

# Barnet's Summary of Accounts 2004/05



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This booklet contains information from Barnet's 2004/05 Statement of Accounts, which summarises the council's financial position.

It shows details of revenue and capital spending, together with a summary of the council's assets and liabilities.

Revenue spending funds the day-to-day costs of services, including salaries and running costs, over the course of the year. It is financed from Government grants, Council Tax, Business Rates and other income.

Capital expenditure is spending on items of benefit to the community for longer than one year and is financed from either loans, grants, capital income or current income.

Assets show the current value of what the council owns. Liabilities are what the council owes to others.

The accounts have been audited by RSM Robson Rhodes.

A full copy of the council's 2004/05 audited Statement of Accounts is available online at [www.barnet.gov.uk](http://www.barnet.gov.uk)

Nearly **60%** of expenditure is funded by government either through general or specific grants

The majority of spending was on education (£261million), social services (£146million) and housing functions including benefits (£262million)

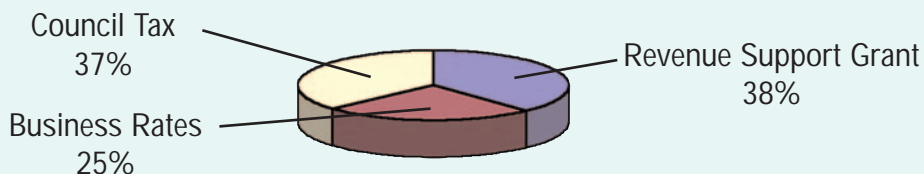
From 1 April 2004 the council owned Barnet Homes, a separate limited company which manages the council's housing stock

## Cost of council services

The Revenue Account below presents the cost of running council services and shows where the money came from to finance those costs.

	2004/05 £000s	2003/04 £000s
Central services	23,614	22,775
Cultural, environmental and planning services	51,337	44,660
Education services	183,792	175,006
Highways, roads and transport services	18,658	17,602
Housing services	39,033	50,361
Social services	101,793	95,336
<b>Net cost of services</b>	<b>418,227</b>	<b>405,740</b>
Less: other expenses	(37,225)	(35,743)
<b>Net operating expenditure</b>	<b>381,002</b>	<b>369,997</b>
Technical accounting adjustments	(27,392)	(31,008)
<b>Amount to be met from Government grant and local taxes</b>	<b>353,610</b>	<b>338,989</b>
<b>Financed by:</b>		
Revenue Support Grant	(135,070)	(123,489)
Business rates	(89,499)	(92,301)
Council Tax	(130,326)	(122,498)
<b>Total income</b>	<b>(354,895)</b>	<b>(338,288)</b>
<b>Net (surplus)/deficit for the year</b>	<b>(1,285)</b>	<b>701</b>
General Fund at 31 March 2004	(11,750)	(12,451)
Planned contribution to balances	(3,000)	0
<b>General Fund at 31 March 2005</b>	<b>(16,035)</b>	<b>(11,750)</b>

## Income



## Balance Sheet

This records the council's year-end financial position. It shows the balances and reserves at the council's disposal and its long-term debt, the net current assets or liabilities and summarised information on the fixed assets held.

	2004/05 £000s	2003/04 £000s
<b>Assets</b>		
Buildings, land and other assets owned by the council	1,225,667	1,243,016
Other long term assets	49,623	26,027
Money owed to the council	65,158	60,721
Cash, investments and stock	40,617	37,538
	1,381,065	1,367,302
<b>Liabilities</b>		
Borrowing	(28,630)	(27,209)
Money owed by the council	(96,541)	(91,467)
Provisions	(6,882)	(2,864)
Pensions liability	(268,610)	(192,210)
	(400,663)	(313,750)
<b>Total net assets and liabilities</b>	<b>980,402</b>	<b>1,053,552</b>
<b><u>Financed by:</u></b>		
Fixed asset restatement account <sup>1</sup>	778,952	801,949
Capital financing account <sup>2</sup>	370,543	370,547
Government grants - deferred	48,616	36,398
Useable reserves (*)	50,901	36,868
Non-useable reserves	(268,610)	(192,210)
	980,402	1,053,552
<b><u>(*) Useable reserves comprise:</u></b>		
General fund balance	16,035	11,750
Housing revenue account balance	5,797	7,019
Collection fund balance	(984)	(1,864)
Usable capital receipts	28,782	17,501
Major repairs reserve and specific reserve	1,271	2,462
	50,901	36,868

<sup>1</sup> An account showing the surpluses or deficits on revaluation of fixed assets

<sup>2</sup> An account recording financing transactions relating to capital expenditure

## Housing Revenue Account (HRA)

This account records the transactions relating to the council's housing stock and gives a clear picture of the cost of providing homes for council tenants.

	2004/05 £000s	2003/04 £000s
<b>Income</b>		
Council property rents (gross)	(39,283)	(38,330)
Other income	(5,797)	(21,850)
<b>Total income</b>	<b>(45,080)</b>	<b>(60,180)</b>
<b>Expenditure</b>		
Repairs and maintenance	8,279	7,869
Supervision and management	20,535	17,329
Other costs	50,093	65,509
<b>Total expenditure</b>	<b>78,907</b>	<b>90,707</b>
<b>Net cost of services</b>	<b>33,827</b>	<b>30,527</b>
Technical accounting adjustments	(32,605)	(30,822)
<b>Total deficit/(surplus) for the year</b>	<b>1,222</b>	<b>(295)</b>
Balance 1 April 2004	(7,019)	(6,724)
Balance 31 March 2005	(5,797)	(7,019)

**£20.7m was spent on improvements to Council dwellings and assistance to Housing Associations**

**HRA**  
It is a legislative requirement that all expenditure is funded from rental income or relevant Government subsidy

The council's dwelling stock at 31 March 2005:

Houses/bungalows	3,785
Flats/maisonettes	7,288
Hostels/bed sits	87

**A total of 11,160 dwellings**

## Capital expenditure for the year ended 31 March 2004

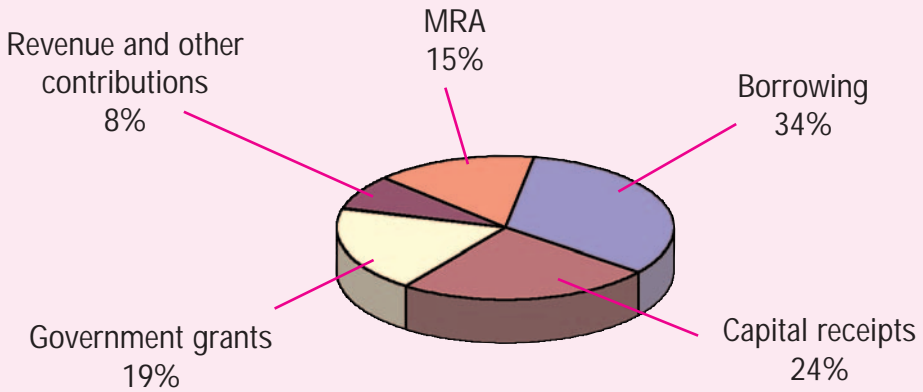
Capital expenditure generally represents money spent by the council on purchasing, upgrading and improving assets such as land and buildings. The council receives the benefit from such capital expenditure over many years.

	2004/05	2003/04
Service	£000s	£000s
Central services	11,108	5,846
Cultural, environmental and planning services	3,214	1,668
Education services	13,470	15,323
Highways, roads and transport services	10,013	7,185
Housing services	23,197	19,566
Social services	274	1,617
	<u>61,276</u>	<u>51,205</u>
<b><u>Financed by:</u></b>		
Borrowing	20,099	10,395
Capital receipts <sup>1</sup>	14,926	13,616
Government grants	11,739	12,667
Other grants	152	48
Revenue and other contributions	4,877	4,714
Major repairs allowance (MRA) <sup>2</sup>	9,483	9,765
	<u>61,276</u>	<u>51,205</u>

<sup>1</sup> Proceeds of the disposal of assets

<sup>2</sup> A government subsidy that was introduced to replace Housing Revenue Account borrowing for repairs

## Capital financing (see page 6)



The total amount spent on capital assets was **£61.276m**

Approximately £13.4m was spent on Education infrastructure to improve and repair existing schools facilities

£9.5m was spent on modernising the council's technology and staffing structures including a new computer system

Capital of £12.9m was invested in road maintenance, lighting and environmental projects

# Feedback

Please spare a few minutes to give us some useful feedback on how we should present information about the council's finances in future.

Please indicate your answer by putting an 'X' in the relevant box.

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1 Did you find the summary of accounts useful?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Was the report easy to read and understand?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Format - would you prefer to see  |                          |                          |
| a a traditional style statement of accounts including some explanatory notes                      | <input type="checkbox"/> |                          |
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| c a combination of the above  | <input type="checkbox"/> |                          |
| 4 Is there further information you would like to see included?<br>If yes, please provide details: | <input type="checkbox"/> | <input type="checkbox"/> |

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5 Other comments/feedback:

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**You can return the form to:**

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