

London Borough of Waltham Forest
Summary of Accounts
2016/17



John Turnbull CPFA, Strategic Director of Finance
and Governance

www.walthamforest.gov.uk

Strategic Director of Finance and Governance's Statement

Introduction

This document contains summarised information from the Council's 2016/17 Statement of Accounts, giving details of revenue and capital expenditure together with a summary of the Council's assets and liabilities.

Revenue spending funds the day-to-day provision and delivery of services and is financed from government grants, council tax, business rates and other income.

Capital Expenditure (like the building of a new School sixth form block) is the spending on items that benefit the community for longer than one year, and is financed from loans, grants, capital receipts and revenue contributions.

A copy of the 2016/17 Statement of Accounts can be found on the Council's website at: www.walthamforest.gov.uk/content/council-finances

Financial Review

During the year ended 31 March 2017, the Council continued to control its spending to just below the agreed budget while increasing its balances and maintaining an appropriate level of earmarked reserves. The Council continues to work towards a sustainable and financially responsible Medium Term Financial Strategy to meet Central Government targets and maintain services.

The Band D Council Tax for the year ended 31 March 2017 was **£1,474.18**, £26.97 higher than 2015/16. Of this, £276.00 (down £19.00 from 2015/16) was a precept in respect of the Greater London Authority (mainly police, fire and bus services), while £1,198.18 (£45.97 higher than 2015/16) was the local borough element. This increase reflects a 1.99% increase plus 2% Adult Social Care permitted increase on 2015/16. This raised **£86.128 million** towards the annual running costs of the Borough.

The gross revenue expenditure of the Council for the year was **£884 million**. This was in line with the budgeted amount.

In my opinion, the Statement of Accounts presents a true and fair view of the financial position of the London Borough of Waltham Forest as at 31 March 2017 and its income and expenditure for the 2016/17 financial year.

I hope that you find this summarised information useful and that the charts and tables give a good overview of the Council's finances for the year.

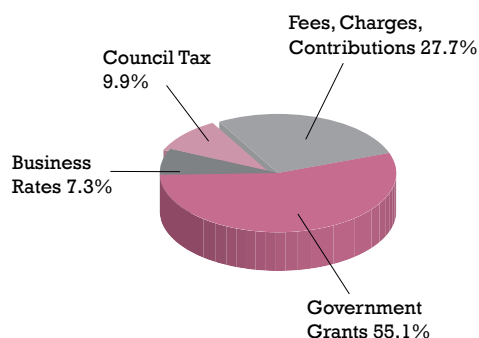
John Turnbull CPFA
Strategic Director of Finance and Governance



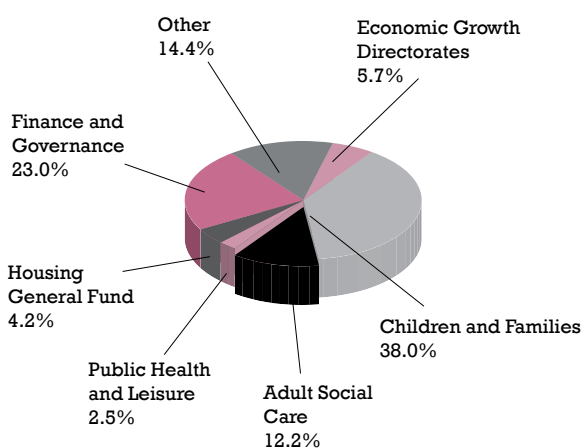
The cost of the council services

Day to day spending (revenue expenditure)

Where the money came from	£'000
Fees, Charges, Contributions	244,586
Government Grants	487,377
Business Rates	65,043
Council Tax	87,241
	884,247



Services provided	£'000
Economic Growth Directorates	50,026
Children and Families	336,164
Adult Social Care	107,846
Public Health and Leisure	22,418
Housing General Fund	36,982
Finance and Governance	203,181
Other	127,630
	884,247

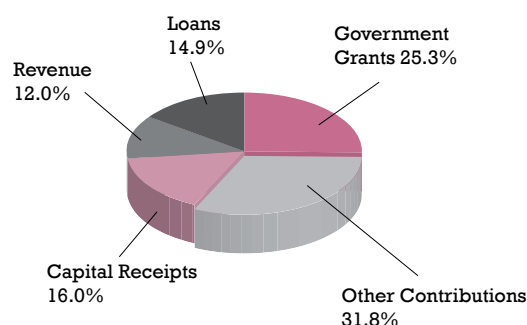


General Fund balance	£'000
Balance at 1 April 2016	14,572
Net movement on balances	0
Balance at 31 March 2017	14,572

Capital expenditure

Capital expenditure represents money spent by the Council on purchasing, upgrading and improving assets such as roads and buildings that will be of benefit to the community over many years.

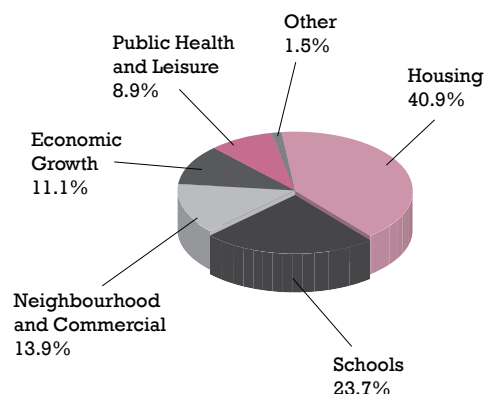
Where the money came from	£'000
Government Grants	25,915
Other Contributions	32,653
Capital Receipts	16,399
Revenue	12,368
Loans	15,255
	102,590



Where the money was spent	£'000
Housing	41,994
Schools	24,271
Neighbourhood and Commercial	14,260
Economic Growth	11,427
Public Health and Leisure	9,132
Other	1,506
	102,590

The following are examples of some of the areas in which the Council has invested in 2016/17

- * School buildings
- * Housing stock improvements and New Build
- * Waltham Forest Leisure Centre
- * Transport Schemes
- * Regeneration projects (including Wetlands and Lea Bridge Station)



Housing Revenue Account

By law, Local Authorities are required to maintain a separate landlord account – the Housing Revenue Account (HRA). This table summarises the HRA's Income and Expenditure Account, showing resources that have been generated and consumed in the provision of Housing Services, adjusted by additional amounts required by statute to be charged against the HRA.

Housing Revenue Account Summary

	£'000
Income	
Council Property Rents (Gross)	(53,114)
Other Income	(11,645)
Total Income	(64,759)

Expenditure	
Repairs and Maintenance	7,637
Supervision and Management	19,071
Other Costs	16,922
Total Expenditure	43,630

Net Cost of Service (21,129)

plus Other Operating Expenditure (3,882)

Net Operating Expenditure (25,011)

less net additional amounts required by statute to be charged to the HRA 21,793

Net HRA surplus for the year (3,218)

add Balance 1 April 2016 surplus (1,506)

HRA Balance 31 March 2017 surplus (4,724)

There was a net decrease of 99 in the housing stock from 10,131 at 31 March 2016 to 10,032 at 31 March 2017. Made up of 95 Right to Buy sales, 20 demolitions and 16 additions.

The council owned the following types and number of dwellings at 31 March 2017

Houses and bungalows	3,744
Low rise flats	1,503
Medium rise flats	3,336
High rise flats	974
Sheltered accommodation / multi occupied	475
Total	10,032

Balance Sheet as at 31 March 2017

The Balance Sheet shows the end of year financial position for the Council. It presents the financial value of the land, buildings and other assets owned by the Council, and the value of borrowings and other debts owed by the Council

	£'000
Long Term Assets	1,740,801
Cash and cash equivalents	34,290
Investments, Debtors and Other Assets	145,022
Liabilities	(417,646)
Pension Liability	(603,042)
Total Net Assets	899,425

Financed by Usable Reserves	
Earmarked Reserves	99,572
Capital Reserves	39,594
Balances	19,296
Unusable Reserves	
Non-Cash Backed Reserves	740,963
Total Reserves	899,425

Notes

Long Term Assets is the value of the land, buildings, infrastructure and vehicles the Council owns.

Liabilities is the amount the Council owes and it includes the long term loans the Council has taken out to finance its expenditure on fixed assets and **other capital items**.

Pension Liability represents the commitment to pay retirement benefits to staff over future years.

Earmarked Reserves are funds held by the Council for specific purposes and includes unspent revenue monies held by schools.

Balances are funds maintained at an adequate level to provide a sound financial basis and to meet any unforeseen calls on the Council's resources.

Non-Cash Backed Reserves mainly consists of technical accounting balances.

Cash equivalents are investments which can be converted to cash at short notice.

For the purposes of this statement, some modifications have been made to provide information at a more summarised level.

The Council is constantly seeking to improve communications with citizens, businesses and other stakeholders, so please tell us whether this summarised document meets your requirements or what changes or additional information you would find helpful.

A copy of the audited 2016/17 Statement of Accounts is available on the Council's website: www.walthamforest.gov.uk/content/council-finances.

Enquiries related to both documents can be made by email to CorporateFinanceGroup@walthamforest.gov.uk or by post to:

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