Disabled and older people's priorities	174
Education	£000s
Schools	21,750
Brookfield adult education centre	1,773
Environment	£000s
Chrysalis programme of environmental improvements	792
Green spaces initiatives	431
Housing	£000s
Improvements to council-owned housing	32,129
Grants to private individuals	3,661
Roads	£000s
Highways, road safety and other improvements	8,878
Social Services	£000s
IT Improvements	856
Building modernisation	554
Youth and Leisure	£000s
Re-development at Hillingdon House Farm	4,467
Other youth and leisure projects	1,014
Refurbishment of Barra Hall	636
Total	83,776

Which date will you choose?



Paying by direct debit is the easiest and most convenient way to pay your council tax

- Choose from four payment dates
- Your bill is paid automatically
- There's no paperwork
- One call is all it takes

Interested?
Tel: **01895 250000**
(9am to 5pm)



HILLINGDON
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