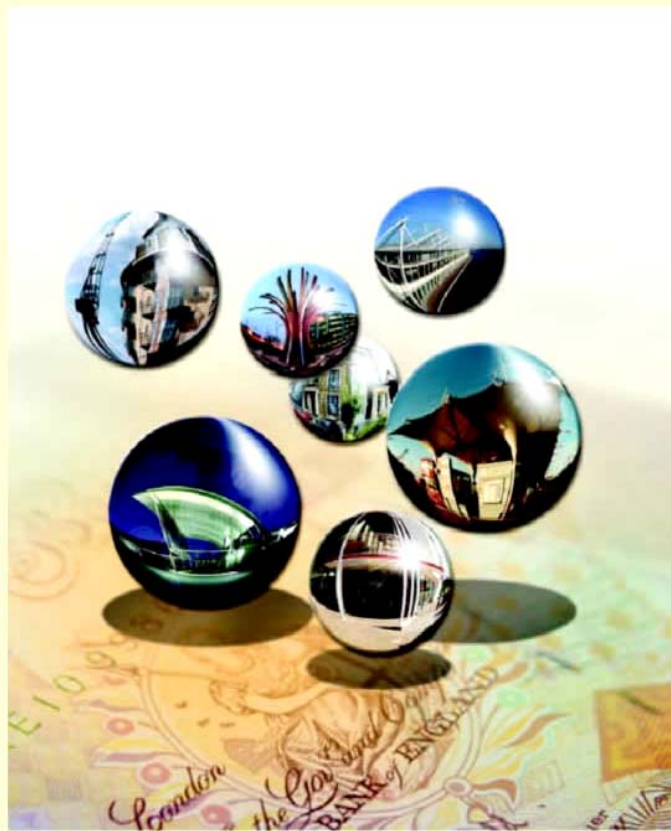




SUMMARY STATEMENT OF ACCOUNTS
FOR THE YEAR ENDING 31st MARCH 2008



London Borough of Newham Statement Of Accounts 2007/08

- This document is a summary of the Council's financial activities in the year to 31st March 2008.
- The full Statement of Accounts are a formal record of how the Council has spent its resources in the financial year to 31st March 2008. This document can be found on the Council's website.
- The Executive Director of Resources is responsible for preparing the accounts for presentation and for signing them to say that they 'present fairly the financial position of the authority'.
- The Council's external auditors, PricewaterhouseCoopers are appointed by the Audit Commission. PwC have provided an unqualified opinion on the Statement of Accounts.

- The information presented in this summary includes :
 - ♦ Actual v Budgeted Expenditure
 - ♦ Balance Sheet
 - ♦ Capital Expenditure
 - ♦ Cash Flow
 - ♦ Council Tax
 - ♦ Housing Revenue Account
 - ♦ Income and Expenditure Account

The Council's Future Plans - Achieving "The Vision"

"Newham is a major business location and a place where people will choose to live, work and stay."

This is Newham Council's Vision and the main driving force behind its future service developments and expenditure plans.

In an area with some of the UK's worst deprivation, expenditure is strictly prioritised, targeting areas of most need and those that are most important to local people

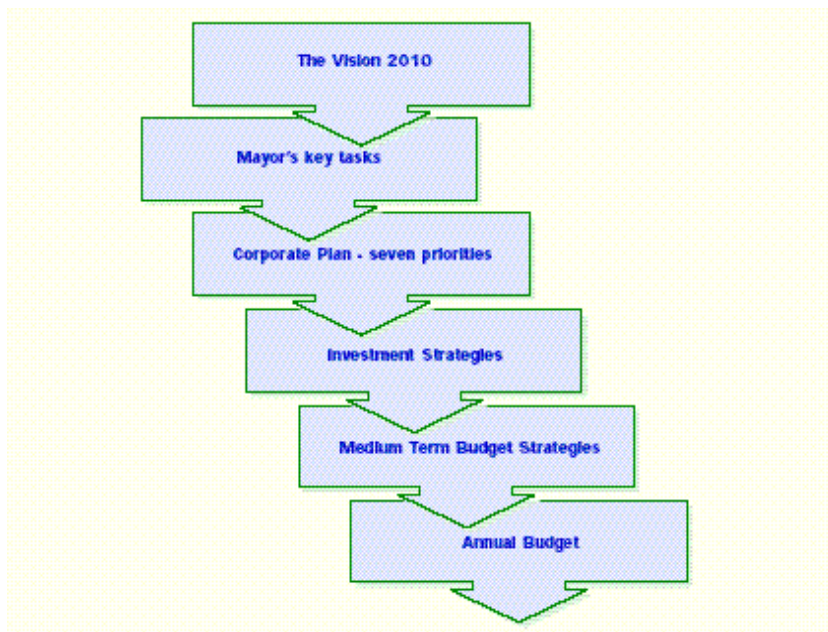
- The Council's Priorities address;
 - ♦ Better Health and Wellbeing
 - ♦ Building an Active and Inclusive Community
 - ♦ Business Growth and Access to Jobs
 - ♦ Investing in Children & Young People
 - ♦ Making Newham Safer
 - ♦ Shaping Sustainable Communities

These priorities are set out within the Council's Community & Corporate improvement plan. All have key targets to ensure that the Council's performance can be monitored and evaluated on a regular basis

Spending decisions are related to strategies enabling resources to be targeted at areas of need and invested in the future of the Borough and its residents

SEARCH FOR CORPORATE PLAN ON INTRANET

- Each year the Council publishes a **Corporate Plan** setting out the annual steps on how the **Vision** will be achieved. This combines the Mayor's priorities with the Community Strategy and aligns these targets with the medium term budget strategy and annual service budgets.
- The **Community Strategy** has been drawn up by the Local Strategic Partnership and sets out the following aspirations for Newham to achieve the Vision:
 - ♦ A better environment for all
 - ♦ Building an active and inclusive community
 - ♦ Investing in young people
 - ♦ Making Newham safer
 - ♦ Narrowing the health gap
 - ♦ Business growth and access to jobs
- The Council has a corporate objective of delivering excellence service to its community.
- This review will look for ways to develop a **"Whole Council"** approach to find ways to provide services more efficiently in a cost-effective manner.



- Within the Capital Programme, total planned expenditure is £557 million over the next three years.
- In 2008/09, the Council's net budget requirement is £280 million.

Reader Feedback

We welcome your views on the format, content and usefulness of the Summary Statement of Accounts. What you say is important to us as it will help us to improve the way in which we communicate financial information in the future.

If you would like the information in another version, e.g. large print, braille, tape, or translated to an alternative language, please contact 0208 430 2000 or email chief.accountant@newham.gov.uk

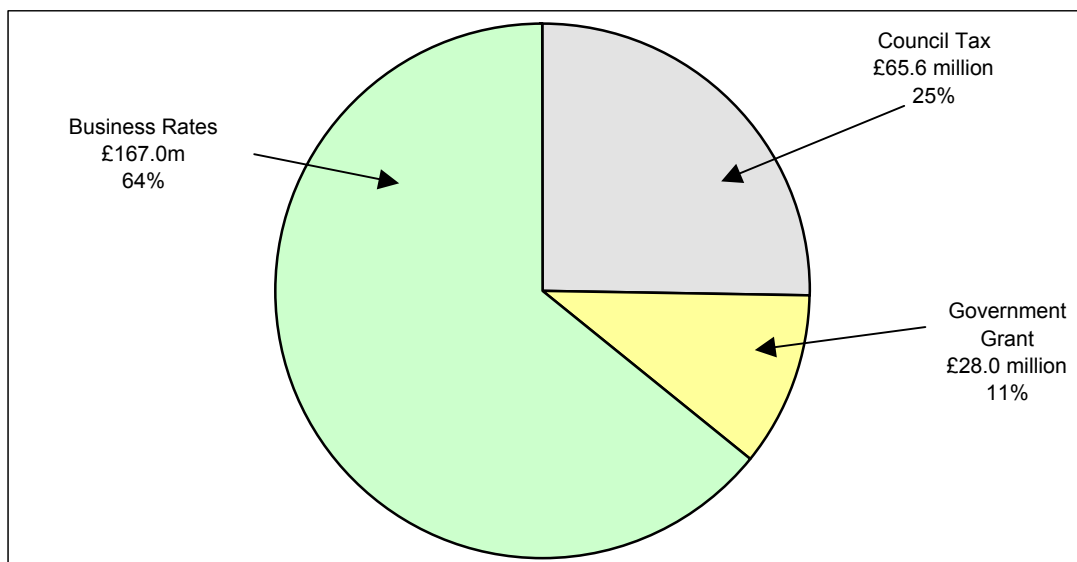
Official versions of the Statement of Accounts are available on the Council website www.newham.gov.uk

The Cost of Council Services - Income and Expenditure Account

- The Income and Expenditure account summarises the Council's revenue income and expenditure during the year and shows the resultant change in the level of reserves.

2006/07 Income and Expenditure Account for the year		2007/08		
Net Spend		Gross Spend	Gross Income	Net Spend
£ millions	Services	£ millions	£ millions	£ millions
12.5	Central Services to the Public	93.0	(79.5)	13.5
10.9	Corporate and Democratic Core	7.8	(0.8)	7.0
0.2	Court and Probation Services	0.2	0.0	0.2
54.1	Cultural, Environmental and Planning Services	103.8	(47.1)	56.7
90.2	Education Services	409.3	(339.6)	69.7
13.8	Highways, Roads and Transport Services	26.5	(14.3)	12.2
(8.8)	Local Authority Housing Revenue Account(HRA)*	97.7	(107.0)	(9.3)
5.4	Housing Services	417.2	(400.3)	16.9
69.4	Adult Social Care	96.3	(25.4)	70.9
0.6	Non Distributed Costs	6.7	0.0	6.7
248.3	Net Cost Of Providing Services	1,258.5	(1,014.0)	244.5
57.7	Less: Other Expenses			52.8
306.0	Net Operating Expenditure			297.3
	Amount to be met from Grants and local taxation			
	<i>Financed by:</i>			
1.7	Contribution to Collection Fund deficit			1.1
(1.0)	Local Authority Business Growth Incentive Grant (LABGI)			(1.7)
(62.3)	Council Tax Income - From Collection Fund			(65.6)
(30.3)	Revenue Support Grant			(28.0)
(157.2)	Business Rates			(167.0)
(249.1)	Total Income			(261.2)
56.9	Net (Surplus)/ Deficit for the year			36.1
(63.9)	Reversal of non cash items (such as depreciation)			(16.8)
(7.0)	(Increase)/Decrease in General Fund Balance for the Year			19.3

Income



Council Tax

- Newham has set the lowest Outer London Council Tax for 2008/09.

Description	2006/07	2007/08	2008/09
Basic amount of Council Tax for a band D property in Newham	£1,162.52	£1,219.74	£1,255.45
Comparison against London average	£1,214.11	£1,258.19	£1,291.66

Housing Revenue Account

- ♦ The Council provides social housing for the community and this is recorded in the Housing Revenue Account.

**Housing Revenue Account 2007/08****Housing Revenue Account Summary****£ millions****Income**

Council Property Rents (gross)	(64.3)
Other Income	(43.1)
Total Income	(107.4)

Expenditure

Repairs and Maintenance	14.3
Employee Costs	43.3
Other Costs	37.1
Total Expenditure	94.7

Net Cost of Services	(12.7)
Other adjustments	13.0

Balance in 2007/08 **0.3**Balance at 1st April 2007 **6.0****Balance at 31st March 2008** **6.3**

There was a reduction in housing stock from 18,653 to 18,437 in the year to 31st March 2008

The council owned the following types and numbers of houses at 31st March 2008:

Houses and Bungalows	4,730
Low rise flats	4,181
Medium rise flats	5,528
High rise flats	3,974
Shared Dwellings	24
Total	18,437

Capital Expenditure

- ♦ Money spent by the Council for the long-term benefit of the community is called capital expenditure

Capital Expenditure Summary	2006/07	2007/08
	£ million	£ million
Housing (Social Housing)	45.7	86.1
Corporate (including Building 1000)	13.5	84.3
Children & Young People	15.6	13.4
Custom House & Canning Town	4.6	9.8
Public Realm/Regeneration	10.3	8.7
Other Housing	8.6	8.5
Adults	2.1	5.7
Equal Pay Capitalisation	0.0	4.5
Culture & Community	0.7	3.8
Other Expenditure	2.4	0.8
Total Expenditure	103.5	225.6
Financed by:		
Borrowing	49.8	168.8
Capital Grants & Contributions	33.3	46.5
Major Repairs Allowance	12.4	9.4
Capital Receipts	8.0	1.3
Total Financing	95.5	226.0

The main items of Capital Expenditure during 2007/08 were:

	£ millions
♦ Building 1000	79.8
♦ Improvement & Modernization of existing housing	79.7
♦ Custom House and CanningTown Project	9.4
♦ Transport for London Infrastructure Projects	6.4
♦ Private Sector Renewal Scheme	5.7
♦ Single Status Capitalisation	4.5
♦ Telecare & Whole System Demonstrator	3.9
♦ Children's Centres	3.3
♦ Modernisation of Schools	3.2
♦ Building Schools for the Future	2.0
	197.9

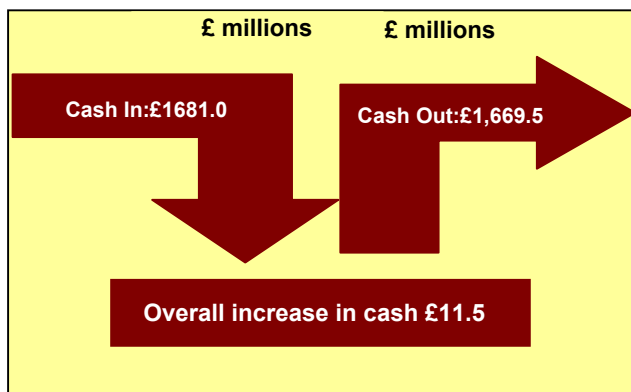
Balance Sheet

- ♦ The assets owned and amounts owed by the Council are recorded on the balance sheet

2006/07		Balance sheet at 31st March		2007/08	
£ millions				£ millions	£ millions
FIXED ASSETS					
1,008.3	Council Dwellings				1,172.2
758.7	Other Land & Buildings				887.1
398.4	Other long term assets				468.1
2,165.4	Total Long Term Assets				2,527.4
CURRENT ASSETS					
130.9	Debts owed to Council		124.4		
(44.8)	less provisions for non collection		(41.3)		
88.6	Investments		58.2		
19.6	Cash & other assets		19.7		
194.3	Total Current Short-Term Assets				161.0
CURRENT LIABILITIES					
(118.6)	Short-Term/Temporary Loans		(199.4)		
(98.1)	Creditors Owed		(78.7)		
(42.1)	Bank Overdraft		(30.8)		
(258.8)					(308.9)
OTHER LIABILITIES					
(547.2)	Long-Term Loans		(656.8)		
(323.3)	Pension Scheme Liability		(428.3)		
(261.3)	Other Liabilities		(272.1)		
(1,131.8)					(1,357.2)
969.1	Total Assets Less Liabilities				1,022.3
Financed By:					
62.7	Usable Reserves				70.1
906.4	Non-Usable Reserves				952.2
969.1	Total Reserves				1,022.3

Cash Flow

- The cash flow statement shows the movements in the Council's cash balances resulting from transactions with external organisations, for revenue and capital purposes.

**Actual v Budgeted Expenditure and Income**

- ♦ The following table shows the Council's budgeted income and expenditure against the actual income and expenditure.

Budget vs Actual 2007/08 Includes Schools & HRA	Budget £ millions	Actual £ millions
Service Expenditure	1,244.8	1,249.3
Service Income	(1,000.1)	(1,014.0)
	244.7	235.3
Capital Financing Costs	19.1	18.3
Total net Expenditure	263.8	253.6
Reserve movement	(3.1)	7.1
Budget Requirement	260.7	260.7