

Summary Statement of Accounts 2020-2021

This document contains summarised information from the Council's 2020-21 Statement of Accounts, providing information on where the Council's money is spent, where the money comes from and the summary of the Council's assets and liabilities.

Financial Review

During the year the Council delivered its services within the approved budget of £174.8m, contained the pressures arising from the challenging financial environment and managed the risks around demand pressures.

The Council's General Fund Balances remains at £10.008m with £15.3m being taken to the balance of usable reserves. This gives the Council the capacity needed to implement future savings and organisational transformation, to manage risks arising in future years from continuing demographic pressures, the economy, welfare reforms and further changes to Central Government funding.

Examples of the Council's key achievements over the last year are summarised below:

- Provided pandemic support for businesses and for those isolating or vulnerable.
- Successful roll-out of a new-strengths based approach to supporting existing Adult Social Care clients.
- Despite the challenges of the pandemic, successful intervention in 84% of new requests for Adult Social Care support from residents, with three quarters being from new clients.
- Delivery of statutory and commissioned services to schools, supporting children with SEND.
- The Building Control Service undertook 8,034 site inspections (mostly during lockdowns) and dealt with 978 building control applications.
- Learn Harrow has delivered learning, engagement and Information, Advice and Guidance to 3287 individuals to date.

The full Statement of Accounts has been prepared in accordance with accounting policies applicable to local authorities and is available on the Council's website (www.harrow.gov.uk). The Audit opinion is due to be issued in December 2021.

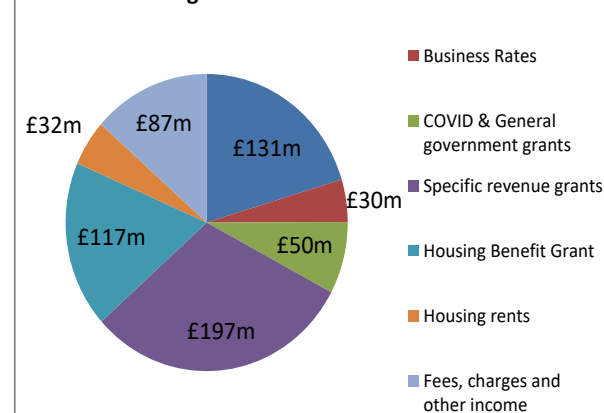
Dawn Calvert CPFA
Director of Finance 30th November 2021

Expenditure and Funding Analysis (EFA)

The EFA shows how expenditure in the year is applied and funded as per the outturn report, and compares this with the true economic cost valued in accordance with proper accounting practices shown in the Consolidated Income and Expenditure Statement (CIES). The true economic cost is different from the outturn report because amounts charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes are specified by regulations.

2019-20 £000		2020-21 £000	2020-21 £000	£000
Net Expenditure in Outturn Report		Net Expenditure in Outturn Report	Adj between Funding and Accounting Basis	Net Expenditure in CIES
66,356	People - Adult Services & Public Health	70,963	(3,085)	67,878
42,469	People - Children & Families	43,901	(10,183)	33,718
49,095	Community	72,155	(9,707)	62,448
9,214	Resources & Commercial	(12,259)	42,599	30,340
167,134	Net Cost of Services	174,760	19,624	194,384
(167,134)	Other Income & Expenditure	(174,760)	11,124	(163,636)
0	(Surplus) or Deficit	0	30,748	30,748
(10,008)	Opening General Fund Balance	(10,008)		
0	Plus Surplus on General Fund in Year	0		
	Closing General Fund Balance as at 31st March	(10,008)		

Revenue Funding Source 2020-21



The graph shows the various sources of general Council income. 25% of income comes from Council Tax and Business Rates, 49% from grants for specific revenue purposes and the other 26% from general grants, fees, charges, tenant rents and investment income etc.

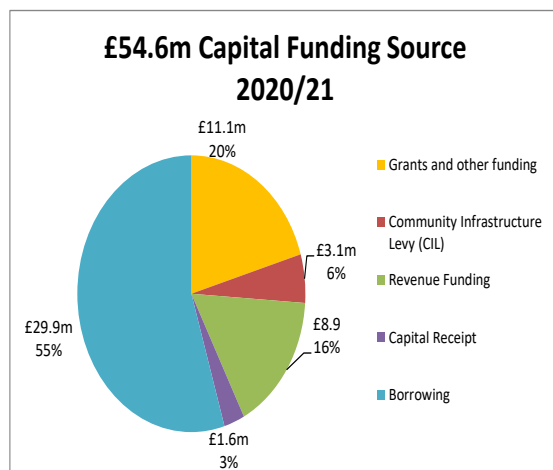
Balance Sheet

	2020-21 £000	2019-20 £000
Land, Buildings and Other Assets *	1,367,100	1,303,600
Other Long Term Assets	15,700	16,017
Cash & Cash Equivalents	61,468	38,606
Current Assets	81,669	61,274
Current Liabilities	(134,683)	(90,031)
Long term Liabilities **	(975,959)	(859,928)
Net Assets	415,295	469,538
Usable Reserves	(159,071)	(136,517)
Unusable Reserves	(256,224)	(333,021)
Total Reserves	(415,295)	(469,538)

* **Land, Buildings and Other Assets:** This includes assets owned by the Council such as housing stock, schools, office buildings, roads, bridges, etc.

** **Long term Liabilities:** This includes borrowing (£422m) to fund investments in buildings and other assets and Pensions liability of (£518m) for the accrued cost of retirement benefits. This liability will be funded from future pension contributions and pension investment returns.

Capital Expenditure



Capital expenditure is expenditure that provides long term benefit to the council such as the buying, improvement or construction of buildings, road improvements, IT equipment purchases etc. During 2020-21, the Council invested £54.6m in new Council housing stock, improvements to existing housing stock, highways and street lighting etc. etc.

The capital programme is mainly funded from borrowing, government grants, revenue contributions and sale proceeds from disposal of assets.

Housing Revenue Account

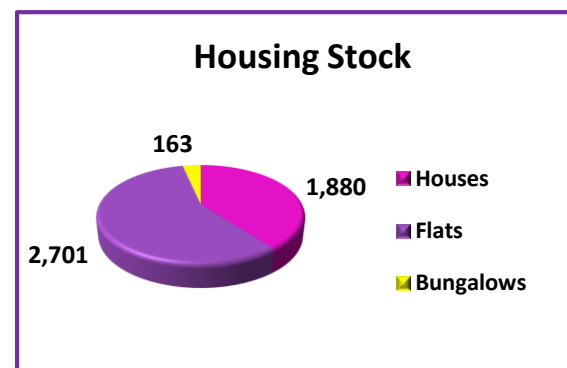
The Council owns and manages 4,744 properties which it lets for the purpose of social housing. The income and expenditure relating to these properties is required by legislation to be accounted for separately in a ring-fenced Housing Revenue Account.

HRA	2020-21 £000	2019-20 £000
Income		
Council House Rents	(28,310)	(28,002)
Other Income	(10,244)	(14,639)
	(38,554)	(42,641)
Expenditure		
Repairs & Maintenance	8,025	8,428
Supervision & Management	9,500	9,289
Capital Charges	7,743	7,647
Financing Expenditure	6,422	6,380
Other Costs	5,820	4,467
	37,510	36,211
Surplus for the year	(1,044)	(6,430)
Transfers to/from reserves	2,296	6,378
HRA balance b/f	(7,526)	(7,474)
Balance c/f	(6,274)	(7,526)

What happens to the rents paid by council tenants?

Tenant rents can only be used to manage, repair and maintain the properties and pay interest on the borrowings taken out to build and improve them.

Unused income is carried forward to future years as the Housing Revenue Account balance.



- At 31st March 2021 0.77% of available properties were vacant.
- There was a net decrease of 79 properties during the year. 83 properties were sold to tenants or demolished during the year while 4 properties were built or acquired.
- Average weekly rents were £113.56 per week in 2020-21.