

The council's statement of accounts for 2011/12 was prepared following recommended accounting practice. The independent auditors provided their opinion that the accounts give a true and fair view of the financial position of the council at March 31, 2012 and its income and expenditure for the year. The figures in this summary have been based on the audited accounts but some modifications have been made to provide more meaningful information.

A full copy of the council's statement of accounts is available on the council's website.

Chris Buss
Director of Finance
and Deputy Chief
Executive

A summary of the council's accounts 2011/12

The following pages provide details of the council's spending and income during 2011/12 and summarise the council's financial position at March 31, 2012.

GENERAL REVENUE ACCOUNT - The General Revenue Account represents the cost of running council services between April 2011 and March 2012, where the money came from to finance those costs, and the balance at the year-end.

	GROSS SPENDING	GROSS INCOME	NET SPENDING
	£m	£m	£m
Environment, Culture and Community Safety	60.5	14.9	45.6
Education and Children's Services	302.3	244.6	57.7
Strategic Planning and Transportation	46.2	34.7	11.5
Housing Services	137.1	133.2	3.9
Adult Care and Health	119.4	28.0	91.4
Finance and Corporate Resources	242.6	240.1	2.5
Cost of services	908.1	695.5	212.6
Less: Interest and investment income			(4.8)
Less: Reduction in reserves			6.0
Amount to be met from Government grant and local taxation			213.8
Paid for by:			
Council taxpayers			49.8
Non-ringfenced Government grant and non-domestic rate payers			154.9
Total Income			204.7
Deficit for the year			9.1
Balance at end of March 2011			30.7
Balance at end of March 2012			21.6

Formula Grant received from the Government was £152.7 million. Based on their calculation of a like for like basis this represents a reduction of £19.45 million (11.3 per cent) on the 2010/11 grant settlement. This compares with average reductions of 9.91 per cent nationally and 9.10 per cent for the London area. Wandsworth remains significantly below the grant floor set by the Government and will remain at the 'floor' for the foreseeable future with annual grant received being reduced in real terms, meaning continuing reductions in Government support for council services.

COUNCIL TAX	2011/12	2010/11
Average amount for band D properties		
- Wandsworth Council	£377.06	£377.06
- Greater London Authority	£309.82	£309.82
Total	£686.88	£686.88

Business rate per £ value	2011/12	2010/11
- Standard rating multiplier	43.3p	41.4p
- Small business rating multiplier	42.6p	40.7p

The council's share of the council tax has increased by 4.8 per cent since 2003 in terms of the average band D amount of £377.06. The Greater London Authority share has increased by 38.1 per cent over the same period. The combined average band D amount for 2011/12 was £686.88, unchanged from 2010/11. The average council tax per dwelling of £662.89 remained the lowest in Great Britain and amounted to only 55 per cent of the average £1,195.79 for England.

GENERAL CAPITAL SPENDING - Capital spending represents money spent by the council on purchasing, upgrading and improving assets such as buildings and roads (capital spending on council housing is treated separately). The council receives the benefit from capital spending over a longer period of time. The table below shows the significant general capital schemes for 2011/12.

EDUCATION AND CHILDREN	2011/12 £M	RENOVATION GRANTS ETC	2011/12 £M
Primary school windows	0.3	Sub-regional private sector housing grants	0.6
Other primary school schemes	13.8	General renovation grants	0.6
Secondary schools: BSF	21.9	Loans to leaseholders	0.2
Other Secondary schools schemes	2.5		(1.4)
Youth and play schemes	0.4	ENVIRONMENT, CULTURE AND COMMUNITY SAFETY	
Integrated Childrens Centres	0.2	Public halls and community centres	0.2
Other education funded schemes	2.3	Leisure centres and sports services	0.3
	(41.4)	Environmental services, community safety and town centres	0.1
			(0.6)
STRATEGIC PLANNING AND TRANSPORTATION		ADULT CARE AND HEALTH	
Carriageway and footway repairs and improvements	5.6	Adult social services	1.3
Section 106 agreements	0.3		(1.3)
Purchase of vehicles	0.1	FINANCE AND CORPORATE SERVICES	
Planning conservation	0.1	Administrative buildings	1.0
Economic Development	0.4	ICT infrastructure, IT and property improvements	4.9
	(6.5)		(5.9)
		TOTAL	(57.1)

The council spent £57.1 million on general capital schemes during the year, £10.5 million more than 2010/11. This was paid for with capital grants and reimbursements of £56.1 million and £1 million of capital receipts from the sale of assets.

COUNCIL HOUSING - This account shows all revenue and capital spending and income relating to the council's housing. The council owns 33,235 dwellings, of which 15,835 have been sold on long-term leases.

REVENUE INCOME	2011/12 £M	REVENUE SPENDING	2011/12 £M
Council house rents	100.6	Repairs and maintenance	24.7
Service charges from leaseholders	12.7	Estate and management costs	40.7
Other income	14.9	Rent rebates	4.4
	(128.2)	Subsidy payable to the Government	43.2
CAPITAL INCOME		Other costs	2.4
Transfer to major repairs reserve	17.9		(115.4)
Capital receipts applied	10.6	CAPITAL SPENDING	
Leaseholder major works charges	3.0	Repairs and improvements	25.4
Other income	1.9	Portable discounts	0.9
	(33.4)	Other costs	0.2
TOTAL INCOME	161.6		(26.5)
		TOTAL SPENDING	141.9
		SURPLUS FOR THE YEAR	19.7
		All monies held to underpin the business plan for council housing	189.1

Capital receipts from the sale of council houses and council housing land came to £11.7 million, compared to £16.2 million the previous year. However £0.4 million of these receipts had to be paid to the government. The spending and income from council housing must be kept separate from other council spending. The Housing Revenue Account and the Major Repairs Reserve underpin the longer term business plan for housing.

COUNCIL HOUSING - Continued

ANALYSIS OF COUNCIL HOUSE SPEND	2011/12 £M
Repairs and improvements	25.4
Purchase of assets	0.1
Portable discounts	0.9
Roehampton regeneration project and wider non-derogation issues	0.1
TOTAL	26.5

Capital spending on housing represents money spent by the council chiefly on upgrades and improvements to the housing stock. The council receives the benefit from capital spending over an extended period of time. The council spent £26.5 million in 2011/12, a decrease of £6.1 million on the previous year. The vast majority of this was spent on improvements to housing estates.

AVERAGE RENTS AND SERVICE CHARGES	2011/12 £
Average annual leasehold routine service charge bill (est)	761
Average weekly rent	111.94

Between 2010/11 and 2011/12, the estimated average annual leasehold service charge bill rose from £741 to £761, and the average weekly rents (including service charges) increased by £8.25 to £118.07.

COUNCIL BALANCE SHEET - What the council owns and how it's funded

BALANCE SHEET	31 MARCH 2012 £M
Buildings and land owned by the council	1,344
Vehicles, plant and machinery	9
Inventories	1
Investments	210
Money owed to the council	65
Money owed by the council	(372)
Pensions liability	(232)
TOTAL	1,025
Financed by:	
Accounting reserves	643
General Fund balance	22
Housing reserves	189
Usable capital receipts	43
School balances	22
Other balances	106
TOTAL	1,025

The council's balance sheet total reduced by £491 million to £1,025 million between 2010/11 and 2011/12. This was chiefly as a result of short-term investments decreasing and long-term borrowing increasing, due to the council being required to make a payment to the Secretary of State of £433.623 million in order to move to the new devolved system of council house finance, called self-financing, with effect from 2012/13. This was financed by the use of short-term investments (£210 million), with the remainder financed by a loan from the Public Works Loan Board.