

LONDON BOROUGH OF CAMDEN

STATEMENT OF ACCOUNTS 2006/07

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:

- // to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs as the Chief Finance Officer. At Camden, that officer is the Director of Finance;
- // to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- // to approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts which is required by the Chartered Institute of Public Finance and Accountancy (CIPFA)/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice) to present fairly the financial position of the Council at 31 March 2007 and its income and expenditure for the year 2006/07. In preparing this statement of accounts, the Chief Finance Officer has:

- // selected suitable accounting policies and applied them consistently;
- // made judgements and estimates that were reasonable and prudent;
- // complied with the Code of Practice.

The Chief Finance Officer has also:

- // kept proper accounting records which were up to date;
- // taken reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of the London Borough of Camden

Opinion on the financial statements

We have audited the financial statements and pension fund accounts of the London Borough of Camden for the year ended 31 March 2007 under the Audit Commission Act 1998. The core financial statements comprise:

- the Income and Expenditure Account;
- the Statement of Movement on the General Fund Balance;
- the Statement of Total Recognised Gains and Losses
- the Balance Sheet;
- the Cash Flow Statement; and
- the associated notes.

The supplementary statements comprise:

- the Housing Revenue Account Income and Expenditure Account;
- the Statement of Movement on the Housing Revenue Account Balance;
- the Collection Fund; and
- the associated notes.

The pension fund accounts comprise:

- the Fund Account;
- the Net Assets Statement ; and
- the related notes.

The financial statements and pension fund accounts have been prepared under the accounting policies set out within them.

This report is made solely to the London Borough of Camden in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Council for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Chief Finance Officer and Auditors

The Chief Finance Officer's responsibilities for preparing the financial statements, including the pension fund accounts, in accordance with applicable laws and regulations and the Statement

of Recommended Practice on Local Authority Accounting in the United Kingdom 2006 are set out in the Statement of Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements and the pension fund accounts present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006:

- the financial position of the Authority and its income and expenditure for the year; and
- the financial transactions of its pension fund during the year and the amount and disposition of the fund's assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

We review whether the statement on internal control reflects compliance with CIPFA's guidance "The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003" issued in April 2004. We report if it does not comply with proper practices specified by CIPFA or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered whether the statement on internal control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

We read other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Explanatory Foreword. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements present fairly, in accordance with applicable laws and regulations and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial position of the Authority as at 31 March 2007 and its income and expenditure for the year then ended, and
- the pension fund accounts present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2006, the financial transactions of the Pension Fund during the year ended 31 March 2007 and the amount and disposition of the fund's assets and liabilities as at 31 March 2007, other than liabilities to pay pensions and other benefits after the end of the scheme year.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

Under the Local Government Act 1999, the authority is required to prepare and publish a best value performance plan summarising the authority's assessment of its performance and position in relation to its statutory duty to make arrangements to ensure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Auditors' Responsibilities

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. We report if significant matters have come to our attention which prevent us from concluding that the authority has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We are required by section 7 of the Local Government Act 1999 to carry out an audit of the authority's best value performance plan and issue a report:

- certifying that we have done so;
- stating whether we believe that the plan has been prepared and published in accordance with statutory requirements set out in section 6 of the Local Government Act 1999 and statutory guidance; and
- where relevant, making any recommendations under section 7 of the Local Government Act 1999.

Conclusion

- We have undertaken our audit in accordance with the Code of Audit Practice and we are satisfied that, having regard to the criteria for principal local authorities specified by the Audit Commission and published in December 2006, in all significant respects, the London Borough of Camden made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

Best Value Performance Plan

We issued our statutory report on the audit of the authority's best value performance plan for the financial year 2006/07 in December 2006. We did not identify any matters to be reported to the authority and did not make any recommendations on procedures in relation to the plan.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
St. Albans
24th September 2007

Foreword by the Director of Finance



Michael O'Donnell
Director of Finance and Chief Finance Officer

The purpose of this foreword is to provide an easily understandable guide to the most significant matters reported in the Council's accounts. Camden's financial statements for 2006/07 have been prepared in accordance with the standard format for local authority accounts recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the Statement of Accounts in 2006/07.

There have been substantial changes to the way in which the accounts are to be presented this year. The principal change is that the Consolidated Revenue Account and the Statement of Total Movement on Reserves have been replaced with an Income and Expenditure Account, a Statement of Movement on the General Fund Balance and a Statement of Total Recognised Gains and Losses (STRGL). The Housing Revenue Account has been also been replaced by the Housing Revenue Account Income and Expenditure Account and the Statement of Movement on the Housing Revenue Account Balance.

The grouping of accounts and notes has also changed. The core financial statements, comprising the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the STRGL, the Balance Sheet and the Cash Flow Statement are grouped together, followed by their respective notes. These are followed by the supplementary statements each with their accompanying notes. The supplementary statements consist of the Housing Revenue Accounts and the Collection Fund. These are followed by the Pension Fund Accounts.

Throughout this Statement of Accounts, the figures for 2005/06 have been reworked as necessary to present the results for that year in the new format, so that year on year comparative information is meaningful. A separate note on the prior period adjustment

demonstrates how service revenue account costs for 2005/06 have been adjusted to provide valid comparative figures.

The core accounting statements comprise: -

The Statement on the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives.

The Income and Expenditure Account

This reports the net cost for the year of all the functions for which the authority is responsible, and demonstrates how that cost has been financed from general government grants and income from taxpayers. The surplus or deficit on this account represents the amount by which income is greater than or less than expenditure. Both income and expenditure are measured using essentially the same accounting conventions, UK Generally Accepted Accounting Practices, (UK GAAP) which a large unlisted company would use in preparing its accounts.

The Statement of Movement on the General Fund Balance

This reports items of income and expenditure that are required to be credited or charged to the General Fund by statute or non-statutory practices other than in accordance with UK GAAP. These are items that are taken into account in determining the council's budget requirement and its Council Tax demand.

The Statement of Recognised Gains and Losses

This reports all the gains and losses experienced by a local authority in addition to those reflected in the Income and Expenditure Account. It will include, for example, gains or losses on revaluations of fixed assets and pensions actuarial gains and losses.

The Balance Sheet

This shows the balances and reserves at the Council's disposal at the year-end, together with its long-term indebtedness, the net current assets employed in its operations and summarised information on the fixed assets held. It excludes trust funds and the Pension Fund.

The Cash Flow Statement

This summarises the cash movements arising from both revenue and capital transactions with third parties. It excludes trust funds and the Pension Fund.

London Borough of Camden – Statement of Accounts 2006/07

The supplementary statements comprise:-

The Housing Revenue Account (HRA) Income and Expenditure Account There is a statutory duty to account separately for local authority housing provision. The HRA Income and Expenditure Account shows in detail the income and expenditure on HRA services included in the whole authority Income and Expenditure Account. It includes the major elements of Council housing revenue expenditure on maintenance, administration and capital financing costs and major income sources such as rents, subsidy and other income.

The Statement of Movement on the Housing Revenue Account Balance This shows how the HRA Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the Housing Revenue Account balance for the year.

The Collection Fund Revenue Account The Collection Fund is a separate account into which are paid the amounts raised from local taxation. The Council's contribution to the national business rates pool, along with the payments due to preceptors including Camden itself, are met from this account.

The Pension Fund Accounts These show contributions to the Council's Pension Fund for employees during 2006/07, together with the pensions and other benefits paid from it, movements in investments during the year and the financial position of the Fund as at 31 March 2007. The accounts do not include liabilities to pay pensions and benefits after that date.

Statement of Accounting Policies The accounts can be properly appreciated only if the policies that have been followed in dealing with material items are understood. The Statement of Accounting Policies, which follows this foreword, and the various notes to the financial statements therefore form an integral part of the accounts. There is also a glossary of terms and abbreviations at the end of this document.

Review of the Year

The 2006/07 Statement of Accounts is my second Statement of Accounts since I joined the Council in October 2005 as Director of Finance.

It has continued to be an extremely busy period, as the management restructure implemented in 2005/06 has bedded down and the local elections in May 2006 saw a

change in administration with the new Partnership Administration gaining control of the Council.

The first year of the new Partnership Administration saw changes in the Council's policy on car clamping, and the commitment to hold the Council's council tax at its 2006/07 level in 2007/08.

The revised framework for the Comprehensive Performance Assessment (CPA) rated Camden as "improving strongly" and demonstrating a 4 star overall performance in 2006 (one of only ten councils in the country to do so), retaining its position as a top performing council. Also, in their annual Joint Audit and Inspection Letter our external auditors and the Audit Commission noted that "Camden has a good record of achieving value for money in its services". This is an area we are continuing to improve upon and the Council's "Better and Cheaper" efficiency programme will enable the Council to continue to deliver effective value for money services. Delivering further efficiency savings is particularly critical given ongoing budget pressures and the prospect of lower increases in national funding for local government services in future years.

Financial strength has again improved in various ways. Assets increased in value by £364m, loan debt at the year end totalled £404m and interest of £8.9m gross, £4.3m net, after passing on appropriate amounts to the HRA and the North London Waste Authority, was earned on invested cash balances which stood at £190m at the end of the year.

Camden Council's council tax rose in 2006/07 by £18.78 at Band D – an increase of 1.9%. The increase for Camden residents was 4.3% overall, with the remaining 2.4% covering the increase in the Greater London Authority precept.

A number of important developments took place during the year, which are briefly described below.

The Department for Education and Skills announced during the year that Camden will be in wave 5 of the national "Building Schools for the Future" programme. This will be the biggest ever transformation of special and secondary education, with a £200m programme of improvements. The programme will formally commence in September 2007 with the first buildings set to be completed in 2011.

Chalcots Estate in Swiss Cottage will have five tower blocks transformed as part of a Private Finance Initiative scheme, part funded by £65m of support from central Government. The improvements will include new bathrooms and kitchens, double-glazing, new lifts and exterior cladding.

London Borough of Camden – Statement of Accounts 2006/07

Kilburn Library was relocated to new premises and Kentish Town library was refurbished during the year. The works, costing almost £2m, have incorporated new facilities into the libraries, including young people's areas.

The Euro

During the year the Council has continued to keep a watching brief on progress towards the euro and its potential impact on its services, its financial systems and the Council's stakeholders. The costs to date have been minimal.

The 2006/07 Revenue Outturn

The Council's financial position at the end of the year remains strong, the final position adding £14.4m to general balances. All departments underspent on their agreed budgets

Following a review of reserves and balances during the 2007/08 budget process, £3m was transferred to the future Capital schemes reserve to provide additional capital resources for the capital programme. A further £4.75m was transferred to specific reserves to fund future severance costs that might arise from ongoing workforce remodelling. Departmental underspends will be reviewed as part of the consideration of the overall financial strategy. Any carry forward approvals will be dependant upon the spending proposals meeting departmental and corporate objectives, after which appropriate transfers between reserves will take place.

The Council's actual spend compared with its updated budget for 2006/07 is set out below: -

	Final Updated Budget 2006/07 £'000s	Actual Spend £'000s
Departmental Costs	227,854	219,946
Non-departmental Costs	9,140	1,739
Revenue funding of capital expenditure	2,431	6,176
Contributions into and out of departmental and other reserves	(4,742)	(6,295)
Additional Government Grants	-	(1,361)
Total	234,683	220,205
Net Under-spend on Revenue Account		(14,478)

Overall, departmental service costs were £7.908m lower than the final budget, made up of underspends in all service departments. There were significant underspends against the budget on Housing Benefits, and the property portfolio benefited from additional income and several large one-off refunds of business rates. Non-departmental costs, net of transfers to reserves, were £5m lower than the budget as a result of net additional income from investments, lower debt repayments as a result of legislative changes and an unused contingency budget

An overall accumulated surplus, ignoring earmarked reserves and balances held by schools and the HRA, of £29.910m is now held in general balances. The levels of reserves and balances will be subject to review against the Council's reserves and balances policy over the course of the next year. The net operating expenditure for the year, before contributions to and from reserves and balances are taken into account and excluding the payment to the Housing capital receipts pool, was £219.611m (£311.079m in 2005/06). Adding back Dedicated Schools Grant to net expenditure gives a comparative 2006/07 figure of £330.525m.

Balances held by schools at 31 March 2007 totalled £6.943m and there were also amounts held in departmental reserves, other than the HRA, totalling £7.315m.

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The 2006/07 Capital Outturn

Actual capital spend in the year was £96.576m, compared with a budget of £97.476m. Expenditure during the year was mainly funded from grants (43%), from usable capital receipts (16%), from borrowing (17%), from revenue contributions (17%) and from capital contributions (7%). In addition to the capital programme, the Council entered into leasing arrangements in respect of vehicles, plant and equipment with a capital value of £0.081m.

2006/07 represents the third year of the operation of the Prudential Code where local authorities are now free to set their own levels of borrowing to fund capital expenditure within prudential limits. The council has current borrowing facilities with the Public Works Loan Board and with the Cooperative Bank. In 2006/07 the council borrowed £16.730m to fund capital expenditure incurred during the year. In addition to new capital resources available in future years from capital receipts and capital grants, the council also has at 31 March 2007 revenue contributions of £15.191m (non-HRA) and £20.254m (HRA), capital contributions of £12.005m and capital receipts of £43.362m in hand to meet future capital expenditure.

Housing

The Council is the main provider of rented accommodation in Camden with 24,414 units. In 2006/07 average council rents excluding service charges were £75.39 per week, an increase of £3.59, or 5.0%, over the 2005/06 level of £71.80 per week, which has been restated to exclude service charges.

The HRA in 2006/07 had a net surplus of £6.896m, which when added to its existing reserves of £72.080m resulted in £78.976m being carried forward at 31 March 2007. The proposed use of this reserve is set out in Note 10 to the HRA accounts.

Pensions

The requirements of Financial Reporting Standard 17 (FRS 17) are implemented in full in the accounts. The accounts include a net pension liability within the balance sheet. The change in the figure between years reflects the change in the estimated employers assets and the present value of the scheme liabilities. The council's triennial valuation takes a longer-term view and provides a more appropriate measure of pension obligations. The latest triennial valuation began in March 2007 and the actuaries will report to the council by the end of the year.

Changes In Functions

2006/07 was the first full year of operation of the new front line service departments following the major restructure that had taken place in the preceding year. During the year a further revision to the departmental structures saw the Law and Administration department disbanded and its functions taken over by other central departments and stand-alone units. There were no other significant changes in function in the year

Illustrative overview

The following seven diagrams show in broad terms the net revenue cost of each Council service per resident, the service inputs on which the Council's money is spent and where it comes from, the number of people employed by the Council and the trend in Council spending and staff numbers over recent years. They also provide information on the departmental breakdown of capital expenditure.

Further Information

Further information about the accounts is available from the:

Head of Financial Planning & Accountancy
Town Hall Extension
Argyle Street
London
WC1H 8NG

Members of the public have a statutory right to inspect the Accounts before the audit is completed. The availability of the Accounts for inspection is advertised in the local press and anyone wishing to do so may appear before the auditor in person to make objection to any item of account. The auditors' report on the Accounts precedes this foreword.

London Borough of Camden – Statement of Accounts 2006/07

My signature below certifies that the Accounts were prepared in accordance with the requirements of Regulation 7 of the Accounts and Audit Regulations 2003, issued under the Audit Commission Act 1998 and, except where specifically stated, in accordance with all recognised statutory requirements and codes of practice applicable to local authorities.

I certify that the Statement of Accounts presents fairly the financial position of the Council at 31 March 2007 and its financial performance in the year then ended.



Michael O'Donnell, CPFA
Director of Finance
and Chief Finance Officer

24 September 2007

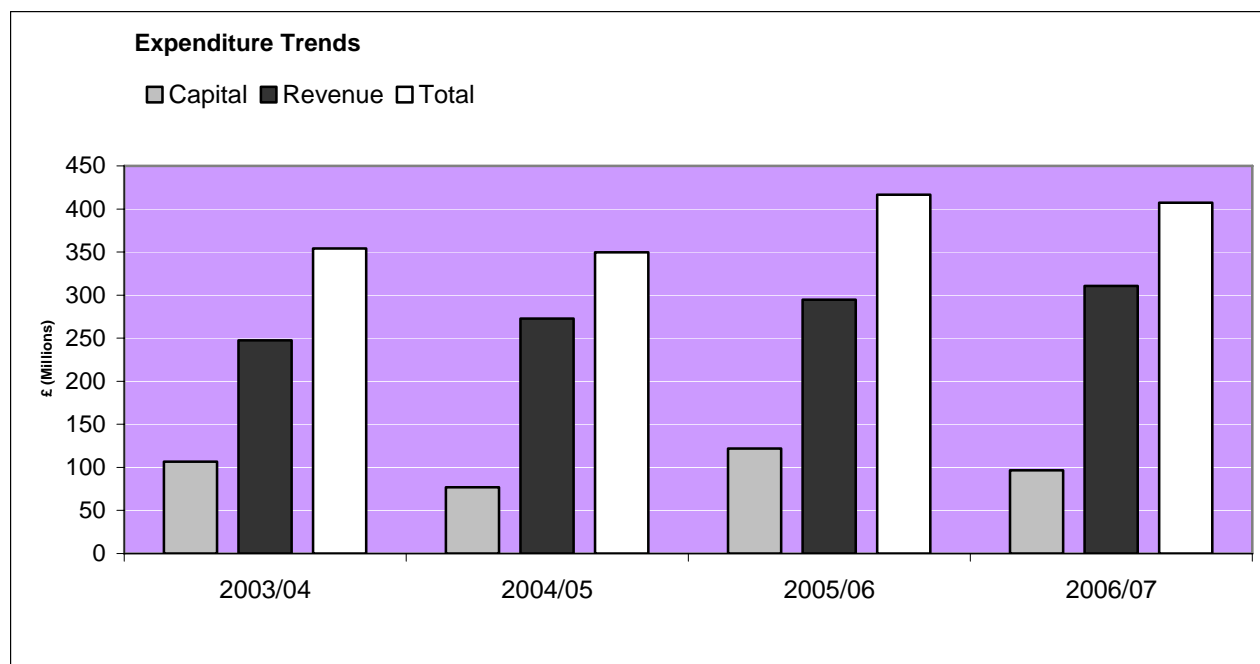
CHAIR'S APPROVAL OF STATEMENT OF ACCOUNTS

This Statement of Accounts was presented to the Audit Committee of the London Borough of Camden at its meeting on 24 September 2007, and was approved by resolution of the Committee.

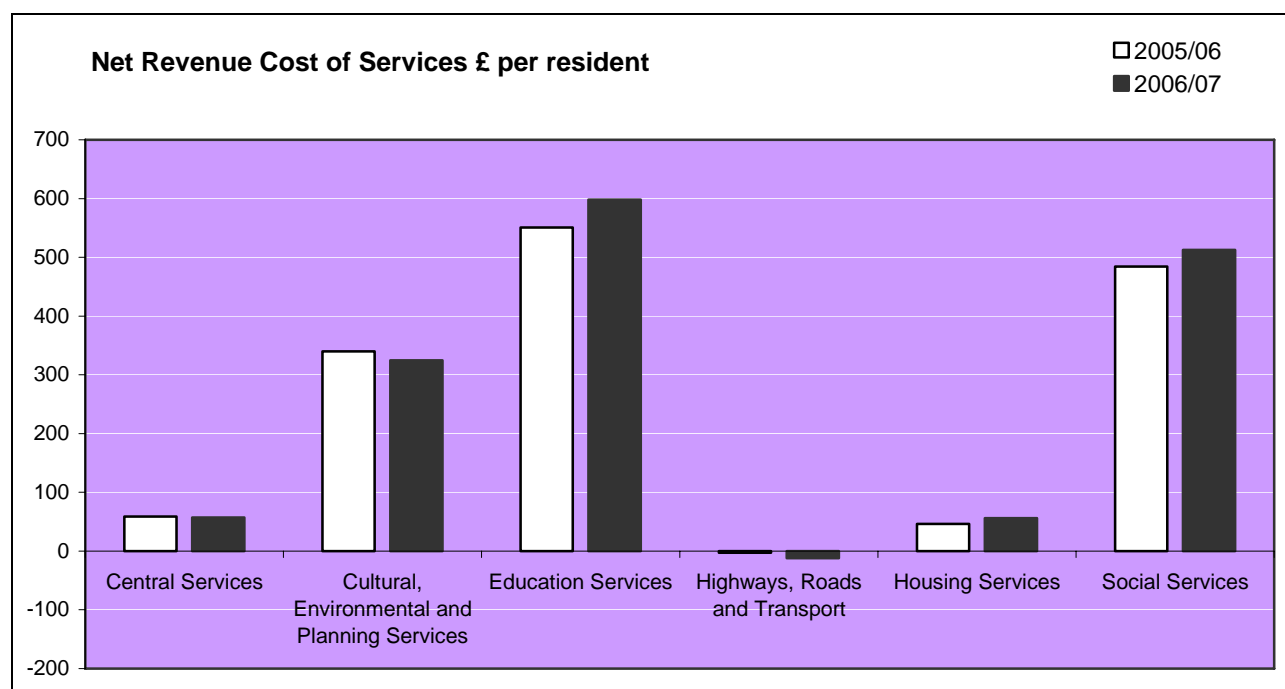


Councillor Arthur Graves
Chair, Audit Committee
24 September 2007

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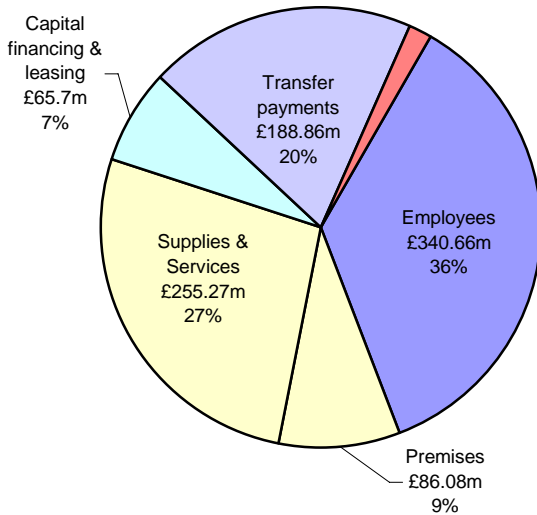


The above restated diagram shows trends in Camden's capital; net revenue adjusted for Dedicated Schools Grant and before transfers to and from reserves and payments to the Housing capital receipts pool, and total spending. Total spending in 2006/07 was £407.2m. Revenue spending rose by 5.5% in 2006/07 compared with the previous year.



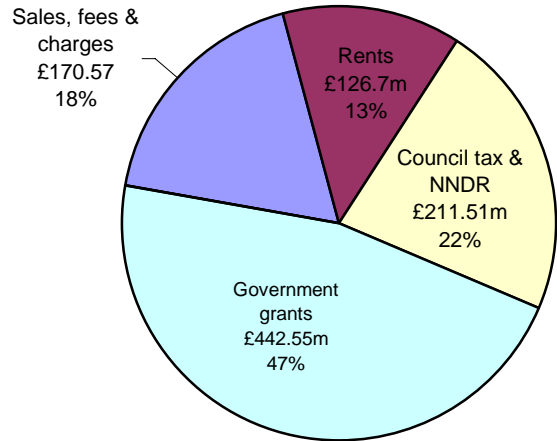
Resident population in 2006/07 was estimated by Camden at 220,700 compared with 217,000 in 2005/06. The net revenue cost per resident of all services, excluding HRA housing, in 2006/07 was £1,536. This was an increase of £58 or 3.9% on 2005/06. The removal of notional interest has been adjusted for in these comparisons and Dedicated Schools Grant has been added back to show the full cost of Education Services.

Analysis of gross expenditure



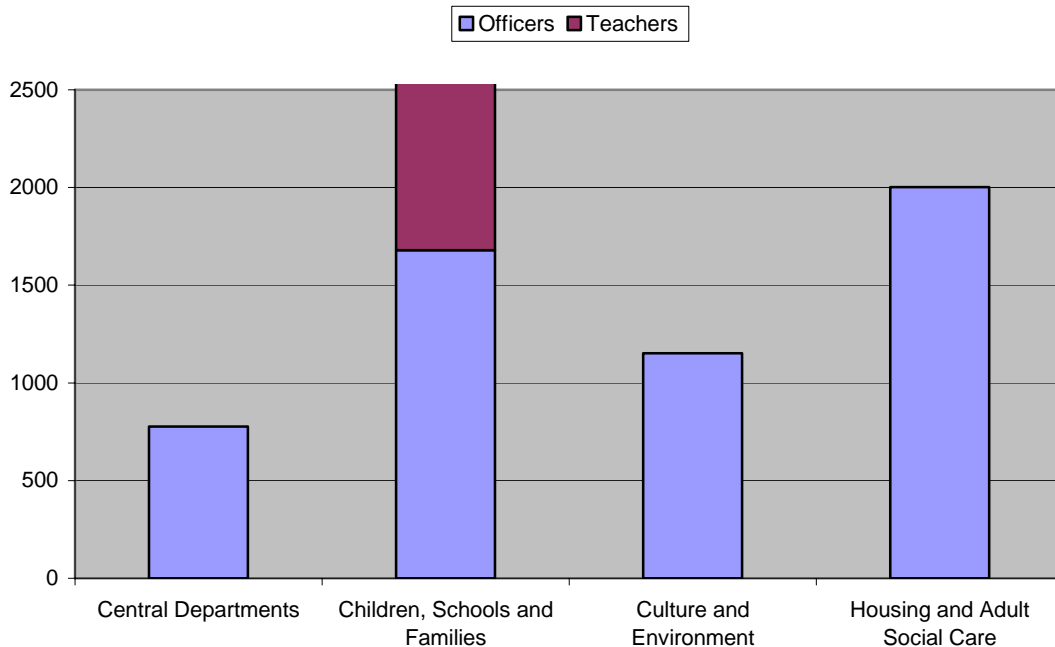
The pie chart above shows how Camden spent its money last year. Camden's gross expenditure in 2006/07 was £951.33m, an increase of £54.03m over 2005/06.

Analysis of gross income



The pie chart above shows how Camden obtained its gross income of £951.33m in 2006/07. £91m, or just under 10% of the total, was attributable to Council Tax.

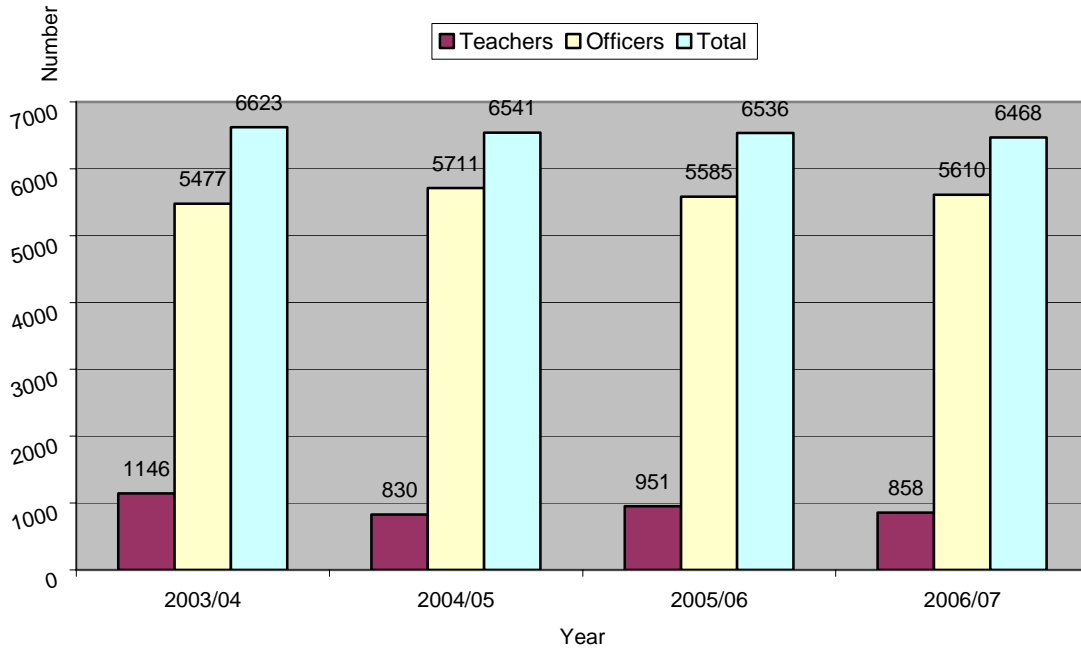
Number of Employees



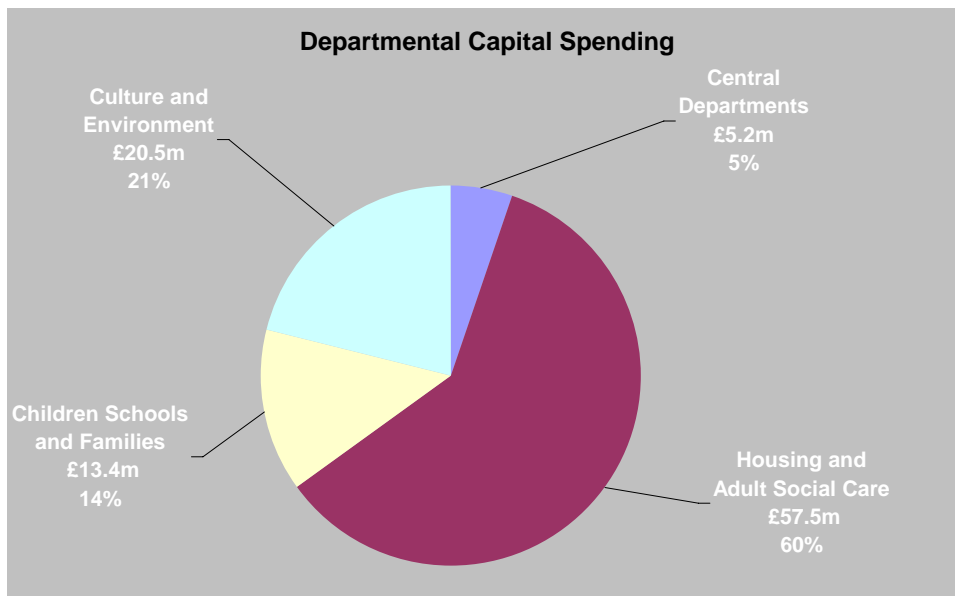
The above diagram shows Camden's staff numbers in 2006/07 for each directorate, expressed in terms of the number of full-time equivalents in post in each category of employment at 31 March 2007. The figures include staff providing services to housing tenants.

London Borough of Camden – Statement of Accounts 2006/07

Staffing Trends



The above diagram shows how Camden staff numbers have changed over recent years. Total FTE staffing fell by 68 between 2005/06 and 2006/07.



Camden spent £96.6m on capital projects in 2006/07, compared with £122.0m in 2005/06. The capital spending in 2006/07 is analysed by department in the chart above.

Statement on the System of Internal Control

1. Scope of Responsibility

The Accounts and Audit Regulations 2003 place a responsibility on local authorities to produce an Annual Statement of Internal Control.

The London Borough of Camden is responsible for ensuring that its business is conducted in accordance with the law and professional standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The London Borough of Camden also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, again having regard to a combination of economy, efficiency and effectiveness. The management/operational arrangements in all Council departments need to reflect and support this approach.

In discharging this overall responsibility, the London Borough of Camden is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. It is the responsibility of the Council to ensure that this applies at departmental and divisional level and this statement reflects this.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable assurance as to its overall effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them in a manner that delivers value for money.

The main elements of a formal system of internal control have been in place throughout the year 2006/07. Work has continued to embed controls and risk management arrangements throughout the Council following the start made in the previous year.

In addition to the in-depth review undertaken for the financial year 2006/07, general consideration has also been given to matters of control applicable up to the time of completion of this statement. There were no matters of significance arising in that period.

3. The Internal Control Environment

The key elements of the internal control environment operating in the Council can be summarised as follows:

- The Council has a clearly defined set of targets in terms of service delivery which are contained within its Community Strategy. The targets detailed in the strategy are subject to ongoing updating and review by Members and the Camden Management Team who receive regular reports on progress and achievement. A new Community Strategy was published in 2006/07, which takes into account the policies of the administration elected in May 2006.
- The Council has undertaken significant work during 2006/07 in developing its change agenda under the Camden "Moving On" initiative in order to ensure that it meets the corporate strategic objectives. The identification and delivery of key targets of "delivering excellence" and "tackling inequality" and the four linked strategic priorities of "safe", "young", "attractive", and "serving" Camden were supported by a wide range of initiatives designed to improve how we work together as one council and improve efficiency in the way we do business. The development of "Camden Ways of Working" has further enhanced our means of improving performance and meeting our objectives.
- In order to ensure that Council objectives are effectively managed, the Council has in place an action plan to deliver the strategic approach to managing risk agreed by Members in 2004. Regular progress reports are considered by the Executive and CMT. Further progress has been made in 2006/07 in the development of operational, divisional and departmental risk registers which are used to feed the corporate risk register. A corporate risk register identifies the key corporate risks facing the Council and how they are managed.

London Borough of Camden – Statement of Accounts 2006/07

- Policy and decision-making are managed and controlled within a strong well-established framework and a major feature of this is the Council's written constitution which sets out in detail how the Council operates, how decisions are made and the procedures to be followed to ensure efficiency, transparency and accountability. Management control is exercised through the CMT who work to defined and established processes. Departmental Management Teams (DMT's) exercise local control within individual departments and the Council has developed a Senior Leadership Group (SLG) at Chief Officer/Assistant Director level to further enhance its managerial control process.
- Compliance with policies, laws and regulations is dealt with through a range of corporate written rules and procedures, which are regularly reviewed and updated. These include Standing Orders, Financial Standing Orders, Financial Regulations, Code of Conduct and the Anti-Fraud and Corruption Strategy. Officer responsibilities and actions are controlled through individual departments' Schemes of Officer Delegation.
- The effective and efficient use of resources and the securing of continuous improvement are achieved through a range of review processes. During 2006/07 the Council has undertaken work in relation to the identification of efficiency savings in line with the 'Gershon Review' requirements and has published its 'Annual Efficiency' Statement which incorporates a 'forward look' on how we intend to progress matters. The Council's Better and Cheaper programme is now well established with regular progress reviews by CMT and a delivery board chaired by the Director of Finance has also been set up. In recent years departmental services have resulted in the Council achieving a range of Charter Marks, Beacon Council Awards, accreditations for quality systems and various other awards for individual services.
- Business/service planning is well established and includes corporate guidelines to deliver a more standard approach to this matter on a Council-wide basis. A key element of this has been to further integrate the link between business/service planning, the Council's budget planning process and the Council's stated objectives.
- The financial management of the Council is organised through a wide range of well-established processes and procedures which delivers strong financial control arrangements. The Council has in place a detailed budget planning process which includes detailed written procedures and which is supported by the Council's comprehensive Financial Standing Orders and Financial Regulations, both of which were reviewed during 2006/07. The Executive, Executive Member for Resources and CMT receive and consider detailed financial information on a regular basis and this facilitates the decision-making process. Other features of the departmental financial control environment include the production of a medium term financial forecast, financial digest, standing Financial Management Group and financial schemes of delegation. These are further supported by numerous local procedures to facilitate control in specific areas. During the year the council piloted and rolled out a new e-buy system which will not only increase efficiency and value for money in procurement but will also lead to improved control/compliance in procurement matters.
- Performance management within the Council is considered through a range of review arrangements including external inspection bodies, external/internal audit reviews, annual reports for departments and specific services, work of the Scrutiny Committees and the detailed reporting of national and local performance indicators. In addition, regular and detailed reports are considered by both the Executive Member(s) and CMT with regard to corporate, departmental and service specific performance. These include the use of standard performance management data to manage and control the process on a Council-wide basis
- The Government's Comprehensive Performance Assessment (CPA) process brings together a range of performance management information to provide a corporate assessment of the Council's performance and Camden Council are rated in the "4 Star" and "improving strongly" category on current performance. The Council has reviewed assessments on an ongoing basis and taken account of any significant matters where improvements might be made for future implementation.
- In the latter part of 2005/06 the Council made the decision to reconstitute an Audit Committee following advice from the external auditor. Terms of Reference have been developed for this committee utilising best practice as issued by CIPFA and the Audit Commission. Work has continued though the year to support and develop the role of the Committee in order to further

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improve the Council's internal control processes.

- A Council wide "fraud awareness" programme has been developed and rolled out to relevant staff in key areas

4. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the authority who have responsibility for the development, maintenance and ongoing assurance in respect of the internal control environment covering their individual areas of responsibility. This is also supported by reviews conducted by the external auditors and other review agencies and inspectorates.

The Council has undertaken a review of its system of internal control in accordance with best practice advice as published by CIPFA in meeting the requirements of the Accounts and Audit Regulations 2003.

The review conducted has also taken account of the methods employed by the Council in providing service-based assurance on the system of internal control in operation. Information utilised includes:

- Local Management Information Systems including Service Planning Reviews and Annual Departmental Reports.
- Comprehensive Performance Assessment data and supporting evidence.
- External Audit reviews/reports including the annual risk assessment, system audit report and the annual joint inspection letter.
- Internal Audit reviews/reports arising from the strategic/annual audit plan as well as specific work carried out on each department's local statement of internal control.
- Monitoring reports in relation to the achievement of the Council's Risk Management Strategy and action plans arising from this.
- Information, evidence and reports arising from the work of the Scrutiny Committees.
- Reports from Inspectorates (e.g. Benefit Fraud Inspectorate).

- Performance Indicator Information of both a statutory and local nature.

- Various external/internal surveys conducted by the Council including those of residents/staff and corporate complaints procedures.

- Analysis of awards/accreditations achieved corporately and at service level.

The information in relation to key controls and assurance arrangements has been used to complete an assessment against the Council's key strategic initiatives and local risks and the necessary actions arising and future planned initiatives are set out in Section 5 of this statement.

5. Matters for future action

Following the review of the effectiveness of the system of internal control, the following actions are planned and underway to further improve control arrangements: -

- Continuing work will be undertaken to develop the Council's medium term financial strategy and link this to the objectives identified in the Corporate Plan
- Significant review and implementation work will be undertaken in relation to phase 2 of the Council's "Better and Cheaper" initiative which will seek to deliver a range of efficiency savings whilst maintaining proper control measures in key service areas. This exercise will include a review of the Finance Function across the Council.
- The Council will introduce a new "toll-gate" process in order to improve procurement and contract arrangements
- The Council will review the new e-buy system arrangements so as to ensure they deliver the desired efficiency savings and improved control/compliance in procurement areas.
- The roll-out of the web-based version of the Council's integrated risk management and internal audit tool (PAWS) which will become fully operational in 2007/08 will further support the corporate-wide approach to the management of risk and facilitate a more rigorous risk-based approach to the internal auditing process in line with both its risk and internal audit strategies.

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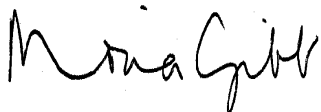
- Further member and officer training on risk
- Review of fraud and anti corruption strategy
- New project management arrangements and capacity
- Further work will be undertaken to support and develop the role of the Audit Committee in order to further improve the Council's internal control processes.

6. Signed Agreement

We have been advised on the implications of the results of the review of the effectiveness of the system of internal control by officers and a plan to address weaknesses and ensure continuous improvement of the system is in place.



CLlr Keith Moffitt
Leader of the Council
14 September 2007



Moira Gibb
Chief Executive
14 September 2007

Statement of Accounting Policies

The accounts have been prepared in accordance with the CIPFA Code of Practice issued in 2006. This is a Statement of Recommended Practice (SORP) approved by the Accounting Standards Board.

The Code of Practice requires that departures from recommended accounting policies are fully disclosed, and the reasons for them explained, in local authority accounts. There are no such departures to disclose.

The SORP for 2006 requires that the full requirements regarding external interests and group accounts be implemented in 2006/07. Camden has re-examined all its external interests and has determined that there are no material interests such as would require the production of group accounts.

The accounts comply fully with the requirements of Sections 41, 42 and 66(4) of the Local Government and Housing Act 1989 which place a statutory duty upon local authorities to follow proper practices in preparing their accounts. The accounts have also been prepared to comply with the 2003 Accounts and Audit regulations.

Accruals

In general, the accounts have been prepared on a basis that accrues and accounts for income and expenditure in the period to which they relate.

Stocks

Issues from the Council's stores have been mainly charged on the basis of the current cost of goods in store. Stock in hand at the year-end is mainly shown at latest purchase price. Although stocks should be shown at the lower of cost and net realisable value, full compliance would not materially affect the value of the Council's assets.

Service Analysis

The service analysis follows the CIPFA Best Value Accounting Code of Practice for both the year of account and the prior year.

Cost of Central Support Services

The costs of central support services are charged to service departments by way of internal transfers. The main bases for apportionment are actual usage, adjusted gross expenditure and headcount.

The cost of each central administrative building is allocated on an average cost basis in accordance with actual floor area occupied by services in the building. The classification of central services follows CIPFA's Code of Practice.

Capital Receipts

Capital receipts from the sale of assets and repayment of house purchase advances have been applied in accordance with the Local Government Act 2003.

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. This includes assets held under finance leases, which have been capitalised and included in the Balance Sheet on the basis of the outstanding obligation to make future rental payments. Schemes that cost less than £10,000 are classified as de minimis and these schemes are classed as revenue rather than capital expenditure.

Operational assets have been included in the Balance Sheet at the lower of net current replacement cost or market value in existing use. Non-operational assets have been included at the lower of net current replacement cost or market value. Infrastructure and community assets have been included on the basis of depreciated historical cost.

Intangible Assets

These are shown separately in 2006/07 on the face of the balance sheet. Expenditure on purchasing intangible fixed assets such as computer software has been capitalised at cost. These assets are depreciated over 3 years.

Depreciation

Depreciation is provided for on all categories of assets except community assets, investment assets and freehold land. The Council depreciates its fixed assets on a straight-line basis over the expected life of the asset after allowing for its residual value. The useful economic life of the different asset categories is as follows:-

Council dwellings	51 years
Other land and buildings	29 years
Vehicles, plant and equipment	5 years
Infrastructure	40 years

Charges to Revenue in respect of Capital

Service revenue accounts, the Housing Revenue Account and central support services are charged with a capital charge for all capital assets used in the provision of services. The charge consists of the annual provision for depreciation. Notional interest is no longer charged to service revenue accounts in line with the 2006 SORP.

A charge is also made to the HRA from the General Fund equivalent to statutory capital financing charges. It is calculated in a manner determined by the Secretary of State in accordance with the provisions of Item 8 of part II of Schedule 4 to the Local Government and Housing Act 1989 (the Item 8 determination).

Capital charges have a neutral impact on the amounts required to be raised from local taxation, as they are reversed out in the Statement of Movement on the General Fund Balance and replaced by the statutory Minimum Revenue Provision for debt repayment. The latter figure is calculated in accordance with the provisions of part 6 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, and the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007. The principal repayment is 4% of the Capital Financing Requirement at the start of the financial year for non-housing advances. The HRA is no longer required to make a minimum revenue provision.

Deferred Charges

Deferred charges represent capital expenditure which does not result in, or remain matched with, assets controlled by the council e.g. capital grants made to other bodies or individuals. Deferred charges are amortised to revenue over an appropriate period consistent with the consumption of the economic benefits controlled by the council.

Deferred Debits

Deferred debits represent the Housing Revenue Account's share of the costs of debt rescheduling which will be charged to the HRA over the life of the loans repaid.

Capital Grants

Where the acquisition of a capital asset is financed by a Government grant or other contribution, this amount is credited initially to the Capital Grants Deferred Account. Sums are released to the appropriate service revenue accounts as income over the useful lives of the assets to which they relate in order to match the depreciation charged on the assets.

Reserves

It has, in the past, been the Council's policy to allow departments to carry forward budget underspends as earmarked reserves in the financial statements. The Council also earmarks reserves for other

purposes. The purpose of each earmarked reserve is set out in note 41 to the Balance Sheet.

Capital Accounts

There are certain other accounts required by the SORP that are shown in the balance sheet. The Fixed Asset Restatement Account (previously the Fixed Asset Restatement Reserve) represents the balance of the surpluses or deficits arising from the periodic revaluation of fixed assets. The Capital Financing Account (previously the Capital Financing Reserve) represents amounts set aside from revenue or capital receipts to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.

Revenue Provisions

The Council maintains a number of revenue provisions. A provision counts as expenditure in the year in which it is set up to meet expenditure in a future year.

Investment Income

Income from investments placed with external cash managers has been taken into account in the General Fund.

Private Finance Initiative

In 2003/04 Camden entered into a 27-year concession for the replacement of the Haverstock School under the Government's Private Finance Initiative. In accordance with Financial Reporting Standard 5 (FRS 5) as supplemented by Her Majesty's Treasury Taskforce Guidance (Technical Note 1) the new capital assets that have been created will remain off the Council's balance sheet for the period of the concession.

In carrying out the assessment of the risks and rewards for elements of contracts that involve property, an assessment is made of the substance of the transaction and whether the Council or the operator is exposed to the majority of the risks and rewards of ownership. In carrying out this assessment the Council applied the Treasury Taskforce Guidance Note.

The SORP requires the Council to apply Application Note F to FRS 5 'Private Finance Initiative and Similar Contracts'.

CIPFA's Guidance Notes for Practitioners state that the TTF Guidance Note is influential but not mandatory in applying FRS 5 and accordingly, where the two appear to conflict, the principles of FRS 5 should take precedence.

The Council believes that it is more appropriate to account for these transactions by applying the TTF Guidance directly, which in this case leads to a different answer, as this reflects accepted practice

in other local authorities with PFI contracts and enables comparability.

The Council has created an earmarked reserve, which will be treated as if invested. This will enable the revenue resources available for the project to be managed and used to fund the Unitary Charge payments for the new facility.

In 2006/07 Camden entered into a 15-year concession for the refurbishment of 708 dwellings on the Chalcotts Housing Estate under the Government's Private Finance Initiative.

Further information on these PFIs is given in Note 12 to the core statements.

Pensions

Camden participates in three different pension schemes that meet the needs of employees in particular services. All the schemes provide members with defined benefits related to pay and service. The accounts for 2006/07 fully reflect the provisions of FRS 17.

Under FRS 17, the amount charged to services is the amount of pension benefit earned during the year, known as the current service cost. This replaces the cash contributions made by services to the Pension Schemes and as a result service costs have been amended. Past Service contributions to the fund and discretionary benefits are no longer shown within net operating costs, but form part of the appropriation between the Income and Expenditure Account and the Pension Liability that is designed to ensure that the net cost to the general fund remains unchanged.

For FRS 17 purposes, the HRA is treated in the same way as all other service departments. The HRA bears its share of the pension interest cost and the return on pension assets and these, together with the change in HRA service costs, have been matched by an appropriation to the Pension Liability within the HRA. This ensures that the net outturn for the HRA is not altered by these accounting adjustments.

The actuaries have quantified the effect of the changes in the estimated employer assets and the present value of the scheme liabilities and this has decreased the pension liability of the Camden fund by £51.064m (compared with an increase of £33.262m in 2005/06) and of the London Pension Fund Authority fund by £0.827m (compared with an increase of £3.120m in 2005/06).

The schemes are as follows:

a) **Teachers** – This is an unfunded scheme administered by the Department for Education and Skills (DfES). The employer's pension cost charged to the accounts is fixed by the contribution rate set by the DfES on the basis of a notional fund. This is unchanged from last year.

b) **Ex ILEA** – This is a funded scheme administered by the London Pensions Fund Authority (LPFA). The amount paid to LPFA is fixed by the contribution rate set by their actuaries in accordance with the Local Government Pension Scheme.

c) **Other Employees** – Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The amounts paid to the fund are fixed by a rate set by the Council's actuary at the triennial valuation.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2007

	Notes	2006/07 Gross Expenditure	2006/07 Gross Income	2006/07 Net Expenditure	2005/06 Net Expenditure Restated
	1	£'000	£'000	£'000	£'000
Continuing services					
Central Services		48,719	(36,145)	12,574	12,729
Cultural, Environmental and Planning Services	2,3	108,812	(37,126)	71,686	73,811
Education Services	19	191,790	(170,719)	21,071	119,450
Highways, Roads and Transport Services	4	46,489	(49,170)	(2,681)	(601)
Housing Services – non HRA	5	196,376	(184,000)	12,376	10,091
Housing Services – HRA		140,595	(173,793)	(33,198)	(33,110)
Social Services	15	145,883	(32,810)	113,073	105,073
Net Cost of Service	1,6 – 13	878,664	(683,763)	194,901	287,443
Losses on disposal of fixed assets				795	-
Levies by other authorities	14			1,836	1,953
Surplus transferred from trading accounts				(116)	(213)
Interest payable				25,054	20,855
Contribution to Housing Pooled Capital Receipts	39			14,967	14,522
Interest and investment income				(8,890)	(8,273)
Pensions Interest Cost and expected return on Pensions Assets				6,031	9,314
Net operating expenditure				234,578	325,601
Precept demanded from the Collection Fund				(91,162)	(88,519)
Prior Year Collection Fund (surplus)/deficit				(271)	1,122
Revenue Support Grant				(24,539)	(168,961)
Contribution from NNDR pool	17			(120,072)	(70,201)
Total income from grant and taxpayers				(236,044)	(326,559)
Surplus for the year				(1,466)	(958)

The comparative figures for 2005/06 have been amended as a result of a significant prior period adjustment. The effects of the adjustment are explained in Note 1 to the Income and Expenditure Account on Page 27.

For 2006/07, the arrangements for government support for the funding of schools changed. Details are given in Note 19 to the Income and Expenditure Account on Page 34.

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

for the year ended 31 March 2007

The Income and Expenditure Account shows the council's actual financial performance for the year, measured in terms of the resources consumed and generated over the period. The council, however, is required to raise council tax on a different accounting basis. The main differences are: -

Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed,

The payment of a share of housing capital receipts to the Government is counted as a loss in the Income and Expenditure Account, but is met from the useable capital receipts balance, not from council tax,

Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the council's spending against the council tax that it raised for the year, taking into account the use of existing reserves and contributions to reserves earmarked for future expenditure.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

	Notes	2006/07 £'000	2005/06 £'000
Movement on the General Fund Balance			
Surplus on the Income and Expenditure Account		(1,466)	(958)
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year	20	(9,044)	(4,542)
Increase in General Fund Balance for the Year		<u>(10,510)</u>	(5,500)
General Fund balance brought forward		<u>(19,400)</u>	(13,900)
General Fund balance carried forward		<u>(29,910)</u>	(19,400)
Schools Balances			
Schools balances brought forward		(6,823)	(7,675)
(Surplus)/Deficit for the year		(120)	852
Schools balances carried forward		<u>(6,943)</u>	(6,823)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2007

	2006/07 Net Expenditure £'000	2005/06 Net Expenditure £'000
Notes		
Surplus or Deficit on the Income and Expenditure Account for the year	(1,466)	958
Surplus or Deficit arising on revaluation of fixed assets	406,873	(61,193)
Actuarial gains and losses on pension fund assets and liabilities	54,423	(36,930)
Other gains and losses	(45,293)	(77,927)
Total recognised gains and losses for the year	414,537	(175,092)

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BALANCE SHEET as at 31 March 2007

		31 March 2007	31 March 2007	31 March 2006	31 March 2006
	Notes	£'000	£'000	£'000	£'000
Assets					
Intangible assets	25		975		870
Tangible Fixed assets	21,22,23,24,26				
Operational Assets					
Council Dwellings		2,188,266		1,861,041	
Other land and buildings		658,653		645,049	
Vehicles, plant, furniture and equipment		2,584		4,018	
Infrastructure assets		135,624		122,038	
Community assets		14,636		8,962	
Non-operational assets					
Investment assets		182,909		166,352	
Assets under construction		12,947		25,552	
Surplus assets held for disposal		3,205	3,198,824	1,818	2,834,830
Long-term debtors	29		1,010		2,054
Deferred Premiums on early repayment of debt			4,055		5,741
Long Term Investments	28		40,160		-
Total long-term assets			3,245,024		2,843,495
Current assets	30				
Stocks		205		219	
Debtors and payments in advance		73,481		80,343	
Investments		157,891		184,224	
Cash and bank		17,697	249,274	10,410	275,196
Less current liabilities	31				
Borrowing repayable within one year		(124,664)		(60,595)	
Creditors		(164,484)		(166,205)	
Bank overdraft		(1,662)	(290,810)	(2,675)	(229,475)
Net current assets/(liabilities)			(41,536)		45,721
Total assets less current liabilities			3,203,488		2,889,216
Long-term loans outstanding	32,33,34	(279,432)		(344,096)	
Capital grants deferred	35	(89,120)		(74,173)	
Deferred capital income		(895)		(593)	
Provisions	36	(9,461)		(8,420)	
Pension Liability	48	(306,646)		(358,537)	
Total long-term liabilities			(685,554)		(785,819)
Total assets less liabilities			2,517,934		2,103,397

London Borough of Camden – Statement of Accounts 2006/07

BALANCE SHEET as at 31 March 2007 (continued)

		31 March 2007	31 March 2007	31 March 2006	31 March 2006
	Notes	£'000	£'000	£'000	£'000
Financed by					
Fixed Asset Restatement Account	37		1,881,391		1,567,906
Capital Financing Account	38		708,901		686,224
Useable Capital Receipts Reserve	39		43,362		37,901
Major Repairs Reserve	40		-		-
Contributions to capital works unapplied	43		14,287		10,511
Earmarked reserves	41		56,627		59,391
Pension Reserve	48		(306,646)		(358,537)
Balances					
- Collection Fund – Camden share			4,183		1,698
- HRA			78,976		72,080
- Locally Managed Schools	42		6,943		6,823
- General Balances			29,910		19,400
Total equity	44,46		<u>2,517,934</u>		<u>2,103,397</u>

CASH FLOW STATEMENT for the year ended 31 March 2007

	Notes	2006/07 £'000	2006/07 £'000	2005/06 £'000	2005/06 £'000
Revenue Activities					
Cash outflows					
Payments to NNDR Pool		277,523		257,186	
Payments of precepts		26,464		22,760	
Cash paid in respect of employees		338,557		327,253	
Other operating payments		353,905		339,160	
Payments to the Capital Receipts Pool		14,967		14,522	
Housing benefit paid out		70,185	1,081,601	67,385	1,028,266
Cash inflows					
Receipts from NNDR Pool		(120,072)		(70,201)	
Non-domestic rate receipts		(280,657)		(254,097)	
Receipts from council tax payers		(94,054)		(92,544)	
Receipts from community charge payers		-		(1)	
Revenue Support Grant		(24,539)		(168,961)	
DWP grants for benefits		(152,557)		(160,732)	
Other Government grants	49	(263,712)		(149,302)	
Rents (after rebates)		(62,434)		(60,178)	
Cash received for goods and services		(152,371)	(1,150,396)	(124,281)	(1,080,297)
Net cash inflow from revenue activities	50		(68,795)		(52,031)
Servicing of finance					
Cash outflows - interest paid					
		25,006		21,050	
- finance lease interest					
		-		-	
Cash inflows - interest received					
		(6,803)	18,203	(7,391)	13,659
Net cash outflow from the servicing of loans			18,203		13,659
Capital activities					
Cash outflows					
Purchase of fixed assets		88,907		117,338	
Other capital cash payments		(301)		162	
Deferred charges		5,986	94,592	3,690	121,190
Cash inflows					
Sale of fixed assets		(35,976)		(28,703)	
Capital grants received		(19,492)		(25,422)	
Other capital cash receipts		(11,094)	(66,562)	(7,545)	(61,670)
Net cash outflow from capital activities			28,030		59,520
Net cash (inflow)/outflow from activities before financing	51,52		(22,562)		21,148
Management of liquid resources – change in short term investments					
	53		13,667		32,832
Financing					
Long/short-term loans raised		(334,395)		(228,560)	
Long/short-term loans repaid		334,990	595	179,093	(49,467)
Net cash (inflow)/outflow from financing and liquid resources			14,262		(16,635)
Net (increase)/decrease in cash	54		(8,300)		4,513

Notes To The Accounts

The Income and Expenditure Account

1. Explanation of Prior Period Adjustments

In the 2006/07 Statement of Accounts, as a result of the introduction of new accounting standards, the council has adopted three new accounting policies that impact on the comparative figures for 2005/06 in the Income and Expenditure Account. These are: -

Capital charges for the use of fixed assets are no longer made to service revenue accounts, support services and trading accounts

Credits for government grants and capital contributions deferred are now posted to service revenue accounts, support services and trading accounts rather than credited as a corporate income item

Gains and losses on the disposal of fixed assets are recognised in the Income and Expenditure account

These changes have had the following impact on the comparative figures for 2005/06 compared with those published in the 2005/06 Statement of Accounts: -

	Consolidated Revenue Account in 2005/06 Statement of Accounts	Removal of Capital Financing Charges	Relocation of Government grants and capital contributions deferred credits	2005/06 comparatives in Income and Expenditure Account
	£'000	£'000	£'000	£'000
Central Services	18,317	(4,322)	(1,266)	12,729
Cultural, Environmental and Planning Services	76,745	(2,594)	(340)	73,811
Education Services	136,419	(16,382)	(587)	119,450
Highways, Roads and Transport Services	6,578	(5,930)	(1,249)	(601)
Housing Services – non HRA	10,091	-	-	10,091
Housing Services – HRA (See AMRA charges below)	33,901	(66,774)	(237)	(33,110)
Social Services	105,545	(389)	(83)	105,073
Impact on Net Cost of Services	387,596	(96,391)	(3,762)	287,443
Gains or Losses on disposal of fixed assets	-	-	-	-
Asset Management Revenue Account (AMRA - interest payable and similar charges in 2006/07)	(76,007)	96,391	3,762	24,146
Net operating expenditure	311,589	-	-	311,589

Notes To The Accounts (cont)

The Income and Expenditure Account

2. Street Markets (included within Cultural, Environmental and Planning Services)

The Council operates several street markets. The financial results were as follows:

	2006/07 £'000	2005/06 £'000
Expenditure	1,202	1,152
Income from fees and charges	(873)	(875)
Deficit for the year	329	277
Deficit brought forward	1,291	1,014
Deficit carried forward	1,620	1,291

Under laws governing the operation of these markets, income from fees and charges may be applied only to expenditure on the maintenance of the markets. Income from all licence holders, both annual and temporary, has been brought into account.

3. The Local Authority Building Control Regulations (included within Cultural, Environmental and Planning Services)

The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The statement below shows the total cost of operating the building control unit divided between the chargeable and non-chargeable activities.

Building (Local Authority Charges) Regulations Account 2006/07

	Chargeable £'000	Non Chargeable £'000	Total £'000
Expenditure	1,312	419	1,731
Income	(1,292)	(47)	(1,339)
(Surplus)/ Deficit for the year	20	372	392
2005/06	(78)	356	278

In the chargeable section of the Building Regulations Account, charges are to be fixed so that income will not be less than expenditure over a three year period. Over the last three years, income on this account has exceeded expenditure by £0.131m.

4. On-street Parking (included within Highways, Roads and Transport Services)

The surplus arising from on-street parking facilities is used to defray expenditure on qualifying costs incurred by the Council. Under the legislation the application of any surplus is limited to meeting the cost of providing and maintaining parking facilities, highway improvement schemes, highway maintenance and public passenger transport services. Any amount not so used may be carried forward in a parking reserve account to the next financial year.

The surplus from on-street parking in 2006/07 was £19.018m (£14.774m in 2005/06). This was applied to defray revenue expenditure as follows:

	2006/07 £'000	2005/06 £'000
Income		
Surplus from on-street parking	(19,018)	(14,774)
Expenditure		
Off-street parking	663	821
Highways and traffic improvement:		
- revenue expenditure	1,820	1,425
- capital expenditure	-	1,789
- capital charges	3,966	4,029
Concessionary fares and Taxicard scheme	7,195	6,710
Transport planning costs	1,433	-
Home to School transport	2,629	-
Highways maintenance	1,312	-
Total expenditure defrayed from income from on-street parking	19,018	14,774

Notes To The Accounts (cont)

The Income and Expenditure Account

5. Expenditure on Housing Benefits
(included within Housing Services)

	2006/07	2005/06
	£'000	£'000
Gross rent allowances	70,184	67,385
Less subsidy income	(71,373)	(68,534)
Net cost of rent allowances	(1,189)	(1,149)
Gross cost of council tax benefits	25,092	24,108
Less subsidy income	(25,540)	(24,442)
Net cost of council tax benefits	(448)	(334)
Gross cost of rent rebates	64,436	62,878
Less subsidy income	(65,127)	(63,185)
Net cost of rent rebates	(691)	(307)
Net cost of all Housing Benefits to the General Fund	(2,328)	(1,790)

6. Costs of Audit

The following fees were incurred during the year relating to external audit and inspection. These were due to the Audit Commission in respect mainly of statutory inspections and to Deloitte and Touche LLP, the council's Appointed Auditors, in respect of virtually all other external audit services: -

	2006/07	2005/06
	£'000	£'000
External Audit Services	368	364
Statutory Inspection	26	15
Certification of grant claims and returns	260	236
Other Audit Services	23	20
Total	677	635

7. Publicity Account

Under Section 5 of the Local Government Act 1986 local authorities are required to keep a separate account of certain categories of expenditure on publicity. Total expenditure in 2006/07 was £3.506m (£3.918m in 2005/06). This can be analysed as follows:

	2006/07	2005/06
	£	£
Salaries	948,680	931,987
Job advertising	760,638	967,413
Publications	240,856	335,383
General publicity and advertising	1,266,034	1,206,974
Other costs	289,705	476,558
	3,505,913	3,918,315

8. Remuneration of Senior Staff and Members

The total sum paid to Members in 2006/07 was £824,000 (£907,000 in 2005/06). The number of staff receiving annual remuneration in excess of £50,000 is shown below. This excludes employer's pension contributions but includes benefits in kind, so far as they are chargeable to UK income tax. Also included are compensation payments for loss of office and other payments receivable on the termination of employment, even where these are not taxable.

£'000	2006/07	2005/06
50-60	115	124
60-70	36	21
70-80	14	14
80-90	7	15
90-100	11	3
100-110	3	3
110-120	-	2
120-130	3	-
130-140	-	1
140-150	1	-
150-160	-	1
160-170	-	-
170-180	1	-
	191	184

Notes To The Accounts (cont)

The Income and Expenditure Account

9. Related Party Transactions

A number of transactions with related parties are disclosed elsewhere in the notes to these accounts. Several organisations are designated as local authority influenced under the terms of the Local Authorities (Companies) Order 1995. The Council awarded grants, service agreements and contracts to a number of these organisations to carry out services on its behalf in 2006/07 as follows:

	2006/07 £'000	2005/06 £'000
Arts	270	310
Children, young people and families	603	802
Community advice, development and support	679	1,450
Community care	19,259	20,008
Community centres	1,047	643
Employment and training	243	247
Housing associations	699	1,493
Multi-functional and infrastructure	138	1,024
Other	2,096	2,904
	25,034	28,881

The Council has also provided one of the housing associations with loan guarantees. The value of the loans in question was estimated at £1.014m at 31 March 2007.

The Council received £8.685m from local Health Trusts during the year for the provision of combined health and community care services.

This comprised:

	2006/07 £'000	2005/06 restated £'000
Camden Primary Care Trust	7,551	6,553
Islington Primary Care Trust	2	49
Camden & Islington Mental Health & Social Care Trust	1,132	4,262
	8,685	10,864

The Council acts as lead borough and financial advisor to the North London Waste Authority, the London Committee for Action Against Fraud and the London Ecology Unit. In 2006/07 it paid £6.535m to these bodies (£7.586m in 2005/06) and received £1.175m in total (£1.311m in 2005/06). At 31 March 2007 it held £14.223m on behalf of these bodies (£21.869m at 31 March 2006) which is included in the cash at bank balances and the current liabilities in the accounts.

10. Leasing

Operating Leasing

Operating leasing where the Council is the Lessee-

Vehicles, Plant and Equipment: -

	2006/07 £'000	2005/06 £'000
Lease Rentals		
Vehicles	554	713
IT Equipment	279	281
Other	512	637
	1,345	1,631

The amount next year the authority is committed to pay in respect of leases expiring: -

	2007/08 £'000
within one year	249
within two to five years	954
in more than five years	15
	1,218

Operating leasing where the Council is the Lessee-

Properties: -

	2006/07 £'000
Lease Rentals	
Amount payable in respect of:	
Operational Land and Buildings (GF)	4,494
Operational non-residential (HRA)	672
Operational residential (HRA)	9,201
	14,367

Notes To The Accounts (cont)

The Income and Expenditure Account

Operating Leasing (cont)

The amount next year the authority is committed to pay in respect of leases expiring: -

	2007/08		Total
	excl. HRA residential	HRA residential	
	£'000	£'000	£'000
within one year	300	925	1,225
within two to five years	1,234	4,968	6,202
In more than five years	3,383	2,527	5,910
	4,917	8,420	13,337

Operating leasing where the Council is the Lessor – Properties: -

	2006/07
	£'000
Amount receivable in respect of:	
Non-operational Land and Buildings (GF)	5,368
Non-operational non-residential (HRA)	8,042
	13,410

Value of Assets held for use in operating leases: **31 March 2007**
£'000

Non-Operational Land & Buildings (GF)	
- Gross book Value	90,252
- Less accumulated depreciation	(47)
- Net Book Value	90,205

Non-Operational non-residential (HRA)	
- Gross book Value	92,704
- Accumulated depreciation	0
- Net Book Value	92,704

Finance Leasing

Finance leasing where the Council is the Lessee: -

Lease Rentals	2006/07	2005/06
	£'000	£'000
Non-operational land and buildings	16	16
Plant and Equipment	6	22
	22	38
Comprising		
Financing Charges	22	38
	22	38

Outstanding rentals on these finance leases at 31 March 2007 were as follows:

	£'000
Due within one year	36
Due within two to five years	123
Due in more than five years	54
	213

11. Section 137 (3) Expenditure

Section 137 of the Local Government Act 1972 (as amended) gives local authorities a limited power to incur expenditure for the benefit of people in their area on activities or projects by making donations to the funds of charitable or not-for-profit organisations in the United Kingdom. Expenditure on grants and subscriptions amounted to £105,993 in 2006/07 (£103,200 in 2005/06).

12. Private Finance Initiatives

In 2003/04 Camden entered into a 27-year concession for the replacement of the Haverstock School under the Government's Private Finance Initiative. At the end of 2006/07, the unitary charge payments remaining over the life of the concession are estimated to be £57.372m.

In 2006/07 Camden entered into a 15-year concession for the refurbishment of 708 dwellings on the Chalcotts Housing Estate under the Government's Private Finance Initiative. At the end of 2006/07 the unitary charge payments remaining over the life of the concession are estimated to be £137.990m.

Notes To The Accounts (cont)

The Income and Expenditure Account

13. Pensions

(a) Teachers - In 2006/07 the Council paid £5.971m to the Department for Education and Skills (£6.311m in 2005/06) in respect of teachers' pension costs, which represents 13.62% of teachers' pensionable pay (13.5% in 2005/06). In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2006/07 these amounted to £0.475m (£0.370m in 2005/06) representing 1.09% of pensionable pay (0.79% in 2005/06).

(b) Ex ILEA - In 2006/07 the Council paid £0.419m to the London Pensions Fund Authority (£0.352m in 2005/06) in respect of former ILEA employees' pension costs, which represents 19.8% of ex-ILEA employees' pensionable pay (18.0% in 2005/06). In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2006/07 these amounted to £0.053m, (£0.060m in 2005/06) representing 2.87% of pensionable pay (3.06% in 2005/06).

(c) Other Employees – In 2006/07 the Council's level of contribution into the Pension Fund was 21.9% (21.9% in 2005/06) for those employees paying 6% of pensionable pay and 18.25% (18.25% in 2005/06) (for manual staff that joined the scheme before 31 March 1998) for those employees paying 5% of pensionable pay. The actual cash payments made into the Fund by the Council were £29.185m (£27.906m in 2005/06) which represents 22.18% of Camden employees' pensionable pay (21.89% in 2005/06).

The Fund's actuary determines the employer's contribution rate. It is based on triennial actuarial valuations, with the last review being at 31 March 2004.

Under Pension Fund regulations applying to 2006/07, contribution rates were required to meet 100% of the overall liabilities of the Fund over an agreed period and the contributions needed by the Council to meet this requirement will continue to be funded at the level recommended by the Council's actuary.

In addition, the Council is responsible for all pension payments relating to added year benefits it has awarded, together with the related increases. In 2006/07 these amounted to £5.288m, representing 4.02% of pensionable pay (£2.600m and 2.04% in 2005/06).

The capital cost of discretionary increases in pension payments (e.g. discretionary added years) agreed by the authority in 2006/07 was £0.172m (£0.014m in 2005/06)

There is further pension information in Note 48

14. Levies by other local authorities

Levies were paid to other local authorities as follows:

	2006/07 £'000	2005/06 £'000
Environment Agency	106	167
Garden Squares	19	18
Lee Valley Regional Park	272	263
London Pension Fund Authority	1,439	1,505
	1,836	1,953

15. Health Act 1999 Pooled Funds

The council has entered into partnership arrangements with Camden Primary Care Trust (CPCT) for pooled budget arrangements for the provision of services relating to the Integrated Community Equipment Store (ICES). This includes the costs of purchasing new equipment and managing the distribution of equipment across the borough of Camden. The local authority hosts the pool. The income and expenditure for 2006/07 were as follows:

	2006/2007 £'000
Funding	
London Borough of Camden	(728)
Camden PCT	(264)
Total	(992)
Expenditure	1,572
Net Overspend	580

Both parties made additional contributions to the pool to cover the overspend. The contribution made by the council was £0.475m.

The council has an arrangement with the Camden and Islington Mental Health Social Care Trust (C&IMHSCT) where the council has delegated its budget to C&IMHSCT for the provision of some Mental Health services within the borough of Camden. C&IMHSCT is an organisation jointly funded with Camden PCT, Islington PCT and Islington Adult Social Care Services. This is not a formal pooled budget arrangement.

In 2006/07 the local authority transferred £4.447m gross to C&IMHSCT and received £1.132m from C&IMHSCT as a contribution towards its services.

London Borough of Camden – Statement of Accounts 2006/07

Notes To The Accounts (cont)

The Income and Expenditure Account

16. Transfers to/(from) Earmarked Reserves

The following amounts were transferred to/(from) earmarked reserves and General Balances in 2006/07:

	2006/07 £'000	2005/06 £'000
Departmental reserves		
Law and Administration	-	(209)
Finance	(70)	(1,057)
Organisation Development	-	(72)
Camden Strategy Unit	100	-
Children's, Schools and Families	617	(100)
Culture and Environment	-	(1,336)
Housing and Adult Social Care	814	(5,757)
Leisure and Community Services	-	(1,102)
Social Services	(1,196)	(2,004)
	265	(11,637)
Corporate reserves		
Future capital schemes	(3,735)	3,356
Litigation Reserve	-	(61)
Central equipment	-	(1,116)
Match funding	(109)	(945)
Building Maintenance	(1,051)	-
Modernising Government	(1,674)	1,523
Self-insurance	174	(3,334)
Local Area Agreement	1,167	(119)
Schools support teacher absences	-	(103)
e-Government	-	(2,581)
Mental Health Aftercare Reserve	(647)	(769)
Haverstock School PFI Initial Payment reserve	(130)	(130)
Haverstock School PFI reserve	143	334
Corporate Initiatives	125	10
Licensing Reform	(170)	(197)
e-Procurement	(883)	400
Pay and Gratings review	373	295
Revenue Budget Funding	(2,041)	2,121
Mayors Charity	23	-
Dedicated Schools Grant	656	-
Severance Costs 2007/08	1,750	-
Severance Costs 2008/09	3,000	-
	(3,029)	(1,316)
Total Net Transfers	(2,764)	(12,953)

The following amounts included in the above were transferred between reserves and general balances in 2006/07: -

	£'000
To general balances	
- from Future Capital Schemes Reserve	(3,500)
- From other reserves	(282)
From general balances	
- to Severance reserves	4,750
- to Future Capital Schemes reserve	3,000
	3,968

17. Income from Business Rates

Income to the national non-domestic rates pool is redistributed directly to both billing and precepting authorities. The Council received £120.072m in 2006/07 (£70.201m in 2005/06), which was credited to the Income and Expenditure Account.

18. Business Improvement District

The Council is the billing authority for two Business Improvement Districts (BIDs). The Holborn BID is run by the Holborn Business Partnership and the Camden Town BID is run by Camden Town Unlimited. The Council collects a levy from business ratepayers in the area of the BID on behalf of the BID body and pays the funds to the body to carry out those services for which the BID was established. The Holborn BID started on 1 April 2005 and the Camden BID on 1 April 2006.

BID accounts

	2006/07		2005/06	
	£'000 Holborn	£'000 Camden Town	£'000 Holborn	£'000 Camden Town
Levy for year	803	445	808	-
Write Offs	2	(22)	(1)	-
Cost of Collecting Levy	(30)	(17)	(30)	-
	775	406	777	-
Paid to BID body	(777)	(314)	(768)	-
Balance Carried Forward	(2)	92	9	-

Notes To The Accounts (cont)

The Income and Expenditure Account

19. Dedicated Schools Grant

For 2006/07, the arrangements for government support of schools changed. Previously funds were provided as part of the council's overall Revenue Support Grant. In 2006/07 the council received a specific grant – the Dedicated Schools Grant – of £111m which has been credited against the Education service outturn in the Income and Expenditure Account. This income would previously have been treated as part of the Revenue Support Grant in corporate income, and the difference between the 2006/07 figures and the comparative figures for 2005/06 is substantially explained by this change.

Disclosure of deployment of Dedicated Schools Grant

The council's expenditure on schools is funded by the Dedicated Schools Grant (DSG) provided by the Department for Education and Skills. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, which includes the Individual Schools Budget (ISB) and elements for a restricted range of services provided on an authority wide basis. The ISB is divided into a budget for each school. Over and under spends on the two elements are required to be accounted for separately.

Details of the deployment of DSG receivable for 2006/07 are as follows:-

	Schools Budget Funded by Dedicated Schools Grant		
	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
Original Grant allocation to Schools Budget	21,370	89,724	111,094
Adjustment to finalised grant allocation	(120)	-	(120)
DSG receivable for the year	21,250	89,724	110,974
Actual Expenditure for the year	20,594	89,604	110,198
Over/(Under) spend for the year	(656)	(120)	(776)
Over/(under) spend brought forward	-	-	-
Over/(under) spend carried forward	(656)	(120)	(776)

Notes To The Accounts

The Statement of Movement on the General Fund Balance

20. Reconciling items for the Statement of Movement on the General Fund Balance

	2006/07 Net Expenditure	2005/06 Net Expenditure
Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year	Notes	£'000
Depreciation and impairment of non-HRA fixed assets	(13,350)	(12,733)
Depreciation charged to the HRA in excess of the Major Repairs Allowance element of Housing Subsidy	(5,182)	(3,911)
Difference between amounts charged to Income and Expenditure for amortisation of premiums and discounts and the charge for the year in accordance with statute	1,688	3,291
Government Grants Deferred Amortisation	3,721	3,762
Write down of Deferred Charges financed from capital resources	(2,254)	(1,795)
Losses on disposal of fixed assets	(795)	-
Net charges made for retirement benefits in accordance with FRS17	(36,764)	(32,079)
Total	(52,936)	(43,465)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year		
Statutory Minimum Revenue provision for repayment of debt	3,198	3,742
Capital Expenditure charged to the General Fund Balance	16,286	38,547
Transfer from Useable Capital Receipts account to meet payments to the Housing Capital Receipts Pool	(14,967)	(14,522)
Employers contributions payable to the pension funds and retirement benefits payable direct to pensioners	34,593	32,760
Total	39,110	60,527
Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year		
Transfer of the Housing Revenue Account balance	6,896	(8,182)
Voluntary revenue provision for the repayment of debt	529	383
Transfer from earmarked reserves	16 (6,731)	(15,298)
Transfer to/(from) schools balances	120	(852)
Other transfers out of the Fund	16 3,968	2,345
Total	4,782	(21,604)
Net additional amount required by statute and non-statutory proper practices to be debited to the General Fund Balance for the year	(9,044)	(4,542)

London Borough of Camden – Statement of Accounts 2006/07

Notes To The Accounts

The Balance Sheet

21. Fixed Assets

Movement of Fixed Assets

	OPERATIONAL ASSETS						NON-OPERATIONAL ASSETS					
	Council Dwellings HRA	HRA - Other	Other Land and Buildings	Vehicles, Plant and Equipment	Infra-structure	Community Assets	Total Operational Assets	HRA - Commercial	HRA - Surplus	Investment Assets	Fixed Assets under construction	Total Non-Operational Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GROSS BOOK VALUES												
Gross Book Value at 31 March 2006	1,886,487	43,110	622,449	12,917	139,433	8,965	2,713,361	82,778	1,818	83,650	25,552	193,798
Less accumulated depreciation	(25,446)	(644)	(19,866)	(8,899)	(17,395)	(3)	(72,253)	-	-	(76)	-	(76)
Net Book Value at 1 April 2006	1,861,041	42,466	602,583	4,018	122,038	8,962	2,641,108	82,778	1,818	83,574	25,552	193,722
Movement in 2006/2007												
Corrections to Base	(135)	-	-	-	-	-	(135)	-	-	26	-	26
Additions – capital expenditure	52,670	955	8,521	237	16,515	1,206	80,104	552	96	1,914	7,531	10,093
Less capital expenditure not enhancing asset values	(52,566)	(955)	(7,838)	-	-	-	(61,359)	(552)	-	(48)	-	(600)
Other additions	(1,262)	-	269	-	-	-	(993)	-	-	-	-	-
Disposals	(13,081)	-	(1,375)	-	-	-	(14,456)	(200)	(909)	(9,903)	-	(11,012)
Revaluations	319,090	122	12,694	-	-	-	331,906	10,127	2,000	11,391	-	23,518
Transfers	(101)	584	5,317	784	529	4,469	11,582	-	200	3,221	(20,136)	(16,715)
Accumulated depreciation written off due to disposals/revaluations/transfers	47,885	58	3,527	-	-	-	51,470	-	-	57	-	57
Depreciation charge for the year	(25,275)	(989)	(7,286)	(2,455)	(3,458)	(1)	(39,464)	-	-	(28)	-	(28)
Movement in Net Book Value	327,225	(225)	13,829	(1,434)	13,586	5,674	358,655	9,927	1,387	6,630	(12,605)	5,339
Net Book Value at 31 March 2007	2,188,266	42,241	616,412	2,584	135,624	14,636	2,999,763	92,705	3,205	90,204	12,947	199,061

Notes To The Accounts (cont)

The Balance Sheet

Movement of Fixed Assets (cont)

The freehold and leasehold properties that comprise the Council's property portfolio have been valued by:

- Inland Revenue - Valuation Division
- London Borough of Camden - Head of Property Services
(Fellow of the Royal Institution of Chartered Surveyors)

The valuations have been carried out on the under-mentioned bases in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors by members of that institution.

All land and buildings held within the HRA have been valued according to the following bases:

Operational assets such as dwellings, tenants' halls and garages have been valued at Existing Use Value for Social Housing (EUV-SH) for housing property and Existing Use Value (EUV) for non-housing property. EUV-SH valuations have been derived by assessing the vacant possession value of housing properties by using the beacon principle and then reducing the values by 63% in line with guidance from the Department for Communities and Local Government to reflect the continuing occupation by secure tenants.

Non-operational assets such as shops have been valued at open market value.

General Fund operational properties were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the asset, the depreciated replacement cost. General Fund non-operational properties were valued on the basis of open market value.

Community assets are shown at historical cost with the opening value as at 1 April 1995 being equivalent to the outstanding debt on these assets at that date.

Infrastructure assets are shown at depreciated historical cost plus the value of expenditure incurred in subsequent years.

Notes To The Accounts (cont)

The Balance Sheet

22. Revaluation Review Dates

The following table shows the progress of the council's rolling programme for the revaluation of its fixed assets. The valuations have been carried out by the council's appointed valuers and the basis of valuation is set out in the statement of accounting policies.

	HRA dwellings	HRA commercial	HRA Surplus	HRA other	Other Land and Buildings	Investment Properties – GF	Vehicles, Plant and Equipment	Community Assets	Infrastructure	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Review Dates										
Valued at historic cost	-	-	-	-	-	-	2,584	14,636	135,624	152,844
Valued at current value in										
2002/03	-	-	-	3,800	7,119	142	-	-	-	11,061
2003/04	-	-	-	8,893	457,693	1,431	-	-	-	468,017
2004/05	-	-	-	3	45,271	2,485	-	-	-	47,759
2005/06	-	92,705	-	27,530	35,375	11,695	-	-	-	167,305
2006/07	2,188,266	-	3,205	2,015	70,954	74,451	-	-	-	2,338,891
Net Book Value at 31 March 2007	2,188,266	92,705	3,205	42,241	616,412	90,204	2,584	14,636	135,624	3,185,877

Notes To The Accounts (cont)

The Balance Sheet

23. Council Assets

The assets of the Council at 31 March 2007 included the following:

Council dwellings	24,414
HRA commercial properties	476
HRA surplus properties	4
HRA other properties	195
Car parks	2
Cemeteries	2
Community centres	10
Day centres	12
Depots & workshops	7
Libraries	6
Miscellaneous buildings	17
Mortuaries & courts	2
Museums & galleries	0
Non-HRA housing properties	23
Offices	24
Play centres	5
Playing fields	4
Public conveniences	6
Residential homes	7
School keeper houses	10
Schools - nurseries	9
Schools - primary	21
Schools - secondary	5
Schools - special	4
Sports centres/pools	5
Teacher residences	3
Kilometres of road	263
Parks, gardens & open spaces	69
Units of commercial property	443
Surplus/vacant/awaiting development properties	9

24. HRA Asset Valuations

The Balance Sheet has Net Book Values within the HRA as follows:

	31 March 2007 £'000	1 April 2006 £'000
Operational Properties		
- dwellings	2,188,266	1,861,041
- other properties	42,241	42,466
Sub total	2,230,507	1,903,507
Non-operational Properties		
- commercial properties	92,705	82,777
- surplus	3,205	1,818
Sub Total	95,910	84,595
Grand Total	2,326,417	1,988,102

The vacant possession value of dwellings within the HRA at 31 March 2007 is £4.950bn.

The difference between the vacant possession value of £4.950bn and the balance sheet value of dwellings of £2.188bn shows the economic cost to Government of providing council housing at less than open market rents.

25. Intangible Assets

	£'000
Software	
Opening Net Book Value	870
- Additions	429
- Depreciation	(324)
Closing Net Book Value	975

Software is amortised over three years on a straight-line basis

Notes To The Accounts (cont)

The Balance Sheet

26. Capital Expenditure and Funding

	2006/07 £'000	2005/06 £'000
Expenditure		
Capital additions	20,707	31,335
Written off to Fixed Assets Restatement Account	61,958	64,002
Intangible assets	233	593
Investments	161	0
Fixed Assets Under Construction	7,531	22,351
Deferred charges	5,986	3,690
Total Capital Expenditure	96,576	121,971

	2006/07 £'000	2005/06 £'000
Funding		
Loans	16,730	21,106
Usable capital receipts	15,576	7,985
Leaseholders' contributions	4,300	4,300
S106 contributions	1,212	915
Other contributions/Insurance receipts	735	1,087
Major Repairs Allowance	21,284	22,306
Transport for London grants	8,614	8,541
PSA reward grant	0	818
Other capital grants	11,839	16,366
Revenue financing (HRA)	10,110	22,762
Revenue financing (GF)	6,176	15,785
Total	96,576	121,971

HRA capital expenditure in the year was as follows:

	2006/07 £'000	2005/06 £'000
Works to HRA dwellings/other properties	54,030	55,376
Acquisitions	243	13,105
Fixed Assets Under Construction	135	17
Deferred Charges (includes House Purchase Grants)	1,126	664
Total	55,534	69,162

In addition, non-HRA housing capital expenditure of £2.775m (£1.663m in 2005/06) was incurred.

HRA capital expenditure was funded as follows:

	2006/07 £'000	2005/06 £'000
Loans	10,643	16,320
Usable Capital Receipts	9,034	1,628
Revenue Financing	10,110	22,762
Major Repairs Allowance	21,284	22,306
Leaseholders' Capital Contributions	4,300	4,300
Other	163	1,846
Total	55,534	69,162

HRA Capital Receipts

Gross HRA capital receipts from disposals in 2006/07 were as follows:

	2006/07 £'000	2005/06 £'000
Land	529	324
Dwellings	24,087	21,462
Other Properties	747	5,306
Total	25,363	27,092

Notes To The Accounts (cont)

The Balance Sheet

Capital Expenditure and Funding (continued)

Major items of capital expenditure during 2006/07 included

	£'000
Children Schools & Families	
Harmood Sure Start / Community Centre	1,011
1A Rosebery Avenue Sure Start / community centre	1,593
Parliament Hill School redevelopment	1,408
Acland Burghley School - dance/music block	2,495
Fitzjohn's School - development	518
Culture & Environment	
Planned Improvements - footway works	1,270
Kilburn High Road Library - fit out costs	575
Canteloves Gardens - pitch & pavilion	545
Boulevard Project	2,621
Kilburn High Road - bridge strengthening	3,614
Inverness Street regeneration	1,038
Camden Street & Kentish Town Road structural maintenance	531
Regis Road recycling centre	784
Finance	
Deane House refurbishment	1,866
Housing & Adult Social Care	
Hostels improvement programme - Novas grant	1,375
Major repairs / improvements at :-	
Churchill Road / Spencer Avenue	537
Oakshott Court raising the standard	1,208
Regents Park Estate raising the standard	2,078
Wending Estate - roofs	696
Barlow, Brassy, Maygrove, Hall Oak	584
Snowman & Casterbridge	1,848
Mortimer Estate	963
Barnfield / Woodfield	1,981
Street Properties	916

Denton / Malden Crescent	666
Bayham Place Estate	1,281
Amphill Square regeneration	972
College Place Estate	1,434
The Chenies	699
Mayford RTS & community safety	1,056
Regents Park environmental works	571
Holly Lodge Mansions - block 7	1,415
Makepeace Mansions Holly Lodge Estate	1,557
Whittington Estate	2,368
Ingestre Road	3,285
Busby Place & Oseney Crescent	1,073
South Holborn Mansions West	622
Goldsmiths Place	502
Derby Lodge 1-18	956
Brunswick Centre - repairs	708
Brunswick Centre - contribution to freeholder repairs	1,190
Levita House	2,891
Babington - heating	1,001
Adelaide Road Towers	634

The council has authorised capital expenditure of £304m to be incurred in the years 2007/08 to 2012/13 of which £106m has been contracted. These commitments include the following significant schemes:

	£,000
Children, Schools & Families	
Agar Grove Children's Centre	2,379
Primrose Hill School development	1,031
Acland Burghley School - dance/music block	838
Hampstead School - technology/administration	1,353
Secondary School Autism Unit	1,117

Housing & Adult Social Care

Major repairs / improvements at :-	
Rowley Way / Alexandra Road	536
Beaumont - raising the standard	652
Kingsgate Estate	1,631
Abbey Estate - raising the standard	4,255
Mortimer	778
Denton Estate RTS & heating works	2,130
Denton, Malden Crescent	3,781
Waxham & Ludham	538

The Balance Sheet

Capital Expenditure and Funding (continued)

Housing & Adult Social Care (continued)

	£,000
Kiln Place & Bucklebury heating replacement	1,000
Amptill Square regeneration	9,178
College Place Estate	881
The Chenies	637
Makepeace Mansions	1,496
Whittington Estate	2,151
Ingestre Road, Calver, Grangemill etc.	4,007
North Holborn Housing	780
Broadfield 1-32 - raising the standard	2,105
Gordon Mansions	1,903
Derby Lodge	911
Bourne Estate	600
Brunswick Centre - repairs	3,173
Brunswick Centre - contribution to leaseholder repairs	1,200
Twisden Road 25-35 & 39 raising the standard	578
Kennistoun - heating	1,001
Hostel Improvement Programme - Novas grant	16,750
Hostels Improvement Programme - St. Mungos grant	3,197

A further £198m relates to schemes approved to proceed which were not contracted as at 31 March 2007. The following significant schemes are included

£,000

Finance

Mental Health Services - Crisis House development	1,331
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Children, Schools & Families

Modernisation - Secondary schools	735
New Deals for Schools - Community schools	2,265
2 additional primary school resource bases	781

Culture & Environment

Planned Improvements - Highways	10,000
Kingsway Tram Tunnel	681
Kingsway & Southampton Row A4200	600

Housing & Adult Social Care

Major repairs / improvements at: -

100 Drummond Street - raising the standard	1,425
1-12 Ruscombe, Arlington Road	1,125
16 Woodland Walk	1,440
Cressfield Close 2-16	1,980
Lamble Street 16-39	750
Dunboyne Road 1-8 & 11-25	1,065
Barrington Court 1-6	1,110
Curnock Street Estate	1,141
Maiden Lane	838
Abingdon Close 1-50	741
Brunswick Centre Mechanical & Electrical	4,381
Bacton Estate	1,983
Alexandra Estate / Rowley Way	6,740
Maiden Lane	800
Snowman / Castlebridge	1,082
Bidborough House offices - reconfiguration	3,850

Notes To The Accounts (cont)

The Balance Sheet

27. Deferred Charges

	2006/07	2005/06
	£'000	£'000
Balance brought forward	-	-
Additions		
Improvement grants	653	430
Other capital grants	4,586	1,966
Voluntary aided schools	42	480
Other	705	814
Written off during the year	(5,986)	(3,690)
Balance carried forward	-	-

28. Long Term Investments

In 2006/07 the council joined with nine other London local authorities to form London Authorities Mutual Limited, a company whose purpose is to insure local authorities risk and the procurement of insurance cover for its ten members. The council holds a one-tenth share of the new company. The initial contribution to the new company was £0.160m.

The council has advanced loans of £40m to banks and other financial institutions which are not due to be repaid before 2008/09 and which are classed as long term investments.

29. Long-term Debtors

	31 March	31 March
	2007	2006
	£'000	£'000
Loans to Housing associations	148	1,355
Staff car loans	43	34
Right to buy mortgages	168	118
Capital service charge loans	552	435
Other mortgages	27	40
Works in default	72	72
	1,010	2,054

30. Current Assets

	31 March	31 March
	2007	2006
	£'000	£'000
Stocks	205	219
Cash held by officers	101	102
Money on call/short notice	89,830	118,855
Other short-term lending	68,061	65,369
Cash at bank	17,596	10,308
Payments in advance	4,592	5,666
	180,385	200,519
Collection Fund debtors		
Community charge payers	380	381
Council tax payers	15,874	15,881
NNDR ratepayers	4,396	3,886
NNDR Pool	7,421	9,616
	28,071	29,764
Other debtors		
HRA rents	6,045	6,544
Central Government	12,848	9,327
Other local authorities	7,130	5,478
Other sundry debtors	71,939	81,911
	97,962	103,260
Total debtors	126,033	133,024
Less provisions for bad debts		
Collection Fund		
Community charge	(380)	(381)
Council tax arrears	(11,018)	(13,136)
NNDR arrears	(2,791)	(2,066)
	(14,189)	(15,583)
HRA rents	(4,222)	(4,760)
Other arrears	(38,733)	(38,004)
	(42,955)	(42,764)
Total provisions	(57,144)	(58,347)
Total current assets	249,274	275,196

Notes To The Accounts (cont)

The Balance Sheet

31. Current Liabilities

	31 March 2007 £'000	31 March 2006 £'000
		Restated
Loans <1 year	124,663	60,595
Depositors	2,047	1,889
Bank Overdraft	1,662	2,675
Receipts in advance	25,488	23,787
Charitable receipts	62	73
	153,922	89,019
Collection Fund creditors		
- Council tax payers	6,647	7,738
- NNDR ratepayers	8,364	10,077
- NNDR pool	-	-
	15,011	17,815
Other creditors		
- Pension Fund	4,286	6,128
- Central Government	19,231	27,795
- Other local authorities	17,545	21,126
- Other sundry creditors	80,815	67,592
	121,877	122,641
Total current liabilities	290,810	229,475

32. Net Movement in External Borrowing

	2006/07 £'000	2005/06 £'000
Loans raised	334,395	228,560
Loans repaid	(334,990)	(179,093)
Net increase/(decrease) in external borrowing	(595)	49,467

33. Loans Outstanding By Type

	31 March 2007 £'000	31 March 2006 £'000
Money Market Loans	124,000	124,000
PWLB > 1 year	279,432	280,095
PWLB < 1 year	663	595
Temporary loans	-	-
Total loans outstanding	404,095	404,690

34. Long-term Loans Outstanding By Maturity

	31 March 2007 £'000	31 March 2006 £'000
1 – 2 years	740	64,663
2 – 5 years	16,399	1,837
5 - 10 years	63,193	78,495
10 years +	199,100	199,100
	279,432	344,095

35. Capital Grants Deferred

In respect of grants used to finance asset acquisition, sums are released to the Income and Expenditure Account in line with the depreciation charged on the new assets. In respect of grants used to finance works to existing assets, sums are released in line with depreciation charged on the asset. In respect of leaseholder capital contributions applied, the sums are credited to the Capital Financing Account

	31 March 2007 £'000	31 March 2006 £'000
Transport Supplementary Grant	4,158	4,302
Other infrastructure grants	45,708	36,100
Other grants (building works)	30,028	25,168
Equipment/Intangibles grants	1,136	2,060
Contributions	8,090	6,543
	89,120	74,173

Notes To The Accounts (cont)

The Balance Sheet

36. Provisions

	31 March 2007 £'000	31 March 2006 £'000
Self-insurance provision	4,528	4,634
Tree root damage	2,913	2,183
Total insurance provisions	<u>7,441</u>	<u>6,817</u>
Repayment of grant	157	153
Industrial Leases	750	750
Personal Financial services	1,113	700
Total general provisions	<u>2,020</u>	<u>1,603</u>
Total provisions	<u>9,461</u>	<u>8,420</u>

Self-Insurance Provision Since 1 April 1993, the Council's property, public and employer's liability and motor insurance policies have been arranged with Zurich Municipal Insurance with a substantial policy excess, currently £100,000 for each and every claim.

Through agreement with Zurich Municipal, aggregate annual limits of £1m and £2.25m apply to the Council's insurance programme and current risk exposure to property and liability claims respectively.

A self-insurance provision has been established to meet claims within the excess and aggregate limits. The self-insurance provision also covers claims from uninsured risks such as the £5m Employers Liability terrorism risk exposure, Fidelity Guarantee claims exceeding £1m, new asbestos claims, pollution and other operational risk exposures not notified to the insurer. Contributions to the provision are made from departmental expenditure. The HRA also contributes to the provision and claims are paid from the provision, which, if uninsured, would be met by the HRA. There are other uninsured risks, which departments retain; in the event of losses occurring, payments will have to be met from existing budgets.

The balance of the provision at 31 March 2007, £5.465m, is an estimate of outstanding payments on reported claims at that date.

	2006/07 £'000	2005/06 £'000
Balance at 1 April	4,634	3,632
Contributions	3,047	2,330
	<u>7,681</u>	<u>5,962</u>
Payment of claims	(1,886)	(1,673)
	<u>5,795</u>	<u>4,289</u>
Transfer to / from self-insurance reserve	(334)	734
Transfer to Tree Root Damage Provision	(933)	(389)
Balance at 31 March	<u>4,528</u>	<u>4,634</u>

Tree Root Damage From 1994/95 the Council has held a provision to fund legal liability claims arising from damage to private property by the root action of trees owned by the Council. The provision includes an amount for claims that would otherwise have been paid from the HRA. The balance at the end of the year provides 100% cover on outstanding claims and is sufficient to meet anticipated claim payments in 2007/08 given the expected settlement period.

Repayment of grant Provision has been made in respect of a liability to repay grant on properties that have been sold.

Industrial Leases Provision has been made for the liability arising under tax indemnity clauses relating to the letting of industrial units.

Personal Financial Services Provision has been made for the repayment of monies to client accounts.

Notes To The Accounts (cont)

The Balance Sheet

37. Fixed Assets Restatement Account

The Fixed Assets Restatement Account (previously the Fixed Asset Restatement Reserve) was established on 1 April 1994. At this date the balance represented the difference between the valuation of assets under the previous system of capital accounting and the revaluation at that date. The reserve is written down by the net book value of assets as they are disposed of and capital expenditure which did not enhance asset values. It is also debited or credited with the deficits or surpluses arising on revaluations.

	31 March 2007 £'000	31 March 2006 £'000
Balance brought forward	1,567,906	1,740,019
Revaluations	406,404	(99,565)
Valuation of gifted properties	469	25,355
Corrections to base	2	(9,780)
Adjustments	(6,252)	(1,997)
Capital expenditure which did not enhance asset values	(61,958)	(64,002)
Net Book Value of fixed assets disposed of in year	(25,180)	(22,124)
Balance carried forward	1,881,391	1,567,906
Comprising:		
General Fund	463,634	459,205
HRA	1,417,757	1,108,701
	1,881,391	1,567,906

38. Capital Financing Account

The Capital Financing Account (previously the Capital Financing Reserve) contains the amounts that were required by statute to be set aside from capital receipts for the repayment of external loans (this requirement ended on 31 March 2004) and the amount of capital expenditure financed from revenue and from capital receipts. It also contains the difference between amounts provided for depreciation and the Minimum Revenue Provision (MRP) for the redemption of external debt. An amount equal to the amortisation of capital grants and contributions is also credited to this account.

	31 March 2007 £'000	31 March 2006 £'000
Balance brought forward	686,224	645,978
Prior Year adjustment	(1,354)	-
Capital financing		
capital receipts	15,576	7,985
revenue	16,286	38,547
Major Repairs Reserve	21,284	22,306
MRP (less depreciation)	(36,089)	(34,826)
Capital grants	3,505	3,576
Capital contributions	4,516	4,486
Less deferred charges		
written down in year	(5,986)	(3,690)
capital grant adjustment	3,733	1,895
Debt repaid	1,206	(33)
Balance carried forward	708,901	686,224

Notes To The Accounts (cont)

The Balance Sheet

39. Useable Capital Receipts Reserve

The Local Government and Housing Act 1989 required that a percentage of capital receipts secured by local authorities after 1 April 1990 must be set aside to meet credit liabilities. This requirement ended on 31 March 2004. From 1 April 2004 local authorities have been required to pay to the Government a proportion of capital receipts from the sale of properties held in the Housing Revenue Account. Useable capital receipts are those receipts that are available to the Council after the above requirements have been met. Details of the sources and application of capital receipts are shown below:

	2006/07 £'000	2005/06 £'000
Balance unapplied at 1 April	37,901	31,569
Receipts in Year		
Sale of Council dwellings	23,809	21,462
Sale of other land and buildings	12,167	7,241
Distribution of LRB receipts	28	103
Repayment of housing assoc loans/mortgages	1,206	33
Total Receipts	75,111	60,408
Application		
New capital expenditure	15,576	7,985
Capital Financing Account	1,206	-
Payment to national pool	14,967	14,522
Total Application	31,749	22,507
Balance unapplied at 31 March	43,362	37,901

40. Major Repairs Reserve

This reserve came into operation in 2001/02 and reflected a change in the subsidy regime in that year. The movement in the reserve in 2006/07 was as follows:

	31 March 2007 £'000	31 March 2006 £'000
Opening Balance 1 April	-	-
Transferred to Reserve in year	26,466	26,217
Transferred to HRA in year	(5,182)	(3,911)
Used to fund capital expenditure on operational HRA property in year	(21,284)	(22,306)
Closing Balance at 31 March	-	-

41. Earmarked Reserves

The following earmarked reserves were maintained during 2006/07:

	31 March 2007 £'000	31 March 2006 £'000
Departmental reserves		
Finance	582	652
Organisational Development	21	21
Camden Strategy Unit	113	13
Children's, Schools and Families	2,835	2,218
Housing and Adult Social Care	3,764	2,950
Social Services	-	1,196
Total Departmental Reserves	7,315	7,050
Corporate Reserves		
Future Capital schemes a	15,191	18,926
Match funding b	-	109
Building Maintenance Trading c	-	1,051
Risk Management d	228	228
Commercial property e	861	861
IT Systems Management f	1,642	1,642
Modernising Government g	317	1,991
Potential litigation h	670	670
Self-insurance reserve i	10,947	10,773
Kentish Town Sports Centre j	296	296
Local Area Agreement Grants k	1,189	22
Mental Health Aftercare Reserve l	1,715	2,362
Haverstock School PFI Initial Payment reserve m	3,057	3,187
Haverstock School PFI reserve n	3,992	3,849
Corporate Initiatives o	2,649	2,524
Licensing p	381	551
e-Procurement q	-	883
Pay & Grading review r	668	295
Revenue Funding Reserve s	80	2,121
Mayors Charity reserve t	23	-
Dedicated Schools Grant u	656	-
Severance Costs 2007/08 v	1,750	-
Severance Costs 2008/09 w	3,000	-
Total Corporate Reserves	49,312	52,341
Total Reserves	56,627	59,391

Earmarked Reserves (continued)

a This reserve has been created to cover the cost of various future schemes which were approved in 2006/07.

b This reserve was now been closed.

c The trading surpluses of the Building Maintenance Division have now been split up between the Housing Revenue Account and the Housing and Adult Social Care earmarked reserve.

d This reserve contains monies paid to the Council by its insurers and allocated through budgets for use on risk management initiatives.

e This reserve has been set up to meet dilapidations and other payments in respect of commercial and other properties.

f This reserve has been set up to meet the cost of the replacement and enhancement of the Council's major financial systems.

g This reserve has been created to meet the costs of Modernising Government by developing e-services.

h A reserve has been created to protect the Council's position in relation to a number of legal actions.

i In addition to the provision for reported claims (see note 36) the Council has established a reserve against potential claims arising out of past circumstances and for potential increases in reported claim values. Potential claims, which if "uninsured", would be paid from the HRA and are included in the assessment of the reserve level. The reserve also includes provision for claims against policies taken out with Municipal Mutual Insurance (MMI) prior to 1 April 1993. MMI went into "run-off" in September 1992 and subsequently established a scheme of arrangement whereby claims paid since January 1994 will be subject to total or partial clawback in the event of insolvency.

The maximum potential clawback was £3m at 31 March 2007. A further £0.351m was reserved against claims outstanding with MMI at that date.

j This reserve was set up to meet design and consultancy work on the Kentish Town Sports Centre.

k This reserve has been set up to meet Local Area Agreement grant commitments in future years.

l This reserve has been set up to meet the repayment of mental health aftercare charges under Section 117 of the Mental Health Act 1983.

m This reserve has been set up to hold the funding for the initial payment made under the Haverstock School PFI contract.

n This reserve has been set up to hold the balance of funding received in respect of the Haverstock School PFI.

o This reserve has been set up to provide funding for corporate initiatives by transferring resources from departmental reserves and from other funding sources.

p This reserve has been set up to hold funding allocated for the new Licensing Act that was implemented later than originally expected.

q This reserve was set up to fund the implementation of e-Procurement.

r This reserve has been set up to hold unspent budget provision in 2006/07 and earlier years for the pay and grading review.

s This reserve was set up to hold the funding for additional revenue spending approved for 2006/07 and the funding from general balances to support the councils budget for 2007/08.

t This reserve was set up to donations to the Mayors Charity

u This reserve was set up to hold unspent Dedicated Schools Grant which is reserved for the schools budget and which may be carried over to future years.

v This reserve was set up to fund severance costs in 2007/08 that may arise from workforce remodelling and the Better and Cheaper agenda

w This reserve was set up to fund severance costs in 2008/09 and beyond that may arise from workforce remodelling and the Better and Cheaper agenda

Notes To The Accounts (cont)

The Balance Sheet

42. Schools Balances

Under the provisions of the Education Reform Act 1988, locally managed schools are able to carry forward unspent balances of delegated budgets from year to year. These form part of the Council's reserves but are not available to the authority to support its general activities as their use is at the discretion of the governors of schools holding the balances concerned.

Locally managed schools' balances increased by £0.120m during the course of 2006/07.

	£'000
Schools balances as at 1 April 2006	6,823
Movement in year	120
Schools balances at 31 March 2007	<u>6,943</u>

43. Contributions to Capital and Other Works Unapplied

These comprise:

	31 March 2007 £'000	31 March 2006 £'000
Leaseholder Capital Contributions	<u>6,421</u>	4,070
Developer Contributions		
- capital works	5,564	3,133
- affordable housing fund	2,061	2,221
- other	221	1,067
Developer Contributions	<u>7,846</u>	6,421
Insurance Contributions	20	20
Total Contributions	<u>14,287</u>	<u>10,511</u>

44. Analysis of Net assets employed

	31 March 2007 £'000	31 March 2006 £'000
General Fund	422,802	343,219
HRA	<u>2,095,132</u>	1,760,178
	<u>2,517,934</u>	<u>2,103,397</u>

45. Contingent Liabilities

The Council has entered into a number of arrangements with housing associations whereby the associations have acquired dwellings, using private finance with the backing of a loan guarantee from the Council, and then leased the dwellings to the Council. In any year, the Council will make payments to cover any shortfall that may arise between rent payable by tenants and the loan payments by the associations. The Council has also entered into similar arrangements with other organisations. A prudent estimate of the maximum annual liability is £0.250m. The Council is in discussion with one association regarding one such arrangement where the lease runs out shortly.

There is a potential liability in respect of an unresolved claim against the Social Services department on a matter of financial responsibility for a client, which is estimated to be up to £0.400m.

In addition the Council is subject to potential legal action in the following fields including:-

- a) Employment
- b) Public Liability
- c) Environmental

A reserve has been set up to contribute to potential settlements (Note 41).

Notes To The Accounts (cont)

The Balance Sheet

46. Details of Movements on Reserves

The council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans

Reserve	Balance at 31 March 2007 £'000	Net Movement in Year £'000	Balance at 1 April 2006 £'000	Purpose of Reserve	Further Details of Movement
Fixed Asset Restatement Account	1,881,391	313,485	1,567,906	Store of gains on revaluation of fixed assets	See Note 37 to the Core Financial Statement
Capital Financing Account	708,901	22,677	686,224	Store of capital resources set aside to meet past expenditure	See Note 38 to the Core Financial Statement
Useable Capital Receipts	43,362	5,461	37,901	Proceeds of fixed asset sales available to meet future capital investment	See Note 39 to the Core Financial Statement
Contributions to Capital Works Unapplied	14,287	3,776	10,511	Contributions made to support future capital investments	See Note 43 to the Core Financial Statement
Major Repairs Reserve	-	-	-	Resources available to meet capital investment in council housing	See Note 40 to the Core Financial Statement
Earmarked Reserves	56,627	(2,764)	59,391	Revenue resources earmarked for specific purposes	See Note 41 to the Core Financial Statement
Pensions Reserve	(306,646)	51,891	(358,537)	Balancing account to allow inclusion of Pensions Liability in the Balance Sheet	See Note 48 to the Core Financial Statement
Collection Fund – Camden share	4,183	2,485	1,698	Camden's share of the balance on the Collection Fund available to support future revenue spending	Collection Fund Statement page 62
Housing Revenue Account	78,976	6,896	72,080	Resources available to meet future running costs for council houses	Housing Revenue Account Statement page 58 and 61
Schools Balances	6,943	120	6,823	Balances of schools delegated budgets	See Note 42 to the Core Financial Statement
General Fund	29,910	10,510	19,400	Resources available to meet future running costs for non-housing services	Statement of Movement on the General Fund Balance page 22
Total	2,517,934	414,537	2,103,397		

Notes To The Accounts (cont)

The Balance Sheet

47. Trust Funds and Other Accounts

The Authority administers a number of trust accounts. The balances on these funds are not included in the Balance Sheet.

	Balance at 1 April 2006	Receipts 2006/2007	Payments 2006/2007	Balance at 31 March 2007
	£	£	£	£
Education	(7,628)	(442)	-	(8,070)
Social Services	(13,912)	(3,099)	1,932	(15,079)
Other Funds	(162,924)	(6,557)	-	(169,481)
Waterlow Park	(560,451)	(348,320)	350,845	(557,926)
Emmanuel Vincent Harris Trust	(4,076,873)	(195,843)	102,665	(4,170,051)
	(4,821,788)	(554,261)	455,442	(4,920,607)

In addition, the authority administers funds on behalf of Social Service clients including funds administered by officers as Court appointee or receiver. The amount of these funds as at 31 March 2007 was £3.442 million (£2.512 million as at 31 March 2006).

48. Pension and Similar Obligations

The Statement of Accounting Policies includes a section dealing with the pension schemes in which the Council participates and Note 13 to the core financial statements includes information regarding revenue expenditure by the Council on pensions. The accounts of Camden's Pension Fund are also included in this Statement. This note includes the further pension information required under Financial Reporting Standard 17 (FRS 17) that requires the pension asset or liability to be incorporated into the Balance Sheet.

The full implementation of FRS 17 requires the establishment of a pension reserve equal and opposite to the amount of any pension asset or liability. Accordingly there is no impact on the general fund reserves.

The Council's employees belong to three principal pension schemes: the London Borough of Camden Pension Fund, the London Pensions Fund for non-teaching staff who transferred from the Inner London Education Authority (managed by the London Pensions Fund Authority) and the Teachers Superannuation Scheme (TSS) for teaching staff (managed by the Teacher Pensions Agency). All are defined benefit schemes.

Notes To The Accounts (cont)

The Balance Sheet

Pension and Similar Obligations (continued)

London Borough of Camden Pension Fund

The London Borough of Camden Pension Fund is a multi-employer funded pension scheme, with assets held in separately administered funds. A full actuarial valuation was carried out at 31 March 2004 and updated to 31 March 2007 by a qualified independent actuary. The assumptions that have the most significant effect on this valuation are as follows: -

	As at 31 March 2007 % per annum	As at 31 March 2006 % per annum	As at 31 March 2005 % per annum
Price Increases	3.2%	3.1%	2.9%
Salary Increases	4.7%	4.6%	4.4%
Pension Increases	3.2%	3.1%	2.9%
Discount Rate	5.4%	4.9%	5.4%

The assets in the scheme and the expected rates of return were:

	31 March 2007		31 March 2006		31 March 2005	
	Long-term expected rate of return	Camden's share of the Fund £'000	Long-term expected rate of return	Camden's share of the Fund £'000	Long-term expected rate of return	Camden's share of the Fund £'000
Equities	7.8%	531,510	7.4%	471,986	7.7%	370,862
Bonds	4.9%	87,759	4.6%	122,876	4.8%	97,088
Property	5.8%	65,248	5.5%	18,365	5.7%	16,135
Cash	4.9%	16,860	4.6%	38,136	4.8%	36,272
Total market value of assets		<u>701,377</u>		<u>651,363</u>		<u>520,357</u>

Net Pension Liability

	31 March 2007 £'000	31 March 2006 £'000
Estimated Employer Assets	701,377	651,363
Present value of scheme liabilities	(998,200)	(999,250)
Net pension liability	<u>(296,823)</u>	<u>(347,887)</u>

The movement in the net pension liability for the year to 31 March 2007 is as follows:

	Year to 31 March 2007 £'000	Year to 31 March 2006 £'000
Deficit at beginning of year	(347,887)	(314,625)
Current Service Cost	(28,687)	(21,396)
Employer Contributions	30,198	28,584
Contributions in respect of Unfunded Benefits	3,547	3,514
Past Service Costs	(48)	(243)
Impact of Settlements and Curtailments	(1,454)	(640)
Net Return on Assets	(5,418)	(8,863)
Actuarial Gains/(Losses)	52,926	(34,218)
Deficit at end of year	<u>(296,823)</u>	<u>(347,887)</u>

Notes To The Accounts (cont)

The Balance Sheet

Pension and Similar Obligations (continued)

The actuarial gains and losses can be analysed as follows, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2007:

	Year to 31 March 2007		Year to 31 March 2006		Year to 31 March 2005		Year to 31 March 2004		Year to 31 March 2003	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Differences between expected and actual return on assets	(7,208)	(1.0)	82,794	12.7	21,768	4.2	57,546	12.7	(117,308)	(33.2)
Differences between actuarial assumptions about liabilities and actual experience	(945)	(0.1)	44	-	44,568	5.3	(49,166)	(7.1)	2,368	0.4
Changes in the financial assumptions underlying the present value of the Scheme Liabilities	61,079		(117,056)		(143,151)		-		-	
	52,926	5.3	(34,218)	(3.4)	(76,815)	(9.2)	8,380	1.2	(114,940)	(19.1)

Notes To The Accounts (cont)

The Balance Sheet

Pension and Similar Obligations (continued)

London Pensions Fund Authority Pension Fund

The London Pensions Fund Authority Pension Fund is a multi-employer funded pension scheme, with assets held in separately administered funds. A full actuarial valuation was carried out at 31 March 2004 and updated to 31 March 2007 by a qualified independent actuary. The assumptions that have the most significant effect on this valuation are as follows: -

	As at 31 March 2007 % per annum	As at 31 March 2006 % per annum	As at 31 March 2005 % per annum
Price Increases	3.2%	3.1%	2.9%
Salary Increases	4.7%	4.6%	4.4%
Pension Increases	3.2%	3.1%	2.9%
Discount Rate	5.4%	4.9%	5.4%

The assets in the scheme and the expected rates of return were:

	31 March 2007		31 March 2006		31 March 2005	
	Long-term expected rate of return	Camden's share of the Fund £'000	Long-term expected rate of return	Camden's share of the Fund £'000	Long-term expected rate of return	Camden's share of the Fund £'000
Cashflow matching	4.5%	25,482	4.2%	25,150	-	-
Equity	7.8%	4,406	7.4%	4,210	-	-
Equities	-	-	-	-	7.7%	4,312
Bonds	-	-	-	-	4.8%	21,939
Cash	4.9%	518	4.6%	950	4.8%	2,269
Total market value of assets		<u>30,406</u>		<u>30,310</u>		<u>28,520</u>

Net Pension Liability

	31 March 2007 £'000	31 March 2006 £'000
Estimated Employer Assets	30,406	30,310
Present value of scheme liabilities	(40,229)	(40,960)
Net pension liability	<u>(9,823)</u>	<u>(10,650)</u>

The movement in the net pension liability for the year to 31 March 2007 is as follows:

	Year to 31 March 2007 £'000	Year to 31 March 2006 £'000
Surplus/(deficit) at beginning of year	(10,650)	(7,530)
Current Service Cost	(544)	(486)
Employer Contributions	427	466
Contributions in respect of unfunded benefits	60	63
Impact of Settlements and Curtailments	-	-
Net Return on Assets	(613)	(451)
Actuarial Gains/(Losses)	1,497	(2,712)
Deficit at end of year	<u>(9,823)</u>	<u>(10,650)</u>

Notes To The Accounts (cont)

The Balance Sheet

Pension and Similar Obligations (continued)

The actuarial gains and losses can be analysed as follows, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2007:

	Year to 31 March 2007		Year to 31 March 2006		Year to 31 March 2005		Year to 31 March 2004		Year to 31 March 2003	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Differences between the expected and actual return on assets	1	-	1,128	3.7	153	0.5	1,060	3.1	(319))(1.0)
Differences between actuarial assumptions about liabilities and actual experience	20	-	(19)	-	(4,682)	(13.0)	(23)	(0.1)	(1,151)	(3.6)
Changes in financial assumptions underlying the present value of the Scheme Liabilities	<u>1,476</u>		<u>(3,821)</u>		<u>(5,114)</u>		<u>-</u>		<u>-</u>	
	<u>1,497</u>	3.7	<u>(2,712)</u>	(6.6)	<u>(9,643)</u>	(26.8)	<u>1,037</u>	3.2	<u>(1,470)</u>	(4.6)

Combined Net Pension Liability

The combined net pension liability is made up as follows: -

	Net Pension Liability at 31 March 2007 £'000	Net Pension Liability at 31 March 2006 £'000
Camden Fund	(296,823)	(347,887)
London Pension Fund Authority	<u>(9,823)</u>	<u>(10,650)</u>
Total	<u><u>(306,646)</u></u>	<u><u>(358,537)</u></u>

Teacher's Pension Scheme

The Council participates in the Teacher's Pension Scheme. This is an unfunded, defined benefit multi-employer scheme, independent from the Council. The Council is unable to identify its share of the underlying liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme. Contributions to the scheme for the year were £5.971m and the agreed employer contribution rate from 1 April 2007 is 14.1%.

The Cash Flow Statement

Notes to the Accounts

49. Other Government Revenue Grants

	2006/07 £'000	2005/06 £'000
Asylum Seekers	1,900	2,599
Childcare Development	1,828	1,382
Children's Fund	644	724
Council Tax grants	1,132	1,137
Dedicated Schools Grant	110,974	-
HRA Subsidy	41,606	38,361
Mental Health Grants	2,593	2,365
Learning & Skills Council	15,989	15,520
Neighbourhood Renewal Fund	6,495	7,217
Preserved Rights	1,105	1,274
Promoting Independence Grant	2,823	1,513
Residential Allowance	-	834
Safeguarding Children	-	1,019
School Standards Grant	3,776	2,608
SRB	-	1,922
Standards Fund	15,608	12,933
Sure Start	4,439	2,624
Teachers' Pay	-	3,699
Transport for London	352	1,445
Connexions	1,287	1,515
PFI grant	1,717	1,717
Supporting People Programme grant	36,452	37,243
New Opportunities Fund	111	361
Transitional Support Grant – Education	-	1,146
Carers Grant	1,312	1,348
Local Area Agreement	1,385	-
LPSA	2,456	-
Other grants	7,728	6,796
	263,712	149,302

50. Reconciliation of Revenue Cash Flow

	2006/07 £'000	2005/06 £'000 Restated
Net General Fund Revenue (surplus)/deficit	(14,478)	(7,845)
Net HRA revenue (surplus)/deficit	(6,896)	8,182
Net Collection Fund revenue (surplus)/deficit	(2,485)	(3,100)
Expenditure debited to holding accounts and provisions	2,454	2,283
Deduct interest paid	(25,006)	(21,050)
Deduct contributions to provisions and reserves	(14,468)	(12,714)
Deduct revenue contributions to capital	(16,286)	(38,547)
Creditors increase/(decrease)	2,955	(6,917)
Increase/(decrease) in stock	(14)	22
Add interest received	6,803	7,391
Other financing	(11,687)	(17,083)
Minimum revenue provision	3,727	4,124
Add contributions from provisions and reserves	13,615	22,485
Debtors (decrease)/increase	(7,029)	10,738
Revenue activities net cash inflow	(68,795)	(52,031)

51. Net Debt

	31 March 2007 £'000	Movement in year 2006/07 £'000	31 March 2006 £'000 Restated
Cash in hand/at bank	17,697	7,287	10,410
Cash overdrawn	(1,662)	1,013	(2,675)
Debt greater than one year	(279,432)	64,663	(344,095)
Debt less than one year	(124,663)	(64,068)	(60,595)
Current Asset Investments	157,891	(26,333)	184,224
Long Term Investments	40,000	40,000	-
	(190,169)	22,562	(212,731)

Notes To The Accounts (cont)

The Cash Flow Statement

52. Movement in Net Debt

	2006/07	2005/06
	£'000	£'000
		Restated
Increase/(decrease) in cash	8,300	(4,513)
Add Back		
Cash flow from increase/decrease in debt and lease financing	595	(49,467)
Cash flow from increase in liquid resources	13,667	32,832
Change in net debt resulting from cash flows	22,562	(21,148)
Net Debt at 1 April	(212,731)	(191,583)
Net Debt at 31 March	(190,169)	(212,731)

Liquid Resources includes money on call/short notice and that held with cash managers.

53. Management of Liquid Resources

	2006/07	2005/06
	£'000	£'000
		Restated
Money on call or at short notice		
- deposited	1,005,949	1,699,698
- returned	(992,282)	(1,666,866)
	13,667	32,832

Further details may be found within Note 30

54. Movement in Cash

	31 March 2007	31 March 2006
	£'000	£'000
Cash with accounting officers	101	102
Cash at bank (with no penalty)	17,596	10,308
Cash overdrawn	(1,662)	(2,676)
	2006/07	2005/06
	£'000	£'000
Movement in cash with accounting officers	1	1
Movement in cash at bank (with no penalty)	(7,288)	1,882
Movement in cash overdrawn	(1,013)	2,630
Net cash (inflow)/outflow	(8,300)	4,513

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2007

	Notes	2006/2007 £'000	2005/2006 £'000
Income			Restated
Rents – dwellings	1,2,3,5	(94,060)	(91,094)
– non-dwellings		(8,954)	(8,986)
Charges for services and facilities		(24,501)	(22,384)
HRA Subsidy	4	(41,606)	(39,361)
Supporting People Grant		(4,323)	(5,634)
Government Grants deferred		(349)	(237)
Total income		(173,793)	(167,696)
Expenditure			
Repairs and maintenance		42,325	41,632
Supervision and management	– General	25,662	27,091
	– Special services	22,288	21,113
Unitary Payments to PFI provider		6,758	-
Rents, rates and other charges		14,379	15,181
Increased provision for bad debts		102	1,069
Depreciation	7	26,466	26,218
Debt Management Expenses		250	239
Total expenditure		138,230	132,543
Net Cost of HRA Services per whole authority Income and Expenditure Account		(35,563)	(35,153)
HRA services share of Corporate and Democratic Core		2,365	2,043
Net Cost of HRA services		(33,198)	(33,110)
Loss on sale of HRA fixed Assets		95	-
Interest payable and similar charges	6,8	23,484	22,162
Amortised Discount		-	(771)
Investment Income		(3,556)	(3,322)
Pensions interest cost and expected return on pensions assets	9	1,004	1,680
Surplus for the year on HRA services		(12,171)	(13,361)
			£'000
Statement of Movement on the HRA Balance			
Surplus for the year on the HRA Income and Expenditure Account		(12,171)	(13,361)
Net additional amount required by statute to be debited or credited to the HRA balance for the year	11	5,275	21,543
(Increase) or decrease in the Housing Revenue Account Balance		(6,896)	8,182
Housing Revenue Account surplus brought forward		(72,080)	(80,262)
Housing Revenue Account surplus carried forward	10	(78,976)	(72,080)

Notes to the Housing Revenue Account

1. Gross Rent Income

Gross rent income is the total rent income due for the year after allowance is made for vacant properties. During the year 1.50% of properties used for permanent accommodation were vacant (1.56% in 2005/06). The average rent for all stock excluding service charges was £75.39 per week in 2006/07, an increase of £3.59 or 5.0%, over the 2005/06 level of £71.80 per week, which has been restated to exclude service charges.

2. Housing Stock

The Council was responsible at 31 March 2007 for managing self-contained and shared dwellings. The stock was as follows:

Property	No
Bedsitter/1 Bed accommodation	10,081
2 Bed accommodation	7,571
3 Bed accommodation	4,977
4 Bed+ accommodation	1,459
	<u>24,088</u>
Multi-occupied dwellings	
Shared units *	326
Total	<u>24,414</u>

*Dwelling equivalent

The change in stock can be summarised as follows:

	2006/07	2005/06
Stock at 1 April	24,582	24,754
Less sales, demolitions, etc	(168)	(172)
Stock at 31 March	<u>24,414</u>	<u>24,582</u>

3. Rent Arrears

The arrears at 31 March 2007 were £6.045m (£6.544m at 31 March 2006). Amounts written off during the year totalled £0.892m (£0.903m in 2005/06) and the provision for bad debts at the year-end totalled £4.222m (£4.760m at 31 March 2006).

4. HRA Subsidy

HRA Subsidy is a grant paid by the Department for Communities and Local Government (DCLG) towards the costs of local authority housing. It represents the shortfall of notional rent and other income against expenditure deemed by the DCLG to have been incurred for management and maintenance and charges for capital. Income is calculated as follows:

	2006/07 £'000	2005/06 £'000
Notional expenditure		
Management and maintenance	66,295	64,068
Major Repairs Allowance	21,284	22,306
Charges for capital	29,985	29,624
PFI	6,114	-
Other	9,872	8,726
Total notional expenditure	<u>133,550</u>	<u>124,724</u>
Notional income		
Rents	(91,931)	(86,353)
Other	(13)	(18)
Total notional income	<u>(91,944)</u>	<u>(86,371)</u>
HRA Subsidy 2006/07	41,606	38,353
Prior Year Adjustment	-	1,008
	<u>41,606</u>	<u>39,361</u>

London Borough of Camden – Statement of Accounts 2006/07

Notes to the Housing Revenue Account (continued)

5. Rent Rebates

Assistance with rents is available under the Housing Benefits scheme for those on low incomes. About 66% of the Council's tenants were receiving some help with the costs of rent, water and heating charges at 31 March 2007.

	2006/07 £'000	2005/06 £'000
Gross rent income	94,060	91,094
Gross tenant service charge income	7,004	6,762
Total	101,064	97,856
Rent rebates	64,436	62,878
Rebates as % of rent income	63.8%	64.3%

Housing Benefit is administered by the Finance Department under regulations laid down by the Department of Work and Pensions (DWP). The net cost of rent rebates granted to council tenants is met by council taxpayers and details are given in Note 5 to the Income and Expenditure Account.

6. Interest Charges

Interest charges met by the Housing Revenue Account are charged by the General Fund in accordance with the Item 8 Credit and Item 8 Debit (General) determination made by the Secretary of State under part II of schedule 4 to the Local Government and Housing Act 1989.

7. Depreciation

The Item 8 Determination states that the HRA should be charged with depreciation.

Depreciation is made up as follows:

	2006/07 £'000	2005/06 £'000
Operational Assets-dwellings	25,275	25,533
Operational Assets-other	1,191	685
Total	26,466	26,218

8. Deferred Charges

Deferred charges consist of house purchase grants under the cash incentive scheme of £1.126m (£0.547m in 2005/06) which are made to tenants to assist them in purchasing homes in the private sector.

9. HRA Contribution to the Pension Reserve

Under FRS 17, the pension amount charged to each council service is the amount of pension benefit earned in the year, as determined by the actuary. This replaces the cash contributions made by services to the Pension Fund. This principle has been applied to the HRA. In addition, the HRA has been charged with its share of the pension interest cost and the return on pension assets, and these, together with the change in service costs have been matched by an appropriation to/from the Pension Reserve such that the net outturn on the HRA is not altered by these accounting adjustments.

10. Surplus Carried Forward to Earmarked Reserves

The balance represented by the accumulated surplus of £78.976m at the end of the year was earmarked for the following purposes:

	2006/07 £'000	2005/06 £'000
Capital schemes – programmed	29,470	26,921
Major repairs programme	25,862	20,808
Residential Leases	20,550	18,366
Working balance	3,094	5,985
Total	78,976	72,080

London Borough of Camden – Statement of Accounts 2006/07

Notes to the Housing Revenue Account (continued)

11. Note to the Statement of Movement on the HRA Balance

		2006/07 Net Expenditure	2005/06 Net Expenditure
	Notes	£'000	£'000
Items included in the HRA Income and Expenditure Account but excluded from the movement on the HRA Balance for the year			
Difference between amounts charged to Income and Expenditure for amortisation of premiums and discounts and the charge for the year in accordance with statute		1,688	3,291
Loss on sales of HRA fixed assets		(95)	-
Government Grants Deferred Amortisation		349	237
Write down of Deferred Charges financed from capital resources	8	(1,126)	(664)
Net charges made for retirement benefits in accordance with FRS17	9	(6,241)	(5,719)
Total		(5,425)	(2,855)
Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year			
Transfer to/from the Major Repairs Reserve		(5,182)	(3,911)
Capital Expenditure funded by the HRA		10,110	22,762
Employers contributions payable to the pension funds and retirement benefits payable direct to pensioners	9	5,772	5,547
Total		10,700	24,398
Net additional amount required by statute and non-statutory proper practices to be debited to the General Fund Balance for the year		5,275	21,543

COLLECTION FUND REVENUE ACCOUNT for the year ended 31 March 2007

	Notes	2006/07 £'000	2006/07 £'000	2005/06 £'000	2005/06 £'000
Income					
Council Tax					
Income from council tax (net of benefits)	1,2,3,4	(95,137)		(89,848)	
Council Tax benefits		(25,092)	(120,229)	(24,108)	(113,956)
Decrease in provision for uncollectable amounts	5,6		(2,118)		(1,545)
Community Charge					
Community charge collected			-		(1)
NNDR					
Income collectable from business ratepayers			(282,881)		(253,216)
Total income			(405,228)		(368,718)
Expenditure					
Council Tax					
Precepts and Council demand					
- LB Camden (including Garden Squares)		91,162		88,519	
- Greater London Authority		26,393	117,555	23,044	111,563
Distribution of surplus/(collection of deficit)					
- LB Camden		271		(1,125)	
- Greater London Authority		71	342	(284)	(1,409)
Amounts written off			1,245		2,245
Community Charge					
Transfer to General Fund			-		3
NNDR					
NNDR allowable costs and adjustments		3,163		1,538	
Contribution to the NNDR pool	8	279,718	282,881	251,678	253,216
Total expenditure			402,023		365,618
Surplus for the year			(3,205)		(3,100)
Collection Fund Balance					
(Surplus)/Deficit at beginning of year			2006/07 £'000 (2,189)	2005/06 £'000 911	
Surplus for the year			(3,205)	(3,100)	
Surplus at end of year	7		(5,394)	(2,189)	

Notes to the Collection Fund

1. General

The Collection Fund was established on 1 April 1990 under the provisions of the Local Government Finance Act 1988. It accounts for all transactions on council tax, business rates and residual community charge. Although it is kept separate from the Income and Expenditure Account, Camden's share of the Collection Fund balance forms part of the Balance Sheet.

2. Council Tax

The Council Tax is a property-based tax with a system of personal discounts, based upon the nature and degree of occupation of the property concerned. For the purpose of assessing the tax all domestic properties were valued by the Inland Revenue and placed in one of eight bands, depending upon the estimated market value at 1 April 1991.

3. Council Demand

The Council's demand on the Collection Fund represents the balance of spending for the year to be met from local taxes, together with any deficit or surplus met in that year in respect of community charge. Regulations prescribe that any surplus or deficit in respect of Council Tax items in the Collection Fund is to be split between the Council and major preceptors. These adjustments are determined at the time of tax setting and included in the precepts and Council demand.

4. Council Tax Bands

Market Value in April 1991	Band	2006/07 Council Tax £	Number of properties at 31 March 2007	Number of properties at time of tax setting	Fraction 2006/07	Tax base for tax setting
Less than £40,000	A	856.84	2,580	2,246	6/9	1,113.99
£40,000 - £52,000	B	999.63	9,985	9,793	7/9	5,866.48
£52,000 - £68,000	C	1,142.44	18,992	18,898	8/9	13,200.10
£68,000 - £88,000	D	1,285.25	23,913	23,733	9/9	19,135.62
£88,000 - £120,000	E	1,570.87	16,440	16,214	11/9	16,163.51
£120,000 - £160,000	F	1,856.47	10,290	10,185	13/9	12,295.10
£160,000 - £320,000	G	2,142.09	11,660	11,681	15/9	16,566.55
£320,000 or more	H	2,570.50	4,044	4,020	18/9	7,108.65
Total			97,904	96,770		91,450.00

Any deficit or surplus in respect of community charge falls to be met solely by, or credited solely to, the Council's General Fund.

By law, the tax for each band is set as a fraction of the band D charge. For 2006/07, the Council estimated that a band D charge of £1 would produce an income of £91,450. This figure is used by the preceptors and the Council to set the band D charge and is known as the Council Tax Base or the total of band D equivalent properties. The base is determined by taking the number of properties in each band, adjusting for discounts (including that for single occupancy of 25%), exemptions and non-collection, and multiplying by the appropriate fraction for that band. Following a change in the law, since 1 April 2004 discounts on unoccupied, furnished property have been set at 10% and there is no discount on unoccupied, unfurnished property.

In 2006/07 the council tax for band D was set as follows:

	£
Camden	996.64
Greater London Authority	288.61
Total	1,285.25

This was an increase of £52.77 (4.28%) on the corresponding figure for 2005/06 of £1,232.48.

London Borough of Camden – Statement of Accounts 2006/07

Notes to the Collection Fund (continued)

5. Community Charge

As the provision for bad debts covers 100% of the arrears outstanding, any further collections of community charge will be credited to the Collection Fund as income. Genuine arrears are still being collected by instalments. Regulations require that any deficit or surplus in respect of community charge be transferred to the Council's General Fund.

6. Council Tax - Uncollectable Amounts

The provision to cover bad debts stood at £11.018m on 31 March 2007. This represents 69% of the outstanding arrears.

7. Fund Balance

The balance on the Collection Fund at 31 March 2007 represents deficits and surpluses that have arisen since 1 April 2004 in respect of council tax and community charge transactions. These may be analysed as follows:

	31 March 2006	Change during 2006/07	31 March 2007
	£'000	£'000	£'000
Council tax			
-2004/05	(493)	493	-
-2005/06	(1,694)	(151)	(1,845)
- 2006/07	-	(3,547)	(3,547)
Community charge	(2)	-	(2)
	<u>(2,189)</u>	<u>(3,205)</u>	<u>(5,394)</u>

The surplus in respect of community charge will be credited to the General Fund in future years.

Preceptors and the Council's General Fund will receive the surplus in respect of council tax in 2007/08 and 2008/09. These payments may be analysed as follows:

	Estimated		Total
	Refund 2007/08	Refund 2008/09	
	£'000	£'000	£'000
Camden	1,510	2,673	4,183
Greater London Authority	<u>437</u>	<u>774</u>	<u>1,211</u>
	<u>1,947</u>	<u>3,447</u>	<u>5,394</u>

8. Collection of National Non-Domestic Rates

Under the arrangements for National Non-Domestic Rates (NNDR) the Council collects business rates for its area, which are based on local rateable values and a multiplier set by the Government. From 1 April 2005 there are two multipliers, the small business non-domestic rating multiplier, which is applicable to those that qualify for the small business relief and the non-domestic rating multiplier, which is applicable to all other businesses and includes a supplement to pay for small business relief. The small business non-domestic rating multiplier for 2006/07 is 42.6p and the non-domestic rating multiplier is 43.3p (41.5p and 42.2p in 2005/06 respectively). The total amount collectable, less certain reliefs and deductions, is paid into a national pool.

At 31 March 2007 the non-domestic rateable value of the borough was £831.648m (£831.314m at 31 March 2006). On 1 April 2005 a national revaluation of all commercial properties was undertaken by the Valuation Office, which resulted in the significant increase in the rateable value of the borough. Transitional arrangements have limited changes to bills. These arrangements are being phased out over five years.

Appeals against the original rateable values continue to be received. A significant number of these are backdated downward revaluations that resulted in lower income being received from business ratepayers.

Notes to the Collection Fund (continued)

Collection of National Non-Domestic Rates (cont)

	2006/07 £'000	2006/07 £'000	2005/06 £'000	2005/06 £'000
Income from business ratepayers				
Non-domestic rate charge		342,682		321,781
SBBR Supplement		4,808		5,139
Transitional relief	(11,621)		(26,033)	
Less - mandatory charity relief	(30,353)		(28,118)	
- empty property relief	(22,234)		(19,156)	
- discretionary relief	(401)	(64,609)	(397)	(73,704)
Income due from business ratepayers		282,881		253,216
NDR collection costs, credited to the Council's General Fund	(1,133)		(1,137)	
Bad debt provision/losses on collection	(1,823)		346	
Discretionary relief charged to:				
The Council's General Fund	301		275	
Interest on refunds	(508)	(3,163)	(1,022)	(1,538)
Contribution to NNDR Pool		279,718		251,678

PENSION FUND

Introduction

The Council's Pension Fund is operated under the provisions of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 as amended, the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 as amended and the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1997 as amended.

The Accounts have been prepared in accordance with the LGPS Regulations 1997 and the 2006 Code of Practice on Local Authority Accounting in Great Britain issued by CIPFA.

All officers and manual workers can become contributors on appointment with Camden or a scheduled body. Employees of other bodies are also admitted to the Fund. The Fund's income is derived from employees, contributions from employing authorities and income from investments.

The Fund operates as a defined benefits scheme and provides retirement pensions and lump sum allowances, widows' and children's pensions and death gratuities.

The accounts have been prepared in accordance with the provisions of Chapter 2 of the Pensions SORP.

Basis for Accounting for Income and Expenditure

All income and expenditure has been accounted for in the revenue account on an accruals basis, with the exception of liabilities to pay pensions and other benefits in the future, and transfer values. These are not accrued, in accordance with SORP (July 1996) Financial Reports of Pension Schemes.

Basis of Investment Valuation

Investments are shown in the Net Assets Statement at market value. Market valuations are as provided by the Fund's managers and are based on mid-market values as at the Net Assets Statement date. Prices in foreign currencies are translated at the closing rates of exchange as at that date.

Foreign Currency Transactions

Debtors in respect of dealings done in foreign currencies have been converted to sterling at the closing rates of exchange at the Net Assets Statement date.

Fund Management

The day-to-day management of the Fund is split between the Director of Finance (venture capital and internal funds) and three professional fund managers, Baillie Gifford & Co, UBS Ltd and Schroder Investment Management Ltd. Each operates within policies and targets originally determined by the Council's Investment Panel in 1992 and amended in December 2005 so that now UBS Ltd have been given responsibility for 42.5% of the Fund, Schroder Investment Management Ltd 37.5% and Baillie Gifford and Co. 20%. The Pension Sub Committee also agreed certain performance benchmark changes in December 2005 connected with the long term investment strategy which has been fully implemented in 2006/07.

Overall investment strategy is the responsibility of the Pension Sub Committee, which consists of eight councillors who receive advice from the Chief Executive, the Director of Finance and the Head of Legal Services, the three Fund Managers and Pensions Investment Research Consultants Ltd. Trade Union representatives and retired members are also invited to attend the Sub Committee as observers. Sub Committee meetings are held on a quarterly basis. The market value of the assets held by the Council and the three Fund Managers as at 31 March 2007 is as follows:

	£'000
Council	4,794
Baillie Gifford and Co	155,617
UBS Ltd	337,183
Schroder Investment Management Ltd	300,240
	797,834

Actuarial Valuations

The Fund is subject to actuarial valuation every three years. The actuary is required to specify the employer's rate of contribution to the Fund necessary to ensure that present and future commitments can be met. An actuarial valuation of the Fund was carried out as at 31 March 2004.

The discounted market value of the Fund's assets at the valuation date was £525m and their actuarial value of £718m represented 73% of the Fund's accrued liabilities, allowing for future pay increases.

The employer's contribution rates have been calculated using the projected unit actuarial method and the main actuarial assumptions were as follows:

Rate of Return on Investments

Equities	6.70% per annum
Bonds	4.90% per annum
Rate of general pay increases	4.40% per annum
Rate of increases to pensions in payment in excess of guaranteed minimum pensions	2.9% per annum

Assets were valued at the discounted value of future income assuming a 1.8% per annum dividend growth on income reinvested and also assuming that dividend income would be re-invested in the FT All-Share Index and would share in the long-term growth in capital value of equities listed in that index.

As the Fund at 31 March 2004 was sufficient to meet only 73% of the liabilities it has been necessary to increase the employer's contribution rate from 2005/06 and continue at that level for the next two years. The rate of contribution during 2006/07 was 21.9% of pensionable pay.

The recommended rates of employer's contribution, expressed as a percentage of employees' contributions, were as follows:

	%
2004/05	325
2005/06	365
2006/07	365
2007/08	365

The actuarial valuation as at 31 March 2004 was obtained from Hymans Robertson. In July 1997, the Chancellor announced the abolition of advance corporation tax relief to pension schemes. This reduced Pension Fund income from 1997/98 onwards. The actuarial review incorporated an increase in the employer's contribution rate to maintain the solvency of the Fund. The next triennial actuarial valuation will be carried out as at 31 March 2007. The results will be known in November 2007 and the employer's contribution rate will be adjusted in the light of this.

Related Party Transactions

There were no transactions with related parties other than those which are disclosed elsewhere within the accounts. In 2006/07, £0.496m was paid to the Council for administration (£0.500m in 2005/06) and as at 31 March 2007, £4.286m was due from the Council to the Fund (£6.128m at 31 March 2006) (Note 31).

Investment Policy

The LPGS Regulations impose certain limits on different types of investments. Within this framework the Fund imposes its own supplementary limits on the types of assets that may in aggregate be held. During March 2006 the previous limits were slightly amended so as to allow changes to the longer term investment strategy to take place during 2006/07. The limits at 31 March 2007 were as follow:

- /// The minimum rating for corporate bond purchases is BBB according to recognised credit agencies.
- /// No more than 3% of the Fund may be held in any one equity stock except for any companies in the top fifty market capitalisations, where the limit is 7% of the Fund.
- /// No more than 5% of the equity of any company may be held by the Fund.
- /// No more than 5% of the equity portfolio may be invested in companies having a market capitalisation of under £50m at the time of purchase.
- /// No more than 20% of the Fund should be invested in insurance contracts.
- /// No more than 35% of the Fund should be invested in a combination of Unit Trusts and Open Ended Investment Companies.

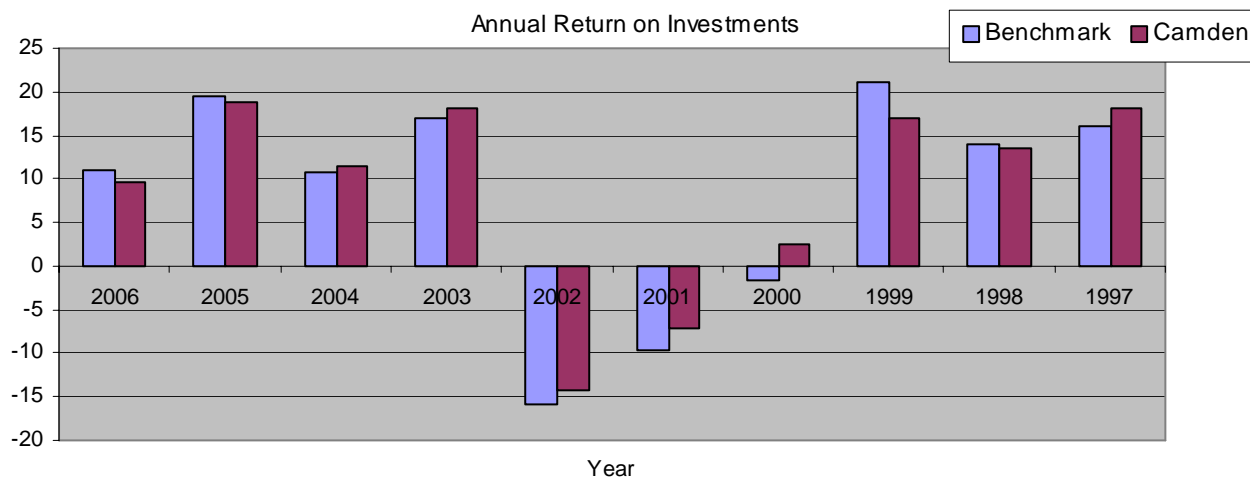
The Council has adopted a formal Statement of Investment Principles which has been published on the council website at www.camden.gov.uk.

Fund Portfolio and Diversification

The Regulations require that the Trustees and Fund Managers should pay regard to the need to diversify investments and also to the suitability of particular investments.

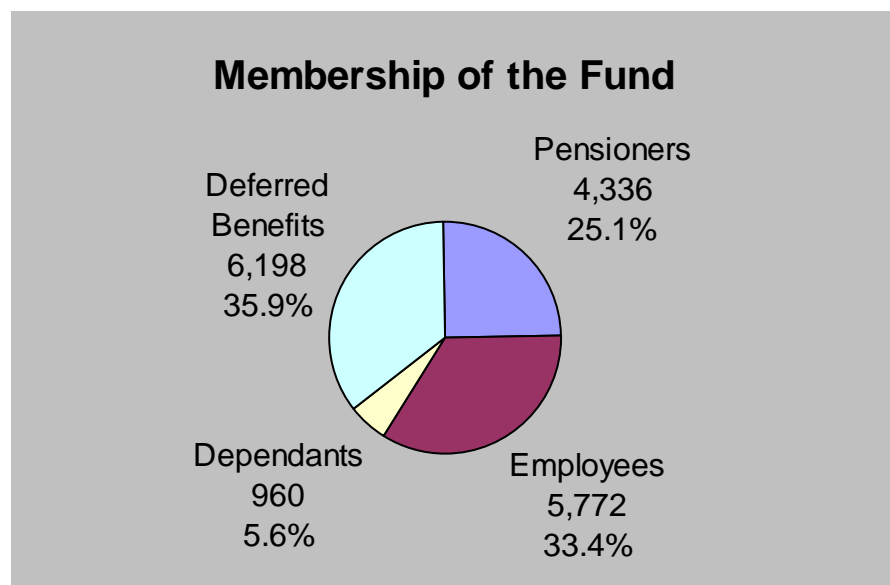
Scheduled Bodies

The Children's Hospital School is a scheduled body which has previously made contributions to the Fund. It made no contribution in 2006/07.



The overall value of the Fund has risen by 141% during the last ten years. The diagram above, based on figures prepared by the WM Company, provides a comparison between the performance of Camden's Fund and that of the average of other participating funds, including company pensions, for each year over this period. It shows the time-weighted return on investments for each calendar year.

Since 1st January 2006 Camden has had a specific benchmark. The comparison is therefore based against nine years WM average and one year of the specific benchmark. The benchmark weightings are as follows: - UK Equities 40%, Overseas Equities 35%, Bonds 15% and Property 10%.



Total membership of the Fund at 31 March 2007 was 17,266 (16,880 in 2006). Within the totals shown in the pie chart are 508 employees, 339 pensioners, 36 dependants and 688 deferred benefits attributable to admitted bodies.

PENSION FUND ACCOUNT for the year ended 31 March 2007

	Notes	2006/07 £'000	2005/06 £'000
Contributions and benefits			
Employees' contributions		(9,691)	(9,181)
Employer's contributions		(33,421)	(32,258)
Transfers in (individual)		(7,099)	(9,984)
Capital costs	1	(2,159)	(2,475)
Pension indexation		8,083	7,489
Retirement pensions		18,095	16,885
Commutation of pensions and lump sum retirement benefits		6,275	3,944
Lump sum death benefits		373	438
Transfers out (individual)		7,167	10,911
Contribution equivalent Premiums	2	9	11
Administration costs		589	588
Other expenditure	3	534	449
Refund of contributions		34	61
Net additions from dealing with members		(11,211)	(13,122)
Returns on investments			
Investment income	4	(21,675)	(21,149)
Change in market value of investments			
Realised		(47,211)	(24,815)
Unrealised		25,784	(92,315)
Management fees		1,330	1,221
Net returns on investments		(41,772)	(137,058)
Net increase in the fund		52,983	150,180
Net assets at 1 April 2006		744,851	594,671
Net assets at 31 March 2007		797,834	744,851

Following a revaluation on 1 October 1992 the distinction between realised and unrealised assets is distorted. The exact impact is unquantifiable but results in the value of the unrealised change in market value being overstated. The extent of the distortion will reduce over the next few years and has no effect on the overall viability of the Fund, other than a presentational one.

PENSION FUND NET ASSETS STATEMENT as at 31 March 2007

	Notes	31 March 2007 £'000	31 March 2006 £'000
Investments at market value			
Fixed interest securities			
Public sector		56,594	99,230
Corporate bonds		15,599	8,923
Life Fund		15,996	12,683
Index linked securities			
-Public Sector		12,057	19,540
-Corporate Bonds		-	368
UK equities	8	319,531	302,910
Overseas equities		279,262	240,272
Property unit trusts		73,578	21,232
Venture capital	7	43	43
Cash deposits		16,984	29,448
	5,6,9	789,644	734,649
Other net assets			
Camden Debtor		4,286	6,128
Net current assets and liabilities	11	3,904	4,074
Net assets		797,834	744,851

The net asset statement includes all assets and liabilities of the fund at 31 March 2007, but excludes long-term liabilities to pay pensions and benefits in future years.

The only unlisted securities held are the Venture Capital holdings.

Notes to the Pension Fund Accounts

1. Capital Costs

This is a payment to the Pension Fund from departmental budgets to make up for the funding shortfall following early retirement or ill health retirement.

2. Contributions Equivalent Premiums

This is a payment to the Contributions Agency to reinstate employees into the State Earnings Related Pension Scheme. This applies only to employees who have received a refund of contributions.

3. Other Expenditure

Included in this figure is a sum of £288,769 for overseas withholding tax on overseas equities, of which about 75% is non refundable.

4. Pension Fund Investment Income

A detailed breakdown of this figure is shown below:

	2006/07	2005/06
	£'000	£'000
Fixed interest securities		
- Public sector	3,287	4,085
- Corporate bonds	87	251
Index linked securities	301	460
UK equities	10,378	9,737
Overseas equities	5,039	3,817
Property unit trusts	1,338	937
Venture capital	-	1
Interest on cash deposits	1,245	1,861
Total income	21,675	21,149

5. Investments

Pension Fund Purchases and Sales by Asset Type for the year ended 31 March 2007:

	2006/07	2005/06
	£'000	£'000
Purchases		
Fixed interest securities		
- Public sector	106,213	130,579
- Corporate bonds	14,199	3,636
Life Fund	3,100	-
Index linked securities	12,186	17,995
UK equities	100,506	35,195
Overseas equities	113,873	86,666
Property Unit Trusts	48,499	498
Total purchases	398,576	274,569
Sales		
Fixed interest securities		
- Public sector	145,801	114,911
- Corporate bonds	7,072	1,935
Life Fund	858	147
Index linked securities	19,883	20,499
UK equities	101,024	37,287
Overseas equities	77,862	65,989
Property unit trusts	-	-
Venture capital	-	42
Total Sales	352,500	240,810

London Borough of Camden – Statement of Accounts 2006/07

6. Pension Fund Analysis of Investments at Market Value

	31 March 2007 £'000	31 March 2006 £'000			
			Ireland	3,606	3,551
			Italy	2,994	3,196
			Japan	27,360	27,803
			Luxembourg	325	270
			New Zealand	333	399
			Norway	913	534
			Portugal	-	670
			Singapore	2,020	1,610
			Spain	4,083	5,312
			Sweden	10,015	7,516
			Switzerland	16,755	12,383
			USA	107,347	74,291
			World miscellaneous	30,344	34,994
				279,262	240,272
Securities					
Government fixed interest					
UK	47,396	83,546			
Germany	-	3,992			
Singapore	858	1,052			
Sweden	4,130	4,730			
USA	4,210	4,599			
Other overseas	-	1,311			
Life Fund	15,996	12,683			
Government index linked					
UK	12,057	19,540			
Fixed interest corporate bonds					
UK	4,614	3,495			
Overseas	10,985	5,428			
Index linked corporate bonds					
UK	-	368			
	100,246	140,744			
UK equities					
Quoted	310,841	294,586			
Life fund	8,504	8,138			
Convertibles	186	186			
	319,531	302,910			
Overseas equities					
Asia miscellaneous	6,196	8,335			
Australia	8,977	7,728			
Austria	168	261			
Belgium	2,020	2,375			
Canada	2,130	1,600			
China	218	203			
Denmark	1,186	1,162			
Europe miscellaneous	1,718	1,461			
Finland	1,510	1,458			
France	21,223	19,944			
Germany	12,809	10,673			
Greece	373	-			
Holland	10,043	8,071			
Hong Kong	4,596	4,472			
			Property unit trusts		
			Hermes	4,133	3,617
			Schroder Exempt	33,502	5,858
			Threadneedle	1,255	1,132
			UBS Triton 11	34,688	10,625
				73,578	21,232
			Venture capital		
			London Enterprise Venture Fund	1	1
			Midland Growth Fund	42	42
				43	43
			Total asset value	772,660	705,201

7. Venture Capital

The valuation dates for the venture capital holdings were as follows:

London Enterprise Venture Fund 1st	31 December 2005
London Enterprise Venture Fund 2nd	31 December 2005
Midland Growth Fund	31 March 2007

London Borough of Camden – Statement of Accounts 2006/07

8. Pension fund – analysis of UK Equities at Market Value by Industrial Sector

For 2006/07, the sector analysis of UK Equities has been revised in a number of areas to provide better overall investment information.

	31 March 2007 £'000	31 March 2006 £'000
Oil & Gas	42,862	46,053
Basic Materials	12,964	9,338
Industrials	31,640	25,362
Health Care	26,922	24,540
Consumer Goods	22,640	21,252
Consumer Services	41,848	31,420
Telecommunications	20,782	22,665
Utilities	9,254	8,256
Financials	91,413	94,023
Technology	4,366	2,838
Life Funds, OEICs & Unit Trusts	14,840	17,163
	319,531	302,910

9. Analysis of Contributors and Benefits

	2006/07 £'000	2005/06 £'000
Contributions receivable		
Administering authority	(43,540)	(45,102)
Scheduled Bodies	-	-
Admitted bodies	(8,830)	(8,796)
	(52,370)	(53,898)
Benefits payable		
Administering authority	37,082	37,390
Scheduled Bodies	6	5
Admitted bodies	3,608	3,381
	40,696	40,776

10 The Fund's 10 Largest Equity Holdings at 31 March 2007

NB 5% of the Fund's net assets are equal to £39.9m.

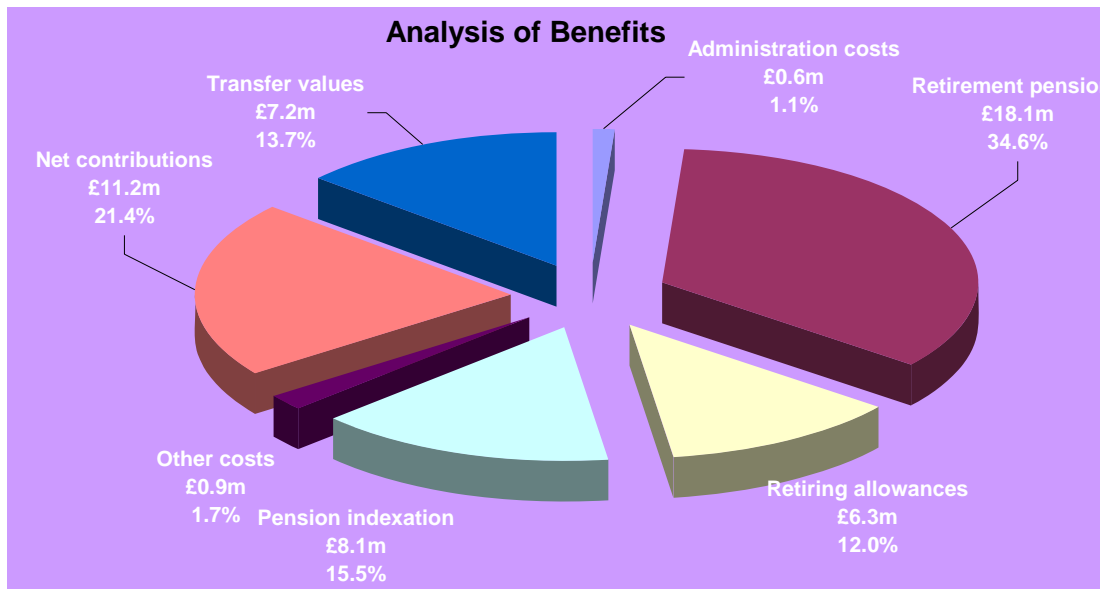
Company	Market value £'000	% of net Assets
GlaxoSmithkline PLC	19,204	2.41
Royal Bank of Scotland Group PLC	18,275	2.29
BP PLC	17,499	2.19
Vodafone PLC	16,634	2.08
Barclays PLC	15,288	1.92
Royal Dutch Shell PLC	14,968	1.87
HSBC Holdings PLC	12,085	1.51
BG Group PLC	8,573	1.07
Prudential PLC	8,339	1.04
Diageo PLC	6,742	0.84
	137,607	17.22

11. Analysis of Net Current Assets and Liabilities

	2006/07 £'000	2005/06 £'000
Assets		
Investment Income receivable	3,374	3,255
Capital Costs receivable	477	906
Admitted Authorities payments receivable	415	387
Inland Revenue	101	68
Liabilities		
Creditors	(463)	(542)
	3,904	4,074

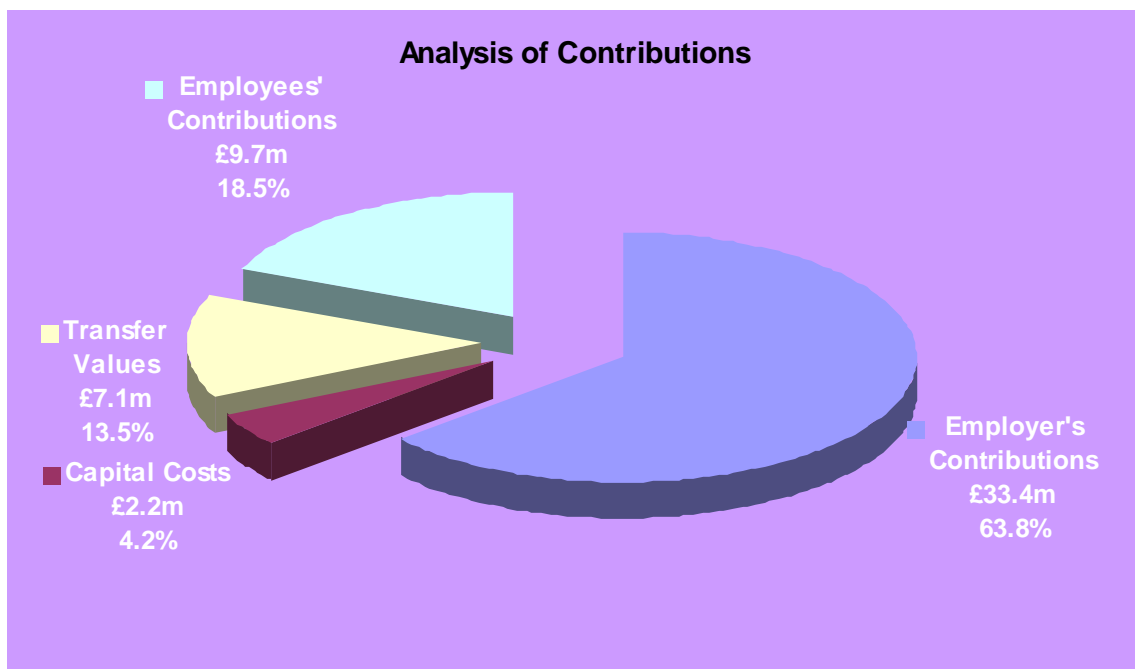
Analysis of Benefits:

The pie chart shows how the total pension fund benefits payable of £52.4m are broken down over the various categories. Retirement Pensions and pension indexation together account for over 45% of the total, while administration accounts for less than 1.5% of the total.



Analysis of Contributions:

The pie chart shows how the total contributions received of £52.4m, available to the Pension Fund in 2006/07, was made up.



GLOSSARY OF FINANCIAL TERMS AND ABBREVIATIONS

FINANCIAL TERMS

Accrual The recognition of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

Balances Unallocated reserves held to resource unpredictable expenditure demands.

Capital Charges Charges made to service department revenue accounts, comprising depreciation (where appropriate) based on the value of the asset employed.

Capital Expenditure Expenditure on new assets such as land and buildings, or on the enhancement of existing assets so as to significantly prolong their useful life or increase their market value.

Capital Financing Charges The annual cost of depreciation, leasing charges and other costs of funding capital expenditure.

Capital Receipts Income received from the sale of land, buildings and other capital assets.

Contingent Liabilities Potential losses for which a future event will establish whether a liability exists. As it is not appropriate to establish provisions for such amounts, they are not accrued in the financial statements, but disclosed separately in a note to the Balance Sheet.

Creditors Amounts owed by the Authority at 31 March for goods received or services rendered but not yet paid for.

Debtors Amounts owed to the Authority which are collectable or outstanding at 31 March.

Dedicated Schools Grant – a specific grant for the funding of schools and which is ring-fenced to the Schools Budget. This grant was split out from the Revenue Support Grant in 2006/07.

Deferred Capital Income This consists mainly of income due from former tenants who have purchased their homes and taken out mortgages with the Council.

Deferred Charges Expenditure of a capital nature for which there is no tangible asset (e.g. improvement grants).

Earmarked Reserves Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

Provisions Monies set aside for liabilities and losses which are likely to be incurred but where exact amounts or dates on which they will arrive are uncertain.

Revenue Expenditure Spending on day-to-day items, including salaries and wages, premises costs and supplies and services.

Revenue Support Grant The main grant paid by central government to a local authority towards the costs of all its services.

Transfer Payments Benefits paid over to tenants and homeowners towards rent and council tax which is then reimbursed by central government.

ABBREVIATIONS

CIPFA Chartered Institute of Public Finance and Accountancy

DCLG Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister)

DfES Department for Education and Skills (Central Government)

DWP Department of Work and Pensions (Central Government)

FTE Full Time Equivalent

GLA Greater London Authority

HRA Housing Revenue Account

ILEA The former Inner London Education Authority

LGPS Local Government Pension Scheme

LPFA London Pensions Fund Authority

LRB The former London Residuary Body (residual functions of the Greater London Council and ILEA)

MRP Minimum Revenue Provision

NNDR National Non Domestic Rates (Business Rates)

OEIC – Open Ended Investment Company

PFI Private Finance Initiative

PPP Public Private Partnership

PWLB Public Works Loans Board

SORP Statement of Recommended Practice

SRB Single Regeneration Budget

SSAP Statement of Standard Accounting Practice