

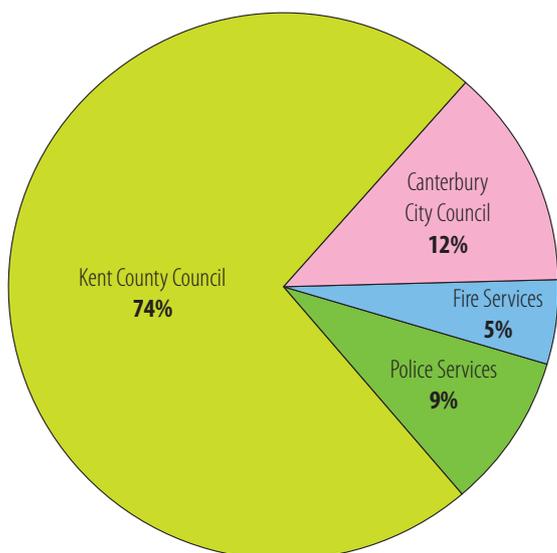
Canterbury City Council's accounts are an important element in demonstrating the stewardship of public money. They show the resources available to the council and how they are used to deliver services to the local district.

This is a summary of the full Statement of Accounts, showing the financial position for the year ending 31 March 2008.

Where does your Council Tax go?

The council collects Council Tax for the district of Canterbury, Whitstable, Herne Bay and the rural areas. This is held in a separate fund and then distributed as shown in the pie chart below.

As you can see below, only 12% of your Council Tax goes towards services provided by Canterbury City Council.



Income and Expenditure Account and Movement in General Fund Balance

The income and expenditure account shows the money paid and money received for the council's day to day services throughout the year.

Revenue Account for the year ended 31 March 2008	Gross expenditure	Gross income	Net expenditure
	£'000	£'000	£'000
Culture and Heritage	7,597	5,049	2,548
Recreation, sport and open spaces	4,449	804	3,645
Tourism	1,704	468	1,236
Coast Protection	1,277	480	797
Waste collection and disposal	3,284	484	2,800
Environmental services	5,256	833	4,423
Planning and parking services	15,929	10,502	5,427
Housing Services (including impairment)	28,201	20,834	7,367
Housing Benefits payments and admin	30,067	30,165	-98
Central Services	15,991	11,050	4,941
Impairment losses*	4,581	0	4,581
Net cost of services	118,336	80,669	37,667
Plus notional deficit on disposal of assets			1,844
Less loan interest and other adjustments			- 698
Amount to be met from government grants & local taxation			38,813
Financed by:			
Council Tax			- 8,596
Revenue support grant			- 1,744
Contribution from Non-domestic Rate pool			- 10,390
LABGI** grant			- 227
Total			- 20,957
Deficit for the year			17,856
Reversal of notional deficit on disposal of assets			- 1,844
Reversal of impairment losses			- 15,064
Other net statutory & non-statutory amounts credited to the General Fund			- 1,102
Increase in General Fund Balance for the year			- 154
General fund balance as at 31 March 2007			- 2,188
General fund balance as at 31 March 2008			- 2,342
Increase in General Fund Balance for the year			- 154

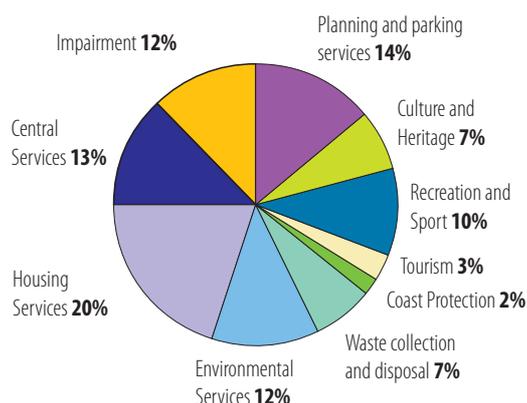
The surplus for the year of £154,000 equates to only 0.4% of net expenditure.

* Impairment losses relate to a general fall in value of some commercial properties

** Local Authority Business Growth Incentive (LABGI) is a grant paid by the government to encourage economic growth by allowing local authorities to keep a share of increased NDR revenue.

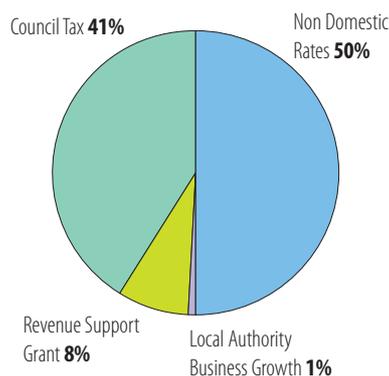
Net expenditure

The pie chart below shows the net result of the council's income and expenditure totalling £37,667,000 and indicates the major categories of services provided.



Finance Income

The pie chart below shows the total finance income of £20,957,000 identifying the various sources.



The Revenue Support Grant (RSG) is paid directly from central government.

Non Domestic Rates (NDR) are the rates paid by businesses in the Canterbury district, which are all paid to a central government pool. The 50% represents our share of the pool.

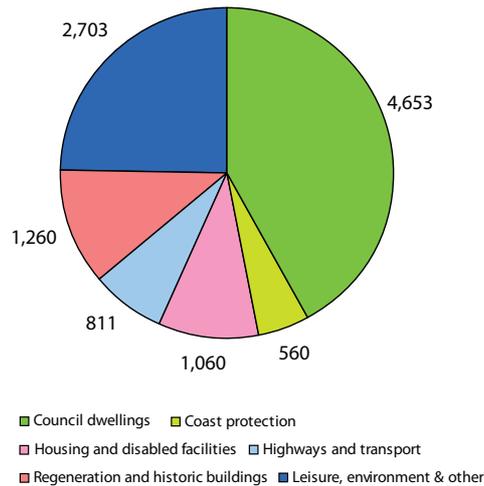
Local Authority Business Growth Incentive (LABGI) is a grant paid by the government to encourage economic growth by allowing local authorities to keep a share of increased NDR revenue.

The Council Tax income is the proportion paid to Canterbury City Council for our services.

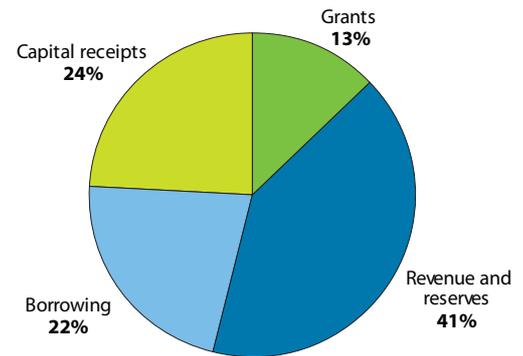
Capital spending

Unlike the revenue account, capital spending is incurred on either acquiring new assets or enhancing existing assets. The council receives the benefit from capital expenditure over a long period of time.

The pie chart below shows capital expenditure for 2007/08 in £'000.



Paying for capital spending



The pie chart above shows how capital expenditure was financed in 2007/08.

Cost of Housing Services

The Housing Revenue Account (HRA) is a separately maintained account showing the costs of running the council's housing stock used to accommodate council tenants.

The HRA expenditure is financed by rents and service charges.

	£ '000
Income	
Dwelling rents	18,433
Non-dwelling rents	461
Charges for service and facilities	1,463
Total income	20,357
Expenditure	
Repairs and maintenance	4,142
Management of housing stock	4,863
Subsidy payable to government	4,138
Depreciation charges	3,222
Impairment losses*	9,752
Insurance and rents	265
Total expenditure	26,382
Net cost of HRA Services	6,025
Corporate costs	116
Investments, interest and borrowing	223
Total deficit for the year	6,364
Financing capital expenditure	620
Reversal of impairment losses	- 9,752
Other statutory amounts debited to HRA balance	770
Increase in HRA balance for the year	- 1,998
HRA balance as at 31 March 2007	- 5,689
HRA balance as at 31 March 2008	- 7,687
Increase in HRA balance for the year	- 1,998

The council is responsible for managing a housing stock of 5,298 properties as at 31 March 2008.

* Impairment losses relate to the general reduction in value of council houses.

Cash flow

The cash flow summarises the inflows and outflows of cash arising from dealings with third parties.

	£'000's
Cash in bank (at end of March 2007)	- 908
Cash IN	- 202,348
Cash OUT	201,709
Cash in bank (at end of March 2008)	- 1,547

Financial Position

At the end of each year, we draw up a balance sheet that represents how much Canterbury City Council's land and buildings are worth, how much is owed to others, how much others owe us and the amount of cash we have.

As at 31 March 2008	£ '000
Value of land and property	496,789
Investments and cash in bank	38,414
Money owed to Canterbury City Council	10,835
Money owed by Canterbury City Council	- 15,066
Loans outstanding	- 27,025
Other long term liabilities	- 54,608
Total assets less total liabilities	449,339
Financed by:	
Revenue balances	10,178
Reserves and revaluation reserve	- 11,220
Capital financing	450,381
Total equity	449,339

Audit approval

The council's accounts are audited each year by the Audit Commission. This is to ensure the financial statements present fairly the financial position of the council and its income and expenditure for the year. At the time of going to print, the draft 2007/08 accounts are unaudited. The audited statement of accounts will be available from www.canterbury.gov.uk/finance from 1 October 2008.

Further information

We compiled the figures in the Statement of Accounts using proper accounting practice. However, we have made some modifications to this summary to provide meaningful information.

Please call **01227 862 000** if you would like this document in another format, including Braille, large print, audio tape or other languages.

For a full copy of the accounts call **01227 862 000** or go to www.canterbury.gov.uk/finance.