

# Summary of Accounts 2012/13

## Details of the Council's spending during 2012/13



# Director's Statement

The Council's Statement of Accounts has been prepared in accordance with International Financial Reporting Standards. The figures on which this summary is based were put together with regards to proper accounting practice. Some changes have been made to provide more meaningful information.

The Council's 2012/13 accounts have been audited by Ernst & Young LLP.

A full copy of the Council's accounts is available for examination on request. If you wish to obtain a copy, please contact Caroline Hancock on 01329 824589 for further details. Alternatively a copy can be downloaded from the Council's website at [www.fareham.gov.uk](http://www.fareham.gov.uk).

**Andrew Wannell**

**Director of Finance & Resources**

**Civic Offices**

**Civic Way**

**Fareham**

**Hampshire**

**PO16 7AZ**

# Financial Review

The following statement by the Director of Finance and Resources describes some of the key points on the Council's responsibilities of public money.

**Financial Performance** Actual gross revenue expenditure totalled £53.5 million for 2012/13.

General Reserves and Balances were £38.7 million as at 31 March 2013, reflecting a prudent level of reserves for the Council, as required by the Council's External Auditors. Most of this money is earmarked for specific purposes.

**Council Housing** The Council owns 2,396.75 properties for which it charges rent. It is a legal requirement that all expenditure on these houses is funded from rental income. Any surplus or deficit at the end of the year is transferred either into or out of housing reserves. During the year, income exceeded expenditure by £1.6 million. This balance was transferred to the housing reserves. At the end of the year, the housing reserve balances amounted to £11.1 million.

**Capital Expenditure** Capital expenditure for the year of £6.2m represents money spent by the Council to purchase, upgrade or improve assets. The distinction from revenue expenditure is that the Council receives the benefit of capital expenditure over a longer period of time.

# The cost of Council Services

## Revenue Account for the year ended 31 March 2013

The Revenue Account below presents the cost of running Council Services between 1<sup>st</sup> April 2012 and 31<sup>st</sup> March 2013 and where the money came from to finance these net costs.

Service	Gross		Net
	Expenditure	Income	Expenditure
	£000s	£000s	£000s
Central Services to the Public	6,642	(5,197)	1,445
Cultural & Related Services	4,826	(559)	4,267
Environmental & Regulatory Services	5,917	(1,715)	4,202
Planning Services	3,569	(614)	2,955
Highways & Transport Services	2,056	(2,968)	(912 )
Local Authority Housing (HRA)	6,129	(11,207)	(5,078 )
Other Housing Services	21,677	(20,159)	1,518
Corporate & Democratic Core	2,674	(190)	2,484
Non-distributed costs	71	(1)	70
<b>Cost of Services</b>	<b>53,561</b>	<b>(42,610)</b>	<b>10,951</b>
<b>Less:</b>			
Other Operating Expenditure			(71)
Financing & Investment Income and Expenditure			1,591
Other Income and Expenditure			2,375
Surplus for year			(2,101)
<b>Amount to be met by Government Grant and Council Tax</b>			<b>12,745</b>
<b>Financed by:</b>			
Council Tax			6,080
Government Grants			2,593
Business Rates			4,072
<b>TOTAL</b>			<b>12,745</b>

# Balance Sheet

## What the Council owns and what is owed

**31 March**

**£000s**

Assets owned by the Council	155,506
Cash and Investments	32,680
Money owed to the Council	5,411
Money owed by the Council in the short term	(5,173)
Other amounts owed in the future	(100,500)
Grants received in advance	(4,390)
<b>TOTAL</b>	<b>83,534</b>

### **Financed by**

**£000s**

Usable Reserves	38,726
Unusable Reserves	104,249
Pensions Reserve	(59,441)
<b>TOTAL</b>	<b>83,534</b>

# Balance Sheet continued

<b>Usable Reserves include:</b>	<b>£000s</b>
Usable Capital Receipts	11,253
Capital Grants Unapplied	19
General Fund Surplus	6,976
Earmarked Revenue Reserves	9,340
Housing Reserves	11,138
<b>TOTAL</b>	<b>38,726</b>

Unusable Reserves include the Revaluation Reserve and Capital Adjustment Account.

Usable reserves are set-aside for future revenue and capital purposes.

The Council has a duty under legislation to maintain a prudent level of general reserves and £3.8 million has been set aside to provide a working balance and as a reserve against unexpected variations in expenditure or income.

# Housing Revenue Account

The Council owns 2,396.75 properties.

It is a legal requirement that all expenditure is funded from rental income.

	<b>2012/13</b>
	<b>£000s</b>
<b>Service Income</b>	
Council House Rents	10,283
Other Income	1,245
	<b>11,528</b>



<b>Service Expenditure</b>	
Repairs and Maintenance	2,227
Supervision and Management	2,908
Capital Financing Costs	3,018
Other Costs	1,751
	<b>9,904</b>
<b>Transfer to Balances</b>	<b>1,624</b>

**The Council owned the following types and numbers of homes as at 31 March 2013**

Houses	818.75
Flats	1,413.00
Bungalows	165.00
<b>TOTAL</b>	<b><u>2,396.75</u></b>

# Capital Expenditure

Capital expenditure represents money spent by the Council on purchasing and improving the Council's assets. The Council receives the benefit from capital expenditure over a long period of time. The following table outlines the capital programme investment made during 2012/13:

	<b>£000s</b>
Council Housing	1,754
Portchester Commuity Centre	1,359
Council Buildings	828
Disabled Facility Grants	602
Other Housing	480
Leisure Services	401
Vehicles	382
Information, Communication & Technology	239
Town Centre Development	126
Home Improvement Loans	39
Other Services	7
<b>OVERALL TOTAL</b>	<b><u>6,217</u></b>



# Council Tax

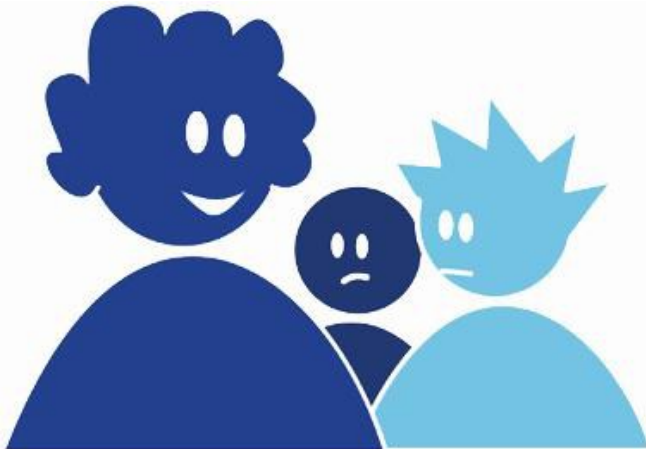
<b>Description</b>	<b>2012/13</b>
<b>Amount payable per Band D property</b>	<b>£</b>
For Fareham Borough Council	140.22
For Hampshire County Council	1,037.88
For Hampshire Police Authority	146.25
<b>TOTAL</b>	<b><u>1,385.73</u></b>

<b>Total Amount due</b>	<b>£000s</b>
For Fareham Borough Council	6,095
For Hampshire County Council	45,111
For Hampshire Police Authority	6,357
For Hampshire Fire and Rescue	2,668
<b>TOTAL</b>	<b><u>60,231</u></b>

# Council Tax continued

Fareham Borough Council collected 98.4% of Council Tax owed in 2012/13 compared to 98.6% in 2011/12. The national average collection rate for 2012/13 was 97.4%.

Fareham Borough Council was also responsible for the collection of business rates of £37 million on behalf of the Government. In 2012/13, 98.1% of business rates were collected compared to 99.1% in 2011/12. The national average collection rate for 2012/13 was 97.7%.



# Contact Us

To find out more information about accounts please contact  
Caroline Hancock on 01329 824589.

[www.fareham.gov.uk/PDF/about\\_the\\_council/statoa1213.pdf](http://www.fareham.gov.uk/PDF/about_the_council/statoa1213.pdf)