

How did we spend yo



Earlier this year, we asked you how you would like to get information about the council's budget and how we spent your money. Most of our residents told us they would prefer to read about the council's finances in Hillington People. This summary tells you how we spent your money last year, what assets we currently have and how we are investing your money.



Our money last year?

All councils must publish their full accounts in a way prescribed by the Government. If you would like a full set of the council's accounts please log onto the council's web site www.hillingdon.gov.uk or contact the Corporate Accounting Team on 01895 556073.

How council services are funded

Councils are unique in that they deliver nearly 800 different services. Like all councils, Hillingdon gets the money to pay for these services by a mixture of:

- Council tax
- Grants from central government
- Business rates and
- Fees and charges for things like rents.

The council tax that you pay in Hillingdon only covers 14.7 per cent of the total amount the council spends on services. The council is also required to collect council tax on behalf of the Mayor of London. £29.2m was collected from Hillingdon residents and paid to the Mayor in 2007/8.

We also receive grants from government to help us deliver services. Many of the grants we are given have to be spent on things the government tell us. For example, we get £158.4m that we have to give to our schools for them to deliver education for our children.

Our council houses and repairs are managed on our behalf by Hillingdon Homes, which is run as a separate business.

Last year we collected £245m in rates from businesses in Hillingdon. This money is paid direct to the government, who then decide how much we get back. Last year, we were given £63.9m, which represents only 26 per cent of the business rates we collected in the borough.



Financial review

Through strong financial management, and by making efficiencies in the way we run the council, the overall financial position of the council is now much stronger.

Our general reserves, which is the money that we can call on for unplanned costs stands at £12.6m. This meets the recommendations of our independent auditors and means that we have hit our target of getting to £12m two years early.

We have been lobbying the government for nearly two years for them to fully fund the costs of supporting unaccompanied asylum seeking children that come through Heathrow Airport. They have recently announced that we will be getting around £4m. However, we are still concerned about funding from the government for future years and will continue to press for a fair deal for Hillingdon.

We will also continue to invest significant sums in facility and services. The council tax increase for Hillingdon services for 2007/8 was 3.75 per cent and for 2008/9, three per cent. It is our intention to freeze council tax for in Hillingdon for the next two years, this will mean no increase in council tax for two years.

The cost of council services in 2007/2008

Explanation of services

Cultural, environmental and planning services – includes 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.

Central and other services include council tax administration and voluntary sector grants.

Education and children's services includes services for children, families and schools.

The Housing Revenue account covers the financial position for the council's housing stock. Hillingdon Homes Ltd manages the housing stock on an arms length basis.

School budgets are managed by school governing bodies although they form part of the council's overall finances. School reserves (the amount of money they can call on in unforeseen circumstances) reduced by £600k during 2007/8 to £13m. At this level they are around six per cent of school's gross budgets.

	£000s
Income	
Revenue Support Grant	13,231
Business Rates	63,948
Council Tax	103,411
Interest & Investment Income	7,376
Total	187,966
Council Services	
Education	38,864
Adult Social Care	64,831
Housing Services	3,524
Transportation & Roads	18,625
Cultural Environmental and Planning Services	33,033
Corporate & Democratic Core	8,300
Central Services to the Public	4,409
Other	81
Unapportionable Central Overheads	1,536
Interest Payable and Similar Charges	11,651
Housing Revenue Account deficit for year	339
Net cost of services	185,194
Amount met from Government Grant and Council Tax	177,818
General Fund Surplus for year	2,772

An additional £8.2m was invested in Hillingdon's schools in 2007/8. GCSE results and literacy and numeracy tests continue to show an improvement year-on-year. The level of permanently excluded pupils has fallen to very low levels over the past three years. Persistent absence is also being targeted with the aim of reducing the proportion of pupils with more than ten days' absence a year. For secondary schools this figure is below five per cent and at 1.5 per cent for primary school children

Additional money invested in care services has helped people to remain living in their own home. We have also introduced a first time buyers' deposit scheme as part of our affordable housing programme. Waiting times for a social care assessment have also been reduced.

More than £60,000 was spent on alley gating and other crime reduction schemes to help people feel safer in the borough. We also recovered around £1m of local taxpayers' money from council tax, benefit fraud and overpayments through proactive investigations.

We spent £2.94m improving roads and streets including £816,000 from Transport for London. This also included street lighting and drainage.

The council's balance sheet at 31 March 2008.

The balance sheet reflects the overall financial position of the council at the end of the financial year. The council owns assets with a net value of £1,388m after taking account of loans of £128m. These are mostly involved in delivering services and we regularly review whether assets are still needed. Last year the council raised £29.8m from asset sales that was used to invest in our buildings, such as libraries and leisure centres.

Through good management and maximising our investments, we also earned £7.3m interest for the council during 2007/8.



Capital expenditure

This is money we spend on buying new assets or improving our existing assets. In 2007/08, the council spent £68m doing this. These schemes included:

£14.2m upgrading and extending Oak Farm Primary, Uxbridge High and Haydon secondary schools;

More than £2m was given to home owners to provide disabled facilities;

£24.1m was spent on refurbishing council houses to bring them up to a decent standard;

£2m was spent on Manor Farm heritage site. The Grade II listed buildings have been fully restored and include an interpretation centre;

£2.2m on Victoria Hall and Ruislip Manor Library. This was opened in October last year and incorporates a café, new personal computers and contemporary design;

Over £5.2m was spent on sport and leisure facilities, including the prestigious Uxbridge Lido;

£5.2m was spent on transport and road works. Many of these were focussed on safety, improving cycle ways and footpaths, bus priority and highways maintenance;

Almost £1m was allocated to the Chrysalis programme, our programme of environmental and community safety improvement projects which aim to improve council land and facilities and works towards safer, cleaner, greener and more active communities.

Almost £1m has been invested in Breakspear Crematorium following public consultation.



Money saving

Some of the examples of how the council is helping to save money include the Abandoned Vehicle Team reporting any suspicious vehicles that could have been stolen or involved in criminal activity. This has helped to promote a safer borough and has also resulted in cost savings through the reduction of administration needs. Around 20 stolen vehicles were located in 2007/08 as a result of the work.

The Green Spaces team have been working to make sure graffiti is removed quickly and more efficiently. Following a review of the team last year, graffiti removal was outsourced to our maintenance contractor, Connaught, and the time it takes for graffiti to be removed has been reduced to two working days. This is saving around £30,000 a year.

Councils' deposits in Icelandic banks

Leader of the Council, Cllr Ray Puddifoot, said: "More than 100 councils, 30 police forces, Transport for London and a range of charities have all been affected by this particular aspect of the current global financial position and we are expecting the government to support councils and other organisations as they are doing for banks and other financial institutions.

Hillingdon invested £5 million with an Icelandic bank and £15 million in a bank, which is a UK subsidiary of an Icelandic bank. We are however, financially sound and with an annual cashflow of more than £1 billion and the investment in question will not

affect our ability to continue to deliver high quality services to our residents.

Some residents will ask why we invest money in banks at all. All councils invest money to help reduce the level of council tax and to maximise the amount of money we have to deliver services. We follow very strict government guidelines and all of the banks we invest in have the highest credit rating. However, in these highly unusual times, these ratings are changing on a daily basis.

The financial management and strength of Hillingdon Council means we are well able to deal with this type of unforeseen event."