

London Borough of Waltham Forest  
**Summary of Accounts**  
**2015/16**



John Turnbull CPFA, Strategic Director of Finance  
and Governance

[www.walthamforest.gov.uk](http://www.walthamforest.gov.uk)



**Waltham Forest**

# Strategic Director of Finance and Governance's Statement

## Introduction

This document contains summarised information from the Council's 2015/16 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 re-roofing of council dwellings) 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 2015/16 Statement of Accounts can be found on the Council's website at: [www.walthamforest.gov.uk/content/council-finances](http://www.walthamforest.gov.uk/content/council-finances)

## Financial Review

During the year ended 31 March 2016, 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 2016 was **£1,447.21**, £4.00 lower than 2014/15. Of this, £295.00 (down £4.00 from 2014/15) was a precept in respect of the Greater London Authority (mainly police, fire and bus services), while £1,152.21 (unchanged from 2014/15) was the local borough element. This raised **£78.956 million** towards the annual running costs of the Borough.

The gross revenue expenditure of the Council for the year was **£826 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 2016 and its income and expenditure for the 2015/16 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



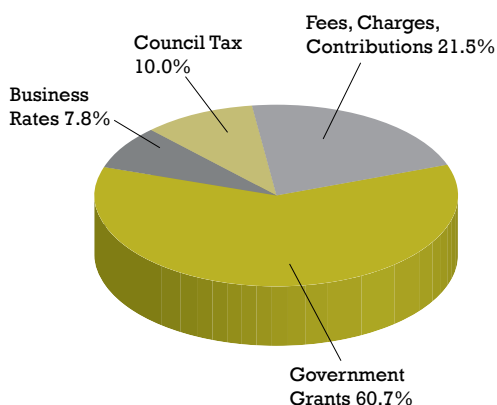
## The cost of the council services

### Day to day spending (revenue expenditure)

#### Where the money came from £'000

Fees, Charges, Contributions	178,359
Government Grants	503,514
Business Rates	64,687
Council Tax	82,792

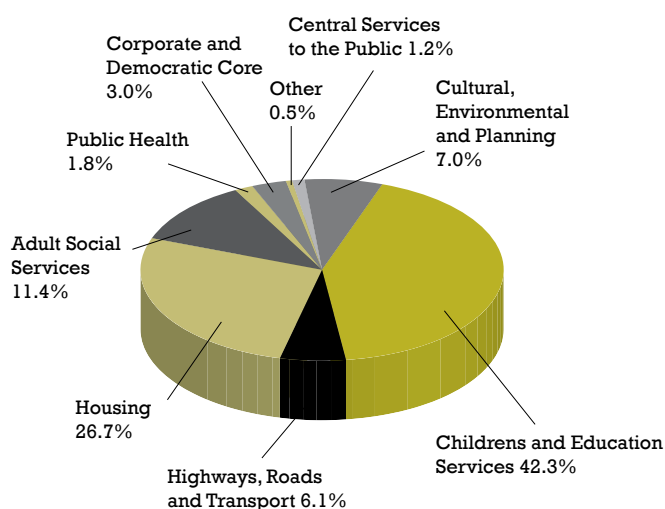
**829,352**



#### Services provided £'000

Central Services to the Public	9,964
Cultural, Environmental and Planning	57,607
Childrens and Education Services	349,302
Highways, Roads and Transport	50,540
Housing	220,467
Adult Social Services	94,317
Public Health	14,373
Corporate and Democratic Core	24,849
Other	4,045

**825,464**



#### General Fund balance £'000

Balance at 1 April 2015	10,684
Net movement on balances	3,888

**Balance at 31 March 2016 14,572**

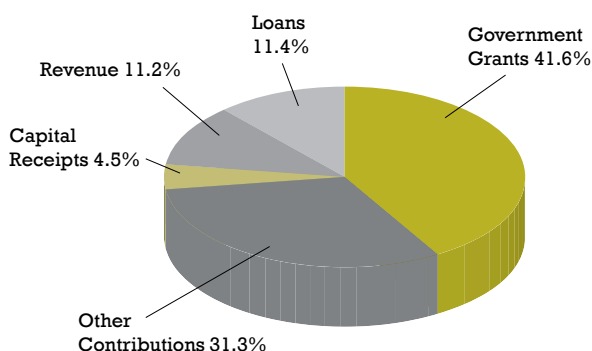
## Capital expenditure

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	44,775
Other Contributions	33,648
Capital Receipts	4,886
Revenue	12,086
Loans	12,258

**107,653**



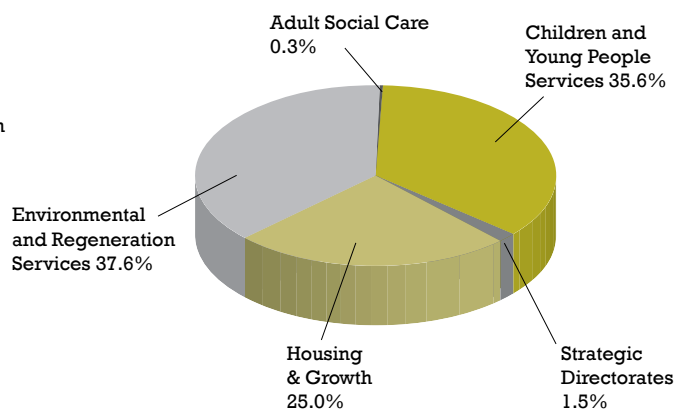
#### Where the money was spent £'000

Adult Social Care	343
Children and Young People Services	38,348
Strategic Directorates	1,617
Housing & Growth	26,909
Environmental and Regeneration Services	40,436

**107,653**

The following are examples of some of the areas in which the Council has invested in 2015/16

- \* School buildings
- \* Housing stock improvements
- \* Waltham Forest Leisure Centre
- \* Transport Schemes
- \* Regeneration projects



## 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.

The line "other costs" shows a credit due to the impact of upward revaluation of assets. This is shown as a negative as it reverses previous impairments which were charged against the HRA Comprehensive Income and Expenditure Account. The effect of this is reversed in the line 'additional amounts required by Statute to be charged to the HRA' so there is no net effect on the HRA balance.

### Housing Revenue Account Summary

	£'000
<b>Income</b>	
Council Property Rents (Gross)	(54,498)
Other Income	(6,650)
<b>Total Income</b>	<b>(61,148)</b>
<b>Expenditure</b>	
Repairs and Maintenance	8,303
Supervision and Management	19,143
Other Costs	(7,272)
<b>Total Expenditure</b>	<b>20,174</b>
<b>Net Cost of Service</b>	<b>(40,974)</b>
plus Other Operating Expenditure	2,034
<b>Net Operating Expenditure</b>	<b>(38,940)</b>
less net additional amounts required by statute to be charged to the HRA	41,349
<b>Net HRA deficit/(surplus) for the year</b>	<b>(2,409)</b>
add Balance 1 April 2015 (surplus)	(3,915)
<b>HRA Balance 31 March 2016 (surplus)</b>	<b>(1,506)</b>
There was a net decrease of 60 in the housing stock from 10,189 at 31 March 2015 to 10,129 at 31 March 2016. Made up of 88 Right to Buy sales and 28 additions.	
The council owned the following types and number of dwellings at 31 March 2016	
Houses and bungalows	3,789
Low rise flats	1,515
Medium rise flats	3,370
High rise flats	980
Sheltered accommodation/multi occupied	475
<b>Total</b>	<b>10,129</b>

## Balance Sheet as at 31 March 2016

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	1,674,830
Cash and Cash equivalents	18,048
Investments, Debtors and Other Assets	178,650
Liabilities	(442,509)
Pension Liability	(471,499)
<b>Total Net Assets</b>	<b>957,520</b>
<b>Financed by Usable Reserves</b>	
Earmarked Reserves	93,144
Capital Reserves	24,214
Balances	16,079
<b>Unusable Reserves</b>	
Non-Cash Backed Reserves	824,083
<b>Total Reserves</b>	<b>957,520</b>

### 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** Cash equivalents are investments which can be converted to cash at very 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. The document is also available on request in other formats, including translations, Braille, large print and audiotape.

A copy of the full audited 2015/16 Statement of Accounts is available on the Council's website: [www.walthamforest.gov.uk/content/council-finances](http://www.walthamforest.gov.uk/content/council-finances). Copies of the full statement can also be consulted in public libraries and are available for sale for a small fee subject to availability.

Enquiries related to both documents can be made by telephoning 020 8496 4477/4392, by email to [CorporateFinanceGroup@walthamforest.gov.uk](mailto:CorporateFinanceGroup@walthamforest.gov.uk) or by mail to:

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