

DARLINGTON BOROUGH COUNCIL

SUMMARY OF ACCOUNTS 2008-09

Director's Statement

Each year, the Council produces an annual Statement of Accounts, which is prepared in accordance with statutory requirements and best practice as recommended by the Accounting Code of Practice that applies to local authorities. The information contained in this summary has been modified to provide more easily understandable information.

The Council's 2008-09 has been audited by PricewaterhouseCooper, who are appointed by the Audit Commission. The auditor has issued an unqualified opinion and the full statement of accounts is available on the Council's website.

The Council's Accounts

Council's are required to keep separate accounts in relation to continuing annual service provision (revenue accounts) and major expenditure on assets (capital accounts).

We are also required to account separately for income and expenditure relating to our Housing stock (called the Housing Revenue Account – HRA). HRA expenditure is funded from rents; Council Tax income cannot be used to pay for HRA expenditure. Net expenditure on Housing relates to the Council's statutory and strategic housing responsibilities and internal charges for asset usage.

All services other than HRA are termed General Fund services. These are funded by a combination of government grant, non-domestic rates (sometimes called business rates) and Council Tax.

Both General Fund and HRA have reserves (sometimes called working balances) to enable changes in expenditure and income between years to be managed and to meet any significant unexpected or urgent expenditure.

2008-09 Revenue Budget and Reserves

In March 2008 the Council set a budget for 2008-09 of £131.4M. This included the Dedicated Schools Grant of £56.6M and projected Local Public Service Agreement grant of £0.3M. The budget requirement for 2008-09 was £74.5M. The budget is proactively managed throughout the year and can be amended in accordance with the Council's Constitution. During the year, an additional £0.3M of reserves was released to fund various projects.

At the start of 2008-09, the Council planned to have unallocated reserves of £10.6M at 31st March 2008. As a result of changes to the financing of some major items of

expenditure and reductions in some areas of spending, during the year the Council revised its planned level of reserves to £9.2M. Actual reserves at 31st March 2009 were £9.7M. In addition, departments held £1.1M of allocated reserves that are earmarked for specific services at 31st March 2009.

The Council plans to use reserves over the next four years (£1.6M in 2008-09) to effectively control spending within projected resources. The level of reserves at 31st March 2009 is appropriate, given the need to carefully manage expenditure limitations over the next four to five years.

Capital Expenditure

Capital expenditure represents money spent by the Council for the purpose of purchasing, upgrading or improving fixed assets such as Council Houses, land, buildings and equipment. The distinction from revenue expenditure is that the Council essentially receives the benefit from capital expenditure over a longer period of time.

During 2008-2009 the Council spent £49.2M on Capital Schemes within the following areas of the Council: -

Service	£M
Housing	9.7
Community Services	5.4
Children Services	26.3
Chief Exec's (Regeneration)	2.6
Transport	3.0
Corporate	1.2
Adult Services	0.5
Prudential Borrowing for Leasable Assets	0.5
	49.2

The capital expenditure was paid for by following: -

Funding	£M
Capital Grants	32.4
Borrowing	10.8
Capital Receipts	0.9
Revenue Contributions	3.2
Capital Contribution	1.9
	49.2

REVENUE ACCOUNT – for the year ended 31st March 2009

The Revenue Account shows the cost of delivering all Council services from 1st April 2008 to 31st March 2009, where the money came from and the deficit for the year, which reduces Reserves.

Revenue Account	Net Expenditure £M	
Children's and Education Services	20.5	
Adult Social Care	27.2	
Cultural, environmental & planning services	25.7	
Highways, roads & transport services	7.5	
Housing services	12.2	
Central services to the public	3.3	
Corporate and democratic core	5.1	
Court Services	0.1	
NDC	0.5	
Net Cost of Services	102.1	
Internal charges for use of assets	-15.2	
Appropriations to and from reserves	-5.4	
Amount to be met from Government Grants and Local Taxation	81.5	
Financed by: -		
Revenue Support Grant	4.5	5.5 %
Non-domestic Rates (Business Rates)	32.1	39.4%
Council Tax	37.9	46.5%
Area Based Grants	6.1	7.5%
Local Authority Business Growth Initiative	0.5	0.6%
Local Public Service Agreement	0.4	0.5%
Total income from Government Grants & Local Taxation	81.5	
Net General Fund surplus for the year	0.8	
General Fund Reserve	£M	
Brought forward at 1st April 2008	8.9	
Surplus for the year	0.8	
Carried forward at 31st March 2009	9.7	

Housing Revenue Account – expenditure and income relating to the Council’s housing stock – 1st April 2007 to 31st March 2008	£M
Income	
Rents	15.6
Charges and contributions	2.4
Total Income	18.0
Expenditure	
Repairs and maintenance	3.5
Management	5.0
RCCO	3.2
Capital financing costs	1.6
Other costs	4.7
Total Expenditure	18.0
Working balance at 1st April 2008	0.7
Deficit for the Year	0.1
Working balance at 31st March 2009	0.8

BALANCE SHEET - What the Council owns, owes and is owed at 31st March 2008

Assets and Liabilities	£M
Council dwellings	173.8
Other Land and Buildings	203.2
Other fixed assets	69.5
Money owed to the Council	63.3
Money owed by the Council	-53.6
Total Assets less liabilities	456.2
Financed by: -	
Borrowing	92.1
Non-distributable reserves (1)	343.0
Distributable reserves (2)	21.1
Total Financing of Net Assets	456.2

- (1) Non-distributable reserves are: -
Capital Adjustment (£269.2m), deferred grants accounts (£58.5m) and Revaluation Reserve (£15.3m)

(2)

Distributable reserves are: -	£M
General Fund reserve	9.7
Schools reserves	1.7
Housing Revenue Account	0.8
Other	8.9
Total Distributable Reserves	21.1

Some of the Council's published financial information: -

Revenue Medium Term Financial Plans and Budgets

<http://www.darlington.gov.uk/Democracy/Financial+Services/Medium+Term+Financial+Plan.htm>

Annual Accounts – report to Audit Committee

[Darlington Borough Council - Meeting Details](#)

(agenda item number 13)

Annual Audit and Inspection Letter – reported to Audit Committee

<http://www.darlington.gov.uk/Democracy/Political+Management/Meeting.htm?id=943>

(agenda item number 6)

Comprehensive Performance Assessment – overall rating and details

<http://www.darlington.gov.uk/Democracy/Comprehensive+Performance+Assessment.htm>

If you require further information about the Council's accounts, or wish to comment on this summary statement, please contact Accounting Services on 01325 388326 or e-mail enquiries@darlington.gov.uk