



Summary Statement of Accounts 2015-2016

This document contains summarised information from the Council's 2015-16 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 £2.587m and represented 1.5% of the approved budget £167.381m.

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:

- Set in motion plans for the relocation of the Civic Centre to Wealdstone, making the Station Road site available for redevelopment and injecting a major new investment into the heart of Wealdstone
- Secured £31m of funding from the GLA under a Housing Zone agreement to deliver accelerated housing targets in the Heart of Harrow opportunity area
- Won the Best All Round Borough award at the London Small Business Friendly Borough Awards and awarded runner-up at the 2015 London Borough Apprenticeship awards "Best work with supply chains and small businesses"
- Improved Town Centre vacancy rates to better than London and national averages
- Successfully implemented phase 1 of the Care Act
- Helped over 1,000 people apply their Personal Budgets through the innovative My Community ePurse

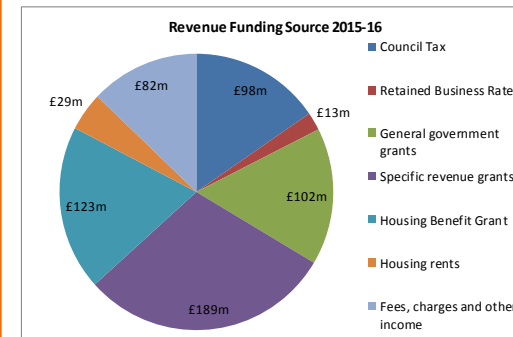
The full Statement of Accounts has been prepared in accordance with accounting policies applicable to local authorities and is available on the Council's website (www.harrow.gov.uk). An unqualified audit opinion was issued by the External Auditor on 28th September 2016.

Dawn Calvert CPFA
Director of Finance 30th September 2016

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.

	2015/16		2014/15	
	Expenditure	Income	Net Spend	Net Spend
	£000	£000	£000	£000
Services				
Central Services	5,730	(3,020)	2,710	3,582
Cultural & Related Services	10,528	(2,346)	8,182	7,777
Environmental & Regulatory Serv	17,573	(3,381)	14,192	15,091
Planning Services	6,549	(4,040)	2,509	3,690
Children & Eductaion Services	204,079	(161,021)	43,058	40,023
Highways & Transport Services	32,397	(14,184)	18,213	20,628
Housing Services	151,108	(190,066)	(38,958)	(57,839)
Adult & Social Care	91,072	(28,727)	62,345	63,246
Other Income and Expenditure	(76,518)	(15,724)	(92,242)	81,451
Net Cost of Services	442,518	(422,509)	20,009	177,649
Transfers to / from usable reseves			(5,001)	11,204
Transfers to unusable reserves			201,078	24,609
Total to be funded			216,086	213,462
Funded by:				
Council Tax			(102,042)	(98,011)
Retained Business Rates			(15,998)	(13,436)
General government grant			(98,046)	(102,015)
Total Income			(216,086)	(213,462)
Surplus for the year			0	0
General fund balance brought forward			(10,008)	(10,008)
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. 65.1% of the funding comes from central government in the form of various grants and 15.4% is raised from the local residents via council tax.

Balance Sheet as at 31 March 2016

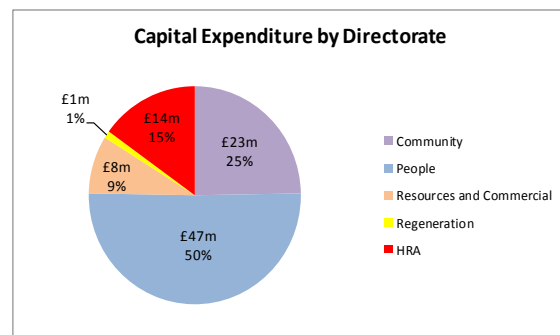
The balance sheet below summarises the Council's assets and liabilities.

	2015/16 £000	2014/15 £000
Land, Buildings and Other Assets *	1,046,538	902,038
Other Long Term Assets	18,471	36,593
Cash & Bank	29,714	12,817
Current Assets	70,704	101,045
Current Liabilities	(73,764)	(75,195)
Long term Liabilities **	(700,711)	(782,421)
Net Assets	390,952	194,877
Usable Reserves	(90,102)	(95,105)
Unusable Reserves	(300,850)	(99,772)
Total Reserves	(390,952)	(194,877)

* **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 (£334m) to fund investments in buildings and other assets and Pensions liability of (£339m) for the accrued cost of retirement benefits. This liability will be funded from future pension contributions and pension 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 2015-16, the Council invested £93.3m 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 4,856 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.

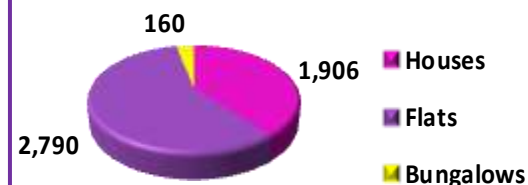
Housing Revenue Account

	2015-16 £000	2014-15 £000
HRA	£000	£000
Income		
Council House Rents	(28,641)	(28,558)
Other Income	(8,823)	(6,173)
	(37,464)	(34,731)
Expenditure		
Repairs & Maintenance	8,580	6,920
Supervision & Management	8,570	7,909
Capital Financing Costs	(35,007)	(52,027)
Other Costs	7,911	8,018
	(9,946)	(29,180)
Surplus for the year	(47,410)	(63,911)
Transfers to/from reserves	45,257	62,901
HRA balance b/f	(4,584)	(3,574)
Balance c/f	(6,737)	(4,584)

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 new council houses and make major improvements to them. Housing income is treated separately from the council's other funding to ensure it is only spent on council housing.

Housing Stock



- At 31st March 2016 0.31% of lettable properties were vacant
- The housing stock was reduced by 22 due to sales to tenants
- Average weekly rents were £114.99 per week in 2015-16