

London Borough of Tower Hamlets

Summary of Accounts 2005 - 2006

The information in this leaflet is from the London Borough of Tower Hamlets' 2005 - 2006 Statement of Accounts. The full statement of accounts which contains detailed information and explanatory notes, is available online at www.towerhamlets.gov.uk or can be obtained from Head of Corporate Finance, Mulberry Place, 5 Clove Crescent, London E14 2BG.

All figures relate to 2005 – 2006 unless otherwise stated.

REVENUE ACCOUNT

The revenue account shows details of day-to-day spending on services over the year. In summary, the Council spent £1,062 million. To balance this spending, we received £1,009 million made up of grants from the Government, interest on investments and charges for some services, and we raised £60 million in Council Tax.

Services

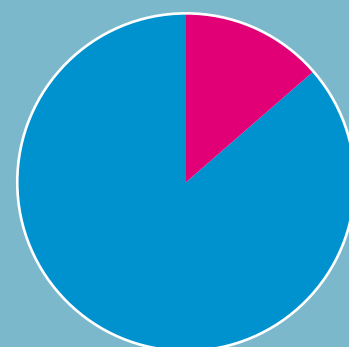
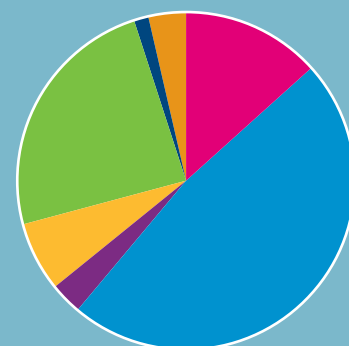
£million	Spending	Income	Cost	
Cultural, Environmental and Planning	104	42	62	●
Education	314	93	221	●
Highways, Roads and Transport	29	14	15	●
Housing	380	349	31	●
Social Services	155	43	112	●
Central Services	35	29	6	●
Corporate and Democratic Services	26	10	16	●
Other Costs and Income	19	50	-31	

TOTAL FOR SERVICES	1062	630	432	
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Council Tax			-60	●
Formula Grant from Government			-379	●
Total income from formula grant and Council Tax			-439	
Surplus for the year			-7	

Reserves

Balance carried forward from March 2005			10	
Difference between costs and income from formula grant and Council Tax transferred to balances			7	
Balance carried forward to 2006/07			17	

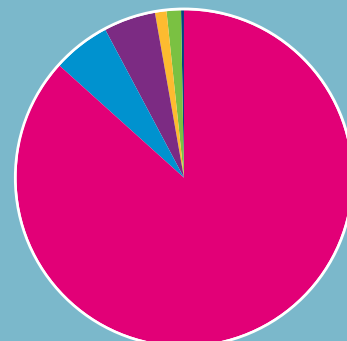


BALANCE SHEET AT 31 MARCH 2006

The balance sheet shows the overall financial position of the Council at the end of the year and how its assets (the value of what the Council owns or is owed) compared with its liabilities (obligations to others).

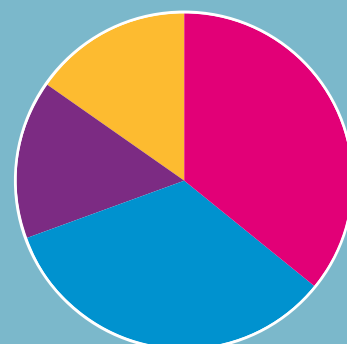
Assets

	£million	
Fixed Assets	1778	●
Investments	114	●
Short term amounts owed to the Council	102	●
Cash and bank balances	24	●
Long term amounts owed to the Council	29	●
Stocks and work in progress	3	●
TOTAL ASSETS	2050	



Liabilities

Long term borrowing (note 1)	388	●
Pensions (future retirement of staff)	366	●
Short term amounts owed by the Council	165	●
Other liabilities	163	●
TOTAL LIABILITIES	1082	



TOTAL ASSETS LESS LIABILITIES (note 2)	968
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Notes:

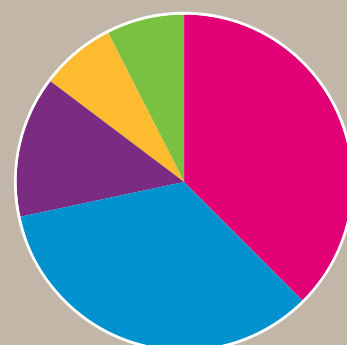
- 1 About £325m is repayable between 2010 and 2020
- 2 £138million is in cash balances. This includes: £16m for insurance, £21m for schools, £24m in capital reserves, £16m for housing, £17m in the revenue account (see previous page) and £6m in the housing revenue account (see opposite)

CAPITAL SPENDING

Capital spending is money spent on items that will be of benefit for more than one year.

Spending

	£million	
Works to Council housing	36	●
Other land and buildings	33	●
Deferred charges (capital grants)	13	●
Infrastructure	7	●
Other spending	7	●
TOTAL SPENDING	96	

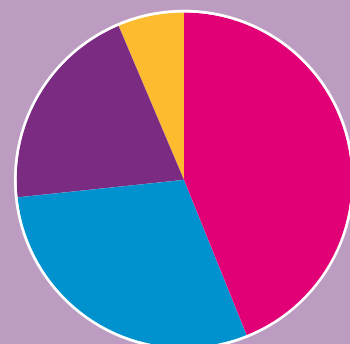


HOUSING REVENUE ACCOUNT

On 31st March 2006 the Council owned 17,649 homes (16,520 flats and 1,129 houses and bungalows). The average rent in 2005/06 was £75.95 a week. The table below shows the Council's day to day income and spending as a landlord.

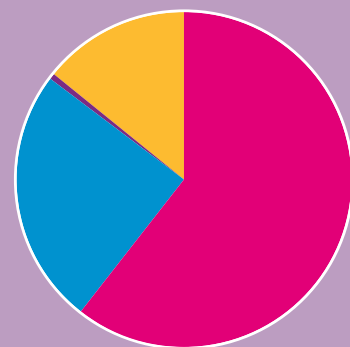
Spending

	£million	
Capital Charges	70	●
Supervision and Management	47	●
Repairs and Maintenance	32	●
Other Costs	10	●
TOTAL SPENDING	159	



Income

Rents and service charges	96	●
Government grant	39	●
Other income	1	●
Internal charges for use of Council assets	22	●
TOTAL INCOME	158	



Reserves

HRA balance carried forward from 2004/05	7
Difference between costs of services this year and income paid into balances	1
HRA balance carried forward to 2006/07	6

Funding

	£million	
Borrowing	27	●
Government grants	23	●
Sale of assets	25	●
Money from revenue account	21	●
TOTAL FUNDING	96	

