

London Borough of Newham

Summary Statement of Accounts 2009/10

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London Borough of Newham Statement Of Accounts 2009/10

- This document is a summary of the Council's financial activities in the year to 31st March 2010.
- The full Statement of Accounts are a formal record of how the Council has spent its resources in the financial year to 31st March 2010. 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.
- The information presented in this summary includes :
 - ♦ Income and Expenditure Account
 - ♦ Council Tax
 - ♦ Balance Sheet
 - ♦ Cash Flow
 - ♦ Actual v Budgeted Expenditure
 - ♦ Housing Revenue Account
 - ♦ Capital Expenditure

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 there is any additional information that you would like to see in future editions of the Statement of Accounts, please contact Barry Stratfull, the Council's Chief Accountant and e-mail barry.stratfull@newham.gov.uk. This document can be made available in different formats and languages upon request.

If you have any questions on the financial terms use within this document, please contact the Chief Accountant.

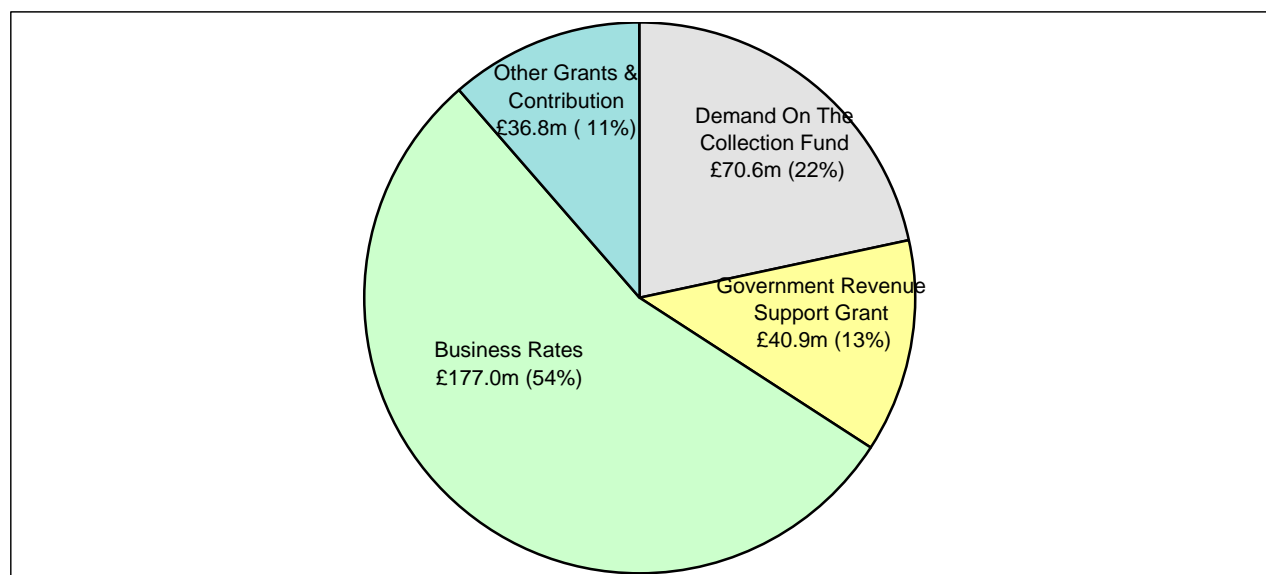
Official versions of the Statement of Accounts are available on the Council website www.newham.gov.uk

The Cost of Council Services - Income and Expenditure Account

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

Net Spend 2008/09	Income and Expenditure Account	Gross Spend 2009/10	Gross Income 2009/10	Net Spend 2009/10
£millions		£millions	£millions	£millions
216.6	Children and Education Services	720.2	(607.8)	112.4
79.6	Adult Social Care	116.6	(35.6)	81.0
69.8	Cultural, Environmental and Planning Services	109.1	(23.2)	85.9
42.6	Local Authority Housing (HRA)	138.8	(99.1)	39.6
2.9	Housing Services	416.0	(395.2)	20.8
21.4	Central Services to the Public	99.4	(81.4)	18.0
12.3	Highways, Roads and Transport Services	30.7	(15.4)	15.3
4.8	Corporate and Democratic Core	76	(1.8)	74.3
1.9	Other Costs	2.9	0.0	2.9
451.9	NET COST OF SERVICES	1709.7	(1259.5)	450.2
50.7	Interest Payable and Similar Charges			54.0
11.2	Other Expenses			17.7
513.8	NET OPERATING EXPENDITURE			521.9
	Financed by:			
(70.1)	Demand On The Collection Fund			(70.6)
(32.3)	Government Revenue Support Grant			(40.9)
(178.7)	Business Rates			(177.0)
(32.8)	Other Grants and Contribution			(36.8)
(313.9)	Total Income			(325.3)
199.9	NET DEFICIT FOR THE YEAR			196.6
(198.0)	Reversal of Non Cash Items (such as depreciation)			(206.1)
1.9	In Year (Increase)/Decrease in General Fund Balance			(9.5)
(17.5)	General Fund Balance brought forward			(15.6)
(15.6)	General Fund Balance carried forward to future years			(25.1)

Income for the Year



Council Tax

Newham has set the lowest Outer London Council Tax for 2010/11.

Description	2008/09	2009/10	2010/11
Basic amount of Council Tax for a band D property in Newham	£1,255.45	£1,255.45	£1,255.45
Comparison against Outer London average	£1,402.10	£1,426.16	£1,428.64

Source: <http://www.londoncouncils.gov.uk>

Balance Sheet

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

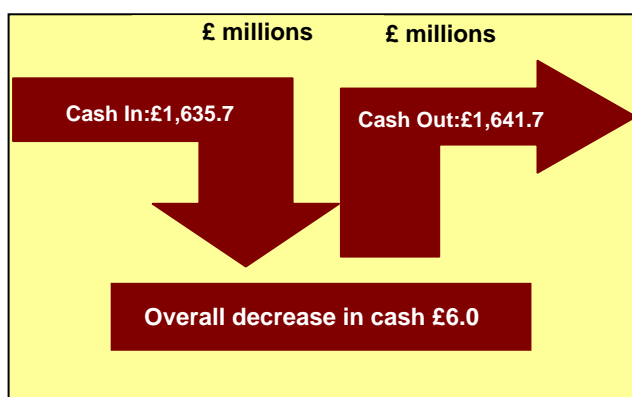
2008/09	Balance sheet at 31st March		2009/10
£ millions			£ millions £ millions
	FIXED ASSETS		
1,118.7	Council Dwellings		1,114.4
793.5	Other Land & Buildings		826.9
558.1	Other Long term assets		483.9
2,470.3	Total Long Term Assets		2,425.2
	CURRENT ASSETS		
1.9	Stocks and Work in Progress	1.4	
134.6	Debts owed to Council	147.0	
(42.6)	less provisions for non collection	(46.9)	
142.8	Investments	160.8	
18.6	Cash & other assets	30.2	
255.3	Total Current Short-Term Assets		292.5
	CURRENT LIABILITIES		
(279.2)	Short-Term/Temporary Loans	(242.1)	
(123.8)	Creditors Owed	(132.8)	
(20.4)	Bank Overdraft	(38.1)	
(423.4)			(413.0)
	OTHER LIABILITIES		
(738.0)	Long-Term Loans	(926.7)	
(394.4)	Pension Scheme Liability	(757.2)	
(366.6)	Other Liabilities	(415.2)	
(1,499.0)			(2,099.1)
803.2	Total Assets Less Liabilities		205.6
	Financed By:		
80.3	Usable Reserves		77.6
722.9	Non-Usable Reserves		128.0
803.2	Total Reserves		205.6

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.

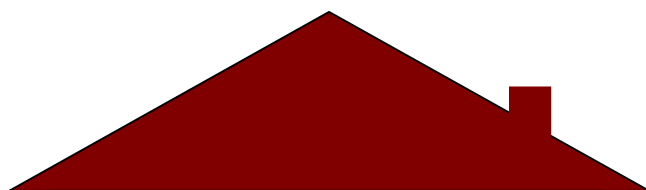


Budget vs Actual 2009/10 Includes Schools & HRA	Budget £ millions	Actual £ millions
Service Expenditure	1,179.6	1,601.2
Service Income	(887.4)	(1,297.9)
	292.2	303.3
Increase/(Decrease) in General fund	(3.5)	9.5
Decrease in Other Reserves		(24.3)
Budget Requirement	288.7	288.5

In 2010/11, the Council's net budget requirement is £294.5 million.

Housing Revenue Account

The Council provides social housing for the community and this is recorded in the Housing Income and Expenditure Account



Housing income & Expenditure For 2009/10	
£ millions	
Income	
Council Property Rents (gross)	(67.3)
Other Income	(48.1)
Total Income	(115.4)
Expenditure	
Repairs and Maintenance	12.9
Employee Costs	35.0
Other Costs	32.0
Total Expenditure	79.9
Net Cost of Services	(35.5)
Other adjustments	36.1
Deficit for 2009/10	0.6
Balance at 1st April 2009	(5.3)
Balance at 31st March 2010	(4.7)

In 2009/10 Newham spent £90.7 million on the improvement and modernisation of existing housing.

The council owned the following types and numbers of houses at 31st March 2010:

Houses and Bungalows	4,760
Low rise flats	7,951
Medium rise flats	1,971
High rise flats	3,647
Hostels	12
Total	18,341

Capital Expenditure

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

Capital Expenditure Summary	2008/09	2009/10
	£ million	£ million
Housing (Social Housing)	101.1	92.0
Corporate Schemes	29.8	9.6
Children & Young People	31.1	43.6
Custom House & Canning Town	5.8	16.9
Public Realm/Regeneration	6.8	8.9
Other Housing	7.8	11.5
Adults Social Care	2.8	3.4
Culture & Community	5.6	4.2
Other Expenditure	1.7	0.4
Total Expenditure	192.5	190.5
Financed by:		
Borrowing	117.4	100.2
Capital Grants & Contributions	52.6	69.2
Sale of Assets	11.2	4.4
Major Repairs Allowance	10.7	17.1
Capital Creditors	0.6	(0.4)
Total Financing	192.5	190.5

The main items of Capital Expenditure during 2009/10 were:

	£ millions
Improvement & Modernization of existing housing	88.9
Newham Dockside & Empty Property Programme	8.0
Children's Centres & School Works	11.7
Private Sector Renewal Scheme	4.7
Custom House and Canning Town Project	5.7
Building Schools for the Future	22.3
Modernisation of Schools	2.3
Telecare & Whole System Demonstrator	4.1
Transport for London Infrastructure Projects	4.6
Disabled Facilities	1.4
Centralpark & Stratford town centre Public Realm Works	2.5
	156.2

Within the Capital Programme, total planned expenditure is £533 million over the next three years.