

# Summary of Accounts 2007/08

**Southampton City Council has published its audited accounts for the financial year 2007/08. This short summary has been produced to highlight the most important figures in the accounts.**

## Financial review

### Financial performance

Total net spend on providing services was £163million (m). This was £4.8m less than anticipated when elected members approved the revised budget in February 2008, which resulted in an increase in monies available for future years of £1.3m. The level of the general fund balance at 31 March 2008 was £12m.

### Council housing

The council owns 17,229 flats and houses, for which it charges rent. Income was higher than costs by £1.5m. The level of housing reserves stands at £3.1m.

### Capital expenditure

Capital expenditure is money spent by the council on purchasing, upgrading or improving assets such as buildings or roads. The council spent £57.1m on these schemes in 2007/08.



# The cost of the council's services

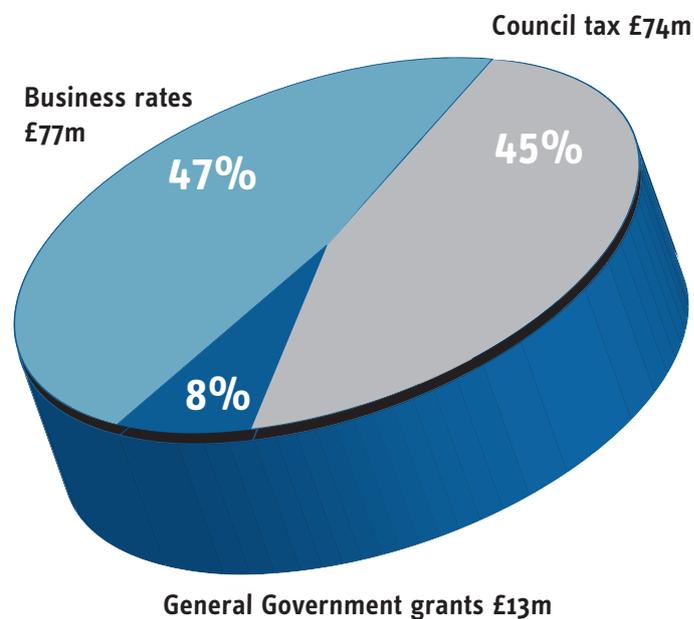
The following figures show the net cost of services for 2007/08, where the money came from to finance these costs and the surplus at the end of the year.

Services	Net costs £'000's
Central services to the public	4,850
Cultural, environmental and planning services	52,948
Education services	48,708
Highways, roads and transport services	11,088
Local authority housing	(14,277)
Other housing services	3,789
Social services	55,514
Corporate and democratic core	4,644
Non-distributable costs	3,262
<b>Net cost of services</b>	<b>170,526</b>
Add: other income, expenditure and adjustments	(7,823)
<b>Total net costs</b>	<b>162,703</b>

## Financed by:

General Government grants	(12,954)
Business rates	(77,190)
Council tax	(73,893)
<b>Surplus for the year</b>	<b>(1,334)</b>

Please note: figures in brackets represent a minus figure.



- Just under half of the council's income to finance net costs comes from rates levied on business premises
- Council tax income pays for 45 per cent of total net costs
- The council collected 95.2 per cent of its council tax in 2007/08 compared to 94.51 per cent in 2006/07 and 92.6 per cent in 2005/06
- Standard band D council tax was £1,316

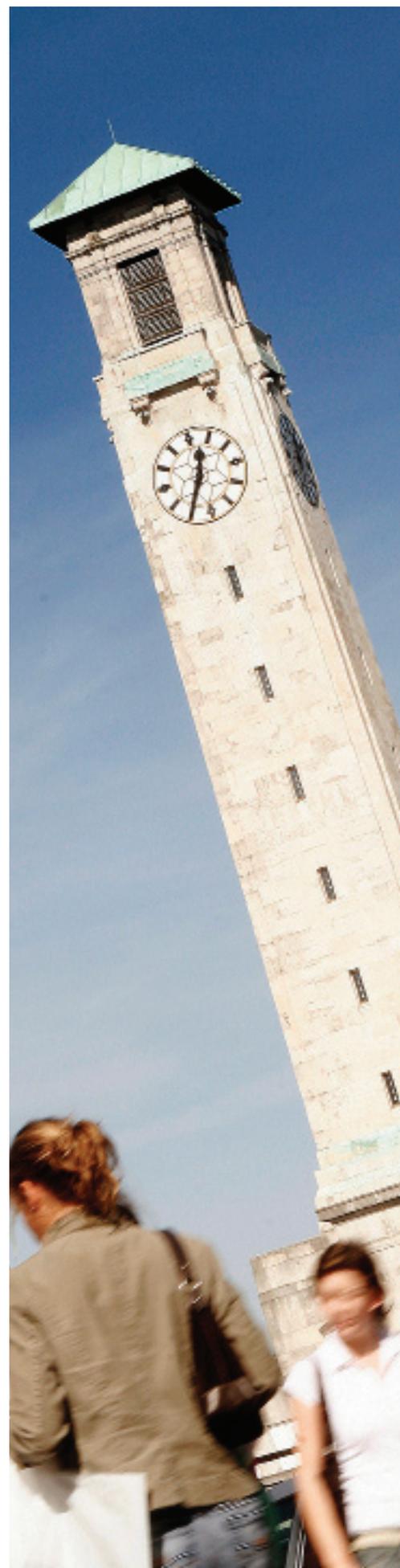
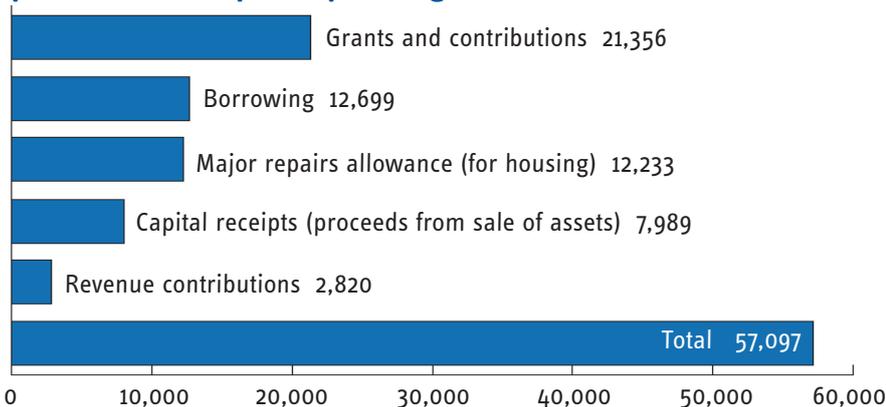


# Capital

Money spent on purchasing, upgrading or improving assets such as buildings or roads is referred to as capital expenditure. The council receives the benefit from capital expenditure over a longer period of time.

Capital spending during 2007/08		£000's
<b>Education</b>	Schools maintenance and improvement	6,946
	Special educational needs review	1,937
	Children's centres	1,337
	Play areas	464
		<b>10,684</b>
<b>Housing</b>	Council house maintenance and improvement	22,393
	Private sector housing grants	3,257
	Mountbatten Centre hostel	1,816
	<b>27,466</b>	
<b>Community</b>	Mansel Pavilion	908
	Disability Discrimination Act compliance	288
	Community projects	201
	<b>1,397</b>	
<b>Social care</b>	Development of social services facilities	477
	Modernisation of day services	201
	Social services IT systems	183
	<b>861</b>	
<b>Roads and transport</b>	Highways and roads maintenance and improvements	6,728
	Street lighting	2,279
	Public transport	896
	Parking schemes	794
	Bridge maintenance	477
	Weston Shore development	203
		<b>11,377</b>
<b>Leisure</b>	Tudor House museum	1,126
	Parks and community facilities	382
	Southampton new arts centre (SNAC)	328
	Other leisure projects	369
	<b>2,205</b>	
<b>Corporate</b>	IT systems	1,154
	Civic buildings works	693
	<b>1,847</b>	
<b>City development</b>	Northern Above Bar development	778
	Improvements to city centre signage	254
	Other city development projects	228
	<b>1,260</b>	
<b>Total</b>		<b>57,097</b>

The following table shows how the council paid for this capital spending (£'000's)



# Balance sheet

This shows the financial position of the council. It brings together the year end balances of all the accounts and presents money owed by and to the council, assets owned and the balances and reserves at the council's disposal.

	2006/7	2007/8
	£'m	£'m
<b>Assets and liabilities</b>		
Buildings and land owned by the council	1,626	▲ 1,648
Stocks, stores and work in progress	2	▼ 1
Money owed to the council	81	▲ 122
Money owed by the council	(66)	▲ (81)
Money set aside to meet future costs	(8)	▶ (8)
Net pension fund liability*	(218)	▼ (164)
	<b>1,417</b>	<b>▲ 1,518</b>
<b>Financed by:</b>		
Borrowing	147	▲ 158
Non distributable reserves	1,210	▲ 1,303
Distributable reserves	60	▲ 76
	<b>1,417</b>	<b>▲ 1,537</b>

Distributable reserves	£'m
General fund	12
Housing fund	3
Useable capital receipts	12
Capital grants and contributions	19
Other earmarked reserves	30
	<b>76</b>

Cash flow	£'m
Bank overdraft at 1 April	3
Cash in	(813)
Cash out	818
Bank overdraft at 31 March	8

\*Net pension fund liability - this is matched by a non-distributable reserve, so has no direct effect on the amount of council tax payable.

# Housing revenue account

This account summarises income and expenses associated with the provision of council housing. By law all expenses must be paid by council tenants.

2007/08	£000's
<b>Income</b>	
Council house rents (gross)	(51,904)
Other income	(6,722)
	<b>(58,626)</b>
<b>Expenses</b>	
Repair and maintenance	14,365
Supervision and management	15,673
Capital financing costs	4,414
Other costs	22,660
	<b>57,112</b>
<b>Transfers to/from balances</b>	<b>(1,514)</b>

- Average rent for 2007/08 was £57.95 per week
- 1.3 per cent of lettable properties were empty during the year

The housing stock consisted of:	
Houses	5,485
Flats	11,728
Bungalows	16
Total	17,229

This was 83 less than last year, mainly due to people buying their council properties.

The statement of accounts has been prepared in accordance with the Accounting Code of Practice. The figures for this summary were originally compiled having regard to proper accounting practice.

The council's 2007/08 accounts have been audited by the Audit Commission, who have issued an unqualified opinion on the council's full accounts.

A full copy of the council's accounts is available at

[www.southampton.gov.uk/statementaccounts](http://www.southampton.gov.uk/statementaccounts). Alternatively telephone **023 8083 2484** to obtain a copy.

We welcome your feedback and are particularly interested in hearing about whether you think this compact version of the accounts strikes the balance between simplicity and completeness. To make a comment or ask a question, contact Corporate Finance, Southampton City Council, Civic Centre, Southampton, SO14 7NR. Alternatively call **023 8083 2484** or email us at [business.support.finance@southampton.gov.uk](mailto:business.support.finance@southampton.gov.uk).