

Thanet District Council

Summary of Accounts 2008-2009



The Statement of Accounts shows you how public money has been spent during the year and highlights the resources available to the council and how these have been used to deliver services to the public. This is a summary of the full published Statement of Accounts (available online at www.thanet.gov.uk/statementofaccounts or as a hard copy by contacting the Accountancy Department on 01843 577241) and is intended to provide a briefer, more straightforward view. Requests for additional information can be made by e-mailing foi@thanet.gov.uk. For the purposes of this summary, income figures have been shown in brackets.

Income and Expenditure Account

The Income and Expenditure Account below shows details of day to day spending on services during the year. To aid comparison and show the cost of services funded by the Council Tax payer, the Housing Revenue Account transactions have been removed (detail of which can be found on page 16). A more detailed breakdown of the spend under each service heading follows on the next page.

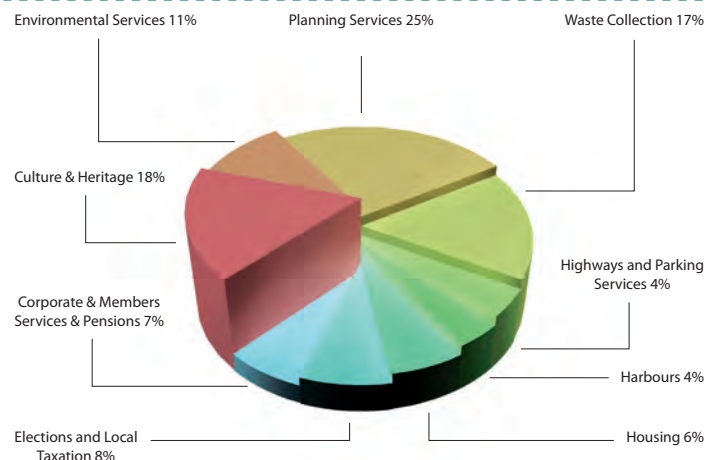


The deficit for the year of £0.963m was in line with the approved budget, so that the increase to Council Tax payers remained at 4.5%.

Services	Spending £000	Income £000	Total Cost 2008/09 £000	% of Total Cost	Total Cost 2007/08 £000
Culture, Heritage & Recreation	5,577	(760)	4,817	18%	6,158
Environmental Services	5,031	(2,071)	2,960	11%	3,175
Planning Services	10,056	(3,098)	6,958	25%	1,768
Waste Collection and Street Cleaning	5,883	(1,275)	4,608	17%	4,462
Highways and Parking Services	4,513	(3,333)	1,180	4%	826
Harbours	5,592	(4,504)	1,088	4%	749
Housing Services (incl. Homeless and Housing Benefits)	58,369	(56,678)	1,691	6%	2,029
Elections and Local Taxation (incl. Council Tax Benefits)	16,175	(14,033)	2,142	8%	1,520
Corporate & Members Services & Pensions	2,766	(804)	1,962	7%	3,463
Total Cost of Services	113,962	(86,556)	27,406		24,150
Council Tax collected for Parish Councils			528		497
Investment Income			(558)		(749)
Loan Interest and other accounting adjustments			(897)		245
Amount funded from Government Grant & Taxpayers			26,479		24,143
Council Tax (TDC, Parishes & Collection Fund (surplus)/deficit)			(9,646)	38%	(9,087)
Central Government Revenue Support Grant			(1,591)	6%	(1,835)
Central Government Reward Grants			(2,535)	10%	0
Distribution from Non-Domestic Rate Pool			(11,429)	45%	(10,930)
Local Authority Business Growth Incentive Grant (LABGI)			(315)	1%	(1,116)
Total Funding			(25,516)		(22,968)
Deficit for the Year			963		1,175
General Fund Balance as at 31 March 2008			(3,039)		
General Fund Balance as at 31 March 2009			(2,076)		

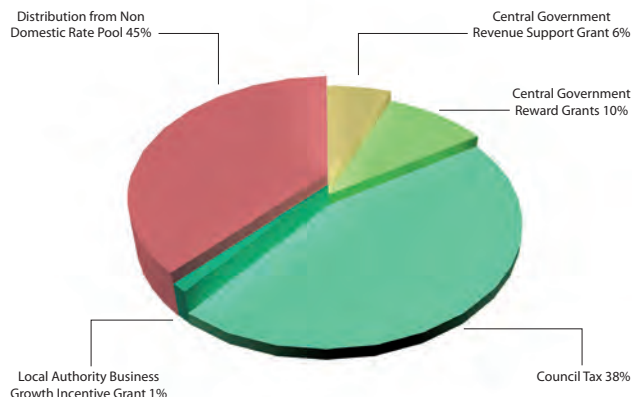
Income and Expenditure

The pie chart below shows the % of net expenditure (spend less income) for 2008/09 by services.



Funding

The pie chart below shows by % how the net expenditure was funded.



Where the money was spent

The council's expenditure on providing services (after accounting for fees and charges and other government and private sector funding, and excluding Housing Revenue Account transactions) was £27.406m. The main areas are summarised as follows:

Services provided under the heading **Culture, Heritage and Recreation** include the running of theatres and public entertainment (£0.863m), maintaining Thanet's beaches and promenades (£0.538m), parks and open spaces (£1.774m) and sporting facilities (£0.790m), and promoting tourism (£0.585m). Upkeep of Thanet's natural assets account for nearly half the money spent in this area.

Environmental health services cover many of the essential things, such as the provision of burial and cremation services and general environmental health, including food safety and pollution enforcement, and pest control (£1.361m), the provision and maintenance of public conveniences (£0.687m) and community safety (£0.549m).

Planning services represent all aspects of building regulation and include the provision of planning and building control advice and processing of applications (£0.597m), local planning and development control and enforcement (£0.731m), and local economic development, regeneration and promotion and marketing of the area (£0.624m). The other £5.006m represents statutory accounting entries relating to infrastructure assets, that are then removed under the heading 'other accounting adjustments', so they do not impact on the Council Tax payer.

£2.947m is spent on keeping Thanet's streets, parks and promenades clear of litter and graffiti, and the collection of over 50,000 tonnes of **household waste** accounts for the remaining £1.661m. The cost of recycling is funded by **recycling** credits and waste efficiency grant.

Concessionary bus fares are the main item of expenditure under the **highways and parking** heading, as the cost of providing car parking in the area is paid for by the income collected from parking charges. Government funding for concessionary fares is based on a set amount per the number of elderly in the area, whereas the council has to pay the bus providers for each journey taken, leading to a shortfall in funding.

Government Grants

Revenue Support Grant has been cut this year, but the introduction of Area Based and Performance Reward Grants has meant a small increase in central government funding overall. Area based grants include funding from the Working Neighbourhood, Safer Stronger Communities, Community Cohesion and Climate Change Funds. There are no set conditions for use, so the grant can be used to support any of the services delivered to the public.

The running and upkeep of the **harbours** at Ramsgate, Broadstairs and Margate are mainly funded by the levies on harbour users (including the cross channel ferry operator). The total cost of £1.088m relates to the statutory accounting charge for depreciation and impairment required to reflect the change in useful life of the assets, and the effect of market conditions on asset values. Both charges are removed under the heading 'other accounting adjustments', so they do not impact on the Council Tax payer.

Housing services costs include the payment of housing benefits (funded by government subsidy), offering advice and housing the homeless (£0.306m), and neighbourhood renewal and renovation grants (£1.258m) to improve the quality of housing and the environment in the Thanet area.

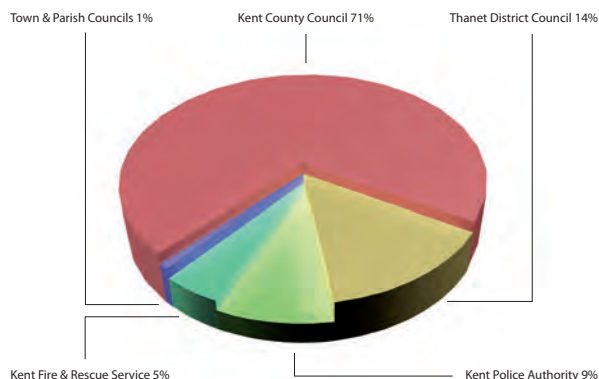
The council spent £0.858m collecting **Council Tax and Business Rates**, (£0.534m on benefits and discounts, which are mainly funded by government subsidy), £0.333m on the registration of electors and holding local elections and £0.277m on giving grants to voluntary organisations in the community.

Members services involve democratic representation (£1.529m), which includes the cost of council meetings, Members' allowances and staff support to Members. **Corporate services** (£1.242m) include the cost of external audit fees, bank charges, corporate policy and managing the council's finances. Thanet District Council participates in the Local Government Pension Scheme administered by Kent County Council. This is a funded scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the **pensions** liabilities with investment assets. The charge required to be made against Council Tax is based on the actual cash payable in the year (£0.809m income).

Council Tax and Business Rates

Where does your Council Tax go?

The council sends out Council Tax bills and collects taxes for Kent County Council (£46.262m), the Kent Police Authority (£5.922m), Kent Fire and Rescue Service (£2.947m) and local town and parish councils (£0.528m). The monies collected and paid over to the other authorities are called precepts. The pie chart shows how your Council Tax was distributed in 2008/09. Thanet District Council only kept 14% (£9.102m) of the tax collected during the year.



Business Rates

Thanet District Council collected £27.731 million from local businesses during 2008/09 on behalf of the government. This was based on local rateable values, multiplied by a nationally set uniform rate (%), less certain deductions, such as charitable and small business relief. The total amount collected, less a collection allowance of £188,000, was paid to the National Non-Domestic Rates Pool managed by central government, who in turn paid back £11.429 million to the council, based on a set amount per head of the population. This income represents 44.79% of the council's funding for the year.



Housing Revenue Account and Capital Expenditure

Capital Expenditure

Capital expenditure is money spent on purchasing, upgrading and improving the council's assets, giving benefit for more than one year. Capital monies cannot be used to support expenditure incurred in the day to day delivery of services to the public. During the financial year 2008/09, the council spent £12.051 million. The table below shows details of the main areas of expenditure. The funding for this expenditure consisted of capital grants (£2.968m), sale of surplus assets (£2.183m), borrowing (£4.562m), reserves (£1.599m) developer contributions (£0.716m) and revenue (£0.023m).

Expenditure	2008/09 £000	2007/08 £000
Works to Council Housing	2,917	4,270
Developing Business in the Area	2,185	206
Environmental Improvements	638	2,007
Other Land and Buildings	1,923	1,230
Ports, Harbours and Sea Defences	23	204
Sports & Arts Related	247	447
Disabled Facilities Grants	1,037	948
Waste and Recycling	833	670
Grounds Maintenance	32	964
Other	2,216	2,351
Total	12,051	13,297

Where the money was spent

The £2.917 million spent on council dwellings included kitchen and bathroom refurbishments (£1.219m), heating replacement (£0.409m) windows and doors replacement (£0.374m) and roofing (£0.348m).

This was met by a combination of government grants that can only be used on council dwellings, supported borrowing that will be paid for through the government's Housing Revenue Account subsidy and income from dwelling sales.

Other capital expenditure includes grants to households for heating, insulation and home safety, and other improvements to properties as part of the Decent Homes initiative.

Housing Revenue Account

The Housing Revenue Account (HRA) is a separately maintained account and records expenditure incurred and income collected from housing tenants. Expenditure on housing stock is funded by the rents paid by these tenants, in addition to leaseholder service charges.

Income	2008/09 £000	2007/08 £000
Dwelling Rents	(10,205)	(9,954)
Non-Dwelling Rents	(184)	(189)
Charges for Services and Facilities	(218)	(243)
Central Government Subsidy	0	(281)
Investment Income	(325)	(420)
Other Income	(255)	(769)
Total Income	(11,187)	(11,856)
Expenditure		
Repairs and Maintenance	3,520	3,592
Management of Housing Stock	2,874	2,937
Capital Charges	30,958	3,421
Loan interest and other adjustments	(29,803)	693
Total Expenditure	7,549	10,643
Surplus for the year	(3,638)	(1,213)



The Council owned 3,126 homes as at 31 March 2009 (1 dwelling was sold during the year).

NUMBER OF DWELLINGS	
Houses	1,627
Low Rise Flats (up to 2 storeys)	193
Medium Rise Flats (3 to 5 storeys)	901
High Rise Flats (6 or more storeys)	405
Total	3,126

Balance Sheet

as at 31 March 2009

The balance sheet shows the overall financial position of the council at the end of the year, and how its assets, (the value of what the council owns and is owed), compare to its liabilities (what the council owes others).

	2008/09 £000	2007/08 £000
Value of land and property	209,406	245,061
Investments and cash in bank	9,364	14,562
Stock	150	56
Money owed to the council	14,511	10,798
Money owed by the council	(15,771)	(13,861)
Loans outstanding	(27,203)	(27,191)
Long term liabilities	(73,053)	(64,107)
Total assets less total liabilities	117,404	165,318
Financed by:		
Revenue balances	(10,001)	(7,302)
Earmarked reserves	(8,011)	(8,351)
Pension reserve	53,678	43,664
Capital financing reserves	(153,070)	(193,329)
Total Equity	(117,404)	(165,318)



Reserves and balances

The council has a legal duty to maintain a sufficient level of revenue balances to meet any unforeseen or emergency expenditure. Revenue balances can also be used to support the council's expenditure on services. Earmarked reserves are monies set aside to progress the council's key corporate priorities.

Audit of the Accounts

The council's accounts are audited every year by the Audit Commission to ensure that they fairly present the financial position of the council.



Further Information

The Statement of Accounts is published annually and is prepared in accordance with proper accounting practice. For the purpose of this summary, some modifications have been made to provide more meaningful information.

In response to comments from last years readers' survey, the summary has been further modified to meet your needs. We would welcome your comments on content and presentation. You can let us know your views by completing a survey online under consultations on the council website at www.thanet.gov.uk.