

Summary Statement of Accounts 2014/2015

This document contains summarised information from the Council's 2014/15 Statement of Accounts, providing information on where the Council's money is spent, where the money comes from and the summary of the Council's assets and liabilities.

Financial Review

During the year the Council delivered its services within the approved budget, contained pressures arising from the challenging financial environment and managed the risks around demand pressures. This resulted in a net underspend of £5.381m and represented 3% of the approved budget £174.426m.

The under spend has been used to increase specific reserves. This maintains the Council's capacity to manage risk arising in future years from continuing demographic pressures, the economy, welfare reforms and further Government funding cuts.

Examples of the Council's key achievements over the last year are summarised below:

- Over half of eligible adult social care users have a cash personal budget and approximately 250 clients now use My Community ePurse.
- Cleaner and safer streets – 90% litter free compared to 86% in 2013/14 and an average for the year of 99.5% street lights functioning.
- Invested £13m in highway and street lighting improvements and maintenance.
- Invested in the Councils Xcite programme to help over 200 workless residents into employment and developed a 'How to' guide for taking on apprentices.
- Housing growth fund bids of £5.3m have been awarded for a new build programme.
- The schools expansion programme sees a £45m investment in schools to meet increasing demand for places and special educational needs including rebuild of Marlborough school, expansion of Whitefriars Community school to be an all age school, and permanently increased reception intakes at 8 primary schools in September 2013 and at a further 15 schools by September 2015.

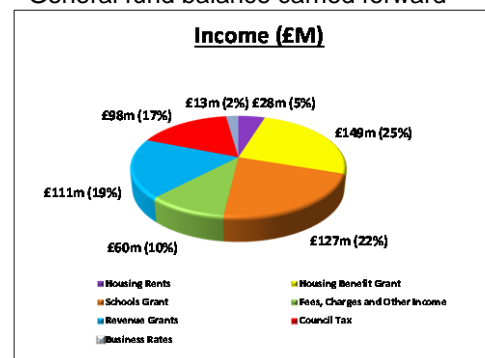
The full Statement of Accounts has been prepared in accordance with accounting policies applicable to local authorities and is available on the Council's website (www.harrow.gov.uk). An unqualified audit opinion was given by the External Auditor on 24th September 2015.

Dawn Calvert CPFA
Director of Finance and Assurance

Income and Expenditure Account

The Council's income and expenditure account includes all expenditure on the day to day running of the Council, including employees costs, Housing Benefit payments, supplies and services, and interest on borrowings as well as income from government grants, council tax and fees.

	2014/15		2013/14	
	Expenditure £000	Income £000	Net Spend £000	Net Spend £000
Services				
Central Services	7,359	-3,777	3,582	2,152
Cultural & Related Services	11,073	-3,296	7,777	9,908
Environmental & Regulatory Services	17,396	-2,305	15,091	16,721
Planning Services	6,978	-3,288	3,690	3,619
Children & Education Services	197,589	-157,566	40,023	15,436
Highways & Transport Services	34,084	-13,456	20,628	17,765
Housing Services	129,811	-187,650	-57,839	-2,346
Adult & Social Care	89,305	-26,059	63,246	62,421
Other Income and Expenditure	122,405	-5,141	117,264	76,432
Net Cost of Services	616,000	-402,538	213,462	202,108
Funded by:				
Council Tax			-98,011	-94,876
Retained Business Rates			-13,436	-14,725
General government grants			-102,015	-93,869
Total Income			-213,462	-203,470
Surplus for the year			0	-1,362
General fund balance brought forward			-10,008	-8,646
General fund balance carried forward			-10,008	-10,008



The Graph demonstrates the various sources of Council income to fund the expenditure for services provided. Over 60% of the funding comes from central government in the form of various grants and around 17% is raised from the local residents via council tax.

Balance Sheet as at 31 March 2015

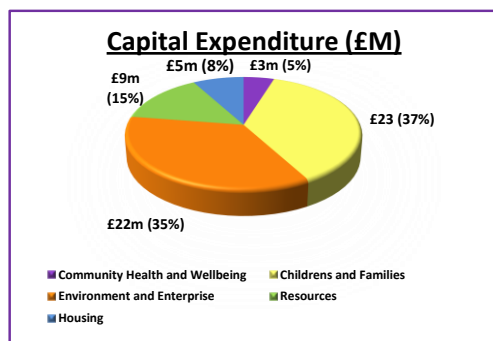
The balance sheet below summarises the Council's assets and liabilities

	2014/15 £000	2013/14 £000
Land, Buildings and Other Assets *	902,038	812,291
Other Long Term Assets	36,593	24,636
Cash & Bank	12,817	35,250
Current Assets	101,045	94,422
Current Liabilities	-75,195	-98,486
Long term Liabilities **	-782,421	-709,051
Net Assets	194,877	159,062
Usable Reserves	-95,105	-83,901
Unusable Reserves	-99,772	-75,161
Total Reserves	-194,877	-159,062

* **Land, Buildings and Other Assets:** This includes assets owned by the Council such as housing stock, schools, office buildings, roads, bridges, etc.,

** **Long term Liabilities:** This includes borrowing (£334million) to fund investments in buildings and other assets and Pensions liability of (£401 million) for the cost of retirement benefits. The Pension Fund holds assets of £675 million to meet this commitment along with future investment returns.

Capital Expenditure



Capital expenditure relates to items that provides long term benefit to the council such as the buying or construction of buildings, road improvements. This expenditure is treated separately from the day-to-day spending on services. During 2014/15, the Council invested £62m including housing improvements, Infrastructure, Schools and Information Technology.

The capital programme is mainly funded from borrowing, government grants, revenue contributions and sale proceeds from disposal of assets.

Housing Revenue Account

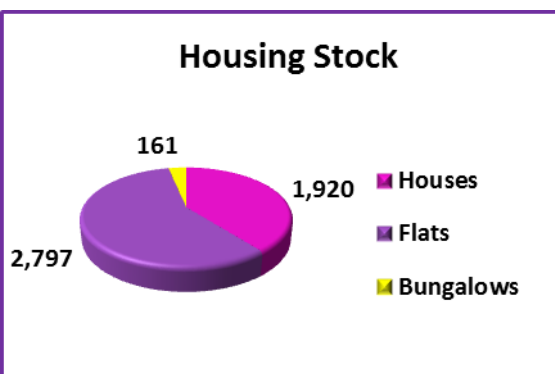
The Council performs the role of landlord for a number of the borough's residents and owns 4,878 properties. It is a legislative requirement that all the income and expenditure relating to the Council houses is accounted for separately and is summarised below.

Housing Revenue Account

	2014/15 £000	2013/14 £000
Income		
Council House Rents	-28,558	-27,780
Other Income	-6,173	-5,632
	-34,731	-33,412
Expenditure		
Repairs & Maintenance	6,920	8,064
Supervision & Management	7,909	8,343
Capital Financing Costs	-52,027	670
Other Costs	70,919	15,936
	33,721	33,013
Surplus for the year	-1,010	-399
HRA balance b/f	-3,574	-3175
Balance c/f	-4,584	-3,574

What happens to the rents paid by council tenants?

Rents are used to fund repairs & maintenance of the properties, pay interest on the money borrowed to build council houses and make major improvements to them. Housing income is treated separately from the council's other funding to ensure it is spent on the above services for council housing.



- At 31st March 2015 0.35% of lettable properties were vacant
- The housing stock was reduced by 37 due to sales to tenants
- Average weekly rents were £112.48 per week in 2014/2015