

# Hillingdon Council's Statement of Accounts 2006/2007

This information will tell local taxpayers and businesses how the council spends the money it receives from government and council taxpayers.

This short summary provides you with information about how the council spent its money last year. The result of a survey show this is how residents want this information.

The charts and tables opposite set out what we spent on services and where the money came from that paid for them. The accounts have to follow the form set out in the "Code of Practice" for local authority accounting in Great Britain. A copy of the council's published audited accounts can be obtained from the council's website [www.hillingdon.gov.uk](http://www.hillingdon.gov.uk) or by contacting the Corporate Accounting Team on 01895 556073. We would welcome suggestions for improving information in either the summary or full accounts.

## Financial review

The council's finances are sound and provide confidence for the council to meet the uncertainties of the future. Local authorities remain under pressure to find savings, delivering more for less, but also to meet the challenge of change. Efficiency savings of £11.7m were achieved as planned during 2006/7. £10.1m of this was needed to replace the loss of government grant for the cost of supporting asylum seekers, almost half being set aside to replace council reserves used in 2005/6 to cover this loss.

At 31 March 2006 the council's general reserve had fallen to £4.6m, well below the range we need of £8m to £16m to meet potential business risks. Following careful management by the Cabinet and its officers the reserve is now £9.3m.

The further saving of £1.6m was used for additional public services. Additional money was provided for community equipment, repairs to pavements, environmental improvements, expanding services to support vulnerable children and voluntary work.

All this was achieved whilst keeping council tax increases below the rate of inflation.

Our concern regarding the cut in Government support for unaccompanied asylum seeking children remains. We are challenging the Government's overall approach which we believe penalises local authorities such as Hillingdon with the large influx of people through Heathrow airport that seek assistance.

A combination of efficiency savings and tight control has resulted in final net expenditure totalling £169.3m after taking account of the new dedicated schools grant of £148.4m.

This is a 3.8% increase on net expenditure in 2005/6.



# The cost of council services in 2006/2007

The overall cost of providing council services on a continuing basis in 2006/7 is set out below.

Income	£000s
Revenue support grant	15,479
Business rates	60,689
Council tax	99,584
<b>Total</b>	<b>175,752</b>

Net expenditure	£000s
Education	13,501
Social services	87,006
Cultural environmental and planning services	31,043
Housing services	2,808
Transportation & roads	17,910
Corporate & democratic core	7,382
Central services to the public such as reg of births etc	5,010
Un-apportionable central overheads	224
Other	158
<b>Net cost of services</b>	<b>165,042</b>

Add	
Repayment of loans & loan interest & Interest Income	3,889
Revenue expenditure used to finance capital expenditure	361

<b>Amount to be met from Government grants and local taxation</b>	<b>169,292</b>
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<b>Net General Funds surplus for the year</b>	<b>6,460</b>
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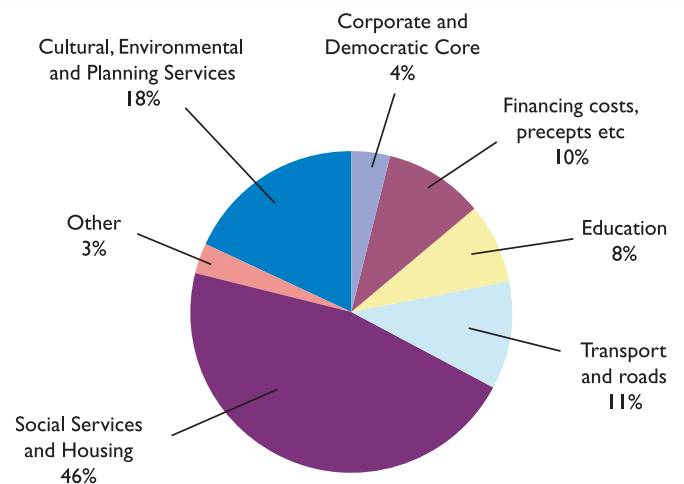
## How has the finance service performed?

% of creditors paid within 30 days	
2005/2006	93%
2006/2007	91%
% of electronic payments	
2005/2006	59%
2006/2007	75%
% of business rates collected	
2005/2006	98.9%
2006/2007	99.2%

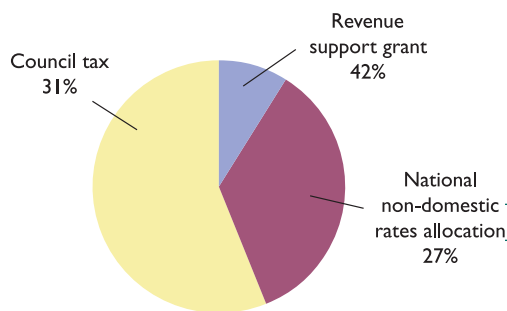
The pie chart below shows the percentage spent on each service.

The total cost of providing council services in 2006/7 was £169.3 million after taking account of the new dedicated schools grant for education. 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 cost of funding the capital expenditure. 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 council's main account is called the general fund. This is the account through which all the council's expenditure and income passes. The balance on this fund is known as the general reserve. The balance on this reserve has grown from £4.6m at 1 April 2006 to £9.3m at 31 March 2007. At this level the reserve is judged to be adequate to meet potential business risks that might befall the council.

School budgets and reserves are within the remit of school governing bodies although they form part of the council's overall finances. School reserves increased from £11.9m on 1 April 2006 to £13.6m at 31 March 2007. At this level they represent around 6% schools gross budgets.

	Council £m	Schools £m
Balance 1 April 2006	4.6	11.9
Movement	-4.7	1.7
Balance 31 March 2007	9.3	13.6

## The council's balance sheet

As at 31 March 2007

Assets	£000s
Land, buildings, vehicles and equipment	1,474,542
Investments and other assets	4,366
Money owed to the council	171,423
Stock	171
Money owed by the council	(94,310)
<b>Total</b>	<b>1,556,192</b>

Paid for by	£000s
Council equity in its assets	1,303,656
Loans	222,890
Ring fenced reserves and balances	20,348
General Fund	9,298
<b>Total</b>	<b>1,556,192</b>

## Council housing accounts

The council owns 10,936 homes in the borough. Regulations require that all money spent on housing improvement has to be funded from rent income.

Income	£000s
Council Housing Rents	44,775
Other Income	3,607
<b>Subtotal</b>	<b>48,382</b>

Expenditure	£000s
Repairs and maintenance	11,818
Supervision and management	12,274
Contribution to the housing capital programme	17,562
Government charge	8,372
Other	2,648
<b>Subtotal</b>	<b>52,674</b>

Deficit for the year	4,292
Balance brought forward from 2005/2006	-9,670

<b>Balance carried forward</b>	<b>-5,378</b>
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## Capital expenditure

The amount spent by the council on capital account was £78m. This expenditure is used to fund major projects such as buildings.

The investments made during the year are set out below;

### Council tax figures (for 2006/2007 and 2005/2006)

Population of Hillingdon	
2005/2006	252,400
2006/2007	250,000
How many were band D equivalent	
2006/2007	97,063
% of council tax collected in year	
2005/2006	94.8%
2006/2007	94.9%

### Council owned homes – summary

As of 31 March 2006, Hillingdon Council owns:

One bedroom properties	3,736
Two bedroom properties	3,826
Three bedroom properties	3,010
Four or more bedroom properties	191
Hostels	71
<b>Total</b>	<b>10,834</b>
Revenue from council house sales during 2005/2006	
	£5.5m
Rent arrears	£2.42m

#### Education £000s

Ruislip High School	11,810
Other schools	12,825

#### Social Services £000s

IT improvements	298
Building modernisation	3,473

#### Environment £000s

Chrysalis programme of environmental improvements	983
Victoria Hall and Ruislip Manor library development	1,332
Hillingdon sport & leisure	1,352
Leisure development - Botwell Green, Hayes	809
Green Spaces strategy implementation	325
Other improvements	2,140

#### Housing £000s

Improvements to council-owned housing	28,425
Other initiatives	4,106

#### Corporate £000s

Customer Contact Centre	196
E procurement and E delivery	271
ICT projects	829
Disabled & older people's priorities	174
Modernisation of Civic Centre	259
Modernisation of Kings College Pavilion	66
Modernisation of other council buildings	3,455

#### Youth and Leisure £000s

Refurbishment of Barra Hall	86
Other youth & leisure projects	585

#### Roads £000s

Highways, road safety and other improvements	4,610
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#### Total 83,776

